

# SUBORDINATION AGREEMENT

81422.DEC

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 17th day of August, 1999 by KIM A. POSNIEN, a married man as his sole and separate property owner of the land hereinafter described and hereinafter referred to as "Owner", and CARLOS IRIBARREN and ISABEL R. IRIBARREN, Trustees of the CARLOS IRIBARREN and ISABEL R. IRIBARREN FAMILY TRUST U/D/T April 13, 1994 present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

## WITNESSETH

THAT WHEREAS, Owner has executed a deed of trust, dated July 1, 1998,

to WESTERN TITLE COMPANY, INC., a Nevada corporation, as trustee, covering:

See Exhibit A attached hereto and made a part hereof.

to secure a note in the sum of \$120,000.00, dated July 1, 1998,

in favor of CARLOS IRIBARREN and ISABEL R. IRIBARREN, Trustees of the CARLOS IRIBARREN and ISABEL R. IRIBARREN FAMILY TRUST U/D/T April 13, 1994, which deed of trust was recorded July 6, 1998, in Book 798 Page 625, as Document No. 443593, 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 \$437,500.00, dated August 6, 1999,

in favor of SIERRAWEST 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 herein before 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 supersede and cancel, but only insofar as would affect the priority between the deeds of trust herein before specifically described, any prior agreement 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 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 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 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 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.

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Beneficiary:

Owner:

Carlos Iribarren TRUSTEE  
CARLOS IRIBARREN, Trustee

Kim A. Posniien  
KIM A. POSNIEN

Isabel R. Iribarren Trustee  
ISABEL R. IRIBARREN, Trustee

(All signatures must be acknowledged)

Form Furnished By Western Title Company, Inc.

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

STATE OF NEVADA } S.S.

COUNTY OF DOUGLAS  
On August 17, 1999 personally  
appeared before me, a Notary Public,

CARLOS IRIBARREN & ISABEL R. IRIBARREN,  
personally known or proved to me to be the person whose name is  
subscribed to the above instrument who acknowledged that he executed  
the instrument.

Signature Nicole Peterson

NICOLE PETERSON  
NOTARY PUBLIC - STATE OF NEVADA  
APPOINTMENT RECORDED IN COUNTY OF DOUGLAS  
MY APPOINTMENT EXPIRES OCT. 13, 2001  
NO: 97-4131-5

(This area for official notarial seal)

STATE OF NEVADA } S.S.

COUNTY OF DOUGLAS  
On August 17, 1999 personally  
appeared before me, a Notary Public,

KIM A. POSNIEN,  
personally known or proved to me to be the person whose name is  
subscribed to the above instrument who acknowledged that he executed  
the instrument.

Signature Danielle E. Curtis

DANIELLE E. CURTIS  
Notary Public - State of Nevada  
Appointment Recorded in County of Douglas  
My Appointment Expires Feb. 15, 2002  
94-3026-5

(This area for official notarial seal)

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name MR. AND MRS. CARLOS IRIBARREN  
Street Address 1490 GLENWOOD  
City, State Zip GARDNERVILLE, NV 89410  
Order No. 00081422-201-DEC

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All that real property situate in the County of Douglas, State of Nevada, described as follows:

Lot 1, as set forth on Record of Survey for Jewel Commercial Park Phase 1, filed for record in the Office of the County Recorder, Douglas County, Nevada, on October 28, 1992, in book 1092, Page 5043, as Document No. 291858, being a portion of Lot 3B, Block B, as set forth on the Final Map for Jewel Commercial Park filed for record in the Office of the County Recorder, Douglas County, Nevada, on September 24, 1992, in Book 992, Page 4169, as Document No. 289083.

A.P.N. 1220-10-110-004

COPY

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

1999 AUG 19 AM 10:00

LINDA SLATER  
RECORDER

\$<sup>9.99</sup> PAID *KJ* DEPUTY

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