



SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT made the 24th day of August 2010, between PENTAGON FEDERAL CREDIT UNION, ("Existing Mortgagee") and PENTAGON FEDERAL CREDIT UNION ("Pentagon").

WITNESSETH:

WHEREAS, the Existing Mortgagee now owns and holds the following Mortgage, Deed of Trust or Security Deed, ("Existing Security Instrument") and the bond or note secured thereby:

Deed of Trust to secure an indebtedness of **\$126,000.00** made by **Michael B Ballinger and Rondalee Ballinger** as dated **June 6, 2009**, recorded **June 16, 2009** as instrument No. **745208** of official records, among the land records in the **County of Douglas, and State of Nevada**, covering the premises described therein (the "Premises").

WHEREAS, the present owner of the Premises is about to execute and deliver to Pentagon, a Mortgage, Deed of Trust or Security Deed, (New Security Instrument) to secure the principal sum of **\$380,000.00** and interest, covering the Premises and more fully described in said Security Instrument; and

WHEREAS, Pentagon has refused to accept the New Security Instrument from **Michael B Ballinger and Rondalee Ballinger**, unless the Existing Security Instrument is subordinated to the New Security Instrument.



NOW, THEREFORE, in consideration of the Premises and to induce Pentagon to accept the New Security Instrument and also in consideration of one dollar paid to the Existing Mortgagee, the receipt of which is hereby acknowledged, the Mortgagee hereby covenants and agrees with Pentagon that the Existing Security Instrument be, is and shall continue to be subject and subordinate to the New Security Instrument in the amount of \$380,000.00 about to be delivered to Pentagon, and to all advances made or which hereafter may be made thereon (including but not limited to all sums advanced for the purpose of paying brokerage commissions, consideration paid for making the loan, mortgage recording tax, documentary stamps, fees for examination of title, surveys, and any other disbursements and charges in connection therewith) to the extent of the last mentioned amount and interest, and all such advances may be made without notice to the Existing Mortgagee.

This agreement may not be changed or terminated orally. This agreement shall bind and enure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the Existing Mortgagee has duly executed this agreement the day and year first above written.

IN PRESENCE OF: PENTAGON FEDERAL CREDIT UNION

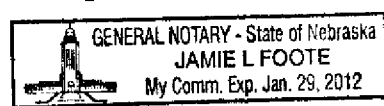
[Signature] Title: Assistant Treasurer

STATE OF NEBRASKA)
)
COUNTY OF DOUGLAS) ss:

I HEREBY CERTIFY, that on this 24th day of August, 2010, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared Adrenne Messier, the Assistant Treasurer of PENTAGON FEDERAL CREDIT UNION, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he/she executed the same, on behalf of PENTAGON FEDERAL CREDIT UNION.

[Signature]
Notary Public

My commission expires: 1/29/2012





CHICAGO TITLE INSURANCE COMPANY

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF DOUGLAS, STATE OF NEVADA AND IS DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND IN CITY OF GARDNERVILLE, DOUGLAS COUNTY, STATE OF NEVADA, AS MORE FULLY DESCRIBED IN DEED DOC # 0693781, ID# 121915002020, BEING KNOWN AND DESIGNATED AS LOT 14, BLOCK 2, JOBS PEAK RANCH UNIT 1.

BY FEE SIMPLE DEED FROM .B. BALLINGER AND RONDA BALLINGER, TRUSTEES OF THE THE BALLINGER FAMILY TRUST AS SET FORTH IN DEED DOC # 0693781, DATED 01/12/2007 AND RECORDED 01/26/2007, DOUGLAS COUNTY RECORDS, STATE OF NEVADA.

