

**SUBORDINATION AGREEMENT**

**THIS AGREEMENT** is made as of the 22nd day of February, 2000, by and among **GTEB, a Nevada Limited Liability Company**, herein identified as "Trustor," and **RICHARD W. BLAKEY, JAMES L. CHRISTENSEN, ERIC M. BOYDEN, AND JAMES N. PAPPAS, Trustees of the RENO ORTHOPEDIC CLINIC, LTD. RESTATED PROFIT SHARING PLAN FOR THE BENEFIT OF JAMES L. CHRISTENSEN AND E. JAMES GREENWALD**, as to an undivided 33.34% interest, whose address is: 555 North Arlington Avenue, Reno, NV 89503; **STEPHEN D. DOW AND JAMES E. SOBIECK, as Co-Trustees of THE DOW AND SOBIEK ORTHOPEDIC SURGEONS, INC. 401 (K) PROFIT SHARING PLAN AND TRUST - SEGREGATED ACCOUNT OF STEPHEN D. DOW**, as to an undivided 16.66% interest, whose address is: 85 Kirman Avenue, Suite 303, Reno, NV 89502; and **CASPER J. BREUER AND SIGNE S. BREUER, as Trustees of the BREUER FAMILY TRUST** initially created on August 28, 1987, as to an undivided 25% interest, whose address is: 1750 Ladera Vista Drive, Fullerton, CA 92831; and **GLORIA A. HARRISON, as Surviving Trustee of the HARRISON FAMILY TRUST** initially created on September 3, 1987, as to an undivided 25% interest, whose address is: 1819 Ladera Vista Drive, Fullerton, CA 92831, herein identified as "Beneficiaries", and **WESTERN TITLE COMPANY, INC., a Nevada corporation**, herein identified as "Trustee". The parties declare that:

A. Trustor executed a Deed of Trust on the 2<sup>nd</sup> day of November, 1998 in favor of Beneficiaries which was recorded on the 3<sup>rd</sup> day of November, 1998, as Document No. 0453262, Official Records of Douglas County, Nevada ("Deed of Trust"), securing the following described real property:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.**

B. The Deed of Trust was granted as security for a Promissory Note described in the Deed of Trust in the amount of \$1,000,000.00, executed by Trustor on November 3, 1998, in favor of Beneficiaries.

C. Trustor has entered into a Temporary Construction Easement Agreement dated as of the 31st day of January, 2000, with **CRESTMORE VILLAGE APARTMENTS LIMITED PARTNERSHIP, a Nevada Limited Partnership**, ("Crestmore") for the mutual benefit of Trustor and Crestmore as well as the County of Douglas, State of Nevada, in order to construct the roadway improvements identified as the extension of Waterloo Lane through the subject lands. A copy of the Temporary Construction Easement Agreement together with a description of the lands affected thereby is attached hereto as Exhibit "B" and hereby incorporated through reference as though fully set forth herein. The Temporary Construction Easement Agreement affects the subject lands only to the extent of an

approximate ten feet (10') on each side of the roadway extension in order to permit and facilitate the construction effort. The Temporary Construction Easement Agreement expires upon certification of the completion of the roadway extension of Waterloo Lane or on December 31, 2000, whichever occurs sooner. Crestmore, the developer, and the County of Douglas require that Beneficiaries subordinate the lien of the Deed of Trust to the temporary encumbrance which will be created by the Temporary Construction Easement Agreement.

D. Trustor has agreed with the developer of the adjacent land, Crestmore, and the County of Douglas, a political subdivision of the State of Nevada ("County") to add the improvements identified as an extension of Waterloo Lane through the subject lands and upon completion of same dedicate the lands which comprise the extended roadway to the County without cost, charge, or any payment to Trustor. The County has identified the roadway extension as part of its Master Plan and to avoid a lengthy and costly condemnation proceeding and to facilitate the County Master Plan and regional plan for development, Trustor has entered into an agreement dated the 3<sup>rd</sup> day of June, 1999, with the County and the developer to permit the construction of the roadway extension thereon. A copy of said agreement is attached hereto as Exhibit "C" and hereby incorporated through reference as though fully set forth herein. The agreement of the parties requires that

Beneficiaries subordinate the lien of the Deed of Trust to the encumbrance that will be created by the road construction development agreement.

E. Beneficiaries are willing to subordinate the lien of the trust deed to both the Temporary Construction Easement Agreement and the Douglas County roadway development agreement.

F. The Deed of Trust executed by the parties provided at Paragraph 8, in pertinent part, the following:

8. At any time, and from time to time, without liability therefor, upon written request of Trustor and Beneficiary, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon said property, Trustee may consent in writing to the making of any map or plat thereof or join in granting any easement thereon. (Emphasis added)

Said provision permits the Trustee, WESTERN TITLE COMPANY, INC., to grant, among other things, an easement on the subject lands upon written request of Trustor and Beneficiaries. By execution of the agreement herein, Beneficiaries authorize the Trustee the right to grant the Temporary Construction Easement Agreement and Douglas County roadway development agreement easement on the subject lands.

For the reasons set forth above, and in consideration of the mutual covenants and promises of the parties, hereto, Trustor and Beneficiaries covenant and agree as follows:

1. Subordination. Notwithstanding anything to the contrary set forth in the Deed of Trust, the said Deed of Trust and the lien

created thereby and all of Beneficiaries' rights thereunder are and shall remain subject and subordinate to the Temporary Construction Easement Agreement and the Douglas County road improvement agreement and the encumbrance created thereby and all modifications and replacements thereof, as more particularly referenced, respectively, at Exhibits "B" and "C". Upon certified completion of the roadway extension of Waterloo Lane, the Temporary Construction Easement Agreement and the Douglas County road improvement agreement shall expire in accordance with the terms thereof.

