

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

WELLS FARGO BANK, NATIONAL
ASSOCIATION
Real Estate Group (AU #02961)
2835 Mitchell Drive, Suite 101
Walnut Creek, CA 94598

Attn: Margaret Diaz
Loan #: 1468OW
Douglas County
99050330ZA

APN No. 1420-07-511-006 thru 010; 1420-07-113-032,
1420-07-112-034, 035, 040;
1420-07-112-27,024,020,018; 1420-07-112-031,030;
1420-07-115-001, 1420-07-513-006,007,003;
1420-07-116-002,003; 1420-07-212-001 thru 007;
1420-07-213-008,010,012; 1420-18-111-006, 004;
1420-18-210-003 thru 008, 001;
1420-18-110-008,007,006,003,002,001;
1420-07-512-005

**FIFTH REAFFIRMATION OF
SUBORDINATION AGREEMENT**

THIS FIFTH REAFFIRMATION OF SUBORDINATION AGREEMENT ("Reaffirmation") is made as of August 21, 2001, by and among JOHN C. SERPA, Sr., an unmarried man ("Serpa") and J.S. DEVCO, a Nevada limited partnership ("J.S. Devco") and DGD DEVELOPMENT LIMITED PARTNERSHIP, a Nevada limited partnership ("DGD DEVELOPMENT") (Serpa, J.S. Devco and DGD DEVELOPMENT being collectively referred to herein as "Borrower"), SYNCON HOMES, a Nevada corporation ("Syncon") and JAMES BAWDEN also known as J.F. BAWDEN, an unmarried man doing business as LANDMARK HOMES & DEVELOPMENT COMPANY ("Bawden") (each a "Non-Borrower Trustor" and collectively, the "Non-Borrower Trustors"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS:

- A. Serpa is the owner of certain real property located in Douglas County, State of Nevada (the "Property") which is encumbered by the Deed of Trust (defined below). As used here, the term "Property" means that real property, together with all improvements (the "Improvements") located on it.
- B. Borrower, Non-Borrower Trustors and Lender entered into a Subordination Agreement dated as of May 15, 1997 ("Subordination Agreement") and recorded on June 30, 1997, in the office of the County Recorder of the County in which the Property is located as document no. **0416243**.
- C. Lender, Borrower and Non-Borrower Trustors have entered into an Amended and Restated Revolving Credit Agreement dated March 31, 1998 (the "Amended Loan Agreement") wherein the credit facility was increased to \$10,000,000 ("Credit Facility"). The Credit Facility is evidenced by an Amended and Restated Line of Credit Note (the "Amended Note") which is secured by, among other things, a deed of trust encumbering the Property recorded on June 30, 1997 as document no. **0416241**, of

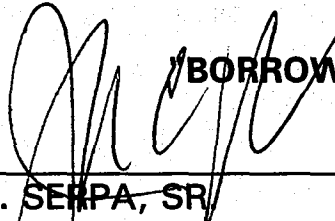
said official records (which deed of trust, as amended, is referred to herein as the "Amended Deed of Trust"). The Amended Loan Agreement and the Amended Note have been modified by a Modification Agreement dated as of July 27, 1998 (the "First Modification Agreement"); the First Amendment To The Amended and Restated Revolving Credit Agreement dated October 9, 1998 (the "Second Modification"), the Second Amendment to the Amended and Restated Credit Agreement, dated July 9, 1999 (the "Third Modification"), Third Amendment to the Amended and Restated Credit Agreement, dated July 6, 2000 (the "Fourth Modification"), and the Fourth Amendment to the Amended and Restated Credit Agreement, dated October 25, 2000 (the "Fifth Modification"). The First Modification, Second Modification, Third Modification, Fourth Modification and the Fifth Modification are hereby collectively referred to as "Modification Agreements". The Amended Loan Agreement, the Amended Note, the Amended Deed of Trust, all other documents and instruments identified in the Amended Loan Agreement as "Loan Documents", the Modification Agreements and all documents executed pursuant to the Modification Agreements, shall be collectively referred to herein as the "Amended Loan Documents".

D. The parties to this Sixth Reaffirmation of Subordination Agreement desire to reaffirm the Subordination Agreement as to the Amended Loan Documents.

NOW, THEREFORE, the parties hereto reaffirm the Subordination Agreement which shall remain in full force and effect as to the Amended Loan Documents.

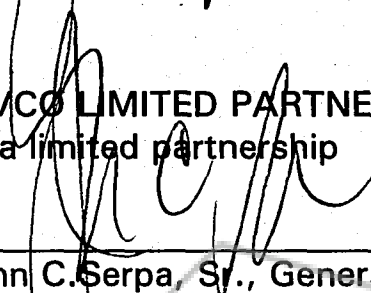
IN WITNESS WHEREOF the parties hereto have executed this Sixth Reaffirmation of Subordination Agreement on the day and year first shown above.

