

Escrow No. DO-1000736-DB

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 Twenty-first day of September, 2000, by Dawn V. Gadwill, owner of the land hereinafter described and hereinafter referred to as "Owner", and Lyon County as the lead agency for the Western Nevada HOME Consortium, 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 January 27, 2000, to None Shown*, as trustee, covering:

Lot 11 in Block A, as shown on the map of CAHI #6, a Planned Unit Development, filed in the office of the County Recorder of Douglas County, State of Nevada, on November 24, 1999, in Book 1199, at Page 4453, as Document No. 481452, Official Records.

to secure a note in the sum of \$2,633.00, dated January 27, 2000, in favor of Beneficiary, which deed of trust was recorded on March 14, 2000 in Book 300, Official Records, Page 2263, as Document No. 487864 *and being re-recorded herewith to add the Trustee of Northern Nevada Title Company; recorded 10-2-00 in Book 1000, Official Records, Page 158, as Document No. 500593 and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$40,000.00, dated September 19, 2000, in favor of Wells Fargo Home Mortgage, Inc., hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which deed of trust will record concurrently herewith on 10-2-00, in Book 1000, Official Records, Page 145, as Document No. 500591; and

WHEREAS, it is a condition precedent to obtaining said loan from Lender 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 upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; 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 supersede and cancel those provisions, if any, contained in any and all other agreements, including but not limited to the deed of trust first above mentioned, second loan or escrow agreements between the parties hereto, with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of said deed of trust in favor of Lender, which provisions are inconsistent or contrary to the provisions herein.

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

0500594
BK 1000PG0164

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 paid 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.

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.

Rita K. Evasovic

Lyon County as the lead agency for the Western Nevada
HOME Consortium

By: *Rita K. Evasovic, Lyon County Comptroller*

SIGNED IN COUNTERPART

Dawn V. Gadwill

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(CLTA SUBORDINATION FORM "A")

WHEN RECORDED MAIL TO:

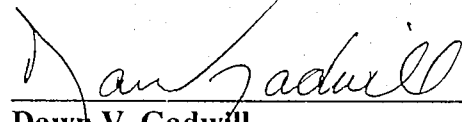
Western Nevada Development District
3208 Goni Road, #183
Carson City, NV 89706

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 paid 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.

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.

SIGNED IN COUNTERPART

Lyon County as the lead agency for the Western Nevada
HOME Consortium
By:


Dawn V. Gadwill

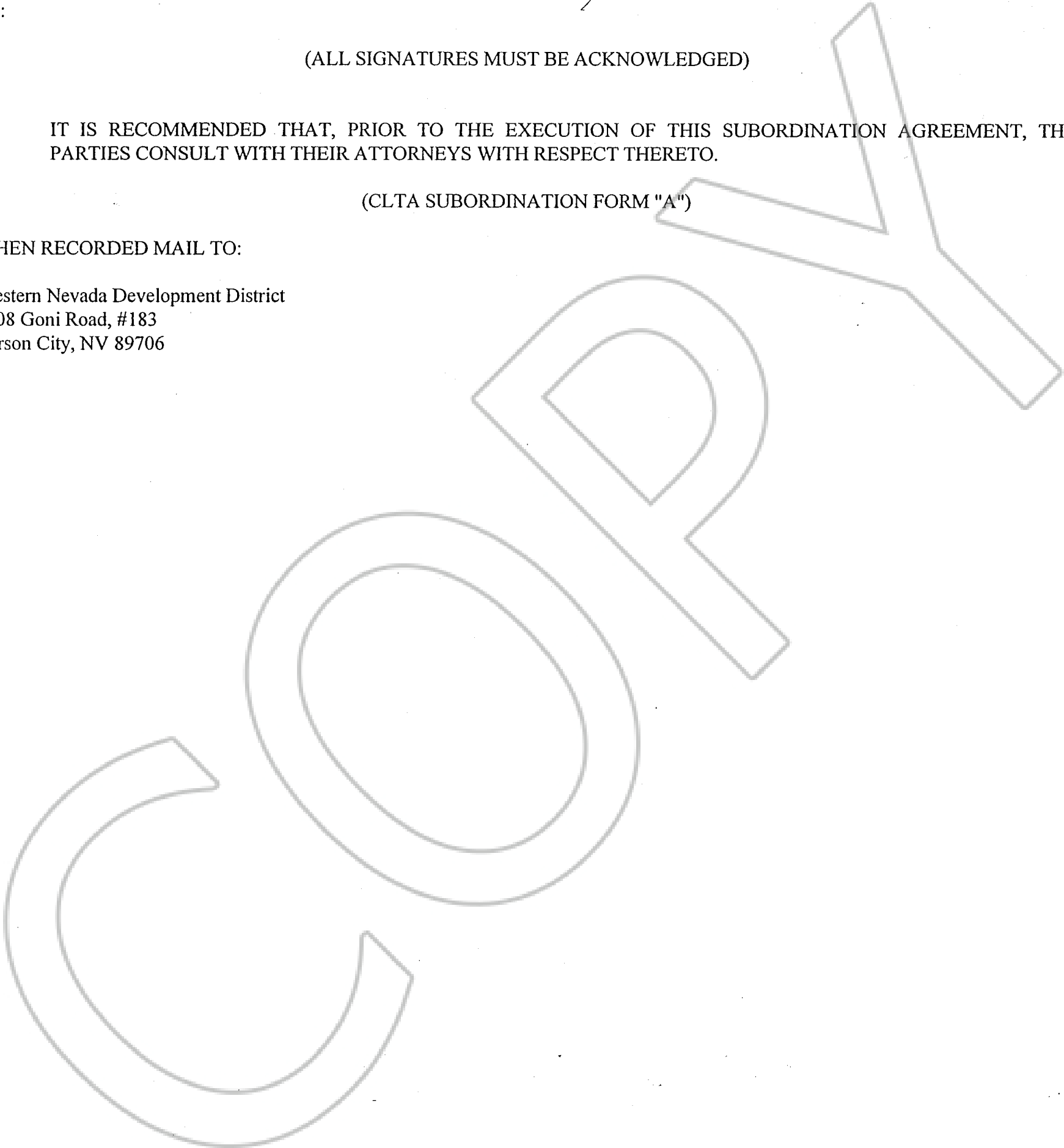
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(CLTA SUBORDINATION FORM "A")

WHEN RECORDED MAIL TO:

Western Nevada Development District
3208 Goni Road, #183
Carson City, NV 89706



STATE OF NEVADA)

) ss.

COUNTY OF LYON)

On this 28th day of SEPT., 2000, personally appeared before me a Notary Public in and for LYON County, State of Nevada, Rita K. ~~Waples~~ EVASOVIC known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that She executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.



Diane De Georgis
NOTARY PUBLIC

STATE OF NEVADA)

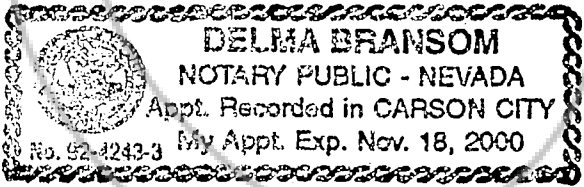
) ss.

COUNTY OF Carson City

On this 26th day of Sept, 19 2000, personally appeared before me a Notary Public in and for Carson City County, State of Nevada, Dawn V. Madwire known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

Delma Bransom
NOTARY PUBLIC



REQUESTED BY
Northern Nevada Title Company
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 OCT -2 PM 3: 07

LINDA SLATER
RECORDER

\$ 10.00 PAID KJ DEPUTY

0500594

BK1000PG0167