

Submitted for Recordation By
and Return To



Bank of America
N.C.C.L.S. #5768, LOAN SERVICING
P.O. Box 2190
RANCHO CORDOVA, CA 95740

RE #: 6241343075
Account No: 68180201221599
CAP ID No:

Escrow No. CC30709JN

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.

A. On APRIL 27, 1998, STEVE M. HEARN & JULIE D. HEARN ("Trustor") executed a deed of trust ("Existing Deed of Trust") in favor of BANK OF AMERICA, NT&SA, A NATIONAL BANKING ASSOCIATION ("Existing Lender"), covering the following real property located in the County of DOUGLAS COUNTY, Nevada ("Property"):

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

The Existing Deed of Trust secures a loan in the original principal amount of \$10,000.00 pursuant to a note or loan agreement dated APRIL 27, 1998, and was recorded on MAY 1, 1998, in book 598, page 268, as instrument no. 438752, Official Records of DOUGLAS COUNTY, County, Nevada; WHICH CREDIT LIMIT HAS BEEN SUBSEQUENTLY MODIFIED PURSUANT TO AGREEMENT BETWEEN BOTH PARTIES TO THE NEW CREDIT LIMIT OF \$30,000.00.

B. Owner has executed, or is about to execute, a deed of trust ("New Deed of Trust") to secure a loan ("New Loan") from Bank of America, National Association ("New Lender") in the approximate principal amount of \$122,657.00, but not to exceed \$122,657.00, exclusive of future advances which New Lender may thereafter make to protect the lien of its deed of trust and/or the value of the collateral ("maximum amount"), pursuant to a note or loan agreement dated DECEMBER 14, 2001. The New Deed of Trust is to be recorded concurrently with this Subordination Agreement.

C. It is a condition to obtaining the New Loan that the New Deed of Trust shall be prior and superior to the Existing Deed of Trust.

NOW, THEREFORE, the parties agree as follows:

1. The New Deed of Trust in favor of the New Lender shall unconditionally be and remain at all times a lien on the Property prior and superior to the lien of the Existing Deed of Trust, provided, however, this Subordination Agreement shall be void if the original principal amount of the new loan exceeds the amount set forth in paragraph B above.
2. New Lender would not make its loan without this Subordination Agreement.
3. New Lender is under no obligation or duty to Existing Lender in making disbursements under the loan to be secured by the New Deed of Trust.
4. This Subordination Agreement is the whole and only agreement with regard to the subordination of the Existing Deed of Trust to the New Deed of Trust.

5. This Subordination Agreement is for the sole and exclusive benefit of New Lender and its successors and assigns, and no other party, other than a title insurance company, may rely on this Subordination Agreement to assert lien priority against the Existing Deed of Trust or for any other purpose.

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.

Bank of America National Trust and Savings Association

Susan Ashton
Susan Ashton, Authorized Officer Date

Steve M. Hearn 12-26-01
STEVE M. HEARN Date
Julie D. Hearn 12-26-01
JULIE D. HEARN Date

Date

Date

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

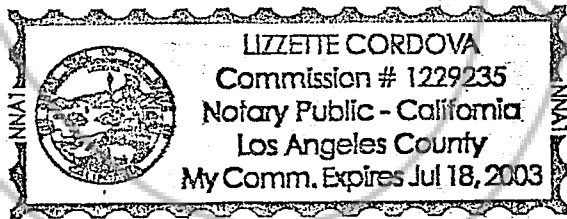
STATE OF CALIFORNIA)
COUNTY OF ORANGE)SS

On December 21, 2001 before me, THE UNDERSIGNED, a Notary Public in and for said State, personally appeared, Susan Ashton personally known to me to be the person(s) whose name is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Lizette Cordova

This document bears embossment

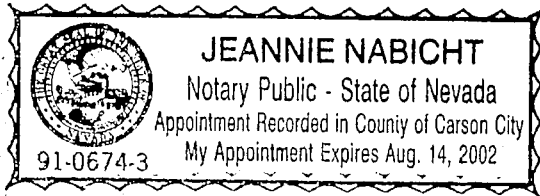


STATE OF NEVADA)
) SS
COUNTY OF CARSON CITY)

This instrument was acknowledged before me on December 26, 2001,
by STEVE M. HEARN and JULIE D. HEARN.



NOTARY PUBLIC



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BK1201PG8592

EXHIBIT "A"

Lot 8, in Block D, of the Final Map of VALLEY VISTA ESTATES 1, PHASE 1B, according to the map thereof, filed in the Office of the County Recorder of Douglas County, Nevada, on June 2, 1995, in Book 695, Page 389, as Document No. 363386.

COPY

REQUESTED BY
FIRST CENTENNIAL TITLE CO.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 DEC 26 PM 2:44

LINDA SLATER
RECORDER

\$ 17.00 PAID *Bl* DEPUTY

0530923

BK 1201 PG 8593