

THIS DOCUMENT HAS BEEN SIGNED IN COUNTERPART BUT SHALL BE DEEMED AS ONE ORIGINAL.

## AGREEMENT

This agreement ("Agreement") is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein "Borrower") and Innovative Properties of Tahoe, Inc. (herein "Lender").

WHEREAS, Borrower executed a Note Secured by Deed of Trust ("Note") in favor of Lender dated March 28, 1996 concurrent with the Borrower's execution of a Deed of Trust, Assignment of Leases and Security Agreement ("Deed of Trust") of same date.

WHEREAS, Borrower desires to reduce the principal sum of the Note in exchange for Lenders partial release of the secured property.

NOW THEREFORE, Borrower and Lender agree as follow:

1. Borrower agrees to pay into escrow the amount of ~~Seyenty~~ Seventy Five Thousand Dollars (\$75,000) to be credited against principal amount of the Note at closing.
2. Lender agrees to execute a partial release for the parcels 2 and 3 as those parcels are shown in Exhibit A. As consideration for Lender executing the above stated partial release, Borrower agrees to deliver to escrow an amendment to the Note and an amendment to the Deed of Trust in the forms shown in Exhibits B and C, respectively, wherein Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, "Manoukian") are named to those documents as additional Borrowers.
3. Lender acknowledges pursuant to paragraph 26 of the Deed of Trust that a) there is no default under the Note or Deed of Trust, b) by Borrower tendering the sum stated in paragraph 1 above will satisfy the partial release price, c) Douglas County and TRPA have approved the subdivision of the secured property, and d) the conditions of approval from Douglas County and TRPA allow for the building of a single family residence structure.

4. Lender agrees to execute any documentation that allows First American Title of Nevada to substitute as Trustee under the Deed of Trust.

BORROWER:

GARDNER ENTERPRISES, LLC

By: Richard K. Gardner  
Richard K. Gardner, Manager

By: Richard D. Gardner  
Richard D. Gardner, Manager

By: Nancy N. Gardner  
Nancy N. Gardner, Manager

LENDER:

INNOVATIVE PROPERTIES OF TAHOE, INC.

By: Cliff Hansen  
Cliff Hansen, President

State of Nevada  
County of Douglas

On this 26 day of August, 19 97 Cliff Hansen personally appeared before me,  
    whose identity I verified on the basis of \_\_\_\_\_  
 who is personally known to me,  
    whose identity I verified on the oath/affirmation of \_\_\_\_\_  
a credible witness,  
to be the signer of the foregoing document, and he/she acknowledged that he/she signed it.



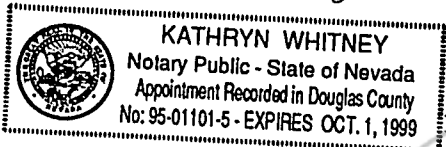
Karen Pawloski  
Notary Public 0422514  
My Commission expires: May 24, 2000  
BK0997PG5092

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
K. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/97

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
D. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/97

0422514

BK0997PG5093

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) SS.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Nancy N. Gardner is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/99

0422514

BK0997PG5094

EXHIBIT "A"

DESCRIPTION

Parcel No. 2 and 3 as shown on Parcel Map #97-004 for Gardner Enterprises, LLC. recorded August 20, 1997, in Book 897, Page 3450 at Document No. 419754.

Together with an easement for roadway and utility purposes over a strip of land 20 feet in width, the South line of which is parallel with and 20 feet Southerly, measured at a right angle, from the North line thereof and which North line is described as follows: Beginning at the Northeast corner of the hereinabove described parcel; thence from said POINT OF BEGINNING South 89°53'27" East to the Westerly right-of-way line of U.S. Highway 50. Said South line to be lengthened or shortened so as to extend from the Westerly right-of-way line of U.S. Highway 50 to the Easterly line of the hereinabove described parcel.

(portion) A.P. No. 03-220-05

0422514

BK0997PG5095

**Exhibit B**

Amendment to Note

COPY

0422514

BK0997PG5096

## Amendment to Note

This amendment to Note Secured by Deed of Trust ("Amendment to Note") is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein "Borrower") and Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, "Additional Borrower") and Innovative Properties of Tahoe, Inc. (herein "Lender").

WHEREAS, Borrower executed a Note Secured by Deed of Trust ("Note") in favor of Lender dated March 28, 1996.

WHEREAS, Lender has agreed by separate agreement to execute a partial release of a portion of the security for the Note.

WHEREAS, Borrower and Lender desire to modify that Note as follows:

1. AS consideration for Lender executing a partial release, Additional Borrower agrees hereby to assume the rights and liability of principal under the Note.

2. In no event is Borrower relieved of any liability by the execution of this Amendment to Note. In addition, all other terms and conditions under the Note shall remain in full effect.

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0422514

BK0997PG5097

BORROWER:

GARDNER ENTERPRISES, LLC

By: Richard Gardner  
Richard K. Gardner, Manager

By: Richard D. Gardner  
Richard D. Gardner, Manager

By: Nancy N. Gardner  
Nancy N. Gardner, Manager

ADDITIONAL BORROWER:

Paul D. Manoukian, M.D., M.P.H.  
Paul D. Manoukian, M.D., M.P.H.

