

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

K.P. Development  
c/o Dave Pumphrey  
P.O. Box 2530  
Minden, Nevada 89423

RE: Escrow #201120 OG

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 31st day of December, 1986, by LAWRENCE E. MC GINTY and JUDY A. MC GINTY, Husband and Wife

owner of the land hereinafter described and hereinafter referred to as "Owner," and

K.P. DEVELOPMENT, a General Partnership

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

#### WITNESSETH

THAT WHEREAS, Lawrence E. Mc Ginty and Judy A. Mc Ginty did execute a deed of trust, dated June 6, 1986, to Silver State Title and Escrow Co., Inc., as trustee, covering:

Lot 12, of Block D, as shown on the Official Map of Chambers Field Subdivision, filed in the office of the County Recorder of Douglas County, Nevada, on January 9, 1979 in Book 179, Page 435, Document No. 28862.

EXCEPTING THEREFROM: all water and water rights as conveyed to Robert S. Kimmerling and Margery S. Kimmerling, Husband and Wife as Joint Tenants in Document recorded April 17, 1979 in Book 479, Page 900, Document No. 31619 of Official Records.

to secure a note in the sum of \$ 30,000.00, dated June 6, 1986, in favor of K.P. DEVELOPMENT, a General Partnership, which deed of trust was recorded August 7, 1986, in book 886 page 138743, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ 92,500.00 dated December 24, 1986, in favor of Sierra Savings and Loan Association, hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

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 specifically 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 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.

148363

BOOK 187 PAGE 1096

(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.

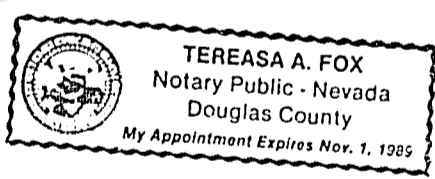
David G. Pumphrey  
 \_\_\_\_\_  
 Beneficiary

Lawrence E. McGinty  
 LAWRENCE E. MCGINTY  
Judy A. McGinty  
 JUDY A. Owner MCGINTY

STATE OF NEVADA,  
 }  
 County of ..... Douglas..... } ss.

On ..... December 31, 1986 ..... personally appeared before me,  
 DATE  
 a Notary Public (or judge or other officer, as the case may be), Lawrence E. McGinty and Judy A. McGinty and David G. Pumphrey  
 who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of Douglas the day and year in this certificate first above written.  
Teresa A. Fox  
 Signature of Notary



(ACKNOWLEDGMENT GENERAL)

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

COPY

REQUESTED BY  
SILVER STATE TITLE AND ESCROW CO. INC.  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'87 JAN 14 A11:29

SUZANNE BEAUDREAU  
RECORDER

\$ 7.00 PAID [Signature] DEPUTY BOOK

148363

187 PAGE 1098