

1665 Tolar Ave
Gardnerville
NV 89410

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement"), dated this 15 day of MAY, 1996, is made by and among THE WAYNE C. MATLEY AND ALOUISE MATLEY FAMILY REVOCABLE LIVING TRUST dated November 5, 1982, and W.A.C. PROPERTIES, L.L.C., a Nevada limited liability company (collectively "MATLEY") and MYRON "BUD" RINASZ ("RINASZ").

RECITALS:

A. MATLEY is the owner of certain parcels of real property located in the County of Douglas, State of Nevada, more particularly described on Exhibit "A" attached hereto and, by reference, made a part hereof (the "Matley Property").

B. RINASZ is the owner of certain parcels of real property located in the County of Douglas, State of Nevada, more particularly described on Exhibit "B" attached hereto and, by reference, made a part hereof (the "Rinasz Property").

C. Disputes have arisen between the parties hereto in regard to a certain parcel of unimproved real property consisting of approximately 1.611 acres more particularly described on Exhibit "C" attached hereto and, by reference, made a part hereof (the "Disputed Area"). During ownership of the Matley Property by MATLEY, and the predecessors in interest to MATLEY, the Disputed Area has been openly and continuously used and occupied by MATLEY. However, after a careful review of the Official Records of the County Recorder of Douglas County, Nevada, and a survey of the Disputed Area, it has been determined, to the satisfaction of the parties hereto, that the Disputed Area is a part of the Rinasz Property and, thereby, is owned by RINASZ.

D. In order to resolve the disputes and differences between the parties without the necessity of litigation to determine the possible existence of a prescriptive easement, the parties have agreed to resolve their differences pursuant to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual terms and provisions of this Agreement, and the resolution of the disputes and differences between the parties with respect to the subject matter of this Agreement, **IT IS AGREED:**

1. **Quitclaim.** MATLEY hereby quitclaims to RINASZ, his successors and assigns, any and all right, title or interest in and to the Disputed Area subject to the grant of an easement in favor of MATLEY as more fully set forth herein. The quitclaim above described

shall not apply to the grant of easement contained herein nor to the exercise by MATLEY of all rights appurtenant to said easement.

2. **Grant of Easement.** RINASZ hereby grants and conveys to MATLEY an easement appurtenant (the "Easement") to the Matley Property in, to and upon the Disputed Area more particularly shown on Exhibit "C" attached hereto and, by reference, made a part hereof, for the purpose of ingress and egress to and from Allerman Canal to operate, use, maintain, repair, and all other incidental purposes thereto, the head or diversion gate used by MATLEY in connection with the irrigation of the Matley Property including the maintenance of all ditches served by such head or diversion gate; provided, however, MATLEY's obligation to maintain such head or diversion gate shall be only so long as MATLEY desires to do so for the irrigation of the Matley Property. The Easement shall be non-exclusive as between MATLEY and RINASZ subject to the provisions of this Agreement. It is the intent of this Easement Agreement that the Easement be no more than thirty feet (30') in width, the centerline of which shall be from the middle point of the canal extending in a straight line as drawn through the head or diversion gate and to the southwestern corner of the RINASZ property as designated by the words "iron pin" as shown on Exhibit "C". The exact location of the head or diversion gate is not shown on Exhibit "C" but is only estimated and is approximately sixty feet (60') from the stake to the south as shown on the map. The ditches presently existing on Exhibit "C" marked as dotted lines and labeled "A" and "B" shall be abandoned by MATLEY and not hereafter maintained. MATLEY shall be entitled to construct an irrigation ditch near the centerline of the Easement marked as "C" on the attached exhibit. MATLEY shall be solely responsible for the cost of construction and maintenance of this new ditch. MATLEY shall also have the right to enter upon the Disputed Area for purposes of removing any livestock that may have strayed thereon and shall reimburse RINASZ for any damage caused by such livestock, if any, including, but not limited to, the repair of any fence constructed by RINASZ.

