

A.P.N. # _____
ESCROW NO. 010802528

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

*C/o Western Title
1626 Hwy 395
Minden, NV. 89423*

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 October 2, 2001, by DALE ARMSTRONG owner of the land hereinafter described and hereinafter referred to as "Owner", and DEN-MAR ASSOCIATES, LIMITED LIABILITY COMPANY present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, DALE ARMSTRONG did execute a deed of trust, dated October 4, 2001 to Western Title, as Trustee, covering: SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$102,500.00, in favor of DEN-MAR ASSOCIATES, LIMITED LIABILITY COMPANY which deed of trust was recorded October 19, 2001, in Book 1001, Page 6406, Instrument No. 525687, 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 \$365,000.00, dated OCTOBER 2, 2001, in favor of SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF 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:

0525688

BK 1001 PG 6409

- (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.

Owner DALE ARMSTRONG
 Owner _____
 Owner _____
 Owner _____

DEN MAR ASSOCIATES, INC
 Beneficiary BY: JANICE FORTUNE
 Beneficiary _____
 Beneficiary _____
 Beneficiary _____

STATE OF NEVADA }
 } ss.
 COUNTY OF DOUGLAS }

DATE: **October 02, 2001**

This instrument was acknowledged before me on OCTOBER 16, 2001,
 by, DALE ARMSTRONG



Signature Carol Costa
 Notary Public

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BK1001PG6410

EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 010802528

PARCEL 2:

Parcel 10-G as shown on Parcel Map #3 for K.D.T. Inc., being a division of Parcel 10 on Land division Map for G.S.F. Development Co. as Document No. 34176, filed for record in the office of the Douglas County Recorder, State of Nevada on May 31, 1995 in Book 595, Page 4986 as Document No. 363200, Official Records.

Assessors Parcel No. 1220-01-001-052

COPY

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BK1001 PG 6410A

EXHIBIT "B"

ESCROW NO.: 010802528

JOSEPHINE FRANCES CASEBOLT TRUSTEE OF THE CASEBOLT REVOCABLE TRUST DATED 6/30/94 AS TO AN UNDIVIDED \$35,000.00 AND TERESA FORTUNE, AN UNMARRIED WOMAN AS TO AN UNDIVIDED \$20,000.00 AND GARY DODDS AND JUDY DODDS, HUSBAND AND WIFE AS JOINT TENANTS AS TO AN UNDIVIDED \$20,000.00 AND ALEX BURGA, A MARRIED MAN AS TO AN UNDIVIDED \$53,500.00 AND STUART V. DAWSON TRUSTEE OF THE STUART V. DAWSON REVOCABLE TRUST DATED 8/25/99 AS TO AN UNDIVIDED \$25,000.00 DONALD L. DAVIS AND IRMA A. DAVIS AS TRUSTEES OF THE DAVIS FAMILY TRUST DATED 6/19/96 AS TO AN UNDIVIDED \$36,500.00 AND LAURIE HENNESSY, AN UNMARRIED WOMAN AS TO AN UNDIVIDED \$15,000.00 AND DOROTHY L. DUTTON, A WIDOW AS TO AN UNDIVIDED \$10,000.00 AND KURT HERMANN SCHLICHER AND INGE SCHLICHER TRUSTEES OF THE SCHLICHER FAMILY TRUST DATED 2/13/96 AS TO AN UNDIVIDED \$20,000.00 AND JURGEN SCHLICHER, AN UNMARRIED MAN AS TO AN UNDIVIDED \$15,000.00 AND JEAN PIERRE IRISSARRY 1993 REVOCABLE TRUST, JEAN PIERRE IRISSARRY, TRUSTEE AS TO AN UNDIVIDED \$50,000.00 AND GLADYS D. GREEN, A WIDOW AS TO AN UNDIVIDED \$15,000.00 AND ROY WEST AND ERNESTINE WEST, HUSBAND AND WIFE AS JOINT TENANTS AS TO AN UNDIVIDED \$50,000.00

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BK 1001 PG 64/0B

STATE OF NEVADA

COUNTY OF Washoe

} S.S.

This instrument was acknowledged before me on

October 18, 2001

by Lisamarie Sheck for Janice Fortune

Lisamarie Sheck
Notary Public



(This area for official notarial seal)

COOPER

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

2001 OCT 19 AM 10: 56

LINDA SLATER
RECORDER

\$1800 PAID BL DEPUTY

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BK 1001 PG 6411