

OFFICIAL RECORD
Requested By:
FIRST AMERICAN TITLE

A.P.N.: 1418-03-301-009
File No: 141-2174779 (CD)

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 7 Fee: 20.00
BK-0205 PG- 384 RPTT: 0.00



When Recorded Return To:
Annmarie Rehberger
585 Fairview Blvd.
Incline Village, NV 89451

SUBORDINATION AGREEMENT (EXISTING TO NEW)

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 **Tenth day of January, 2005**, by

Chad Smittkamp and Jean Merklebach, Trustees of the Rockwell 1997 Trust dated January 30, 1997

Owner of the land hereinafter described and hereinafter referred to as "Owner", and

Annemarie Rehberger, Trustee of The Rehberger Family Trust, dated June 17, 1992

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 **April 20, 2004** to **First American Title Company of Nevada**, as Trustee, covering:

THAT PORTION OF SECTION 3, TOWNSHIP 14, RANGE 18, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF SECTION 3, TOWNSHIP 14 NORTH, RANGE 18 EAST, M.D.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER 1/4 CORNER OF SAID SECTION 3, AS ESTABLISHED BY THE BUREAU OF LAND MANAGEMENT IN 1990:

THENCE SOUTH 89°19'25" EAST 97.45 FEET TO THE NORTHWEST CORNER OF LOT C GLENBROOK UNIT NO. 3, FILED FOR RECORD ON JUNE 1, 1980, DOCUMENT NO. 45299;

Date: January 10, 2005

THENCE ALONG THE WESTERLY BOUNDARY OF SAID LOT C, SOUTH 27°07'57" WEST 677.18 FEET;
 THENCE SOUTH 14°18'38" WEST 257.15 FEET;
 THENCE SOUTH 45°15'23" WEST 239.71 FEET;
 THENCE LEAVING THE WESTERLY BOUNDARY, NORTH 16°33'21" WEST 171.40 FEET;
 THENCE NORTH 29°43'18" WEST 43.00 FEET;
 THENCE NORTH 42°43'18" WEST 100 FEET;
 THENCE ALONG A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF 45.00 FEET, A CENTRAL ANGLE OF 111°38'51" AND AN ARC LENGTH 87.69 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 64°58'33" WEST 74.46 FEET;
 THENCE ALONG A CURVE CONCAVE TO THE EAST WITH A RADIUS 190.00 FEET, A CENTRAL ANGLE OF 21°33'30", AND AN ARC LENGTH OF 71.49 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 02°40'35" WEST 71.07 FEET;
 THENCE ALONG A CURVE CONCAVE TO THE NORTHWEST WITH A RADIUS OF 180.00 FEET, A CENTRAL ANGLE OF 66°05'15", AND AN ARC LENGTH OF 207.62 FEET, THE CHORD OF SAID CURVES BEARS SOUTH 31°44'20" WEST 196.30 FEET;
 THENCE NORTH 01°14'07" EAST 1,024.97 FEET;
 THENCE SOUTH 89°19'25" EAST 735.21 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION DESCRIBED IN THE "STIPULATION ORDER" RECORDED DECEMBER 19, 2000 IN BOOK 1200, PAGE 3832, FILE NO. 505326.

THE ABOVE DESCRIBED LAND IS ALSO DESCRIBED AS TRACT 1 ON THE RECORD OF SURVEY FILED FEBRUARY 17, 2004 AS FILE NO. 604853.

NOTE: THE ABOVE METES AND BOUND DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED MAY 21, 2003, IN BOOK N/A, PAGE N/A, AS INSTRUMENT NO. 577556.

to secure a Note in the sum of \$450,000.00, dated April 20, 2004, in favor of Annemarie Rehberger, Trustee of The Rehberger Family Trust, dated June 17, 1992, which Deed of Trust was recorded April 21, 2004 in Book 404, Page 10330, or Instrument No. 610827, of said County; and

WHEREAS, Owner has executed, or is about to execute, a Deed of Trust and Note in the sum of \$2,500,000.00, dated JANUARY 27, 2005, in favor of CITI MORTGAGE, Inc., 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

Date: January 10, 2005

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 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 Deed 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 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.



A.P.N. 1418-03-301-009

Subordination Agreement - continued

File No.: 141-2174779 (CD)

Date: January 10, 2005

**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 THE IMPROVEMENT OF THE LAND.**



A.P.N. 1418-03-301-009

Subordination Agreement - continued

File No.: 141-2174779 (CD)

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(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO. (CLTA SUBORDINATION FORM "A")

OWNER:

Chad Smittkamp and Jean Merklebach, Trustees of the Rockwell 1997 Trust

Chad Smittkamp, Trustee

Jean Merklebach, Trustee

STATE OF NEVADA)
: ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on 1-27-05 by Chad Smittkamp and Jean Merklebach.

Cindy Dillon
Notary Public

(My commission expires: 11-11-05)



BENEFICIARY:

By: _____