2. Inurement; Binding Affect. This Agreement shall inure to the benefit of Trustor and Beneficiaries and as referenced in Exhibits "B" and "C" with respect to the Temporary Construction Easement Agreement and the Douglas County road improvement agreement and be binding upon the parties and their respective successors and assigns.

3. This Agreement is made in accordance with the terms and conditions of that certain Deed of Trust executed by and between Trustor and Beneficiaries, specifically Paragraph 8 thereof which permits the Trustee, WESTERN TITLE COMPANY, INC., to consent in writing to the granting of any easement on the subject property.

4. Governing Law. This agreement shall be construed in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the parties have executed this

Subordination Agreement on the day and year first above written.

TRUSTOR:

GTEB, LLC

BY: 

JAMES S. BRADSHAW, PRESIDENT  
CORPORATE MANAGEMENT SERVICES, INC.  
In its Capacity as Manager of  
GTEB, LLC

BENEFICIARIES:

RENO ORTHOPEDIC CLINIC, LTD.  
RESTATED PROFIT SHARING PLAN  
FOR THE BENEFIT OF JAMES L.  
CHRISTENSEN AND E. JAMES  
GREENWALD

STEPHEN D. DOW, Co-Trustee of  
Dow and Sobiek Orthopedic  
Surgeons, Inc. 401 (K) Profit  
Plan and Trust-Segregated  
Account of Stephen D. Dow

\_\_\_\_\_  
RICHARD W. BLAKEY, Trustee

\_\_\_\_\_  
JAMES L. CHRISTENSEN, Trustee

\_\_\_\_\_  
ERIC M. BOYDEN, Trustee

\_\_\_\_\_  
JAMES N. PAPPAS, Trustee

\_\_\_\_\_  
CASPER J. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
SIGNE S. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
JAMES S. SOBIEK, Co-Trustee of  
The Dow and Sobiek Orthopedic  
Surgeons, Inc. 401(K) Profit  
Sharing Plan and Trust -  
Segregated Account of Stephen D.  
Dow

\_\_\_\_\_  
Gloria A. Harrison, Surviving  
Trustee of the Harrison Family  
Trust

TRUSTEE:

WESTERN TITLE COMPANY, INC.  
A Nevada corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEVADA )  
COUNTY OF Carson City ) : SS

This instrument was acknowledged before me on February 22,  
2000, by JAMES S. BRADSHAW, President of CORPORATE MANAGEMENT  
SERVICES, INC., in its capacity as Manager of GTEB, LLC.



Karen D. Brazell  
NOTARY PUBLIC

STATE OF NEVADA )  
COUNTY OF \_\_\_\_\_ ) : SS

This instrument was acknowledged before me on \_\_\_\_\_,  
2000, by STEPHEN D. DOW, Co-Trustee of THE DOW AND SOBIEK  
ORTHOPEDIC SURGEONS, INC. 401 (K) PROFIT SHARING PLAN AND TRUST.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEVADA )  
COUNTY OF \_\_\_\_\_ ) : SS

This instrument was acknowledged before me on \_\_\_\_\_,  
2000, by JAMES S. SOBIEK, Co-Trustee of THE DOW AND SOBIEK  
ORTHOPEDIC SURGEONS, INC. 401 (K) PROFIT SHARING PLAN AND TRUST.

\_\_\_\_\_  
NOTARY PUBLIC




Subordination Agreement on the day and year first above written.

TRUSTOR:

GTEB, LLC


BY:

  
JAMES S. BRADSHAW, PRESIDENT  
CORPORATE MANAGEMENT SERVICES, INC.  
In its Capacity as Manager of  
GTEB, LLC

BENEFICIARIES:

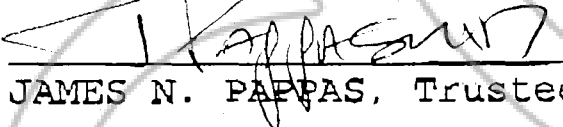
RENO ORTHOPEDIC CLINIC, LTD.  
RESTATED PROFIT SHARING PLAN  
FOR THE BENEFIT OF JAMES L.  
CHRISTENSEN AND E. JAMES  
GREENWALD

STEPHEN D. DOW, Co-Trustee of  
Dow and Sobiek Orthopedic  
Surgeons, Inc. 401 (K) Profit  
Plan and Trust-Segregated  
Account of Stephen D. Dow

  
RICHARD W. BLAKEY, Trustee

  
JAMES L. CHRISTENSEN, Trustee

  
ERIC M. BOYDEN, Trustee

  
JAMES N. PAPPAS, Trustee

JAMES S. SOBIEK, Co-Trustee of  
The Dow and Sobiek Orthopedic  
Surgeons, Inc. 401(K) Profit  
Sharing Plan and Trust -  
Segregated Account of Stephen D.  
Dow

CASPER J. BREUER, Trustee  
of the Breuer Family Trust

SIGNE S. BREUER, Trustee  
of the Breuer Family Trust

Gloria A. Harrison, Surviving  
Trustee of the Harrison Family  
Trust



STATE OF NEVADA )  
 : ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on  
FEBRUARY 24, 2000, by, RICHARD W. BLAKEY.



