

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors Organizational and General Business Meeting
1070 Caughlin Crossing, Reno, NV
Wednesday, November 15, 2017

Board Members Present:

Tony Termini, President
Michele Attaway
Al Dennis
Joan Mullen
Vince Ames
Mike Chern
Drew Naccarato

Others Present:

Lorrie Olson, Community/General Manager
Randy Lisenby, L & M Superintendent
Sandy Wheeler, Bookkeeper/Provisional Manager
Shawn Oliphant, Association Attorney
2 Homeowners

1. Call to Order and Determination of Quorum:

President Termini called the meeting to order at 7:24 p.m. A quorum was established with all seven (7) Board Members present.

2. Member Comments: There were none.

3. Introduce new Board Members and appoint 2018 Officers:

President Termini confirmed the recently elected Board Members are Michele Attaway, Michael Chern, Vincent Ames and Drew Naccarato.

Motion: Director Ames moved to appoint Al Dennis as President for 2018; Director Chern seconded. Motion carried unanimously.

Motion: President Dennis moved to appoint Michele Attaway as Vice President for 2018; Director Naccarato seconded. Motion carried unanimously.

Motion: Vice President Attaway moved to appoint Vince Ames as Treasurer for 2018; President Dennis seconded. Motion carried unanimously.

Motion: Vice President Attaway moved to appoint Tony Termini as Secretary for 2018; Director Chern seconded. Motion carried unanimously.

GM Olson confirmed that Drew Naccarato, Joan Mullen and Mike Chern will remain directors.

4. Minutes:

4.1. Review & approve September 27, 2017 Board of Directors Meeting Minutes:

Motion: Director Mullen moved to approve the September 27, 2017 meeting minutes as presented; Director Chern seconded. Motion carried unanimously.

5. Finances:

5.1. Review & accept (un-audited) Financial Reports dated September 30, 2017:

- Former Secretary/Treasurer Dennis and F&B Member Mr. Cody Jackson, CPA were provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports.

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- Former Secretary/Treasurer Dennis and Mr. Jackson, CPA reviewed both sets of financial reports and found no material discrepancies. One accrual was reversed at Mr. Jackson's recommendation; Mr. Cleary concurred.
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed monthly by the GL Accountant to ensure CRHA is reporting on a true accrual accounting basis
- The Board has been provided copies of the GL Balance Sheet by Fund and the Actual vs. Budget Comparison through September 30, 2017
- The Association's cash position through September 30th: Operating cash = \$980,467
Reserve cash and CD's: Mountainshyre = \$241,300; Caughlin Creek = \$528,324; CRHA = \$794,505;
Grand Total = \$1,564,130. Capital funds set aside to purchase 1070 Caughlin Crossing = \$282,002
- Through September 30th on an accrual basis, Total Operating Income was \$1,624,536 after Reserve and funds to purchase 1070 Caughlin Crossing were transferred; over budget (\$505).
- Total Operating Expense was \$1,561,385; under budget \$126,650:
Operating Expense = over budget (\$4,341); Payroll = under budget \$64,377;
Repairs and Maintenance = under budget \$20,536; Utilities = under budget \$46,077
- Total Operating Excess Revenue over Expense = \$63,151
- Total Reserve Income was \$166,663; of which Interest = \$7,176. 2017 Transfers = \$154,650/CRHA, \$40,000/CCRK and \$18,000/Mountainshyre. Reserve transfers are occurring quarterly.
- Total Reserve Expenses were \$70,251; 2017 Reserve Budget = \$332,752.
- **The Board is required to review the Association's financial information in accordance with NRS 116.31083. The Association is following paragraph (b) of subsection 2 of NRS 116.3115, and confirms that reserve funds have not been used for daily maintenance.**

Motion: Director Mullen moved to accept the un-audited financial reports dated September 30, 2017 as presented; Vice President Attaway seconded. Motion carried unanimously.

5.2. Approve Bad Debt write-off amount due to foreclosures: There was none at this time.

Item 7.9 has been moved up on the agenda to allow Attorney Oliphant to leave early.

