

25

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11/09/2006 10:49 AM Deputy: GB

OFFICIAL RECORD

Requested By:

STEWART TITLE OF DOUGLAS

COUNTY

Douglas County - NV

Werner Christen - Recorder

Page: 1 Of 12 Fee: 25.00
BK-1106 PG- 3139 RPTT: 0.00



RECORDATION REQUESTED BY:

WHEN RECORDED MAIL TO:

PACIFIC WESTERN BANK
Real Estate Industries Group
401 West A Street, Second Floor
San Diego, CA 92101
ATTN: Gerry H. Veal

Loan No. 62039144

060501505

SPACE ABOVE FOR RECORDER'S USE

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

PARTIES

Lender: PACIFIC WESTERN BANK, a national banking association ("Lender")
Borrower: CTH MINDEN LLC ("Borrower")
Tenant: CARSON TAHOE REGIONAL HEALTHCARE ("Tenant")
Lease: Lease dated November 9th, 2006 ("Lease")
Leased Premises: Office Building consisting of approximately 47,537 square feet of space commonly known as 925 Ironwood Drive, Minden, Nevada ("Premises")

FACTUAL BACKGROUND

A. Borrower owns certain real property in the County of Douglas, State of Nevada, more particularly described in Exhibit A attached hereto and made a part hereof. The term "Property" herein means that real property, together with all improvements (the "Improvements") located thereon.

B. Lender has made or agreed to make a loan to Borrower or Borrower has applied for a loan from Lender in the original principal amount of \$8,000,000.00 (the "Loan"). The Loan is or will be evidenced by a promissory note (the "Note") which is or will be secured by a deed of trust and assignment of rents encumbering the Property (the "Deed of Trust"). The Note, the Deed of Trust, this Agreement and all other documents and instruments identified in the Note and Deed of Trust as the "Related Documents," shall be collectively referred to herein as the "Loan Documents."

AGREEMENT

Therefore, the parties agree as follows:

- 1. Subordination. The Loan Documents and all supplements, amendments, modifications, renewals,

22

replacements, additional advances and extensions of and to them shall unconditionally be and remain at all times a lien on the Property prior and superior to the Lease, to the leasehold estate created by it, to the right of first refusal granted to Tenant thereunder, and to all other rights and privileges of Tenant under it. The Lease and leasehold estate, together with the right of first refusal granted to Tenant under the Lease and all other rights and privileges of Tenant under the Lease, are hereby unconditionally made subordinate to the lien of the Loan Documents in favor of Lender. Tenant consents to Borrower and Lender entering into the Deed of Trust and the other Loan Documents. Tenant further declares, agrees and acknowledges that Lender in making disbursements under the Loan Documents has no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom they are disbursed by Lender, and any application or use of such proceeds for purposes other than those provided for in the Loan Documents shall not defeat the subordination made in this Agreement, in whole or in part. Tenant agrees that if Lender shall succeed to the rights of the landlord under the Lease, whether through possession, foreclosure or delivery of a deed in lieu of foreclosure or sale, Lender shall not: (a) be liable for any previous defaults of any landlord (including Borrower) under the Lease; (b) be subject to any setoffs or defenses which may have theretofore accrued to Tenant against any prior landlord (including Borrower), but Lender shall be subject to setoffs and defenses arising subsequent to Lender's succession to the rights of Borrower as herein provided to the extent permitted by the terms of the Lease; (c) be liable for the return of any security deposit not actually received by Lender; (d) be bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including Borrower); (e) be bound by the right of first refusal granted to Tenant under the Lease; or (f) be bound by any amendment or modification of the Lease made after the date of this Agreement without Lender's written consent. Nothing contained in this Section shall preclude Tenant from proceeding against, and recovering from, any prior landlord (including Borrower) for any sums including, without limitation, return of security deposits, which Tenant has agreed not to seek from Lender, it being agreed that Borrower shall remain fully liable to Tenant, under and subject to the terms of the Lease, for all acts and omissions on the part of the landlord under the Lease for the time period during which Borrower is the owner of the Premises.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser," as used herein, means any transferee, including Lender or any third party who purchases the Property upon foreclosure or at trustee's sale, of the interest of Borrower as a result of any such Transfer of the Property, and also includes any and all successors and assigns, including Lender, of such transferee.

3. Nondisturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the Premises unless at the time of foreclosure Tenant is in default under the Lease or this Agreement.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, upon notice to Tenant, Tenant shall and hereby does attorn to Purchaser, including Lender if it should become the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments, upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Notices of Default; Material Notices; Lender's Rights to Cure Default. Tenant shall send a copy of any notice of default or similar statement with respect to the Lease to Lender at the same time such notice or statement is sent to Borrower. In the event of any act or omission by Borrower which would give Tenant the right to terminate the Lease or to claim a partial or total eviction, Tenant shall not exercise any such right or make any such claim until it has given Lender written notice of such act or omission and has given Lender the opportunity to cure the default prior to the expiration of any cure period applicable to such default as specified in the Lease. Nothing in this Agreement, however, shall be construed as a promise or undertaking by Lender to cure any default of Borrower.



BK- 1106
PG- 3140

0688265 Page: 2 Of 12 11/09/2006

6. Limitation on Lender's Performance. Nothing in this Agreement shall be deemed or construed to be an agreement by Lender to perform any covenant of Borrower as landlord under the Lease. Tenant agrees that if Lender becomes Purchaser, then upon any subsequent transfer of the Property (including all deposits and prepaid rent, if any) by Lender to a new owner, Lender shall have no further liability under the Lease after said transfer.

7. Tenant's Covenants. Tenant agrees that during the term of the Lease, without Lender's prior written consent, which will not be unreasonably withheld or delayed, Tenant shall not:

- (a) pay any rent or additional rent more than one month in advance to any landlord including Borrower; or
- b) amend, alter, modify, cancel, terminate or surrender the Lease, except at the normal expiration of the Lease term or as provided in Section 6 above; or
- (c) assign or sublet any portion of the Lease or the Premises, except as specifically provided in the Lease.

8. Integration, Etc. This Agreement integrates all of the terms and conditions of the parties' agreement regarding the subordination of the Lease to the Loan Documents, attornment, non-disturbance and the other matters contained herein. This Agreement supersedes and cancels all oral negotiations and prior and other writings with respect to: (a) such subordination (only to such extent, however, as would affect the priority between the Lease and the Loan Documents), including any provisions of the Lease which provide for the subordination of the Lease to a deed of trust or to a mortgage and (b) such attornment, non-disturbance and other matters contained herein. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, including the Lease, the terms, conditions and provisions of this Agreement shall prevail. This Agreement may not be modified or amended except by a written agreement signed by the parties or other respective successors in interest. This Agreement may be executed in counterparts, each of which is an original but all of which shall constitute one and the same instrument.

9. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier, or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section. Service of any notice on any one Borrower shall be effective service on Borrower for all purposes.

To Lender:

PACIFIC WESTERN BANK
Real Estate Industries Group
401 West A Street, Second Floor
San Diego, CA 92101
Attention: Gerry Veal



BK- 1106
PG- 3141
0688265 Page: 3 Of 12 11/09/2006

To Borrower: CTH MINDEN LLC
c/o Schultz Financial Group, Inc.
160 West Huffaker Lane
Reno, Nevada 89511
Attention: Kristina McCabe

With a copy to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attention: Sandra G. Kanengiser, Esq.

To Tenant: Carson Tahoe Regional Healthcare
1600 Medical Parkway (P.O. Box 2168)
Carson City, NV 89703 (89702)
Attention: Ed Epperson, President and CEO

With a copy to:


Mike Pavlakis, Esq.
Allison, MacKenzie, et al.
402 N. Division Street (P.O. Box 646)
Carson City, NV 89703 (89702)


10. Attorneys' Fees. If any lawsuit, judicial reference or arbitration is commenced which arises out of or relates to this Agreement, the prevailing party shall be entitled to recover from each other party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees, including the costs for any legal services by in-house counsel, in addition to costs and expenses otherwise allowed by law.

11. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of Nevada. This Agreement satisfied any condition or requirement in the Lease relating to the granting of a nondisturbance agreement by Lender. As used herein, the word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." Lender, at its sole discretion, may but shall not be obligated to record this Agreement.

