

313396
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Sanwa Bank California
601 J Street
Sacramento, CA. 95814

Attn: Thomas D. Bolin

121021

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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 25th day of August, 19 88, by

DANIEL H. RUSSELL and ROBERTA A. RUSSELL

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

SANWA BANK CALIFORNIA, A California Corporation

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

WITNESSETH

THAT WHEREAS, DANIEL H. RUSSELL and ROBERTA A. RUSSELL did on June 16, 1987, execute a deed of trust to First American Title Company of Nevada, a Nevada corp., as trustee, covering:

See Attachment "A", incorporated herein by reference

to secure a note in the sum of \$ 14,620,800, dated June 16, 1987, in favor of Sanwa Bank California, a California corporation, which deed of trust was recorded June 30, 1987, in book 158, page 513, Official Records of said county and is subject and subordinate to the deed of trust next hereinafter described; and *Together with those modifications listed on Exhibit "B" and recorded as stated therein.

WHEREAS, DANIEL H. RUSSELL and ROBERTA A. RUSSELL did on June 29, 1983, execute a deed of trust to Washoe Title Guaranty Company, a Nevada Corporation, as trustee, covering said land and securing an indebtedness in the amount of \$ 6,500,00, in favor of Metropolitan Life Insurance Co., a corporation, hereinafter referred to as "Lender," which deed of trust was recorded July 5, 1983, in book 111, page 576 *, Official Records of said county and provides among other things that it shall also secure additional loans and advances thereafter made upon the terms and conditions therein set forth; and *further recording as related on Exhibit "C"

WHEREAS, Owner has executed, or is about to execute, a note in the amount of \$ 1,350,000, dated in favor of Lender, payable with interest and upon the terms and conditions described therein, which note evidences an additional loan to be made by Lender to Owner under the terms and provisions of, and secured by, said deed of trust in favor of Lender; and

WHEREAS, it is a condition precedent to obtaining said additional loan that said deed of trust in favor of Lender, securing all obligations recited therein as being secured thereby, including but not limited to said additional loan, 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 additional loan provided the deed of trust securing the same is a lien or charge upon said land 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 said deed of trust in favor of Lender; and

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WHEREAS, it is to the mutual benefit of the parties hereto that Lender make said additional loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge to 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 additional loan above referred to, it is hereby declared, understood, and agreed as follows:

- (1) That said deed of trust in favor of Lender, as to said additional loan as well as all other obligations recited as being secured thereby, 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 additional 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 evidencing said additional loan and the deed of trust securing same, 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 additional 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, as to said additional loan as well as all other obligations recited therein as being secured thereby, 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.

SANWA BANK CALIFORNIA, successor in interest to LLOYDS BANK CALIFORNIA

Thomas D. Bolin
Thomas D. Bolin, Vice President & Manager

Beneficiary

Demil H. Russell

Demil H. Russell
Owner

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(CLTA SUBORDINATION FORM "C")

CORPORATE ACKNOWLEDGMENT

State of California } ss.
County of Sacramento

On this the 25th day of August 19 88 before me,

Rita M. Suprenant
the undersigned Notary Public, personally appeared

Thomas D. Bolin

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as
a vice president of _____ or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.
WITNESS my hand and official seal.



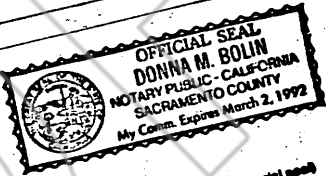
Rita M. Suprenant
Notary's Signature

7-2C 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4525 • Woodland Hills, CA 91364

STATE OF CALIFORNIA Sacramento } ss.
COUNTY OF _____ before me, the undersigned, a Notary Public in and for
On August 29, 1988 Daniel H. Russell and Roberta A. Russell
said State, personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.
WITNESS my hand and official seal.



(This area for official notarial seal)

Signature Donna M. Bolin

3001 (8/82) (Individual American Title Company)

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Exhibit "A"

TOWNSHIP 16 NORTH, RANGE 53 EAST, M.D.B. & M.