LINDA ELLENWOOD  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 98-4920-2 - EXPIRES NOV. 16, 2002

Linda Ellenwood  
NOTARY PUBLIC

STATE OF NEVADA )  
 : ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on  
FEBRUARY 23, 2000, by, JAMES L. CHRISTENSEN.



LINDA ELLENWOOD  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 98-4920-2 - EXPIRES NOV. 16, 2002

Linda Ellenwood  
NOTARY PUBLIC

STATE OF NEVADA )  
 : ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on  
FEBRUARY 23, 2000, by, ERIC M. BOYDEN.



LINDA ELLENWOOD  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 98-4920-2 - EXPIRES NOV. 16, 2002

Linda Ellenwood  
NOTARY PUBLIC

STATE OF NEVADA )  
 : ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on  
FEBRUARY 23, 2000, by, JAMES N. PAPPAS.



LINDA ELLENWOOD  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 98-4920-2 - EXPIRES NOV. 16, 2002

Linda Ellenwood  
NOTARY PUBLIC

Subordination Agreement on the day and year first above written.

TRUSTOR:

GTEB, LLC

BY:



JAMES S. BRADSHAW, PRESIDENT  
CORPORATE MANAGEMENT SERVICES, INC.  
In its Capacity as Manager of  
GTEB, LLC

BENEFICIARIES:

RENO ORTHOPEDIC CLINIC, LTD.  
RESTATED PROFIT SHARING PLAN  
FOR THE BENEFIT OF JAMES L.  
CHRISTENSEN AND E. JAMES  
GREENWALD

STEPHEN D. DOW, Co-Trustee of  
Dow and Sobiek Orthopedic  
Surgeons, Inc. 401 (K) Profit  
Plan and Trust-Segregated  
Account of Stephen D. Dow

\_\_\_\_\_  
RICHARD W. BLAKEY, Trustee

\_\_\_\_\_  
JAMES L. CHRISTENSEN, Trustee

\_\_\_\_\_  
ERIC M. BOYDEN, Trustee

\_\_\_\_\_  
JAMES N. PAPPAS, Trustee

\_\_\_\_\_  
JAMES S. SOBIEK, Co-Trustee of  
The Dow and Sobiek Orthopedic  
Surgeons, Inc. 401(K) Profit  
Sharing Plan and Trust -  
Segregated Account of Stephen D.  
Dow

  
\_\_\_\_\_  
CASPER J. BREUER, Trustee  
of the Breuer Family Trust

  
\_\_\_\_\_  
SIGNE S. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
Gloria A. Harrison, Surviving  
Trustee of the Harrison Family  
Trust

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of ORANGE

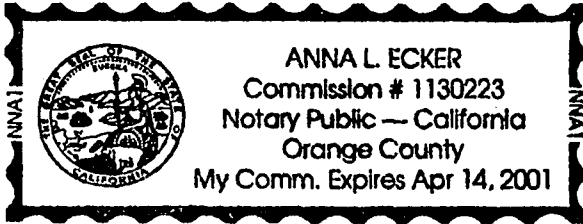
} ss.

On FEBRUARY 28, 2000 before me, ANNA L. ECKER, NOTARY PUBLIC  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared CASPER J. BREUER AND SIGNE S. BREUER -  
Name(s) of Signer(s)

- personally known to me
- 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 ~~is/are~~/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.

Anna Ecker  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: SUBORDINATION AGREEMENT

Document Date: (BLANK) Number of Pages: -6-

Signer(s) Other Than Named Above: MULTIBLES

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

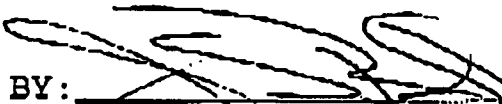
0488531  
BK0300PG4486

Subordination Agreement on the day and year first above written.

TRUSTOR:


GTEB, LLC

BY:

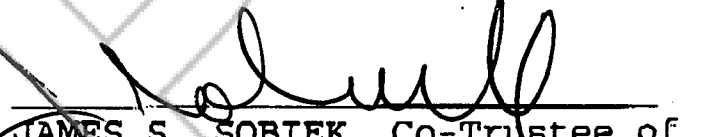
  
JAMES S. BRADSHAW, PRESIDENT  
CORPORATE MANAGEMENT SERVICES, INC.  
In its Capacity as Manager of  
GTEB, LLC

BENEFICIARIES:

RENO ORTHOPEDIC CLINIC, LTD.  
RESTATED PROFIT SHARING PLAN  
FOR THE BENEFIT OF JAMES L.  
CHRISTENSEN AND E. JAMES  
GREENWALD

  
STEPHEN D. DOW, Co-Trustee of  
Dow and Sobiek Orthopedic  
Surgeons, Inc. 401 (K) Profit  
Plan and Trust-Segregated  
Account of Stephen D. Dow

\_\_\_\_\_  
RICHARD W. BLAKEY, Trustee

  
JAMES S. SOBIK, Co-Trustee of  
The Dow and Sobiek Orthopedic  
Surgeons, Inc. 401(K) Profit  
Sharing Plan and Trust -  
Segregated Account of Stephen D.  
Dow

\_\_\_\_\_  
JAMES L. CHRISTENSEN, Trustee

\_\_\_\_\_  
ERIC M. BOYDEN, Trustee

\_\_\_\_\_  
JAMES N. PAPPAS, Trustee

\_\_\_\_\_  
CASPER J. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
SIGNE S. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
Gloria A. Harrison, Surviving  
Trustee of the Harrison Family  
Trust

0488531  
BK0300PG4487

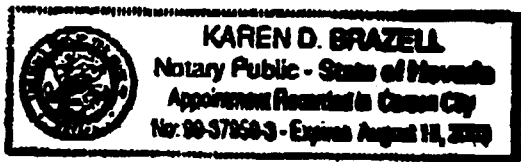
TRUSTEE:

WESTERN TITLE COMPANY, INC.  
A Nevada corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEVADA )  
 ) : SS  
COUNTY OF Carson City )

This instrument was acknowledged before me on February 22, 2000, by JAMES S. BRADSHAW, President of CORPORATE MANAGEMENT SERVICES, INC., in its capacity as Manager of GTEB, LLC.



