

RECORDED AT THE REQUEST OF:
TSI TITLE & ESCROW, INC.
ESCROW NO.: 10132-RM
TITLE ORDER NO.: 78524

APN 1319-18-202-003
1319-18-202-004
WHEN RECORDED MAIL TO:

K.G.I.D.
P.O. BOX 2220
STATELINE, NV. 89449

AGREEMENT REGARDING RECIPROCAL EASEMENTS

COPY

0555731

BK1002PG10653

**AGREEMENT REGARDING RECIPROCAL EASEMENTS, AND OTHER MATTERS
RELATING THERETO**

THIS AGREEMENT is made and entered into on the date hereof, by and between the following persons, entities, including a governmental entity, Yocona, L.L.C., a Nevada Limited Liability Company (hereinafter called "YOCONA"); and, the Kingsbury General Improvement District (hereinafter called "KGID").

WITNESSETH

WHEREAS, KGID is a governmental entity, established under Chapter 318 of the Nevada Revised Statutes, having broad powers, including but not limited to, the authority to acquire and own realty; to construct, own and operate water tanks; to construct, own and operate all necessary water facilities; to acquire, own and do all things necessary regarding KGID's utility works, facilities and lines; to own roadway easements and roadways, and to pave and maintain its roads and easements, but not limited to the foregoing mentioned powers, all in the interest of KGID and its constituents; and,

WHEREAS, KGID is the owner of Assessor's Parcel No (APN) 1319-18-202-002, formerly No. 11-053-28, situated in Douglas County, Nevada; and,

WHEREAS, although KGID likely has and enjoys prescriptive rights of access over and across APN 1319-18-202-003, formerly No. 11-053-29, situated in Douglas County, Nevada, said APN 1319-18-202-003 is now owned by YOCONA. That, KGID is without deeded access over and across APN 1319-18-202-003, and wishes to obtain an easement in connection with said latter parcel; and,

WHEREAS, YOCONA is the owner of APN 1319-18-202-001, formerly No.11-053-25, situated in Douglas County, Nevada, commonly known as the Kimberly Brooke property; that,

YOCONA has recently acquired and is the owner of APN 1319-18-202-003, formerly No. 11-053-29; and,

WHEREAS, YOCONA will agree to give KGID an easement over and across APN 1319-18-202-003, for utility use and utility maintenance purposes; and,

WHEREAS, KGID owns APN 1319-18-202-004, formerly No. 11-053-26; that, KGID is amenable to giving YOCONA access over and across APN 1319-18-202-004; and,

WHEREAS, both KGID and YOCONA also have a mutual interest in avoiding any disputes regarding access to the herein described real properties, and for good and legal consideration, agree to these mutual or reciprocal easement terms and conditions, further agreeing to equally share the total estimated cost for the paving of Kimberly Brooke Lane, over APN 1319-18-202-003 and over APN 1319-18-202-004 to the current United States Forestry Service gate; and,

WHEREAS, until a thorough dedication of the relevant part of Kimberly Brooke Lane is made by the private landowners to KGID, KGID and YOCONA hereby further agree to equally share the repair and maintenance cost for the area to be paved.

WHEREAS, attached hereto as **Exhibit "A"**, and made a part hereof by reference, is a map which accurately depicts the locations of APN's 1319-18-202-002, 1319-18-202-001 and 1319-18-202-003; and,

WHEREAS, on April 19th, 2002, with the item properly agendized under Chapter 241 of the Nevada Revised Statutes, the KGID Board of Trustees passed a motion which confirms the above recitals and the herein below terms and conditions of this mutual/reciprocal grant of easement and roadway improvement agreement. That, Chairman of KGID's Board of Trustees,

W.R. Hayes, appropriately recused himself from discussing this matter, or from voting thereon, due to the fact that he is the Certified Public Accountant for the Applicant, YOCONA.

