

17- THIS DOCUMENT IS BEING EXECUTED
IN COUNTERPARTS.

DOC # 0698411
04/03/2007 09:40 AM Deputy: CF

OFFICIAL RECORD

Requested By:

STEWART TITLE OF CHURCHILL

COUNTY

Douglas County - NV
Werner Christen - Recorder

Page: 1 Of 4 Fee: 17.00
BK-0407 PG- 471 RPTT: 0.00



A.P.N. # 1420-26-301-031

ESCROW NO. 07010328

RECORDING REQUESTED BY:

STEWART TITLE COMPANY

The undersigned hereby affirms that this document submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.303)

WHEN RECORDED MAIL TO:

Mr. Hooper

P.O. Box 268

Springerville, AZ 85938

(Space Above for Recorder's Use Only)

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 March 15, 2007, by BK Construction, Inc., a Nevada corporation owner of the land hereinafter described and hereinafter referred to as "Owner", and Hooper Management Family, LLLP, an Arizona Limited liability limited partnership present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, Owner did execute a deed of trust, dated March 7, 2007, to Stewart Title of Churchill County, a Nevada corporation as Trustee, covering: SEE ATTACHED EXHIBIT "A" to secure a note in the sum of \$199,000.00, in favor of Hooper Management Family, LLLP, an Arizona Limited liability limited partnership, which deed of trust was recorded March 15, 207, as instrument number 697051, in book 307, page 4398, Official Records of Douglas; and is subject and subordinate to the deed of trust hereinafter described; and

WHEREAS, Owner did on March 27, 2007, execute a deed of trust to Stewart Title of Churchill County, as trustee, covering said land and securing an indebtedness in the amount of \$70,000.00, in favor of Vivian H. Pennington, successor trustee of the Pennington Family Revocable Trust, hereinafter referred to as "Lender", which deed of trust was recorded March 15, 2007, as instrument number 697052, in Book 307, Page 4403, Official Records of Douglas county and provides among other things that it shall also secure additional loans and advances thereafter made upon the terms and conditions therein set forth; and

WHEREAS, it is a condition precedent to obtaining said loan 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 make said loan 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 make such loan 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 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 above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said 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 deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (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 agreement 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) He 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) He 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;
- (d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

continued on next page



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.

Owner

Robert B. Hooper
Beneficiary Robert B Hooper

Owner

Beneficiary

Owner

Beneficiary

Owner

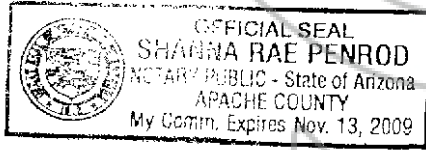
Beneficiary

Arizona
STATE OF ~~NEVADA~~ }
COUNTY OF Apache } ss.

DATE: _____

This instrument was acknowledged before me on March 19, 2009
by Robert B. Hooper

Signature Shanna Rae Penrod
Notary Public



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Bill Keaper
Owner Bill Keaper

Beneficiary

Debra Keaper
Owner Debra Keaper

Beneficiary

Owner

Beneficiary

Owner

Beneficiary

STATE OF NEVADA
COUNTY OF Douglas ss.

DATE: 3/14/07

This instrument was acknowledged before me on 3/14/2007,
by William Keaper
Debra Keaper

Signature Audrey Wilson
Notary Public

