

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

NAME Charles Jeremy Bradley Special
 Needs Irrevocable Trust
 ADDRESS P.O. Box 945
 CITY & STATE Zephyr Cove, NV 89448

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 18 day of August, 16 2000,
 by Charles A. Kimes
 owner of the land hereinafter described and hereinafter referred to as "Owner", and Charles A. Kimes, Trustee
 of the Charles Jeremy Bradley Special Needs Irrevocable trust dated 3/10/94, present
 owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Charles A. Kimes
 did execute a deed of trust, dated March 29, 1999, to First American Title Company
 of Nevada, as trustee, covering:

Lot 23, Block 3, as shown on the Map of Zephyr Heights Subdivision filed in the
 office of the County Recorder of Douglas County, Nevada on July 5, 1947 as
 Document No. 5160.

THIS INSTRUMENT IS BEING RECORDED AS AN
 ACCOMMODATION ONLY. NO LIABILITY, EXPRESS
 OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY
 OR SUFFICIENCY NOR AS TO ITS AFFECT, IF ANY,
 UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.
 FIRST AMERICAN TITLE COMPANY OF NEVADA

to secure a note in the sum of \$ 100,000.00, dated March 29, 1999,
 in favor of Charles A. Kimes, Trustee of the Charles Jeremy Bradley Special Needs
 Irrevocable Trust dated March 10, 1994,
 which deed of trust was recorded April 13, 1999, in book 0499 page 2469,
 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 \$
 650,000.00, dated April 1, 1997, in favor of
 Charles A. Kimes, Trustee of the Kimes Family Trust dated September 17, 1987, 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

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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:

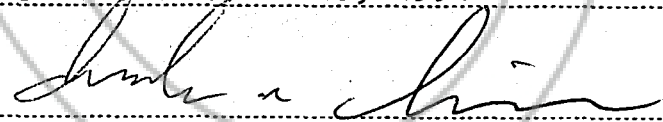
- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) 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 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 provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

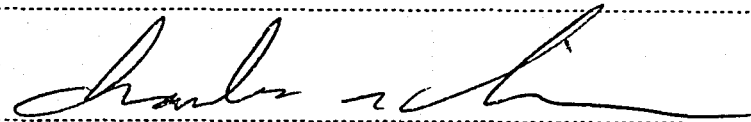
Beneficiary declares, agrees and acknowledges that

- (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.

Charles A. Kimes, Trustee of the Charles
Jeremy Bradley Special Needs Irrevocable
Trust dated March 10, 1994


Charles A. Kimes Beneficiary


Charles A. Kimes Owner

(All signatures must be acknowledged)

STATE OF NEVADA,

ss.

County of Douglas

On September 18, 2000 personally appeared before me, a notary public, Charles A. Kimes 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.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of Douglas the day and year in this certificate first above written.

Karen Pawloski
Signature of Notary

COOPER

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

2000 SEP 19 AM 11:52

LINDA SLATER
RECORDER

\$ 9.00 PAID KD DEPUTY

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