

Escrow No. F73553CA

**WHEN RECORDED, MAIL TO:**

WESTERN TITLE COMPANY, INC.  
1626 HWY 395  
MINDEN, NV 89423  
FILE F73553CA

**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 SUBORDINATION AGREEMENT ("Agreement") is made this 5 day of NOV., 1996, by WENCO, INC., a Nevada corporation, hereinafter referred to as "Wenco", present owner and holder of the judgment issued in the Ninth Judicial District Court of the State of Nevada in and for the County of Douglas first hereinafter described, and **FOOTHILL DEVELOPMENT GROUP, A LIMITED-LIABILITY COMPANY**, a Nevada limited-liability company, hereinafter referred to as "Buyer" with reference to the following facts and is as follows:

**RECITALS:**

A. A Judgment was issued and filed against **MINDEN IRONWOOD PARTNERS, a Nevada limited Partnership**, hereinafter referred to as "Minden Ironwood", in the Ninth Judicial District Court of the State of Nevada in and for the County of Douglas (the "Judgment") in favor of Wenco, in the original amount of \$1,000,000.00, which was recorded September 2, 1994, as Document No. 345431, in Book 994, Page 0399, Official Records of Douglas County, encumbering all that certain real property (the "Property") situate in Douglas County, State of Nevada, described in Exhibit "A" attached hereto and incorporated herein by this reference;

B. Buyer is purchasing the Property from Minden Ironwood, and in connection therewith has executed a deed of trust and note (the "Loan") in the amount of \$1,412,000.00 dated October 9, 1996, in favor of **COMSTOCK BANK**, a Nevada corporation, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of Trust (the "New Deed of Trust") is to be recorded concurrently herewith.

C. It is a condition precedent to obtaining the Loan that the New Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the lien or charge of the Judgment.

1.

Hale, Lane, Peek, Dennison and Howard  
Attorneys and Counsellors at Law  
Reno, Nevada  
(702) 786-7900

**400971**

**BK 1196 PG 2348**

D. Lender is willing to make the Loan provided the New Deed of Trust is a lien or charge upon the Property prior and superior to the lien or charge of the Judgment and provided that Wenco will specifically and unconditionally subordinate the lien or charge of the Judgment to the lien or charge of the New Deed of Trust.

E. It is to the mutual benefit of the parties hereto that Lender make the Loan to Buyer; and Wenco is willing that the New Deed of Trust shall, when recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the Judgment.

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, it is hereby declared, understood and agreed as follows:

(1) That the New Deed of Trust securing the 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 Judgment.

(2) That Lender would not make the Loan without this Agreement.

(3) That this Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Judgment to the lien or charge of the New Deed of Trust 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 which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages. Wenco declares, agrees and acknowledges that:

(a) Wenco consents to and approves (i) all provisions of the Loan and the New Deed of Trust, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Buyer and Lender for the disbursement of the proceeds of the 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) Wenco intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Judgment in favor of the lien or charge upon the Property of the New Deed of Trust 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

2.

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be entered into which would not be made or entered into but for Lender's reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the Deed of Trust that the Deed of Trust has by this instrument been subordinated to the lien or charge of the New Deed of Trust.

**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 PROPERTY.**

**WENCO, INC., a Nevada corporation,**

By: Ronald F. Tolotti  
RONALD F. TOLOTTI  
Its: President  
President

**"Wenco"**

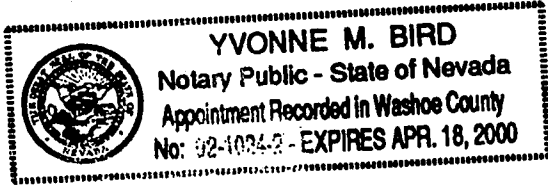
**FOOTHILL DEVELOPMENT GROUP,  
A LIMITED-LIABILITY COMPANY,  
a Nevada limited liability company**

By: Douglas P. Rastello  
DOUGLAS P. RASTELLO  
Its: Managing Member  
MANAGING MEMBER

**"Buyer"**

STATE OF NEVADA )  
 )  
 ) SS:  
COUNTY OF Washoe )

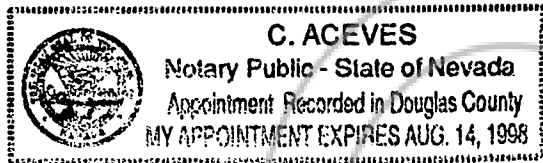
This instrument was acknowledged before me on 11-5-96, 1996, by Ron Tabata, as pres, of WENCO, INC., a Nevada corporation.



Yvonne M. Bird  
Notary Public  
My Commission Expires: 4-18-2000

STATE OF NEVADA )  
 )  
 ) SS:  
COUNTY OF Douglas )

This instrument was acknowledged before me on November 7, 1996, by Douglas P. Rastello, as Managing Member of FOOTHILL DEVELOPMENT GROUP, A LIMITED-LIABILITY COMPANY, a Nevada limited-liability company.



C. Aceves  
Notary Public  
My Commission Expires: 8-14-98

## DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of Section 30, Township 13 North, Range 20 East, M.D.B. & M.,, Douglas County, Nevada, described as follows:

Parcel 4-A-1, as set forth on Parcel Map #3 for MINDEN IRONWOOD PARTNERS, filed for record in the office of the County Recorder of Douglas County, State of Nevada on January 24, 1995, in Book 195, Page 3133, as Document No. 354903.

Together with the following described property as shown in Abandonment 96-03 recorded October 7, 1996, Book 1096, Page 948 as Document No. 398149.

Commencing at the Southwest corner of Block "A" as shown on the Final Map of Westwood Village Unit No. 1, Document No. 37417, Douglas County, Nevada Recorder's Office, the POINT OF BEGINNING;

thence North 88° 47' 55" West, 30.00 feet;

thence North 00° 18' 00" East, 921.65 feet;

thence South 89° 42' 00" East, 30.00 feet;

thence South 00° 18' 00" West, 922.12 feet to the POINT OF BEGINNING.

A.P.N. 17-222-11

REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'96 NOV 14 P4:03

LINDA SLATER  
RECORDER  
\$11.00 PAID k Deputy

400971

BK 1196 PG 2352