7.9. Consideration and potential approval of proposed Subordination of Improvement Agreement for Ridge Hollow: Attorney Oliphant advised that Tim Lewis Communities is building Ridge Hollow; Aka: Whispering Canyon, under the name of TL Whispering Canyon, L.P. While in the process of obtaining their loan through Wells Fargo, it was discovered that CRHA had 7 Improvement Agreements recorded through the ACC process prior to their loan documents being recorded. Due to these documents being recorded first, the bank had requested that Tim Lewis Communities record a subordination agreement to allow the Wells Fargo loan to be a priority lien on the property for these 7 agreements. This needed to take place prior to the next scheduled Board Meeting because their loan closing date is prior to that date. In order for this to take place, the Unanimous Written Consent needed to be signed by all Board Members. **The Unanimous consent of approval by the Board of Directors is attached.**

Attorney Oliphant also advised there have been no changes to the possible/pending litigation notice.

6. Reports & Updates:

6.1. Landscaping, Irrigation/Conservation & Maintenance; Superintendent Lisenby provided the following updates:

- Seasonal employees last day of work is Friday, November 17th

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- Slurry sealing has been completed
- Fertilization has been completed
- Irrigation system has been shut down for the season
- Fall Planting & Water Conservation Projects; trees to be planted before seasonal crews leave.
- Holiday lights; installation to be completed in time for Thanksgiving
- Tree trimming to be conducted throughout the winter
- New equipment acquisition; Billy Goat Debris Loader is a huge success

Vice President Attaway asked if Holiday lights are installed at all neighborhood entrances and if they were powered by electricity.

Randy advised that lights are placed at each neighborhood entrance, however not all have electrical power. He uses battery powered lights at the entrances that do not have a power source.

6.2. Architectural Control Committee (ACC):

President Dennis advised that the number of requests on average have decreased now that it is winter. Currently we are averaging between 10 to 15 items per meeting.

6.3. Finance & Budget Committee (F&B):

GM Olson advised the Committee is scheduled to meet with the McClintock Accountancy Audit Team at 4:00 p.m. on Wednesday, December 20th to review the plans and time-line for the 2017 Audit. They will also review the 3 reserve account balances, investments and 2018 reserve fund requirements to determine if additional funds should be invested.

6.4. Community Events:

Vice President Attaway advised that tonight's spaghetti feed went great and thanked the staff for all their work.

The following is the 2018 Events Schedule dates:

- Spring Share Your Wine at Moana Nursery (tentative location): April 12th
- Spring Bird Walk/Watching meet at Caughlin Ranch office: June 9th
- Shredding day truck will be at Caughlin Ranch parking lot: June 9th
- Garage Sales; individual lots: June 16th & 17th
- Concerts in the Village Green Park: Every Sunday in July
- 8th Annual BBQ at the Village Green Park: September 9th
- Cross Peak Hike (meet behind the Caughlin Club): September 15th
- Fall Bird Walk/Watch (meet at Caughlin Ranch office): September 29th
- Garage Sales; individual lots: October 6th & 7th
- Angel Tree for Children and Seniors Citizens: November 1st thru 30th
- Holiday Share Your Wine at Moana Nursery (tentative location): November 8th
- 34th Annual Members Meeting & 2019 Budget Ratification Meeting: November 14th

6.5. General Manager:

GM Olson advised she sent a copy of an article from NV Dept. of Wildlife to City Council representative Jenny Brekhus. The City is somewhat reluctant to incorporate the distribution of animal resistant containers into their franchise agreement with Waste Management. She implored Mrs. Brekhus to include her in a meeting with the parties renegotiating the franchise agreement ASAP.

- Phase II of the Asphalt Rehab Project is complete except for an area of path leading up to two bridges that was damaged in the flooding. Those repairs are expected to be completed this month.
- The Steamboat Canal continues to be a huge concern. Repeated e-mails to representatives, including attorneys, of Steamboat Canal and Washoe County have resulted in each party continuing to not take responsibility by referring to the agreement. On Oct. 30th GM Olson received an e-mail from the Attorney for Washoe County advising "Meetings are being arranged to discuss the Steamboat Ditch and flooding." These meetings should have taken place months ago. GM Olson advised both parties will be held financially responsible for any further damages to Caughlin Ranch property as a result if their negligence and failure to act and protect.
- The Vista Pointe Board President advised they are working to remove the weeds from their common areas, including the McCarran slope, with a professionally applied herbicide. This process, when completed, should keep the growth under control for at least 2 years.
- CRHA plans to again host the Primary Election on June 12th and the General Election on November 6th.

