

OFFICIAL RECORD

Requested By:  
STEWART TITLE OF DOUGLAS

COUNTY  
Douglas County - NV  
Werner Christen - Recorder

Page: 1 Of 5 Fee: 18.00  
BK-0805 PG-11477 RPTT: 0.00



APN: 1320-04-001-079

WHEN RECORDED RETURN TO :

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

*Title 050501660*  
*Escrow 500405-06*

Space Above This Line For Recorder's Use Only

SBA Loan No. 7576854008

**ASSIGNMENT OF LEASE FOR SECURITY  
AND  
SUBORDINATION**

IN ORDER to induce NEVADA STATE DEVELOPMENT CORPORATION to make a loan or loans ("Loan") to the Lessor (Landlord) identified below, the undersigned, jointly and severally, hereby ASSIGN, SELL AND TRANSFER unto NEVADA STATE DEVELOPMENT CORPORATION ("Assignee" or "Lender") all their right, title and interest and to that certain Lease dated July 1, 2005, by and between them to the premises more particularly described on Exhibit "A" attached hereto (the "Leased Premises"), and, by reference, made a part hereof.

Lessee (Tenant) hereby irrevocably grants, transfers, and assigns to Lender the rents, income, issues, and profits due under the Lease, absolutely and unconditionally, and not merely as additional security for the Loan; provided, however, prior to the occurrence of any event of default under the Loan, Lender grants permission to Lessor (Landlord) to collect and retain the rent, income, issues, and profits under the Lease as they become due and payable. In the event of a default under the Loan, Lender shall have the right, with or without taking possession of the Leased Premises, to collect all rents, issues, royalties, and profits, and shall be entitled either personally or by attorney or agent, without bringing any action or proceeding, or by a receiver to be appointed by the court, to enter into possession, and hold, occupy, possess, and enjoy the Leased Premises, make, cancel, enforce, and modify leases, obtain and eject tenants, and set and modify rents and terms of rent. Lender shall have the further right to sue, and to take, receive, and collect all or any part of the rents, issues, royalties, and profits of the Leased Premises, and after paying all costs of maintenance, operation, and collection, including reasonable attorneys' fees, as Lender may deem proper, to apply the balance upon the indebtedness due under the Loan. The receipt and

application by the Lender of such rents, issues, and profits, shall not cure any breach or default under the Loan.

Lessee (Tenant) hereby agrees, warrants and covenants that the aforesaid Lease, and Lessee's (Tenant's) interest therein, are and shall be at all times subject and subordinate to the Deed of Trust encumbering the real property described on Exhibit "A" attached hereto for the benefit of NEVADA STATE DEVELOPMENT CORPORATION, its successors and assigns, and to any renewals, modifications, or extensions of said Deed of Trust. By reason of such subordination, if the interest of Lessor (Landlord) shall be acquired by NEVADA STATE DEVELOPMENT CORPORATION or by any other person ("Purchaser") by foreclosure or other proceedings brought to enforce the rights of the holder of the aforesaid Deed of Trust, by deed in lieu of foreclosure, or by any other method, Lessee (Tenant) agrees and acknowledges that the Lease may be terminated regardless of the term thereof or, at the option of Purchaser, the Purchaser may succeed to the interest of the Lessor (Landlord) under the Lease and Lessee (Tenant) shall be bound to Purchaser under all of the terms, conditions and covenants of the Lease for the balance of the term thereof, and any extensions and renewals thereof, with the same force and effect as if Purchaser were the original lessor under the Lease and, in the event of the exercise of such option, Lessee (Tenant) does hereby attorn to Purchaser as its lessor and Purchaser agrees to accept such attornment which shall be deemed self-operative without the execution of any other instrument provided, however, Purchaser shall not be liable or responsible to Lessee (Tenant) for any damages sustained by Lessee (Tenant) by reason of any default or acts by Lessor (Landlord) prior to the date of such attornment.

Lessee (Tenant) consents to the assignment ("Assignment") of the Lease to Assignee to secure Lessor's (Landlord's) payment of the Loan and Lessor's (Landlord's) other obligations under the loan documents in accordance with the Assignment. Furthermore, Lessee (Tenant) does hereby warrant and represent:

- (a) The Lease is a valid and binding obligation of Lessee (Tenant); Lessee (Tenant) is not in default under the Lease; and Lessee (Tenant) is not aware of any default by Lessee (Landlord) under the Lease;
- (b) No amendments, modifications, or alternations have been made to the Lease;
- (c) Neither Lessee (Tenant) nor Lessor (Landlord) shall agree to any mutual termination amendment, modification or renewal of the Lease without the prior written consent of Lender;
- (d) Lessee (Tenant) shall give Assignee prompt written notice of any default by Lessor (Landlord) under the Lease which notice shall specify the nature of the default;

(e) Notwithstanding anything to the contrary in the Lease, should any default under the Lease occur, Assignee shall have sixty (60) days after the receipt of such notice from Lessee (Tenant), and at the option of Assignee, to cure such default of Lessor (Landlord). Or, if the nature of the default is such that it cannot reasonably be cured within such sixty (60) day period, such longer period as is reasonably necessary to cure such default of Lessor (Landlord);

(f) All rights of Lessee (Tenant) to terminate the Lease as a result of the occurrence of an event of default thereunder are subject to and conditioned upon Lessee's (Tenant's) having first given Lessor (Landlord) written notice of and an opportunity to cure such default as specified herein.

(g) No rent has been prepaid under the Lease at this time; and

(h) Lessee (Tenant) agrees not to assign, transfer, mortgage or otherwise encumber the Lease Rights or any interest therein. Lessee (Tenant) further agrees not to sublet the Leased Premises or any part thereof, without the prior written consent of Assignee and any attempt to do so without such consent shall be void as to Assignee.

DATED August 11, 2005.

LESSOR:

A. J. MAX, LLC, a Nevada limited liability company

By Kenneth L. Frank  
KENNETH L. FRANK, Member/Manager

By Linda J. Frank  
LINDA J. FRANK, Member

LESSEE:

ASM INDUSTRIES INCORPORATED, a Nevada corporation, dba Napa Valley Gardener and Promax Equine Dental and Promax Tool

By Kenneth L. Frank  
KENNETH L. FRANK, President

By Linda J. Frank  
LINDA J. FRANK, Secretary



STATE OF Nevada )  
 ) ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on August 11, 2005, by KENNETH L. FRANK, as a Member and Manager, and LINDA J. FRANK, as a Member, of A. J. MAX, LLC, a Nevada limited liability company.



Stephanie Morris  
NOTARY PUBLIC

STATE OF Nevada )  
 ) ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on August 11, 2005, by KENNETH L. FRANK and LINDA J. FRANK, as President and Secretary, respectively, of ASM INDUSTRIES INCORPORATED, a Nevada corporation, dba Napa Valley Gardener and Promax Equine Dental and Promax Tool.



Stephanie Morris  
NOTARY PUBLIC



**EXHIBIT "A"  
LEGAL DESCRIPTION**

Order No.: 050501660

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

Lot 2 in Block C, Official Records, as shown on the  
official map of Carson Valley Business Park Phase 1,  
recorded in the office of the Douglas County Recorder,  
State of Nevada, on September 21, 1993, in Book 993, at  
Page 3579, as File No. 318019, Official Records further  
described as follows:

Parcel 2C as shown on Record of Survey for Carson Valley  
Business Park (a Commercial Subdivision) filed for record  
in the office of the County Recorder of Douglas County,  
State of Nevada on May 20, 2005, in Book 0505, Page 9310,  
as Document No. 644905.

APN 1320-04-001-079