NOW, THEREFORE, IN CONSIDERATION of the promises, agreements and covenants herein contained, and collateral and/or incidental documents that may be needed to fulfil the terms hereof, and for other good and valuable legal consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. **YOCONA's Grant of Easement.** YOCONA hereby grants and conveys to KGID an easement for access, utility line and utility maintenance purposes over and across APN 1319-18-202-003, said parcel owned by YOCONA.

2. **KGID's Grant of Easement.** KGID hereby grants and conveys to YOCONA an easement for access and utility lines across APN 1319-18-202-004, said parcel owned by KGID.

3. **Cost of Paving and Kimberly Brooke Lane.** The parties hereto agree to equally share the estimated cost for the paving of Kimberly Brooke Lane, over APN 1319-18-202-003 and over APN 1319-18-202-004. The road shall be subject to KGID's specifications; will be paved twelve (12) feet wide; be a crowned road with gravel infiltration trenches on either side; same to extend from the current edge of pavement on Kimberly Brooke Lane, over APN 1319-18-202-003 and over APN 1319-18-202-004, to the current United States Forestry Service gate. This agreement to share costs includes the equal sharing of engineering costs incurred by KGID; TRPA and any other application and permit or approval fees; labor and material expenses; planning, but not necessarily limited to, these costs.

In the event that KGID should find it necessary or appropriate to prepay for professional or lay services, labor and/or materials regarding this project, YOCONA agrees to reimburse

KGID for YOCONA'S share of any such prepayment, within five (5) business days of YOCONA's actual receipt of the cost billing. The cost billing shall be supported by invoices, billings or other satisfactory evidences of payment by KGID.

4. **Kimberly Brooke Lane Maintenance; Liabilities.** Until a thorough dedication of the relevant part of Kimberly Brooke Lane is made by the YOCONA and the other private landowners to KGID, KGID and YOCONA hereby further agree to equally share the repair and maintenance cost for the area to be paved. Once the thorough dedication is accomplished, KGID agrees to assume sole responsibility for the maintenance of Kimberly Brooke Lane, and to hold YOCONA free and harmless of any claims or liabilities, including for the eventual future maintenance of said roadway, absent YOCONA, its principals, or its successor's negligence or wilful misconduct.

5. **Documents.** Both parties agree to sign and execute any and all documents necessary to effect the consummation of this Agreement, including permit or variance applications, if applicable; consents in support of any such applications to the Tahoe Regional Planning Agency; and, deeds; but not limited to these matters.

6. **The Parties remedies for breach.** The parties hereby agree that they will not disturb or interfere with the other's right to utilize the respective grants of easement, and rights incidental thereto. In the event that either party, or any of their agents, members, Trustees, owners, servants, or employees disturbs, damages or commits any waste that adversely affects any of either party's property, easements or rights hereunder, the party who is at fault hereby agrees to immediately cure or repair the damage. The affected party's remedies for any interference or damage shall also include both legal and equitable remedies, including but not limited to,

injunctive relief.

7. **Cost for Preparation of Documents.** The parties hereto agree to equally share the attorney's fees regarding the preparation of this Agreement, including any costs which are incidental hereto. Costs shall include the expenses incurred through TSI Title and Escrow Service, for the escrow and title matters, including the cost for recording this Agreement and any other documents needed for the close of escrow.

8. **Modification or waiver.** No modification or waiver of any of the terms of this Agreement shall be valid unless in writing and executed with the same formality as this Agreement.

9. **Dispute; Attorney's fees and costs.** In the event of a dispute regarding the interpretation, enforcement of, or the parties performance under this Agreement, the parties shall first attempt to negotiate a settlement of the dispute or disputes. If unsuccessful, the parties shall then resort to mediation, through the American Arbitration Association (hereafter, "AAA") and the parties shall equally share the expense of that mediation; provided however, that each party shall be solely responsible for their respective attorney's fees. In the event that mediation proves unsuccessful, the parties agree to submit the dispute or disputes through the AAA's binding arbitration process. In any such arbitration, the prevailing party shall be entitled to his, her, their or its reasonable attorney's fees and taxable costs. The parties shall also be permitted to utilize discovery under the Nevada Rules of Civil Procedure, and to allege and prove any legal or equitable theories of relief, including, if applicable, injunctive relief.

