

SUBORDINATION AGREEMENT

WHEREAS, the Declaration of Covenants, Conditions and Restrictions recorded on October 14, 1968, in the office of the County Recorder, Douglas County, Nevada, as Document Nos. 47592 and 42593, confer upon the Board of Directors of Summit Village, Inc., a Nevada non-profit association, the power to fix and levy assessments for the purpose of maintenance of the common area of Summit Village Subdivision, and for the other purposes stated therein, which assessments constitute a lien upon the real property below described; and

WHEREAS, it is the desire of the Board of Directors to subordinate such lien to the lien of any and all first mortgages or deeds of trust, encumbering such real property which may hereinafter be executed;

WHEREAS, this Subordination Agreement is specifically conditioned upon the payment of any and all money due on account of assessments levied against the property as of the date of the close of escrow of the below described property.

NOW, THEREFORE, for a valuable consideration, including but not limited to the payment of past-due assessments, the undersigned members of the Board of Directors of Summit Village, Inc., do hereby subordinate any past, present or future liens which may exist against the property described as:

Parcel A, as set forth on the parcel map of Richard A. Schield of Lot 561, second amended map of Summit Village filed for record September 14, 1981, in Book 981, Page 751, Document No. 60332, Official Records of Douglas County, State of Nevada. A.P. No. 11-360-04-7 whether recorded or not, to the lien of any and all first mortgages and deeds of trust encumbering the above-described property which may hereinafter be executed. This Subordination Agreement shall operate with the same force and effect as though said first mortgages and deeds of trust had been executed and recorded prior in time to the creation of any assessment lien; provided, however, that any past-due assessments shall be paid from escrow by the seller at the time of any sale or transfer of the above described property.

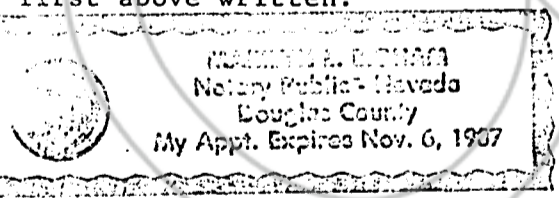
IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement this 25th day of September, 1986.

Jane Arnold
Jane Arnold, Secretary/Treasurer
STATE OF NEVADA)
COUNTY OF DOUGLAS)SS

Roy Darrow
Roy Darrow, President

On this 25th day of September, 1986, personally appeared before me, a Notary Public, ROY DARROW, who acknowledged to me that he executed the foregoing instrument in behalf of SUMMIT VILLAGE, INC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the above-named County, the day and year in this certificate first above written.

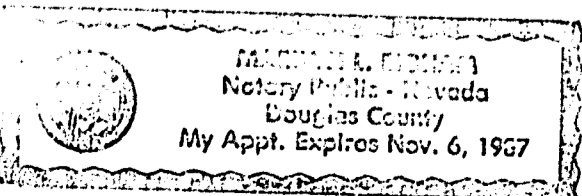


Notary Public

STATE OF NEVADA)
COUNTY OF DOUGLAS)SS.

On this 25th day of September, 1986, personally appeared before me, a Notary Public, JANE ARNOLD, who acknowledged to me that she executed the foregoing instrument in behalf of SUMMIT VILLAGE, INC.

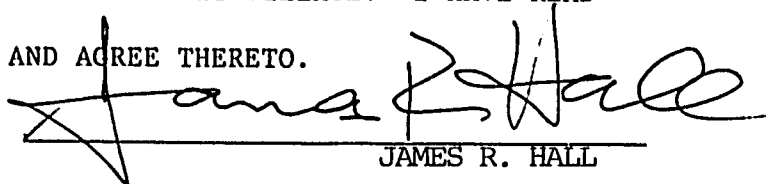
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the above-named County, the day and year in this certificate first above written.



Notary Public

I HEREBY DECLARE AND ACKNOWLEDGE UNDER PENALTY OF PERJURY THAT I, _____

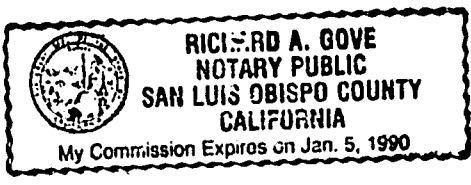
JAMES R. HALL, AM A PROPERTY OWNER IN SUMMIT VILLAGE. I HAVE READ THE ABOVE PROPOSED SUBORDINATION AGREEMENT AND AGREE THERETO.

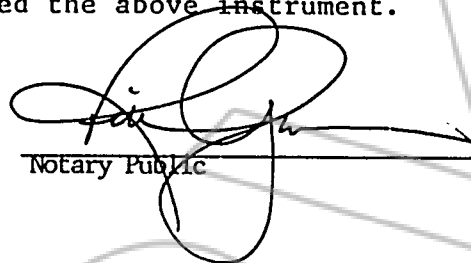


JAMES R. HALL

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) SS

On this 14 day of OCTOBER, 1986, personally appeared before me, a Notary Public, JAMES R. HALL who acknowledged to me that he executed the above instrument.



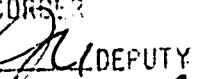


Notary Public

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REQUESTED BY
DOUGLAS COUNTY TITLE
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'86 OCT 27 P12:14

SUZANNE BEAUREAU
RECORDER
PAID  DEPUTY

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BOOK **1086** PAGE **3392**