Karen D. Brazell  
NOTARY PUBLIC

STATE OF NEVADA )  
 ) : SS  
COUNTY OF WASHOE )

This instrument was acknowledged before me on MARCH 1, 2000, by STEPHEN D. DOW, Co-Trustee of THE DOW AND SOBIEK ORTHOPEDIC SURGEONS, INC. 401 (K) PROFIT SHARING PLAN AND TRUST.



Jackelyn F. Shoupe  
NOTARY PUBLIC

STATE OF NEVADA )  
 ) : SS  
COUNTY OF WASHOE )

This instrument was acknowledged before me on MARCH 1, 2000, by JAMES S. SOBIEK, Co-Trustee of THE DOW AND SOBIEK ORTHOPEDIC SURGEONS, INC. 401 (K) PROFIT SHARING PLAN AND TRUST.



Jackelyn F. Shoupe  
NOTARY PUBLIC

0488531

BK0300PG4488

Subordination Agreement on the day and year first above written.

TRUSTOR:

GTEB, LLC

BY: 

JAMES S. BRADSHAW, PRESIDENT  
CORPORATE MANAGEMENT SERVICES, INC.  
In its Capacity as Manager of  
GTEB, LLC

BENEFICIARIES:

RENO ORTHOPEDIC CLINIC, LTD.  
RESTITUTED PROFIT SHARING PLAN  
FOR THE BENEFIT OF JAMES L.  
CHRISTENSEN AND E. JAMES  
GREENWALD

STEPHEN D. DOW, Co-Trustee of  
Dow and Sobiek Orthopedic  
Surgeons, Inc. 401 (K) Profit  
Plan and Trust-Segregated  
Account of Stephen D. Dow

\_\_\_\_\_  
RICHARD W. BLAKEY, Trustee

\_\_\_\_\_  
JAMES L. CHRISTENSEN, Trustee

\_\_\_\_\_  
ERIC M. BOYDEN, Trustee

\_\_\_\_\_  
JAMES N. PAPPAS, Trustee

\_\_\_\_\_  
CASPER J. BREUER, Trustee  
of the Breuer Family Trust

\_\_\_\_\_  
SIGNE S. BREUER, Trustee  
of the Breuer Family Trust

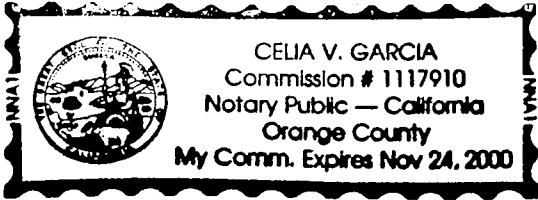
\_\_\_\_\_  
JAMES S. SOBIK, Co-Trustee of  
The Dow and Sobiek Orthopedic  
Surgeons, Inc. 401(K) Profit  
Sharing Plan and Trust -  
Segregated Account of Stephen D.  
Dow

*Gloria A. Harrison, Trustee*  
\_\_\_\_\_  
Gloria A. Harrison, Surviving  
Trustee of the Harrison Family  
Trust



STATE OF CALIFORNIA )  
 : SS  
COUNTY OF ORANGE )

This instrument was acknowledged before me on February 25<sup>th</sup>,  
2000, by Gloria A. Harrison.



Celia V. Garcia  
NOTARY PUBLIC

STATE OF NEVADA )  
 : SS  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_,  
2000, by \_\_\_\_\_, as \_\_\_\_\_  
of WESTERN TITLE COMPANY, INC.

\_\_\_\_\_  
NOTARY PUBLIC

gteb/subordination.agt



DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of the Northeast one-quarter of Section 4, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the east one-quarter corner of Section 4, Township 12 North, Range 20 East, M.D.M., a found 3/4 inch iron pipe with 2 inch aluminum cap stamped "1995 Owens Eng. PLS 3090, E 1/4 Sec 4";

thence along the East-West center section line, North 89°33'00" West, 15.16 feet to a point on the West Line of Elges Avenue, the POINT OF BEGINNING;

thence continuing along said East-West center section line, North 89°33'00" West, 172.10 feet to a point on the Easterly right-of-way of U.S. Highway 395 as described in a Deed recorded May 28, 1993 in the office of Recorder, Douglas County, Nevada in Book 593, at Page 5930, as Document No. 308372;

thence along said Easterly right-of-way along the arc of a curve to the left, nontangent to the preceding course, having a radius of 5060.00 feet, central angle of 09°23'14", arc length of 829.02 feet, chord bearing North 45°37'59" West, and chord distance of 828.09 feet;

thence continuing along said Easterly right-of-way, North 50°19'36" West, 342.29 feet;

thence South 89°28'04" East, 992.55 feet to the Northwest corner of a parcel of land as described in a Deed recorded August 18, 1980 in the office of Recorder, Douglas County, Nevada in Book 880, at Page 1297, as Document No. 47561;

thence South 00°21'36" West, 50.00 feet per said Deed;

thence South 89°28'04" East, 40.00 feet per said Deed to a point on said West Line of Elges Avenue;

thence along said West Line of Elges Avenue, South 00°21'36" West, 739.34 feet to the POINT OF BEGINNING.

