

DOUGLAS COUNTY, NV

2024-1004104

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01/23/2024 09:30 AM

FIRST AMERICAN TITLE IV

SHAWNYNE GARREN, RECORDER

The undersigned hereby affirms that this document submitted for recording does not contain any personal information.

**Assessor Parcel No(s): 1319-19-802-005**

**RECORDATION REQUESTED BY:**

Wells Fargo Bank, National Association; SBA Lending; 50 West San Fernando Street, 14th Floor; San Jose, CA 95113

**WHEN RECORDED MAIL TO:**

Wells Fargo Bank, National Association, SBA - BBG Loan Ops - Recorded Docs, P.O. Box 659713, San Antonio, TX 78265-9827

**SEND TAX NOTICES TO:**

Grime Tahoe Holdings LLC, 237 TRAMWAY DR, STATELINE, NV 89449

**FOR RECORDER'S USE ONLY**



200261178553700780

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

**SUBORDINATION AGREEMENT - LEASE**

**THIS SUBORDINATION AGREEMENT - LEASE** dated January 12, 2024, is made and executed among J.H.M., INC. ("Lessee"); Grime Tahoe Holdings LLC ("Borrower"); and Wells Fargo Bank, National Association ("Lender").

**SUBORDINATED LEASE.** Lessee has executed a lease dated December 18, 2023 of the property described herein (the "Subordinated Lease").

**REAL PROPERTY DESCRIPTION.** The Lease covers a portion of the following described real property located in Douglas County, State of Nevada:

See Exhibit A attached hereto and made a part hereof.

The Real Property or its address is commonly known as 237 TRAMWAY DR, STATELINE, NV 89449. The Real Property tax identification number is 1319-19-802-005.

**SUBORDINATION AGREEMENT - LEASE  
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**SUPERIOR INDEBTEDNESS.** Lender has extended or has agreed to extend the following described financial accommodations to Borrower, secured by the Real Property (the "Superior Indebtedness"):

**All indebtedness now or hereafter secured by the deed of trust or mortgage evidencing the Lender's Lien, including without limitation, all principal, interest and other amounts, costs and expenses payable under the Note or Related Documents and any renewals of, extensions of, modifications of, consolidations of and substitutions for the Note and Related Documents.**

**LENDER'S LIEN.** The Superior Indebtedness is or will be secured by the Real Property and evidenced by a deed of trust, dated January 12, 2024, from Borrower to Lender (the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease.

**REQUESTED FINANCIAL ACCOMMODATIONS.** Lessee and Borrower each want Lender to provide financial accommodations to Borrower in the form of the Superior Indebtedness. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

**NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:**

**SUBORDINATION.** All of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired.

**LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by other party under the terms and provisions of the Lease exists as of the date hereof.

**LESSEE WAIVERS.** Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

**LENDER'S RIGHTS.** Lender may take or omit any and all actions with respect to Lender's Lien

**SUBORDINATION AGREEMENT - LEASE  
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without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

**DEFAULT BY BORROWER.** If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

**FACSIMILE AND COUNTERPART.** This document shall be valid, binding, and enforceable against a party when executed by an authorized individual on behalf of the party by means of (i) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic signatures law; (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Even though the parties agree that such signatures are legally enforceable and intended to be effective for all purposes, the signing parties agree to promptly deliver to Lender the original document bearing an original manual signature, if requested by Lender in its sole discretion, in order to reduce the risk of fraud, comply with potentially applicable regulations, or for other operational or risk management purposes. This document may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one document. When this provision is set forth in a promissory note or other negotiable instrument, the term "document" as used in this provision shall mean "instrument".

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Subordination:

**Amendments.** This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

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**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Lessee also will pay any court costs, in addition to all other sums provided by law. Fees and expenses shall include attorneys' fees that Lender, Trustee, or both incur, if either or both are made parties to any action to enjoin foreclosure or to any legal proceeding that Lessee institutes. The fees and expenses are secured by this Subordination and are recoverable from the Property.

**Authority.** The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Lessee's property, if any.

**Caption Headings.** Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

**Governing Law.** With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Subordination will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of Nevada. In all other respects, this Subordination will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Subordination is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Subordination has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of California.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by

**SUBORDINATION AGREEMENT - LEASE  
(Continued)**

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Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Successors.** This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Subordination. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Subordination shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Borrower.** The word "Borrower" means Grime Tahoe Holdings LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Lender.** The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

**Note.** The word "Note" means the Note dated January 12, 2024 and executed by Grime Tahoe Holdings LLC in the principal amount of \$1,190,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Subordination.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Security Interest.** The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

**EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS**

**SUBORDINATION AGREEMENT - LEASE  
(Continued)**

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**SUBORDINATION IS DATED JANUARY 12, 2024.**


**BORROWER:**

**GRIME TAHOE HOLDINGS LLC**

By:   
Matthew C Grime, Manager of Grime Tahoe Holdings  
LLC


**LESSEE:**

**J.H.M., INC.**

By:   
Harvey C Grime, President of J.H.M., INC.

