

RECORDING REQUESTED BY:

Stewart Title of Douglas County

and when recorded mail to:

American Federal Savings Bank
One California Avenue
Reno, Nevada 89501
Ln # 087-0002683

Space Above 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 19th day of December, 1991, by LEE B. MAXEY and LUCIA RUNZO MAXEY, owner of the land hereinafter described and hereinafter referred to as "Owner," and AMERICAN FEDERAL SAVINGS BANK, formerly First Federal Savings and Loan Association, present owner and holder of the deed of trust and note first hereinafter described, and hereinafter referred to as "Beneficiary";

WITNESSETH:

WHEREAS, LEE B. MAXEY and LUCIA RUNZO MAXEY, husband and wife as joint tenants did execute a deed of trust, dated May 2, 1990, to AM FED FINANCIAL SERVICES, INC., as trustee, covering:

SEE EXHIBIT "A" ATTACHED HERETO

to secure a note in the sum of \$26,000.00, dated May 2, 1990, in favor of AMERICAN FEDERAL SAVINGS BANK, which deed of trust was recorded on May 10, 1990, as document number 225754, in book 590, page 1700, 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 \$77,000.00, dated December 18, 1991 in favor of FLEET ~~NATIONAL BANK~~ NATIONAL BANK, 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 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 with 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 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) It 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) It 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 a 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) Any 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 IMPROVEMENTS OF THE LAND.

AMERICAN FEDERAL SAVINGS BANK,
formerly First Federal Savings
and Loan Association of Nevada

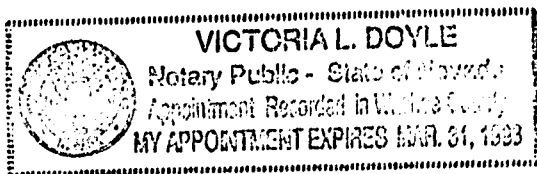
By: E. R. Houston
E. R. HOUSTON - CEO
Beneficiary

Lee B. Maxey
LEE B. MAXEY

Lucia Runzo Maxey
LUCIA RUNZO MAXEY
Owner(s)

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19th day of December, 1991, personally appeared before me, a Notary Public, E. R. HOUSTON the Chief Executive Officer of American Federal Savings Bank, a corporation, who acknowledged to me that he executed the above instrument on behalf of said corporation.



Victoria L. Doyle
Notary Public
Victoria L. Doyle

STATE OF NEVADA)
 Douglas) ss.
COUNTY OF ~~WASHOE~~)

On this 20th day of December, 1991, personally appeared before me, a Notary Public, Lee B. Maxey, who acknowledged to me that he/~~she~~ executed the above instrument.



Gayle Gissell
Notary Public

STATE OF NEVADA)
 DOUGLAS) ss.
COUNTY OF ~~WASHOE~~)

On this 20th day of December, 1991, personally appeared before me, a Notary Public, Lucia Runzo Maxey, who acknowledged to me that ~~he~~/she executed the above instrument.



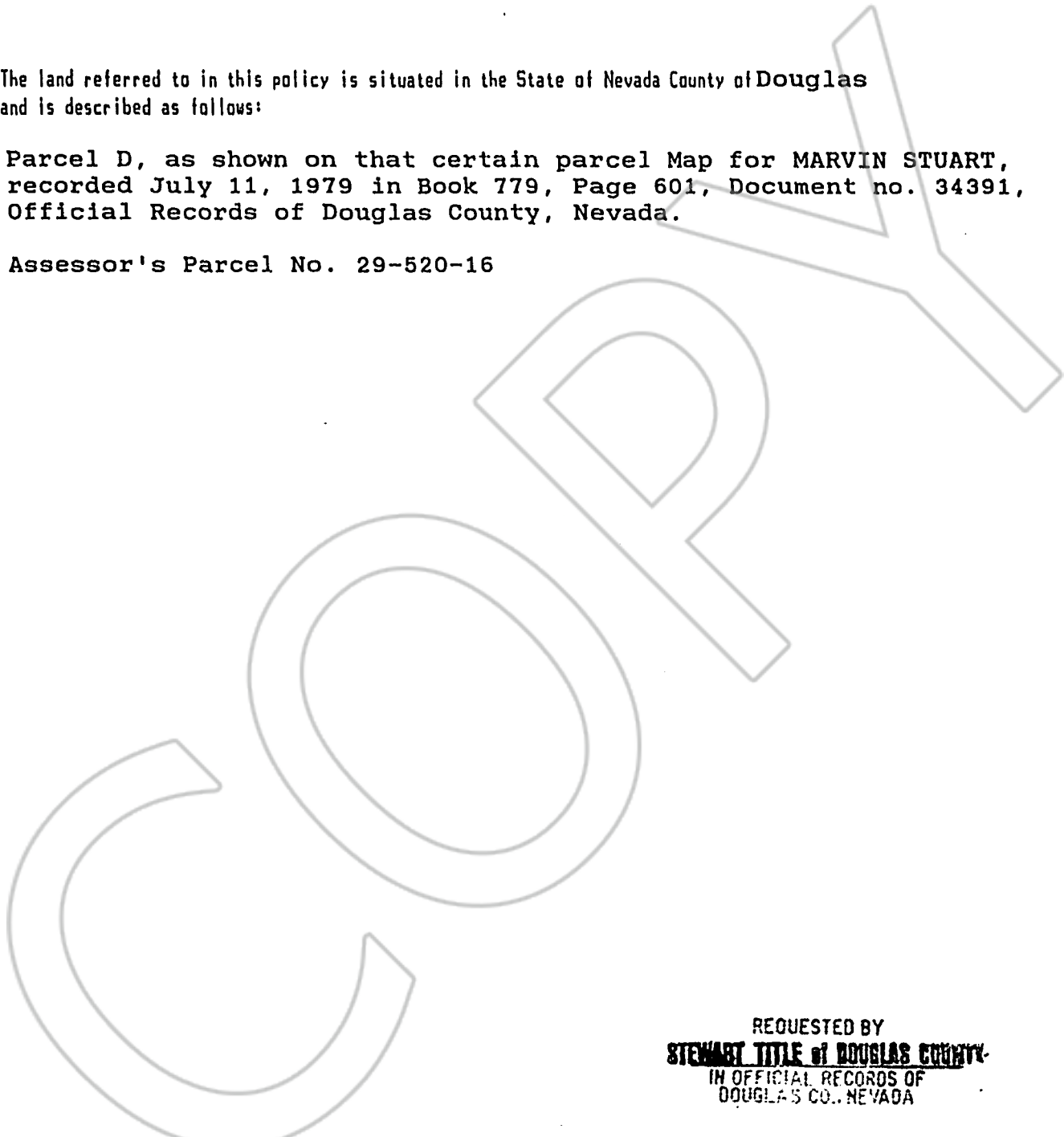
Gayle Gissell
Notary Public

EXHIBIT "A"

The land referred to in this policy is situated in the State of Nevada County of Douglas and is described as follows:

Parcel D, as shown on that certain parcel Map for MARVIN STUART, recorded July 11, 1979 in Book 779, Page 601, Document no. 34391, Official Records of Douglas County, Nevada.

Assessor's Parcel No. 29-520-16



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

'91 DEC 26 P1:24

SUZANNE BEAUDEPEAU
RECORDER

267830

\$ 9.00 PAID K2 DEPUTY
BOOK **1291** PAGE **3862**