A.P.N 1220-04-602-003

EXHIBIT "A"

0488531

BK0300PG4491

# TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

**THIS TEMPORARY CONSTRUCTION EASEMENT AGREEMENT** (the "Agreement") is made and entered as of this 31 day of January, 2000, by and between **GTEB, LLC**, a Nevada limited liability company ("GTEB"), **CRESTMORE VILLAGE APARTMENTS LIMITED PARTNERSHIP**, a Nevada limited partnership ("Crestmore I") and **CRESTMORE VILLAGE APARTMENTS PHASE II LIMITED PARTNERSHIP**, a Nevada limited partnership ("Crestmore II").

## WITNESSETH:

**WHEREAS**, GTEB is the fee simple owner of Assessor's Parcel No. 1220-04-62-003 located in Douglas County, Nevada (the "GTEB Parcel"); and

**WHEREAS**, Crestmore I is the fee simple owner of that certain parcel of land located in Douglas County, Nevada, being more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Crestmore I Parcel"); and

**WHEREAS**, Crestmore II is the fee simple owner of that certain parcel of land located in Douglas County, Nevada, being more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference (the "Crestmore II Parcel"); and

**WHEREAS**, in connection with the development of the Crestmore I Parcel and Crestmore II Parcel, Crestmore I and Crestmore II have requested that GTEB grant said parties temporary construction easement rights over a portion of the GTEB Parcel, being more particularly described on Exhibit "C" attached hereto and incorporated herein by this reference (the "Waterloo Lane Extension Parcel"), for purposes of the construction of an extension of Waterloo Lane from Elgis Avenue to U.S. 395; and

**WHEREAS**, GTEB has agreed to grant the requested easement in accordance with the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid by Crestmore I and II to GTEB, the parties hereby covenant and agree as follows:

1. GTEB does hereby grant and convey to Crestmore I and Crestmore II an easement for the benefit of the Crestmore I Parcel and Crestmore II Parcel over, through and across the Waterloo Lane Extension Parcel for the purpose of the construction, installation and use of a roadway and appurtenant facilities to be constructed thereon. The roadway to be constructed shall be in accordance with the Oakwood Specific Plan and all requirements of the City of Gardnerville, if applicable, Douglas County and the Nevada Department of Transportation. The easement rights granted herein shall expire on the earlier of the following: (i) the first anniversary of the date of recordation of this Agreement or (ii) upon the issuance of the certificate of completion described in paragraph 3 below. In no event, however, shall the easement granted in this paragraph continue beyond December 31, 2000. Prior to entry onto the

GTEB Parcel, Crestmore I and Crestmore II shall submit to GTEB copies of all required permits for the Waterloo Lane extension.

2. During the course of construction of the Waterloo Lane extension, Crestmore I and Crestmore II shall keep the construction site free of debris and recognize good construction practices.

3. Upon substantial completion of the Waterloo Lane extension, as certified to GTEB by an engineer mutually acceptable to GTEB, Crestmore I and Crestmore II, GTEB shall offer the roadway for dedication to Douglas County. Crestmore I and Crestmore II shall be responsible for satisfaction of all requirements of Douglas County in connection therewith other than execution of the dedication instruments.

4. a) Crestmore I and Crestmore II hereby hold GTEB harmless from and indemnify GTEB against any and all costs, expenses, claims and liability related to or in connection with the construction activities herein contemplated, including without limitation any and all attorney's fees incurred, whether incurred before trial, at trial or upon any appellate levels.

b) Prior to entry on the GTEB Parcel, Crestmore I and Crestmore II shall include GTEB as an additional insured on all liability or construction-related policies of insurance and provide GTEB with written confirmation of same. The policy certification shall further provide for a 30-day advance written notice of any change in the insurance status affecting GTEB.

5. The rights and burdens as set forth herein shall run with title to the Waterloo Lane Extension Parcel, Crestmore I Parcel and Crestmore II Parcel, respectively.

6. In the event any party to this Agreement breaches the terms thereof, in the event of a dispute, the prevailing party in any action shall be entitled to recover its reasonable attorneys' fees and costs.

7. The duties and obligations of Crestmore I and Crestmore II shall be joint and several. All easement rights inuring to the benefit of Crestmore I, Crestmore II and the Crestmore I Parcel and Crestmore II Parcel shall likewise inure to the benefit their respective successors and assigns, mortgagee's, contractors and subcontractors.

