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To 1538 A (12.67)

**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 3RD day of APRIL, 1991, by MICHAEL CUNAG AND LYNN S. CUNAG, husband and wife owner of the land hereinafter described and hereinafter referred to as "Owner," and PETER CUNAG AND SALLY ANN CUNAG, 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, MICHAEL CUNAG AND LYNN S. CUNAG, husband and wife did execute a deed of trust, dated NOVEMBER 7, 1990, to WESTERN TITLE COMPANY, INC. a Nevada corporation, as trustee, covering:

SEE EXHIBIT 'A' ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

to secure a note in the sum of \$ 8,000.00, dated NOVEMBER 7, 1990, in favor of PETER CUNAG AND SALLY ANN CUNAG, which deed of trust was recorded NOVEMBER 16, 1990, in book 1190 page 2473, 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 \$ 15,000.00, dated APRIL 3, 1991, in favor of JOHN R. BURGMAN, an unmarried man, 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.
- (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 agreements 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.

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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.**

*Peter Cunag*  
\_\_\_\_\_  
PETER CUNAG

*Sally Ann Cunag*  
Beneficiary  
\_\_\_\_\_  
SALLY ANN CUNAG

*Michael Cunag*  
\_\_\_\_\_  
MICHAEL CUNAG

*Lynn S. Cunag*  
Owner  
\_\_\_\_\_  
LYNN S. CUNAG

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

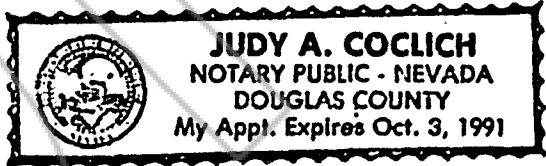
STATE OF NEVADA }  
County of . . . . . DOUGLAS . . . . . } ss.

On . . . . . APRIL 4, 1991 . . . . . personally appeared before me,  
DATE

a Notary Public (or judge or other officer, as the case may be), . . . . .  
. . . . . PETER CUNAG AND SALLY ANN CUNAG . . . . .  
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.

*Judy A. Coclich*  
Signature of Notary  
\_\_\_\_\_  
JUDY A. COCLICH



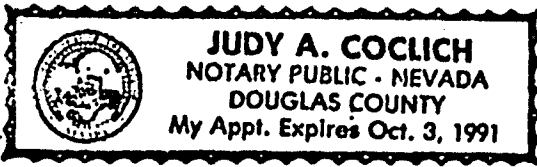
STATE OF NEVADA }  
County of . . . . . DOUGLAS . . . . . } ss.

On . . . . . APRIL 8, 1991 . . . . . personally appeared before me,  
DATE

a Notary Public (or judge or other officer, as the case may be), . . . . .  
MICHAEL CUNAG & LYNN S. CUNAG . . . . .  
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.

*Judy A. Coclich*  
Signature of Notary  
\_\_\_\_\_  
JUDY A. COCLICH



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



EXHIBIT 'A'

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

PARCEL 1:

A Parcel of land being situated in the Southeast 1/4 of Section 24, Township 12 North, Range 20 East, M.D.B. & M., described as follows:

Parcel 4-A, as shown on Parcel Map for Michaels Construction filed for record August 14, 1990, in Book 890, Page 1972, Document No. 232280 of Official Records of Douglas County, State of Nevada.

PARCEL 2:

TOGETHER WITH an access easement for road and public utilities over and across the lands lying adjacent to Parcel No. 4, as set forth on that certain Parcel Map for GARY B. WILLIAMS, et ux, filed for record in the office of the County Recorder of Douglas County, Nevada on June 6, 1978 as Document No. 21529, more particularly described as follows:

BEGINNING at the Northeast corner of said Parcel Map, thence South 00°00'15" West, a distance of 25.00 feet; thence West, a distance of 942.29 feet to a point; thence Southwesterly along a curve having a radius of 25 feet through a central angle of 90, an arc distance of 39.27 feet to a point; thence North 00°02'15" East, a distance of 50.09 feet to a point, which is the Northwest corner of said Parcel Map; thence East, a distance of 967 feet, more or less to the POINT OF BEGINNING.

A.P.N. 29-512-13

REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'91 APR -9 P3:26

SUZANNE BEAUDREAU  
RECORDER  
\$ 7.00 PAID KD DEPUTY  
248128  
BOOK 491 PAGE 1089