

14-010-18; 14-010-20; 14-010-21
A.P.N. # 14-010-22; 14-010-23; 14-010-08
ESCROW NO. 19030978
RECORDING REQUESTED BY:
COW COUNTY TITLE

125077

FILED FOR RECORDING
AT THE REQUEST OF

Cow County Title

2005 AUG 25 PM 4 49

LINCOLN COUNTY RECORDER
FEE 17.00 DEF au
LESLIE BOUCHER

WHEN RECORDED MAIL TO:

SUN WEST BANK
C/O Cow County Title
761 S. Raindance Dr.
Pahrump NV 89048

(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 August 23, 2005, by 325 EAST FOURTH STREET LLC, a Nevada Limited Liability Company, owner of the land hereinafter described and hereinafter referred to as "Owner", and SUN WEST BANK present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary".

WITNESSETH

THAT WHEREAS, 325 EAST FOURTH STREET LLC, a Nevada Limited Liability Company did execute a deed of trust, dated May 12, 2005 to COW COUNTY TITLE CO., as Trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$1,400,000.00, in favor of SUN WEST BANK which deed of trust was recorded May 13, 2005 in Book 201 of Official Records, page 422 as File No. 124602, Lincoln County, Nevada records; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$840,000.00, dated August 23, 2005, in favor of DESERT ROSE ENTERPRISES, LLC, a Nevada Limited Liability Company, 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, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$850,000.00, dated August 24, 2005, in favor of CALIENTE LAND COMPANY, a Nevada Limited Liability Company, 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

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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.

325 EAST FOURTH STREET LLC

[Signature]
Owner Managing Member

Sun West Bank

[Signature]
Beneficiary Senior Vice President

Owner _____

Beneficiary _____

Owner _____

Beneficiary _____

Owner _____

Beneficiary _____

STATE OF NEVADA }
COUNTY OF CLARK } ss.

DATE: 8-24-05

This instrument was acknowledged before me on
by: JOHN H. HUSTON MANAGING MEMBER 325 EAST FOURTH STREET LLC and CHARYL A. MOSS SENIOR VICE PRESIDENT, SUN WEST BANK

Signature [Signature]
Notary Public

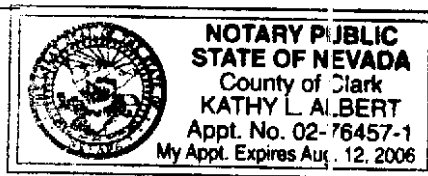


EXHIBIT "A"

LEGAL DESCRIPTION

ESCROW NO.: 19030978

PARCEL 1

That portion of land situate within the West Half (W1/2) of Section 2, Township 5 South, Range 66 East, M.D.B.&M., more particularly described as follows:

Parcels 3, 5, 6, 8, 9 of the Record of Survey Map of Large Parcels for 325 East Fourth Street L.L.C. recorded February 13, 2004, in Book C of Plats, Page 30 as File No. 121774, Lincoln County, Nevada records.

ASSESSOR'S PARCEL NUMBER FOR 2005-2006: 14-010-18
14-010-20
14-010-21
14-010-22
14-010-23

PARCEL 2

That portion of Lot 4 of Section 2, Township 5 South, Range 66 East M.D.B.&M., more particularly described as follows:

Parcel $\frac{1}{2}$ of that certain Parcel Map recorded August 22, 1994 in the Office of the County Recorder of Lincoln County, Nevada in Book A of Plats, Page 425 as File No. 102249, Lincoln County, Nevada records.

ASSESSOR'S PARCEL NUMBER FOR 2005-2006: 14-010-08

TOGETHER with any and all water rights ("Water Rights") appurtenant to or used on the above-described land; and

TOGETHER with the rights, easements and rights-of-way necessary and convenient to divert and use beneficially the Water Rights; and

TOGETHER with a non-exclusive easement and right-of-way in, over, and across any and all existing ditches, flumes, and distribution boxes (collectively "irrigation structures") necessary and convenient to the access to, operation, maintenance, replacement and repair of all such irrigation structures in order that all the lands irrigated or entitled to be irrigated pursuant to the Water Rights be irrigated in keeping with historic priorities and irrigation practices; and

TOGETHER with any and all grazing rights and allotments.