

Official Record

Requested By
STEWART TITLE ELKO

**Eureka County - NV
Mike Rebaleati - Recorder**

Page: 1 of 8 Fee: \$21.00
Recorded By FS RPTT: \$0.00
Book- 0521 Page- 0362



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APN 006-220-02; 006-310-01; 006-310-02; 006-310-06; 006-320-04; 006-330-03; 006-330-04; 006-340-02; 007-050-11

Recording requested by:

When recorded, return to:

American AgCredit, FLCA
P.O. Box 2088
Elko, Nevada 89803

The undersigned hereby affirm that there is no Social Security number contained in this document.

1040877-21

SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT

This Subordination, Nondisturbance, and Attornment Agreement (this "Agreement") is given as of September 12, 2011, by Lundahl Research Ranch, Inc., a Nevada corporation (collectively, whether one or more, "Landlord") and Kenneth Buckingham (collectively, whether one or more, "Tenant"), in favor of American AgCredit, FLCA ("Lender").

Recitals

A. Landlord and Tenant have entered into that certain lease dated as of April 5, 2009 ("Lease"), covering certain premises ("Demised Premises"), situated in the County of Eureka, State of Nevada, HC 62 Box 177, Eureka, NV, Eureka County, Diamond Valley ("Property"). The Property is more particularly described as follows:

Refer to Exhibit "A" attached hereto and by reference made a part hereof for complete legal description

B. The Lease includes all rights, privileges, preferences, permits and licenses to graze livestock upon the federal domain administered by the Bureau of Land Management ("BLM") in the Battle Mountain District, being 1,488 active AUM's in the Union Mountain Allotment and 2,856 active AUM's in the North Diamond Allotment, together with all cooperative agreements and range improvements used in connection with said grazing permit (collectively, the "Grazing Rights").

C. Lender is the beneficiary of a Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing ("Deed of Trust") dated as of September 12, 2011 to be recorded concurrently herewith encumbering the Property, which secures a note payable to Lender from Sadler Ranch, LLC, a Nevada limited liability company ("Sadler") in the original principal amount of One Million Eight Hundred Seventy-Five Thousand and NO/100 Dollars (\$1,875,000.00) (the "Loan"). Sadler is obtaining the Loan to purchase the Property from Landlord.

D. On the terms and conditions in this Agreement, the parties desire to subordinate Tenant's leasehold interest in the Demised Premises to the lien of the Deed of Trust and to assure Tenant possession of the Demised Premises for the entire term of the Lease, even though Lender may foreclose the lien of the Deed of Trust before expiration of the Lease.

Therefore, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

Section 1. Subordination.

The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest.

Section 2. Nondisturbance.

So long as Tenant is not in default, beyond any period given to Tenant to cure a default, in the payment of rent or in the performance of any of the terms, covenants, or conditions of the Lease, Tenant's possession of the Demised Premises and Tenant's rights and privileges under the Lease, including any extensions or renewals, shall not be diminished or interfered with by Lender during the term of the Lease or any extensions or renewals. So long as Tenant is not in default, beyond any period given Tenant to cure such default, in the payment of rent or in the performance of any of the terms, covenants, or conditions of the Lease, Lender will not join Tenant as a party for the purpose of terminating or otherwise affecting Tenant's interest under the Lease, in any action of foreclosure or other proceeding brought by Lender to enforce any rights arising because of any default under the Deed of Trust. Lender may, however, join Tenant as a party if joinder is necessary under any statute or law to secure the remedies available to Lender under the Deed of Trust, but joinder shall be for that purpose only and not for the purpose of terminating the Lease or affecting Tenant's right to possession of the Demised Premises.

Section 3. Attornment.

