

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BEING COMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 9th day of January, 1973, by

DIAMOND LAND AND CATTLE, a partnership,

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

G. W. GARRETT

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

WITNESSETH

THAT WHEREAS LIBERTY LIVESTOCK, a co-partnership did execute a deed of trust, dated January 2, 1973, to FIRST AMERICAN TITLE COMPANY OF NEVADA, as trustee, covering:

SEE EXHIBIT "A" ATTACHED

to secure a note in the sum of \$ 60,000.00

J. K. METZKER recorded Jan. 2, 1973, in book 44, page 347, Official Records of said county; and

, dated January 2, 1973, in favor of

, which deed of trust was

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ 1,000,000.00, dated December 12, 1972, in favor of THE TRAVELERS INSURANCE COMPANY, 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.

- (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, 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 of 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 OR WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

DIAMOND LAND AND CATTLE

G. W. Garrett

Beneficiary

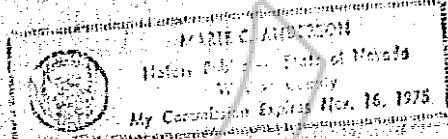
Owner

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

State of Nevada
County of Washoe

full value I sever to be paid
me this 19th Day of January, 1973

~~Neil C. Culver~~



STATE OF NEVADA,)
COUNTY OF ELKO)

On this 25th day of January, 1973, personally appeared before
me, DOROTHY S. GALLAGHER
known to me to be the personal who executed the foregoing instrument.

Walter J. Shanks
NOTARY PUBLIC



WALTER J. LEBERSK.
Notary Public - State of Nevada
Elko County Nevada
Commission expires Nov. 6, 1973

EXHIBIT A

DESCRIPTION

All those certain lots, pieces or parcels of land situate in the County of Eureka, State of Nevada, particularly described as follows, to-wit:

PARCEL I

TOWNSHIP 23 $\frac{1}{2}$ NORTH, RANGE 49 EAST, M.D.B. & M.

Section 1: Lot 3.

TOWNSHIP 24 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$; SE $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{2}$ NE $\frac{1}{4}$.
Section 10: SE $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 12: SW $\frac{1}{2}$ SE $\frac{1}{4}$; NE $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 13: NE $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{2}$ NW $\frac{1}{4}$; NW $\frac{1}{2}$ SW $\frac{1}{4}$.
Section 14: SE $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 15: N $\frac{1}{2}$ NW $\frac{1}{4}$.
Section 23: NE $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 26: W $\frac{1}{2}$ E $\frac{1}{4}$, NE $\frac{1}{2}$ NW $\frac{1}{4}$.
Section 35: E $\frac{1}{2}$ W $\frac{1}{4}$.

TOWNSHIP 24 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 2: Lot 3, SE $\frac{1}{2}$ NW $\frac{1}{4}$.
Section 7: Lot 2.

TOWNSHIP 25 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 24: SE $\frac{1}{2}$ NW $\frac{1}{4}$; NW $\frac{1}{2}$ SW $\frac{1}{4}$.
Section 25: S $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$.
Section 29: W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{2}$ N $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$.
Section 32: SE $\frac{1}{2}$ NE $\frac{1}{4}$.
Section 33: NW $\frac{1}{2}$ NN $\frac{1}{4}$.
Section 35: E $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{2}$ N $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$.
Section 36: NW $\frac{1}{2}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$; NW $\frac{1}{2}$ SW $\frac{1}{4}$.

TOWNSHIP 26 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 1: SE $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ W $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 11: NE $\frac{1}{2}$ NE $\frac{1}{4}$.
Section 12: E $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{2}$ E $\frac{1}{4}$.
Section 24: E $\frac{1}{2}$ SE $\frac{1}{4}$.

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PARCEL NO. I CONTINUED:

TOWNSHIP 25 NORTH, RANGE 51 EAST, M.D.B. & M.

Section 6: Lots 3, 4, 5, 6 and 7; SE₁NW₁; E₁SW₁.
Section 7: E₁NW₁.
Section 19: SE₁SW₁.
Section 30: NW₁NE₁; E₁NNW₁; Lots 2 and 3.
Section 35: N₁NNW₁.

TOWNSHIP 26 NORTH, RANGE 51 EAST, M.D.B. & M.

Section 6: Lots 3, 4, 5, 6 and 7; SE₁NW₁; E₁SW₁.
Section 7: Lots 1, 2, 3 and 4.
Section 16: Lots 1, 2, 3 and 4.
Section 19: Lots 1, 2, 3 and 4.
Section 30: Lots 1, 2, 3 and 4; E₁SW₁.
Section 31: NW₁NE₁; E₁NNW₁; Lot 4; SW₁SE₁.

