

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

ESCROW NO. 010800097
A.P.N. # 1420-28-113-006

DNS VENTURES LTD
1480 MAIN STREET
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 March 29, 2001, by THOMAS REYNOLDS AND CAMILLE REYNOLDS, HUSBAND AND WIFE AS JOINT TENANTS owner of the land hereinafter described and hereinafter referred to as "Owner", and present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, Owner did execute a deed of trust, dated March 5, 2001, to Stewart Title of Douglas County, as Trustee, covering:

SEE ATTACHED EXHIBIT "A" AND EXHIBIT "B"

to secure a note in the sum of \$43,000.00, in favor of DNS Ventures Ltd., A Nevada LLC, which deed of trust was recorded March 9, 2001, as instrument number 510199, in book 0301, page 2554-2558, Official Records of douglas; and is subject and subordinate to the deed of trust hereinafter described; 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.
- (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.

Thomas Reynolds
 Owner THOMAS REYNOLDS

 Owner Camille Reynolds
 Owner CAMILLE REYNOLDS

 Owner _____
 Owner _____

William W. Nichols
 Beneficiary DNS VENTURES LTD.,
 WILLIAM W. NICHOLS
 Beneficiary _____
 Beneficiary _____
 Beneficiary _____

STATE OF NEVADA }
 COUNTY OF Douglas } ss.

DATE: March 29, 2001

This instrument was acknowledged before me on 3-30-01
 by, Thomas Reynolds and Camille Reynolds

Signature J. M. Newman
 Notary Public



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EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 010800097

Lots 220, Block E, as shown on the Final Map #PD99-02-04 for SARATOGA SPRINGS ESTATES UNIT NO. 4, A PLANNED UNIT DEVELOPMENT, recorded in the Office of the County Recorder of Douglas County, Nevada, on May 19, 2000, in Book 0500, Page 4445, as Document No. 492337, and as shown on Certificate of Amendment recorded November 30, 2000, in Book 1100, Page 6042, as Document No. 504169.

ASSESSOR'S PARCEL NO. 1420-28-113-006

STATE OF Nevada)
COUNTY OF Douglas) SS.

This instrument was acknowledged before me on March 30 2001,
~~199~~, by William W. Nichols, member,
of DNS Ventures LTD.



Mary H. Kesh
Notary Public

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EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 010800097

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ASSESSOR'S PARCEL NO. 1420-28-113-006



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EXHIBIT "B"

ESCROW NO.: 010800097

WHEREAS, Owner did on March 30, 2001, execute a deed of trust to Stewart Title of Douglas County, as trustee, covering said land and securing an indebtedness in the amount of \$163,000.00, in favor of Richard R. Mason dba Bonanza Company, hereinafter referred to as "Lender", which deed of trust was recorded 4-2- 2001, as instrument number 511597, in Book 0401, Page 399, 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 \$163,000.00, dated March 30, 2001, in favor of Lender, payable with interest and upon the terms and conditions described therein, which note evidences an additional loan to be made by Lender to Owner under the terms and provisions of, and secured by, said deed of trust in favor of Lender; and

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

2001 APR -2 PM 4: 04

LINDA SLATER
RECORDER

\$ 11.00 PAID BC DEPUTY

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