TENANT:

CARSON TAHOE REGIONAL HEALTHCARE, a Nevada non-profit corporation

By: 
Ed Epperson, President and CEO

 BK- 1106
PG- 3142
0688265 Page: 4 Of 12 11/09/2006

BORROWER:

CTH MINDEN LLC, a Nevada Limited Liability Company

By: _____
Rudi Bianchi, Manager

LENDER:

PACIFIC WESTERN BANK

By: _____
Gerry H. Veal, Executive Vice President and
Manager, Real Estate Industries Group

COOPER



0688265 Page: 6 Of 12 BK- 1106
PG- 3144 11/09/2006

Exhibit A
To Subordination, Non-Disturbance and Attornment Agreement
(legal description)

COPY



0688265 Page: 7 Of 12 11/09/2006

BK- 1106
PG- 3145

CERTIFICATE OF ACKNOWLEDGMENT

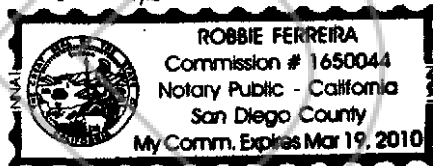
STATE OF California)
COUNTY OF San Diego)

) ss

On November 2, 2006 before me, Robbie Ferreira, Notary Public personally appeared Gerry H. Veal and _____, 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.

Robbie Ferreira



(Seal)



BK- 1106
PG- 3146
0688265 Page: 8 Of 12 11/09/2006

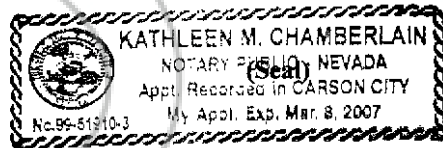
CERTIFICATE OF ACKNOWLEDGMENT

STATE OF NEVADA)
) ss
COUNTY OF CARSON CITY)

On November 2, 2006, before me, a Notary Public, personally appeared Ed Epperson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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.

Kathleen Chamberlain
NOTARY PUBLIC



CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On November __, 2006, before me, a Notary Public, personally appeared Rudi Bianchi, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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.

NOTARY PUBLIC

(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF NEVADA)
) ss
COUNTY OF CARSON CITY)

On November __, 2006, before me, a Notary Public, personally appeared Ed Epperson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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.

NOTARY PUBLIC

(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On November 2, 2006, before me, a Notary Public, personally appeared Rudi Bianchi, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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.

Lisa M. Siegel

NOTARY PUBLIC

(Seal)



0688265 Page: 10 Of 12 11/09/2006
BK- 1106
PG- 3148

EXHIBIT "A"

LEGAL DESCRIPTION

Order No.: 060501505B

The land referred to herein is situated in the State of Nevada,
County of Douglas, described as follows:

PARCEL 1:

A parcel of land located within a portion of the East
one-half (E1/2) of Section 30, Township 13 North, Range 20
East, Mount Diablo Meridian, more particularly described as
follows:

Commencing at a Nevada Department of Transportation survey
wall on the center southbound lane of U.S. Highway 395, a
brass disk in concrete, Station "S" 56+92.33 P.T.;
thence South 89°41'44" East, 117.00 feet to a point of the
easterly right-of-way of U.S. Highway 395, Project F-395-1(3),
the POINT OF BEGINNING;
thence along said easterly right-of-way North 00°18'16"
East, 291.12 feet;
thence South 89°42'00" East, 135.00 feet;
thence North 68°41'10" East, 173.44 feet;
thence 525.96 feet along the arc of a curve to the left,
nontangent to the preceding course having a radius of
715.76 feet, central angle of 42°06'10" and chord bearing
South 42°21'55" East;
thence South 63°25'00" East, 120.28 feet;
thence South 26°35'00" West, 455.06 feet;
thence North 63°19'00" West, 615.18 feet to a point on
said easterly right-of-way of U.S. Highway 395;
thence along said easterly right-of-way North 00°18'16"
East, 211.01 feet to the POINT OF BEGINNING.

Said land is shown as Adjusted Parcel 3 on that certain
Record of Survey for Roland and Joan P. Dreyer filed for
record in the office of the Douglas County recorder on July
31, 1997 in Book 797, Page 5731 as Document No. 418466,
Official Records.

ASSESSOR PARCEL NUMBER: 1320-30-601-004

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE
HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT
RECORDED MARCH 4, 2002, BOOK 0302, PAGE 708, AS FILE NO.
536060, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY,
STATE OF NEVADA."

Continued on next page

-1-



LEGAL DESCRIPTION - continued
Order No.:060501505B

PARCEL 2:

PARCEL 2:

An easement for ingress and egress over a Northerly portion of said land as set forth in Document recorded July 31, 1997, in Book 0797, Page 5687, Document No. 418455, and a Southeasterly portion of said land as set forth in Document recorded July 31, 1997, in Book 797, Page 5691, Document No. 418456.

-2-