

Recording requested by and
when recorded return to:
AMRESKO Commercial Finance, LLC
Attn: Jackie Cox
412 E. ParkCenter Blvd, Suite 300
Boise, Idaho 83706
ESCROW NO. 139056PAH/89554-09
APN NO. 1022-29-402-001,002 &003

REQUESTED BY
WESTERN TITLE COMPANY, INC.
OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

2004 MAR 30 PM 3:09

WERNER CHRISTEN
RECORDER

\$23⁰⁰ PAID *KJ* DEPUTY

SUBORDINATION AGREEMENT

THIS AGREEMENT is made this 26th day of March, 2004, by NORTHERN NEVADA BANK ("Creditor"), TOPAZ LODGE, INC., a Nevada corporation, TOPAZ LAKE WATER CO., INC., a Nevada corporation, and ROBERT PARKER, INC., a Nevada corporation (collectively, "Borrower") and WACHOVIA TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee, and WELLS FARGO BANK, N.A., as Indenture Trustee of the ACLC BUSINESS LOAN RECEIVABLES TRUST 2002-1 (collectively, "Lender"), acting through its Servicing Agent, AMRESKO COMMERCIAL FINANCE, LLC, a Delaware limited liability company, successor-by-merger to AMRESKO Commercial Finance, Inc. ("AMRESKO").

RECITALS:

1. Borrower is in the business of operating a motel, convenience store and casino located on that certain real property commonly known as 1979 U.S. Highway 395 S., Gardnerville, Nevada, and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Topaz Lodge").
2. On or about March 27, 2001, AMRESKO made a loan (the "Topaz Loan") to Borrower reflected in a Promissory Note in favor of AMRESKO dated March 27, 2001, in the amount of \$9,444,444.44 (the "Topaz Note").
3. In connection with the Topaz Loan, Topaz executed and delivered to ACFI a Pledge and Security Agreement dated March 27, 2001, encumbering certain property of Borrower and securing the Topaz Note ("Topaz Pledge"), and other loan documents including but not limited to the following:
 - a. Deed of Trust, Assignment of Leases and Rents and Security Agreement dated March 27, 2001, executed by RHE Trust U/T/A dated May 1, 1990 ("RHE Trust"), recorded March 29, 2001, as Document No. 0511283 in Book 0301, Page 7588, Official Records of Douglas County, Nevada, which relates to the Topaz Lodge ("Topaz Lodge Deed of Trust");
 - b. Deed of Trust, Assignment of Leases and Rents and Security Agreement dated March 27, 2001, executed by Topaz Lake Water Co., Inc., recorded March 29, 2001, as Document No. 0511286 in Book 0301, Page 7637, Official Records of Douglas County, Nevada, which relates to the Topaz Lodge;

- c. Indemnity dated March 27, 2001; and
- d. Five (5) Affiliate Guaranties each dated March 27, 2001 and executed by (1) Cashell Enterprises, Inc., a Nevada corporation, (2) Robert A. Cashell, Sr. and Nancy P. Cashell, (3) Robert A. Cashell, Jr. and Ermelinda Cashell, (4) Cashell Family Trust, and (5) The Robert and Nancy Cashell Family Trust.

4. The Topaz Note, Topaz Pledge, Topaz Lodge Deed of Trust and any other instrument, agreement, certificate, document or other writing executed in connection with the Topaz Loan, are hereinafter referred to as the "Topaz Loan Documents". The beneficial interest in all Topaz Loan Documents for the Topaz Loan was assigned to Lender. Pursuant to a servicing agreement between Lender and AMRESKO, AMRESKO is the servicing agent of the Topaz Loan on behalf of Lender.

5. Pursuant to the Topaz Pledge, related UCC financing statements and Topaz Lodge Deed of Trust (collectively the "Lender Lien Documents"), Lender has a first priority perfected lien and security interest in all of Borrower's right, title and interest in and to all real and personal property associated with Topaz Lodge (collectively, the "Collateral").

