

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

2003 NOV -6 PM 3:42

WERNER CHRISTEN
RECORDER

\$19⁰⁰ PAID *KJ* DEPUTY

Recording Requested by:

APN: 1220-08-000-023

APN: 1220-08-000-024

WHEN RECORDED MAIL TO:

Intermountain Production Credit
Association
PO Box 20727
Reno, NV 89515-0727

89109 F16

Space Above This Line For Recorder's Use

Loan No's.: 3035646 & 3037053

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 6th day of October, 2003 by Chris E. Hellwinkel, also known as Chris Emmett Hellwinkel and Valree C. Hellwinkel, also known as Valree Hellwinkel, husband and wife owner of the land hereinafter described and hereinafter referred to as "Owner," and Elmer Hellwinkel and Betty Hellwinkel, husband and wife present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Chris E. Hellwinkel, also known as Chris Emmett Hellwinkel and Valree C. Hellwinkel, also known as Valree Hellwinkel, husband and wife did execute a deed of trust, dated December 23, 1986, to Lawyers Title of Northern Nevada, Inc., as trustee, covering:

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

to secure a note in the sum of \$207,000.00, dated December 23, 1986, in favor of Elmer Hellwinkel and Betty Hellwinkel, husband and wife, which deed of trust was recorded December 30, 1986, in Book 1286, at Page 3580, as Instrument No. 147514 of Official Records of Douglas County, State of Nevada; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$90,000.00, dated October 6, 2003, and a note in the sum of \$200,000.00 in favor of Intermountain 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 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 ASN 1013 (4-95) Subordination Agreement (Page 1 of 3)

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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) \$290,000.00 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 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 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.

Dated: October 6, 2003

Beneficiary

Owner

✓ Elmer Hellwinkel

Elmer Hellwinkel

✓ Chris E. Hellwinkel

Chris E. Hellwinkel

Valree C. Hellwinkel

Valree C. Hellwinkel

STATE OF NEVADA)

COUNTY OF *Douglas*)

This instrument was acknowledged before me on Oct 30, 2003 by Chris Emmett Hellwinkel, Valree C. Hellwinkel and Elmer Hellwinkel who appeared before me.

Terry Lundergreen
Signature of Notarial Officer

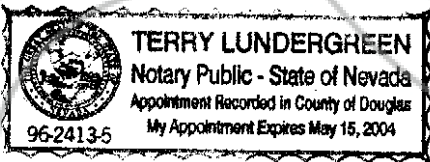


EXHIBIT "A"

All that real property situate in the County of Douglas, State of Nevada, described as follows:

PARCEL ONE:

A parcel of land located within portions of the Southwest one-quarter (SW1/4) and the Southeast one-quarter (SE 1/4) of Section 8, Township 12 North, Range 20 East, Mount Diablo Mountain meridian, more particularly described as follows:

Commencing at the corner common to Sections 7, 8, 17 and 18, T.12N., R.20E., M.D.M., a found 1/2" iron pipe, no tag, the POINT OF BEGINNING;

Thence along the west line of said Section 8, North 00°23'48" West, 66.82 feet;

Thence North 89°42'04" East, 14.30 feet along a line as agreed to on the Record of Survey to Support a Boundary Line Adjustment for Chris and Valree Hellwinkel and Hulbert Family Trust and by Affidavit of Acknowledgement of Property Boundary with F. Heise Land & Livestock recording concurrent herewith, to an existing fence corner;

Thence along an existing fence as agreed to by said Hellwinkel Record of Survey and said Affidavit, North 01°28'02" West, 64.97 feet to an existing fence corner;

Thence along an existing fence as agreed to by said Hellwinkel Record of Survey and said Affidavit, North 68°03'19" East, 2790.71 feet to an existing fence corner;

Thence along an existing fence as agreed to by said Hellwinkel Record of Survey and said Affidavit, North 03°13'30" West, 58.57 feet to an angle point in said existing fence line;

Thence along an existing fence as agreed to by said Hellwinkel Record of Survey and said Affidavit with F. Heise Land & Livestock and as agreed to by Affidavit of Acknowledgement of Property Boundary with Hulbert Family Trust recording concurrent herewith, North 00°18'25" West, 117.76 feet;

Thence North 89°25'42" East, 662.05 feet to an angle point in an existing fence line;

Thence along said existing fence, South 27°14'42" East, 34.53 feet to an angle point in said existing fence line;

Thence along an existing fence, North 89°15'04" East, 311.50 feet to an angle point in said existing fence line;

