



Date & time of receipt of Reservation: _____ SALES AGENT: _____
By: _____
Date & Time of receipt of Deposit: _____
By: _____

Premier Reservation on Unit _____;
Tract 36-215, Mammoth Lakes, CA

Position of Premier Reservation Holder at the time of receipt of Reservation Agreement:
_____ First Position
_____ Second Position

PREMIER RESERVATION HOLDER AGREEMENT
(Note: This is NOT an Offer or Contract to Purchase or Sell)

THIS PREMIER RESERVATION HOLDER AGREEMENT (this "Agreement") is made as of this _____ day of _____, 2004 between STONEGATE MAMMOTH, LLC, a California limited liability company ("Stonegate"), as developer, and _____ as a potential purchaser ("Premier Reservation Holder"). Stonegate is developing a project in Mammoth Lakes, California to be known as Stonegate, which will consist of a total of up to 14 townhome style condominiums (the "Units"). The first phase ("Phase I") release shall be 4 Units. The remaining Units shall be released in subsequent phases and may or may not be at the same price as the Units in Phase I

1. **Deposit/Prequalification Letter.** Premier Reservation Holder has (or shall within the time set forth below) deposited the sum of \$ _____ (which is equal to five per cent (5%) of the list price for the Reserved Unit (defined hereafter)) ("Deposit") with Stonegate, to reserve, on the terms set forth below, the right to purchase Unit No. _____ (a condominium) ("Reserved Unit") in the Stonegate project, located in Mammoth Lakes, California.

The Deposit will be held in escrow by Escrow Agent, (as identified in from RE612 attached) pursuant to a Reservation Deposit Escrow Agreement ("Escrow Agreement") between Stonegate and Escrow Agent dated _____, which Escrow Agreement is incorporated herein by reference. Stonegate will place the Deposit in an escrow account with Escrow Agent. The Deposit shall be payable to Inyo-Mono Title Company, and Escrow Agent shall provide a receipt to Premier Reservation Holder for such Deposit. Control of the Deposit shall be governed hereby and by the Escrow Agreement.

Premier Reservation Holder shall also be required to provide to Stonegate within the time set forth in paragraph 2, below a prequalification letter, funds letter from an institutional lender, or other written evidence satisfactory to Stonegate, in Stonegate's sole and absolute discretion, ("Prequalification Letter") confirming that Premier Reservation Holder either has the funds available or is qualified to obtain a loan to complete the purchase of the Reserved Unit.

2. **Effectiveness of this Agreement:** In order for this Agreement to become effective and to maintain the priority of the reservation of the Reserved Unit, this executed Agreement must be delivered to Stonegate and Stonegate MUST ACTUALLY RECEIVE (i) THE PREQUALIFICATION LETTER WITHIN TWENTY-FOUR (24) HOURS AFTER THIS EXECUTED AGREEMENT IS RECEIVED BY STONEGATE, AND (ii) MUST RECEIVE THE DEPOSIT NO LATER THAN FORTY-EIGHT (48) HOURS AFTER THIS RESERVATION IS

RECEIVED. FAILURE TO RECEIVE EITHER THE PREQUALIFICATION LETTER OR THE DEPOSIT WITHIN THE REQUIRED TIME PERIOD SHALL CAUSE THIS AGREEMENT AND THE RESERVATION SET FORTH HEREIN TO AUTOMATICALLY AND WITHOUT FURTHER NOTICE BECOME NULL AND VOID AND OF NO FURTHER FORCE OR EFFECT. Failure of Stonegate to request either the Prequalification Letter or the Deposit shall not in any way be deemed a waiver of such requirement by Stonegate or relieve Premier Reservation Holder in any way from being required to comply with the terms of this Agreement. Failure to do so, unless excused or waived in writing by Stonegate, shall cause this Agreement and the reservation to become null and void as noted above.

3. Receipt Date/Priority of Reservation The "Receipt Date" for purposes of determining the priority of the reservation set forth herein shall be the date that Stonegate actually receives this Agreement executed by the Premier Reservation Holder. Such actual receipt can be by facsimile, mail, in person, or electronically (so long as there is an electronic signature). Premier Reservation Holder acknowledges that this Agreement and the making of the Deposit reserves the opportunity to purchase the Reserved Unit, subject to the terms and conditions contained herein. Premier Reservation Holder shall be assigned a Premier Reservation Holder Position ("Premier Position") to purchase the applicable Reserved Unit based upon the order in which Stonegate receives this Agreement executed by Premier Reservation Holder compared to other executed premier reservation holder agreements received for the same Reserved Unit (at any one time there shall not be more than two (2) active Premier Reservation Holder Agreements for any one Unit). Premier Reservation Holder understands and acknowledges that until Stonegate is in actual receipt of this Agreement executed by Premier Reservation Holder (and the subsequent receipt of the Deposit within the time required), Stonegate can and intends to accept from other parties reservation agreements for the same Reserved Unit in which Premier Reservation Holder may be interested and the priority of any reservation for the Reserved Unit referred to herein shall be determined by whose executed Agreement is received first by Stonegate. If Premier Reservation Holder's executed Agreement is received second as to the Reserved Unit then Premier Reservation Holder shall be second Premier Position to purchase the Reserved Unit if and only if the first party in the first Premier Position declines to proceed to purchase the Reserved Unit. If Premier Reservation Holder's executed Agreement is received first but Premier Reservation Holder fails to provide the Deposit within the required time, then Premier Reservation Holder's reservation as provide for herein shall become null and void as set forth in paragraph 2, above, and Premier Reservation Holder shall have no further rights to a reservation or to purchase the Reserved Unit.

