

RECORDING REQUESTED BY:

First American Title Company Of Nevada
1213 S. Carson Street
Carson City, NV 89701-1684

WHEN RECORDED MAIL TO:

First American Title Company Of Nevada
1213 S. Carson Street
Carson City, NV 89701-1684
Escrow No. 2002-63685-GB
Parcel No. 0000-07-180-960

2002-63685 GB

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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 this 2nd day of, July, 20 02, by Lake Vista 2 Limited Partnership, a Nevada limited Partnership

owner of the land hereinafter described and hereinafter referred to as "Owner," and US Bank National Association

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Lake Vista 2 Limited Partnership, a Nevada limited partnership did execute a deed of trust, dated April 11, 2002, to First American Title Company of Nevada, as trustee, covering:

PARCEL I

Parcel 2 as set forth on Parcel Map # LDA 01-003 for Lake Vista 1, L.P., recorded April 13, 2001 in Book 401 of Official Records, at Page 3184, Douglas County, Nevada, as Document No. 512233.

PARCEL II

Those certain easements appurtenant to Parcel 2 as set forth on Parcel Map # LDA 01-003 for Lake Vista 1, L.P., recorded April 13, 2001 in Book 401 of Official Records, at Page 3184, Douglas County, Nevada, as Document No. 512233, as described in that certain Declaration of Reciprocal Easements recorded September 27, 2001 in Book 901, Page 6642, Document No. 523643.

to secure a note in the sum of \$405,197.00, dated April 11, 2002 in favor of US Bank National Association

recorded on April 16, 2002, as Instrument No. 539709, which deed of trust was, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$1,000,000.00 dated June 19, 2002, in favor of United States of America, acting through the United States Department of Agriculture, 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:

- (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 agreements 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.

Pam M. Acosta
 US BANK NATIONAL ASSOCIATION
 Pam M. Acosta, Vice President
 Beneficiary

 Owner

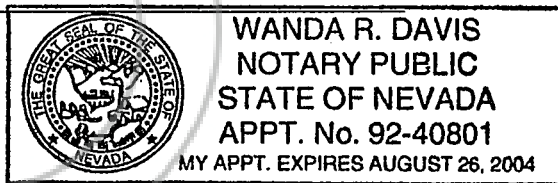
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

State of Nevada
 County of Douglas Clark

THIS DOCUMENT IS BEING SIGNED IN COUNTERPART AND SHALL BE DEEMED AS ONE ORIGINAL.

This instrument was acknowledged before me on July 2, 2002, by Wanda R. Davis

Wanda R. Davis
 Notarial Officer



State of Nevada
 County of Douglas

This instrument was acknowledged before me on _____, by _____

 Notarial Officer

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

RECORDING REQUESTED BY:

First American Title Company Of Nevada
1213 S. Carson Street
Carson City, NV 89701-1684

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Escrow No. 2002-63685-GB
Parcel No. 0000-07-180-960

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THIS AGREEMENT, made this 2nd day of, July, 20 02, by Lake Vista 2 Limited Partnership, a Nevada limited Partnership

owner of the land hereinafter described and hereinafter referred to as "Owner," and US Bank National Association

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Lake Vista 2 Limited Partnership, a Nevada limited partnership did execute a deed of trust, dated April 11, 2002, to First American Title Company of Nevada, as trustee, covering:

PARCEL I

Parcel 2 as set forth on Parcel Map # LDA 01-003 for Lake Vista 1, L.P., recorded April 13, 2001 in Book 401 of Official Records, at Page 3184, Douglas County, Nevada, as Document No. 512233.

PARCEL II

Those certain easements appurtenant to Parcel 2 as set forth on Parcel Map # LDA 01-003 for Lake Vista 1, L.P., recorded April 13, 2001 in Book 401 of Official Records, at Page 3184, Douglas County, Nevada, as Document No. 512233, as described in that certain Declaration of Reciprocal Easements recorded September 27, 2001 in Book 901, Page 6642, Document No. 523643.

to secure a note in the sum of \$405,197.00, dated April 11, 2002 in favor of US Bank National Association

recorded on April 16, 2002, as Instrument No. 539709, which deed of trust was Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$1,000,000.00, dated June 19, 2002, in favor of United States of America, acting through the United States Department of Agriculture, 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:

- (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.

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BK 0702 PG 03756

- (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 agreements 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.

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Lake Vista 2 Limited Partnership, a Nevada limited partnership

US BANK NATIONAL ASSOCIATION

By:

Beneficiary

By:

Owner JACK RILEY

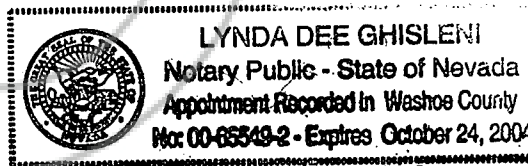
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

THIS DOCUMENT IS BEING SIGNED IN COUNTERPART AND SHALL BE DEEMED AS ONE ORIGINAL

State of Nevada
County of Douglas WASHOE

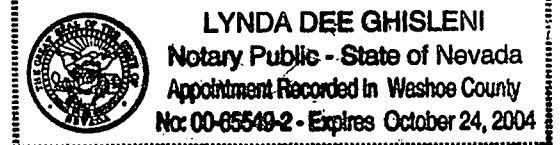
This instrument was acknowledged before me on July 2, 2002, by JACK RILEY

Lynda Dee Ghisleni
Notarial Officer



State of Nevada
County of Douglas

This instrument was acknowledged before me on _____, by _____



Notarial Officer

0547023

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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

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- (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 agreements 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
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Lake Vista 2 Limited Partnership, a Nevada limited partnership

US BANK NATIONAL ASSOCIATION

By: *G. Randy Lane*
G. RANDY LANE

Beneficiary

By: _____
Owner

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

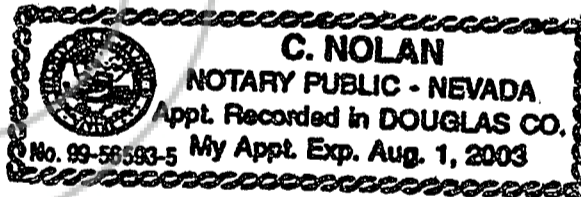
THIS DOCUMENT IS BEING SIGNED IN COUNTERPART AND SHALL BE DEEMED AS ONE ORIGINAL.

State of Nevada
County of Douglas

This instrument was acknowledged before me on July 8, 2002, by

G. Randy Lane
C. Nolan

Notarial Officer



State of Nevada
County of Douglas

This instrument was acknowledged before me on _____, by

Notarial Officer

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

0547023

BK0702PG03759

COPY

REQUESTED BY
FIRST AMERICAN TITLE CO.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 JUL 12 PM 3:37

LINDA SLATER
RECORDER

\$20⁵⁰ PAID K2 DEPUTY

0547023

BK0702PG03760