Thence South 69°26'09" East, 115.24 feet to an angle point in said existing fence line;

Thence South 85°06'08" East, 83.61 feet to an angle point in said existing fence line;

Thence South 55°10'45" East, 26.82 feet to a point in said existing fence line;

Thence South 80°12'01" West, 76.48 feet;

Thence South 47°25'11" West, 424.88 feet;

Thence South 42°45'30" West, 343.24 feet;

Thence South 38°22'06" West, 121.99 feet;

Thence South 30°13'09" West, 484.55 feet;

Thence South 40°05'30" West, 149.80 feet to a point in an existing fence line;

Thence South 00°21'58" East, 65.85 feet to a point on the south line of said Southeast one-quarter (SE 1/4) of Section 8;

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EXHIBIT "A"

Thence along said south line of the Southeast one-quarter (SE ¼) of Section 8, South 89°38'02" West, 155.70 feet to the south one-quarter corner of said Section 8, a found 1/2 " iron pipe, no tag;

Thence along the south line of the Southwest one-quarter (SW ¼) of said Section 8, South 89°34'00" West, 2606.74 feet to the POINT OF BEGINNING.

The Basis of Bearing of this description is South 00°32'58" East, the west line of Parcel 1 as shown on the Record of Survey for James A. and Geraldine Lawrence Nevada Trust et al recorded August 16, 2002 in the Office of Recorder, Douglas County, Nevada as Document No. 549590.

*
PARCEL TWO:

A parcel of land located within a portion of the Southeast one-quarter (SE1/4) of Section 8, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the corner common to Sections 7, 8 17 and 18, T. 12N., R.20E., M.D.M., a found ½" iron pipe, no tag:

Thence along the south line of the Southwest one-quarter of said Section 8, North 89°34'00" East, 2606.74 feet to the south one-quarter corner of said Section 8, a found ½" iron pipe, no tag:

Thence along the south line of the Southeast one-quarter of said Section 8, North 89°38'02" East, 155.70 feet to the POINT OF BEGINNING;

Thence North 00°21'58" West, 65.85 feet;

Thence North 40°05'30" East, 149.80 feet;

Thence North 30°13'09" East, 484.55 feet;

Thence North 38°22'06" East, 121.99 feet;

Thence North 42°45'30" East, 343.24 feet;

Thence North 47°25'11" East, 424.88 feet;

Thence North 80°12'01" East, 76.48 feet to an angle point in an existing fence line;

Thence South 40°14'29" East, 53.69 feet to an angle point in an existing fence line;

Thence along an existing fence line, South 24°05'33" East, 30.26 feet to an angle point in an existing fence line;

Thence South 00°20'09" West, 184.08 feet;

Thence North 89°47'33" East, 76.26 feet to a point on the east line of the Southwest one-quarter of the Southeast one-quarter of said Section 8;

Thence along said east line, South 00°12'27" East, 987.48 feet to the southeast corner of said Southwest one-quarter of the Southeast one-quarter of Section 8;

Thence along said south line of the Southeast one-quarter of Section 8, South 89°38'02" West, 1162.72 feet to the POINT OF BEGINNING, containing 20.92 acres, more or less.

The Basis of Bearing of this description is South 00°32'58" East, the west line of Parcel 1 as shown on the Record of Survey for James A. and Geraldine Lawrence Nevada Trust et al recorded August 16, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 549590.

*NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain Grant, Bargain, Sale Deed, recorded in the office of the County Recorder of Douglas County, Nevada on June 26, 2003, in Book 0603, Page 14393 as Document No. 581508, of Official Records.

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Attachment to Subordination Agreement
October 6, 2003
Chris E. Hellwinkel

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EXHIBIT "A"

TOGETHER WITH all of the Trustor's right to any and/or all water and water rights, ditch and ditch rights, appurtenant to the above described land including, but not limited to, the right to irrigate with water diverted from the East Fork of the Carson River through the Louis Heitman Co. and Heise Co. Ditches, as allotted to Elmer Hellwinkel and Betty Hellwinkel under Claim Nos. 273, 281, 303 and 303a in the Final Decree (pages 51 & 53) in the United States District Court for the District of Nevada in the action entitled "The United States of America, Plaintiff, vs. Alpine Land and Reservoir Company, a corporation, et al., Defendants." Civil Case No. D-183 BRT

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain *Grant Bargain Sale Deed*, recorded in the office of the County Recorder of *Douglas* County, Nevada on *June 26, 2003* in Book *0603*, Page *14390* as Document No. *581507*, of Official Records.

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