3. **Construction and Maintenance of Fence.**

- (a) **Construction.** RINASZ, at his sole cost and expense, shall cause to be constructed a fence along the entire perimeter of the Easement Area. The fence shall be constructed on the property boundary line as determined by the survey performed at the request of RINASZ. Such surveyor shall certify in writing, for the benefit of MATLEY, that the fence, upon completion of construction, is located on the boundary line as depicted by Exhibit "C" attached hereto.
- (b) **Notice to MATLEY.** Prior to the commencement of construction of the fence, RINASZ shall notify MATLEY of the date on which RINASZ intends to commence construction of the fence allowing

MATLEY sufficient time to assure protection of his livestock in or near the Easement Area. The parties agree to act in good faith in cooperation with one another and to provide each other sufficient notice of any matters of dispute that may arise during the course of construction of the fence.

- (c) **Location Dispute.** If during the construction of the fence the location thereof is disputed by, MATLEY shall give written notice thereof and RINASZ agrees to cease construction of the fence until such dispute is resolved. In such event, MATLEY shall, within ten (10) days of such written notice, retain an engineer or surveyor licensed by the State of Nevada who shall meet with the surveyor engaged by RINASZ and, together, they shall attempt to resolve any dispute.
- (d) **Material.** The fence shall be constructed of either 30' hog wire with two strands of three-barb wire above or five strands of three-barb wire. The fence is to have one set of brace posts on either end and in the middle, all of which shall be constructed of railroad ties. The fence proper is to be constructed with heavy steel posts on 12' centers with a wooden post at every fifth steel post. A 14' Powder River gate is to be installed along the south portion of the fence. Both MATLEY and RINASZ shall be entitled at all times to a key for such gate.
- (e) **Maintenance.** RINASZ shall be responsible for the continued maintenance and repair of the fence provided the damage thereto is not caused by the active negligence or inadvertence of MATLEY. Such maintenance and repair shall be performed timely in order to avoid injury to the livestock.

4. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

5. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

6. **Attorney's Fees.** If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

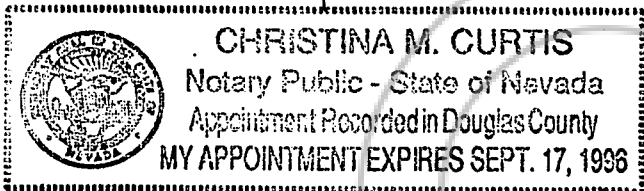
7. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, executors, administrators, and assigns.

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

THE WAYNE C. MATLEY AND ALOUISE
MATLEY FAMILY REVOCABLE LIVING
TRUST, dated November 5, 1982



MYRON "BUD" RINASZ



By 

WAYNE C. MATLEY, Trustee


By 

ALOUISE MATLEY, Trustee

W.A.C. PROPERTIES, L.L.C.,
a Nevada limited liability company

By 

BRUCE A. MATLEY, Manager

By 

KENNETH W. MATLEY, Manager

By 

RANDAL C. MATLEY, Manager

STATE OF NEVADA)
) ss.
COUNTY OF)

This instrument was acknowledged before me on May 15th, 1996, by MYRON "BUD" RINASZ.

Christina M. Curtis
NOTARY PUBLIC



STATE OF NEVADA)
) ss.
COUNTY OF)

This instrument was acknowledged before me on March 26, 1996, by WAYNE C. MATLEY and ALOUISE MATLEY as Trustees of the WAYNE C. MATLEY AND ALOUISE MATLEY FAMILY REVOCABLE LIVING TRUST dated November 5, 1982.