**LENDER:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

X   
Authorized Officer: Patsy Goodman

**SUBORDINATION AGREEMENT - LEASE  
(Continued)**

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**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Nevada

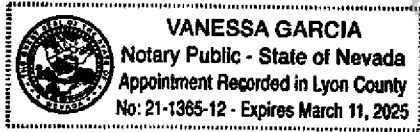
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COUNTY OF Washoe

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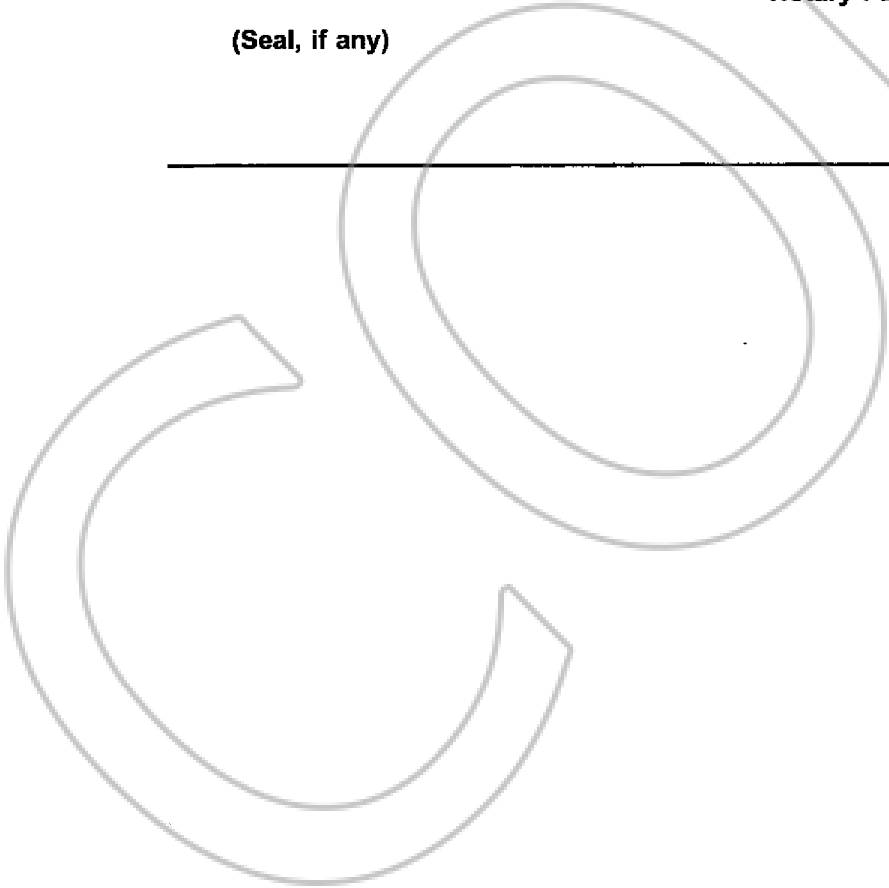
This instrument was acknowledged before me on January 22, 2024 by **Matthew C Grime, Manager of Grime Tahoe Holdings LLC**, as designated agent of **Grime Tahoe Holdings LLC**.



(Signature of notarial officer)

Notary Public in and for State of NV

(Seal, if any)



**SUBORDINATION AGREEMENT - LEASE  
(Continued)**

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**CORPORATE ACKNOWLEDGMENT**

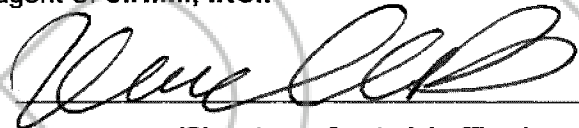
STATE OF Nevada

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COUNTY OF Washoe

This instrument was acknowledged before me on January 22, 2024 by Harvey C Grime, President of J.H.M., INC., as designated agent of J.H.M., INC..

