

**SUBORDINATION AGREEMENT**

THIS AGREEMENT, made December 3, 1993, by MICHAEL K. RAINEY and FRANCES G. RAINEY, husband and wife, owners of the land hereinafter described, and hereinafter referred to as "Owner" and BANK OF AMERICA NEVADA, formerly VALLEY BANK OF NEVADA, present owner and holder of the Deed of Trust and note first hereinafter described, and hereinafter referred to as "Beneficiary";

**W I T N E S S E T H:**

WHEREAS, Owner did execute a Deed of Trust which was recorded July 16, 1992, in Book 792, Page 2521, Document No. 283497, Official Records, <sup>Douglas</sup> Washoe County, Nevada, to VALLEY BANK OF NEVADA, Trustee, encumbering real property situate in the County of Douglas, State of Nevada, described as follows:

Lot 8, Block I, as shown on the Official Map of WESTWOOD VILLAGE UNIT NO. 1, filed for record in the Office of the County Recorder on October 5, 1979, Book 1079, Page 440, Document No. 37417, and Certificate of Amendment recorded July 14, 1980, in Book 780, Page 783, and further recorded January 31, 1991, in Book 191, Page 3820, Document No. 243938, Official Records of Douglas County, Nevada,

to secure a note in the amount of \$14,000.00, dated of even date therewith, which Deed of Trust is for the benefit of Beneficiary; and

WHEREAS, Owner has executed a Deed of Trust and note in the sum of \$ 129,500.00, dated January 5, 1994, in favor of BANK OF AMERICA NEVADA, A STATE CHARTERED 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 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 between the parties hereto with respect 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 any prior agreements as to such or any 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 a Deed or Deeds of Trust or to a mortgage or mortgages to be thereafter executed.

Beneficiary declares, agrees and acknowledges that:

(a) Beneficiary 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) Beneficiary 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

**BENEFICIARY:**

**BANK OF AMERICA NEVADA .**

By Alan J. Heneberger  
Alan J. Heneberger

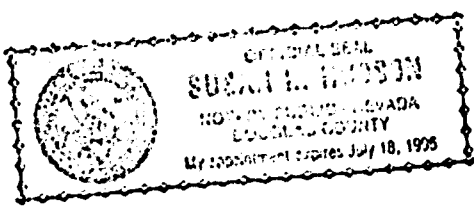
**OWNER:**

Michael K. Rainey  
Michael K. Rainey  
Frances G. Rainey  
Frances G. Rainey

STATE OF NEVADA             )  
  ) ss  
COUNTY OF DOUGLAS        )

This instrument was acknowledged before me on January 7, 1994, by MICHAEL K. RAINEY and FRANCES G. RAINEY.

Susan H. Hedden  
Notary Public



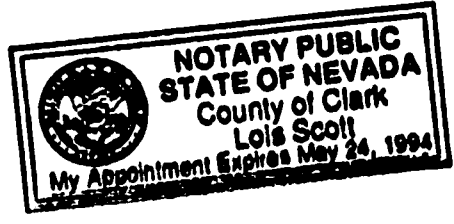
STATE OF Nevada )  
COUNTY OF Clark ) ss

This instrument was acknowledged before me on December 3, 1993, by Alan J. Simberg, as Credit Officer of BANK OF AMERICA NEVADA.

Lois Scott  
Notary Public

APPROVED

Lois Scott Date



COPY

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

'94 JUN 13 P3:28

LAW OFFICES OF  
HENDERSON & NELSON  
164 HUBBARD WAY  
SUITE B  
RENO, NEVADA 89502

327559

BK0194PG2549

SUZANNE BEAUDREAU  
RECORDER  
\$10.00 PAID K2 DEPUTY