

APN 1318-26-101-005

Recording Requested By and
When Recorded Mail To:

COLONIAL BANK
P.O. BOX 5700
STATELINE, NV. 89449

TSE #04-50234

REQUESTED BY

TSI TITLE & ESCROW
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 AUG 11 PM 4:14

WERNER CHRISTEN
RECORDER

\$18⁰⁰ PAID KJ DEPUTY

SUBORDINATION AGREEMENT

This Subordination Agreement is made and entered into this 5th day of August, 2004, and between Colonial Bank, the Successor-In-Interest to Nevada Banking Company (herein referred to as "Colonial") and First American Title Company of Nevada (herein referred to as "Trustee") and RGG Enterprises, a Nevada Limited Liability Partnership (herein referred to as "RGG") as follows:

WITNESSETH

WHEREAS, Colonial is the Beneficiary under a Deed of Trust (the "No. 1 Deed of Trust") made by Gardner Enterprises, LLC, a Nevada Limited Liability Company (herein referred to as "Gardner") dated June 8, 1999, recorded June 21, 1999 in Book 699 at page 2619 as Document No. 470135 of Official Records of Douglas County, Nevada; and

WHEREAS Trustee is Trustee under a Deed of Trust made by Gardner wherein RGG is Beneficiary thereof, which Deed of Trust is dated July 8, 1999 and was recorded July 8, 1999 as Document No. 472115 in Book 799 at page 1332 of Official Records of Douglas County, Nevada (the No. 2 Deed of Trust); and

WHEREAS, Trustee and Beneficiary have agreed to subordinate the lien of the No. 2 Deed of Trust to the lien of the No. 1 Deed of Trust both with respect to all past advances and future advances thereunder.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Trustee and Beneficiary do hereby subordinate and do hereby declare to be subordinate the lien of the aforesaid No. 2 Deed of Trust to the lien of No. 1 Deed of Trust as to all advances heretofore made and to all advances hereafter made under said No. 1 Deed of Trust, such future advances, however, not to exceed the sum of SIXTY THOUSAND DOLLARS AND NO/100 (\$60,000.00).

2. This Agreement is binding upon and shall inure to the benefit of the parties hereto, their successors and assigns.

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3. The real property the subject of this Subordination Agreement is described as follows:

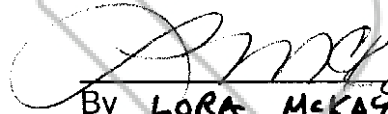
Being a portion of North 1/2 of Northwest 1/4 of Section 26, Township 13 North, Range 18 East, M. D. B. & M. described as follows:

Parcel No. 1 according to that certain Parcel Map recorded on February 10, 1978 as Document No. 17578 in Book 278 at Page 591, Official Records of Douglas County, Nevada.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year hereinafter written.

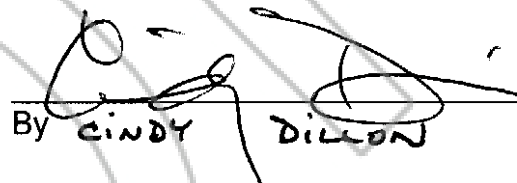
Colonial Bank

Dated 8-5-04


By LORA MCKAY

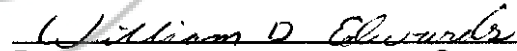
First American Title Company of America

Dated 8-11-04


By CINDY DILLON

RGG Enterprises, a Nevada Limited Partnership

Dated 8/4/04


By WILLIAM D. EDWARDS General Partner

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ACKNOWLEDGMENT

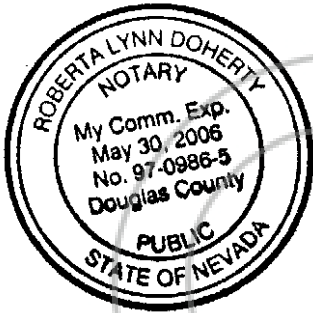
STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 4th day of August, 2004, personally appeared before me, a Notary Public, in and for said County and State, William D. Edwards, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

