

WHEN RECORDED MAIL TO:

SIERRA/NEVADA PCA  
P.O. BOX 2124  
ELKO  
NV  
89803

145786

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 November, 1992 by  
KENNETH F. BENSON and PATTI E. BENSON, Husband and wife

owner of the land hereinafter described and hereinafter referred to as "Owner," and  
INTERMOUNTAIN FEDERAL LAND BANK ASSOCIATION, FLCA

trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS,

KENNETH F. BENSON and PATTI E. BENSON, Husband and wife

did execute a deed of trust, dated November 25, 1992  
INTERMOUNTAIN FEDERAL LAND BANK ASSOCIATION, FLCA

PARCEL 2: T 21 N, R 53 E, MDB&M  
SECTION 16: NW 1/4

to secure a note in the sum of \$ 233,600.00 dated 11/25/92, in favor of  
INTERMOUNTAIN FEDERAL LAND BANK ASSOCIATION, FLCA

which deed of trust was recorded 12/14/92  
BOOK 242, PAGE 569  
Eureka County, State of Nevada; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ 183,572.00  
dated November 25, 1992, in favor of  
SIERRA/NEVADA PRODUCTION CREDIT ASSOCIATION

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 credit from Lender that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinafter described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to extend said credit 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 extend said credit 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 benefit 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 extend said credit, it is hereby declared, understood and agreed as follows:

(1) That said deed of trust in favor of Lender 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 the purpose of this agreement is to establish a lien priority for the Lender which will allow it to provide a continuing line of credit to Owner, and that this agreement is to continue in effect as to all credit extended to Owner, not exceeding in the aggregate outstanding at any one time (without including any amounts then repaid) \$ 183,572.00 principal, plus interest thereon accruing at Lender's variable rate of interest, whether resulting from loans or advances heretofore or hereafter made. Said aggregate amount shall include all sums resulting from any extensions or renewals of such credit, and all costs and attorney's fees incurred in connection with such credit.

(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 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 agreements 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 of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

(a) Beneficiary 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) Beneficiary 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.

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.

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

Owner

Beneficiary

INTERMOUNTAIN FEDERAL BANK ASSOCIATION, FLCA

REG B. SMITH VICE PRESIDENT - CREDIT

PATTI E. BENSON

KENNETH F. BENSON

STATE OF NEVADA  
County of Washoe

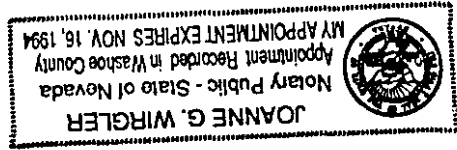
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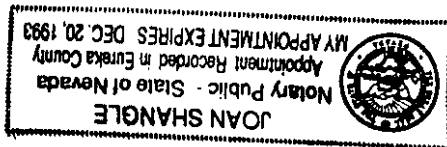
On this 25th day of November, 1992, before me, the undersigned Notary Public in and for said County and State, personally appeared Reg. B. Smith

( ) personally known to me ( ) proved to me on the basis of satisfactory evidence [to be the person(s) who executed the within instrument as Vice President - Credit or on behalf of the corporation therein named and acknowledged to me that the corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal

Notary Public in and for said County and State





STATE OF Nevada  
County of Esmeralda

On this 21st day of July, 1993 before me, the undersigned Notary Public in and for said County and State, personally appeared Shirley Ann Bennett and Matt Bennett [( ) personally known to me] [( ) proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s) is subscribed to this instrument and acknowledged to me that they executed it.

WITNESS my hand and official seal

Joan Shangle  
Notary Public in and for said County and State

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RECORDED AT THE REQUEST OF  
Pat & Matt Bennett  
93 JUN 30 P2:14  
EUREKA COUNTY, NEVADA  
M.N. REBAL EATI, RECORDER  
FILE NO. 145786  
FEE \$ 700

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