

## 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 , by George L. Yonano and Lucretia Yonano, husband and wife, owner of the land hereinafter described and hereinafter referred to as "Owner", and Spec Products, Inc., an Arkansas corporation, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

### WITNESSETH

THAT WHEREAS, George L. Yonano and Lucretia Yonano, husband and wife did execute a deed of trust, dated July 1, 1999 to Stewart Title of Douglas County, a Nevada corporation, as Trustee, covering: SEE ATTACHED EXHIBIT "A"

WHEREAS, Owner did on July 1, 1999, execute a deed of trust to STEWART TITLE OF DOUGLAS COUNTY, as trustee, covering said land and securing an indebtedness in the amount of \$1,800,000.00, in favor of SPEC PRODUCTS, INC., AN ARKANSAS CORPORATION, hereinafter referred to as "Lender", which deed of trust was recorded July 23, 1999, as instrument number 473114, in Book 799, Page 4151-4155, Official Records of DOUGLAS COUNTY and provides among other things that it shall also secure additional loans and advances thereafter made upon the terms and conditions therein set forth; and

WHEREAS, Owner has executed, or is about to execute, a note in the amount of \$500,000.00, dated September 10, 1999, in favor of Lender, \*payable with interest and upon the terms and conditions described therein, \*Wells Fargo Bank, N.A.

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.

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- (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 hereinbefore 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 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.**

George L. Yonano  
 Owner GEORGE L. YONANO

Lucretia Yonano  
 Owner LUCRETIA YONANO

Owner \_\_\_\_\_

Owner \_\_\_\_\_

Beneficiary SPEC PRODUCTS, INC.

George L. Yonano  
 Beneficiary GEORGE L. YONANO, PRESIDENT

Lucretia Yonano  
 Beneficiary LUCRETIA YONANO, SEC-TREASURER

Beneficiary \_\_\_\_\_

STATE OF NEVADA }  
 } ss.  
 COUNTY OF DOUGLAS }

DATE: September 09, 1999

This instrument was acknowledged before me on September 10, 1999 by, George L. Yonano and Lucretia Yonano, individually and George L. Yonano and Lucretia Yonano, as officers of Spec Products, Inc.



Signature Marilyn L. Bigham  
 Notary Public

RECORDING REQUESTED BY:  
**STEWART TITLE COMPANY**  
 WHEN RECORDED MAIL TO:

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**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

**PARCEL NO. 1:**

Lot 10, as shown on the official Map of Lakeridge Estates Subdivision Unit No. 1, filed in the office of the County Recorder on May 7, 1957, Document No. 12188, Official Records of Douglas County, State of Nevada, and on revised plat recorded February 23, 1959, Document No. 14083, Official records of Douglas County, State of Nevada.

APN 03-180-100

**PARCEL NO. 2:**

An easement for ingress and egress by pedestrians as conveyed by Max W. Schultsmeyer, et ux, to Vincent S. Keele, et al, in instrument recorded October 22, 1986 in Book 1086, at Page 2985, Official Records, Douglas County, State of Nevada as Document No. 143690.

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

1999 SEP 10 PM 3: 55

LINDA SLATER  
RECORDER

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STEWART TITLE

\$ 9.00 PAID DEPUTY

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Guaranty Company