 **VANESSA GARCIA**  
Notary Public - State of Nevada  
Appointment Recorded in Lyon County  
No: 21-1365-12 - Expires March 11, 2025

  
(Signature of notarial officer)

Notary Public in and for State of NV

(Seal, if any)  **VANESSA GARCIA**  
Notary Public - State of Nevada  
Appointment Recorded in Lyon County  
No: 21-1365-12 - Expires March 11, 2025



**SUBORDINATION AGREEMENT - LEASE  
(Continued)**

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**LENDER ACKNOWLEDGMENT**

STATE OF Arizona

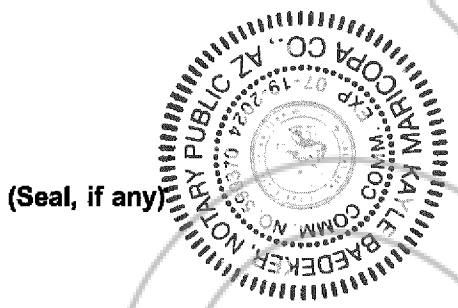
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COUNTY OF Maricopa

This instrument was acknowledged before me on January 17, 2024 by Patsy Goodman, Loan Closer of Wells Fargo Bank, National Association, as designated agent of Wells Fargo Bank, National Association.

[Signature]  
(Signature of notarial officer)

Notary Public in and for State of Arizona



**EXHIBIT 'A'**

**PARCEL 1:**

**ALL THAT PORTION OF SECTION 19, TOWNSHIP 13 NORTH, RANGE 19 EAST, MOUNT DIABLO MERIDIAN; AND BEING A PORTION OF THAT CERTAIN PARCEL OF LAND SHOWN ON THE RECORD OF SURVEY FOR ELORAC, INC., DOCUMENT NO. 223262, AS PARCEL A, MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL A, THE POINT OF BEGINNING;**

**THENCE NORTH 36°09'05" EAST, 126.59 FEET;**

**THENCE NORTH 32°13'42" WEST, 150.17 FEET;**

**THENCE SOUTH 50°08'00" WEST, 101.65 FEET;**

**THENCE SOUTH 43°28'18" WEST, 83.96 FEET;**

**THENCE SOUTH 53°50'55" EAST, 174.87 FEET TO THE POINT OF BEGINNING.**

**REFERENCE IS MADE TO RECORD OF SURVEY TO SUPPORT A LOT LINE ADJUSTMENT FILED FOR RECORD WITH THE DOUGLAS COUNTY RECORDER ON MAY 17, 1990, IN BOOK 590, PAGE 2586, AS DOCUMENT NO. 226195.**

**PARCEL 2:**

**THE EASEMENT FOR ACCESS AND UTILITY PURPOSES AS SET FORTH IN DOCUMENT RECORDED JANUARY 25, 1990, IN BOOK 190, PAGE 3632, AS DOCUMENT NO. 318839 DESCRIBED AS FOLLOWS:**

**ALL THAT PORTION OF SECTION 19, TOWNSHIP 13 NORTH, RANGE 19 EAST, M.D.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT A POINT ON THE EASTERLY LINE OF TRAMWAY DRIVE WHICH BEARS NORTH 68°24'42" WEST 1720.61 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 19;**

**THENCE NORTH 36°09'05" EAST 42.00 FEET;**

**THENCE SOUTH 53°50'55" EAST 26.00 FEET;**

**THENCE SOUTH 36°09'05" WEST 42.00 FEET TO A POINT ON THE EASTERLY LINE OF TRAMWAY DRIVE;**

**THENCE ALONG THE EASTERLY LINE NORTH 53°50'55" WEST 26.00 FEET TO THE TRUE POINT OF BEGINNING.**

**PARCEL 3:**

**A NON-EXCLUSIVE RIGHT-OF-WAY 60.00 FEET IN WIDTH FOR ROADWAY AND PUBLIC UTILITY PURPOSES, THE CENTERLINE OF WHICH IS DESCRIBED IN DOCUMENT RECORDED APRIL 4, 1991 IN BOOK 491, PAGE 452, DOCUMENT NO. 247845, BEING FURTHER DESCRIBED AS FOLLOWS:**

**BEGINNING AT A POINT ON THE EASTERLY LINE OF TRAMWAY DRIVE WHICH BEARS NORTH 33°38'38" WEST 30.58 FEET FROM THE NORTHWESTERLY CORNER OF THE ABOVE DESCRIBED PARCEL;  
THENCE ALONG THE CENTERLINE NORTH 67°33'58" EAST 207.46 FEET TO THE EASTERLY TERMINUS OF THIS EASEMENT DESCRIPTION.**

**NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 28, 2021, AS INSTRUMENT NO. 2021-978969 OF OFFICIAL RECORDS, DOUGLAS COUNTY, NEVADA.**

