

Assessor Parcel No(s): 1318-15-804-004

22100684

RECORDATION REQUESTED BY:

**WHEN RECORDED MAIL TO:**

Business Bank of Nevada  
Credit Department  
6085 W. Twain Ave.  
Las Vegas, NV 89103-1228

**SEND TAX NOTICES TO:**

Tahoe Property Consultants, LLC

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**NOTICE: THIS SUBORDINATION AGREEMENT - LEASE 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.**

**SUBORDINATION AGREEMENT - LEASE**

**THIS SUBORDINATION AGREEMENT - LEASE dated March 12, 2003, is made and executed among Tahoe Property Consultants, LLC ("Lessee"); Lake Salmon, LLC ("Borrower"); and Business Bank of Nevada ("Lender").**

**LEASE.** Lessee has executed one or more leases of the following described property (the "Subordinated Lease").

**REAL PROPERTY DESCRIPTION.** The Lease covers a portion of the following described real property located in Douglas County, State of Nevada:

See Exhibit "A", which is attached to this Subordination and made a part of this Subordination as if fully set forth herein.

The Real Property or its address is commonly known as 178 U. S. Highway 50, Zephyr Cove, NV 89448. The Real Property tax identification number is 1318-15-804-004

**REQUESTED FINANCIAL ACCOMMODATIONS.** Borrower and Lessee each want Lender to provide financial accommodations to Borrower in the form of (A) new credit or loan advances, (B) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (C) other benefits to Borrower. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

**LENDER'S LIEN.** As a condition to the granting of the requested financial accommodations, Lender has required that Lender's Lien be and remain superior to the Subordinated Lease.

**NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:**

**SUBORDINATION.** All of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired.

**LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee represents and warrants to Lender that: (A) no representations or agreements of any kind have been made to Lessee which would limit or qualify in any way the terms of this Subordination; (B) this Subordination is executed at Borrower's request and not at the request of Lender; (C) Lender has made no representation to Lessee as to the creditworthiness of Borrower; and (D) Lessee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Lessee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Lessee's risks under this Subordination, and Lessee further agrees that Lender shall have no obligation to disclose to Lessee information or material acquired by Lender in the course of its relationship with Borrower.

**LESSEE WAIVERS.** Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

**LENDER'S RIGHTS.** Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the

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**SUBORDINATION AGREEMENT - LEASE  
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Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

**DEFAULT BY BORROWER.** If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

**NONDISTURBANCE.** So long as Lessee is not in default in the performance of the terms, provisions and conditions contained in the Subordinated Lease and so long as Lessee observes the provisions of this Subordination:

**Joinder.** Lessee shall not be named or joined in any foreclosure, trustee's sale or other proceeding to enforce the Lender's Lien unless the joinder is required by law in order to perfect such foreclosure, trustee's sale or other proceeding;

**Enforcement.** The enforcement of the Lender's Lien shall not terminate the Subordinated Lease or disturb Lessee in the possession and use of the Premises; and

**Transfer.** The leasehold estate granted by the Subordinated Lease shall not be affected in any manner by any transfer of the Real Property or any other proceeding instituted or action taken under or in connection with the Lender's Lien, or by Lender's taking possession of the Real Property in accordance with any provision of the Lender's Lien; provided that Lender, if it becomes the Purchaser or if it takes possession under the Lender's Lien, and any other Purchaser shall not: (i) be liable for any damages or other relief attributable to any act or omission of any prior landlord under the Subordinated Lease (including Borrower); (ii) be liable for any damages or other relief attributable to any latent or patent defects in construction with respect to any portion of the Property; (iii) be liable for any consequential damages attributable to any act or omission of Purchaser; (iv) be liable for any damage or other relief attributable to any breach of any representation or warranty contained in the Subordinated Lease by Purchaser or any prior landlord under the Subordinated Lease; (v) be subject to any offsets or defense not specifically provided for in the Subordinated Lease and which Lessee may have against any prior landlord under the Subordinated Lease; or (vi) be bound by any prepayment by Lessee of more than one month's installment of rent or for any security deposit not actually delivered to Purchaser or by any modification or amendment of or to the Subordinated Lease unless the prepayment, amendment or modification shall have been approved in writing by Lender or by any subsequent beneficiary under the Lender's Lien.

