

APN: 1420-05-401-010 (Parcel A)

RECORDING REQUESTED BY:  
First Centennial Title Company of Nevada  
1450 Ridgeview Dr., Suite 100  
Reno, NV 89519  
Escrow: 20007500-COM  
Alpen Mortgage NV License No. 2121  
Alpen Mortgage NMLS No. 363496

AFTER RECORDING RETURN TO:  
Rodney Family Trust  
c/o Steve Rude  
PO Box 1911  
Zephyr Cove, NV 89448

Affirmation Statement: I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons. (Per NRS 239B.030)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBORDINATION AGREEMENT**  
(WGASA PIK Deed of Trust)

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of Sept 28, 2020, by and among LEIGH RODNEY and CLARE F. RODNEY, CO-TRUSTEES OF THE RODNEY FAMILY TRUST AGREEMENT (As Restated – 2016) u/t/a dated January 28, 2016 (by Steve Rude as Special Signatory Trustee) (the "Senior Lender"), JC VALLEY KNOLLS, LLC, a Nevada limited liability company ("Borrower"), and WGASA L.L.C., an Arizona limited liability company (the "Subordinated Lender"); and is made with reference to the following facts:

**RECITALS**

A. On or about the date of this Agreement, Senior Lender and Borrower are entering into a Loan Agreement for a loan from Senior Lender to Borrower in the principal sum of up to Twenty-Four Million Four Hundred Thousand and 00/100 Dollars (\$24,400,000.00) (the "Senior Loan") which is evidenced by that certain Promissory Note dated on or about the date of this Agreement (the "Senior Note") executed by Borrower and payable to Senior Lender or its order, and a Deed of Trust and Security Agreement with Assignment of Rents and Fixture Filing recorded on \*\*, as Instrument No. \*\* ("Senior Mortgage") encumbering Parcel A as shown on the Parcel Map filed for JC Valley Knolls, LLC, recorded on June 10, 2020 as document No. 2020-947430 ("Parcel Map") (the Senior Mortgage and Senior Note, along with any other documents evidencing the Senior Loan, are collectively referred to herein as the "Senior Loan Documents") in the Official Records of the Douglas County Recorder, State of Nevada (the "Official Records"). All amounts due under the Senior Loan and any other Senior Loan Documents are hereinafter referred to collectively as the "Senior Indebtedness."

\*\*Recorded this date concurrently herewith

B. Subordinated Lender is the owner and holder of that Loan Agreement dated September 3, 2019 (the "Subordinated Loan Agreement"), which provides for the payment of a participation interest in an amount equal to the PIK Amount (as that is defined in the Subordinated Loan Agreement) (the PIK Amount for Parcel A of the Parcel Map only is the "Subordinated Loan" as that term is used in this Agreement, and excludes the PIK Amount for Parcel D of the Parcel Map), which obligations are secured by that Payment In Kind Deed of Trust [Single-Family], executed by Borrower for the benefit of Subordinated Lender, on or about September 3, 2019 and recorded on September 4, 2019 as Instrument No. 2019-934698 in the Official Records, encumbering the Property (as that is defined below) (as this instrument relates only to Parcel A of the Parcel Map and not to Parcel D of the Parcel Map, the "Subordinated Mortgage"). The PIK Amounts due for Parcel A of the Parcel Map only under the Subordinated Mortgage are hereinafter referred to collectively as the "Subordinated Indebtedness".

C. Both the Senior Mortgage and the Subordinated Mortgage encumber the real property which is more specifically described in Exhibit A (the "Property"). For clarity, this Agreement does not affect the rights of the parties with regard to Parcel D (APN 1420-08-101-013) which is also encumbered by the Subordinated Mortgage. The parties have entered into a separate Intercreditor Agreement, of even date herewith, with regard to Parcel D.

D. As an inducement to Senior Lender to disburse the proceeds of the Senior Loan, Subordinated Lender has agreed to subordinate the liens and security interests created by the Subordinated Mortgage as described herein, and otherwise to carry out its obligations under this Agreement.

E. The parties hereby desire to set forth certain agreements among them relating to the Senior Loan and Subordinated Loan.

#### AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, until such time as the Senior Indebtedness has been paid in full and Senior Lender has no further obligation to make disbursements thereunder, the parties hereto represent, warrant and agree as follows:

1. **Subordination.** Subordinated Lender hereby agrees that the Subordinated Indebtedness is and shall be subject and subordinate to the Senior Indebtedness, and that any liens and security interests that secure the Subordinated Indebtedness (and only the Subordinated Indebtedness) created by the Subordinate Loan Documents, including without limitation the Subordinated Mortgage, are and shall be subject and subordinate to the liens and security interests created by the Senior Loan Documents, including the Senior Mortgage, and any and all amendments, modification, extensions, replacements or renewals of the Senior Loan Documents, and to any and all advances heretofore made or hereafter to be made under the Senior Loan Documents.

2. **Representations and Warranties.** Subordinated Lender represents and warrants to Senior Lender that (a) it is the sole holder of the Subordinated Loan with full power to make the subordinations and assignments set forth in this Agreement, and (b) it has not made or permitted

any assignment or transfer, as collateral or otherwise, of the Subordinated Loan or any instrument evidencing the Subordinated Indebtedness. Senior Lender represents and warrants to Subordinated Lender that (a) it is the sole holder of the Senior Loan with full power to make this Agreement, and (b) it has not made or permitted any assignment or transfer, as collateral or otherwise, of the Senior Loan or any instrument evidencing the Senior Indebtedness. In addition, Borrower represents, warrants, and covenants that it has not given, and Subordinated Lender represents, warrants, and covenants that it has not received, any security for the Subordinated Loan other than the Subordinated Mortgage. Any assignment of the Subordinated Loan shall be subject to the terms of this Agreement and any subsequent holders of the Subordinated Loan shall be bound by the terms hereof.

3. **Action Regarding Senior Indebtedness.** Subordinated Lender hereby acknowledges and agrees that, without notice to, and without the consent of Subordinated Lender, Senior Lender may take or refrain from taking any action regarding the Senior Indebtedness that it deems appropriate, including, without limitation, (a) amending, modifying, extending or renewing the Senior Loan (and all documents in connection therewith) or changing any interest rate applicable to it, (b) releasing, compromising, or settling any claim related to the Senior Loan, (c) forbearing or agreeing to forbear from enforcing any right or remedy related to the Senior Loan, including rights and remedies against any guarantor, surety or accommodation party of all or any part of the Senior Loan, or (d) substituting, releasing, or exchanging any collateral for the Senior Loan. However, Senior Lender shall provide notice to Subordinated Lender prior to taking any action set forth in this paragraph 4 (a) through (d). Senior Lender shall not be required to perfect any security interest in any collateral securing the Senior Loan or any part of it.

4. **Action Regarding Subordinated Indebtedness.** Senior Lender hereby acknowledges and agrees that, without notice to, and without the consent of Senior Lender, Subordinated Lender may take or refrain from taking any action regarding the Subordinated Indebtedness that it deems appropriate, including, without limitation, (a) amending, modifying, extending or renewing the Subordinated Loan (and all documents in connection therewith) or changing any interest rate applicable to it, (b) releasing, compromising, or settling any claim related to the Subordinated Loan, (c) forbearing or agreeing to forbear from enforcing any right or remedy related to the Subordinated Loan, including rights and remedies against any guarantor, surety or accommodation party of all or any part of the Subordinated Loan, or (d) substituting, releasing, or exchanging any collateral for the Subordinated Loan. However, Subordinated Lender shall provide notice to Senior Lender prior to taking any action set forth in this paragraph 4 (a) through (d). Subordinated Lender shall not be required to perfect any security interest in any collateral securing the Subordinated Loan or any part of it.

