

ESCROW NO. 22100241

APN: 1320-33-402-061

WHEN RECORDED MAIL TO:

DURWARD HUCKABAY

c/o Mark Knobel, Esq.  
Wiegand Center  
165 West Liberty Street  
Reno, NV 89501

### 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 4 day of March 2002, by

NEVADA JOHNSON VENTURES, INC., a Nevada Corporation

owner of the land hereinafter described and hereinafter referred to as "Owner," and

DURWARD HUCKABAY AND SUSAN HUCKABAY, Trustees of THE HUCKABAY 1987 TRUST, DATED NOVEMBER 6, 1987, AS AMENDED SEPTEMBER 16, 1999

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

### WITNESSETH

**THAT WHEREAS**, NEVADA JOHNSON VENTURES, INC., a Nevada Corporation did execute a deed of trust, dated March 6, 2002, to CHICAGO TITLE COMPANY, as trustee, covering:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION

Assessment Parcel No.: 1320-33-402-061

to secure a note in the sum of \$ 1,470,000.00, dated March 6, 2002, in favor of DURWARD HUCKABAY AND SUSAN HUCKABAY, Trustees of THE HUCKABAY 1987 TRUST, dated November 6, 1987, as Amended September 17, 1999 which deed of trust was recorded, in book 999, page 3261, 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 \$1,470,000.00 dated March 6, 2002, in favor of NORTHERN NEVADA BANK recorded March 6, 2002, in Book 0302, at Page 2717, as Document No. 536472 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:

(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.

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BK 0302 PG 02728

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 disburse 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 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 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 OR WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

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

NEVADA JOHNSON VENTURES, INC., a Nevada Corporation

\_\_\_\_\_  
GREG JOHNSON

\_\_\_\_\_  
JEANNE JOHNSON

DURWARD HUCKABAY AND SUSAN HUCKABAY, Trustee of THE HUCKABAY 1987 TRUST, dated November 6, 2987, as Amended September 16, 1999

● *Durward Huckabay*  
DURWARD HUCKABAY, Trustee  
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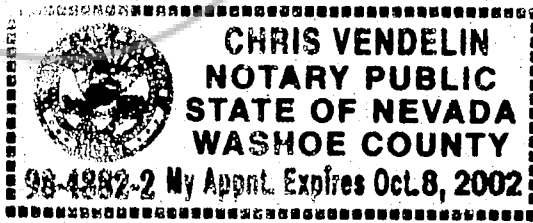
● *Susan Huckabay*  
SUSAN HUCKABAY, Trustee  
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\_\_\_\_\_

STATE OF NEVADA

COUNTY OF ~~Douglas~~ WASHOE

On March 7, 2002 personally appeared before me, a Notary Public, Durward Huckabay  
who acknowledged that he executed the above instrument.

*Chris Vendelin*

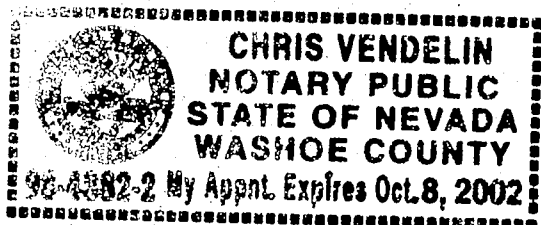


STATE OF NEVADA

COUNTY OF WASHOE

On MARCH 7, 2002, personally appeared before me, a Nortary Public, Susan Huckabay  
who acknowledged that she executed the above instrument.

