

Order No.: 07-51688-SCC
Escrow No.: 07-51688-TO

APN No: 1418-34-110-017
WHEN RECORDED MAIL TO:

TSI Title And Escrow, Inc.
310 Dorla Court, Suite 210
Zephyr Cove, NV 89448



SUBORDINATION OF LIEN

WHEREAS, the undersigned Beneficiaries, are the owners and holders of a Deed of Trust dated November 15, 2005, and recorded November 17, 2005, as Document No. 0660925, in Book 1105, Page 7633, of Official Records in the office of the County Recorder and herein referred to as "Existing Deed of Trust" on the following described property:

See Exhibit "A" attached hereto and made a part hereof

Property Address: 1281 Lincoln Park Circle, Zephyr Cove, NV. 89448

WHEREAS, Zavadi Development, Inc., a Minnesota Corporation as owner (s) of said property desire to refinance the first lien on said property;

WHEREAS, it is necessary that the new lien to Robert S. Hardy, Trustee of the Hardy Community Property Trust u/a dated 02/01/99 which secures a note in the amount of \$2,305,000.00, hereinafter referred to as "New Deed of Trust" be a first lien on the premises in question;

WHEREAS, the undersigned Beneficiaries are willing to subordinate the lien of the "Existing Deed of Trust" to the lien of the "New Deed of Trust";

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned Beneficiaries hereby subordinates the lien of its "Existing Deed of Trust" to the lien of the "New Deed of Trust"; so that the "New Deed of Trust" will be prior in all respects and with regard to all funds advanced thereunder to the lien of the "Existing Deed of Trust".

IN WITNESS WHEREOF, the said Beneficiaries have executed this Subordination of Lien this
_____ day of _____, 2007

THIS SUBORDINATION OF LIEN IS BEING EXECUTED IN COUNTERPARTS FOR THE PURPOSE OF OBTAINING SIGNATURES, EACH OF WHICH IS DEEMED TO BE AN ORIGINAL, BUT SUCH COUNTERPARTS TOGETHER CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.

BENEFICIARIES:

Amelia Phipps Hollister Blanchard

Amelia Phipps Hollister Blanchard, Trustee
of the Amelia Phipps Hollister Blanchard Trust
created U/D/T dated December 20, 1996

Jean Hollister Marshall

Jean Hollister Marshall, Trustee
of the Marshall Family Trust dated October
21, 1987

Amelia H. Vaidya

Geoffrey H. DeRuntz
Geoffrey H. DeRuntz

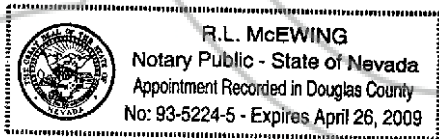
State of Nevada }
County of Douglas } ss:
On 12-8-2007

Before me, a Notary Public, personally appeared

Amelia Phipps Hollister Blanchard, Jean Hollister Marshall & Geoffrey H. DeRuntz

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



R.L. McEwing

NAME (TYPED OR-PRINTED)

THIS SUBORDINATION OF LIEN IS BEING EXECUTED IN COUNTERPARTS FOR THE PURPOSE OF OBTAINING SIGNATURES, EACH OF WHICH IS DEEMED TO BE AN ORIGINAL, BUT SUCH COUNTERPARTS TOGETHER CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.

BENEFICIARIES:

Amelia Phipps Hollister Blanchard, Trustee
of the Amelia Phipps Hollister Blanchard Trust
created U/D/T dated December 20, 1996

Jean Hollister Marshall, Trustee
of the Marshall Family Trust dated October
21, 1987

Amelia H. Vaidya
Amelia H. Vaidya

Geoffrey H. DeRuntz

State of Oregon }
County of Multnomah } ss:
On December 11, 2007
Before me, a Notary Public, personally appeared
Amelia Vaidya

[] personally known to me -or- [X] approved 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



Kirsten Van Pelt
Kirsten Van Pelt
NAME (TYPED OR PRINTED)

EXHIBIT "A"

Lot 8 and the South 30 feet of Lots 5 and 6 in Block C as shown on the Official Map of LINCOLN PARK SUBDIVISION, filed in the Office of the County Recorder September 7, 1921 as Document No. 305, Official Records of Douglas County, State of Nevada

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