6. Borrower is about to execute a promissory note in favor of Creditor, payable with interest and upon the terms and conditions described therein ("Bank Note"), in connection with Borrower's acquisition from RHE Trust of RHE Trust's 50% tenant-in-common ownership interest in the real property and improvements comprising Topaz Lodge.

7. It is a condition precedent to advancing funds under the Bank Note that Borrower execute a security agreement and financing statements (the "Bank Loan Documents") which secure all Collateral in a second priority position in favor of Creditor, which shall unconditionally be and remain at all times a lien or a charge upon the Collateral junior and subordinate to the Lender's Lien Documents (the "Subordinate Security Interest").

8. Borrower has requested Lender's consent to Borrower's execution and delivery of the Bank Note and the Subordinate Security Interest on the Collateral.

9. It is to the mutual benefit of the parties hereto that Creditor advance the funds under the Bank Note to Borrower.

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 consent to Borrower's execution and delivery of the Bank Note and the Subordinate Security Interest on the Collateral, it is hereby declared, understood and agreed by the parties hereto as follows:

A. SUBORDINATION

Lender's interest in the Collateral under the Lender's Lien Documents, as to all obligations recited as being secured thereby, and any renewals, modifications advances or extensions

Collateral, prior and superior to the Subordinate Security Interest reserved pursuant to the Bank Loan Documents.

B. BINDING EFFECT

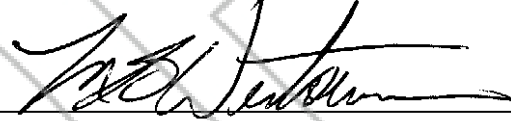
This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, successors and assigns.

C. COUNTERPARTS

This Agreement may be executed in counterparts and the parties understand that it may be executed in counterparts. When all original signatures are together, the various documents containing the signatures constitute one original document fully executed by all parties.

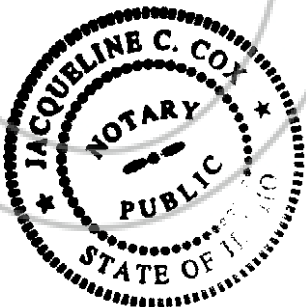
LENDER:

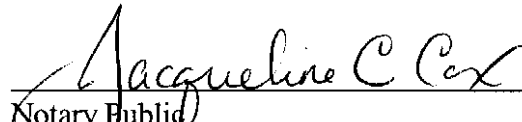
**Wachovia Trust Company, National Association,
as Owner Trustee, and Wells Fargo Bank, N.A.,
as Indenture Trustee of the ACLC Business Loan
Receivables Trust 2002-1, acting through its servicing
agent, AMRESKO Commercial Finance, LLC,
a Delaware limited liability company**

By: 
Michael B. Westover, Vice President

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this 26th day of March, 2004, personally appeared before me, a Notary Public, Michael B. Westover, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument who acknowledged that he executed the instrument in his capacity and within his authority as Vice President of AMRESKO Commercial Finance, LLC, acting as servicing agent for **Wachovia Trust Company, National Association, as Owner Trustee, and Wells Fargo Bank, N.A., as Indenture Trustee of the ACLC Business Loan Receivables Trust 2002-1.**




Notary Public
My commission expires: 7-19-2005

CREDITOR:

Northern Nevada Bank

By: Ty A. Nebe
Name: Ty A. Nebe
Its: Executive Vice President / CCO

STATE OF NEVADA)
) ss.
COUNTY OF Washoe)

On this 22nd day of March, 2004, personally appeared before me, a Notary Public, Ty A. Nebe, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument who acknowledged that he/she executed the instrument in his/her capacity and within his/her authority as EVP, CCO of **Northern Nevada Bank**.