7. New Business:

7.1. Approve 2017/2018 Staff Compensation Plan:

Motion: Treasurer Ames moved to approve the 2017/2018 Staff Compensation Plan as presented; Director Chern seconded. Motion carried unanimously.

7.2. Approve Employee Insurance Policies eff. 01/01 and 125 Premium Only Plan (POP):

Motion: Director Mullen moved to approve the Employee Insurance Policies eff. 01/01 and the 125 POP as presented; Treasurer Ames seconded. Motion carried unanimously.

7.3. Approve Workers Compensation Insurance Policy effective 01/01:

Motion: Director Mullen moved to approve the Workers Compensation Insurance Policy effective 01/01 as presented; Director Naccarato seconded. Motion carried unanimously.

7.4. Appoint ACC Board Liaison: This item was tabled to a future meeting.

7.5. Appoint F&B Chairperson: This item was tabled to a future meeting

7.6. Approve River Run Management Agreement Renewal:

GM Olson advised that the monthly management fee will increase by 10%. The River Run Board accepted the increase.

Motion: Director Naccarato moved to approve the River Run Management Agreement Renewal as presented; Director Mullen seconded. Motion carried unanimously.

7.7. Approve Revised Rules & Regulations, Violation & Fine Policy, and Construction Penalty Schedule: This item was tabled to a future meeting.

7.8. Approve Caughlin Ranch Homeowners Association Voting Procedure Policy: This item was tabled to a future meeting

8. Member Comments:

Everyone sang "Happy Birthday" to Vice President Attaway as November 15th is her birthday.

Vice President Attaway asked what the Board and staff will be doing on December 8th for team-building.

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Secretary Termini advised that we will be going to the Puzzle Room.

GM Olson advised that it's something that Attorney Oliphant's office has done; each team is placed in a room and provided clues to assist in getting out of the rooms.

9. Announce Future 2016 Meeting Dates & Adjourn:

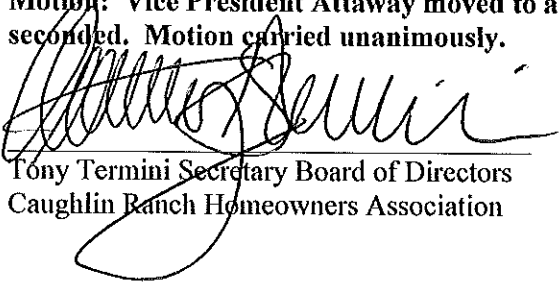
CRHA Board & Staff Team-Building Event (off-site); Friday, December 8th (CRHA office closed) 2018

Board Training & Strategic Planning Session at Association office; Saturday, December 9th

Board Agenda Workshop; 4:00 p.m., Monday, January 22, 2018; Board of Directors Executive Session;

5:00 p.m. and General Business Meeting; 6:00 p.m., Wednesday, January 24, 2018

Motion: Vice President Attaway moved to adjourn the meeting at 7:52 p.m.; Director Chern seconded. Motion carried unanimously.



Tony Termini Secretary Board of Directors
Caughlin Ranch Homeowners Association



September 13, 2017

Notice of possible/pending litigation:

Deutsche Bank v. Stock, et al, Second Judicial District Court of the State of Nevada in and for the County of Washoe, Case No: CV16-01550:

This is a judicial foreclosure action by Deutsche Bank to foreclose on its Deed of Trust. Deutsche Bank has named Caughlin Ranch Homeowners Association (CRHA) as a defendant because of CRHA's lien for unpaid assessments. Deutsche Bank paid CRHA's super-priority lien and has stipulated that CRHA need not appear in the action. Deutsche Bank received an Amended Default judgment against the homeowners on July 20, 2017 allowing Deutsche Bank to foreclose on the property. Deutsche Bank's Deed of Trust was also determined to be superior to all other liens with the exception of payment of any super priority lien rights held by CRHA pursuant to NRS 116.3116. Deutsche Bank has not foreclosed on the property yet.

