

RECORDING REQUESTED BY:

STEWART TITLE OF DOUGLAS COUNTY

WHEN RECORDED MAIL TO:

Hot Springs Development
P.O. Box 608
Gardnerville, NV 89410

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 28th day of April, 1989, by
GARY S. SHELLHORN AND CYNTHIA ANNE JANIK, husband and wife

owner of the land hereinafter described and hereinafter referred to as "Owner," and
HOT SPRINGS DEVELOPMENT CO., INC., 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, GARY S. SHELLHORN AND CYNTHIA ANNE JANIK, husband and wife
did execute a deed of trust, dated April 28, 1989, to FIRST NEVADA TITLE
as trustee, covering:

Lots 16, in Block A, as set forth on the Official Map of MISSION
HOT SPRINGS UNIT NO. 2, a Planned Unit Development, filed for
record in the office of the Recorder of Douglas County, Nevada on
September 14, 1988, in Book 988, Page 1249, as Document No. 186262
Official Records.

Assessment Parcel No. 21-040-56

to secure a note in the sum of \$ 25,500.00, dated April 28, 1989, in favor of HOT SPRINGS
DEVELOPMENT CO., INC., a Nevada Corporation, which deed of trust was
recorded April 28, 1989, in book 489 page 3710. 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 \$ 100,500.00
dated April 27, 1989, in favor of INTERWEST MORTGAGE, 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

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.

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(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.

Phil Carter
 HOT SPRINGS DEVELOPMENT CO., INC.
 BY: PHIL CARTER, PRESIDENT
 Beneficiary

Gary S. Shellhorn
 GARY S. SHELLHORN
Cynthia Anne Janik
 CYNTHIA ANNE Owner JANIK

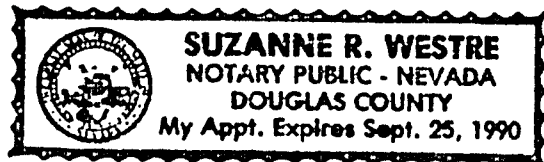
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF NEVADA }
 COUNTY OF Douglas } ss.
 On April 28, 1989

before me, the undersigned, a Notary Public in and for said State, personally appeared

GARY S. SHELLHORN AND CYNTHIA ANNE JANIK AND PHIL CARTER WHO IS THE PRESIDENT OF HOT SPRINGS DEVELOPMENT CO., INC. A Nevada Corporation

known to me to be the person S whose name S subscribed to the within instrument and acknowledged to me that they executed the same.
 WITNESS my hand and official seal.



Signature Suzanne R. Westre/Reddon
 Suzanne R. Westre/Reddon
 Name (Typed or Printed)

(This area for official notarial seal)

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

COPY

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'89 APR 28 P2:25

SUZANNE BEAUDREAU
RECORDER

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\$ 7⁰⁰ PAID K/2 DEPUTY

BOOK **489** PAGE **3715**