Rebecca Gardiner Manoukian

0422514

BK0997PG5098



INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
K. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at Stateline  
My commission expires 10/1/99

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
D. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at Stateline  
My commission expires 10/1/99

0422514

BK0997PG5099

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Nancy W. Gardner is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.

[Seal or stamp]  KATHRYN WHITNEY  
Notary Public - State of Nevada  
Appointment Recorded In Douglas County  
No: 95-01101-5 - EXPIRES OCT. 1, 1999

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at Stateline  
My commission expires 10/1/99

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Paul D. Manoukian is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.

[Seal or stamp]  KATHRYN WHITNEY  
Notary Public - State of Nevada  
Appointment Recorded in Douglas County  
No: 95-01101-5 - EXPIRES OCT. 1, 1999

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at Stateline  
My commission expires 10/1/99

0422514

BK0997PG5100

**Exhibit C**

**Amendment to Deed of Trust**

COPY

0422514

BK0997PG5101

**Amendment to  
Deed of Trust**

This amendment to Deed of Trust, Assignment of Leases and Security Agreement ("Amendment to Deed of Trust") is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein "Borrower") and Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, "Additional Borrower") and Innovative Properties of Tahoe, Inc. (herein "Lender").

WHEREAS, Borrower executed a Deed of Trust, Assignment of Leases and Security Agreement ("Deed of Trust") in favor of Lender dated March 28, 1996.

WHEREAS, Lender has agreed by separate agreement to execute a partial release of a portion of the security specified in the Deed of Trust.

WHEREAS, Borrower and Lender desire to modify that Deed of Trust as follows:

1. As consideration for Lender executing a partial release, Additional Borrower agrees hereby to assume the rights and liability of principal under the Deed of Trust.
2. The Trustee under the Deed of Trust shall be changed to First American Title Company of Nevada.
3. In no event is Borrower relieved of any liability by the execution of this Amendment to Deed of Trust. In addition, all other terms and conditions under the Deed of Trust shall remain in full effect.

0422514  
BK0997PG5102

BORROWER:

GARDNER ENTERPRISES, LLC

By: Richard K. Gardner  
Richard K. Gardner, Manager

By: Richard D. Gardner  
Richard D. Gardner, Manager

By: Nancy N. Gardner  
Nancy N. Gardner, Manager

ADDITIONAL BORROWER:

Paul D. Manoukian, M.D., M.P.H.  
Paul D. Manoukian, M.D., M.P.H.

Rebecca Gardiner Manoukian

0422514

BK0997P65103

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
K. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/99

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Richard  
D. Gardner is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/99

0422514

BK0997PG5104

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Nancy N. Gardner is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at State St  
My commission expires 10/1/99

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Paul S. Manoukian is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at State St  
My commission expires 10/1/99

0422514

BK0997PG5105

## AGREEMENT

This agreement ("Agreement") is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein "Borrower") and Innovative Properties of Tahoe, Inc. (herein "Lender").

WHEREAS, Borrower executed a Note Secured by Deed of Trust ("Note") in favor of Lender dated March 28, 1996 concurrent with the Borrower's execution of a Deed of Trust, Assignment of Leases and Security Agreement ("Deed of Trust") of same date.

WHEREAS, Borrower desires to reduce the principal sum of the Note in exchange for Lenders partial release of the secured property.

NOW THEREFORE, Borrower and Lender agree as follow:

1. Borrower agrees to pay into escrow the amount of Seventy Five Thousand Dollars (\$75,000) to be credited against principal amount of the Note at closing.
2. Lender agrees to execute a partial release for the parcels 2 and 3 as those parcels are shown in Exhibit A. As consideration for Lender executing the above stated partial release, Borrower agrees to deliver to escrow an amendment to the Note and an amendment to the Deed of Trust in the forms shown in Exhibits B and C, respectively, wherein Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, "Manoukian") are named to those documents as additional Borrowers.
3. Lender acknowledges pursuant to paragraph 26 of the Deed of Trust that a) there is no default under the Note or Deed of Trust, b) by Borrower tendering the sum stated in paragraph 1 above will satisfy the partial release price, c) Douglas County and TRPA have approved the subdivision of the secured property, and d) the conditions of approval from Douglas County and TRPA allow for the building of a single family residence structure.

0422514



4. Lender agrees to execute any documentation that allows First American Title of Nevada to substitute as Trustee under the Deed of Trust.

BORROWER:

GARDNER ENTERPRISES, LLC

By: \_\_\_\_\_  
Richard K. Gardner, Manager

By: \_\_\_\_\_  
Richard D. Gardner, Manager

By: \_\_\_\_\_  
Nancy N. Gardner, Manager

LENDER:

INNOVATIVE PROPERTIES OF TAHOE, INC.

By: \_\_\_\_\_  
Cliff Hansen, President

**EXHIBIT "A"**

**DESCRIPTION**

Parcel No. 2 and 3 as shown on Parcel Map #97-004 for Gardner Enterprises, LLC. recorded August 20, 1997, in Book 897, Page 3450 at Document No. 419754.

