

A.P.N. # 1022-29-411-020
ESCROW NO. 020309077

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

THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY, EXPRESSED OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

MR. & MRS. JAMES
PO BOX 2954
CC, NV 89702

SUBORDINATION AGREEMENT

STEWART TITLE OF DOUGLAS COUNTY

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 January 2, 2003, by WILLIAM RANKIN and GAYLE RANKIN, husband and wife, owner of the land hereinafter described and hereinafter referred to as "Owner", and DONALD C. JAMES and LORETTA S. JAMES present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, Owner has executed a deed of trust, dated January 2, 2003, to Stewart Title of Douglas County, as Trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$20,000.00, in favor of DONALD C. JAMES and LORETTA S. JAMES, husband and wife, Beneficiary, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$163,000.00, dated January 2, 2003, in favor of BING CONSTRUCTION COMPANY OF NEVADA, 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

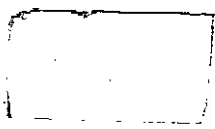
WHEREAS, lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate 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:

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- (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 William Rankin
 Owner GAYLE RANKIN
 Owner _____
 Owner _____

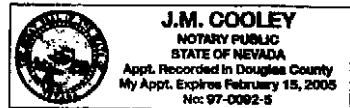
Beneficiary DONALD C. JAMES
 Beneficiary LORETTA S. JAMES
 Beneficiary _____
 Beneficiary _____

STATE OF NEVADA }
 COUNTY OF DOUGLAS } ss.

DATE: January 02, 2003

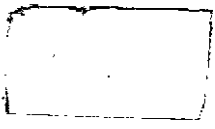
This instrument was acknowledged before me on 1-3-03
 by William Rankin and Gayle Rankin

Signature J.M. Cooley
 Notary Public



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- (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.

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Owner WILLIAM RANKIN

Beneficiary DONALD C. JAMES

Owner GAYLE RANKIN

Beneficiary LORETTA S. JAMES

Owner _____

Beneficiary _____

Owner _____

Beneficiary _____

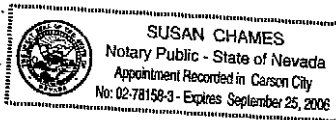
STATE OF NEVADA }
 COUNTY OF DOUGLAS } ss.

DATE: January 02, 2003

This instrument was acknowledged before me on Jan 9, 2003
 by Donald James and Loretta James

Signature Susan Chames

Notary Public



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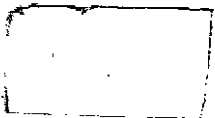


EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 020309077

Parcel 1:

A parcel of land located within a portion of the Southwest one-quarter (SW1/4) of Section 29, Township 10 North, Range 22 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at a found 6" diameter concrete monument, the northeast corner of Lot 46 as shown on the Amended Map of Topaz Lodge Subdivision filed for record September 16, 1958 in the office of the Recorder, Douglas County, Nevada as Document No. 13594;

thence along the westerly line of Beatty Street South 00°04'38" West, 285.11 feet to the POINT OF BEGINNING;

thence continuing along said westerly line of Beatty Street South 00°04'38" West, 67.11 feet to the northeast corner of Lot 43 per said Map;

thence West, 199.75 feet to the northwest corner of Lot 39 per said Map;

thence along the easterly line of Churchill Street North 00°04'55" East, 67.11 feet;

thence East, 199.74 feet to the POINT OF BEGINNING.

The Basis of Bearing for this description is West - - the north line of said Topaz Lodge Subdivision, Document No. 13594.

Said premises further imposed as adjusted Parcel 3 as set forth on that certain Record of Survey recorded November 20, 1997, as Document No. 426750.

Parcel 2:

Lot 39, as shown on the Amended Map of Topaz Lodge Subdivision First and Second Sections, filed in the office of the County Recorder of Douglas County, State of Nevada, on September 16, 1958, under File No. 13594.

Assessor's Parcel No. 1022-29-411-020

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED OCTOBER 3, 2002, BOOK 1002, PAGE 1329, AS FILE NO. 553803, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

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COPY

REQUESTED BY
Stewart Title of Douglas County

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2003 JAN 14 PM 3:46

WERNER CHRISTEN
RECORDER

\$ 18.00 PAID K2 DEPUTY

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