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APN: 1220-15-210-044

WHEN RECORDED RETURN TO:

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

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 5 Fee: 18.00
BK-0505 PG-10509 RPTT: 0.00



Space Above This Line For Recorder's Use Only

SBA Loan No. 813 092 4005

THIRD PARTY LENDER AGREEMENT

This THIRD PARTY LENDER AGREEMENT, dated the 11th day of February, 2005, 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

Lesley A. Grove and Aaron M. Grove (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 Forty Thousand and no/100 Dollars (\$140,000.00) (the "Term Loan") and a second in the amount of One Hundred Thirty-five Thousand and no/100 Dollars (\$135,000.00) (the "Interim Loan"). The Term Loan is secured, among other things, by a first lien deed of trust dated January 20, 2005, and recorded February 2, 2005, in Book 0205, Page 675-691, as Document No. 635845, 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 January 20, 2005, and recorded February 2, 2005, in Book 0205, Page 701-717, as Document No. 635847, 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-one Thousand and no/100 Dollars (\$141,000.00) (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-five Thousand and no/100 Dollars (\$135,000.00) 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.

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. 4th Street, Suite 250, Las Vegas, Nevada 89101 Attention: District Counsel.



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 February 11, 2005.

California Bank & Trust

Mary L. Borges
By Mary Borges
Its Asst. Vice President

ASSIGNMENT TO SBA

CDC assigns this Third Party Lender Agreement to SBA.

DATED March 2, 2005.

NEVADA STATE DEVELOPMENT CORPORATION, a Nevada corporation

By Roberta Bennett
Roberta Bennett, President

STATE OF CALIFORNIA)) ss.
COUNTY OF)

This instrument was acknowledged before me on _____, 2005, by _____ as _____ of California Bank & Trust.

See Attached

Notary Public

STATE OF NEVADA)) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on March 2, 2005, by Roberta Bennett, President of NEVADA STATE DEVELOPMENT CORPORATION.



Stephanie Morris
Notary Public



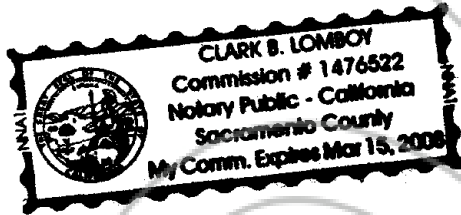
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of SACRAMENTO } ss.

On FEB. 28, 2005 before me, CLARK B. LOMBOY, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared MARY L. RODRIGUES

Name(s) of Signor(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: _____

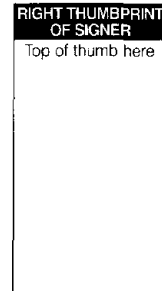


Exhibit A

Real Estate Collateral as described below:

The land referred to herein is situated in the State of Nevada, County of DOUGLAS, described as follows:

Lot 92-A, as said lot is shown on the Official Plat of GARDNERVILLE RANCHOS UNIT NO. 2, filed in the office of the County Recorder of Douglas County, Nevada on June 1, 1965, in Book 1 of Maps, filed as No. 28309, and Title Sheet amended on June 4, 1965, as Filing No. 28377.

Assessor's Parcel No. 1220-15-210-004.

Other Collateral:

Fixtures described in that certain Deed of Trust dated January 20, 2005, recorded on February 2, 2005 in Douglas County, Nevada in Book 0205, Page 675-691 as Document Number 635845.

