



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 26th day of March, 1992, by DAVID J. BERES and SUSANNE BERES, husband and wife as Joint Tenants

owner of the land hereinafter described and hereinafter referred to as "Owner," and BERT J. MC KEE and MARIAN ANN MC KEE, husband and wife as Joint Tenants

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

WITNESSETH

THAT WHEREAS, OWEN E. HEAROLD and THELMA HEAROLD did execute a deed of trust, dated May 23, 1984, to DOUGLAS COUNTY TITLE COMPANY, as trustee, covering: See Exhibit A attached hereto and made a part hereof by this reference

to secure a note in the sum of \$ *146,000.00* , dated May 23, 1984 , in favor of BERT J. MC KEE and MARIAN ANN MC KEE , which deed of trust was recorded June 4, 1984 , in book 684 page 204 , Official Records of said county; ("Trust Deed — 1") and,

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$*47,000.00* dated, March 26, 1992 , in favor of VALLEY BANK OF NEVADA, 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 ("Trust Deed — 2"); and

WHEREAS, it is a condition precedent to obtaining said loan that Trust Deed — 2 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 Trust Deed — 1; and

WHEREAS, lender is willing to make said loan provided Trust Deed — 2 is a lien or charge upon the above-described property prior and superior to the lien or charge of Trust Deed — 1 and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of Trust Deed — 1 to the lien or charge of Trust Deed — 2 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 Trust Deed — 2 shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of Trust Deed — 1.

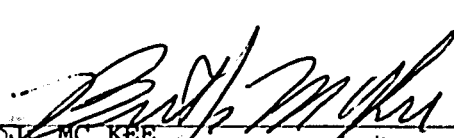
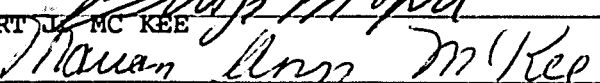
NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:



- (1) That Trust Deed — 2 securing said note in favor of Lender, and any modifications, 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 Trust Deed — 1.
- (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 Trust Deed — 1 to the lien or charge of Trust Deed — 2 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 Trust Deed — 1, 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 Trust Deed — 2, 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 Trust Deed — 1 in favor of the lien or charge upon said land of Trust Deed — 2 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 Trust Deed — 1 that said Trust Deed — 1 has by this instrument been subordinated to the lien or charge of Trust Deed — 2.

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.


 BERT J. MC KEE

 MARIAN ANN MC KEE Beneficiary


 DAVID J. BERES

 SUSANNE BERES Owner


(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

STATE OF Nevada)
) ss.
 COUNTY OF DOUGLAS)

On APRIL 2, 1992 personally appeared before me, a notary public,

BERT J. MCKEE AND MARIAN ANN MCKEE AND DAVID J. BERES AND SUSANNE BERES who acknowledged that They executed the above instrument.


 M. MILICI
 Notary Public - State of Nevada
 Appointment Recorded in Douglas County
 MY APPOINTMENT EXPIRES MAR. 7, 1994


 Notary Public

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Valley Bank of Nevada
 P. O. Box 611
 Carson City, NV 89702
 Attention: Marcia Thorpe

