

APN#: 1320-04-001-004

Recording Requested By:
Western Title Company, Inc.

Escrow No.: 050291-PAH

When Recorded Mail To:

NEVADA STATE
DEVELOPMENT CORP
6572 S MCCARRAN BLVD.
RENO, NEVADA 89509

Mail Tax Statements to: (deeds only)

(space above for Recorder's use only)

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

(Per NRS 239B.030)

Signature

PHANSON

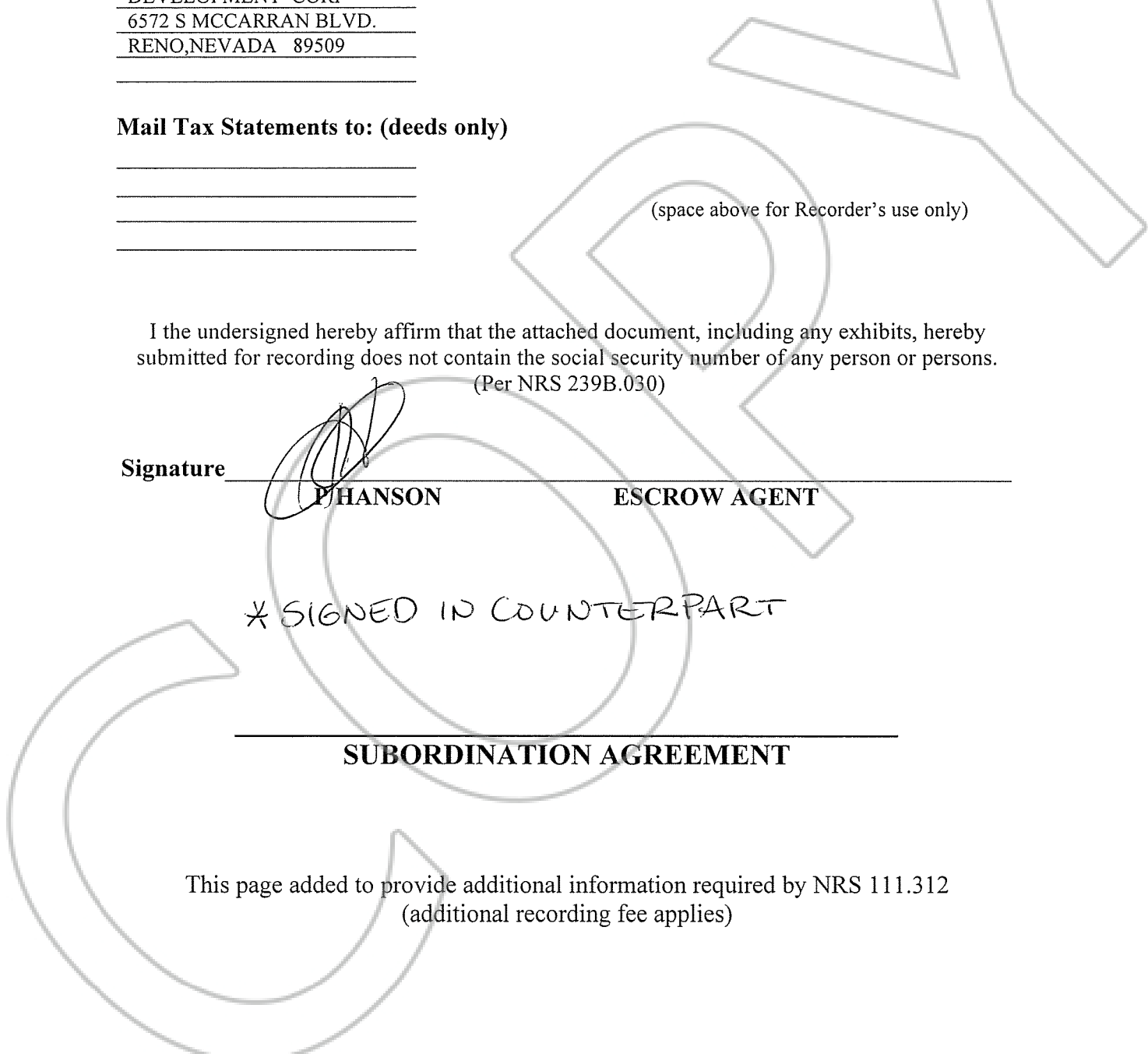
ESCROW AGENT

* SIGNED IN COUNTERPART

SUBORDINATION AGREEMENT

This page added to provide additional information required by NRS 111.312
(additional recording fee applies)

DOC # 815851
01/08/2013 12:39PM Deputy: SG
OFFICIAL RECORD
Requested By:
Western Title Company
Douglas County - NV
Karen Ellison - Recorder
Page: 1 of 9 Fee: \$47.00
BK-113 PG-1664 RPTT: 0.00





APN: 1320-04-001-004

WHEN RECORDED RETURN TO:

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

Space Above This Line For Recorder's Use Only

SBA Loan No. 523 671 5002

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INTEREST.

