



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 6th day of July, 2012 by Donald Steven Hall and Karen Ann Hall 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, Owner has executed a Deed of Trust, dated April 20, 2006, to Stewart Title of Northern Nevada, as Trustee, covering:

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

LEGAL DESCRIPTION IS ATTACHED HEREWITH AND MADE A PART HEREOF AS EXHIBIT "A"

to secure a note in the sum of \$120,000.00, dated 4/20/2006, in favor of Heritage Bank of Nevada, which Deed of Trust was recorded April 25, 2006, in in Book 0406 at Page 8572, Document No. 0673428, 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 175,700.00, dated 7/10/12, in favor of Greater Nevada Mortgage Services, 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 herein before described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

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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 herein before 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 entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

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- (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.

Bruce A. [Signature] Vice president
Heritage Bank of Nevada, Beneficiary

Beneficiary

Donald Steven Hall
Donald Steven Hall, Owner

Karen Ann Hall
Karen Ann Hall, Owner

(All signatures must be acknowledged)
Form Furnished By Western Title Company, Inc.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.



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STATE OF NEVADA

COUNTY OF Washoe

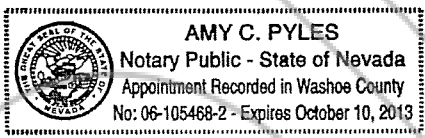
} ss

This instrument was acknowledged before me on

July 7, 2012

by BARRY COLLIER its Vice President

Amy C Pyles
Notary Public



STATE OF NEVADA

COUNTY OF Douglas

} ss

This instrument was acknowledged before me on

July 13, 2012

by Donald Steven Hall & Karen Ann Hall

Anu Wright
Notary Public

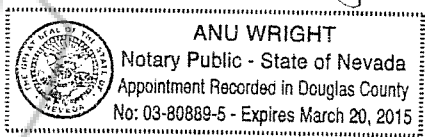




EXHIBIT "A"

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

Being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 26, Township 14 North, Range 20 East, M.D.B.&M., described as follows:

Parcel 2, as set forth on Parcel Map for GLORIA P. LOHNER, filed for record in the office of the County Recorder of Douglas County, State of Nevada on April 4, 1990 in Book 490, Page 558, Document No. 223327.

**Assessor's Parcel Number(s):
1420-26-401-027**

