

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

ESCROW NO. 000700201
A.P.N. # 23-140-26

FIRST SECURITY BANK, N.A.
1374 HWY. 395 SO.
GARDNERVILLE, NV 89410

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 January 28, 2000, by KATHLEEN S. GRANT, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, owner of the land hereinafter described and hereinafter referred to as "Owner", and FIRST SECURITY BANK, N.A., SUCCESSOR BY MERGER TO NEVADA BANKING CO. present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, KATHLEEN S. GRANT, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY, did execute a deed of trust, dated JULY 17, 1998 to WESTERN TITLE COMPANY, as Trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$100,000.00, in favor of NEVADA BANKING COMPANY which deed of trust was recorded JULY 22, 1998, in Book 798, Page 4694, Instrument No. 445049, 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 \$185,000.00, dated JANUARY 27, 2000, in favor of FIRST SECURITY BANK, N.A., 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.

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:

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(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.

~~SUCCESSOR~~ 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.

Kathleen S. Grant
 Owner KATHLEEN S. GRANT

 Owner

 Owner

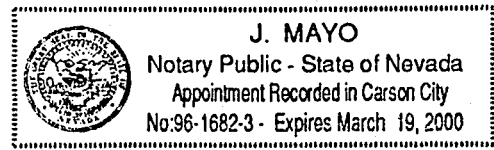
 Owner

Patricia Koim
 Beneficiary FIRST SECURITY BANK, N.A.,
Patricia Koim authorized
 Beneficiary _____
 Beneficiary _____
 Beneficiary _____
 Beneficiary _____
 Signature

STATE OF NEVADA }
 } ss.
COUNTY OF DOUGLAS }

DATE: **January 28, 2000**

This instrument was acknowledged before me on 1/31/00
by, Kathleen S. Grant

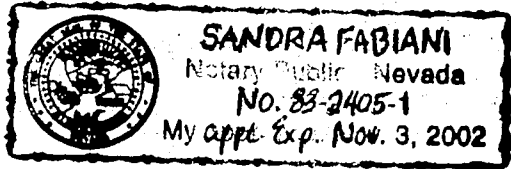


Signature *J. Mayo*
Notary Public

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STATE OF Nevada)
) SS.
COUNTY OF Clark)

This instrument was acknowledged before me on 2-2-00
199 , by Patricia Koinm



Sandra Fabiani
Notary Public

COPY

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EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 000700201

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

A parcel of land located within a portion of Section 26, Township 13 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the Northwest corner of Parcel 2C as shown on the Parcel Map for T.G. Harrison and W.G. Montgomery recorded June 23, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 205176, a found 5/8" rebar and tag, RLS 827; thence South 89°27'09" East, 424.94 feet to the POINT OF BEGINNING; thence continuing South 89°27'09" East, 893.97 feet to the Northeast corner of Parcel 2B as shown on said Parcel Map; thence South 00°19'11" west, 323.18 feet to the Southeast corner of said Parcel 2B; thence North 89°27'09" West, 785.00 feet to the Southwest corner of said Parcel 2B; thence North 18°17'04" West, 341.46 feet to the POINT OF BEGINNING.

Said Parcel of land more fully imposed as adjusted Parcel 2B on that certain Record of Survey recorded August 17, 1999, as Document No. 474647.

APN 23-140-20 26

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

2000 FEB -4 PM 3: 24

LINDA SLATER
RECORDER

\$ 10⁰⁰ PAID *K* DEPUTY

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