

WHEN RECORDED MAIL TO:
PATRICK GENE MARTIN
2539 HENNING LANE
MINDEN, NEVADA 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 this 14 day of March 2002, by

CLAUD W. AZELTON and DEANNA J. AZELTON, husband and wife as joint tenants

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

PATRICK GENE MARTIN and VERA ROSELLA MARTIN, husband and wife as joint tenants with right of survivorship

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

WITNESSETH

THAT WHEREAS, CLAUD W. AZELTON and DEANNA J. AZELTON, husband and wife as joint tenants did execute a deed of trust, dated March 6, 2002, to MARQUIS TITLE & ESCROW, INC., a Nevada corporation, as trustee, covering:

Lot 12, Block E, of the Final Map of SUNRIDGE HEIGHTS II, PHASE 2, a Planned Unit Development, filed for record in the Office of the County Recorder of Douglas County, State of Nevada, on March 3, 1994, as Document No. 331447.

Assessment Parcel No.: 1420-08-310-015

to secure a note in the sum of \$ 85,000.00, dated March 6, 2002, in favor of PATRICK GENE MARTIN AND VERA ROSELLA MARTIN, husband and wife as joint tenants which deed of trust was recorded March 12, 2002, in book 0302, page 4391, 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 \$ 200,000.00, dated March 14, 2002, in favor of SIGMUND SNELSON AND ANN SNELSON, husband and wife as joint tenants with the right of survivorship, recorded March 15, 2002, in Book 0302, at Page 5727, Document No. 537131, 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.

Beneficiary declares, agrees and acknowledges that

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BK 0302 PG 05728

(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.

Patrick Gene Martin
PATRICK GENE MARTIN

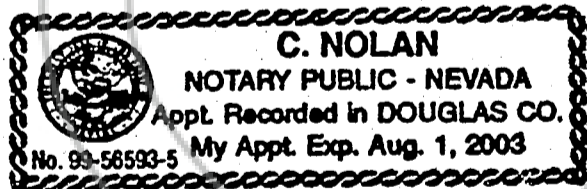
Vera Rosella Martin
VERA ROSELLA MARTIN

STATE OF NEVADA

COUNTY OF Douglas

On MARCH 15, 2002 personally appeared before me, a Notary Public, PATRICK GENE MARTIN & VERA ROSELLA MARTIN who acknowledged that The y executed the above instrument.

C. Nolan



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

2002 MAR 15 PM 4:27

LINDA SLATER
RECORDER

\$ 15.00 PAID Kg DEPUTY

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BK 0302 PG 05729