

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 1st day of March 1995, by SCOTT J. BUDNIK and MARGARET T. MATTEONI-BUDNIK

owner of the land hereinafter described and hereinafter referred to as "Owner", and EUGENE H. ORR, an unmarried man

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

WITNESSETH

THAT WHEREAS, SCOTT J. BUDNIK and MARGARET T. MATTEONI-BUDNIK

did execute a deed of trust, dated January 10, 1995, to WESTERN TITLE COMPANY, INC., a Nevada corporation, as trustee, covering:

(Continued)

SEE EXHIBIT "A" FOR LEGAL DESCRITPION

to secure a note in the amount of \$15,438.82, dated January 10, 1995, in favor of EUGENE H. ORR, an unmarried man

which deed of trust was recorded January 17, 1995, in book 195, page 2219, 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 \$150,000.00, dated March 1, 1995, in favor of VICTOR L. WILSON, TRUSTEE, of the Victor L. Wilson Trust, dated 3/18/80

hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust 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 supercede 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 deed 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 purpose 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

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.

BENEFICIARY:

EUGENE H. ORR

OWNER:

SCOTT J. BUDNIK

MARGARET T. MATTEONI-BUDNIK

STATE OF NEVADA

County of Douglas)
)SS.
On March 2, 1995)
personally appeared before me,
a Notary Public,



SCOTT J. BUDNIK
MARGARET T. MATTEONI-BUDNIK
who acknowledged that THEY
executed the above instrument.

NOTARY PUBLIC

STATE OF NEVADA

County of)
)SS.

On)
personally appeared before me, a
Notary Public,

who acknowledged that
executed the above instrument.

NOTARY PUBLIC

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

ESCROW NO. B59970JC
FOR RECORDER'S USE

WHEN RECORDED MAIL TO:

EUGENE H. ORR
24501 MARGUERITE PL. #1
MISSION VIEJO, CA. 92691

BENEFICIARY:

Eugene H. Orr
EUGENE H. ORR

OWNER:

Scott J. Budnik
SCOTT J. BUDNIK
Margaret T. Matteoni-Budnik
MARGARET T. MATTEONI-BUDNIK



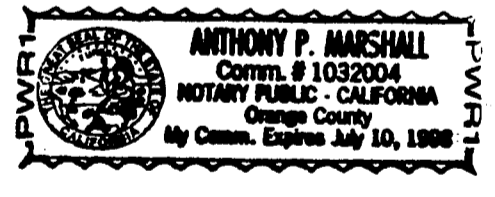
STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.

On MARCH 3RD, 1995, before me, ANTHONY P. MARSHALL,
personally appeared EUGENE H. ORR

[Signature] personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (s) are
subscribed to the within instrument and acknowledged to me that (s) he/she/they executed the same
in (s) his/her/their authorized capacity(ies), and that by (s) his/her/their signature(s) on the instrument the
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]



(This area for official notarial seal)

Title of Document _____
Date of Document _____ No. of Pages _____
Other signatures not acknowledged _____

