

Submitted for Recordation By
and Return To



Bank of America
N.C.C.I.S. #5768, COLLATERAL SVCS.
P.O. Box 2190
RANCHO CORDOVA, CA 95741

202959 MLP

Account No: 20030603470136998
CAP ID No: 980901129450

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 20th day of APRIL, 1998, by RICHARD L. KNIEPER AND SUE ELLEN KNIEPER AND LORI A. PUCHALSKI, owner of the land hereinafter described and hereinafter referred to as "Owner", and BANK OF AMERICA NT&SA A NATIONAL BANKING ASSOCIATION, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT, WHEREAS, RICHARD L. KNIEPER AND SUE ELLEN KNIEPER AND LORI A. PUCHALSKI, did execute a deed of trust dated JUNE 14, 1996, to BANK OF AMERICA NT&SA A NATIONAL BANKING ASSOCIATION, as trustee covering:

LOT 46, BLOCK F, AS SET FORTH ON THE OFFICIAL PLAT OF MISSION HOT SPRINGS UNIT NO. 1, FILED IN THE OFFICE OF THE RECORDER OF DOUGLAS COUNTY, NEVADA ON JULY 1, 1987, IN BOOK 787. PAGE 001, DOCUMENT NO. 157492 OF OFFICIAL RECORDS.

to secure a note in the sum of \$35,000.00, dated JUNE 14, 1996, in favor of BANK OF AMERICA NT&SA A NATIONAL BANKING ASSOCIATION, which deed of trust was recorded JUNE 26, 1996, in book 696, page 4446, as instrument no. 390830, 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 \$115,000.00, dated May 4, 1998, in favor of BANK OF AMERICA NT&SA A NATIONAL BANKING ASSOCIATION, 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.

0439304

BK0598PG1811

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

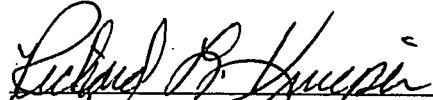
(d) An endorsement has been placed upon the note secured by the deed of trust first above-mentioned that said deed of trust has by this instrument, been subordinated to the lien or charge of the deed of trust in favor of Lender above-referred to.

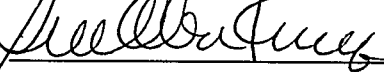
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.


BENEFICIARY:
BANK OF AMERICA NT&SA A NATIONAL BANKING ASSOCIATION

OWNER(S):


SANDY HENSON
SUBORDINATION OFFICER
Date 4-20-98


RICHARD L. KNIEPER, INDIVIDUALLY AND AS TRUSTEE Date 5/4/98
FOR THE TRUST OF RICHARD L. KNIEPER AND SUE ELLEN KNIEPER, DATED JANUARY 31, 1996


SUE ELLEN KNIEPER, INDIVIDUALLY AND AS TRUSTEE Date 5/4/98
FOR THE TRUST OF RICHARD L. KNIEPER AND SUE ELLEN KNIEPER, DATED JANUARY 31, 1996


LORI A. PUCHALSKI, INDIVIDUALLY AND AS TRUSTEE Date 3.5 MAY - 5 '98
FOR THE TRUST OF RICHARD L. KNIEPER AND SUE ELLEN KNIEPER, DATED JANUARY 31, 1996

0439304

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

BK0598PG1812

GENERAL ACKNOWLEDGEMENT

State of California
County of Sacramento

On 4/20/98 before me, The Undersigned Notary, personally appeared
*****Sandy Henson*****

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

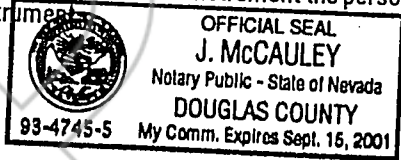
State of Nevada
County of Douglas

On 4 May 1998 before me, J. McCauley, personally appeared
RICHARD L. Knieper & Sue Ellen Knieper

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.

J. McCauley



GENERAL ACKNOWLEDGEMENT

CALIFORNIA
State of ~~Nevada~~
County of ORANGE

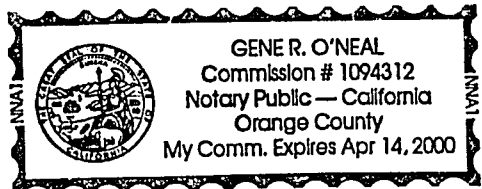
On MAY 5, 1998 before me, GENE R. O'NEAL, NOTARY PUBLIC, personally appeared
LORI ANN PUCHALSKI

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.

Gene R. O'Neal

REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA



'98 MAY 11 AM 11:41

LINDA SLATER
RECORDER
\$ 9.00 PAID KZ DEPUTY

0439304

BK0598PG1813