Kathy Richards
Notary Public
My commission expires: 11/13/07

0608792
BK0304PG14674

BORROWER:

Attest:

By: _____
Name: _____
Title: _____

(SEAL)

Topaz Lodge, Inc.,
a Nevada corporation

By: Robert A. Cashell, Jr.
Robert A. Cashell, Jr., President

Attest:

By: _____
Name: _____
Title: _____

(SEAL)

Topaz Lake Water Co, Inc.,
a Nevada corporation

By: Robert A. Cashell, Jr.
Robert A. Cashell, Jr., President

Attest:

By: _____
Name: _____
Title: _____

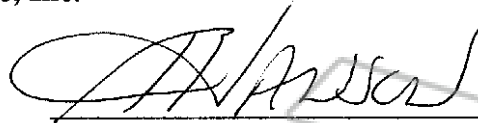
(SEAL)

Robert Parker, Inc.,
a Nevada corporation

By: Robert A. Cashell, Jr.
Robert A. Cashell, Jr., President

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 26th day of March, 2004, personally appeared before me, a Notary Public, Robert A. Cashell, Jr., personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument who acknowledged that he executed the instrument in his capacity and within his authority as President of **Topaz Lodge, Inc.**

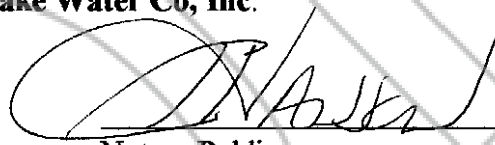


Notary Public
My commission expires: 8/30/04

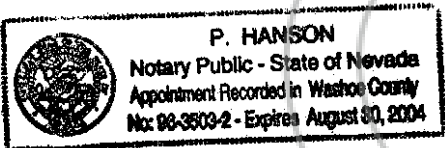


STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 26th day of March, 2004, personally appeared before me, a Notary Public, Robert A. Cashell, Jr., personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument who acknowledged that he executed the instrument in his capacity and within his authority as President of **Topaz Lake Water Co, Inc.**




Notary Public
My commission expires: 8/30/04



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 26th day of March, 2004, personally appeared before me, a Notary Public, Robert A. Cashell, Jr., personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument who acknowledged that he executed the instrument in his capacity and within his authority as President of **Robert Parker, Inc.**



Notary Public
My commission expires: 8/30/04

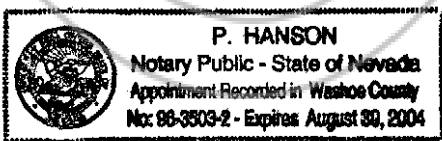


EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1

All that property situate in the County of Douglas, State of Nevada, described as follows:

Lots 120, 121, 122, 123, 152, 153 and 154, of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, State of Nevada, on August 10, 1954, as File No. 9774.

TOGETHER WITH that real property lying and being in Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at a point on the Northwest corner of Lot 123 of the Topaz Subdivision as recorded August 10, 1954, in the Official Records of Douglas County, Nevada; said point being the TRUE POINT OF BEGINNING;

Thence West, a distance of 60.00 feet;

Thence South 00° 04' West, a distance of 420.00 feet;

Thence East, a distance of 60.00 feet to the Southwest corner of Lot 120 of aforesaid subdivision;

Thence North 00° 04' East, a distance of 420.00 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH all that certain piece or parcel of land situated in the Southwest Quarter of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Beginning at the intersection of the West line of Genoa Street and the South line of Topaz Subdivision, as shown on the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954;

Thence North 0° 04' East along said West line of Genoa Street, a distance of 154.86 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 0° 04' East 265.14 feet to the South line of Kit Carson Avenue, as shown on the map of Topaz Subdivision;

Thence West 385.87 feet to a point on the Easterly right of way curve of U.S. Highway 395 as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds, Page 474, Douglas County, Nevada, records;

Thence Southeasterly along a curve having a radius of 4,575 feet subtending a central angle of 3° 28' 38" an arc distance of 277.71 feet to a point;

Thence leaving said right of way line East, a distance of 303.29 feet to the TRUE POINT OF BEGINNING.

