

RECORDING REQUESTED BY:

DOUGLAS COUNTY TITLE CO., INC.

WHEN RECORDED MAIL TO:

LOYAL G. BROOKS  
2961 "R" Street  
Merced California  
95348

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BE-  
COMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY  
INSTRUMENT.

THIS AGREEMENT, made this 9th day of December, 1985, by STANLEY CHAN and ROSE CHAN,  
husband and wife,

owner of the land hereinafter described and hereinafter referred to as "Owner," and  
LOYAL G. BROOKS, a married man

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, STANLEY CHAN and ROSE CHAN, husband and wife  
did execute a deed of trust, dated September 27, 1985, to DOUGLAS COUNTY TITLE CO., INC.,  
a Nevada Corporation, as trustee, covering:

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

Lot 1, Block 2, Oliver Park Subdivision, as shown on the Official Map recorded in the  
office of the County Recorder, Douglas County, Nevada, February 2, 1959, Document No.  
14034. AP#07-111-01-6

to secure a note in the sum of \$ 9,000.00, dated September 27, 1985, in favor of  
LOYAL G. BROOKS, a married man, which deed of trust was  
recorded October 2, 1985, in book 1085 page 187, Official Records of said county; and  
THIS IS A THIRD DEED OF TRUST

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$84,000.00  
dated September 30, 1985, in favor of CITY FEDERAL SAVINGS AND LOAN ASSOCIATION  
, hereinafter referred to as "Lender," payable with interest and upon the terms and conditions de-  
scribed therein, which deed of trust ~~is to be recorded concurrently herewith,~~ and October 1, 1985 in Book 1085 at  
page 081 of Official Records and re-recorded October 14, 1985 in Book 1085 at page 1415.

WHEREAS, it is a condition precedent to obtaining said loan 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 of the deed of trust first above mentioned and provided that Beneficiary will specifi-  
cally and unconditionally subordinate 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; 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 re-  
ceipt 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 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 to, 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 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 OR WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

Loyal G. Brooks  
 LOYAL G. BROOKS Beneficiary

✓ Stanley Chan  
 STANLEY CHAN  
 ✓ Rose Chan  
 ROSE CHAN 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.

(CLTA SUBORDINATION FORM "A")

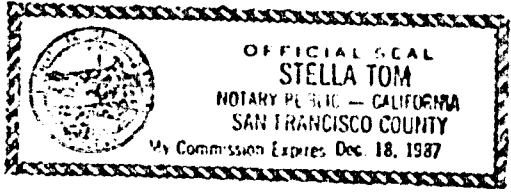
STATE OF NEVADA }  
COUNTY OF San Francisco } ss.

On January 13, 1986 before me, the undersigned, a Notary Public in and for  
the State, personally appeared STANLEY CHAN and ROSE CHAN

proved to me on the basis of satisfactory evidence

known to me to be the person s whose name s are  
subscribed to the within instrument and acknowledged to me  
that they executed the same.

WITNESS my hand and official seal.  
Signature [Handwritten Signature]  
Stella Tom  
Name (Typed or Printed)



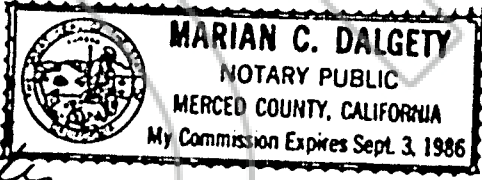
(This area for official notarial seal)

STATE OF NEVADA }  
COUNTY OF Merced } ss.

On January 15, 1986 before me, the undersigned, a Notary Public in and for  
the State, personally appeared LOYAL G. BROOKS

known to me to be the person is  
subscribed to the within instrument and acknowledged to me  
that he executed the same.  
WITNESS my hand and official seal.

Signature [Handwritten Signature]  
Marian C. Dalgety  
Name (Typed or Printed)



(This area for official notarial seal)

REQUESTED BY  
[Handwritten Signature]  
IN OFFICIAL RECORDS OF  
GOVERNMENT OF NEVADA

1986 JAN 17 P12:34

SUZANNE LEAUGLEAG  
RECORDER  
\$ 7.00 PAID [Signature] DEPUTY

129607  
BOOK 186 PAGE 1401