

APN: 1319-02-000-002

After recording, return to:
Little Mondeaux Limousin Corp.
c/o Ron Simek
1725 Southfork Road
Cody, Wyoming 82414-8005

**GRANT OF CONSERVATION EASEMENT
AND COVENANT RESTRICTING
TRANSFER OF WATER RIGHTS**

This Grant of Conservation Easement and Covenant Restricting Transfer of Water Rights (this "Grant") is made this 17 day of July, 2001 (for identification purposes only) and is made effective as of October 5, 2001, by Little Mondeaux Limousin Corporation, a Nevada corporation ("Grantor") in favor of Douglas County, a political subdivision of the State of Nevada, Post Office Box 218, Minden, Nevada 89423 ("Grantee").

P R E A M B L E:

A. Grantor is the sole owner in fee simple of certain real property in Douglas County, Nevada, more particularly described in **Exhibit "A"** attached hereto and incorporated by this reference (the "Protected Property").

B. The water rights described in **Exhibit "B"** ("Water Rights") are used on the Protected Property.

C. It is the purpose of the conservation easement granted hereby ("Conservation Easement") to provide a significant public benefit by protecting and preserving in perpetuity the highly scenic and open view across fields on the Protected Property, enjoyed by the general public who travel along Jacks Valley Road and Genoa Lane, and to preserve the traditional and scenic rural and agrarian character of the Protected Property, in accordance with the governmental policy of Douglas County, Nevada, delineated in its master plan to preserve scenic and agricultural land.

D. Grantor intends that the conservation values of the Protected Property be preserved and maintained by the continuation of the agricultural land use and desires to convey to Grantee the right to preserve and protect the conservation values of the Protected Property in perpetuity.

E. Grantee agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect, in perpetuity, the conservation values of the Protected Property for the benefit of this generation and the generations to come.

F. This Conservation Easement is created pursuant to the Uniform Conservation Act provided for in NRS 111.390 - 111.440. This Conservation Easement is also created pursuant to the Internal Revenue Code, as amended ("Code") at Title 26, U.S.C.A. Sections 170(h)(1)-(6), 2031(c) and 2055 and 2522. Grantee is a political subdivision of the State and a "Holder" within the meaning of NS 111.410(2)(a). The Holder is qualified to hold conservation easements pursuant to NRS 111.410(2)(a) and is a Qualified Organization under Code Section 170(h)(3), to wit: a governmental unit.

G. The grantor and Holder recognizing the importance of the Protected Property for conservation, as demonstrated by the aforementioned facts, have the common purpose of conserving the traditional, natural and scenic values of the Protected Property by the conveyance of a Conservation Easement on, over and across the Protected Property.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants, terms, conditions and restrictions contained in and pursuant to the laws of Nevada, in particular NRS 111.390 to 111.440, Grantor and Grantee covenant as follows:

1. Grant of Easement. Grantor voluntarily grants and conveys to Grantee a conservation easement ("Conservation Easement"), in perpetuity over the Protected Property of the nature and character and to the extent herein set forth, and hereby covenants and agrees to restrict the transfer of water rights appurtenant to the Protected Property ("Water Rights") as set forth below.

2. Use of Property. Grantor reserves the right to construct within the Protected Property one single family residence and any structures and improvements for accessory uses as may be allowed under one development right. Grantor agrees that use of undeveloped portion of the Protected Property shall be restricted to use for agricultural purposes, including animal husbandry, that are consistent with the protection of the natural and scenic qualities of the Property.

3. Rights of Grantee. To accomplish the purpose of this Conservation Easement the following rights are conveyed to Grantee by this Conservation Easement:

(a) To preserve and protect the conservation values of the Protected Property;

(b) To enter upon the Protected Property at reasonable times in order to monitor Grantor's compliance with and to enforce the terms of this Conservation Easement; provided, that, the entry shall be upon prior reasonable notice to Grantor and Grantee shall not unreasonably interfere with the Grantor's use and quiet enjoyment of this Protected Property;

(c) To prevent any activity on or use of the Protected Property that is inconsistent with the purpose of this Conservation Easement; and

(d) To require the restoration of any areas or features of the Protected Property that may be damaged by an inconsistent activity or use.

4. Perpetual Restriction of Water Rights. Grantor agrees to perpetually restrict the use of the Water Rights to support the normal, usual and customary residential and agricultural use of the Protected Property. This restrictive covenant (herein sometimes referred to as "Covenant") to perpetually restrict the use of the Water Rights shall run with the Protected Property and every portion thereof and interest therein; the Covenant may only be modified or terminated by a court of competent jurisdiction in accordance with the principles of law and equity as provided in NRS 111.430(2) (or any successor provision as may be then applicable), or with the consent of Grantee upon the substitution of adequate alternate water rights.

