

A.P.N.: 004-161-05 and 004-164-05
File No: 152-2316540 (MJ)

When Recorded Return To:
First American Title Insurance Company
768 Aultman Street
Ely, NV 89301



SUBORDINATION AGREEMENT

(EXISTING TO NEW)

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 **Twelfth day of April, 2007**, by

Cottonwood Heights, LLC, a Limited Liability Company of Nevada

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

Gerald H. Wilson and Mary L. Wilson, Trustees of the Gerald & Mary Wilson Living Trust dated March 5, 2004

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 **September 20, 2006** to **First American Title Company of Nevada, a Nevada Corporation**, as Trustee, covering:

PARCEL NO. 1:

LOTS 5 IN BLOCK 2 OF ALAMO WEST SUBDIVISION - PHASE II, AS SHOWN BY MAP THEREOF RECORDED OCTOBER 15, 1993 IN PLAT BOOK A, PAGE 392, AS FILE NO. 101044 IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY, NEVADA.

PARCEL NO. 2:

LOT SIX (6) BLOCK THREE (3) OF ALAMO WEST SUBDIVISION - PHASE II, AS SHOWN BY MAP THEREOF RECORDED OCTOBER 15, 1993 IN PLAT BOOK A, PAGE 392, AS FILE NO. 101044 IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY, NEVADA.



0128779

Book: 230
Page: 472

04/18/2007
Page 2 of 5

A.P.N. 004-161-05

Subordination Agreement - continued

File No.: **152-2316540 (MJ)**

Date: **April 12, 2007**

to secure a Note in the sum of **\$540,000.00**, dated **September 20, 2006**, in favor of **Gerald H. Wilson and Mary L. Wilson, Trustees of the Gerald & Mary Wilson Living Trust dated March 5, 2004**, which Deed of Trust was recorded **September 27, 2006** in Book **223**, Page **185**, as Instrument No. **127493**, of said County; and

WHEREAS, Owner has executed, or is about to execute, a Deed of Trust and Note in the sum of **\$288,000.00**, dated **March 29, 2007**, in favor of **Bank 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 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 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 Deed of Trust or to another Mortgage or Mortgages.

Beneficiary declares, agrees and acknowledges that



A.P.N. 004-161-05

Subordination Agreement - continued

File No.: 152-2316540 (MJ)

Date: April 12, 2007

- (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 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 THE IMPROVEMENT OF THE LAND.**



0128779

Book 230
Page 475

04/18/2007
Page 5 of 5

A.P.N. 004-161-05

Subordination Agreement - continued

File No.: 152-2316540 (MJ)

Date: April 12, 2007

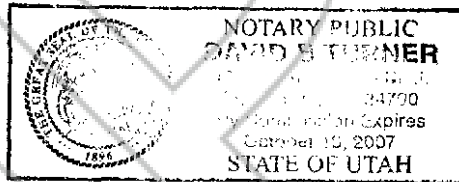
BENEFICIARY:

Gerald H. Wilson and Mary L. Wilson, Trustees of the Gerald & Mary Wilson Living Trust dated March 5, 2004

By: Gerald H. Wilson
Gerald H. Wilson, Trustee

By: Mary L. Wilson
Mary L. Wilson, Trustee

STATE OF UTAH)
)
) ss.
COUNTY OF)
Washington)



This instrument was acknowledged before me on 4/13/07
DAVID B. TURNER by
Gerald H. Wilson and Mary L. Wilson

David B. Turner
Notary Public

(My commission expires: 10-10-07)