

APN # 1318-10-301-008

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(for Recorder's use only)

AGREEMENT AND IRREVOCABLE POWER
OF ATTORNEY REGARDING RESERVATION
OF LAND COVERASE
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.

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APN 1318-10-301-008

Recording requested by
and when recorded mail to:

Michael J. McLaughlin, Esq.
Feldman Shaw LLP
P.O. Box 1249
Zephyr Cove, Nevada 89448

**AGREEMENT AND IRREVOCABLE POWER-OF-ATTORNEY
REGARDING RESERVATION OF LAND COVERAGE
(1318-10-301-008)**

This Agreement and Irrevocable Power-of-Attorney Regarding Reservation of Land Coverage ("Agreement") is made as of the 15th day of September 2004 ("Effective Date"), by and between FALCON CAPITAL LLC, a Wyoming limited liability company ("Falcon"), WAYNE SNYDER, an individual ("Snyder") (collectively Falcon and Snyder are referred to herein as the "Declarants"), and Karen J. Pearson ("Purchaser").

RECITALS

A. Declarants are the owners of the following contiguous parcels of real property located in Douglas County, State of Nevada:

PARCEL ONE:

Declarant FALCON CAPITAL LLC is the owner of that certain real property located in Douglas County, Nevada, commonly known as Assessor's Parcel No. 1318-10-301-008, and more particularly described in the attached Exhibit "A."

PARCEL TWO:

Declarant WAYNE SNYDER is the owner of that certain real property located in Douglas County, Nevada, commonly known as Assessor's Parcel No. 1318-10-312-009, and more particularly described in the attached Exhibit "B."

Parcels 1 and 2 are hereinafter collectively referred to as the "Property."

B. Declarants received approval from the Tahoe Regional Planning Agency ("TRPA") on February 6, 2003, for a boundary line adjustment between Parcels 1 and 2, subject to certain conditions contained on said approval, including a condition that Declarants record a deed restriction permanently assuming that the coverage calculations for the parcels within the project area shall always be made as if the parcels had been legally consolidated.

C. On January 8, 2004, the Declarants entered into a Declaration of Covenants, Conditions and Restrictions for Project Area and Coverage Calculation ("Deed Restriction"), recorded on January 12, 2004, in the Official Records of Douglas County, State of Nevada, as Instrument No. 0601769, whereby the Declarants declared and agreed as follows:

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(i) For the purpose of calculating land coverage and applying TRPA ordinances relating to land coverage, TRPA has determined that the Parcels 1 and 2 identified herein have (prior to TRPA's boundary line adjustment approval) 10,712 square feet of existing Class 2 land coverage and 1,643 square feet of existing land coverage located within the area identified as similar and contiguous for the IPES allowable coverage per TRPA File No. 20030329, with a current allowable land coverage of 22,055 square feet. The Declarants further acknowledged that previously transferred land coverage may be returned to the project area (for a maximum of 40,118 square feet onsite) only if TRPA approves the transfer of such pursuant to TRPA ordinances in effect at the time of such development.

(ii) For the purpose of satisfying TRPA's February 6, 2003, condition of approval, the Property, consisting of Parcels 1 and 2 identified herein, shall always be treated as if the lots had been legally consolidated for the purposes of land coverage calculations with the project area and the TRPA ordinances pertaining to land coverage.

D. Declarants have, or will at the time Parcel 1 is conveyed to Purchaser, transfer with Parcel 1 a total of 9,305 square feet of land coverage, of which 5,594 square feet consists of Class 2 land coverage and 3,711 square feet consists of land coverage located within the area identified as similar and contiguous for the IPES allowable coverage per TRPA File No. 20030329.

E. Declarants have, or will at the time Parcel 2 is conveyed to a third party, transfer with Parcel 2 a total of 8,632 square feet of land coverage, of which 1,000 square feet consists of Class 2 land coverage and 7,632 square feet consists of land coverage located within the area identified as similar and contiguous for the IPES allowable coverage per TRPA File No. 20030329.

F. Declarants have reserved or will reserve, at the time Parcels 1 and 2 are conveyed to third parties, from the transfer a total of 4,118 square feet of Class 2 land coverage (the "Reserved Coverage") out of the 22,055 square feet of land coverage available within the Project Area. The parties hereto acknowledge and agree the Reserved Coverage is reserved to Falcon and is not part of the property rights conveyed to Purchaser.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Declarants and Purchaser acknowledge and agree that, no later than the time Parcel 1 is conveyed to Purchaser, Declarant shall transfer with Parcel 1 a total of 9,305 square feet of land coverage, of which 5,594 square feet consists of Class 2 land coverage and 3,711 square feet consists of land coverage located within the area identified as similar and contiguous for the IPES allowable coverage per TRPA File No. 20030329.

2. Declarants and Purchaser acknowledge and agree that, no later than the time Parcel 1 is conveyed to Purchaser, Declarants shall reserve the Reserved Coverage from the transfer of Parcel 1. Snyder and Purchaser further acknowledge and agree the Reserved Coverage is reserved to Falcon and is not part of the property rights conveyed to Purchaser.

