

AGREEMENT REGARDING EASEMENTS

AND DEVELOPMENT RIGHTS

THIS AGREEMENT is entered into this 10 day of JUNE 1998, by and between RONALD L. SIMEK, an individual (hereinafter referred to as "Seller"), LITTLE MONDEAUX LIMOUSIN CORPORATION, a Nevada corporation (hereinafter referred to as "LML") and the CHARNEY 1996 TRUST, by and through its Trustees Howard Charney and Alida Charney (hereinafter referred to as "Purchaser").

WITNESSETH:

A. Seller is the owner of that certain real property in Douglas County, Nevada, identified as Douglas County Assessor Parcel Number 15-060-67, consisting of 40 acres, and APN 15-060-68, consisting of 663.97 acres, and has entered into an agreement with Purchaser for the purchase and sale of said property.

B. As a part of said purchase and sale transaction, the boundary line between APN 15-060-68 and the northerly adjacent property owned by Seller (APN 15-060-69) was adjusted by separate documents, including a deed and a record of survey to support a boundary line adjustment.

C. Seller has reserved and placed certain easements on the property to be purchased and will grant certain easements to Purchaser in connection with said purchase as are shown on said record of survey map.

D. LML is the owner and developer of adjacent property to the north and east, west of Foothill Road, and owns water rights and facilities located on the property to be acquired by Purchaser (Adjusted APN 15-060-68). LML is also the Owner of development and building rights previously transferred from and off of said property to be acquired by Purchaser.

E. The agreement between Seller and Purchaser provides for the sale and transfer of a total of three (3) building or development rights in connection with the two (2) separate properties, and a reservation by Seller of all other building and development rights, except the two (2) rights associated with APN 15-060-67 and the one (1) right associated with APN 15-060-68. All of said other rights have been reserved and transferred from the property, and Purchaser and Seller desire to confirm said fact.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, Seller and Purchaser agree as follows:

1. Purchaser recognizes and acknowledges the easements reserved by and/or granted in favor of Seller and Little Mondeaux Limousin Corporation over, across and affecting the property to be purchased (Adjusted APN 15-060-68) as set forth on the following documents recorded in the official records of Douglas County, Nevada:

a. Record of Survey Map (to Support a Boundary Line Adjustment for Ronald L. Simek), recorded June 11, 1998, at Book 698, Page 2781, as Document No. 441786.

b. Grant Easement Deed, recorded at Book 698, Page 2782, Document No. 441787

c. Grant Easement Deed, recorded at Book 698, Page 2790, Document No. 441788

d. Golf Course Easement Deed, recorded at Book 698, Page 3055, Document No. 441879

2. The access easement identified in Paragraph 1 of the Grant Easement Deed referred to in Section 1b above includes a private access right in favor of Seller and Little Mondeaux Limousin Corporation, and its tenant, Tombstone Golf Club of Nevada, LLC. Said private right shall be exercised within one hundred and twenty (120) days by construction of a gravel road. The existing road used for access (which is in the vicinity of the utility easement referred to in Paragraph 5 of said Grant Easement Deed) shall be abandoned and the disturbed ground reasonably restored within such time period. All other utility or water line easements which contain disturbed ground shall also be reasonably restored within such time period.

3. Any of Purchaser, Seller or Little Mondeaux Limousin Corporation, or its tenant, Tombstone Golf Club of Nevada, LLC; shall have the right to gate and lock the private access easements in their favor referred to in Paragraphs 1 and 2 of the Grant Easement Deed referenced in Section 1 above. In such event, the key or combination to any lock shall be provided to each other party entitled to access and use of the easement. Provided however, that Sellers development of the access referred to in Paragraph 1 of said Grant Easement Deed shall preclude any such gate or lock thereon. Each easement user and owner agrees to cooperate in maintaining the easement in a neat and clean condition and to protect natural vegetation to the extent possible, consistent with reasonable use of the easement.