If the Landlord's interest is transferred to and owned by Lender or any successor of Lender ("Acquiring Party") because of foreclosure, sale under private power from a deed of trust, other proceedings brought by Lender, or by any other manner and Lender succeeds to Landlord's interest under the Lease, Tenant shall be bound to the Acquiring Party, and Acquiring Party shall be bound to Tenant under all of the terms, covenants, and conditions of the Lease for the balance of the remaining term, including any extensions or renewals, with the same effect as if Acquiring Party were Landlord under the Lease. Tenant agrees to attorn to Acquiring Party as the Landlord, with the attornment being effective and self-operable immediately upon Acquiring Party succeeding to the interest of Landlord under the Lease, all without the execution by the parties of any further instruments. However, Tenant shall not be obligated to pay rent to Acquiring Party until Tenant receives written notice from Acquiring Party, together with evidence satisfactory to Tenant, demonstrating that Acquiring Party has succeeded to Landlord's interest under the Lease and directing where rent should be mailed. The respective rights and obligations of Tenant and Acquiring Party upon attornment, to the extent of the then remaining balance of the term of the Lease, shall be the same as in the Lease, which is incorporated by reference in this Agreement. If Acquiring Party succeeds to Landlord's interest in the Lease, Acquiring Party shall be bound to Tenant under all the terms, covenants, and conditions of the Lease, and Tenant shall, after Acquiring Party's succession to Landlord's interest, have the same remedies against Acquiring Party for the breach of any agreement in the Lease that Tenant might have had against Landlord.

Section 4. New Lease and Further Instruments.

Immediately upon request by the Acquiring Party, Tenant and Acquiring Party shall enter into a new written lease for the remainder of the original term of the Lease on the same terms and conditions as the Lease, except for any changes made necessary because of the substitution of the Acquiring Party in place of Landlord.

Section 5. Definitions.

The term "Lender" or any similar term shall include Lender, the trustee under any deed of trust affecting the Demised Premises, and any agents, heirs, successors, or assigns, including any party that succeeds to Landlord's



interest by foreclosure of the Deed of Trust, of the deed in lieu of foreclosure, or of a sale under a private power contained in the Deed of Trust or by any other proceeding. The term Deed of Trust or any similar term shall include the Deed of Trust and any amendments or addenda. The term Landlord shall include Landlord and the successors, assigns, and sublessees of Landlord. The term Tenant shall include Tenant and the successors, assigns, and sublessees of Tenant. This Agreement shall inure to the benefit of and be binding upon all successors, assigns, and sublessees. The term Lease shall include the Lease and all amendments, addenda, extensions, and renewals.

Section 6. No Change in Lease.

Landlord and Tenant agree not to change, alter, amend, or otherwise modify the Lease without the prior written consent of Lender if any such change, alteration, amendment or other modification would (i) reduce the term of the Lease, (ii) reduce the rents payable under this Lease, (iii) change the size or location of the Demised Premises (other than technical changes in the legal description thereof), (iv) materially decrease the obligations of the Tenant; (v) materially increase the obligations of the Landlord, (vi) materially diminish the rights or remedies of the Landlord, (vii) materially diminish the financial terms of the Lease, (viii) adversely affect the value of the Demised Premises, (ix) adversely impact the lien of the Deed of Trust, or (x) terminate the Lease. Any change, alteration, amendment, or other modification to the Lease without the prior written consent of Lender shall be void as to Lender.

Section 7. BLM Grazing Rights

Upon termination of the lease, Tenant agrees to mutually cooperate with Landlord and/or their assigns and execute all forms necessary to timely comply with BLM regulations to transfer the Grazing Rights, together with all cooperative agreements and range improvements used in connection with said grazing permit to Landlord and/or their assigns.

Section 8. Rental Payments

Landlord agrees that Tenant shall not be required to pay rent more than 90 days in advance of any normal payment date, and Tenant agrees that it shall not tender rent to Landlord more than 90 days in advance of its payment date.

Section 9. Modification.

This Agreement may not be modified other than by an agreement in writing signed by the parties or by their respective successors in interest.

Section 10. Attorney Fees.

If any party commences any action against any other party based on this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees, expenses, and costs of suit.

Section 11. Notices.

In this Agreement, wherever it is required or permitted that notice and demand be given by any party to another party, that notice or demand shall be given in writing and forwarded by certified mail, addressed as follows:

For Landlord: HC 62 Box 177, Eureka, Nevada 89316

For Tenant: PO Box 10, Paradise Valley, Nevada 89426

For Sadler: PO Box 831 Forest Knolls, California 94933

For Lender: P.O. Box 2088, Elko, Nevada 89803



Any party may change an address given for notice by giving written notice of that change by certified mail to all other parties.

Section 12. Successors.

This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, successors, and assigns.

Section 13. Authority.

If any party is a corporation, a partnership, or a limited liability company, all individuals executing this Agreement on behalf of a corporation, partnership, or limited liability company represent and warrant that they are authorized to execute and deliver this Agreement on behalf of the corporation, partnership, or limited liability company and that this Agreement is binding upon the corporation, partnership, or limited liability company

Section 14. Headings.