4. Election to Purchase Reserved Unit.

(i) If Premier Reservation Holder is the party holding a first Premier Position as to the Reserved Unit, then Stonegate shall provide to Premier Reservation Holder an original purchase contract setting forth the terms and conditions upon which Premier Reservation Holder shall be entitled to purchase the Reserved Unit ("Purchase Agreement"). Premier Reservation Holder shall no later than three (3) calendar days after receipt of the proposed Purchase Agreement ("Premier Offer Time") review, approve, execute and return the Purchase Agreement to Stonegate (a facsimile copy with the original of the Purchase Agreement to immediately follow) together with the Earnest Money Deposit required under the Purchase Agreement (the Deposit under this Agreement shall be credited against the Earnest Money Deposit due under the Purchase Agreement). Failure to execute and return the Purchase Agreement (without modification except as may be acceptable to Stonegate), along with a check for the difference between the Earnest Money Deposit required under the Purchase Agreement and the Deposit on or before expiration of the Premier Offer Time shall cause this Agreement and the reservation referred to herein and any and all rights under this Agreement, or otherwise as to the Reserved Unit to automatically and without further notice become null and void and to cause the "offer" to purchase the Reserved Unit, as contained in the Purchase Agreement, to automatically and without further notice be withdrawn as of the end of the Priority Offer Time.

(ii) If Premier Reservation Holder is the party holding a second Premier Position on the Reserved Unit, then after expiration of the Premier Offer Time as to the first Premier Position as to the Reserved Unit without the first reservation holder electing to purchase the Reserved Unit, Stonegate shall provide to Premier Reservation Holder an original purchase contract setting forth the terms and conditions upon which Premier Reservation Holder shall be entitled to purchase the Reserved Unit reserved hereunder ("Purchase Agreement"). Premier Reservation Holder shall no later than three (3) calendar days after receipt of the proposed Purchase Agreement ("Premier Offer Time") review, approve, execute and return the Purchase Agreement to Stonegate (a facsimile copy with the original of the Purchase Agreement to immediately follow) together with the Earnest Money Deposit required under the Purchase Agreement (the Deposit under this Agreement shall be credited against the Earnest Money Deposit due

under the Purchase Agreement). Failure to execute and return the Purchase Agreement (without modification except as may be acceptable to Stonegate), along with a check for the difference between the Earnest Money Deposit required under the Purchase Agreement and the Deposit on or before expiration of the Premier Offer Time shall cause this Agreement and the reservation referred to herein and any and all rights under this Agreement, or otherwise as to the Reserved Unit to automatically and without further notice become null and void and to cause the “offer” to purchase the Reserved Unit, as contained in the Purchase Agreement, to automatically and without further notice be withdrawn as of the end of the Priority Offer time.

At anytime after the expiration of the Premier Offer Time of any holder of a second reservation position without such party electing to purchase the Reserved Unit, Stonegate shall then be entitled to enter into a purchase agreement for the purchase of the Reserved Unit with any other party free of any claims by Premier Reservation Holder hereunder which are hereby specifically released.

5. Right to Purchase Other Units In the event that Premier Reservation Holder was not able to purchase the Reserved Unit because he/she held a second Premier Position to purchase the Reserved Unit, then Premier Reservation Holder shall be entitled to receive a priority right to elect to purchase any other Unit in Phase I of the Project not then subject to a Premier Reservation Agreement (or if Stonegate elects in its sole discretion to release other phases of the Project, any Unit in any other released phase of the Project; any such additional Units may be at a different price than those offered in Phase I of the Project), by being placed on a priority reservation list (“Priority Reservation List”). The Priority Reservation List shall contain names of only those Premier Reservation Holders who were not able to purchase their applicable Reserved Unit and shall not include any person that holds or held a first Premier Position on any Reserved Unit. Premier Reservation Holder’s place on the Priority Reservation List in relation to other parties to be placed on such list shall be determined based upon the date and time this executed Agreement was received by Stonegate. Premier Reservation Holder, if placed on the Priority Reservation List, shall be notified by Stonegate, in the order of the position on the Priority Reservation List, of the Units then available for purchase and their purchase prices and the specific time (which shall be a specified day and time of day) when Premier Reservation Holder shall be required to elect to purchase another Unit then available (“Priority Election Time”). Premier Reservation Holder shall then be required to elect at the Priority Election Time whether he/she wants to purchase any one (and only one) of the Units then available for purchase. If Premier Reservation Holder elects not to purchase any such Unit or fails to advise Stonegate of its election to purchase one of such Units at the Priority Election Time, Premier Reservation Holder shall lose any priority rights as to any Units in the Project and this Agreement shall automatically become null and void.

