

Submitted for Recordation By
and Return To



N.C.C.L.S. #5768, COLLATERAL SVCS.
P.O. Box 2190
RANCHO CORDOVA, CA 95741

Account No: 02500197053446998
CAP ID No: 980281652100

Space Above This 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 25th day of FEBRUARY, 1998, by WILLIAM E. LEONARD AND AGNES L. LEONARD, owner of the land hereinafter described and hereinafter referred to as "Owner", and BANK OF AMERICA, NEVADA, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT, WHEREAS, WILLIAM E. LEONARD AND AGNES L. LEONARD, did execute a deed of trust dated JULY 14, 1997, to BANK OF AMERICA, NEVADA, as trustee covering:

LOT 1094, AS SHOWN ON THE MAP OF GARDNERVILLE RANCHOS UNIT NO. 7, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON MARCH 27, 1974, BOOK 374, PAGE 676, AS DOCUMENT NO. 72456.

to secure a note in the sum of \$100,000.00, dated JULY 14, 1997, in favor of BANK OF AMERICA, NEVADA, which deed of trust was recorded JULY 22, 1997, in book 797, page 3644, as instrument no. 417734, Official Records of said County, which credit limit has been subsequently modified pursuant to an agreement between the parties to the new credit limit of \$20,000.00; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$100,000.00, dated FEBRUARY 25, 1998, in favor of BANK OF AMERICA, 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; 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.

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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; and
- (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 provides 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 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 disbursement 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.

BENEFICIARY:
Bank of America Nevada

OWNER(S):

AE J. Elkins 2-21-98

AE J. ELKINS
SUBORDINATION OFFICER

Date

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

William E Leonard 3/2/98

WILLIAM E. LEONARD

Date

Agnes L. Leonard 3/2/98

AGNES L. LEONARD

Date

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GENERAL ACKNOWLEDGEMENT

State of California
County of SACRAMENTO

On 2-21-98 before me, THE UNDER SIGNED, personally appeared
ME J. ELKINS

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

Shannon Marie Alm



GENERAL ACKNOWLEDGEMENT

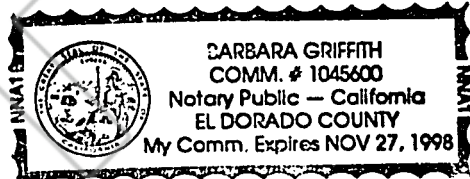
State of California
County of EL DORADO

On MARCH 2, 1998 before me, BARBARA GRIFFITH, personally appeared
WILLIAM E. LEONARD AND AGNES L. LEONARD

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

Barbara Griffith



GENERAL ACKNOWLEDGEMENT

State of California
County of

On _____ before me, _____, personally appeared

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

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

'98 MAR -4 P3:48

0434028
BK 0398 PG 0787

LINDA SLATER
RECORDER
\$ 9.00 PAID AL DEPUTY