All that certain piece or parcel situate in the Southwest Quarter of Section 29, Township 10 North, Range 22, East, M.D.B. & M., described as follows:

Beginning at a 7/8 inch iron bar at the intersection of the West line of Genoa Street and the South line of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954, under Document No. 9774, Douglas County, Nevada Records;

Thence from the POINT OF BEGINNING North 0° 04' East along the West line of Genoa Street a distance of 154.86 feet to a 7/8 inch iron bar;

Thence West 303.29 feet, to a point in the Easterly right of way line of U.S. Highway 395, as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds, Page 473, Douglas County, Nevada Records;

Thence along said highway right of way line along a curve to the right having a radius of 4575 feet, through an angle of $2^{\circ} 00' 12''$, for an arc distance of 160.00 feet, to the intersection thereof, with the North line of the parcel conveyed to the M.K. & D. Company, recorded April 1, 1955, in Book B-1 of Deeds, Page 316, Douglas County, Nevada Records;

Thence East along the line common to said M.K. & D. Company parcel, a distance of 263.06 feet to the POINT OF BEGINNING.

ALSO TOGETHER WITH all that certain piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, Nevada and more particularly described as follows:

Commencing at the Southwest corner of Lot 152, of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, State of Nevada, on August 10, 1954;

Thence West a distance of 60 feet to the TRUE POINT OF BEGINNING;

Thence continuing West, a distance of 406.39 feet more or less, to a point in the curve of the Easterly right of way line of U.S. Highway 395, and

Thence a Radial bearing South $70^{\circ} 20' 59''$ West;

Thence Northerly along said right of way line through a curve whose central angle is $3^{\circ} 45' 26''$ having a radius of 4,574.00 feet, an arc length of 300.00 feet to a point;

Thence South $89^{\circ} 57' 00''$ East, a distance of 516.88 feet to a point in the Westerly line of Genoa Street (60 feet in width);

Thence South $0^{\circ} 04' 00''$ West along said Westerly line, a distance of 288.50 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH all that real property lying and being in the Southwest $\frac{1}{4}$ of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at the Southwest corner of Lot 152 of TOPAZ SUBDIVISION, as recorded August 10, 1954;

Thence West 60.00 feet to the TRUE POINT OF BEGINNING;

Thence West, a distance of 406.39 feet more or less to a point on the Easterly right of way of U.S. Highway 395;

Thence in a generally Southerly direction along the Easterly right of way of U.S. Highway 395 to the Northwest corner of that certain parcel of land as defined on Page 4 of Exhibit A as recorded in Book 784, Page 138, of County Records, said point being further defined as lying on the South right of way line of Kit Carson Avenue per aforesaid subdivision;

Thence East, a distance of 385.87 feet more or less to the Southwest corner of Kit Carson Avenue with Genoa Street per aforesaid subdivision;

Thence North $00^{\circ} 04'$ East, a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH commencing at a point on the Northeast corner of that certain parcel of land as defined in Book 1084, Page 2650, of County records, said point being the TRUE POINT OF BEGINNING;

Thence East, 60.00 feet, to the Easterly right of way line of Genoa Street as shown on the TOPAZ SUBDIVISION (as recorded August 10, 1954)

Thence South $00^{\circ} 04'$ West along the Easterly right of way line of Genoa Street to the Southwest corner of Lot 152 of the aforesaid TOPAZ SUBDIVISION;

Thence East 200 feet to the Southeast corner of aforesaid Lot 152;

Thence South 00° 04' West, 60 feet to the Northeast corner of Lot 123 of the aforesaid TOPAZ SUBDIVISION;

Thence West along the Southerly right of way line of Kit Carson Avenue to the Southwest corner at the intersection of Kit Carson Avenue with Genoa Street;