8. Any amendment to this Agreement must be in writing and signed by the parties or their authorized representatives.


9. This Agreement may be executed in counterparts.

[SIGNATURES ON FOLLOWING PAGE]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

**GTEB, LLC**, a Nevada limited liability company

By: Corporate Management Services, Inc., a Nevada corporation, its General Manager

By:   
Name: JAMES S. BRADSHAW  
Title: President

**CRESTMORE VILLAGE APARTMENTS LIMITED PARTNERSHIP**, a Nevada limited partnership

By: Picerne Crestmore Village Apartments, L.L.C., a Nevada limited liability company, its managing general partner

By: \_\_\_\_\_  
Robert M. Picerne, Manager

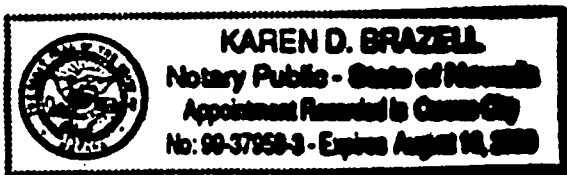
**CRESTMORE VILLAGE APARTMENTS PHASE II LIMITED PARTNERSHIP**, a Nevada Limited partnership

By: Picerne Crestmore Village Apartments Phase II, LLC, a Nevada limited liability company, its general partner

By: \_\_\_\_\_  
Robert M. Picerne, Manager

STATE OF NEVADA )  
 ) ss.  
COUNTY OF CARSON CITY )

The foregoing instrument was acknowledged before me this 31 day of January, 2000 by JAMES S. BRADSHAW as President of Corporate Management Services, Inc., a Nevada corporation, on behalf of the corporation, as Manager of GTEB, LLC, a Nevada limited liability company, on behalf of the Company.



Karen D. Brazell  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_

STATE OF FLORIDA )  
 ) ss.  
COUNTY OF SEMINOLE )

This instrument was acknowledged before me on November \_\_\_\_, 1999, by Robert M. Picerne as Manager of Picerne Crestmore Village Apartments, LLC, a Nevada limited liability company, on behalf of said company as general partner of Crestmore Village Apartments Limited Partnership, a Nevada limited partnership, on behalf of said partnership.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_

STATE OF FLORIDA )  
 ) ss.  
COUNTY OF SEMINOLE )

This instrument was acknowledged before me on November \_\_\_\_, 1999, by Robert M. Picerne as Manager of Picerne Crestmore Village Apartments Phase II, LLC, a Nevada limited liability company, on behalf of said company as general partner of Crestmore Village Apartments Phase II Limited Partnership, a Nevada limited partnership, on behalf of said partnership.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

**GTEB, LLC**, a Nevada limited liability company

By: Corporate Management Services, Inc., a Nevada corporation, its General Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CRESTMORE VILLAGE APARTMENTS LIMITED PARTNERSHIP**, a Nevada limited partnership

By: Picerne Crestmore Village Apartments, L.L.C., a Nevada limited liability company, its managing general partner

By: \_\_\_\_\_  
Robert M. Picerne, Manager

**CRESTMORE VILLAGE APARTMENTS PHASE II LIMITED PARTNERSHIP**, a Nevada Limited partnership

By: Picerne Crestmore Village Apartments Phase II, LLC, a Nevada limited liability company, its general partner

By: \_\_\_\_\_  
Robert M. Picerne, Manager

STATE OF NEVADA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of January, 2000 by \_\_\_\_\_ as \_\_\_\_\_ of Corporate Management Services, Inc., a Nevada corporation, on behalf of the corporation, as Manager of GTEB, LLC, a Nevada limited liability company, on behalf of the Company.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_

STATE OF FLORIDA )  
 ) ss.  
COUNTY OF SEMINOLE )

This instrument was acknowledged before me on ~~November~~ <sup>Feb or January 31, 2000</sup> \_\_, ~~1999~~, by Robert M. Picerne as Manager of Picerne Crestmore Village Apartments, LLC, a Nevada limited liability company, on behalf of said company as general partner of Crestmore Village Apartments Limited Partnership, a Nevada limited partnership, on behalf of said partnership.

Kristin S Brown  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_



KRISTIN S BROWN  
My Commission CC561218  
Expires Jun. 13, 2000

STATE OF FLORIDA )  
 ) ss.  
COUNTY OF SEMINOLE )

This instrument was acknowledged before me on ~~November~~ <sup>January 31, 2000</sup> \_\_, ~~1999~~, by Robert M. Picerne as Manager of Picerne Crestmore Village Apartments Phase II, LLC, a Nevada limited liability company, on behalf of said company as general partner of Crestmore Village Apartments Phase II Limited Partnership, a Nevada limited partnership, on behalf of said partnership.

Kristin S Brown  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_



KRISTIN S BROWN  
My Commission CC561218  
Expires Jun. 13, 2000



558-11-98  
09-22-99

**Description  
Adjusted Parcel 2  
(A.P.N. 1220-03-000-006)**

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of the Northwest one-quarter (NW¼) of Section 3, Township 12 North, Range 20 East, Mount Diablo Meridian more particularly described as follows:

Commencing at the northeast corner of Parcel 1 as shown on the Parcel Map for Herbig Properties Limited recorded September 14, 1999 in the office of Recorder, Douglas County, Nevada as Document No. 476559;

thence along the north line of said Parcel 1, North 89°19'44" West, 332.71 feet to THE POINT OF BEGINNING;

thence South 00°21'36" West, 331.01 feet;

thence South 54°40'31" West, 122.57 feet;

thence South 35°19'29" East, 67.00 feet

thence North 54°40'31" East, 16.61 feet;

thence South 31°08'54" East, 164.75 feet to a point on the westerly right-of-way of Waterloo Lane;

thence along said right-of-way, along the arc of a curve to the right having a radius of 807.50 feet, central angle of 10°12'42", and an arc length of 143.92 feet;

thence continuing along said right-of-way, South 61°07'36" West, 407.02 feet to a point on the east right-of-way of Elges Avenue;

thence along said east right-of-way, North 00°21'36" East, 869.91 feet;

thence South 89°19'44" East, 434.75 feet to THE POINT OF BEGINNING, containing 7.28 acres, more or less.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2294  
Minden, Nevada 89423