TOWNSHIP 27 NORTH, RANGE 51 EAST, M.D.B. & M.

Section 30: S₁NE₁; Lot 4; E₁SW₁; N₁SE₁.
Section 31: Lot 1.

PARCEL NO. II

TOWNSHIP 24 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 20: W₁SW₁.
Section 30: NW₁NE₁; NE₁NNW₁; Lot 1 (NW₁NNW₁).

TOWNSHIP 25 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 32: NE₁SE₁; SW₁SE₁.

EXCEPTING, THEREFROM, all mines of gold, silver, copper, lead, cinnabar and other valuable minerals which may exist in said tract, including all gas, coal, oil and oil shales as reserved in Deeds conveying above parcels to TESSIE DAMELE, et al, executed by RUBY LAND CORPORATION, as recorded August 24, 1951 in Book 24 of Deeds at page 157; by HOMER D. TUTTLE and GLENDORA TUTTLE, as recorded August 22, 1951 in Book 24 of Deeds at page 158; and by FRANK D. CARROLL and NINA J. CARROLL, as recorded August 24, 1951 in Book 24 of Deeds at page 161, all Eureka County, Nevada, Records.

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PARCEL NO. III

TOWNSHIP 24 NORTH, RANGE 50 EAST, N.D.B.

Section 14: SW $\frac{1}{4}$ NEX $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$, WSE $\frac{1}{4}$.

Section 22: NE $\frac{1}{4}$.

Section 23: NW $\frac{1}{4}$.

EXCEPTING, THEREFROM, a one-fourth interest in all minerals, as reserved in Deed dated October 20, 1960, executed by JEAN SALLABERRY, et al, to CHARLES DANIEL, et al, and recorded October 26, 1960 in Book 25 of Deeds at page 467, Eureka County, Nevada, Records.

TOGETHER WITH all buildings and improvements situated thereon.

TOGETHER WITH the tenements, hereditaments and appurtenances therunto belonging or in anywise appertaining, the fixtures and reverments, reminders and reminders, rents, issues and profites thereon.

TOGETHER WITH all water, water rights, rights to the use of the r. Colorado, ditches, canals, pipelines, reservoirs, wells, permits issued by the State Engineer's Office of the State of Nevada, and all other means of diversion of or use of water, pertaining to the said property or any part thereof, or used or enjoyed in connection therewith, and together with any stock water, water, water rights used or enjoyed in connection with the use of any of the said parcels of land.

TOGETHER WITH all mining rights and grazing rights, including all co-owned Taylor Grazing rights or privileges, and all rights to graze cattle on the public domain now or heretofore used upon or in connection with said parcel of real property.

TOGETHER WITH one-half (½) of all minerals, oil or gas, presently owned by the Seller(s), lying on, in or under the above parcels of real property, SUBJECT TO the certain oil and gas mining lease dated December 14, 1967 between CHARLES DANIEL, LEO J. DANIEL, and JOHN V. DANIEL, a co-partnership doing business under the name of IMPERIAL DANIEL & CO., and all of the County of Eureka, State of Nevada, First Party and Lessee, and MODOC MINERAL AND OIL CO., INC., a Nevada Corporation, Second Party and Lessor, and the First Parties hereby assign unto the Second Party an undivided one-half interest in and to said oil and gas mining lease.

RESERVING, HOWEVER, unto the Seller(s), one-half (½) of all minerals, oil or gas, presently owned by the Seller(s), lying on, in or under the above parcels of real property, and an undivided one-half interest in and to the above mentioned oil and gas mining lease between First Parties herein and MODOC MINERAL AND OIL CO., INC., together

with the exclusive right at all times
to enter upon or in said land to prospect for
and drill, bore and recover and remove the same,
it being understood that the right to enter upon
or in said land, to prospect for and to drill,
bore and recover and remove the same will be
done in such a manner that it will not disrupt
the operations on said premises or cause damage
to said premises or surface or underground waters
or water rights appurtenant thereto.

RECORDED AT THE REQUEST OF First American Title Co. of Nevada
on Jan. 29 1973 at 30 min past 4 P. M. b
took 44 of OFFICIAL RECORDS, page 397-402 RECORDS OF
EUREKA COUNTY, NEVADA Hillie A. McTavish Recorder
Fees Rec'd 52030 8.00

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