- Section 7: Southeast 1/4 Northeast 1/4
Section 8: East 1/2; Northwest 1/4 Northwest 1/4; South 1/2
Northwest 1/4; North 1/2 Southwest 1/4; Southeast 1/4
Southwest 1/4
Section 9: Northeast 1/4 Northeast 1/4; South 1/2 Northeast 1/4;
Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
South 1/2
Section 10: North 1/2; North 1/2 South 1/2; Southwest 1/4 Southeast
1/4; South 1/2 Southwest 1/4
Section 11: South 1/2 Northeast 1/4; Northwest 1/4; North 1/2
Southwest 1/4
Section 12: North 1/2

TOWNSHIP 16 NORTH, RANGE 54 EAST, M.D.B. & M.

- Section 6: South 1/2 Southwest 1/4
Section 7: Lots 1 and 2 of the Northwest 1/4

TOWNSHIP 17 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 24: Homestead Entry No. 174, comprising Tracts A and B; embracing a portion of, approximately Section 24 in Township 17 North of Range 49 East of the Mount Diablo Meridian, Nevada, more particularly described as follows:

Beginning for the description of Tract A at corner No. 1, identical with the Southwest corner to Section 19 in Township 17 North, Range 50 East of the Mount Diablo Meridian; thence, North 87° West 43.66 chains to Corner No. 2; thence, North 2°40' West 3.44 chains to Corner No. 3; thence, North 73°35' East 22.53 chains to Corner No. 4; thence, South 63°30' East 10.92 chains to Corner No. 5; thence, South 84°24' East 21.41 chains to Corner No. 6; thence, South 0°4' East 5.98 chains to Corner No. 1, the place of beginning.

Beginning for the description of Tract B at Corner No. 7, from which Corner No. 2 of said Tract A bears South 87° East 50 links distant; thence North 87° West 27.75 chains to Corner No. 8; thence North 39°12' East 12.76 chains to Corner No. 9; thence North 39°29' West 16.96 chains to Corner No. 10; thence North 47° East 4.48 chains to Corner No. 11; thence South 33°44' East 4.99 chains to Corner No. 12; thence South 48°30' East 30.75 chains to Corner No. 13; thence North 73°35' East 1.24 chains to Corner No. 14; thence South 2°40' East 3.28 chains to Corner No. 7; the place of beginning, containing in the aggregate 61.83 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

TOWNSHIP 17 NORTH, RANGE 50 EAST, M.D.B. & M.

Sections 7 and 8: Homestead Entry No. 98 embracing portions of said Sections 7 and 8 is described more particularly as follows:

Beginning at Corner No. 1 from which the quarter corner to Sections 8 and 9 in Township 17 North of Range 50 East of the Mount Diablo Meridian, bears North 82°35' East 57.53 chains distant; thence South 73°52' West 17.72 chains to Corner No. 2; thence North 76°18' West 27.40 chains to Corner No. 3; thence South 66°29' West 3.30 chains to Corner No. 4; thence North 76°43' West 30.88 chains to Corner No. 5; thence North 56°9' East 5.40 chains to Corner No. 6; thence South 79°52' East 55.00 chains to Corner No. 7; thence North 76°59' East 15.21 chains to Corner No. 8; thence South 37°41' East 5.41 chains to Corner No. 1, the place of beginning; containing 35.65 acres, according to the official plat of Survey of said land, returned to the General Land Office by the Surveyor-General.

Section 19: Lot 4; Southeast 1/4 Southwest 1/4

Section 29: North 1/2 Northwest 1/4; West 1/2 Northeast 1/4

Section 30: Northeast 1/4 Northwest 1/4; North 1/2 Northeast 1/4; East 1/2 Southwest 1/4; North 1/2 Southeast 1/4

Section 31: West 1/2 Northeast 1/4; Northeast 1/4 Northeast 1/4

TOWNSHIP 18 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 25: North 1/2 Northeast 1/4

TOWNSHIP 18 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 28: Southwest 1/4 Northeast 1/4; Northwest 1/4 Southeast 1/4
Section 30: Northwest 1/4 Northeast 1/4; Northeast 1/4 Northwest 1/4

TOWNSHIP 18 NORTH, RANGE 51 EAST, M.D.B. & M.