REQUESTED BY  
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

1999 NOV 22 AM 9: 13

LINDA SLATER  
RECORDER

PAID DEPUTY



0481237

BK 1199PG3785

0488531

BK 0300PG4498

EXHIBIT "B"

Description  
Adjusted Parcel 1  
(A.P.N. 1220-03-000-013)

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of the Northwest one-quarter (NW¼) of Section 3, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the northeast corner of Parcel 1 as shown on the Parcel Map for Herbig Properties Limited recorded September 14, 1999 in the office of Recorder, Douglas County, Nevada as Document No. 478559, THE POINT OF BEGINNING;

thence along the westerly right-of-way of Waterloo Lane, along the arc of a curve to the right having a radius of 807.50 feet, central angle of 47°52'49", arc length of 674.80 feet, and a chord bearing and length of South 26°58'30" West, 655.34 feet;

thence North 31°08'54" West, 164.75 feet;

thence South 54°40'31" West, 16.81 feet;

thence North 35°19'29" West, 67.00 feet;

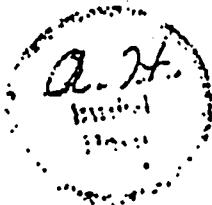
thence North 54°40'31" East, 122.57 feet;

thence North 00°21'36" East, 331.01 feet to a point on the north line of said Parcel 1;

thence along said north line, South 89°19'44" East, 332.71 feet to THE POINT OF BEGINNING, containing 3.39 acres, more or less.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2294  
Minden, Nevada 89423



0488531

BK0300PG4499

**EXHIBIT 'C'**  
**DESCRIPTION**  
**TEMPORARY CONSTRUCTION EASEMENT FOR A PORTION OF**  
**WATERLOO LANE**

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A temporary easement for construction purposes located within a portion of the Northeast one-quarter (NE¼) of Section 4, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the southwest corner of Adjusted Parcel 2 as shown on the Record of Survey to Support a Boundary Line Adjustment for Crestmore Village Apartments Limited Partnership and Herbig Properties Limited recorded November 22, 1999 in the office of Recorder, Douglas County, Nevada as Document No. 481238, the intersection of the east right-of-way of Elges Avenue and the northerly right-of-way of Waterloo Lane;

thence South 85°16'27" West, 42.78 feet to a point on the east line of said Section 4, THE POINT OF BEGINNING;

thence along said east line, South 00°39'29" West, 137.92 feet;

thence South 61°07'36" West, 272.33 feet;

thence along the arc of a curve to the left having a radius of 42.50 feet, central angle of 41°34'29", arc length of 30.84 feet, and chord bearing and length of South 40°20'21" West, 30.17 feet;

thence along the arc of a curve to the right having a radius of 5100.00 feet, central angle of 02°02'29", arc length of 181.71 feet, and chord bearing and length of South 41°33'55" West, 181.71 feet;

thence North 89°33'00" West, 53.16 feet to a point on the northerly right-of-way of U.S. Highway 395;

thence along said northerly right-of-way along the arc of a curve to the left, non-tangent to the proceeding course, having a radius of 5060.00 feet, central angle of 03°35'44", arc length of 317.54 feet, and chord bearing and length of North 42°44'14" West, 317.50 feet;

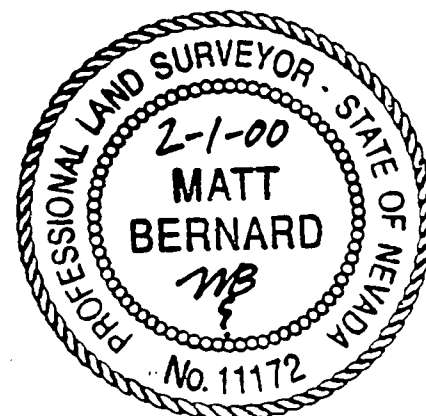
thence North 45°27'54" East, 17.50 feet;

thence along the arc of a curve to the left having a radius of 42.50 feet, central angle of 74°20'18", arc length of 55.14 feet, and chord bearing and length of South 81°42'15" East, 51.35 feet;

thence North 61°07'36" East, 393.24 feet to THE POINT OF BEGINNING, containing 55,262 square feet, more or less.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2229  
Minden, Nevada 89423



0488531

BK0300PG4500

SECTION LINE  
(N00°39'29"E)

R/W (WIDTH  
VARIES) PER  
BK. 198, PG. 3077

ADJUSTED  
PARCEL 2 PER  
DOC. NO.  
481238

POINT OF  
COMMENCEMENT

A.P.N.  
1220-04-602-003  
G.T.E.B. LLC

ELGES AVENUE

WATERLOO  
LANE

S85°16'27"W  
42.78'

1" = 100'

N45°27'54"E

17.50'

$\Delta=74^{\circ}20'17''$

R=42.50'

L=55.14'

T=32.22'

N61°07'36"E

393.24'

S61°07'36"W

272.33'

$\Delta=03^{\circ}35'44''$

R=5060.00'

L=317.54'

T=158.83'

$\Delta=41^{\circ}34'29''$

R=42.50'

L=30.84'

T=16.13'

$\Delta=02^{\circ}02'29''$

R=5100.00'

L=181.71'

T=90.87'

53.16'

M'00'33'00"W

U.S.  
HIGHWAY  
395

0488531

BKU300P64501



EXHIBIT 'C'

TEMPORARY CONSTRUCTION  
EASEMENT

THIS AGREEMENT is entered between AFFORDABLE HOUSING GROUP, INC., an Ohio corporation (Developer), GTEB, LLC, a Nevada limited liability corporation (Owner), PICERNE DEVELOPMENT CORPORATION, a Florida corporation (Picerne), and DOUGLAS COUNTY, a political subdivision of the State of Nevada (County), and is limited to the matters set forth herein.

