

APN: 1220-04-601-013

WHEN RECORDED RETURN TO:

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

NI 500052 DC

Space Above This Line For Recorder's Use Only

SBA Loan No. 725 024 5009

ASSIGNMENT, SUBORDINATION AND NON-DISTURBANCE AGREEMENT

This Assignment, Subordination and Non-Disturbance Agreement (the "Agreement") is made and executed as of the 22nd day of December, 2014, by and between NEVADA STATE DEVELOPMENT COMPANY, a Nevada non-profit corporation; UNITED STATES SMALL BUSINESS ADMINISTRATION (collectively "Lender"); CHIMNEY CREEK, LLC, a Nevada limited liability company ("Borrower"); GEORGE KENNETH FUJII, dba WEST COAST MARTIAL ARTS ("Sublessor") and THAI JASMINE INC., a Nevada corporation ("Sublessee").

RECITALS:

A. Sublessor, as the tenant under that certain Lease Agreement with Borrower (the "Lease") dated December 16, 2014, has leased the real property located in Douglas County, State of Nevada, together with the improvements now or hereafter located thereon (the "Property") more particularly described by Exhibit "A" attached hereto and incorporated herein by this reference.

B. THAI JASMINE INC., a Nevada corporation (Tenant) executed and entered into a Sublease with GEORGE KENNETH FUJII, dba WEST COAST MARTIAL ARTS (Landlord), hereinafter referred to Sublessee. The Sublease relates to and encumbers a portion of the Building located at 1332 US Highway 395 N, Gardnerville, Nevada (the "Subleased Property").

C. On the condition that all of Sublessee's rights in the Subleased Property and the Sublease (the "Sublease Rights") be subordinated as provided below, Lender has agreed to make a term mortgage loan (the "Loan") to Borrower to provide term financing for Borrower. In connection with the Loan, Borrower has or will be executing a Promissory Note, Deed of Trust and Security Agreement, and other documents required by Lender to evidence and/or secure Borrower's obligations under the Loan (the "Loan Documents"). Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the meaning set forth in the Loan Documents.

AGREEMENT

IN CONSIDERATION of Lender's making the Loan to Borrower, the mutual covenants and conditions contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by Lender and Sublessee, the parties hereto do hereby agree as follows:

1. Consent and Representations. Sublessee consents to the assignment ("Assignment") of the Sublease to Lender to secure Borrower's payment of the Loan and Borrower's other obligations under the Loan Documents in accordance with the Assignment. Furthermore, Sublessee does hereby warrant and represent:

- (a) The Sublease is a valid and binding obligation of Sublessee; Sublessee is not in default under the Sublease; and Sublessee is not aware of any default by Sublessor under the Sublease;
- (b) No amendments, modifications, or alterations have been made to the Sublease;
- (c) Neither Sublessee nor Sublessor shall agree to any mutual termination, amendment, modification or renewal of the Sublease without the prior written consent of Lender;
- (d) Sublessee shall give Lender prompt written notice of any default by Sublessor under the Sublease which notice shall specify the nature of the default;
- (e) Notwithstanding anything to the contrary in the Sublease, should any default under the Sublease occur, Lender shall have sixty (60) days after the receipt of such notice from Sublessee, and at the option of Lender, to cure such default of Sublessor. 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 Sublessor;
- (f) All rights of Sublessee to terminate the Sublease as a result of the occurrence of an event of default thereunder are subject to and conditioned upon Sublessee's having first given Lender written notice of and an opportunity to cure such default as specified herein;
- (g) No rent has been prepaid under the Sublease at this time; and
- (h) Sublessee agrees not to assign, transfer, mortgage or otherwise encumber the Sublease Rights or any interest therein. Sublessee further agrees not to sublet the Subleased Property, or any part thereof, without the prior written consent of Lender and any attempt to do so without such consent shall be void as to Lender; and

- (l) Sublessee hereby agrees to the assignment of rents set forth in Paragraph 2 of this Agreement and, upon notice to Sublessee by Lender, Sublessee shall pay directly to Lender all rents, issues, and profits payable by reason of the Sublease without commencement of any action or proceeding, including without limitation an action for receivership, and agrees not to withhold any rents or other charges payable under the Sublease by reason of a default by Sublessor or any setoff against such rents or other charges and, irrespective of any demand by Sublessor, Sublessee shall pay to Lender all rents, issues and profits payable under the Sublease.

2. Assignment of Rents. Sublessor hereby irrevocably grants, transfers, and assigns to Lender the rents, income, issues, and profits due under the Sublease, 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 Sublessor to collect and retain the rent, income, issues, and profits under the Sublease 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 Subleased 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 Subleased 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 Subleased 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.

3. Non-Disturbance and Attornment. In the event the interest of Borrower or Sublessor shall be acquired by Lender or by any other person ("Purchaser") by foreclosure or other proceeding brought to enforce the rights of the holder of the Loan Documents, by deed in lieu of foreclosure, or by any other method, Purchaser will not disturb Sublessee's right to use, occupy and possess the Subleased Property under the Sublease so long as Sublessee is not in default of any term, covenant or condition of the Sublease. Further, Purchaser may succeed to the interest of the Sublessor under the Sublease and Sublessee shall be bound to Purchaser under all of the terms, conditions and covenants of the Sublease 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 sublessor under the Sublease. In such event, Sublessee does hereby attorn to Purchaser as its sublessor and Purchaser agrees to accept such attornment which shall be deemed self-operative without the execution of any other instrument. If a Purchaser shall become the owner of the Property, Lender or any Purchaser shall not be:

- (a) liable for any act or omission of any prior owner (including Sublessor) or bound by any obligation to make any payment to Sublessee which was required to be made prior to the time Lender succeeded to any prior owner (including Sublessor); or
- (b) obligated to cure any defaults of any prior owner (including Sublessor) which occurred, or to make any payment to Sublessee which was required to be paid by

any prior owner (including Sublessor), prior to the time that Lender or any Purchaser succeeded to the interest of Sublessor; or

- (c) obligated to perform any construction obligations of any prior owner (including Sublessor) under the Sublease or liable for any defects (latent, patent or otherwise) in the design, workmanship, materials, construction or otherwise with respect to improvements and buildings constructed on the Subleased Property; or
- (d) subject to any offsets, defenses or counterclaims which Sublessee may be entitled to assert against any prior owner (including Sublessor); or
- (e) bound by any payment of rent or additional rent by Sublessee to any prior owner (including Sublessor) for more than one month in advance; or
- (f) bound by any amendment, modification, termination or surrender of the Sublease made without the written consent of Lender; or
- (g) liable or responsible for or with respect to the retention, application and/or return to Sublessee of any security deposit paid to any prior owner (including Sublessor), whether or not still held by such prior owner, unless and until Lender or any Purchaser has actually received said deposit for its own account as the owner under the Sublease as security for the performance of Sublessee's obligation under the Sublease (which deposit shall, nonetheless, be held subject to the provisions of the Sublease.

4. No Personal Liability. Notwithstanding any of the other provisions hereof, this Agreement is not intended to create and shall not be deemed to create any personal liability on the part of Sublessee for repayment of, or otherwise, in connection with the Loan.

5. Subordination to Loan Documents. The Sublease and Sublease Rights are hereby made subject, subordinate, inferior, and junior to the Loan Documents and to all sums advanced on the security of the Loan Documents, including all sums advanced or costs incurred in connection with the Loan Documents or the Loan. The Sublease and Sublease Rights are hereby subordinated to the Loan Documents the same and as fully as if the Loan Documents had been executed and delivered (and recorded, where applicable) prior to execution, delivery and filing of the Sublease. Sublessee covenants, stipulates and agrees that the Sublease and all of Sublessee's title and interest in and to the Subleased Property thereunder is hereby, and shall at all times continue to be, subordinated and made secondary and inferior in each and every respect to the Loan Documents and the lien thereof, to all of the terms, conditions and provisions thereof and to any and all advances made or to be made thereunder, so that at all times the Loan Documents shall be and remain a lien on the Property prior to and superior to the Sublease for all purposes, subject to the provisions set forth herein. This subordination is to have all the same force and effect as if the Loan and such renewals, modifications, consolidations, replacements and extensions had been executed, acknowledged, delivered and recorded prior to the Sublease, any amendments or modifications thereof any notice thereof.

6. Successors. This Agreement is and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the parties have executed this Agreement.

LENDER:

NEVADA STATE DEVELOPMENT CORPORATION, a Nevada non-profit corporation

By *Karen Szachara*
KAREN SZACHARA, Senior Vice President

BORROWER:

CHIMNEY CREEK, LLC, a Nevada limited liability company

By *[Signature]*
GEORGE K. FUJII, Member

SUBLESSOR:

GEORGE KENNETH FUJII, dba WEST COAST MARTIAL ARTS

By *[Signature]*
GEORGE K. FUJII

SUBLESSEE:

THAI JASMINE, INC. a Nevada Corporation

By *[Signature]*
~~HERMAN KALLAYA,~~
President/Secretary
Watchara R. Lizama

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

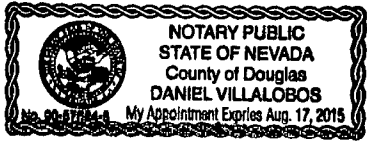
This instrument was acknowledged before me on *January 29*
Dec. 22, 2011,
20*15* by KAREN SZACHARA, as Senior Vice President of NEVADA STATE DEVELOPMENT CORPORATION, a Nevada non-profit corporation.



Stephanie Morris
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF)

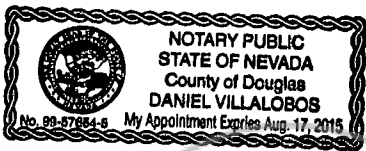
This instrument was acknowledged before me on Dec 22, 2015 by
GEORGE K. FUJII, as the Member of CHIMNEY CREEK, LLC, a Nevada corporation.



[Signature]
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF)

This instrument was acknowledged before me on Dec. 22, 2015 by
GEORGE KENNETH FUJII, dba WEST COAST MARTIAL ARTS.

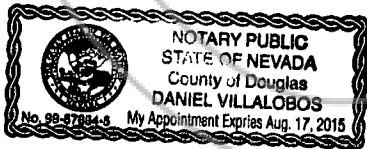


[Signature]
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF)

This instrument was acknowledged before me on Dec 22
, 2015, by ~~HERMAN KALLAYA~~, President/Secretary of THAI JASMINE INC. a Nevada corporation.
Watchara R. Lizama

[Signature]



[Signature]
NOTARY PUBLIC

EXHIBIT "A"

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

Parcel 1:

A parcel of land located in the South 1/2 of the Northeast 1/4 of Section 4, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, more particularly described as follows:

Parcel B2 of Parcel Map LD#00-034 for Lampe Corners LTD., filed for record in the office of the Douglas County Recorder on August 23, 2000, in Book 0800, Page 4151, as Document No. 498148.

Parcel 2:

A non-exclusive easement for pedestrian and vehicular access and egress as granted by Declaration of Covenants, Conditions, and Restrictions recorded August 21, 2002 in Book 802, Page 6990 as Instrument No. 550105 of Official Records, Douglas County, Nevada.