3. Purchaser hereby appoints Falcon as agent ("Agent") solely for the limited purposes of transferring any portion of the Reserved Coverage to an appropriate receiving parcel(s) designated by Falcon and approved by TRPA. Agent is authorized and empowered to execute on behalf of Purchaser, from time to time, (i) all declarations of covenants, conditions, and restrictions pertaining to the Reserved Coverage in the form required by TRPA and approved by both TRPA and Falcon, and (ii) TRPA applications and other documents reasonably required by TRPA to transfer of the Reserved Coverage from the Property consisting of Parcels 1 and 2 identified herein to appropriate receiving

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parcel(s) designated by Falcon and approved by TRPA.

4. Falcon and Purchaser agree the Reserved Coverage may remain banked on the Property until transferred to receiving parcel(s) designated by Falcon and approved by TRPA. Purchaser agrees not to encumber the Reserved Coverage in any manner (except in favor of Falcon) and to cooperate in all reasonable ways to facilitate transfer of the Reserved Coverage off the Property as required by Falcon.

5. The rights and restrictions set forth herein shall be deemed covenants running with the land or as equitable servitudes, as the case may be, shall constitute benefits and burdens to the Property, and shall be binding on the parties hereto, their assignees, and all persons acquiring or owning any interest in the Property.

6. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of date first set forth above.

DECLARANTS:

FALCON CAPITAL, LLC

By: *[Signature]*

Name: *William C. R. Lane*

Its: *Member*

PURCHASER:

KAREN J. PEARSON

[Acknowledgments follow]

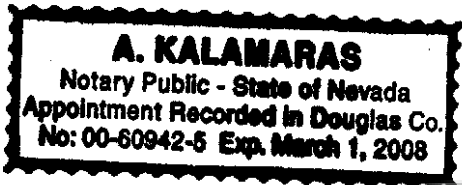
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ACKNOWLEDGMENT

State of Nevada }
 } SS.
County of Douglas }

On September 15, 2004, before me, A. Kalamaras
_____, personally appeared G. Randy Lane
_____, 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 executed the same in his/her/their authorized capacity(ies), and that by
his/her 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.



A. Kalamaras
Notary's Signature

State of _____ }
 } SS.
County of _____ }

On _____, before me, _____
_____, personally appeared _____
_____, 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 executed the same in his/her/their authorized capacity(ies), and that by
his/her 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.

Notary's Signature

EXHIBIT A

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

Parcel 1

All that real property situate in the County of Douglas, State of Nevada as follows:

Lot 44, as shown on the AMENDED PLAT OF ZEPHYR KNOLLS UNIT NO. 2, filed for record on July 5, 1959 as Document No. 12415 and that portion of Section 10, Township 13 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the Northwesterly corner of said Lot 44; thence along a curve concave to the Northwest with a radius of 590 feet, a central angle of $3^{\circ}38'08''$, and an arc length of 37.44 feet, the chord of said curve bears North $58^{\circ}41'56''$ East 37.43;

Thence South $71^{\circ}15'00''$ East 161.62 feet; thence along a curve concave to the Southeast with a radius of 118.50 feet, a central angle of $14^{\circ}09'45''$, and an arc length of 29.29 feet, the chord of said curve bears South $11^{\circ}31'39''$ West 29.22 feet.

Thence South $83^{\circ}28'10''$ West 127.29 feet;

Thence South $34^{\circ}53'15''$ East 382.13 feet;

Thence South $40^{\circ}26'37''$ West 150.32 feet;

Thence South $82^{\circ}11'09''$ West 143.71 feet;

Thence North $28^{\circ}15'55''$ West 513.06 feet to a point on the Southerly Right of Way of U.S. Highway 50; thence along said Right of Way along a curve concave to the Northwest with a radius of 590.00 feet, a central angle of $21^{\circ}48'23''$, and an arc length of 224.55 feet, the chord of said curve bears North $71^{\circ}25'11''$ East 223.20 feet to the Point of Beginning.

The Basis of Bearing for this description is the Amended Plat of Zephyr Knolls Unit No. 2.

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Said land is also shown as Tract 2 of Record of Survey supporting a Boundary line adjustment for Falcon Capital, filed in the office of the County Recorder of Douglas County, State of Nevada on March 26, 2004 as File No. 608522 of Official Records.

Parcel 2

Easements as contained in that certain Declaration of Reciprocal Easements recorded May 17, 2004 in Book 0504 of Official Records, at Page 8063 as Document No. 613405.

Per NRS 111.312, this legal description was previously recorded on March 26, 2004 in Book 0304, Page 13273, as Document No. 608524, Official Records, Douglas County, State of Nevada.



