

OFFICIAL RECORD

Requested By:
FIRST AMERICAN TITLE COMPANY

Douglas County - NV
Werner Christen - Recorder

Page: 1 Of 4 Fee: 17.00
BK-0106 PG-02909 RPTT: 0.00



A.P.N. 1318-16-810-005
when recorded mail to:
WFHM Final Docs X9999-01M
1000 Blue Gentian Road
Eagan, MN 55121

Space above line for recording purposes.

9965740509

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 is made this 23rd day of December 2005, by and between **Wells Fargo Bank, N.A.** a national bank (herein called "Lien Holder"), and **Wells Fargo Bank, N.A.**, a national bank (herein called the "Lender").

RECITALS

Lien Holder is the beneficiary/mortgagee under a deed of trust/mortgage, dated **November 13, 2003** executed by **Larry A. Zavadil, a married man as his sole and separate property** (the "Debtor") which was recorded in the county of **Douglas**, State of **Nevada**, in **Book 1103, Page 12656 as Instrument No. 598105** on **November 26, 2003** (the "Subordinated Instrument") covering real property located in **Zephyr Cove** in the above-named county of **Douglas**, State of **Nevada**, as more particularly described in the Subordinated Instrument (the "Property").

PLEASE SEE ATTACHED EXHIBIT "A" (Legal Description)

Lender will make a loan to the Debtor secured by a deed of trust/mortgage on the Property which will be recorded (the "Lender Instrument"). The Lender Instrument will secure a promissory note/line of credit agreement in the amount of **\$1,000,000.00**.

Lien Holder has agreed to execute and deliver this Subordination Agreement.

ACCORDINGLY, in consideration of the property and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lien Holder hereby agrees with Lender as follows:

1. Regardless of any priority otherwise available to Lien Holder, the lien of the Subordinated Instrument is, shall be and shall remain fully subordinate for all purposes to the lien of the Lender Instrument, to the full extent of the sum secured by the Lender Instrument, including not only principal and interest on the principal indebtedness secured thereby but all other sums secured by the Lender Instrument, excluding non-obligatory future advances.
2. Lien Holder warrants to Lender that Lien Holder presently owns the Subordinated Instrument and indebtedness secured thereby, free and clear of all liens, security interests and encumbrances.
3. This Agreement is made under the laws of the State of Nevada. It cannot be waived or changed, except by a writing signed by the parties to be bound thereby. This Agreement is made between Lender and Lien Holder. It shall be binding upon Lien Holder and the successors and assigns of Lien Holder, and shall inure to the benefit of, and shall be enforceable by, Lender and its successors and assigns. Neither the Debtor nor any other person (except Lender, its successors and assigns), shall be entitled to rely on, have the benefit of or enforce this Agreement.

IN WITNESS WHEREOF, this Subordination Agreement is executed on the day and year first above stated.

WELLS FARGO BANK, N.A.

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


By: Karla Bungert
Title: Vice President, Loan Documentation



STATE OF Minnesota)
) SS.
COUNTY OF Hennepin)

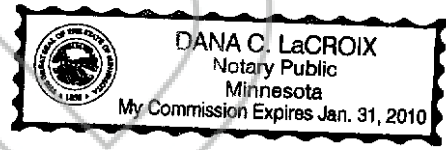
The foregoing instrument was acknowledged before me this 23rd day of December,
2005, by Karla Bungert, vice president, loan documentation of Wells Fargo Bank, N.A.
(bank officer name)

WITNESS my hand and official seal.

My commission expires: 1-31-2010



Notary Public



COOPER

Exhibit A

LOT 79, ELKS SUBDIVISION, AS SHOWN ON THE MAP RECORDED IN THE OFFICE OF THE COUNTY RECORDER MAY 5, 1927 IN THE BOOK 1 OF MAPS, DOUGLAS COUNTY RECORDS AND AMENDED MAP RECORDED JANUARY 5, 1928, IN BOOK 1 OF MAPS, DOCUMENT NO. 8537, DOUGLAS COUNTY RECORDS.

EXCEPTING ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING WITHIN THE BED OF LAKE TAHOE BELOW THE LINE OF NATURAL ORDINARY HIGH WATER AND ALSO EXCEPTING ANY ARTIFICIAL ACCRETIONS TO THE LAND WATERWARD OF THE LINE OF NATURAL ORDINARY HIGH WATER OR, IF LAKE LEVEL HAS BEEN ARTIFICIALLY LOWERED, EXCEPTING ANY PORTION LYING BELOW AN ELEVATION OF 6,223.00 FEET, LAKE TAHOE DATUM ESTABLISHED BY NRS 321.595.