Developer has secured development approval from Douglas County for the Oakwood Specific Plan and Planned Development (PD98-07), on Assessor's Parcel Numbers 1220-03-000-006 and 007. Among other things, the development approval provides as follows:

The applicant shall offer dedication of Waterloo Lane right-of-way (80 foot minimum) within the project, and obtain and offer for dedication Waterloo Lane right-of-way (80-foot minimum) from US 395 to the project southerly boundary. The final alignment of Waterloo Lane shall be approved by the Douglas County Engineer. The applicant shall be required to construct Waterloo Lane to arterial standards from US 395 to the project's North boundary. (A portion of Paragraph 3 of the November 10, 1998 approval letter addressed to Bob Lomas, Affordable Housing Group, from the Douglas County Community Development Department)

and

Figure F, Waterloo Lane Section shall include 6-foot sidewalks, type 1 curb and gutters, 6-foot planter strips, two 20-foot travel lanes, and one 16-foot raised median with or without turn lanes, in accordance with Douglas County drawing No. DC-A01 from Design Criteria and Improvement Standards manual. (Ibid, Paragraph 7)



Owner is the owner of Assessor's Parcel Number 1220-04-602-003, which lies in the path of the planned and sited Waterloo extension from US 395 to the project southern boundary.

Picerne is the developer of Assessor's Parcel Number 1220-03-000-006, which lies north of the planned and sited Waterloo extension and immediately east of Elges Avenue.

Should the project and the planned construction of the Waterloo extension proceed, there are plans to abandon portions of Elges Avenue, and this agreement also addresses the reversion of portions thereon adjacent to Owner's property.

For and in consideration of the mutual promises, covenants and agreements set forth herein, the parties agree as follows:

1. Upon the execution and delivery of good and sufficient instruments for the dedication thereof and issuance of a certificate of completion for construction of the Waterloo extension, as described herein and in the Oakwood Specific Plan, to Douglas County standards, Douglas County agrees to accept dedication of the same and accept it for maintenance.

2. Picerne shall secure the dedication and construction of a cul de sac on Elges Avenue, North of the Waterloo extension. After construction of the cul de sac and the Waterloo extension to Douglas County standards, and issuance of the certificate of completion therefor, Douglas County shall abandon all of its interest in the portions of Elges Avenue South of the cul de sac, independent of Waterloo. A utility easement shall remain within

the current alignment of Elges Avenue for the continued operation and maintenance of the utility improvements currently located therein. Said utility easement shall be sufficient for the existing utilities and shall not exceed the width of the current Elges Avenue right of way.

3. In connection with the abandonment of Elges Avenue and upon completion and acceptance of the Waterloo extension from U.S. 395 to the project southern boundary, Douglas County agrees to release to Owner any interest it has in that portion of Elges Avenue within Section 4, adjacent to Owner's property.

4. Developer shall complete construction of the Waterloo extension from U.S. 395 to the projects Western boundary on or before December 31, 2000. Prior to Owner being obligated to dedicate the right-of-way across its property for the Waterloo extension from U.S. 395 to the project Western boundary, Developer shall place in an escrow account funds equal to the engineer's estimate of the cost of constructing that portion of the Waterloo extension across Owner's property. Said engineer's estimate of the cost of constructing that portion of the Waterloo extension shall include an additional ten percent 10% for contingencies. Funds from said escrow shall be utilized by Developer for construction of that portion of the Waterloo extensions.

5. This agreement is limited to the matters set forth herein, and based on the assumption that the Oakwood Specific Plan will be developed as planned. Major modifications of the plan which result in material changes to the proposed alignment of the



Waterloo extension or the development of a cul de sac on Elges Avenue will operate to release the parties from their respective obligations herein. Once the Owner dedicates the right-of-way across its property from U.S. 395 to the projects Western boundary, Developer is obligated to complete construction of said extension in accordance with Douglas County standards.

6. This agreement shall be binding on, and inure to the benefit of the parties, their heirs, successors and assigns.

7. To be valid, any modification of this agreement must be writing and signed by the parties or their authorized representatives.

Dated: JUNE 3, 1999.

AFFORDABLE HOUSING GROUP,  
an Ohio corporation

By: [Signature]  
Its:

GTEB, LLC, a Nevada Limited  
Liability Company

By: [Signature]  
Its:

~~PICERNE DEVELOPMENT CORPORATION, an Arizona corporation~~

By: [Signature]  
Its: ROBERT M. PICERNE,  
PRESIDENT

PICERNE DEVELOPMENT CORPORATION  
OF FLORIDA, a Florida Corporation

DOUGLAS COUNTY, a political  
subdivision of the state  
of Nevada

By: [Signature]  
JACQUES ETCHEGOYHEN, Chairman  
DOUGLAS COUNTY BOARD OF  
COMMISSIONERS

REQUESTED BY  
WESTERN TITLE COMPANY, INC.  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2000 MAR 24 PM 3: 26

LINDA SLATER  
RECORDER

\$36 PAID [Signature] DEPUTY