

RECORDING REQUESTED BY:

First Nevada Title Company
Escrow #204629-CC
WHEN RECORDED MAIL TO:
FIRST NEVADA TITLE
PO BOX 158
MINDEN, NV 89423
ESCROW NO. 204629-CC

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 6th day of July, 1989, by MARTIN LEE KOSTELNY, a married man as his sole and separate property dba as Circle K Construction

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, MARTIN LEE KOSTELNY, a married man as his sole and separate property did execute a deed of trust, dated [redacted], to First Nevada Title Company, a Nevada Corporation, as trustee, covering:

Lot 29 in block b, 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 1849, as Document No. 186262, Official Records.

APN 21-044-15

to secure a note in the sum of \$ 24,375.00, dated June 5, 1989, in favor of Hot Springs Development Company, a Nevada corporation, which deed of trust was recorded June 12, 1989, in book 689 page 1328, 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 \$ 60,000.00 dated July 6, 1989, in favor of William J. Blakley and Geneva C. Blakley Trust, 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.

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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.

HOT SPRINGS DEVELOPMENT CO., Inc., a Nevada corporation

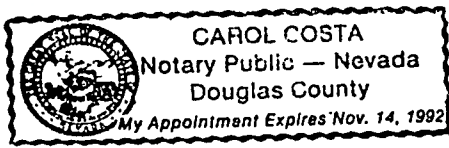
MARTIN LEE KOSTELNY dba Circle K Construction

[Signature]
Philip V. Costa Beneficiary

[Signature]
Owner

(General)
State of Nevada } ss.
County of Douglas }
On July 7 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared Martin Lee Kostelny
who proved to me on the basis of satisfactory evidence to be the person he, whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.
[Signature]
NOTARY PUBLIC for said County and State
FNT 9-88/006



(Corporation)
State of Nevada } ss.
County of Douglas }
On July 7 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared Philip V. Costa
proved to me to be the President, and
~~proved to me to be the Secretary of the Corporation that executed the within Instrument, proved to me on the basis of satisfactory evidence to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.~~
WITNESS my hand and official seal.

[Signature]
NOTARY PUBLIC for said County and State
FNT 9-88/008



206518
BOOK 789 PAGE 1108

COPY

REQUESTED BY
FIRST NEVADA TITLE COMPANY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'89 JUL 13 P12:48

SUZANNE BEAUDREAU
RECORDER **206518**
\$ 7⁰⁰ PAID K12 DEPUTY
BOOK **789** PAGE **1109**