

A.P.N.: 1320-33-402-041

Recording Requested By
And When Recorded Mail To:

City National Bank
2100 Park Place, Suite 150
El Segundo, CA 90245

Attn: Heather Ward

Account No. XX8576

TR No. 369245

211827 MF

SUBORDINATION AGREEMENT - LEASE

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

This Subordination Agreement ("Agreement") is made as of August 24, 2015 by and among EDDY PROPERTIES, LLC, a Nevada limited liability company ("Owner") owner of the land hereinafter described and CHASE & SHEETS, LLP, CERTIFIED PUBLIC ACCOUNTANTS, a Nevada limited liability partnership ("Tenant").

RECITALS

A. Owner, as landlord ("Landlord") did execute a lease in favor of Tenant dated January 1, 2015, ("Lease"), which Lease was not recorded, covering that certain real property ("Property") located in the County of Douglas, more particularly described as:

See Exhibit "A" attached hereto and made a part hereof

Commonly Known As: 1243 Eddy Street, Gardnerville, NV 89410

B. Owner has executed, or is about to execute, a deed of trust ("Deed of Trust") securing the obligation referred to therein dated August 24, 2015, in favor of City National Bank, a national banking association ("CNB"), which Deed of Trust is to be recorded concurrently herewith;

C. It is a condition precedent to obtaining the extension of credit secured by such Deed of Trust that the Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease;

D. CNB is willing to make the extension of credit secured by such Deed of Trust, provided that the Deed of Trust is a lien or charge upon the Property prior and superior to the Lease, and provided that Tenant will specifically and unconditionally subordinate the Lease to the lien or charge of the Deed of Trust;

E. It is to the mutual benefit of the parties hereto that CNB make the extension of credit secured by such Deed of Trust; and Tenant is willing that the Deed of Trust shall, when recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the Lease.

1. **AGREEMENT:**

THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce CNB to make the extension of credit secured by such Deed of Trust, it is hereby declared, understood and agreed as follows:

1.1. That the Deed of Trust, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease and for all purposes;

1.2. That any estate in the Property acquired by Tenant shall be fully subject to the Deed of Trust;

1.3. That CNB would not make the extension of credit secured by such Deed of Trust without this Agreement; and

1.4. That this Agreement shall be the whole and only agreement with regard to the subordination of the Lease to the lien or charge of the Deed of Trust, and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust, and the Lease, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Lease which provide for the subordination of the lien or charge thereof to a deed or deeds of trust or to a mortgage or mortgages.

2. **TENANT DECLARES, AGREES AND ACKNOWLEDGES THAT:**

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

2.2. Tenant intentionally and unconditionally waives, relinquishes and subordinates the Lease in favor of the lien or charge upon the Property and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made pursuant to the extension of credit secured by such Deed of Trust 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 said reliance upon this waiver, relinquishment and subordination; and


2.3. Without limiting the provisions of this Agreement, in the event that CNB shall acquire title to the Property, Tenant agrees to look solely to CNB's interest in the Property for the satisfaction of any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by CNB in the event of any default by CNB or any claim, cause of action, obligation, contractual, statutory or otherwise, by Tenant against CNB arising from or in any manner related to the Lease, and no other property or assets of CNB, or any officer, director, shareholder, partner, trustee, agent, servant or employee of CNB shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease, CNB's obligations to Tenant whether contractual, statutory or otherwise, the relationship of CNB and Tenant hereunder, or Tenant's use or occupancy of the Property.