Section 18: West 1/2 Northeast 1/4; East 1/2 Northwest 1/4; West 1/2 Southeast 1/4; Southwest 1/4
Section 19: Northwest 1/4 Northeast 1/4; West 1/2; West 1/2 Southeast 1/4
Section 30: North 1/2; North 1/2 South 1/2

TOWNSHIP 18 NORTH, RANGE 54 EAST, M.D.B. & M.

Section 18: Southeast 1/4 Northwest 1/4; Northeast 1/4 Southwest 1/4; Northwest 1/4 Southeast 1/4; South 1/2 Southeast 1/4; Lot 2
Section 19: Northeast 1/4; Southeast 1/4 Northwest 1/4; North 1/2 Southeast 1/4
Section 20: West 1/2 Northwest 1/4; North 1/2 Southwest 1/4; Southeast 1/4 Northwest 1/4; Lot 1

EXCEPTING from all of those parcels shown in Township 18 North, Range 54 East, M.D.B. & M., except the Northeast 1/4 Northeast 1/4 of Section 19, the Southeast 1/4 Northwest 1/4, Lot 1, Northwest 1/4 Northwest 1/4 and the Northeast 1/4 Southwest 1/4 of Section 20, all the coal and other minerals as reserved in Patent executed by the UNITED STATES OF AMERICA, recorded August 17, 1932 in Book 21 of Deeds at page 89, Eureka County, Nevada records.

TOWNSHIP 19 NORTH, RANGE 50 EAST, M.D.B. & M.

Section 16: West 1/2 Northeast 1/4; East 1/2 Northwest 1/4; Southwest 1/4 Northwest 1/4; Northwest 1/4 Southwest 1/4
Section 17: Southeast 1/4 Northeast 1/4; Northeast 1/4 Southeast 1/4

TOWNSHIP 18 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 14: East 1/2 Southwest 1/4 Northwest 1/4 Southwest 1/4; West 1/2 Southeast 1/4 Northwest 1/4 Southwest 1/4; Southeast 1/4 Southeast 1/4 Northwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4 Southeast 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4; South 1/2 Northwest 1/4 Southeast 1/4 Southwest 1/4; Northwest 1/4 Northwest 1/4 Southeast 1/4 Southwest 1/4; Southeast 1/4 Southeast 1/4 Southwest 1/4 Southwest 1/4; North 1/2 Southeast 1/4 Southwest 1/4 Southwest 1/4; Northeast 1/4 Southwest 1/4 Southwest 1/4; Northeast 1/4 Northwest 1/4 Southwest 1/4 Southwest 1/4

Section 23: Northeast 1/4 Southeast 1/4 Northeast 1/4; Northeast 1/4
Southwest 1/4 Northeast 1/4 Northwest 1/4; Northwest 1/4
Southeast 1/4 Northeast 1/4 Northwest 1/4

AND a parcel of land existing within a portion of Section 27 and
Section 34, known as Homestead Entry No. 86 and is described as follows:

Beginning at Corner No. 1, from which U.S. Location Monument No. 253
bears South 26°42' East 1.55 chains distant, thence North 26°42' West 69.97
chains to Corner No. 2; thence North 9°13' West 17.37 chains to Corner No.
3; thence North 87°44' East 7.72 chains to Corner No. 4; thence South
22°51' East 86.81 chains to Corner No. 5; thence West 7.36 chains to Corner
No. 1, the place of beginning, containing 78.92 acres, and being the same
parcel conveyed by the UNITED STATES OF AMERICA to GEORGE WILLIAMS by Land
Patent dated May 19, 1916 and recorded in Book 18 of Deeds at page 195,
Eureka County, Nevada records:

TOWNSHIP 18 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 5: Northwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4
Section 6: Northeast 1/4 Southeast 1/4; Southeast 1/4 Southeast 1/4
Section 8: Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
Northeast 1/4 Southwest 1/4

TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 5: West 1/2 East 1/2; East 1/2 West 1/2; West 1/2 Southwest
1/4; Southwest 1/4 Northwest 1/4
Section 6: Southeast 1/4; Southeast 1/4 Northeast 1/4

EXCEPTING THEREFROM all coal and other valuable minerals as reserved
in Patent executed by UNITED STATES OF AMERICA, recorded July 6, 1950 in
Book 24 of Deeds at page 79, Eureka County, Nevada records.