THIS AGREEMENT made this 10th day of December, 2012, by SCIENTIFIC NUTRITIONAL FORMULATIONS, LLC, a Nevada corporation, owner of the land hereinafter described and hereinafter referred to as "Owner", and RGG ENTERPRISES LIMITED PARTNERSHIP, a Nevada limited partnership, as to an undivided 86.50% interest, and JON A. SCHOPF, JR., an unmarried man, as to an undivided 13.50% interest, the holders of the deed of trust and note hereinafter described and hereinafter referred to as "Beneficiaries".

RECITALS:

A. The real property which is the subject of this Subordination Agreement is located in the County of Douglas, State of Nevada, more particularly described on Exhibit "A" attached hereto and, by reference, made a part hereof (hereinafter referred to as the "Subject Property").

B. Owner has executed three (3) deeds of trust encumbering the Subject Property described as:

(i) a Deed of Trust dated May 29, 2012, to WESTERN TITLE COMPANY, as Trustee, to secure a Note in the sum of \$585,000.00 in favor of BANK OF THE WEST which Deed of Trust was recorded June 8, 2012, in Book 612, Page 1885 as Document No. 803692, Official Records of Douglas County, Nevada, (the "First Deed of Trust");

(ii) a Deed of Trust dated May 29, 2012, to WESTERN TITLE COMPANY, as Trustee, to secure a Note in the sum of \$468,000.00 in favor of BANK OF THE WEST which



Deed of Trust was recorded June 8, 2012, in Book 612, Page 1951 as Document No. 803697, Official Records of Douglas County, Nevada, (the "Second Deed of Trust"); and

(iii) a Deed of Trust dated June 6, 2012, to WESTERN TITLE COMPANY, as Trustee, to secure a Note in the sum of \$50,000.00 in favor of RGG ENTERPRISES LIMITED PARTNERSHIP, a Nevada limited partnership, as to an undivided 86.50% interest, and JON A. SCHOPF, JR., an unmarried man, as to an undivided 13.50% interest, which Deed of Trust was recorded June 8, 2012, in Book 612, Page 1996, as Document No. 803700, Official Records of Douglas County, Nevada, and re-recorded December 12, 2012, in Book 1212, Page 3035, as Document No. 814445, Official Records of Douglas County, Nevada (collectively the "Third Deed of Trust").

C. Owner intends to execute a deed of trust and note (the "Note") in the sum of \$483,000.00 dated December 10, 2012, in favor of NEVADA STATE DEVELOPMENT CORPORATION, hereinafter referred to as "Lender", to be assigned to the SMALL BUSINESS ADMINISTRATION, payable with interest upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith (the "Lender's Deed of Trust").

D. It is a condition precedent to obtaining the loan ("Loan") through Nevada State Development Corporation that the Lender's Deed of Trust be, and remain at all times, a lien or charge upon the Subject Property prior and superior to the lien or charge of the Second Deed of Trust.

E. Lender is willing to make the Loan provided the Lender's Deed of Trust securing the Note is a lien or charge upon the Subject Property prior and superior to the lien or charge of the Third Deed of Trust and provided the Beneficiary will specifically and unconditionally subordinate the lien or charge of the Third Deed of Trust to the lien or charge of the Lender's Deed of Trust.

F. It is to the mutual benefit of the parties hereto that Lender make such loan to Owner and Beneficiary agrees that the Lender's Deed of Trust shall, when recorded, constitute a lien or charge upon the Subject Property which is unconditionally prior and superior to the lien or charge of the Third Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above described, it is hereby declared, understood and agreed as follows:

1. Lender's Deed of Trust, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Subject Property prior and superior to the lien or charge of the Deed of Trust dated June 6, 2012, to WESTERN TITLE COMPANY, as Trustee, to secure a Note in the sum of \$50,000.00 in favor of RGG ENTERPRISES LIMITED PARTNERSHIP, a Nevada limited partnership, as to an undivided 86.50% interest, and JON A. SCHOPF, JR., an unmarried man, as to an undivided 13.50% interest, which Deed of Trust was recorded June 8, 2012, in Book 612, Page 1996, as Document No. 803700, Official Records of Douglas County, Nevada and re-recorded December 12, 2012, in Book 1212, Page 3035, as Document No. 814445, Official Records of Douglas County, Nevada.



2. Lender would not make its Loan above described without this Subordination Agreement.

3. This Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Third Deed of Trust to the lien or charge of Lender's Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the Lender's Deed of Trust and the Third Deed of Trust hereinabove specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Third Deed of Trust which provide for the subordination of the lien or charge thereto to another deed or deeds of trust or to another mortgage or mortgagee.

4. Beneficiaries declare, agree and acknowledge that:

(a) They consent to and approve (i) all provisions of the Note and Lender's Deed of Trust in favor of Lender above referred to, and (ii) all agreements, including, but not limited to, any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and

(c) They intentionally and unconditionally waive, relinquish and subordinate the lien or charge of the Third Deed of Trust in favor of the lien or charge of Lender's Deed of Trust upon the Subject Property and understand that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for reliance upon this waiver, relinquishment and subordination.

(SIGNATURES CONTAINED ON NEXT PAGE)



(DOCUMENT MAY BE SIGNED IN COUNTERPART)

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement the day and year first above written.

