

RECORDING REQUESTED BY:

RETURN TO:

WELLS FARGO FINANCIAL
3861 S. Carson Street
Carson City, NV 89701

APN 1220-16-210-199
21367-KTH / 83811 DTD

SUBORDINATION AGREEMENT

This agreement made this 9th day of November, 2000, between Wells Fargo Financial Nevada 2, Inc., fka Norwest Financial Nevada 2, Inc., (hereinafter referred to as subordinating creditor), and TEMPLE-INLAND MORTGAGE CORPORATION (hereinafter referred to as favored creditor), witnesseth:

That in consideration of subordinating creditor entering into this subordination agreement, favored creditor agrees to lend not to exceed \$101,750 in accordance with that certain agreement dated on or about December 14, 2000, between favored creditor and Merwin R. Flagg and Annette T. Flagg (debtor).

In consideration of favored creditor making aforesaid loan to debtor, subordinating creditor agrees that the mortgage/deed of trust (hereafter "mortgage") executed in its favor by the debtor recorded on February 15, 2000 and recorded in the records of Douglas County, State of Nevada as Instrument No. 486339 in Book 200, Page 2377, be subject, inferior, junior, secondary and subordinate to a mortgage which is executed by debtor in favor of favored creditor as security for the aforesaid loan, and that said mortgage and debt in favor of favored creditor shall have priority over said mortgage and debt in favor of subordinating creditor, with respect to the property legally described in the mortgage executed in favor of subordinating creditor described above to wit;

Lot 9 in Block G, as said Lot and Block are shown on that certain map entitled "Amended Map of Ranchos estates", filed for record on October 3, 1972, in Book 1072, Page 642, as Document No. 62493

Provided, however, that this agreement to subordinate shall not extend to any advances made by favored creditor after the date of the loan described above (except that this subordination agreement shall extend to any future advances made for taxes and insurance to protect favored creditor's interest), and provided, however, that this Agreement is based upon favored creditor's representation that subordinating creditor will not be reduced to less than a second mortgage position by virtue of executing this Agreement.

WELLS FARGO FINANCIAL NEVADA 2, INC.
Fka Norwest Financial Nevada 2, Inc.
Subordinating Creditor

By [Signature]
Steve R. Wagner, President

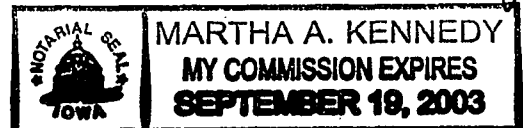
SEAL

STATE OF IOWA) COUNTY OF POLK)

The foregoing instrument was acknowledged before me this 9th day of November, 2000, by Steve R. Wagner, President of Wells Fargo Financial Nevada 2, Inc. that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and the said officer acknowledged said instrument to be the free act and deed of said corporation.

Martha A. Kennedy
Notary Public

Prepared by Wells Fargo Financial Nevada 2, Inc.



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BK 1200 PG 4408

COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 DEC 20 PM 3: 33

LINDA SLATER
RECORDER

\$ 8.00 PAID KJ DEPUTY

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