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APN: 1220-04-101-016

WHEN RECORDED RETURN TO:

✓ Nevada State Development Corp.  
6572 S. McCarran Blvd.  
Reno, Nevada 89509

REQUESTED BY  
*Nevada State Dev*  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2004 NOV 16 AM 10: 51

WERNER CHRISTEN  
RECORDER

\$18<sup>00</sup> PAID *KJ* DEPUTY

Space Above This Line For Recorder's Use Only

SBA Loan No. ALP 7478044008

### THIRD PARTY LENDER AGREEMENT

This THIRD PARTY LENDER AGREEMENT, dated the 29th day of September, 2004, by and between California Bank & Trust, whose address is 2399 Gateway Oaks Drive, Suite 110, Sacramento, California, 95833 (the "Third Party Lender") and NEVADA STATE DEVELOPMENT CORPORATION, a Nevada corporation, whose address is 6572 S. McCarran Blvd., Reno, Nevada (the "CDC"), recites and provides:

#### RECITALS

Lynn D. Wagner, Trustee of the Lynn D. Wagner Family Trust, u/t/a dated September 18, 2002 (the "Borrower") is the owner of the real estate and other collateral described on the attached Exhibit A (the "Collateral"). The Third Party Lender has made two loans, both of which have been fully advanced, one in the amount of One Hundred Seventy-seven Thousand and no/100 (\$177,000.00) (the "Term Loan") and a second in the amount of One Hundred Thirty-eight Thousand and no/100 (\$138,000.00) (the "Interim Loan"). The Term Loan is secured, among other things, by a first lien deed of trust dated September 3, 2004, and recorded September 14, 2004, as Document No. 0624121, in the Official Records of Douglas County, Nevada (together with any modifications, extensions or amendments thereof) (the "Term Loan Deed of Trust"). The Interim Loan is secured, among other things, by a second lien deed of trust dated September 3, 2004, and recorded September 14, 2004, as Document No. 0624119, Official Records of Douglas County, Nevada (together with any modifications, extensions or amendments thereof) (the "Interim Loan Deed of Trust").

The CDC has agreed to make a loan in the amount of One Hundred Forty-four Thousand and no/100 (\$144,000.00) (the "504 Loan") to the Borrower. The 504 Loan will be secured, among other things, by a deed of trust (the "504 Deed of Trust") to be recorded among the aforesaid land records in the official records of the above mentioned county and state.

#### AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing recitals, the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Third Party Lender agrees as follows:

1. Payoff of Interim Loan. Following the making of the 504 Loan, the Third Party Lender will receive One Hundred Thirty-eight Thousand and no/100 (\$138,000.00) from the CDC, which the Third Party Lender will apply to pay off the principal balance of the Interim Loan and, upon the payment of any accrued, but unpaid interest on the Interim Loan, the Third Party Lender shall release the Interim Loan Deed of Trust and release, cancel or mark as paid all other liens and documents securing the Interim Loan.

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2. Subordination of Future Advances and Default Charges. Except for advances made for reasonable costs of collection, maintenance and protection of the Third Party Lender's lien made pursuant to the Term Loan Deed of Trust, the Third Party Lender hereby subordinates to the 504 Loan and the lien of the 504 Deed of Trust (a) any sum advanced to the Borrower by the Third Party Lender after the date of this Agreement and (b) any prepayment penalties, late fees, and increased default interest in connection with the Term Loan or the Interim Loan.

3. Compliance with 504 Loan Program Requirements. The Third Party Lender confirms that the note and all other documents executed in connection with the Term Loan (a) evidence a loan that does not exceed the principal amount permitted by the Authorization for Debenture Guarantee (SBA 504 Loan) issued by the U.S. Small Business Administration ("SBA") to CDC to assist Borrower, (b) have no open-ended features and allow only future advances for the reasonable costs of collection, maintenance and protection of the Third Party Lender's lien thereunder, (c) are not cross-collateralized with any other financing now or hereafter to be provided by the Third Party Lender, (d) have no early call features, (e) are not payable on demand unless the Term Loan is in default, (f) have a term of at least, and do not require a balloon payment prior to, ten years for a 20-year 504 loan or seven years for a 10-year 504 loan, (g) have a reasonable interest rate that does not, and will not, exceed the maximum interest rate for a Third Party Loan as published by SBA, and (h) do not establish a preference in favor of the Third Party Lender as compared to CDC or SBA other than the Third Party Lender's senior lien position. The Third Party Lender agrees that if any provision in the note or any other document executed in connection with the Term Loan does not comply with these requirements, then the Third Party Lender waives its right to enforce any such provision.

4. Waiver of Enforcement of Covenant Not to Encumber the Collateral. If the Term Loan Deed of Trust or any document executed in connection with the Term Loan, or the Interim Loan Deed of Trust or any document executed in connection with the Interim Loan, contains any provision prohibiting the Borrower from further encumbering the Collateral, the Third Party Lender waives its right to enforce any such provision as it might apply to the lien arising from the 504 Deed of Trust securing or any other document securing or evidencing the 504 Loan.