**ATTORNMEN T.** If any Transfer of the Property should occur, and if Lessee is not in default under the Subordinated Lease, Purchaser shall be bound to Lessee and Lessee shall be bound to Purchaser under all of the terms, covenants and conditions of the Subordinated Lease for the balance of the Subordinated Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Subordinated Lease, all with the same force and effect as if Purchaser had been the original landlord under the Subordinated Lease. Lessee does hereby attorn to Purchaser, including Lender if it should become the Purchaser, as the landlord under the Subordinated Lease. This attornment shall be effective and self-operative without the execution of any further instruments, upon Purchaser's succeeding to the interest of the landlord under the Subordinated Lease.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Subordination:

**Amendments.** This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Arbitration.** Borrower and Lessee and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Subordination or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Subordination shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Lessee also will pay any court costs, in addition to all other sums provided by law. Fees and expenses shall include attorneys' fees that Lender, Trustee, or both incur, if either or both are made parties to any action to enjoin foreclosure or to any legal proceeding that Lessee institutes. The fees and expenses are secured by this Subordination and are recoverable from the Property.

**Authority.** The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Borrower's property, if any.

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**SUBORDINATION AGREEMENT - LEASE  
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**Caption Headings.** Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

**Governing Law.** This Subordination will be governed by, construed and enforced in accordance with federal law and the laws of the State of Nevada. This Subordination has been accepted by Lender in the State of Nevada.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Successors.** This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Borrower and Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

**Waive Jury.** All parties to this Subordination hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

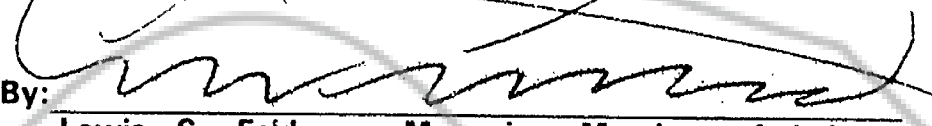
**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED MARCH 12, 2003.

**BORROWER:**

LAKE SALMON, LLC

By:   
Gordon R. Lane, Managing Member of Lake Salmon, LLC

By:   
Lewis S. Feldman, Managing Member of Lake Salmon, LLC

**LESSEE:**

TAHOE PROPERTY CONSULTANTS, LLC

By:   
Gordon R. Lane, Manager of Tahoe Property Consultants, LLC

**LENDER:**

x   
Authorized Officer  
Susan C Potter

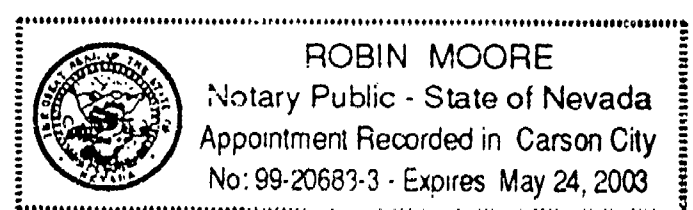
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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA )  
 ) SS  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me on 3/20/03 by Gordon R. Lane, Managing Member of Lake Salmon, LLC, as designated agent of Lake Salmon, LLC.

Robin Moore  
(Signature of notarial officer)  
Notary Public in and for State of NEVADA



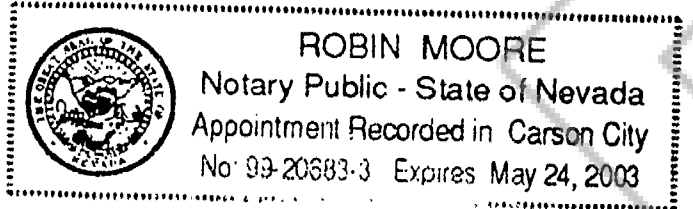
(Seal, if any)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA )  
 ) SS  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me on 3/20/03 by Lewis S. Feldman, Managing Member of Lake Salmon, LLC, as designated agent of Lake Salmon, LLC.