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



NOTARY PUBLIC



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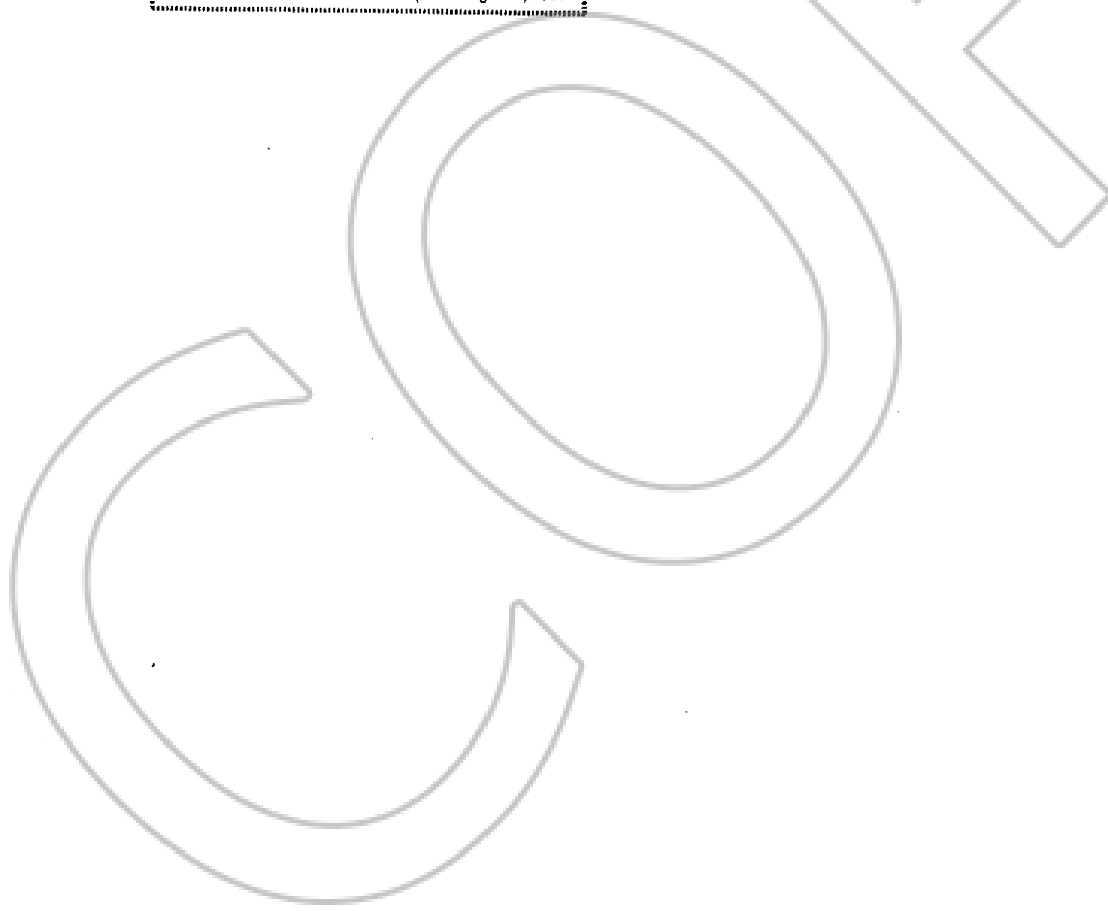
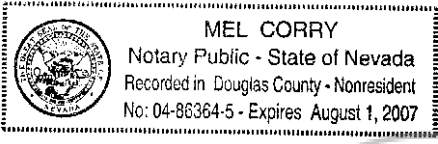
ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 5th day of August, 2004, personally appeared before me, a Notary Public, in and for said County and State, Lora McKay, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

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

Mel Corry
NOTARY PUBLIC



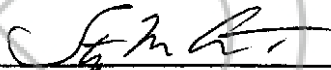
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ACKNOWLEDGMENT

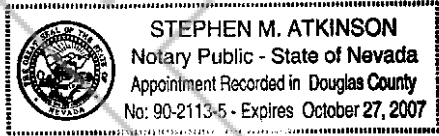
STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 10th day of AUGUST, 2004, personally appeared before me, a Notary Public, in and for said County and State, CINDY DILLON, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

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



NOTARY PUBLIC



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