5. Prohibited Uses. Any activity on or use of the Protected Property inconsistent with the purpose of the Conservation Easement and Covenant is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

(a) Subdivision or development (except with respect to the exercise of one development right); and

(b) Non-agricultural, commercial or industrial use.

6. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors and assigns, all rights arising from or incidental to its ownership of the

Protected Property, including the right to engage in all uses of the Protected Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Grant.

7. Grantee's Remedies. If Grantee determines, through its Board of County Commissioners, after reasonable notice to Grantor and hearing having been given to Grantor that Grantor is in violation of the terms of the terms of this Grant or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation, and, where the violation involves injury to the Protected Property resulting from any use or activity inconsistent with the purpose of this Grant, to restore the portion of the Protected Property so injured. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation with the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Grant, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Grant or injury to any conservation values protected by this Grant, including damages for the loss of scenic, aesthetic or environmental values, and to require the restoration of the Protected Property to the condition that existed prior to any such injury.

Without limiting Grantor's liability therefor, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Protected Property. Grantee's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Grant. Grantor agrees that Grantee's remedies at law for any violation of the term of this Grant are adequate and that Grantee shall be entitled to the injunctive relief described under this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Grant, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

8. Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Grant against Grantor, including, without limitation, costs of suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Grant, shall be borne by Grantor. If either party prevails in any action to enforce the terms of this Grant, the prevailing party's costs of suit, including, without limitation, attorneys' fees, shall be borne by the other party.

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9. Grantee's Discretion. Enforcement of the terms of this Grant shall be at the discretion of Grantee and any forbearance by the Grantee to exercise its rights under this Grant against Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Grant or of any of Grantee's rights under this Grant. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

10. Waiver of Certain Defenses. Grantor hereby waives any defense of laches, estoppel or prescription.

11. Acts Beyond Grantor's Control. Nothing contained in this Grant shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Protected Property resulting from such causes.

12. No Public Access. No right of access by the general public to any portion of the Protected Property is conveyed by this Grant.

13. Hold Harmless. Grantor shall hold harmless, indemnify and defend Grantee and its members, directors, officers, employees, agents and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively, "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' fees arising from or in any way connected with: (a) injury to or the death of any person, or physical damage to any property, or other matters related to or occurring on or about the Protected Property, regardless of cause, unless due solely to the negligence of the Indemnified Parties; (b) the exercise of the remedies specified in paragraph 7; and (c) the existence or administration of this Grant.

14. Extinguishment. If circumstances arise in the future such as to render the purpose of this Grant impossible to accomplish, this Grant can only be extinguished either (a) after public hearing and approval by (i) the Planning Commission of Douglas County, Nevada, (ii) the Board of County Commissioners of Douglas County, Nevada, and (iii) the State of Nevada Department of Conservation and Natural Resources, Division of Water Resources, or (b) by a court of competent jurisdiction.

15. Assignment of Conservation Easement. This Conservation Easement is transferable, but Grantee may assign its rights and obligations under the Conservation Easement only to another governmental body or an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1954, as amended (or any successor provision then applicable). As a condition of such transfer, Grantee shall require that the conservation purposes for which this Grant is intended continue to be carried out.

16. Subsequent Transfers. Grantor agrees to incorporate the terms of this Grant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including, without limitation, any leasehold interest. Grantor further agrees to give written notice to Grantee of the transfer of any interest at least twenty (20) days prior to the date of such transfer. The failure of Grantor to perform any action required by this paragraph shall not impair the validity of this Grant or limit its enforceability in any way.

17. Estoppel Certificate. Upon request by Grantor, Grantee shall, within twenty (20) days of such request, execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Grant and otherwise evidences the status of this Grant as may be requested by Grantor.

18. Notices. Any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, address as follows:

To Grantor: Little Mondeaux Limousin Corporation
c/o Ron Simek
1725 Southfork Road
Cody, Wyoming 82414-8005

To Grantee: Douglas County Community Development Department
and
Scott W. Doyle, Esq., District Attorney
1625 Eighth Street
P.O. Box 218
Minden, Nevada 89423

or to such other address as either party from time to time shall designate by written notice to the other.

19. Recordation. Grantee shall record this instrument and acceptance in timely fashion in the official records of Douglas County, Nevada and may re-record it at any time as may be required to preserve its rights in this Grant.

20. General Provisions.

20.1 Controlling Law. The interpretation and performance of this Grant shall be governed by the laws of the State of Nevada.