The headings of this Agreement are for reference only and shall not limit or define any meaning of this Agreement.

Section 15. Counterparts.

This Agreement may be executed in one or more counterparts, each of which is an original, but all of which shall constitute one and the same instrument.

Section 16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

The parties have duly executed this Agreement as of the date first above written.

This document must be acknowledged before a Notary Public.

Lender

American AgCredit, FLCA

By: _____

Ray Connelly, Vice President and Branch Manager

STATE OF Nevada
COUNTY OF Elko

This instrument was acknowledged before me on Sept. 11, 2011 by Ray Connelly as Vice President and Branch Manager of American AgCredit, FLCA.

Sarah Kivisto
Notary Public



Tenant

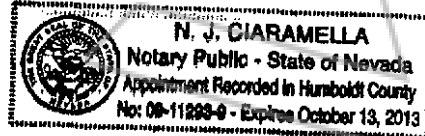
Kenneth Buckingham
Kenneth Buckingham

STATE OF Nevada
COUNTY OF Humboldt

This instrument was acknowledged before me on 9/20/11 by Kenneth Buckingham.

N. J. Ciaramella
Notary Public

Landlord



Lundahl Research Ranch, Inc., a Nevada corporation

By: _____
Mark Lundahl, President

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Mark Lundahl as President of Lundahl Research Ranch, Inc., a Nevada corporation.

Notary Public

Sadler

Sadler Ranch, LLC, a Nevada limited liability company

By: _____
Theodore A. Yednock, Trustee of Theodore Yednock Revocable Trust dated September 18, 2008, Member

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Theodore A. Yednock.

Notary Public



Tenant

Kenneth Buckingham

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Kenneth Buckingham.

Notary Public

Landlord

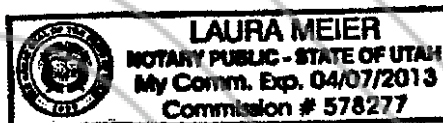
Lundahl Research Ranch, Inc., a Nevada corporation

By: Mark Lundahl
Mark Lundahl, President

STATE OF Utah
COUNTY OF Cache

This instrument was acknowledged before me on Sept 21, 2011 by Mark Lundahl as President of Lundahl Research Ranch, Inc., a Nevada corporation.

Laura Meier
Notary Public



Sadler

Sadler Ranch, LLC, a Nevada limited liability company

By: _____
Theodore A. Yednock, Trustee of Theodore Yednock
Revocable Trust dated September 18, 2008, Member

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Theodore A. Yednock.

Notary Public



Tenant

Kenneth Buckingham

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Kenneth Buckingham.

Notary Public

Landlord

Lundahl Research Ranch, Inc., a Nevada corporation

By: _____
Mark Lundahl, President

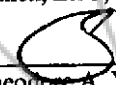
STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ by Mark Lundahl as President of Lundahl Research Ranch, Inc., a Nevada corporation.

Notary Public

Sadler

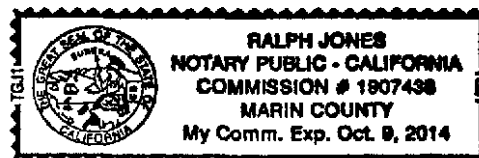
Sadler Ranch, LLC, a Nevada limited liability company

By: 
Theodore A. Yednock, Trustee of Theodore Yednock Revocable Trust dated September 18, 2008, Member

STATE OF CALIFORNIA
COUNTY OF MARIN

This instrument was acknowledged before me on 9/16/2011 by Theodore A. Yednock.


Notary Public



Subordination, Nondisturbance, and Attornment Agreement (12-05) Page 5 of 5



218629

Book: 521 09/26/2011
Page: 368 7 of 8

EXHIBIT A

Parcel 1:

TOWNSHIP 24 NORTH, RANGE 52 EAST, M.D.B.&M.

Section 1: SE $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 24 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 6: S $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lots 4 and 5 of NW $\frac{1}{4}$;
E $\frac{1}{4}$ SW $\frac{1}{4}$; Lot 7 of SW $\frac{1}{4}$; SE $\frac{1}{4}$

Section 7: N $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$; Lot 1 of NW $\frac{1}{4}$

Parcel 2:

TOWNSHIP 24 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 6: Lot 6

Parcel 3:

TOWNSHIP 24 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 7: Lot 2; SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$



218629

Book: 521 09/26/2011
Page: 369 8 of 8