

APN: 1220-10-110-002  
SBA LOAN NO. 90221640-10  
Escrow No. NCS-184468-RENO

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 of 5 Fee: 18.00  
BK-1005 PG- 2489 RPTT: 0.00

**WHEN RECORDED, MAIL TO:**

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



**SUBORDINATION AGREEMENT**

**THIS AGREEMENT** is made as of the 29<sup>th</sup> day of September, 2005, by and between **NEVADA STATE DEVELOPMENT CORPORATION** ("Lender"), **CHARLES N. GRANT AND KATHLEEN S. GRANT** ("Landlord"), **VALLEY DOOR WORKS**, a Nevada general partnership ("Tenant"), and **NOVA TILE & STONE**, a California corporation ("Sublessee").

**RECITALS:**

- A. Tenant, by lease ("Lease") dated September 13, 2005 (the "Effective Date"), has leased the real property (the "Property") in Douglas County, Nevada, described in **Exhibit "A"** attached hereto and by this reference made a part hereof. Also on the Effective Date, Tenant entered into an Amendment creating a sublease ("Sublease") between Tenant (as lessor) and Sublessee.
- B. Landlord has requested Lender to make a loan (the "Loan"), secured by a Deed of Trust (the "Deed of Trust") encumbering the Property.
- C. Lender is willing to make the loan provided Landlord, Tenant and Sublessee execute this Agreement.

**AGREEMENT:**

**NOW, THEREFORE, IN CONSIDERATION** of the mutual covenants and agreements herein contained, and in order to induce Lender to make the Loan, Tenant, Landlord, Sublessee and Lender hereby agree and covenant as follows:

1. **Subordination.** The Lease and the Sublease now are and shall at all times continue to be, subject and subordinate in each and every respect to the Deed of Trust and to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Deed of Trust.

2. **Modification; Successors.** This Agreement may not be modified orally or in any manner other than by agreement in writing signed by the parties, or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

**Lender:**

Nevada State Development Corporation,  
a Nevada corporation

By: *Roberta Bennett*  
Roberta Bennett, President  
Its: President

**Landlord:**

*Charles N. Grant*  
Charles N. Grant

*Kathleen S. Grant*  
Kathleen S. Grant

**Tenant:**

Valley Door Works, a Nevada  
general partnership

By: *Charles N. Grant*  
Charles N. Grant  
Its: general partner

**Sublessee:**

Nova Tile & Stone, a California  
corporation

By: *Diane Hartman*  
Diane Hartman  
Its: Secretary



STATE OF NEVADA )  
 )ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on September 20, 2005, by Roberta Bennett, as President of Nevada State Development Corporation, a Nevada corporation.



Stephanie Morris  
Notary Public  
My Commission Expires: 8/2/07

STATE OF NEVADA )  
 )ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on September 29, 2005, by Charles N. Grant.



Stephanie Morris  
Notary Public  
My Commission Expires: 8/2/07

STATE OF NEVADA )  
 )ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on September 29, 2005, by Kathleen S. Grant.



Stephanie Morris  
Notary Public  
My Commission Expires: 8/2/07

STATE OF NEVADA )  
 )ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on September 29, 2005, by Charles N. Grant as General Partner of Valley Door Works, a Nevada general partnership.



Stephanie Morris  
Notary Public  
My Commission Expires: 8/2/07

STATE OF NEVADA )  
 )ss.  
COUNTY OF Douglas )

This instrument was acknowledged before me on September 29, 2005, by Diana Hartman as Secretary of Nova Tile & Stone, a California corporation.



Stephanie Morris  
Notary Public  
My Commission Expires: 8/2/07

**EXHIBIT "A"**

The real property situated in the City of Gardnerville, County of Douglas, State of Nevada, described as follows:

Lot 1-B, in Block as shown on the Map of JEWEL COMMERCIAL PARK, filed for record in the Office of the Douglas County Recorder, on September 24, 1992 as file No. 289083.