5. Notice of Default Under the Third Party Lender Loan. If any default, event of default or delinquency, upon which the Third Party Lender intends to take action, occurs (a) under the Term Loan Deed of Trust or any document executed in connection with the Term Loan or (b) under the Interim Loan Deed of Trust or any document executed in connection with the Interim Loan, then the Third Party Lender agrees to give the CDC and the U.S. Small Business Administration (the "SBA") written notice of such default, event of default or delinquency and the opportunity to cure or to purchase the Third Party Lender's note(s) and the Term Loan Deed of Trust and/or the Interim Loan Deed of Trust prior to foreclosure. Such notice must be given within thirty (30) days after the default, event of default or delinquency upon which the Third Party Lender intends to take action and at least sixty (60) days prior to the date of any proposed sale; and the Third Party Lender will not sell all or any portion of the Collateral without giving the CDC and the SBA such notice. Notice under this Agreement shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to the CDC at 6572 South McCarran Blvd., Reno, Nevada 89509, Attention: Servicing, and to the SBA at 400 S. 4<sup>th</sup> Street, Suite 250, Las Vegas, Nevada 89101 Attention: District Counsel.

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6. Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their successors and assigns.

DATED September 29, 2004.

California Bank & Trust

Debi Stytz  
By Debi Stytz, Vice President

**ASSIGNMENT TO SBA**

CDC assigns this Third Party Lender Agreement to SBA.

DATED Oct. 5, 2004.

NEVADA STATE DEVELOPMENT CORPORATION, a Nevada corporation

By Roberta Bennett  
Roberta Bennett, President

~~STATE OF CALIFORNIA) ) ss.  
COUNTY OF )~~

~~SEE ATTACHED~~

~~This instrument was acknowledged before me on \_\_\_\_\_, 2004, by \_\_\_\_\_ as \_\_\_\_\_ of CALIFORNIA BANK & TRUST~~

~~\_\_\_\_\_  
Notary Public~~

STATE OF NEVADA ) ) ss.  
COUNTY OF WASHOE)

This instrument was acknowledged before me on October 5, 2004, by ROBERTA BENNETT, as President of NEVADA STATE DEVELOPMENT CORPORATION.



Stephanie Morris  
Notary Public

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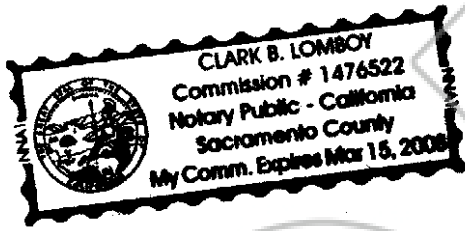
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of SACRAMENTO } ss.

On SEPT. 29, 2004 before me, CLARK B. LOMBOY  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared DEBI STYTZ

Name(s) of Signer(s)  
 personally known to me  
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.  
Clark B. Lomboy  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

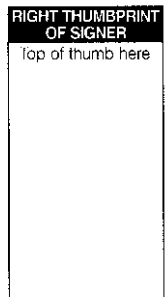
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



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**Exhibit A**

Real Estate Collateral as described below:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that certain lot or parcel of land lying and being a portion of the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 4, Township 12 North, Range 20 East, M.D.B. & M., in Gardnerville, Douglas County, Nevada, and more particularly described by metes and bounds as follows, to wit:

BEGINNING at a point at the Northeast corner of the parcel and 31.72 feet South from the line between Townships 12 and 13 North, Range 20 East and on the Southerly side of the county roadway, or Douglas Avenue, said point of beginning being further described as bearing South  $88^{\circ}20'18''$  East, a distance of 917.37 feet from the so-called Dettling Monument to the Town of Gardnerville, said Monument being described as bearing South  $89^{\circ}48'45''$  West, a distance of 3960.40 feet from the Northeast corner of said Section 4:

Thence from said point of beginning South  $00^{\circ}09'$  East, a distance of 150.00 feet to a point at the Southeast corner of the parcel;

Thence South  $89^{\circ}51'$  West, a distance of 44.25 feet to a point on the Easterly side of the State Highway Right-of-Line;

Thence North  $51^{\circ}06'$  West, along the Easterly side of said highway, a distance of 61.85 feet to a point;

Thence North  $20^{\circ}28'$  West, a distance of 118.25 feet to a point at the Northwest corner of the parcel, on the Southerly side of said Douglas Avenue;

Thence North  $89^{\circ}51'$  East, along the Southerly line of said Avenue, a distance of 133.30 feet to the POINT OF BEGINNING.

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain GRANT, BARGAIN AND SALE DEED, recorded in the office of the County Recorder of Douglas County, Nevada on May 2, 2000, in Book 500, Page 611, as document No. 491171, of Official Records.

Other Collateral:

Fixtures described in that certain Deed of Trust dated September 3, 2004, recorded on September 14, 2004 in Douglas County, Nevada as Document Number 0624121.

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