"BORROWER"



JOHN C. SERPA, SR

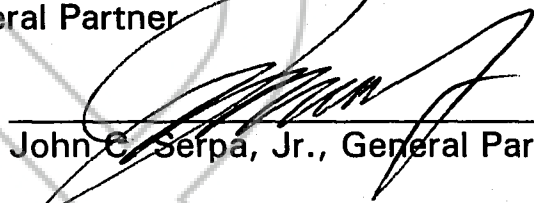
J.S. DEVCO LIMITED PARTNERSHIP,
a Nevada limited partnership

By: 

John C. Serpa, Sr., General Partner

DGD DEVELOPMENT LIMITED PARTNERSHIP,
a Nevada limited partnership

By: SSS INVESTMENTS, LLC,
a Nevada limited liability company
General Partner

By: 

John C. Serpa, Jr., General Partner

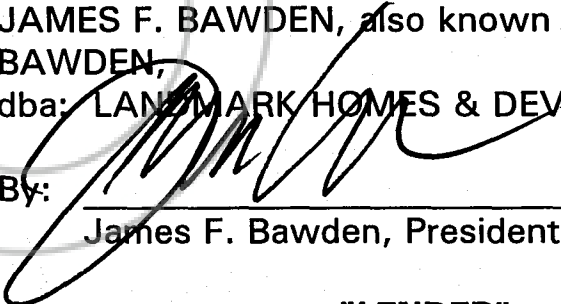
"NON-BORROWER TRUSTORS"

SYNCON HOMES, a Nevada corporation

By: 

Leo A. Hanly, President

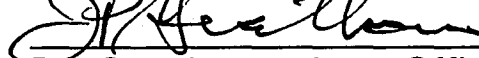
JAMES F. BAWDEN, also known as J.F.
BAWDEN,
dba: LANDMARK HOMES & DEVELOPMENT

By: 

James F. Bawden, President/Owner

"LENDER"

WELLS FARGO BANK,
NATIONAL ASSOCIATION

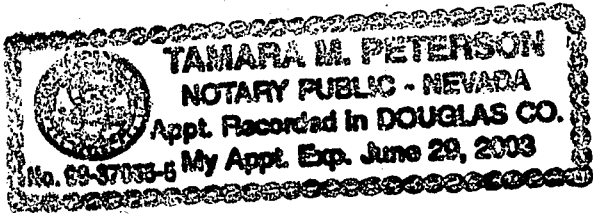
By: 

Pat Greathouse, Loan Officer

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STATE OF Nevada)
County of Carson City) ss.

This instrument was acknowledged before me on 09-18-01, 2001, by John C. Serpa.

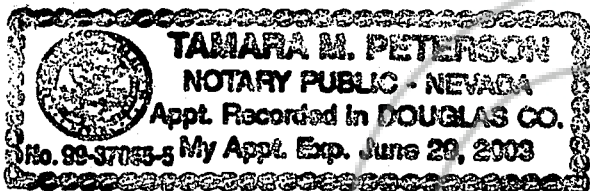


Tamara M. Peterson
Notary Public

My Commission Expires: 06-29-03

STATE OF Nevada)
County of Carson City) ss.

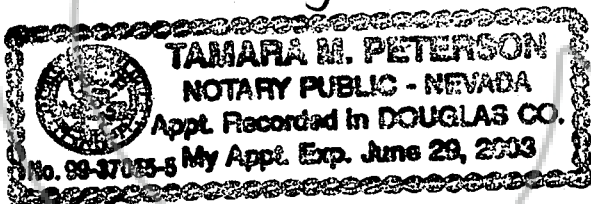
This instrument was acknowledged before me on 09-18, 2001, by John C. Serpa Sr. as General Partner, of J.S. Devco Limited Partnership, a Nevada limited partnership.



Tamara M. Peterson
Notary Public

STATE OF Nevada)
County of Carson City) ss.

This instrument was acknowledged before me on 09-18, 2001, by LEO A. HANLY, as PRESIDENT, of Syncon Homes, a Nevada corporation.



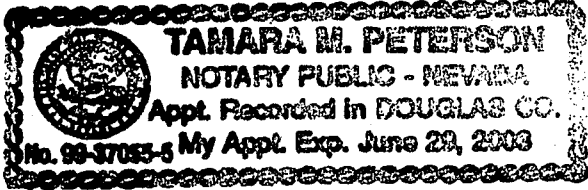
Tamara M. Peterson
Notary Public

My Commission Expires: 06-29-03

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STATE OF NEVADA)
) ss.
County of CARSON CITY)

This instrument was acknowledged before me on 09-18, 2001, by James F. Bawden, also known as J.F. Bawden, doing business as Landmark Homes & Development.



Tamara M. Peterson
Notary Public

My Commission Expires: 06-29-03

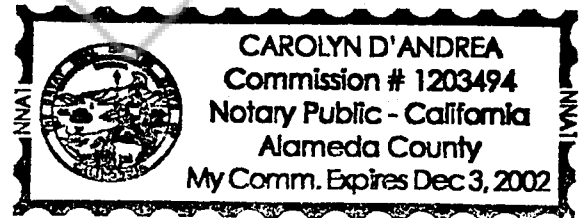
STATE OF CALIFORNIA
COUNTY OF Contra Costa ss.

On this 20 day of September, 2001, before me, Carolyn D'Andrea
a Notary Public in and for the State of California, personally appeared Patrick Breathouse
personally known to me (~~or proved 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 Carolyn D'Andrea

My commission expires December 3, 2002



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COPY

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

2001 SEP 24 PM 3: 29

LINDA SLATER
RECORDER

\$12⁰⁰ PAID *Kj* DEPUTY

0523420

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