Thence North 00° 04' East along the Westerly right of way of Genoa Street to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM a general Public Utility Easement being a strip of land, 10 feet in width, (measured at right angles) lying 5 feet on both sides of the following described centerline being in portions of the former Kit Carson Avenue right of way as shown on the TOPAZ SUBDIVISION, recorded August 10, 1954 and being more particularly described as follows:

Section 1

Beginning at the Northeast corner of Lot 123 of said TOPAZ SUBDIVISION;

Thence North 0° 04' 00" East, 5.00 feet to the TRUE POINT OF BEGINNING;

Thence 89° 59' 04" West, 524.00 feet to an angle point in said centerline;

Thence South 55° 14' 05" West, 5 feet to the end thereof.

Section 2

Beginning at the angle point in the above described Section 1;

Thence North 89° 59' 04" West, 22.00 feet to the end thereof.

A.P.N. 39-121-08

PARCEL 2

A parcel of land on the East side of U.S. Highway 395 in the South ½ of the Southwest ¼ of Section 29, Township 10 North, Range 22 East, M.D.B. & M. in Douglas County, Nevada, more fully described as follows:

BEGINNING at a point which the ¼ corner of the South boundary of said Section 29 lies East 1,070.00 feet and South 225 feet;

Thence West parallel to the South line of Section 29, 416.84 feet to a point on the East right of way line of Highway 395;

Thence following the said right of way line Northerly on a curve to the left with a radius of 4,575 feet from a tangent bearing to the left with a radius of 4,575 feet from a tangent bearing North 5° 23' 40" West, a distance of 608.90 feet,

Thence East 519.13 feet

Thence South 600 feet to the POINT OF BEGINNING.

A.P.N. 39-142-11

PARCEL 3

All that certain property situate in the County of Douglas, State of Nevada, located in the South ½ of the Southwest ¼ of Section 29, Township 10 North, Range 22, East, M.D.B. & M., in Douglas County, Nevada, more particularly described as follows:

BEGINNING at a point on the South line of said Section 29, from which the South ¼ corner thereof bears East, 1,076.30 feet;

Thence along the said Section line West 394.00 feet to the Easterly right of way line of U.S. Highway 395;

Thence Northerly along said right of way line following a curve to the left with a radius of 4,575 feet, through an angle of 2° 49' 35" from a tangent bearing of 2° 56' 44" length of 225.69 feet;

Thence East 411.24 feet;

Thence South 225.00 feet to the TRUE POINT OF BEGINNING.

A.P.N. 39-142-03

ADDITIONAL PARCEL

All that real property situate in the County of Douglas, State of Nevada, described as follows:

Lots 18, 24 and 38, as shown on the Amended Map of TOPAZ LODGE SUBDIVISION, FIRST AND SECOND SECTIONS, filed in the office of the County Recorder of Douglas County, State of Nevada, on September 16, 1958, in Book 3 of Maps, Page 3, as File No. 13594.

A.P.N. 39-143-02 (Lot 18)

A.P.N. 39-143-07 (Lot 24)

A.P.N. 39-151-01 (Lot 38)

1979 U.S. Highway 395 S.
Gardnerville, Nevada
Unit Topaz Lodge
Record Owner: Topaz Lodge, Inc.

TOGETHER WITH:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

Lot 70, as shown on the Amended Map of TOPAZ LODGE SUBDIVISION, FIRST AND SECOND SECTIONS, filed in the office of the County Recorder of Douglas County, State of Nevada, on September 16, 1958, in Book 3 of Maps, Page 3, as File No. 13594.

A.P.N. 39-156-06

1979 U.S. Highway 395 S.
Gardnerville, Nevada
Unit Topaz
Record Owner: Topaz Lake Water Co., Inc.

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain *Grant Deed*, recorded in the office of the County Recorder of *Douglas* County, Nevada on *Dec. 1, 2003* in Book *1203*, Page *579* as Document No. *598311* of Official Records.