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EXHIBIT B

Parcel 1

Being a portion of Section 10, Township 13 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the Northwestern corner of Lot 81 of Zephyr Knolls Number 4, filed for record on October 14, 1957 as Document No. 012699;

Thence North 24°06'00" West 70.29 feet;

Thence along a tangent curve to the left with a radius of 320 feet, a central angle of 31°09'00", and an arc length of 173.97 feet;

Thence North 55°15'00" West 58.12 feet;

Thence North 20°42'00" East 322.17 feet to a point on the Southerly Right of Way line of U.S. Highway 50;

Thence along said Southerly Right of Way line South 84°29'45" East 170.32 feet;

Thence along a tangent curve to the left with a radius of 590 feet, central angle of 13°10'52", and an arc length of 135.73 feet;

Thence South 28°15'15" East 513.06

Thence South 82°11'09" West 480.08 feet to the Point of Beginning.

Said land is also shown as Tract 1 of Record of Survey supporting a Boundary line adjustment for Falcon Capital, filed in the office of the County Recorder of Douglas County, State of Nevada on March 26, 2004 as File No. 608522 of Official Records.

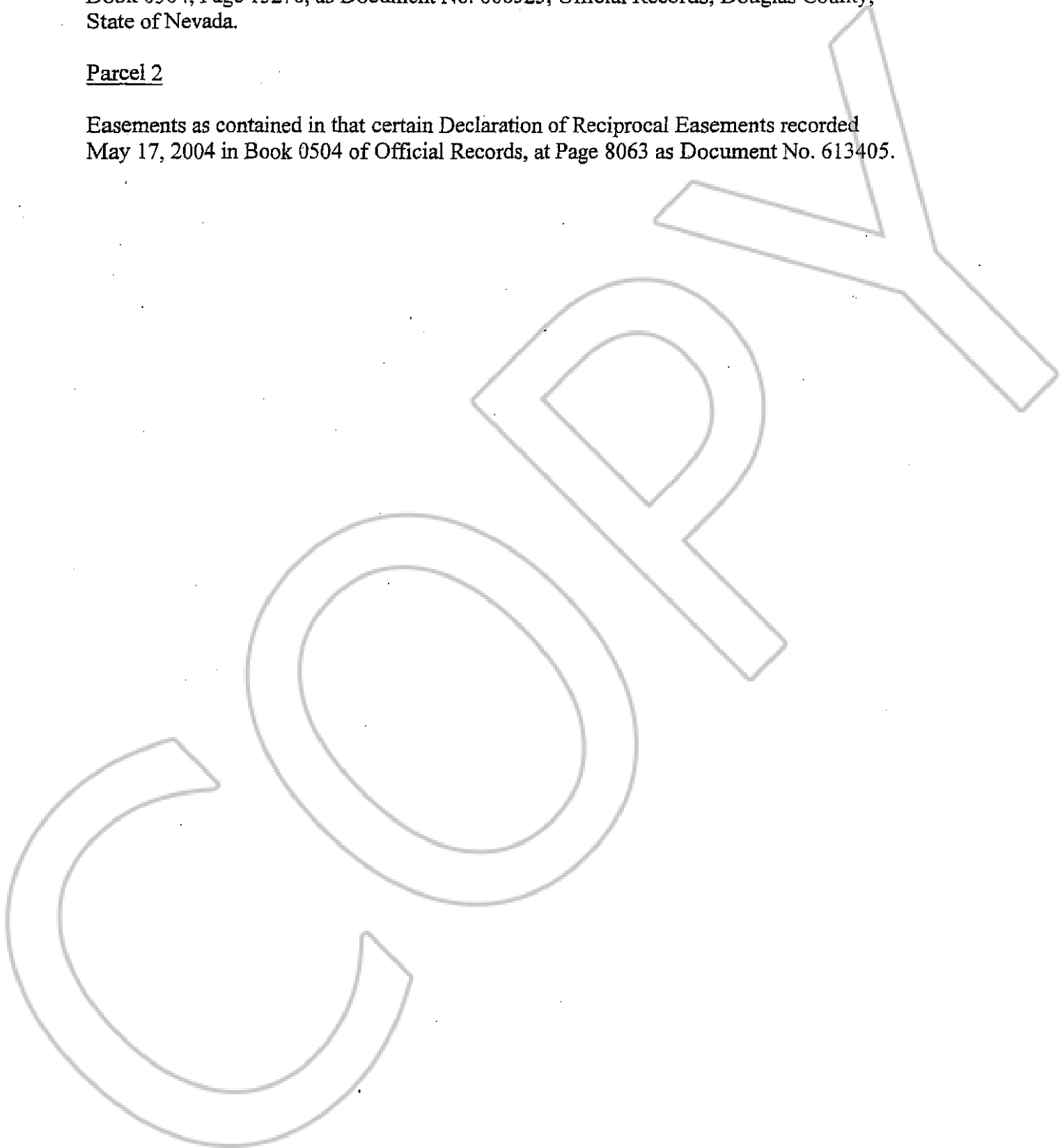
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Per NRS 111.312, this legal description was previously recorded on March 26, 2004 in Book 0304, Page 13276, as Document No. 608525, Official Records, Douglas County, State of Nevada.

Parcel 2

Easements as contained in that certain Declaration of Reciprocal Easements recorded May 17, 2004 in Book 0504 of Official Records, at Page 8063 as Document No. 613405.



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