4. Seller recognizes and acknowledges the private access easement granted to Purchaser for access to the purchased property (Adjusted APN 15-060-68) over, across and affecting Seller's adjacent property (APN 15-060-69) as set forth in that Grant Easement Deed recorded on June 2, 1998 at Book 698, Page 3072 Document No. 441880 Purchaser acknowledges that said easement is nonexclusive, and as to Purchaser, is for the sole purpose of

providing access to Purchaser's property (Adjusted APN 15-060-68). Purchaser agrees to pay up to ten percent (10%) of the reasonable maintenance, repair and replacement costs of the unpaved road contained within said access easement, if so requested by Seller, and within sixty (60) days of presentation of an invoice.

5. The 663.97 acre property to be acquired by Purchaser (Adjusted APN 15-060-68) is permanently restricted to one (1) development right for one (1) single family residence. All other development rights associated with said property, based upon the prior and existing zoning thereon, have been transferred by Seller to other property owned by Seller and Little Mondeaux Limousin Corporation. Based on current zoning and density, the property would support up to thirty-five (35) development rights; thirty-four (34) thereof have been previously reserved by Seller and transferred from the property. The 40 acre property to be acquired by Purchaser (Adjusted APN 15-060-67) includes the two (2) existing and appurtenant development rights.

6. Purchaser acknowledges the prior transfer of said development rights by Seller to the Little Mondeaux Limousin Ranch, and utilized in connection with what is described as the Genoa Lakes project, pursuant to a Development Agreement therefor dated 2 November 1995 and recorded at Book 1295, Page 0610, as Document No. 376365, official records of Douglas County and as thereafter amended. Purchaser acknowledges that the current development plan may be amended or terminated, and that said Development Agreement and the described development plan may be modified or may expire, and that Seller may seek to use said development rights in a different form on that property, or may choose to transfer said development rights to other properties or persons. Purchaser agrees to cooperate with Seller and execute such documents as may be necessary or appropriate in connection with the utilization of said reserved development rights on property owned

by Seller or the Little Mondeaux Limousin Corporation or on property owned by third parties, or elsewhere. Purchaser waives any and all claim or interest, now or in the future, to any development or building right in or on the property in excess of the one (1) such development right appurtenant to the property at the time of Purchaser's purchase, and confirms ownership of any and all other development or building rights to Little Mondeaux Limousin Corporation.

7. Simek and LML agree that Purchaser may divert a quantity of water from James Canyon Creek into a stock pond to be constructed by Purchaser, on the following conditions: (a) That no consumptive use be made of any such water except for wildlife and up to six (6) livestock; (b) that all water diverted from James Canyon Creek be by pipeline and be returned thereto by pipeline in the amount diverted, less evaporation into the golf course pipeline hydraulically above the existing reservoir; (c) that the pond be lined; (d) that the capacity be a maximum of five (5) acre feet and the surface area be a maximum of one-half (1/2) acre; (e) that any diversion structure be approved by Simek and LML prior to construction; (f) and that Purchaser bear all costs regarding said pond.

8. Seller intends to discontinue use of a portion of the existing water line from James Canyon Creek on the property to be acquired by Purchaser (Adjusted APN 15-060-68) upon completion of construction of a new line on Seller's adjacent property. The new line will connect to water lines within the easements referenced in Paragraph 1 above. Purchaser acknowledges and agrees that Seller will abandon such discontinued pipeline in place. Seller agrees to remove or bury, at Seller's option, such portions of the pipeline which are above ground, as Purchaser designates. Purchaser shall designate and mark the portions to be removed or buried within sixty (60) days of close of escrow, and Seller shall have thirty (30) days thereafter to complete the work. Purchaser acknowledges that any work in connection with the removal or burial of the pipeline will result in the

destruction or loss of natural ground cover, notwithstanding Seller's agreement to minimize any such impact as reasonably possible.

