

Recorded at the request of:

WHEN RECORDED MAIL TO:

**EL DORADO SAVINGS BANK
P.O. BOX 1208
PLACERVILLE, CA 95667**

Loan Number: 0131900970

03020641

Subordination Agreement

This Subordination Agreement (the "Agreement") is entered into as of MAY 15, 2003, by and between HARRY GANNATAL AND ETHEL M. GANNATAL, HUSBAND AND WIFE (individually and collectively, "Trustor") and El Dorado Savings Bank, F.S.B. ("EDSB"), with reference to the following facts:

A. EDSB is the current owner, holder, and beneficiary under a deed of trust (the "HELOC Deed of Trust"), dated DECEMBER 26, 2001, recorded on JANUARY 15, 2002, as Instrument No 0532346, in the Official Records of DOUGLAS County, encumbering the property described in the Legal Description set forth in Exhibit A to this Agreement (the "Property"), which is incorporated herein by this reference as though fully set forth. The HELOC Deed of Trust secures an open-end Home Equity Line of Credit Agreement in the principal amount of 50,000.00 (the "HELOC Agreement").

B. EDSB intends to extend credit, to be secured by another deed of trust encumbering the Property, in the principal amount of \$110,000.00 (the "New Deed of Trust"), for the purpose of refinancing the Property.

C. Trustor and EDSB intend that the lien created by the HELOC Deed of Trust is to be subordinate to the lien of the New Deed of Trust, as set forth in this Agreement.

NOW, THEREFORE, for a good and valuable consideration, receipt of which is hereby acknowledged, EDSB and Trustor hereby covenant and agree as follows:

1. The HELOC Deed of Trust, and all of the terms, covenants and provisions thereof and all rights, remedies of EDSB thereunder shall be subject and subordinate to the lien, terms and conditions of the New Deed of Trust, and to all sums secured thereby. The New Deed of Trust shall have the same force and effect as if executed and recorded prior to the execution and recordation of the HELOC Deed of Trust, but without in any manner releasing or relinquishing the encumbrance represented by the HELOC Deed of Trust.
2. Nothing in this Agreement shall be understood or construed to be a satisfaction, novation, release or relinquishment in whole, or in part, of the HELOC Agreement or the HELOC Deed of Trust.
3. It is the express intention of the parties to this Agreement that there shall be no merger of EDSB's interests in the Property granted by the New Deed of Trust and the HELOC Deed of Trust, respectively.
4. This Agreement shall be binding upon and inure to the benefit of Trustor and EDSB and their respective successors and assigns.
5. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.
6. This Agreement shall be governed by and construed under the laws of the state in which the Property is located.
7. This Agreement may be executed in counterparts and any such counterparts taken together shall constitute one original.

IN WITNESS WHEREOF, EDSB and Trustor have duly executed this Agreement as of the date first written above.

Trustor(s)	El Dorado Savings Bank
By: <u>Harry Gannatal</u> HARRY GANNATAL	By: <u>Karen Revers</u>
By: <u>Ethel Gannatal</u> ETHEL GANNATAL	Name: <u>Karen Revers</u>
	Title: <u>Vice President</u>

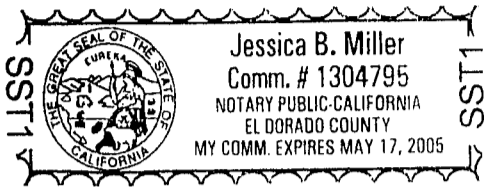
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State of California
County of El Dorado

On May 16, 2003, before me, Jessica B. Miller, Notary Public, personally appeared Karen Revers, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

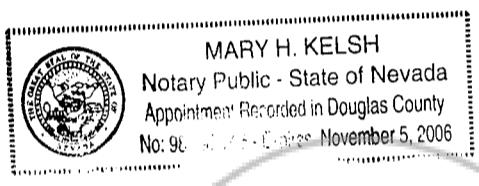


Jessica B. Miller
Signature of Notary

State of ~~California~~ Nevada
County of Douglas

On 5/29/03, before me, MARY H KELSH, Notary Public, personally appeared Harry Gannatal + ~~Deanna~~ Ethel Gannatal, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Mary H Kelsh
Signature of Notary

EXHIBIT "A"

(Legal Description of the Property)

LOT 20, OF LAKE VILLAGE, UNIT 2-A, ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON AUGUST 09, 1972, AS FILE NO. 61076.

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

2003 MAY 29 PM 3: 26

WERNER STRISLER
RECORDER

PAID KJ DEPUTY

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