*Chris Vendelin*



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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 disburse 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 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 waiver, relinquishment and subordination; and

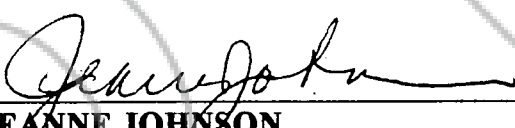
(d)An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

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NEVADA JOHNSON VENTURES, INC., a Nevada Corporation

  
\_\_\_\_\_  
GREG JOHNSON

  
\_\_\_\_\_  
JEANNE JOHNSON

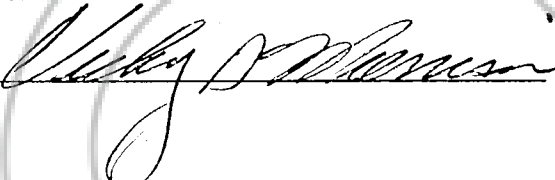
DURWARD HUCKABAY AND SUSAN HUCKABAY, Trustee of THE HUCKABAY 1987 TRUST, dated November 6, 1987, as Amended September 16, 1999

\_\_\_\_\_  
DURWARD HUCKABAY, Trustee  
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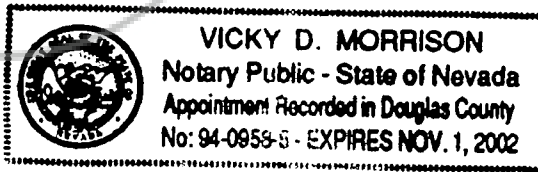
\_\_\_\_\_  
SUSAN HUCKABAY, Trustee  
\_\_\_\_\_  
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STATE OF NEVADA  
COUNTY OF Douglas

On 3/7/02 personally appeared before me, a Notary Public, Greg Johnson, President and Jeanne Johnson Sec/Trea who acknowledged that t he y executed the above instrument.

  
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STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_



On \_\_\_\_\_, personally appeared before me, a Nortary Public, \_\_\_\_\_ who acknowledged that \_\_\_\_\_ he \_\_\_\_\_ executed the above instrument.



## EXHIBIT "A"

The land referred to in this report is situate in Douglas County, State of Nevada, and is described as follows:

Description of that certain lot, piece or parcel of land being a portion of Section 33, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the record location of the dettling town monument per the map for AUGUSTINE BORDA in Gardnerville, dated February 21, 1949, Douglas County Records;

thence North  $41^{\circ}46'34''$  West, 636.76 feet to the intersection of the Northerly right-of-way line of U.S. Highway 395 (Main Street) and the Westerly right-of-way line of Eddy Street, said point being the TRUE POINT OF BEGINNING;

thence along the Northerly right-of-way line of U.S. Highway 395, North  $44^{\circ}54'00''$  West, 115.51 feet;

thence leaving said right-of-way line North  $46^{\circ}19'20''$  East, 87.00 feet;

thence North  $43^{\circ}40'40''$  West, 1.46 feet;

thence North  $45^{\circ}39'10''$  East, 187.50 feet to a point on the Southerly right-of-way line of Courthouse Alley;

thence along said Southerly right-of-way line of Courthouse Alley, South  $45^{\circ}17'30''$  East, 118.20 feet to the intersection of the Southerly right-of-way line of Courthouse Alley and the Westerly right-of-way line of Eddy Street;

thence along the Westerly right-of-way line of Eddy Street, South  $46^{\circ}07'01''$  West, 275.35 feet to the TRUE POINT OF BEGINNING.

BASIS OF BEARING: The Basis of Bearing is the South line of Parcels 1 and 2, as shown on the map for MRS. AUGUSTINE BORDA dated February 21, 1949, Douglas County Records (North  $44^{\circ}59'00''$ ).

Said parcel being further delineated on Record of Survey for Nevada Johnson Ventures Inc. recorded September 8, 1999, in Book 999, Page 1097, Document No. 476063, Official Records of Douglas County, Nevada.

"Per NRS 111.312, this legal description was recorded on September 17, 1999, in Book 999, Page 3261, Document No. 476754, Official Records of Douglas County, Nevada."

Assessor's Parcel No. 1320-33-402-061

REQUESTED BY

**MARQUIS TITLE & ESCROW**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 MAR -8 AM 9:40

LINDA SLATER  
RECORDER

\$17<sup>00</sup> PAID KO DEPUTY

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