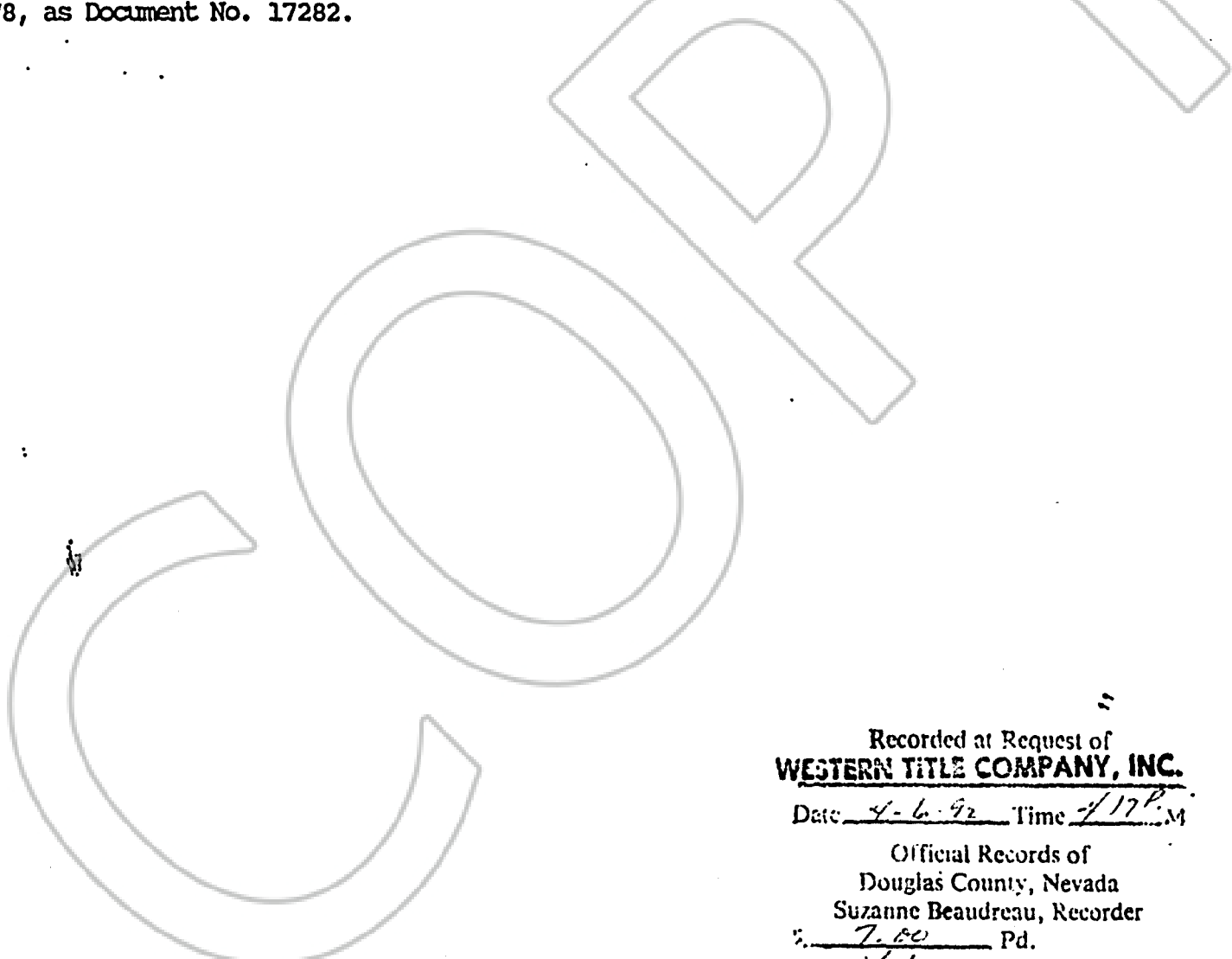
SPACE ABOVE THIS LINE FOR RECORDER'S USE

DESCRIPTION

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

A Portion of the Southeast 1/4 of Section 3, Township 12 North, Range 20 East, M.D.B. & M., and of Parcel A, as shown on that certain Map entitled CARSON VALLEY INDUSTRIAL PARK, recorded as Document No. 47572, on March 30, 1970, Official records of Douglas County, Nevada and being further described as follows:

Parcel No. 2, as set forth on that certain Parcel Map for PALMER K. KNAPP, et ux, filed for record in the Office of the County Recorder of Douglas County, Nevada, on February 2, 1978, as Document No. 17282.



Recorded at Request of
WESTERN TITLE COMPANY, INC.

Date 4-6-92 Time 4:17 P.M.

Official Records of
Douglas County, Nevada
Suzanne Beaudreau, Recorder

Fee 7.00 Pd.

del Deputy