OWNER:

BENEFICIARIES:

SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada
limited liability company

RGG ENTERPRISES LIMITED
PARTNERSHIP, a Nevada limited partnership

By Wallace E. Block
WALLACE E. BLOCK,
President/Secretary

By William Edward
WILLIAM EDWARD, General Partner

Jon A. Schopf, Jr.
JON A. SCHOPF, JR., General Partner

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on December 10, 2012, by
WALLACE E. BLOCK, as President and Secretary of SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada limited liability company.



Stephanie Morris
NOTARY PUBLIC

STATE OF)
) ss.
COUNTY OF)

This instrument was acknowledged before me on _____, 2012, by
WILLIAM EDWARD as General Partner _____ RGG Enterprises Limited
Partnership, a Nevada limited partnership.

NOTARY PUBLIC



(DOCUMENT MAY BE SIGNED IN COUNTERPART)

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement the day and year first above written.

OWNER:

BENEFICIARIES:

SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada
limited liability company

RGG ENTERPRISES LIMITED
PARTNERSHIP, a Nevada limited partnership

By _____
WALLACE E. BLOCK,
President/Secretary

By William Edwards
WILLIAM EDWARD, General Partner

JON A. SCHOPF, JR., General Partner

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on _____, 2012, by
WALLACE E. BLOCK, as President and Secretary of SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada limited liability company.

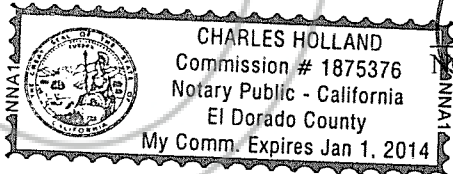
NOTARY PUBLIC

STATE OF California)
) ss.
COUNTY OF El Dorado)

This instrument was acknowledged before me on Dec 12, 2012, by
WILLIAM EDWARD as General Partner _____ RGG Enterprises Limited
Partnership, a Nevada limited partnership.

Charles Holland

NOTARY PUBLIC





(DOCUMENT MAY BE SIGNED IN COUNTERPART)

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement the day and year first above written.

OWNER:

SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada
limited liability company

By _____
WALLACE E. BLOCK,
President/Secretary

BENEFICIARIES:

RGG ENTERPRISES LIMITED
PARTNERSHIP, a Nevada limited partnership

By _____
WILLIAM EDWARD, General Partner

By _____
JOHN A. SCHOPF, JR., General Partner

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on _____, 2012, by
WALLACE E. BLOCK, as President and Secretary of SCIENTIFIC NUTRITIONAL
FORMULATIONS, LLC, a Nevada limited liability company.

NOTARY PUBLIC

STATE OF)
) ss.
COUNTY OF)

This instrument was acknowledged before me on _____, 2012, by
WILLIAM EDWARD as General Partner _____ RGG Enterprises Limited
Partnership, a Nevada limited partnership.

NOTARY PUBLIC

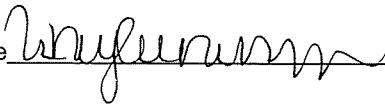


CERTIFICATE OF ACKNOWLEDGMENT

STATE OF NEVADA)
) ss
COUNTY OF DOUGLAS)

On 12.13.12, before me, Amy Caramazza, Notary Public, personally appeared JOHN A. SCHOPF, JR. personally known to me (or 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.

Signature 

(seal)

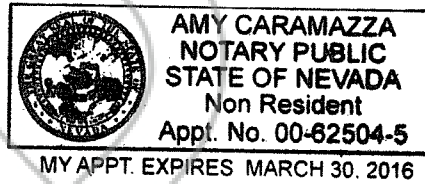




EXHIBIT A

All that real property situate in the County of Douglas, State of Nevada, described as follows:
That portion of the Northwest 1/4 of the Northwest 1/4 of Section 4, Township 13 North, Range 20 East, in the County of Douglas, State of Nevada, being more particularly described as follows:

Beginning at the most Southerly corner of Lot 5 in Block B of the Carson Valley Business Park Phase 1, recorded on September 21, 1993, in Book 993, Page 3579, as Document No. 318019 of the Official Records of said Douglas County, said point being on the Northeasterly right-of-way line of Business Parkway; thence Northwesterly along said right-of-way North 49°51'44" West, 231.38 feet; thence North 40°08'16" East, 360.00 feet; thence South 49°51'44" East, 231.38 feet; thence South 40°08'16" West, 360.00 feet to the Point of Beginning.

Said land is also known as being Lot 5 in Block B 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, Page 3579, as Document No. 318019, Official Records, together with that portion of Mid Valley Parkway as abandoned on September 1, 1995, in Book 995, Page 42, as Document No. 369679, Official Records.

NOTE: The above metes and bounds description appeared previously in that certain Quitclaim Deed recorded in the office of the County Recorder of Douglas County, Nevada on May 27, 1996, in Book 396, Page 4413 as Document No. 384163 of Official Records.

Assessor's Parcel Number(s):
1320-04-001-004