

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, Nevada 89511
Attn: Gregg P. Barnard, Esq.



APN: 1320-29-000-008

10/4365 CC

(Space Above Line For Recorder's Use Only)

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Agreement") is made this 5th day of January, 2009, by The Ranch at Gardnerville, LLC, a Nevada limited liability company (the "Trustor"), and Wealth Strategies Investment Fund LLC, a Nevada limited liability company (the "Junior Lender") for the benefit of Park Cattle Co., a Nevada corporation (the "Senior Lender").

RECITALS

A. On July 7, 2006, pursuant to the provisions of the Purchase and Sale Agreement, dated May 24, 2006, with respect to the purchase and sale of the Park Property and Anker Property, as defined therein (as amended, the "Purchase Agreement"), Borrower executed and delivered that certain (i) promissory note in the original principal amount of Twenty-five Million, Two Hundred Seventy Thousand Dollars (\$25,270,000.00) (the "Original Park Promissory Note") to evidence the loan contemplated in the Purchase Agreement (the "Loan") and (ii) Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Park First Deed of Trust") which was recorded in the Official Records of Douglas County, Nevada on July 7, 2006, in Book 0706, Page 2220, as Document No. 679110, in each case to and for the benefit of Asset Preservation, Inc.

B. On December 18, 2006, Asset Preservation, Inc., assigned all of its rights, title and interest in the Original Park Promissory Note and Park First Deed of Trust to the Senior Lender.

C. The final payment due under the Original Park Promissory Note in the amount of Nine Million Six Hundred Twenty Six Thousand Six Hundred Sixty-six and 78/100ths Dollars (\$9,626,666.78) was due and payable on July 7, 2008. Trustor failed to make this payment.

D. Trustor and Senior Lender have agreed to (i) extend the maturity date of the Original Park Promissory Note, (ii) liquidate the amounts of default interest accrued thereunder and the final payment adjustment as contemplated in Article 1A of the Purchase Agreement and (iii) provide for the payment of interest and the establishment of an interest reserve account during the extended term of the Original Park Promissory Note, in each case as set forth in the Loan Modification Agreement, dated the date hereof made by and between the Trustor and Senior Lender (the "Loan Modification Agreement"), and the Amended and Restated Promissory Note, dated the date hereof, made by Trustor to Senior Lender in the principal amount of Nine Million Six Hundred Twenty-six Thousand Six Hundred Sixty-six and 78/100ths Dollars (\$9,626,666.78) (as amended and restated, the "Park Promissory Note"). The Park Promissory Note, the Park First Deed of Trust and the Loan Modification Agreement are hereinafter collectively referred to as the "Loan Documents". A Memorandum of Agreement, dated the date hereof, with respect to the Loan Modification Agreement, has been recorded in the Official Records of Douglas County, Nevada, immediately prior to the recordation of this Agreement.

E. Senior Lender has discovered that Trustor executed that certain Deed of Trust and Assignment of Rents, dated July 7, 2006 (the "Junior Deed of Trust") to Stewart Title Company, as trustee, and Junior Lender, as beneficiary, which Junior Deed of Trust was recorded in the Official Records of Douglas County, Nevada on December 29, 2006 in Book 1206, Page 11107 as Document No. 691846, and recites that it secures an indebtedness of \$15,000,000.00 owed to Junior Lender.

F. As a condition precedent to Senior Lender agreeing to the terms and conditions of the Loan Modification Agreement, Senior Lender requires that the Junior Deed of Trust and any and all obligations secured thereby remain and be made expressly subordinate and junior in priority to the lien and charge of the Park First Deed of Trust and all obligations secured thereby. Senior Lender would not have entered into the Loan Modification Agreement but for the complete and unconditional subordination in all respects of the Junior Deed of Trust to the lien and charge of the Park First Deed of Trust whereby the Park First Deed of Trust is senior and prior to all other liens and charges against the "Property", as defined in the Park First Deed of Trust and the legal description for such real property is attached hereto as Exhibit "A" and is incorporated herein by this reference.

G. The indebtedness under the Park Promissory Note as amended and restated in accordance with the terms of the Loan Modification Agreement consists of Nine Million Six Hundred Twenty-six Thousand Six Hundred Sixty-six and 78/100ths Dollars (\$9,626,666.78), together with interest accrued thereon (the rate of interest changes from time to time and also increases upon the maturity of the Loan, by acceleration or otherwise and upon the occurrence of an Event of Default) and all fees, costs and expenses incurred by Senior Lender (including without limitation, any loan fee, extension fee, and other commitment or arrangement fee, the reimbursement of costs and expenses incurred by Senior Lender in connection with the closing, continuing administration and enforcement of the Loan, including, without limitation, fees and costs for attorneys, appraisers, environmental audit reports and reviews, construction consultants and inspectors, title insurance premiums, recording fees, UCC-1 filing fees and similar expenses and all protective advances made by Senior Lender).



