

A.P.N. # 1320-33-310-047
ESCROW NO. 010301886

RECORDING REQUESTED BY:
STEWART TITLE COMPANY
WHEN RECORDED MAIL TO:
CHICHESTER ESTATES JOINT VENTURE
C/O BRUCE SUTHERLAND
1512 EUREKA BLVD., STE. 130
ROSEVILLE, CA 95661

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 INSTRUMENT.

THIS AGREEMENT, made July 25, 2001, by WEST RIDGE HOMES, INC., a Nevada corporation, JERRY GOODMAN, a married man as his sole and separate property and RONALD ALLEN GOODMAN, a married man as his sole and separate property, owners of the land hereinafter described and hereinafter referred to as "Owner", and present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, Owner has executed a deed of trust, dated July 31, 2001, to Stewart Title of Douglas County, as Trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$31,000.00, in favor of CHICHESTER ESTATES JOINT VENTURE, Beneficiary, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$130,000.00, dated July 31, 2001, in favor of NOVASEL & SCHWARTE INVESTMENTS, INC. DBA WESTERN HIGHLAND MORTGAGE COMPANY, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

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 referred to, it is hereby declared, understood and agreed as follows:

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- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and 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;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to 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 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
- (d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

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.

WEST RIDGE HOMES, INC.

CHICHESTER ESTATES JOINT VENTURE

BY: *Peter M. Beekhof, Jr.*
 Owner PETER M. BEEKHOF, JR.
 PRESIDENT

BY: *Sammy F. Cemo*
 Beneficiary CSC NEVADA LIMITED LIABILITY
 SAMMY F. CEMO, MANAGER

Jerry Goodman
 Owner JERRY GOODMAN

Sammy F. Cemo
 Beneficiary

Ronald Allen Goodman
 Owner RONALD ALLEN GOODMAN

Sammy F. Cemo
 Beneficiary

STATE OF NEVADA }
 COUNTY OF Douglas } ss.

DATE:

This instrument was acknowledged before me on July 31, 2001
 by, Peter M. Beekhof, Jr., Jerry Goodman
and Ronald Allen Goodman.

Signature *J. M. Newman*
 Notary Public



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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of EL DORADO

} ss.

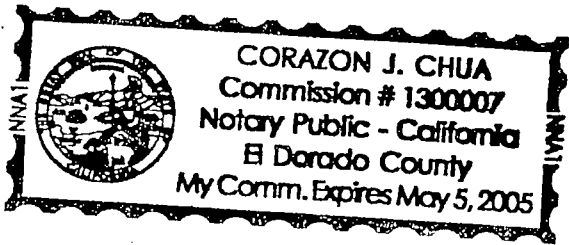
On July 26, 2001, before me,

CORAZON J. CHUA, Notary Public
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

SAMMY F. CEMO
Name(s) of Signer(s)

- personally known to me
- 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.

Corazon J. Chua
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Subordination Agreement

Document Date: _____ Number of Pages: 3

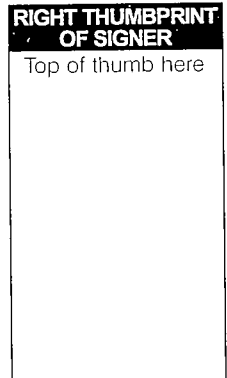
Signer(s) Other Than Named Above: Peter M. BEEKHOF, JR.

