

A.P.N. # 1220-05-000-012  
ESCROW NO. 030101200

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

WASHINGTON MUTUAL BANK  
HOUSTON CONSUMER LOAN CENTER  
MAILSTOP: CLRVLTTX  
1170 SILBER ROAD  
HOUSTON, TX 77055

9103689759

## 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 April 7, 2003, by DENNIS R. KOEPNICK AND PATRICIA M. KOEPNICK owner of the land hereinafter described and hereinafter referred to as "Owner", and WASHINGTON MUTUAL BANK, FA present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

### WITNESSETH

THAT WHEREAS, DENNIS R. KOEPNICK AND PATRICIA M. KOEPNICK did execute a deed of trust, dated MARCH 7, 2002 to WESTERN TITLE COMPANY, as Trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$100,000.00, in favor of WASHINGTON MUTUAL BANK, FA which deed of trust was recorded MARCH 22, 2002, in Book 0302, Page 7783, Instrument No. 537566, 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 113,000.00, dated APRIL 8, 2003, in favor of CAPITOL COMMERCE MORTGAGE CO., 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 DENNIS R. KOEPNICK  
 Owner PATRICIA M. KOEPNICK  
 Owner \_\_\_\_\_  
 Owner \_\_\_\_\_

*Carol Emery*  
 Beneficiary WASHINGTON MUTUAL BANK, FA  
 Beneficiary CAROL EMERY, CORPORATE OFFICER  
 Beneficiary \_\_\_\_\_  
 Beneficiary \_\_\_\_\_

STATE OF NEVADA                    )  
   ) ss.  
 COUNTY OF \_\_\_\_\_ )

DATE: April 07, 2003

This instrument was acknowledged before me on \_\_\_\_\_  
 by \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature \_\_\_\_\_  
 Notary Public

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State of Washington )  
 ) ss.  
County of King )

I certify that I know or have satisfactory evidence that Carol Emery is the person who appeared before me, and said person acknowledged that (he / she) signed this instrument, on oath stated that (he / she) was authorized to execute the instrument and acknowledge it as the Corporate Officer of Washington Mutual Bank, FA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

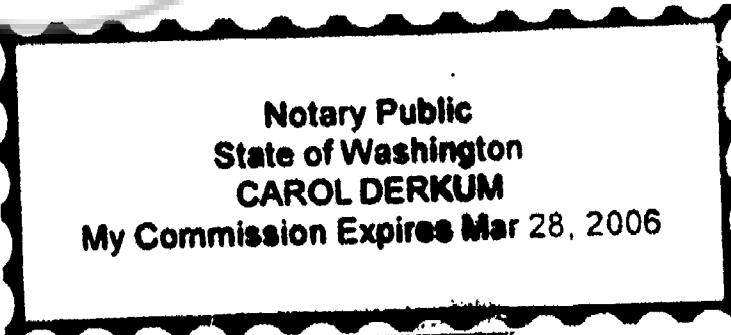
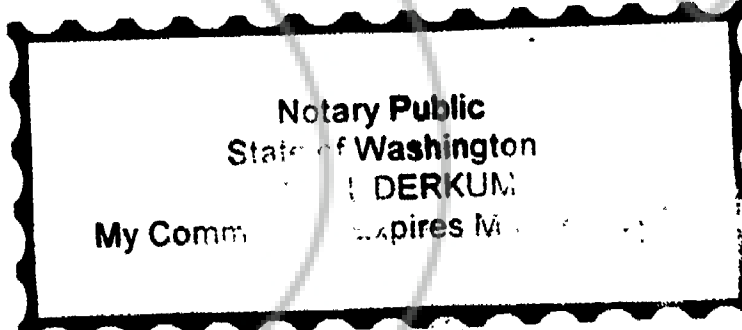
Dated: 4-11-03

Carol Derkum  
Notary Signature

(NOTARY SEAL)

Carol Derkum  
Printed or typed name of Notary

Title: Notary Public  
My Appointment expires: 3-28-06



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**EXHIBIT "A"**

**LEGAL DESCRIPTION**

ESCROW NO.: 030101200

A parcel of land located in the East 1/2 of Section 5, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, more particularly described as follows:

Beginning at the West (East of Record) 1/4 corner of Section 5, Township 12 North, Range 20 East, M.D.B.&M., proceed South 57°46'36" East, 4,693.82 feet to the True Point of Beginning, proceed thence North 00°17'27" West, 208.00 feet to the Northwest corner; thence North 89°32'47" East, 209.42 feet to the Northeast corner; thence South 00°17'27" East, 343.00 feet to the Southeast corner; thence South 89°32'47" West, 209.42 feet along the North right-of-way line of Waterloo Lane to the Southwest corner; thence North 00°17'27" West, 135.00 feet to the True Point of Beginning.

Excepting therefrom any portion lying within Waterloo Lane.

ASSESSOR'S PARCEL NO. 1220-05-000-012

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 17, 1988, BOOK 688, PAGE 2523, AS FILE NO. 180283, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

REQUESTED BY  
**Stewart Title of Douglas County**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

2003 APR 15 PM 4: 03

WERNER CHRISTEN  
RECORDER

\$17.00 PAID *Bl* DEPUTY

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