H. It is to the mutual benefit of the Trustor and Junior Lender that Senior Lender enter into the Loan Modification Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Junior Lender, Trustor and Senior Lender, and in order to induce Senior Lender to enter into the Loan Modification Agreement and agree to the provisions as therein provided, Junior Lender and Trustor agree that the Junior Deed of Trust (including any amendments, modification, extensions or supplements from time to time thereto) and each and any other document, agreement or instrument which may from time to time be or constitute a lien or charge against the Property, if any, (collectively, the "Encumbrance Agreements") is and shall be completely and unconditionally subject, junior and subordinate in all respects to the Park First Deed of Trust. Without limiting the generality of the foregoing, Junior Lender, Trustor and Senior Lender agree as follows:

1. **Subordination.** Junior Lender's rights to the Property, if any, pursuant to the Junior Deed of Trust or any other Encumbrance Agreement are and shall continue to be expressly subject, junior and subordinate to:

(a) the lien and charge created by the Park First Deed of Trust;

(b) the indebtedness described in the Park Promissory Note and any extensions, amendments, restatements, replacements, consolidations, modifications and supplements thereto, including, without limitation, any and all advances of principal (whether or not obligatory), in whatever amounts and whenever made, and whether or not all or any portion of the principal amount of the Loan has been repaid, with interest thereon; and

(c) any interest, fees, costs, advances and reimbursements, including any and all interest, fees, costs and reimbursements which may increase the indebtedness secured by the Park First Deed of Trust above the principal amount thereof; and

(d) all other terms, covenants and conditions set forth in the Loan Documents and any extensions, amendments, restatements, replacements, consolidations, modifications and supplements thereto, including without limitation, increases to the principal amount of the Loan in amounts that are unknown as of the date hereof, but may include all amounts of unpaid interest (including deferred interest), default interest, late fees, fees, costs, advances and reimbursements contemplated in the Loan Documents which may result in the compounding of interest.

2. **Reliance.** Junior Lender intentionally and unconditionally subjects and subordinates all of Junior Lender's rights to the Property, if any, pursuant to the Junior Deed of Trust and any other Encumbrance Agreements in favor of the lien of the Park First Deed of Trust and the other Loan Documents, and acknowledges that, in reliance upon and in consideration of



this subjection and subordination, Senior Lender would not have made such Loan or entered into the Loan Modification Agreement but for this subjection and subordination.

3. **Further Assurances.** So long as the Park First Deed of Trust shall remain a lien upon the Property or any part thereof, Junior Lender, its successors or assigns or any other holder of any Encumbrance Agreement shall execute, acknowledge and deliver (without cost to Senior Lender), upon Senior Lender's request, at such reasonable time or times, any and all further documents and instruments to ratify and confirm the subordinations and other agreements set forth in this Agreement in commercially reasonable and recordable form. Senior Lender shall provide to Junior Lender not less than ten (10) business days prior written notice of such further assurances, which notice shall include the proposed form of documentation, of any such additional documentation that may be requested by Senior Lender pursuant to this Section. Junior Lender shall execute and deliver to Senior Lender or as direct by Senior Lender such further assurance documentation prior to the expiration of such ten (10) business day period.

4. **Confirmation.** Junior Lender and Trustor hereby confirms that the only agreements between Junior Lender and Trustor which may in any respect constitute or arise to a lien or charge against the Property is the Junior Deed of Trust; there are no other effective documents or agreements evidencing the Encumbrance Agreements. Trustor further confirms and represents and warrants to Senior Lender that, other than the Park First Deed of Trust, the Junior Deed of Trust and the matters set forth in the Commitment for Title Insurance issued by Stewart Title Guaranty Company dated January 2, 2009.

5. **Notices.** All notices of any kind which any party hereto may be required or may desire to serve on the other shall be deemed served upon personal delivery or delivery by a recognized overnight delivery service, or, if mailed, upon the first to occur of receipt or the expiration of three (3) days after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Senior Lender: Park Cattle Co.
1300 Buckeye Road
Minden, Nevada 89423
Attn: President

With copy to: Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, Nevada 89511
Attn: Gregg P. Barnard, Esq.

If to Junior Lender: Wealth Strategies Investment Fund, LLC
1830 College Parkway, Suite 200
Carson City, Nevada 89706
Attn: Carrie McAninch



If to Trustor: The Ranch at Gardnerville, LLC
1830 College Parkway, Suite 200
Carson City, Nevada 89706
Attn: Michael Bayliss and Carrie McAninch

6. **Modification and Release.** Senior Lender may, without affecting the subordination of the Junior Deed of Trust or any other Encumbrance Agreements: (a) release or compromise any obligation of any nature with respect to the Loan Documents; (b) release its security interest in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Park Promissory Note; (c) retain or obtain a security interest in any property to secure payment of the Park Promissory Note; or (d) modify, amend, defer, extend, consolidate or supplement any of the original or subsequent Loan Documents. Nothing set forth in this Agreement shall be construed or deemed to require the Senior Lender to agree to any further amendments or modifications to the Loan Documents or advance to Trustor any additional funds.

7. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto.

8. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto as to the subject matter hereof and there are no other terms, obligations, covenants, representations, warranties, statements or conditions, oral or otherwise, of any kind.

9. **Recitals.** The recitals to this Agreement are hereby incorporated into and made a part of this Agreement, and shall constitute covenants and representations of Trustor and Junior Lender and shall be binding upon and enforceable against Trustor and Junior Lender.

10. **Amendments.** None of the covenants, terms or conditions of this Agreement shall in any manner be altered, waived, modified, changed or abandoned, except by written instrument, duly signed and delivered by all the parties hereto.

11. **Inconsistencies.** In the event of any inconsistency between the terms of any Loan Documents and this Agreement the provisions of the Loan Documents shall prevail and shall not be deemed amended or modified in any respects as a result of this Agreement.

12. **Governing Law.** Irrespective of the place of execution and/or delivery, this Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Nevada, without regard to conflicts of law principles.

13. **Counterparts.** This Agreement may be executed in counterparts which together shall constitute but one and the same original.

[Signatures on following pages]



Junior Lender:

**WEALTH STRATEGIES INVESTMENT
FUND, LLC,**
a Nevada limited liability company

By: Wealth Strategies Bayliss & McAninch,
Inc., a Nevada corporation, its
Manager

By: Carrie L. McAninch
Name: Carrie L. McAninch
Title: mg



Trustor:

THE RANCH AT GARDNERVILLE, LLC
a Nevada limited liability company

By: Eagle Ridge Painter, Inc., Manager

By: *Eagle R Painter*
Name: GREGORY W PAINTER
Title: Manager

By: Wealth Strategies Development, Inc.,
Manager

By: *Carrie A McAninch*
Name: CARRIE A. McANINCH
Title: Mgr



Senior Lender:

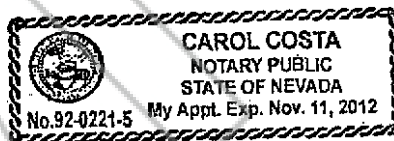
PARK CATTLE CO.
a Nevada corporation

By: [Signature]
Name: Steve Johnson
Title: Vice President

STATE OF Nevada
COUNTY OF Carson City^{ss.}

On 1-5-2009 before me, Carol Costa, a notary public in and for said State, personally appeared Steve Johnson, personally known to me (or proved to me 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 Carol Costa

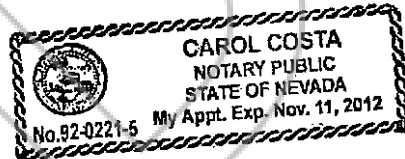


STATE OF Nevada
COUNTY OF Carson City SS.

On 1-5-09 before me, Carol Costa, a notary public in and for said State, personally appeared Carrie S. McNamee, personally known to me (or proved to me 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 Carol Costa

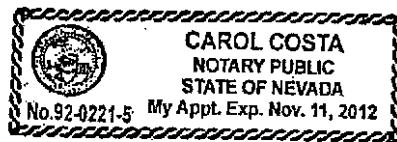


STATE OF Nevada
COUNTY OF Carson City SS.

On 1-5-09 before me, Carol Costa, a notary public in and for said State, personally appeared Gregory W. Painter, personally known to me (or proved to me 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 Carol Costa



BK-109
PG-423

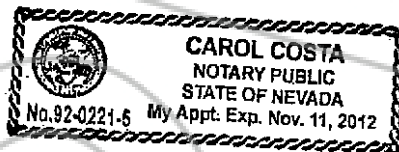
STATE OF Nevada

COUNTY OF Carson City ^{SS.}

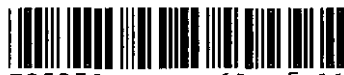
On 1-5-2009 before me, Carol Costa, a notary public in and for said State, personally appeared Carrie S. McInnes, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they 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 Carol Costa



COPY



BK-109
PG-424

EXHIBIT "A"

The land referred to herein situate in the State of Nevada, County of Douglas, described as follows:

PARCEL 1:

A portion of land located within Section 29 in Township 13 North, Range 20 East and being further described as:

Parcel 37 as set forth on Land Division Map of John B. Anderson #2 filed for record with the Douglas County Recorder on September 27, 1978, in Book 978, of Official Records, Page 1935, as Document No. 25700.

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PARCEL 2:

An easement for the purpose of ditches, with incidental rights thereto as shown in document recorded February 1, 2002 in Book 0202, at Page 623, as Document No. 533883.