10. **Governing Law.** In the event of a dispute between the parties, Nevada law, including statutes and court decisions shall govern

11. **Binding nature.** This Agreement shall be effective as of the date on which it is signed and approved by all parties.

12. **Contract not to be construed against any party.** The parties hereto each acknowledge that they have each provided substantial input to this Agreement; have negotiated same; and/or have had the full opportunity to provide such input and to negotiate its terms. Therefore, all of the parties agree that no terms, conditions or covenants in the Agreement shall be construed against any party, due to any claim that one or more parties authored the Agreement.

13. **Agreement's Term/Duration.** This Agreement and these reciprocal grants of easement shall be indefinite in duration.

14. **The Recitals are Vital.** The herein above recitals are germane to this Agreement, and shall be considered to be an integral part of this Agreement, should there ever be a need to resort to same.

15. **Authority to Execute Agreement.** Both parties hereto hereby warrant that each signer of this Agreement has the authority to sign the within Agreement. Time is also of the essence to this transaction, and was expedient for the Board to authorize BOB COOK, as the KGID Board's Secretary-Treasurer, to sign/execute this Agreement.

16. **Easement runs with the land.** The parties hereto further agree that the easements described herein, as well as all terms, covenants and conditions contained in this Agreement shall run with the land, including for the benefit of any and all of the respective party's heirs, beneficiaries, successors, assignees, representatives, administrators/administratrix', and executors/executrix'.

DATED this 17 day of October, 2002.

KINGSBURY GENERAL IMPROVEMENT DISTRICT

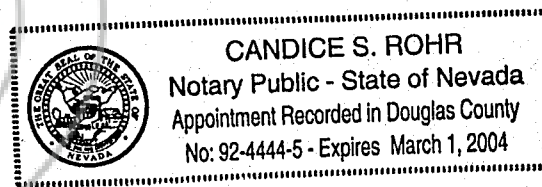
By: B Cook
BOB COOK, Secretary-Treasurer

YOCONA, LLC

By: Vicky Badger
VICKY BADGER, Managing Member

STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

On this 17 day of October, 2002, personally appeared before me, a Notary Public in and for said County and State, BOB COOK, Secretary-Treasurer of the Kingsbury General Improvement District, known to me to be the person who executed the foregoing AGREEMENT REGARDING RECIPROCAL EASEMENTS, AND MATTERS RELATING THERETO, and who acknowledged to me that he did so freely, voluntarily and for the uses and purposes therein mentioned.

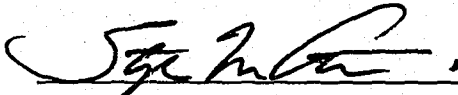



Candice S. Rohr
Notary Public

STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

On this 23 day of October, 2002, personally appeared before me, a Notary Public in and

for said County and State, VICKY BADGER, known to me to be the Managing Member of YOCONA, LLC, and the person who executed the foregoing AGREEMENT REGARDING RECIPROCAL EASEMENTS, AND MATTERS RELATING THERETO, and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.


Notary Public

 **STEPHEN M. ATKINSON**
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 90-2113-5 - Expires October 27, 2003

COOPER

REQUESTED BY
TSI TITLE & ESCROW
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 OCT 24 AM 9: 10

- 8 -

LINDA SLATER
RECORDER

\$ 22.00 PAID KJ DEPUTY

LAW OFFICES
NOEL E. MANOUKIAN, LTD.
1466 HIGHWAY 395 NORTH
GARDNERVILLE, NEVADA 89410
(775) 782-9747
(775) 883-3299

0555731

BK1002PG10661