2003 Stephen C. Mollath Trust, Stephen C. Mollath, Trustee v. Sande Family Trust, and Caughlin Ranch Homeowners Association, Second Judicial District Court of the State of Nevada in and for the County of Washoe, Case No: CV17-01255:

This complaint asserts that an accessory pool structure was built on an adjoining lot outside of the building envelope and that the construction caused flooding of the Plaintiffs' property. The claim asserts contract and tort actions against CRHA for allowing the accessory pool structure to be built, and against the owner of the adjoining lot for constructing the accessory pool structure. CRHA is defending the complaint through counsel appointed by CRHA's insurance company.

Sincerely,

Lorrie Olson, DCAL, CMCA, AMS, PCAM
General Manager / Supervising Community Manager
Caughlin Ranch Homeowners Association

**CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS**

Action by Directors through Unanimous Consent in Lieu of a Meeting

AUTHORITY AND PURPOSE FOR THE ACTION AND CONSENT:

WHEREAS, the Caughlin Ranch Homeowners Association (CRHA) is a Nevada Non-Profit Corporation duly organized and existing under the laws of the State of Nevada;

WHEREAS, NRS 82.271(2) and Article V Section 13 of the Second Restated Bylaws give the Board authority to take action without a board meeting with unanimous consent of the Board;

WHEREAS, TL WHISPERING CANYON, L.P., a California limited partnership ("TL"), is owner of the real property commonly known as Ridge Hollow within the Caughlin Ranch development ("Property");

WHEREAS, TL entered into an Improvement Agreement for Subdivision and Six Construction Improvement Agreements for individual lots on the Property (collectively referred to as the "Improvement Agreements");

WHEREAS, WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender") proposes to loan TL \$8,297,000.00 ("Loan") secured by a Deed of Trust on the Property ("Security Interest");

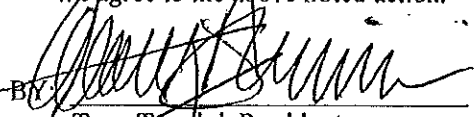
WHEREAS, as a condition to Lender making the Loan, Lender requires that the Security Instrument be unconditionally and at all times remain a lien or charge upon the Property, prior and superior to all the rights of the HOA under the Improvement Agreements to the extent set forth in the Subordination Agreement attached hereto as Exhibit "1" ("Subordination Agreement"); and

WHEREAS, TL is in need of the Loan closing prior to the Board's next regularly scheduled meeting, and therefore, the Subordination Agreement for Ridge Hollow needs to be approved by the Board prior to its next regularly scheduled meeting.

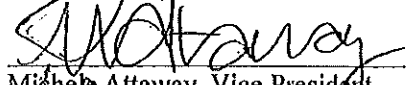
NOW THEREFORE, on this 2nd day of November, 2017, the Board of Directors hereby waives any requirements for notice of a meeting or conducting a meeting and hereby approves the following action:

1. The Board of Directors hereby approves the Subordination Agreement attached hereto as Exhibit "1" and authorizes the President, Tony Termini to execute the Subordination Agreement on behalf of the Association.
2. This Unanimous Consent of the Board shall be made part of the minutes of the November 15, 2017, Meeting.

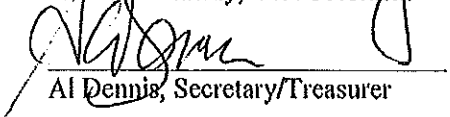
We agree to the above noted action.


BY _____

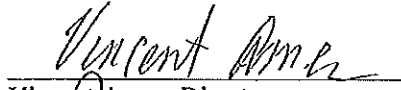
Tony Permini, President



Michele Attaway, Vice President



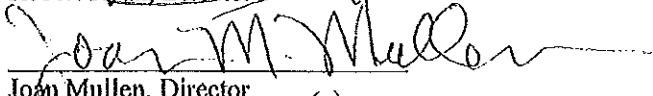
Al Dennis, Secretary/Treasurer



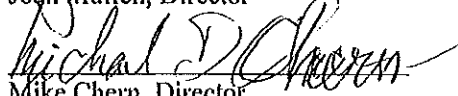
Vincent Ames, Director



Robert Ryan, Director



Joan Mullen, Director



Mike Chern, Director

EXHIBIT 1

DOC #4761359

11/07/2017 02:25:53 PM
Electronic Recording Requested By
FIRST AMERICAN TITLE RENO
Washoe County Recorder
Lawrence R. Burtness
Fee: \$38.00 RPTT: \$0
Page 1 of 8