If Premier Reservation Holder elects to purchase a Unit and so advises Stonegate, in writing, at the Priority Election Time, then an original purchase contract setting forth the terms and conditions upon which Premier Reservation Holder shall be entitled to purchase such Unit (“Priority Purchase Agreement”) shall be provided to Premier Reservation Holder by Stonegate. Premier Reservation Holder shall no later than three (3) calendar days after receipt of the proposed Priority Purchase Agreement (“Priority Offer Time”) review, approve, execute and return the Priority Purchase Agreement to Stonegate (a facsimile copy with the original of the Priority Purchase Agreement to immediately follow) together with the Earnest Money Deposit required under the Purchase Agreement (the Deposit under this Agreement shall be credited against the Earnest Money Deposit due under the Purchase Agreement). Failure to execute and return the Priority Purchase Agreement (without modification except as may be acceptable to Stonegate), along with a check for the difference between the Earnest Money Deposit required under the Priority Purchase Agreement and the Deposit on or before expiration of the Priority Offer Time shall cause this Agreement and any rights hereunder or otherwise as to any Unit in the Project to automatically and without further notice become null and void and to cause the “offer” to purchase the Unit, as contained in the Priority Purchase Agreement, to automatically and without further notice be withdrawn as of the end of the Priority Offer Time. Stonegate shall thereafter be free to sell any such Unit or any other Unit then available in the Project to any other party free and clear of any claims whatsoever by Premier Reservation Holder.

6. Non-binding Agreement This Agreement does not create a contractual obligation to buy or sell on the part of either Stonegate or Premier Reservation Holder. Either party may, at any time prior to execution of a Purchase Agreement by them, elect to cancel this Agreement without incurring any liability whatsoever to the other. In the event of the cancellation of this Agreement by either party, all funds received pursuant to this Agreement shall be returned to Premier Reservation Holder within two (2) days after receipt of the election to cancel. Additionally, Stonegate, at its sole and absolute discretion, reserves the right, at any time prior to execution of a Purchase agreement by Stonegate, to pull the entire Stonegate project entirely off the market based on marketing response or other developments. In such a case, this Agreement shall be cancelled. Such withdrawal from the market shall not,

however, prevent Stonegate from placing the project back on the market at a later time at whatever price Stonegate then believes is appropriate.

7. Purchase Price. Premier Reservation Holder acknowledges and agrees that Stonegate has not yet established a Purchase Price for the Reserved Unit and that Stonegate shall have the right, in Stonegate's sole and absolute discretion, to establish the Purchase Price for the Reserved unit and any other units in the Project as well as all charges for options, extras and lot premiums, such amounts to be set forth in the Purchase Agreement (or Priority Purchase Agreement, as the case may be) at the time it is supplied to Premier Reservation Holder.

8. Assignability Premier Reservation Holder may not assign, convey or otherwise transfer all or any portion of its interest under this Agreement, including, without limitation, Premier Reservation Holder's Priority Position or any rights associated with such Priority Position, without Stonegate's prior written consent, which Stonegate may withhold in its sole and absolute direction. Any assignment or attempted assignment, which has not obtained Stonegate's written consent, shall be null and void.

9. Brokerage. Premier Reservation Holder is represented by _____, who is a licensed real estate agent under the laws of California. If Premier Reservation Holder leaves the above line blank Premier Reservation Holder understands that he/she is making a representation that Premier Reservation Holder is not represented by a broker, and that no commission will be paid to any broker later introduced to the transaction by Premier Reservation Holder. Premier Reservation Holder hereby indemnifies and holds Stonegate harmless from any claims made for a commission or other compensation by any broker or representative not expressly named above.

10. Rights of Stonegate. Stonegate reserves the right to give to employees or agents of Stonegate, Time and Place Real Estate or any of their respective affiliates, priority over all other parties, including, but not limited to, Premier Reservation Holders.

PREMIER RESERVATION HOLDER:

STONEGATE:

By: _____
(Print name)

STONEGATE MAMMOTH,
LLC, a California limited
liability company

By: _____
Elliott F. Brainard, Manager

Telephone no: _____

Facsimile No. _____

Email: _____