

RECORDING REQUESTED BY

and when recorded mail to:

Name Wells Fargo Bank, N.A.

and

Address 415-20th St
Oakland Ca 94612

Escrow No. 15903-DS/DVS

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

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 10th day of June, 1981, by G.F. Development Co. owner of the land hereinafter described and hereinafter referred to as "Owner", and Glenbrook Properties, a Nevada Corporation 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 January 30, 1980, to Sierra Land Title Corporation, as Trustee, covering:

All that certain lot, piece or parcel of land situated in the County of Douglas, State of Nevada, described as follows:

PARCEL NO. 3:

Lots 55, 56 and 57 in Block B, all shown on the Amended Plat of Glenbrook Unit No. 2, filed in the office of the County Recorder of Douglas County, Nevada on October 13, 1978.

to secure a note in the sum of \$ 500.00 to \$650M, dated January 30, 1980 in favor of Beneficiary, which Deed of Trust was recorded on January 31, 1980 as document No. 41083, in the office of the Recorder of Douglas County State of Nevada.

WHEREAS Owner is about to execute a Deed of Trust and Note in the sum of \$ 600,000.00, dated June 10, 1981, in favor of Wells Fargo Bank, N.A. hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein which Deed of Trust is also to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan from lender 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

WHEREAS, Lender is willing to make said loan provided the Deed of Trust securing the same is alien 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 line 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 Deed of Trust first 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:

57339

LIDER 681 PAGE 1393

(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, 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 Deeds 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 or 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 the 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.

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.

GLENBROOK PROPERTIES,
a Nevada Corporation

BY: Ronald C. Nahas
Beneficiary Ronald C. Nahas
Vice-President

G.F. Development Co. a Nevada Corporation

by: Gordon E. French President
Owner GORDON E. FRENCH, President

(SIGNATURES MUST BE ACKNOWLEDGED)
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF CALIFORNIA

CORPORATION ACKNOWLEDGEMENT

County of Alameda ss.

On this 10th day of June in the year one thousand nine hundred and eighty one

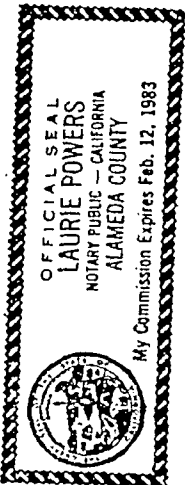
before me the undersigned, a Notary Public in and for said County and State, residing therein duly commissioned and sworn, personally appeared Gordon E. French

known to me to be the President of the corporation described in and that executed the within instruments, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and he acknowledged to me that such corporation executed the same, pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this Certificate first above written.

Notary Public in and for said County and State

My Commission Expires Feb. 12, 1983



NP 3 (2-68)-12740

STATE OF NEVADA,

County of DOUGLAS ss.

On this 15th day of June A. D., one thousand nine hundred and eighty one

personally appeared before me, Arlene Byrd, a Notary Public in and for ~~XXXXXXX~~ Carson City, State of Nevada, Ronald C. Nahas known to me to be the

Vice President of the corporation that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

ARLENE BYRD Notary Public - State of Nevada Carson City My Commission Expires Dec. 6, 1982



Notary Public in and for ~~XXXXXX~~ Carson City, State of Nevada.

My Commission expires 12-6-82

CARBLE FORM NO. 28 N - ACKNOWLEDGMENT - CORPORATION - A-29594.

REQUESTED BY SIERRA LAND TITLE CORP.

IN OFFICIAL RECORDS OF DOUGLAS CO. NEVADA

\$ 5.00 fee 1981 JUN 16 PM 12:44

MARIE A. RADEL RECORDER

57339 681 PAGE 1385