

176674

Recording Requested by:
Intermountain PCA

WHEN RECORDED MAIL:

INTERMOUNTAIN PCA
PO BOX 2088
ELKO, NV 89803

APN: 007-250-1

Space Above This Line For Recorder's Use

Loan No.: 3043606

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 30th day of May, 2001, by Albert H. Mulder, owner of the land hereinafter described and hereinafter referred to as "Owner," and Intermountain Production Credit Association, present owner and holder of the deed of trust note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Albert Mulder did execute a deed of trust, dated April 18, 2000, to Intermountain Production Credit Association, as trustee overing:

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

to secure a note in the sum \$286,460.00, dated April 18, 2000, in favor of Intermountain Production Credit Association, which deed of trust was recorded April 24, 2000, in Book 334, at Page 90, as Instrument No. 174401 of Official Records of Esmeralda County, State of Nevada; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$561,230.00, dated May 30, 2001, in favor of Intermountain Federal Land Bank Association, FLCA, 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 hereinbefore 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

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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 efficiency of which consideration is hereby acknowledged, and in order to induce Lender to extend said credit, 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 the aggregate outstanding at any one time (without including any amounts then repaid) \$561,230.00 principal, plus interest thereon which may accrue at a variable or adjustable rate in accordance with the terms of the note, 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 the deed of trust in favor of Lender above referred to and it 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 or deeds 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 disposes such proceeds, and any application or use of such proceeds for purposes other than those provided 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 OUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

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

Dated: May 30, 2001

Beneficia

Owner

INTERMOUNTAIN PRODUCTION CREDIT
ASSOCIATION

By:

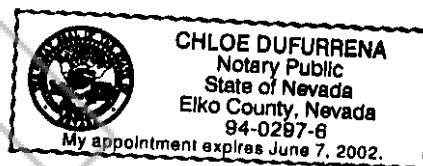
J. Russell Hofland, Branch Manager

Albert H. Mulder

STATE OF NEVADA
COUNTY OF ELKO

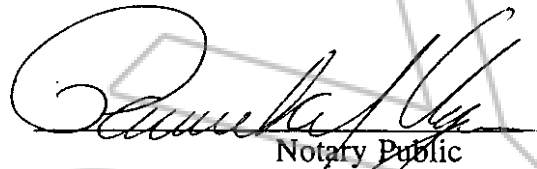
This instrument is acknowledged before me on June 15, 2001, by J. Russell Hofland as Branch Manager of Intermountain Production Credit Association.

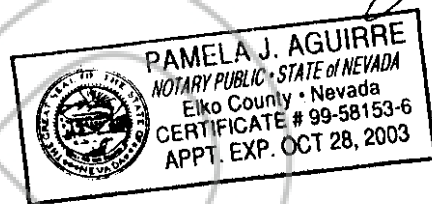
Notary Public



STATE OF Nevada
COUNTY OF Elko

On June 20, 2001, personally appeared before me, a Notary Public,
Albert H. Alderman, who acknowledged
(s)he executed the above instrument


Notary Public



STATE OF _____
COUNTY OF _____

On _____, 2001, personally appeared before me, a Notary Public,
_____, who acknowledged
(s)he executed the above instrument

Notary Public

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OFFICIAL RECORDS
RECORDED AT THE REQUEST
Stewart Title
01 JUN 22 AM 11:56

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORD
FILE NO. _____ FEES 00

176674

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