

86991 KLS

When Recorded Return To:

United States Small
Business Administration
Attn: BJJ
2719 North Air Fresno
Drive, Suite 107
Fresno, CA 93727-1547

Name: SOAR MINDEN
Loan No.: 5199554006

space above line for recorder

SUBORDINATION AGREEMENT

THIS AGREEMENT is dated for reference October 2, 2002, and is between ANTONIO M. SABINO and KATHLEEN W. SABINO, owner(s) of the land described in the Deeds of Trust referenced below ("Owner"), USAA FEDERAL SAVINGS BANK ("Lender") and the SMALL BUSINESS ADMINISTRATION, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, in the District of Columbia, and a Commercial Loan Servicing Center at 2719 North Air Fresno Drive, Suite 107, Fresno, California 93727 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that certain deed of trust or mortgage, dated FEBRUARY 15, 2002, to secure a note or notes in the sum of \$43,900.00 ("SBA Security Instrument"). The SBA Security Instrument was recorded on FEBRUARY 19, 2002 as Document Number(s) 534953, BOOK 0202 PAGE 5700 Official Records of DOUGLAS County, Nevada.

Owner has also executed, or is about to execute, a deed of trust or mortgage securing a note in a sum not to exceed \$145,500 dated OCTOBER 11, 2002, in favor of Lender ("Lender's Security Instrument"). Lender's Security Instrument shall be recorded concurrently herewith.

As a condition precedent to Lender's performance, the SBA Security Instrument must be subordinated to the Lender's Security Instrument. SBA is willing to subordinate the lien(s) of the SBA Security Instrument provided it retains its lien priority with regard to all other legal or equitable interests in the property.

In consideration of the mutual benefits to the parties and to induce Lender to make a loan to Owner, it is hereby agreed as follows:

(1) Lender's Security Instrument, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA Security Instrument.

(2) Lender would not make its loan without this subordination

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agreement.

(3) Lender will not make any additional advances under its Security Instrument except such disbursements that become necessary to protect its security interest and for which Owner is liable under Lender's Security Instrument and note.

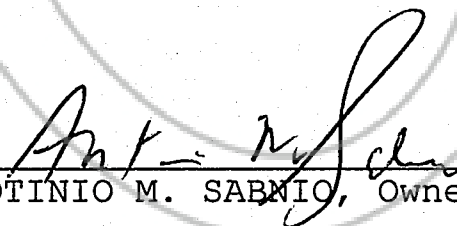
(4) This agreement shall be the whole and only agreement with regard to the subordination of the SBA Security Instrument to Lender's Security Instrument.

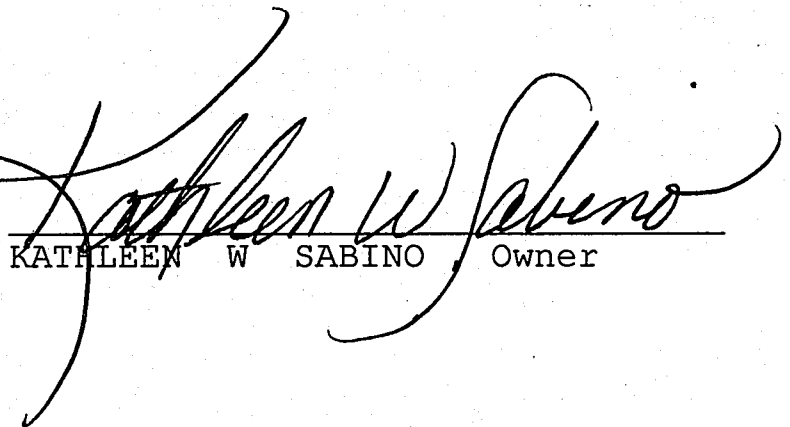
(5) Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA Security Instrument with regard to any legal or equitable interest in the property. Owner and Lender shall hold SBA harmless from any impairment of its lien (with regard to any third party) which is occasioned by this subordination.

(6) All proceeds of Lender's loan shall be applied to satisfy debt secured by a lien(s) presently superior to the lien of the SBA Security Instrument, the following described uses, if any, plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.

(7) Lender shall provide notice to SBA of any default under the terms of the Lender's Security Instrument which remains uncured for 60 days. A default in the obligation secured by the Lender's Security Instrument may be cured (including purchase of the property at, or prior to, foreclosure sale) by the SBA via cash, certified funds or a United States Treasury check, at the option of the SBA. Lender will not enforce any default provision in its Security Instrument to the detriment of the SBA, including, but not limited to, any provision regarding a default rate of interest.

(8) SBA's agreement to subordinate its lien interest to that of the Lender is expressly conditioned upon Lender's, Borrower's, and Guarantor's execution of this subordination agreement. This subordination agreement is null and void if not duly executed by all of the forgoing parties.


ANOTINIO M. SABINO, Owner


KATHLEEN W. SABINO, Owner

STATE OF NEVADA,

ss.

County of DOUGLAS

On Oct. 15, 2002 personally appeared before me, a notary public, ANTONIO M. SABINO & KATHLEEN W. SABINO personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of DOUGLAS the day and year in this certificate first above written.

[Handwritten Signature]
Signature of Notary



STATE OF NEVADA,

ss.

County of _____

On _____ personally appeared before me, a notary public, _____ personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of _____ the day and year in this certificate first above written.

Signature of Notary

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BK 1002 PG 07974

LENDER:

ADMINISTRATOR, UNITED STATES
SMALL BUSINESS ADMINISTRATION,
AN AGENCY OF THE UNITED STATES

By: _____
(please type or print name and title)

[Handwritten Signature] 10/2/02

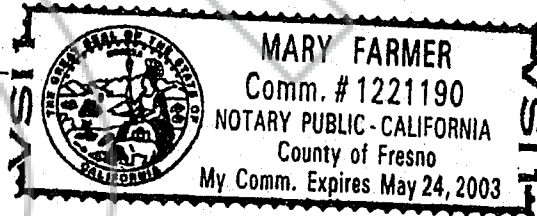
Gary A. Wamhof
Sr. Loan Specialist

(All signatures must be acknowledged)

State of California
County of Fresno

On Oct. 2, 2002 before me, MARY Farmer, a Notary
Public, personally appeared MARY A. Wamhof
, personally known to me (or proved on the basis of satisfactory
evidence) to be the person whose name is 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 signature on the
instrument the person or the entity upon behalf of which the person
acted, executed the instrument.

Signature Mary Farmer



REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2002 OCT 18 AM 11:50

LINDA SLATER
RECORDER

\$ 17.00 PAID KJ DEPUTY