9. The escrow instructions contain an agreement by Purchaser and Seller to retain one hundred thousand dollars (\$100,000) of the purchase price in escrow pending completion by Seller, on Purchaser's behalf, and recordation of a parcel map on the 40 acre parcel to be acquired by Purchaser (Adjusted APN 15-060-67). Purchaser and Seller agree that Seller's completion of any obligations under Sections 2 and 8 herein shall be additional conditions to the release of said retained funds.

10. Except as otherwise provided herein, this Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the parties.

11. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which he may be entitled.

12. The parties hereto acknowledge that both parties have been represented in negotiations for and in preparation of this Agreement by counsel of their own choosing; that both of the parties hereto have read this Agreement and are fully aware of its contents; and, that they enter into this Agreement voluntarily by their own accord and without force, duress or undue influence.

13. This Agreement, including all exhibits referenced herein and attached hereto, constitutes the entire agreement between the parties hereto, pertaining to the subject matters hereof, and it supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the parties in connection with the subject matters hereof and rescinds any prior agreements between the parties hereto. Except as otherwise expressly provided herein, no covenant, representation, promise or condition not expressed in this

Agreement, or in an amendment hereto made and executed in accordance with this Agreement, shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

RONALD L. SIMEK, an individual

LITTLE MONDEAUX LIMOUSIN CORPORATION

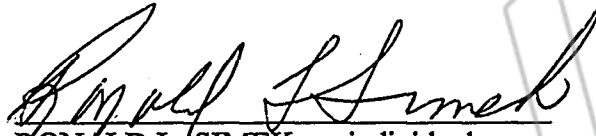
By: _____
Ronald L. Simek, President

CHARNEY 1996 TRUST

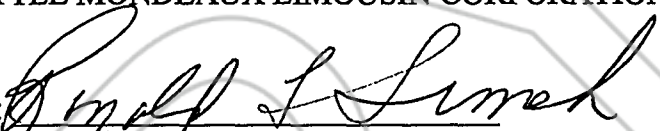
By: _____
Howard Charney, Trustee

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RONALD L. SIMEK, an individual

LITTLE MONDEAUX LIMOUSIN CORPORATION

By: 
Ronald L. Simek, President

CHARNEY 1996 TRUST

By: _____
Howard Charney, Trustee

0441881

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On June 10, 1998, before me, a notary public, personally appeared
RONALD L. SIMEK, personally known (or proved) to me to be the person whose name is
subscribed to the above instrument who acknowledged that he executed the instrument.

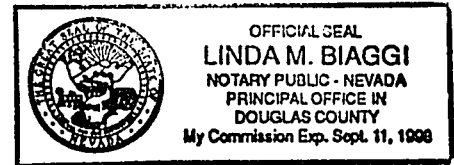
Linda M. Biaggi
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On June 10, 1998, before me, a notary public, personally appeared
Ronald L. Simek, as President of Little Mondeaux Limousin, personally known (or proved) to me
to be the person whose name is subscribed to the above instrument who acknowledged that he
executed the instrument.

Linda M. Biaggi
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On _____, 1998, before me, a notary public, personally appeared
Howard Charney, as Trustee of the Charney 1996 Trust, personally known (or proved) to me to
be the person whose name is subscribed to the above instrument who acknowledged that he
executed the instrument.

Notary Public

ALL-PURPOSE ACKNOWLEDGMENT

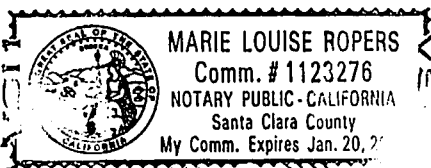
State of California

County of Santa Clara } SS.

On 6-11-98 before me, Marie Louise Ropers,
(DATE) (NOTARY)

personally appeared Howard Charney
SIGNER(S)

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.

Marie Louise Ropers
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

OTHER

COPY

REQUESTED BY
STEWART TITLE OF DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'98 JUN 12 P3:18

LINDA SLATER
RECORDER

\$17⁰⁰ PAID 2 DEPUTY

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