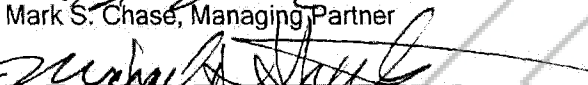
[REST OF PAGE INTENTIONALLY LEFT BLANK]

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE LESSOR ON THE ABOVE-DESCRIBED LEASE TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

"TENANT"

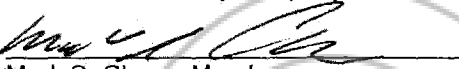
CHASE & SHEETS, LLP, CERTIFIED PUBLIC ACCOUNTANTS,
a Nevada limited liability partnership

By: 
Mark S. Chase, Managing Partner

By: 
Michael D. Sheets, Managing Partner

"OWNER"

EDDY PROPERTIES, LLC,
a Nevada limited liability company

By: 
Mark S. Chase, Member

By: 
Kathryn G. Chase, Member

(ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

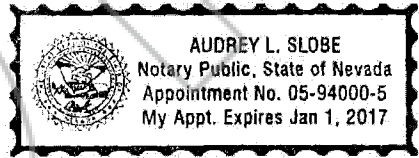
STATE OF NEVADA)

COUNTY OF Douglas)

On 8-26-2015, before me, Audrey L Slobe, a notary public, personally appeared Marie S Chase, who 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 Audrey L Slobe (SEAL)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

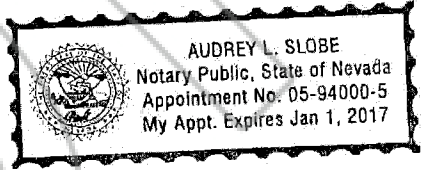
STATE OF NEVADA)

COUNTY OF Douglas)

On 8-26-2015, before me, Audrey L. Slobe, a notary public, personally appeared Michael D. Sheets, who 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 Audrey L. Slobe (SEAL)



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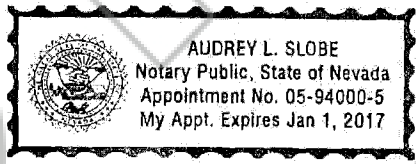
STATE OF NEVADA)

COUNTY OF Douglas)

On 8-26-2015, before me, Audrey L. Slobe, a notary public, personally appeared Mark S Chase, who 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 Audrey L. Slobe (SEAL)



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STATE OF NEVADA)

COUNTY OF Douglas)

On 8-26-2015, before me, Audrey L Slobe, a notary public, personally appeared Kathryn G Chase, who 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 Audrey L Slobe (SEAL)

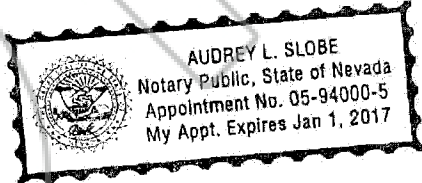


Exhibit A

LEGAL DESCRIPTION

Situated in and being a portion of the South ½ of the Southwest ¼ of Section 33, Township 13 North, Range 20 East, M.D.B. & M., lying in the Town of Gardnerville, Douglas County, Nevada and being more particularly described by metes and bounds as follows, to-wit:

Commencing at the Town Monument to the Town of Gardnerville at the so called Dettling corner; thence from said monument North 44°54' West along the centerline of Main Street a distance of 602.08 feet to a point; thence North 48°20' East a distance of 434.87 feet to a point on the Southerly right of way line of Eddy Street; which is the Northwest corner of the parcel and point of beginning, said point of beginning being further described as bearing North 32°14'40" West a distance of 844.33 feet from the aforesaid town monument; thence North 45°57' East along the Southerly side of Eddy Street right of way line as established a distance of 128.00 feet to a point at the Northeast corner of the parcel and the terminus of Eddy Street; thence South 44°39' East along the property line a distance of 130.00 feet to a point at the Southeast corner of the parcel; thence South 45°57' West and parallel with Eddy Street a distance of 128.00 feet to a point at the Southwest corner of the parcel; thence North 44°39' West along the property line a distance of 130.00 feet to the Point of Beginning.

Note: The above metes and bounds description previously appeared in Grant, Bargain, Sale Deed, recorded March 10, 2011, in Book 311, page 1879, as Document No. 779725, Official Records of Douglas County, Nevada.

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