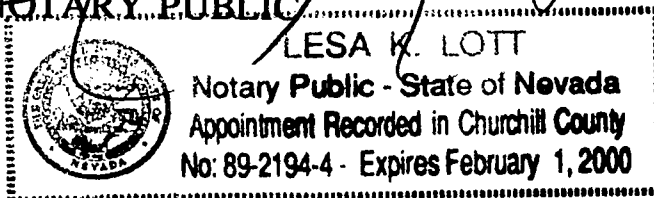
Kristie A. Mazza
NOTARY PUBLIC



STATE OF NEVADA)
) ss.
COUNTY OF)

This instrument was acknowledged before me on 27th of MARCH, 1996, by BRUCE A. MATLEY as a Manager of W.A.C. PROPERTIES, L.L.C., a Nevada limited liability company.

Lesia K. Lott
NOTARY PUBLIC



STATE OF)
) ss.
COUNTY OF)

This instrument was acknowledged before me on APRIL 8, 1996, by
KENNETH W. MATLEY as a Manager of W.A.C. PROPERTIES, L.L.C., a Nevada limited
liability company.

NOTARY PUBLIC

STATE OF)
) ss.
COUNTY OF)

This instrument was acknowledged before me on APRIL 8, 1996, by
RANDAL C. MATLEY as a Manager of W.A.C. PROPERTIES, L.L.C., a Nevada limited
liability company.

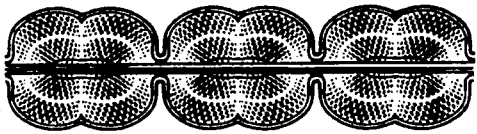
Theresa Hatcher

NOTARY PUBLIC

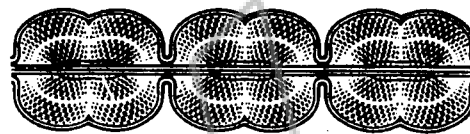
My COMMISSION EXPIRES - 5-8-99

SEAL

CALIFORNIA



ALL-PURPOSE



ACKNOWLEDGEMENT

STATE OF CALIFORNIA)

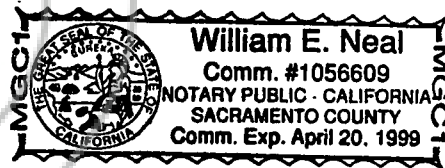
COUNTY OF SACRAMENTO)

On 4/1/96 before me. WILLIAM E. NEAL, NOTARY PUBLIC
DATE NAME, TITLE OF OFFICER E.G., "JANE DOE, NOTARY PUBLIC"

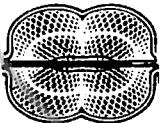
personally appeared. Kenneth W. Matley

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.

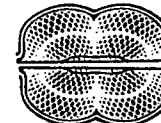
WITNESS my hand and official seal.



William E. Neal (SEAL)
NOTARY PUBLIC SIGNATURE



OPTIONAL INFORMATION



TITLE OR TYPE OF DOCUMENT Easement Agreement
DATE OF DOCUMENT 3/19/96 NUMBER OF PAGES 7
SIGNER(S) OTHER THAN NAMED ABOVE

THE 1/4 SECTION 36, T12N, R10E, S10E, NEAR THE
CROSSING OF THE RIVER AND THE RAILROAD

I hereby certify that the map is a true and correct
copy of the original map as shown to me at the time
of its preparation and that the same is a true and
correct copy of the original map as shown to me at the
time of its preparation.

WILLIAM B. BROWN
Surveyor
of
Nevada
County
Nevada
1911

65391

EXISTING DITCHES
& PROPOSED DITCH TO
IRRIGATE MATLEY PAPER

PARCEL OF LAND
IN THE
SEWING MACHINE CO. TRACT, T12N, R10E, S10E,
GOSSELAS COUNTY, NEVADA.
SECTION 36.

EXHIBIT "C"

387857

BK 0596 PG 2673

COPY

REQUESTED BY
Bud Rinasz
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 MAY 15 A9:56

LINDA SLATER
RECORDER

\$15.00 PAID KJ DEPUTY

387857
BK 0596 PG 2674