Robin Moore  
(Signature of notarial officer)  
Notary Public in and for State of NEVADA



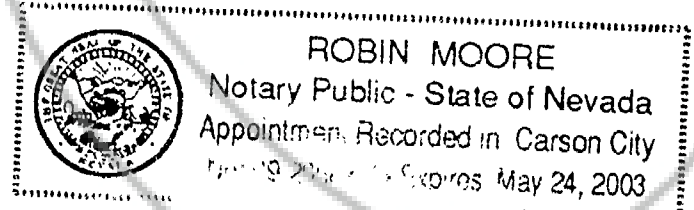
(Seal, if any)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA )  
 ) SS  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me on 3/20/03 by Gordon R. Lane, Manager of Tahoe Property Consultants, LLC, as designated agent of Tahoe Property Consultants, LLC.

Robin Moore  
(Signature of notarial officer)  
Notary Public in and for State of NEVADA



(Seal, if any)

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**SUBORDINATION AGREEMENT - LEASE  
(Continued)**


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**LENDER ACKNOWLEDGMENT**

STATE OF Nevada )  
 ) SS  
COUNTY OF Douglas )

This instrument was acknowledged before me on 3-17-03 by Susan C. Potter  
as designated agent of **Business Bank of Nevada.**

 BEVERLY A. STERLING  
Notary Public - State of Nevada  
Appointed and qualified in Douglas County  
August 1, 2005

(Seal, if any)

Beverly A. Sterling  
(Signature of notarial officer)  
Notary Public in and for State of Nevada

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**EXHIBIT "A"**

PARCEL 1

A parcel of land situate in the Southwest 1/4 of Section 15, Township 13 North, Range 18 East, M.D.B. & M., Douglas County, Nevada, being more particularly described as follows:

COMMENCING at the intersection of the Westerly right-of-way line of the Nevada State Highway with the South line of said Section 15;

thence the South 1/4 corner of said Section bears North 89°51' West 1,003.75 feet;

thence North 47°36' West 60.41 feet along said right-of-way line to the POINT OF BEGINNING;

thence North 47°36' West 150 feet along said right-of-way line;

thence South 85°30' West 150 feet;

thence South 47°36' East 150 feet to the line of a fence;

thence North 85°30' East 150 feet along said fence line to the POINT OF BEGINNING.

Per NRS 111.312, this legal description was previously recorded on April 12, 2002, in Book 0402, at Page 3925, as Document No. 539437, of Official Records.

Assessor's Parcel No. 1318-15-804-004

PARCEL 2

An easement for the construction and maintenance of a permeant structure and any necessary easements, for the of parking vehicles and ingress, egress to the permeant structure during construction of the structure and for all times thereafter; including incidental rights of construction, maintenance, repair and replacement under, along, above and through all that portion of the Southwest 1/4 of the Southeast 1/4 of Section 15, Township 13 North, Range 18 East, M.D.M., more particularly described as follows:

BEGINNING at the Northwest corner of that certain parcel of land as described in Book Y of Deeds, at Page 264, Recorded on September 27, 1947;

thence South 47°36'00" East 150.00 feet;

thence South 00°04'08" West 28.73 feet;

thence North 89°55'52" West 37.09 feet;

thence North 29°33'49" West 149.27 feet to the POINT OF BEGINNING

Per NRS 111.312, this legal description was previously recorded on March 12, 2003, in Book 0303, at Page 4818, as Document No. 569711, of Official Records.

Assessor's Parcel No.: A Portion of 1318-15-804-003

REQUESTED BY  
**MARQUIS TITLE & ESCROW**  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

2003 MAR 21 PM 4: 18

RECORDED  
PAID K2 DEPUTY

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