

RECORDING REQUESTED BY

and when recorded mail to

Name NORTHERN NEVADA TITLE COMPANY
512 N. Division Street
Carson City, Nevada 89701

ESCROW NO.: DO-13492-BG

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 25th day of March, 1985, by CHARLES D. KERSCHNER and JOAN G. KERSCHNER, husband and wife, owner of the land hereinafter described and hereinafter referred to as "Owner," and JOHN B. COLLIGAN and DOLORES G. COLLIGAN, husband and wife, 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 March 25, 1985, to NORTHERN NEVADA TITLE COMPANY, as trustee, covering:

Lot 55 as shown on the map of ALPINE VIEW ESTATES UNIT NO. 3, filed in the office of the County Recorder of Douglas County, Nevada, on April 16, 1973, as File No. 65319.

to secure a note in the sum of \$ 45,000.00, dated March 25, 1985, in favor of Beneficiary, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ 85,000.00, dated March 25, 1985, in favor of CALIFORNIA FEDEAL SAVINGS & LOAN ASSOCIATION, 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 a lien or charge upon the above described property prior and superior to the 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, 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 the 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:

(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 supersede and cancel those provisions, if any, contained in any and all other agreements, including but not limited to the deed of trust first above mentioned 2nd loan or escrow agreements between the parties hereto, with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of said deed of trust in favor of Lender, which provisions are inconsistent or contrary to the provisions herein.

Beneficiary declares, agrees and acknowledges that


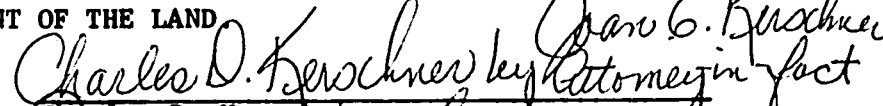
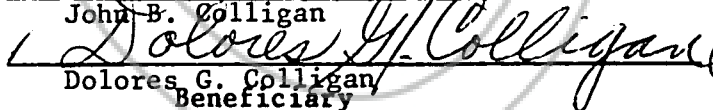
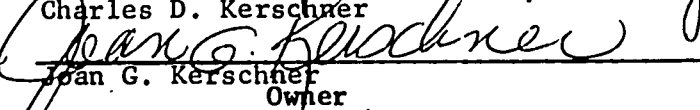
(a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;

(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.

	
John B. Colligan	Charles D. Kerschner
	
Dolores G. Colligan Beneficiary	Joan G. Kerschner Owner

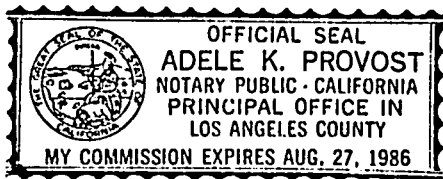
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

STATE OF Calif.)
) ss.
COUNTY OF Los Angeles

On this 30th day of March, 1985, personally appeared
before me a Notary Public in and for Los Angeles County, State of Calif.
John B. Colligan & Dolores G. Colligan
known to me to be the persons described in and who executed the foregoing
instrument, who acknowledged to me that they executed the same freely and
voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.



Adele K. Provost

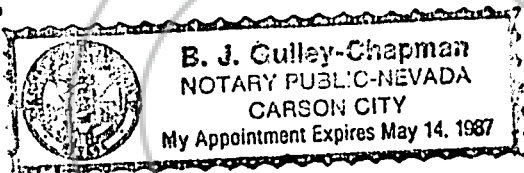
STATE OF NEVADA)
) ss.

COUNTY OF CARSON CITY

On this 1st day of April, 1985, personally appeared
before me a Notary Public in and for said County,
Joan G. Kerschner

known to me to be the persons described in and who executed the foregoing
instrument, who acknowledged to me that they executed the same freely and
voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.



B. J. Gulley-Chapman

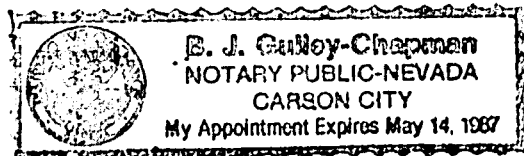
(Attorney in Fact)

STATE OF NEVADA)
) ss.
COUNTY OF Carson City)

On this 1st day of April, 1985, personally appeared before me, a notary public, in
and for said County, Joan G. Kerschner, known
(or proved) to me to be the person whose name is subscribed to the within instrument as the attorney in fact of
Charles D. Kerschner, and acknowledged to me that he/she subscribed the name of
Charles D. Kerschner thereto as principal, and his/her own name as attorney in fact, freely
and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

Signature B. J. Gulley-Chapman
B. J. Gulley-Chapman
Name (Typed or Printed)



(This area for official notarial seal)

COPY

REQUESTED BY
Northern Nevada Title Company

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

85 APR -1 P4:00

SUZANNE BEAUDREAU
RECORDER

\$ 8.00 PAID Or DEPUTY

115485

BOOK 485 PAGE 077