

Official Record

Recording requested By
MESQUITE TITLE

Lincoln County - NV

Leslie Boucher - Recorder

Fee: \$43.00

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RPTT:

Recorded By: DP

Book- 243 Page- 0064



0132271

APN 11-110-17#11-100-04

APN _____

APN _____

Title of Document

Affirmation Statement

X I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

_____ I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by law:

(State specific law)

[Signature], MESQUITE TITLE COMPANY
Signature Title

Signature

Date

Grantees address and mail tax statement:

WESTERN AG CREDIT, P.C.A.
P.O. BOX 95850
SO. JORDAN, UTAH 84095 -0850

APN NO. 11-110-17-11-100-04

WHEN RECORDED MAIL TO:

Western AgCredit, PCA
P.O. Box 95850
South Jordan, Utah 84095-0850

10419

Space Above This Line For Recorder's Use

Customer Number: 0007001887

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 June 30, 2008 by GEER RANCH, LLC, a Nevada Limited Liability Company, owner of the land hereinafter described and hereinafter referred to as "**Owner**", and Western AgCredit, PCA, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "**Beneficiary**";

WITNESSETH

THAT WHEREAS, BRYAN K. HAFEN and DAWN N. HAFEN, Trustees of the BRYAN K. AND DAWN N. HAFEN TRUST DATED AUGUST 31, 1998 did execute a deed of trust, dated November 19, 2007, to Western AgCredit, PCA 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 \$2,250,000.00 dated November 19, 2007, in favor of Western AgCredit, PCA, which deed of trust was recorded November 29, 2007, Entry No. 0130627, Book No. 237, Page No. 0666, Official Records of Lincoln County, State of Nevada; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$1,106,000.00, dated June 30, 2008, in favor of WESTERN AGCREDIT, FLCA, 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 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) \$1,106,000.00 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.

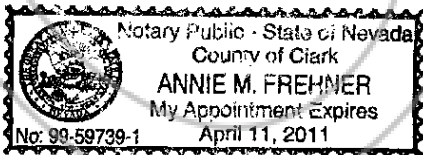
Owner:

GEER RANCH, LLC, a Nevada Limited Liability Company

By: Nelson E. Hafen
NELSON E. HAFEN, Manager

STATE OF Nevada,
COUNTY OF Clark ss.

On this 9th day of July, 2008, before me, the undersigned Notary Public in and for said County and State, personally appeared NELSON E. HAFEN [() personally known to me] [() proved to me on the basis of satisfactory evidence] to be the person(s) who executed the within instrument as MANAGER, or on behalf of the Limited Liability Company therein named, and acknowledged to me that the Limited Liability Company executed the within instrument pursuant to its articles of organization and operating agreement.



WITNESS my hand and official seal
Christine [Signature]
Notary Public in and for said County and State



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Beneficiary:

Western AgCredit, PCA

By: [Signature]
DAVID G. BROWN, Vice President – Credit Services

STATE OF UTAH)

ss.

COUNTY OF SALT LAKE)

On the 8th day of July, 2008, before me, the undersigned Notary Public in and for said County and State, personally appeared DAVID G. BROWN (X) personally known to me to be the person(s) who executed the within instrument as VICE PRESIDENT – CREDIT SERVICES or on behalf of the corporation therein named and acknowledged to me that the corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal

[Signature]
Notary Public in and for said County and State

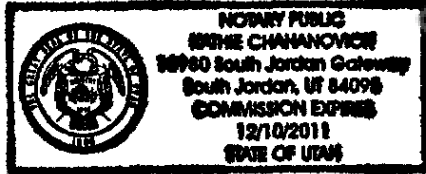


EXHIBIT "A" Legal Description

All that certain real property situated in the County of Lincoln, State of Nevada, described as follows:

All of the following described Parcels lie within Township 5 South, Range 60 East, M.D.B. & M.:

PARCEL ONE (1):

The Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) of Section 10;

PARCEL TWO (2):

The Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 11;

PARCEL THREE (3):

The South Half (S1/2) of the Southeast Quarter (SE1/4) of Section 14;

PARCEL FOUR (4):

The Northeast Quarter (NE1/4); the North Half (N1/2) of the Southeast Quarter (SE1/4) and the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of Section 23;

PARCEL FIVE (5):

The West Half (W1/2) of the Southwest Quarter (SW1/4) and the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 24;

PARCEL SIX (6):

The Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4); the South Half (S1/2) of the Northwest Quarter (NW1/4); the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4); the West Half (W1/2) of the Southeast Quarter (SE1/4) and the Southwest Quarter (SW1/4) of Section 25;

PARCEL SEVEN (7):

The Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 26;

PARCEL EIGHT (8):

The Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4); the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4); the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4); the North Half (N1/2) of the Southeast Quarter (SE1/4); the North Half (N1/2) of the Northwest Quarter (NW1/4) and the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of Section 36.

EXCEPTING FROM Parcels 3, 4, 5, 6 and 8, the interest in and to that portion as conveyed to the State of Nevada for road purposes by Deed recorded July 24, 1969 in Book N-1 of Real Estate Deeds, Page 417, Official Records, Lincoln County, Nevada.

Assessor's Parcel Number: 11-110-17, 11-100-04

TOGETHER WITH the following water rights registered with the State of Nevada
Division of Water Resources: Water Proof Number(s): 01825 and 01548.