Apr 11-218-250-01-SEC

Attached
**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

WELLS FARGO BANK, NATIONAL ASSOCIATION
CRE Homebuilder Banking
401 B Street, Suite 1100
San Diego, California 92101
Attn: Jacquelyn E. Alexander
Loan Nos. 1017484 and 1017485

Exhibit 1-21-2504971-1102

(Space Above For Recorder's Use)

**SUBORDINATION AGREEMENT
(Subordination of Improvement Agreements)**

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 SUBORDINATION AGREEMENT ("**Agreement**") is made as of November 2, 2017, by and between TL WHISPERING CANYON, L.P., a California limited partnership, owner of the real property described below ("**Truster**"), and the CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION, a Nevada non-profit cooperative corporation, as the beneficiary of the Improvement Agreements described below (the "**HOA**"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION (collectively with its successors or assigns, "**Lender**").

RECITALS

A. Truster has granted to the HOA certain rights with respect to all or portions of the property owned by Truster (the "**Property**"), including the right on certain conditions to assert or levy a lien or security interest in and to the Property or portions thereof, pursuant to the following documents executed by Truster in favor of the HOA (collectively, the "**Improvement Agreements**"):

- 1) That certain Improvement Agreement for Subdivision executed by Truster in favor of the HOA, recorded September 25, 2017, as Instrument No. 4747464 in the Official Records of Washoe County, Nevada ("**Official Records**").
- 2) That certain Construction Improvement Agreement executed by Truster in favor of the HOA, recorded on October 5, 2017, as Instrument No. 4751449 in the Official Records.

- 3) That certain Construction Improvement Agreement executed by Trustor in favor of the HOA, recorded on October 5, 2017, as Instrument No. 4751450 in the Official Records.
 - 4) That certain Construction Improvement Agreement executed by Trustor in favor of the HOA, recorded on October 5, 2017, as Instrument No. 4751451 in the Official Records.
 - 5) That certain Construction Improvement Agreement executed by Trustor in favor of the HOA, recorded on October 11, 2017, as Instrument No. 4752780 in the Official Records.
 - 6) That certain Construction Improvement Agreement executed by Trustor in favor of the HOA, recorded on October 11, 2017, as Instrument No. 4752781 in the Official Records.
 - 7) That certain Construction Improvement Agreement executed by Trustor in favor of the HOA, recorded on October 11, 2017, as Instrument No. 4752782 in the Official Records.
- B. Trustor has executed, or proposes to execute, that certain Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated October 13, 2017 ("Security Instrument") securing, among other things, (i) that certain Promissory Note Secured by Deed of Trust dated October 13, 2017 (as the same may be amended, supplemented, replaced or modified from time to time), executed by Trustor, and payable to the order of Lender ("Revolving Note") in the principal sum of in the principal amount of EIGHT MILLION TWO HUNDRED NINETY-SEVEN THOUSAND AND NO/100THS DOLLARS (\$8,297,000.00) ("Revolving Loan"), and (ii) that certain Promissory Note Secured by Deed of Trust dated October 13, 2017 (as the same may be amended, supplemented, replaced or modified from time to time), executed by Trustor, and payable to the order of Lender ("A & D Note") in the principal amount of TWO MILLION SIX HUNDRED FIFTY-FIVE THOUSAND SEVENTY-ONE AND NO/100THS DOLLARS (\$2,655,071.00) ("A & D Loan"). The Security Instrument is to be recorded concurrently herewith.
- C. As a condition to Lender making the Revolving Loan and the A & D Loan secured by the Security Instrument, Lender requires that the Security Instrument be unconditionally and at all times remain a lien or charge upon the Property, prior and superior to all the rights of the HOA under the Improvement Agreements to the extent set forth herein, and that the HOA specifically and unconditionally subordinate each of the Improvement Agreements to the extent set forth herein to the lien or charge of the Security Instrument.
- D. The HOA and Trustor agree to the subordination in favor of Lender.