Together with an easement for roadway and utility purposes over a strip of land 20 feet in width, the South line of which is parallel with and 20 feet Southerly, measured at a right angle, from the North line thereof and which North line is described as follows: Beginning at the Northeast corner of the hereinabove described parcel; thence from said POINT OF BEGINNING South  $89^{\circ}53'27''$  East to the Westerly right-of-way line of U.S. Highway 50. Said South line to be lengthened or shortened so as to extend from the Westerly right-of-way line of U.S. Highway 50 to the Easterly line of the hereinabove described parcel.

(portion) A.P. No. 03-220-05

0422514

BK0997PG5108

**Exhibit B**

Amendment to Note

COPY

0422514

BK0997PG5109

**Amendment to Note**

This amendment to Note Secured by Deed of Trust (“Amendment to Note”) is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein “Borrower”) and Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, “Additional Borrower”) and Innovative Properties of Tahoe, Inc. (herein “Lender”).

WHEREAS, Borrower executed a Note Secured by Deed of Trust (“Note”) in favor of Lender dated March 28, 1996.

WHEREAS, Lender has agreed by separate agreement to execute a partial release of a portion of the security for the Note.

WHEREAS, Borrower and Lender desire to modify that Note as follows:

1. As consideration for Lender executing a partial release, Additional Borrower agrees hereby to assume the rights and liability of principal under the Note.
2. In no event is Borrower relieved of any liability by the execution of this Amendment to Note. In addition, all other terms and conditions under the Note shall remain in full effect.

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0422514  
BK0997PG5110

BORROWER:

GARDNER ENTERPRISES, LLC

By: \_\_\_\_\_  
Richard K. Gardner, Manager

By: \_\_\_\_\_  
Richard D. Gardner, Manager

By: \_\_\_\_\_  
Nancy N. Gardner, Manager

ADDITIONAL BORROWER:

\_\_\_\_\_  
Paul D. Manoukian, M.D., M.P.H.

*Rebecca Gardiner Manoukian*  
Rebecca Gardiner Manoukian

0422514

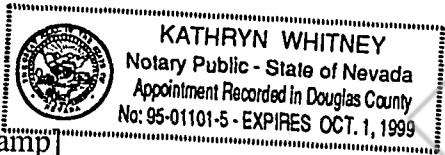
BK0997PG5111

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
COUNTY OF Douglas ) ss.  
)

I certify that I know or have satisfactory evidence that Dolores Gardner  
Mandukian is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at State  
My commission expires 10/1/99



**Exhibit C**

**Amendment to Deed of Trust**

COPY

0422514

BK0997PG5113

**Amendment to  
Deed of Trust**

This amendment to Deed of Trust, Assignment of Leases and Security Agreement ("Amendment to Deed of Trust") is made this 25 day of August, 1997, by and between Gardner Enterprises, LLC (herein "Borrower") and Paul D. Manoukian, M.D., M.P.H. and Rebecca Gardiner Manoukian (collectively, "Additional Borrower") and Innovative Properties of Tahoe, Inc. (herein "Lender").

WHEREAS, Borrower executed a Deed of Trust, Assignment of Leases and Security Agreement ("Deed of Trust") in favor of Lender dated March 28, 1996.

WHEREAS, Lender has agreed by separate agreement to execute a partial release of a portion of the security specified in the Deed of Trust.

WHEREAS, Borrower and Lender desire to modify that Deed of Trust as follows:

1. As consideration for Lender executing a partial release, Additional Borrower agrees hereby to assume the rights and liability of principal under the Deed of Trust.
2. The Trustee under the Deed of Trust shall be changed to First American Title Company of Nevada.
3. In no event is Borrower relieved of any liability by the execution of this Amendment to Deed of Trust. In addition, all other terms and conditions under the Deed of Trust shall remain in full effect.

0422514

BK0997PG5114



BORROWER:

GARDNER ENTERPRISES, LLC

By: \_\_\_\_\_  
Richard K. Gardner, Manager

By: \_\_\_\_\_  
Richard D. Gardner, Manager

By: \_\_\_\_\_  
Nancy N. Gardner, Manager

ADDITIONAL BORROWER:

\_\_\_\_\_  
Paul D. Manoukian, M.D., M.P.H.

*Rebecca Gardiner Manoukian*  
Rebecca Gardiner Manoukian

0422514

BK0997PG5115

INDIVIDUAL - SINGLE CERTIFICATE

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Douglas )

I certify that I know or have satisfactory evidence that Rebecca Gardner  
Minoukian is the person who appeared before me, and said person  
acknowledged that said person signed this instrument and acknowledged it to be said  
person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of August, 19 97.



[Seal or stamp]

Kathryn Whitney  
Notary public in and for the state of  
NEVADA residing at \_\_\_\_\_  
Stateline  
My commission expires 10/1/99



REQUESTED BY  
**FIRST AMERICAN TITLE CO.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

97 SEP 26 110:53

0422514  
BK0997PG5116

LINDA SLATER  
RECORDER  
\$32.00 PAID 2 DEPUTY