Capacity(ies) Claimed by Signer

Signer's Name: SAMMY F. CEMO

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: Manager

Signer Is Representing: SC Nevada LLC



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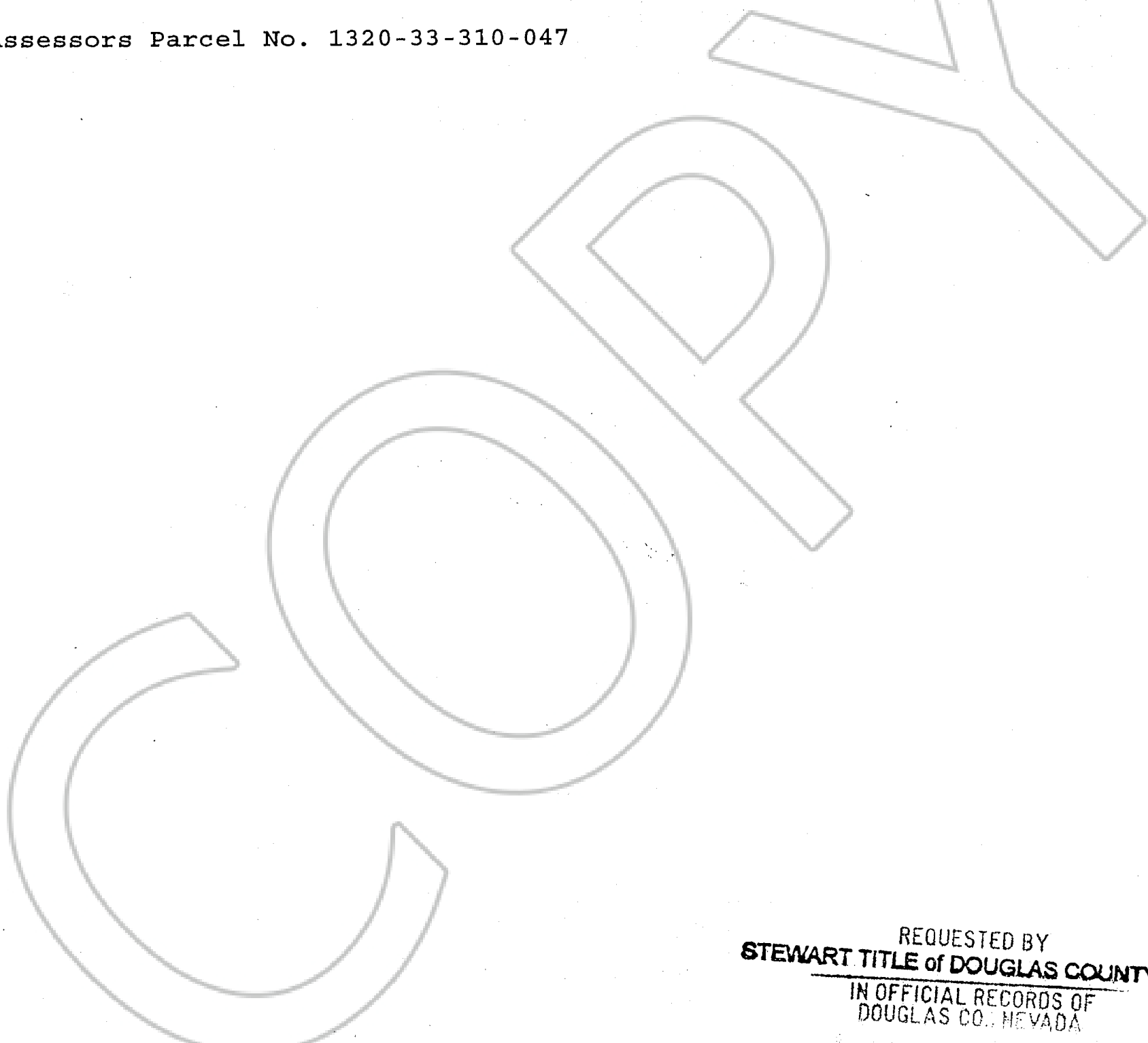
EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 010301886

Lot 3, Block A, as set forth on Final Subdivision Map FSM-1006 of CHICHESTER ESTATES Phase 1, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on September 12, 1995, in Book 995 at Page 1407, as Document No. 370215 and Amended by Certification of Amendment recorded March 5, 1997 in Book 397, Page 654 as Document No. 407852, Official Records.

Assessors Parcel No. 1320-33-310-047



REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2001 AUG -1 PM 4:05

LINDA SLATER
RECORDER

\$ *[Signature]* PAID *[Signature]* DEPUTY

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