NOW THEREFORE, for valuable consideration and to induce Lender to make the Revolving Loan and the A & D Loan, Trustor and the HOA hereby agree for the benefit of Lender as follows:

- I. **SUBORDINATION.** Trustor and the HOA hereby agree that:
 - 1.1 **Prior Lien.** The Security Instrument securing the Revolving Note and the A & D Note in favor of Lender, and any modifications, renewals or extensions thereof, shall unconditionally be and at all times remain a lien on the Property prior and superior to each lien created by the HOA's Improvement Agreements provided however that the HOA shall maintain all rights and priority to the security deposits and Performance Guarantee under the Improvement Agreements.
 - 1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; and

Loan Nos. 1017484 and 1017485

1.3 **Whole Agreement.** This Agreement shall be the whole agreement with regard to the subordination of the Improvement Agreements to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority of the Security Instrument, any prior agreements as to such subordination, if any, contained in the Improvement Agreements which may provide for the subordination of the Improvement Agreements to a deed or deeds of trust or to a mortgage or mortgages.

THE HOA FURTHER DECLARES, AGREES AND ACKNOWLEDGES FOR THE BENEFIT OF LENDER, THAT:

1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, 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 this agreement to subordinate in whole or in part; and

1.5 **Waiver, Relinquishment and Subordination.** The HOA intentionally and unconditionally waives, relinquishes and subordinates all of the HOA's right, title and interest in and to the liens on the Property created by the Improvement Agreements to the lien of the Security Instrument 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 by Lender 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. The sole effect of the subordination provided for herein shall be to treat the Security Instrument as having been recorded prior to the recording of the Improvement Agreements and nothing herein shall be interpreted as a waiver, relinquishment or subordination of any claim to priority of the HOA's liens that is not dependent on the timing of the recording of the Improvement Agreements, including any such priority that may exist under Nevada Revised Statutes Chapter 116.

2. **MISCELLANEOUS.**

2.1 **Notices.** All notices, demands, or other communications under this Agreement shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Trustor:	TL WHISPERING CANYON, L.P. 3500 Douglas Blvd., Suite 270 Roseville, California 95661
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HOA:	Caughlin Ranch Homeowners' Association 1070 Caughlin Crossing Reno, NV 89519
Lender:	Wells Fargo Bank, National Association Wells Fargo Homebuilder Banking MAC E2064-091 333 S. Grand Ave., 9th Floor Los Angeles, CA 90071 Attention: James Follis Loan Nos. 1017484 and 1017485
With a copy to:	Wells Fargo Bank, National Association 100 North Main Street, 10 th Floor Winston Salem, NC 27101 MAC D4001-105, Attention: Julie George Loan Nos. 1017484 and 1017485

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

- 2.2 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.
- 2.3 **Headings.** All articles, sections or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.
- 2.4 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

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 IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

[Signature Pages Follow]

COPY

"TRUSTOR"

TL WHISPERING CANYON, L.P.,
a California limited partnership

By: TL Management, Inc.,
a California corporation
Its: General Partner

By: [Signature]
Name: Jay Timothy Lewis
Title: President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Placer

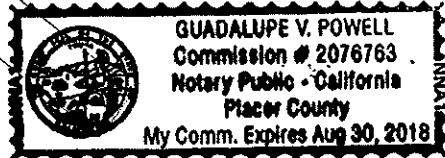
ss

On Nov. 6, 2017, before me Guadalupe V. Powell, a notary public, personally appeared JAY TIMOTHY LEWIS, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Guadalupe V. Powell
Notary Public



(Affix seal here)

(Signatures Continue on Next Page)

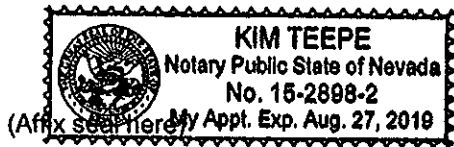
"HOA"

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION,
a Nevada not-for-profit cooperative corporation

By: *Anthony Termini*
Name: Anthony Termini
Title: President

STATE OF NEVADA)
COUNTY OF Washoe) ss

This instrument was acknowledged before me on 11/3, 2017, by
Anthony Termini



Kim Teepe
Notary Public

COPY

File no: 121-2524977-MLR

Parcel nos:

Assessor's Parcel Number: 218-250-02, 218-271-01, 218-274-13 and 218-274-14,

218-271-02 through 17; 218-272-01, 218-272-02, 218-272-04, 218-272-05, 218-272-07
through 218-272-10; 218-273-01, 218-273-03 through 218-273-04 and 218-274-01 through 218-274-
12, 218-272-03, 218-272-06; 218-272-11 and 218-273-02, 218-272-12,

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