20.2 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Grant shall be liberally construed in favor of the grant to effect the purpose of the Conservation Easement and the policy and purpose of NRS 111.390 to 111.440. If any provision of this Grant is found to be ambiguous, an interpretation consistent with the purpose of this Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

20.3 Severability. If any provision of this Grant, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Grant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

20.4 Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Grant, and supersedes all prior discussion, negotiations, understandings or agreements relating to the Grant, all of which are merged herein.

20.5 No Forfeiture. Nothing contained herein will result in forfeiture or reversion of Grantor's title in any respect.

20.6 Joint Obligation. The obligations imposed by this Grant upon Grantor shall be joint and several.

20.7 Successors. The covenants, terms, conditions and restrictions of this Grant shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Protected Property.

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20.8 Termination of Rights and Obligations. A party's rights and obligations under this Grant terminate upon transfer of the party's interest in the Conservation Easement and Covenant or Protected Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

20.9 Captions. The captions of this Grant have been inserted solely for convenience of reference are not a part of this instrument and shall have no effect upon construction of interpretation.

20.10 Counterparts. The parties may execute this Grant in two or more counterparts which shall, in the aggregate, be signed by both parties. Each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Grant on the day and year shown above.

Grantor:

Little Mondeaux Limousin Corporation, a Nevada corporation

By: 

Ron Simek, President

Grantee:

~~Douglas County, a political subdivision of the State of Nevada~~

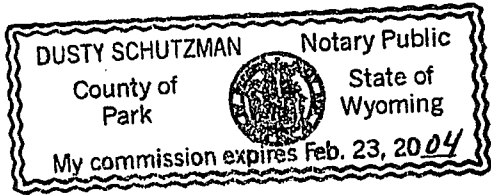
~~By: _____~~

~~Name: _____~~

~~Title: Chairman, County Commission~~

STATE OF WYOMING)
) ss.
County of Park)

This instrument was acknowledged before me on July 17, 2001, by Ron Simek, as President of Little Mondeaux Limousin Corporation, a Nevada corporation.



Dusty Schutzman
Notary Public

My commission expires: 2/23/04

COPY

Exhibit "A"
Legal Description

(See attached.)

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EXHIBIT "A"

LEGAL DESCRIPTION

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

Being a portion of Section 2, 3, & 10, Township 13 North, Range 19 East, M.D.B.&M. further described as follows:

PARCEL 1:

Parcel 1A, as set forth on map of Division into Large Parcels LDA# 99-040 filed for Record in the Office of the County Recorder of Douglas County, State of Nevada on September 8, 2000, in Book 900, Page 1083, as Document No. 499064.

Excepting therefrom all that portion thereof lying between the ordinary mean high water mark of the Carson River.

ASSESSOR'S PARCEL NO. 1319-02-000-002

PARCEL 2:

TOGETHER WITH access easement for ingress and egress as set out in documents recorded November 16, 1992, in Book 1192, Pages 2544 and 2555, Document Nos. 293200 and 293201, and amended by document recorded June 25, 1993 in Book 693, Page 5808, Document No. 310886, and further amended by document recorded July 23, 1993 in Book 793, Page 4480, Document No. 313255.

PARCEL 3:

A 50 foot Private Access Easement as described in Document recorded June 5, 2000, in Book 600, Page 792, as Document No. 493383.

Exhibit "B"
Description of Water Rights

(See attached.)

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**EXHIBIT B
WATER RIGHTS DESCRIPTION**

Permit	Use	Irrigated Acres	Subdivision		Section	Township	Range	Notes
53441	As Decreed	5.15	NE1/4	SW1/4	2	13N	19E	Carson River Right
53441	As Decreed	0.28	SE1/4	NW1/4	2	13N	19E	Carson River Right
53442	As Decreed	4.28	NW1/4	SW1/4	2	13N	19E	Carson River Right
53443	As Decreed	5.45	NE1/4	SW1/4	2	13N	19E	Carson River Right
53443	As Decreed	8.53	NW1/4	SW1/4	2	13N	19E	Carson River Right
53443	As Decreed	0.8	SW1/4	NW1/4	2	13N	19E	Carson River Right
53443	As Decreed	1.12	SE1/4	NW1/4	2	13N	19E	Carson River Right
53450	I & D	12.81(12.81)	NW1/4	SW1/4	2	13N	19E	(Portion Supplemental to Carson River rights)
53450	I & D	10.06(10.06)	NE1/4	SW1/4	2	13N	19E	
53450	I & D	0.8(0.8)	SW1/4	NW1/4	2	13N	19E	
53450	I & D	1.4(1.4)	SE1/4	NW1/4	2	13N	19E	
		25.61						

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2001 JUL 26 PM 3:40

LINDA SLATER
RECORDER

\$ 19.00 PAID PL DEPUTY

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