Section 18: Northwest 1/4 Northeast 1/4; Northeast 1/4 Southwest 1/4;
Southeast 1/4 Northwest 1/4; Southwest 1/4 Southeast 1/4
Section 19: East 1/2 Southeast 1/4; Northwest 1/4 Southeast 1/4;
Northeast 1/4

EXCEPTING from all of the subject property in Section 18 and the North
1/2 Northeast 1/4, Southwest 1/4 Northeast 1/4 and Northwest 1/4 Southeast
1/4 of Section 19, all the oil and gas as reserved in Patent executed by
UNITED STATES OF AMERICA, recorded October 5, 1966 in Book 12 of Official
Records at page 209, Eureka County, Nevada.

Section 20: West 1/2 Southwest 1/4; Southwest 1/4 Northwest 1/4

EXCEPTING from the Southeast 1/4 Southeast 1/4 of Section 19 and the
Southwest 1/4 Southwest 1/4 of Section 20 all minerals as reserved in
Patent executed by UNITED STATES OF AMERICA, recorded January 2, 1969 in
Book 26 of Official Records at page 534, Eureka County, Nevada.

Section 29: Southwest 1/4 Northwest 1/4; Northwest 1/4 Southwest 1/4;
Southwest 1/4 Southwest 1/4
Section 30: East 1/2 Northeast 1/4; Northeast 1/4 Southeast 1/4

EXCEPTING from all of the subject property in Sections 29 and 30 all of the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA, recorded February 21, 1969 in Book 28 of Official Records at page 12, Eureka County, Nevada.

EXCEPTING FROM the above described parcels, all mineral rights and interest, including coal, oil, gas and other hydrocarbons, and all other metallic and non-metallic mineral ores and substances, and geothermal steam, hot water, hot brines, thermal energy and gasses as conveyed by VALIANT FARMS-EUREKA, INC. to APAL, a Limited Partnership, by various documents of record.

The above interest in minerals by mesne of conveyances is in favor of DANIEL H. RUSSELL by those certain deeds recorded:

Recording date	Book	Page	Document No.	County
4-01-88	609	407	248663	Elko
4-01-88	123	420	250971	White Pine
4-01-88	175	121	117501	Eureka
4-01-88	309	18		Lander
4-01-88			206511	Nye

Exhibit "B"

1. An instrument purports to modify the terms of said
Deed of Trust as therein provided
Dated: September 9, 1987
Recorded: September 30, 1987 in Book 299, page 11 of Official
Records as File No. 146530, Lander County, Nevada;
September 30, 1987 in Book 164, page 552 of
Official Records as File No. 112358, Eureka County,
Nevada; September 30, 1987 in Book 116, page 41 of
Official Records as File No 246132, White Pine
County, Nevada; October 1, 1987 in Book 596, page 1
of Official Records as File No 191742, Nye County,
Nevada records.
2. An instrument purports to modify the terms of said
Deed of Trust as therein provided,
Dated: April 18, 1988
Executed by: Daniel H. Russell, aka Dan Russell, Roberta A.
Russell, and Thomas D. Bolin
3. An instrument purports to modify the terms of said
Deed of Trust as therein provided,
Dated: August 9, 1988
Executed by: Daniel H. Russell and Roberta A. Russell, borrower,
and R. Sanders, Sanwa Bank.

Exhibit "C"

Re-recording of Deed of Trust

Recorded August 11, 1983, Book 112, Page 556 Official Records
of said County

RECORDED AT THE REQUEST OF

BOOK 183 PAGE 104

First American Title Co.
'88 SEP -2 AM 1:46

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALATI, RECORDER
FILE NO. FEE \$ 14-

121021

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