

ESCROW NO. 23303032

apn: 1220-05-000-009

**WHEN RECORDED MAIL TO:**

Heritage Bank  
c/o Marquis Title & Escrow, Inc.  
1520 U.S. Hwy 395 North  
Gardnerville, Nevada 89410

**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 10th day of February, 2003, by

PAUL THOMAS BRUNELLE and SUSAN GAYLENE BRUNELLE, husband and wife as joint tenants

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

HERITAGE BANK of NEVADA

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

**WITNESSETH**

**THAT WHEREAS**, PAUL THOMAS BRUNELLE, Trustee, and SUSAN GAYLENE BRUNELLE, Trustee of THE BRUNELLE FAMILY TRUST dated February 26, 1990, did execute a deed of trust, dated March 1, 2002, to STEWART TITLE OF NORTHER NEVADA, as trustee, covering:

SEE EXHIBIT ATTACHED HERETO AND MADE A PART HEREOF

Assessment Parcel No.: 1220-05-000-009

to secure a note in the sum of \$200,000.00, dated March 1, 2002, in favor of HERITAGE BANK OF NEVADA, which deed of trust was recorded March 6, 2002, in book 0302, page 2116, 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 \$356,000.00, dated 3-19-03, in favor of OPTION ONE MORTGAGE CORP., recorded 3-31-03 2003, in Book 0303, at Page 10233 as Document No. 571975 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.

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BK 0303 PG 16244

(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 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.**

HERITAGE BANK of NEVADA  
Steve Carrick J. P.  
By: Paul Thomas Brunelle  
PAUL THOMAS BRUNELLE

Susan Gaylene Brunelle  
SUSAN GAYLENE BRUNELLE

STATE OF NEVADA  
COUNTY OF CARSON CITY  
On 3-31-2003 personally appeared before me, a Notary Public, Paul Thomas Brunelle & Susan Gaylene Brunelle who acknowledged that they executed the above instrument.



STATE OF Nevada  
COUNTY OF Washoe  
On February 14, 2003, personally appeared before me, a Notary Public, Steve Carrick who acknowledged that he executed the above instrument.



Tori Hannah

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## EXHIBIT "A"

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

Those portions of the West ½ of Section 4 and the East ½ of Section 5, Township 12 North, Range 20 East, M.D.B. & M., being further referenced as Revised Parcel No. 1 and Revised Parcel No. 2, as shown on that Record of Survey recorded in Book 983, Page 470, as Document No. 86580, Official Records of Douglas County, State of Nevada, being more particularly described as follows:

BEGINNING at the Northwest corner of said Revised Parcel No. 2;  
thence North 89°38'26" East 223.15 feet;  
thence North 89°25'17" East 644.71 feet;  
thence North 88°50'23" East 106.68 feet to the Northeast corner of the parcel;  
thence South 17°56'58" East 149.26 feet;  
thence South 39°34'29" East 127.14 feet;  
thence South 20°52'03" East 193.71 feet;  
thence South 42°57'49" East 318.40 feet;  
thence South 59°04'53" East 217.97 feet;  
thence South 77°34'57" East 223.22 feet;  
thence South 67°24'23" East 335.77 feet;  
thence South 86°39'05" East 188.32 feet;  
thence South 88°13'26" East 270.24 feet, more or less, to a point, said point being on the Westerly right-of-way line of Centerville Lane, said point also being on a curve, said curve being concave to the West and having a radius of 1,170.00 feet, a radial line through said point bears North 77°56'37" East;  
thence Southerly along said curve through a central angle of 12°29'23" an arc distance of 255.04 feet to a point which is the end of said curve, a radial line through said point bears South 89°34'00" East;  
thence Southerly along said Westerly right-of-way line South 00°47'15" West 67.67 feet;  
thence South 02°43'21" East 132.84 feet to the Southeasterly corner of said Revised Parcel No. 1;  
thence leaving said Westerly right-of-way line South 86°30'35" West 516.42 feet;  
thence North 73°50'18" West 168.21 feet;  
thence South 27°13'07" West 115.68 feet;  
thence North 62°23'00" West 119.90 feet;  
thence North 59°47'45" West 594.55 feet;  
thence South 30°12'15" West 30.00 feet;  
thence North 59°47'45" West 151.00 feet;  
thence North 60°20'16" West 52.00 feet;  
thence South 74°40'00" West 94.74 feet;  
thence North 64°08'48" West 1,063.84 feet to a point on the Westerly line of said Revised Parcel No. 2;  
thence North 00°04'19" West 102.63 feet;  
thence North 00°13'55" West 521.43 feet to the POINT OF BEGINNING.

TOGETHER WITH all that certain lot, piece, parcel or portion of land situate, lying being within the Southwest 1/4 of Section 4 and the Southeast 1/4 of Section 5, Township 12 North, Range 20 East, M.D.B. & M., and more particularly described as follows:

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COMMENCING at the Northeast corner of Revised Parcel No. 1, as shown on the map entitled Record of Survey for Douglas and Milton Sorenson filed for record in Book 983, at Page 470, as Document No. 86580, Official Records of Douglas County, Nevada, which point is the TRUE POINT OF BEGINNING;

thence along the Northeasterly line of Revised Parcels 1 and 2 the following courses and distances:

North 88°13'26" West, a distance of 270.24 feet;  
North 86°39'05" West, a distance of 188.32 feet;  
North 67°24'23" West, a distance of 335.77 feet;  
North 77°34'57" West, a distance of 223.22 feet;  
North 59°04'53" West, a distance of 217.97 feet;  
North 42°57'49" West, a distance of 318.40 feet;  
North 20°52'03" West, a distance of 193.71 feet;  
North 39°34'29" West, a distance of 127.14 feet;

North 17°56'58" West, a distance of 149.26 feet to the Northerly line of said Revised Parcel 2;

thence along the extension of said Northerly line North 88°50'23" East, a distance of 73.36 feet, more or less, to the ordinary high water line on the Southwesterly side of the Carson River;

thence along the approximate ordinary high water line the following courses and distances:

South 40°30'13" East, a distance of 52.96 feet;  
South 21°15'48" East, a distance of 345.42 feet;  
South 30°22'50" East, a distance of 282.74 feet;  
South 60°18'12" East, a distance of 284.06 feet;  
South 76°17'51" East, a distance of 312.91 feet;  
South 60°21'55" East, a distance of 212.63 feet;  
South 89°55'17" East, a distance of 465.95 feet to the Westerly right-of-way line of Centerville Lane;

thence leaving said ordinary high water line and following said right-of-way line along a non-tangent curve to the right with a central angel of 01°52'01", a radius of 1,170.00 feet, an arc length of 38.12 feet and whose chord bears South 12°59'23" East, a distance of 38.12 feet to the TRUE POINT OF BEGINNING.

EXCEPTING therefrom all portions, if any, of said parcels of land lying within the ordinary high water mark of the Carson River.

Per NRS 111.312, this legal description was previously recorded on September 14, 1993, in Book 993, at Page 2398, as Document No. 317503, of Official Records.

Assessor's Parcel No. 1220-05-000-009

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

2003 MAR 31 PM 4: 14

WERNER CHRISTEN  
RECORDER

PAID 17.00 AB DEPUTY

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