5. **Construction.** As used in this Agreement, the term “or” shall mean “and/or.” Each person or entity executing this Agreement as a “Borrower” shall be jointly and severally obligated with every other person and entity executing this Agreement as a “Borrower”. Each person or entity executing this Agreement as a “Subordinated Lender” shall be jointly and severally obligated with every other person and entity executing this Agreement as a “Subordinated Lender”. Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

6. **Binding Effect; Governing Law; Counterparts.** This Agreement shall be binding upon Borrower, Senior Lender, Subordinated Lender and their respective heirs, personal representatives, successors, and assigns and shall inure to the benefit of Senior Lender and Subordinated Lender, and their respective successors and assigns. This Agreement, without further reference, shall pass to and may be relied on and enforced by any transferee or subsequent holder of the Senior Indebtedness and the Subordinated Loan. This Agreement shall be governed by and construed in accordance with Nevada law. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

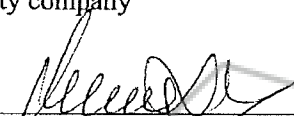
7. **Waiver of Jury Trial.** Senior Lender, Borrower, and Subordinated Lender knowingly and voluntarily waive any right that any of them have to a trial by jury in any proceeding (whether sounding in contract or tort) which is in any way connected with this or any related agreement, or the relationship established under them. This provision may be modified only in a written instrument executed by Senior Lender, Borrower, and Subordinated Lender.

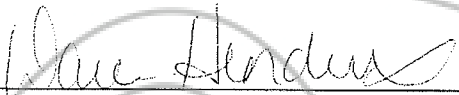
8. **Termination.** This Agreement shall automatically terminate upon the final and indefeasible payment in full of all amounts owing under the Senior Indebtedness and the conveyance of the Senior Mortgage.

**[Signatures on following page]**

Executed by the parties on the date indicated below its signature, but effective as of the date first set forth above.

**Borrower:**  
JC VALLEY KNOLLS, LLC, a Nevada limited liability company

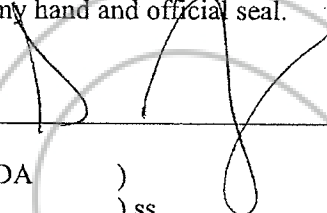
By:   
Kenneth Hendrix, Manager

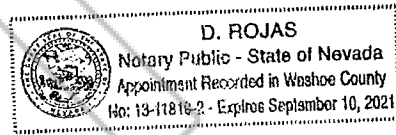
And  
By:   
Darci Hendrix, Manager

STATE OF NEVADA     )  
                                  ) ss.  
COUNTY OF WASHOE)

This instrument was acknowledged before me on Sept. 28, 2020, by Kenneth Hendrix as Manager of JC Valley Knolls LLC.

WITNESS my hand and official seal.

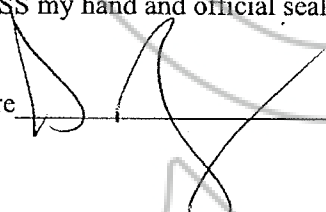
Signature  (Seal)

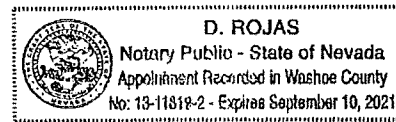


STATE OF NEVADA     )  
                                  ) ss.  
COUNTY OF WASHOE)

This instrument was acknowledged before me on Sept. 28, 2020, by Darci Hendrix as Manager of JC Valley Knolls LLC.

WITNESS my hand and official seal.

Signature  (Seal)





Senior Lender

THE RODNEY FAMILY TRUST AGREEMENT  
(As Restated – 2016) u/t/a dated January 28, 2016

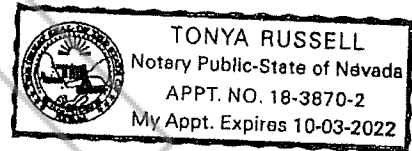
By: [Signature]  
Name: Steve Rude  
Its: Special Signatory Trustee

STATE OF NEVADA     )  
                                  ) ss.  
COUNTY OF WASHOE )

This instrument was acknowledged before me on Sept 18, 2020, by Steve Rude as Special Signatory Trustee of The Rodney Family Trust.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

The Land is described as follows:

Parcel A, as shown on that certain Parcel Map filed for JC Valley Knolls, LLC, according to the Official Map, recorded on June 10, 2020, as Document No. 2020-947430, of Official Records.

APNs 1420-05-401-010 (Parcel A)