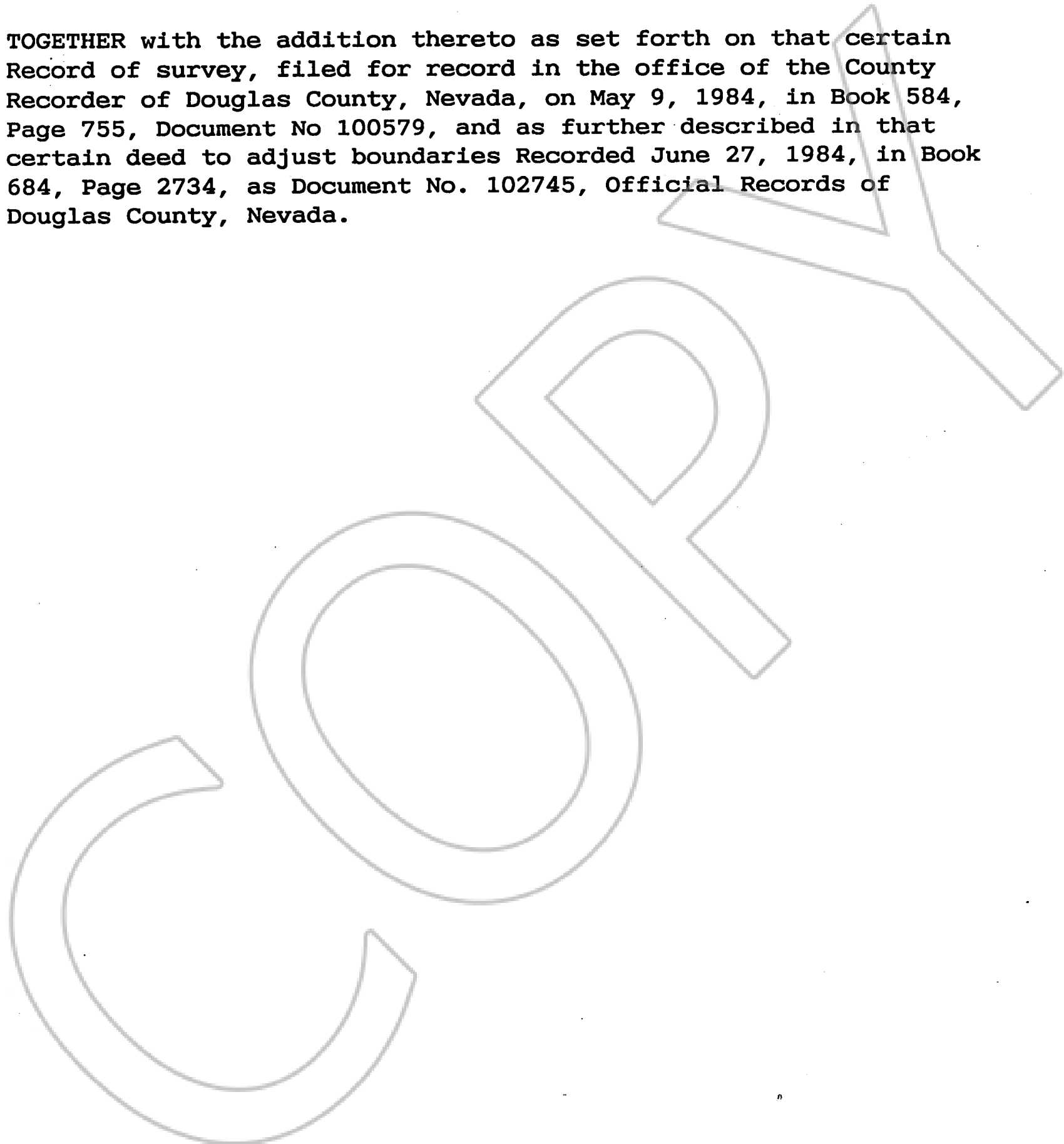
EXHIBIT "A"

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 east half of Section 31, Township 13 North, Range 21 East, M. D. B. & M., more particularly described as follows:

PARCEL 3-A, as set forth on that certain Parcel Map for ANTHONY S. WATKINS, filed for record in the Office of the County Recorder of Douglas County, Nevada, on February 6, 1981, in Book 281, Page 781, Document No. 53362, being a division of Parcel 3 as shown on that certain Parcel Map of ANTHONY S. WATKINS recorded May 17, 1979, in Book 579, at Page 1180, as Document No. 32541;

TOGETHER with the addition thereto as set forth on that certain Record of survey, filed for record in the office of the County Recorder of Douglas County, Nevada, on May 9, 1984, in Book 584, Page 755, Document No 100579, and as further described in that certain deed to adjust boundaries Recorded June 27, 1984, in Book 684, Page 2734, as Document No. 102745, Official Records of Douglas County, Nevada.



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

'95 MAR -6 P4:10

LINDA SLATER
RECORDER

\$11.00 PAID *[Signature]* DEPUTY

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