

Recording requested by and when recorded, mail to:

✓ Kingsbury GID
P.O. Box 2220
Stateline, NV 89449

Chauncey Lane
P.O. Box 1640
Zephyr Cove, NV 89448

Douglas County - NV
Karen Ellison - Recorder

Page: 1 Of 6 Fee: 19.00
BK-1008 PG- 2832 RPTT: 0.00



SPACE ABOVE THIS LINE FOR RECORDER'S USE

ENCROACHMENT PERMIT AGREEMENT

This Encroachment Permit Agreement ("Agreement") is made this 9th day of October 2008, by and between KINGSBURY GENERAL IMPROVEMENT DISTRICT, a Nevada General Improvement District formed and existing pursuant to NRS Chapter 318 (the "KGID"), and Chauncey Lane ("Permittee").

WHEREAS, Permittee is the owner of certain real property located at 736 Bonnie Dr. A&B, Stateline, Douglas County, Nevada, commonly known as Assessor's Parcel No. 1319-19-718-021, and more particularly described in the attached Exhibit "A" (the "Property"); and,

WHEREAS, Permittee obtained approval from the Douglas County for a reduction in the required front yard setback for the construction of a new 5,000 square foot, two-story, multi-family duplex on the Property, and,

WHEREAS, portions of the improvements for the driveway, retaining wall, decks and roof overhang (the "Encroaching Improvements") are proposed to be constructed within the Bonnie Drive public right-of-way (the "Right-of-Way"), which Right-of-Way is maintained by KGID; and,

WHEREAS, a condition of the approval of the Major Variance requires that Permittee obtain written approval from KGID for the encroachment of the Encroachment Improvements within the Right-of-Way; and,

WHEREAS, KGID agrees to approve the encroachment of the improvements described above, subject to the terms and conditions set forth herein:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Permittee and KGID agree as follows:

1. Approval of the Encroachment. KGID hereby grants and conveys to Permittee a permanent and non-exclusive Encroachment Permit appurtenant to the Property (the "Permit") for

encroachment of the Encroaching Improvements within the Right-of-Way, as depicted in Exhibit "B," attached hereto and incorporated herein by this reference. The Permit granted herein includes incidental rights and obligations of construction, maintenance, repair, and replacement, necessary for Permittee's use and enjoyment of the Permit.

2. Benefit and Burden. The Permit shall run with and burden the land. All obligations, terms, conditions, and restrictions imposed herein shall be deemed to be covenants and restrictions running with the land, and shall bind the parties, and their successors, personal representatives, and assigns.

3. Disclosures and Acknowledgements. Permittee acknowledges that snow removal procedures will require equipment use adjacent to the proposed retaining wall, and that damage may occur to such improvement, or to vehicles parked adjacent thereto, or to the Encroaching Improvements. Permittee acknowledges that parking vehicles in the driveway area is prohibited during winter months defined as October 1 through May 1. Permittee acknowledges that removal of all snow from the driveway entrance may not occur, that a berm may remain after plowing, that snow plowed adjacent to the retaining wall(s) may spill over onto the driveway, and that snow storage may result in different and/or increased drainage issues affecting the Property. Permittee acknowledges that all of these issues are the result of the house and improvement design chosen by Permittee, and which required the request for a variance and Permit, and consents thereto. These acknowledgements and consent and the release and indemnity provisions contained below are offered by Permittee as an inducement and consideration to KGID to grant the Permit.

4. Liability and Indemnity. Permittee hereby releases and agrees to hold KGID and its employees, agents, and contractors harmless, and waives all right to recourse against KGID, including the right to contribution or indemnification, and agrees to defend KGID as to any and all claims, demands, costs, reasonable expense, liability, and losses arising from the Permit, or arising from any encroachment improvement or modification allowed by the Permit. Included, without limitation, is any matter or any damage to the Encroaching Improvements from any cause directly related to the existence of the Encroaching Improvements within the Right-of-Way; any damage occasioned by KGID's snow removal activities, whether performed by its employees or its agents or contractors; and, any damage or injury to any person or property related to the Permit. Permittee agrees to indemnify, defend, and hold KGID and its employees, agents, and contractors harmless from any all claims, demands, costs, reasonable expenses, liabilities, and losses arising out of any damage or injury to any person or property from any cause related to the existence of the Encroaching Improvements within the Right-of-Way, except for matters arising out of the sole negligence of KGID and/or its contractors.

5. Entire Agreement. This instrument contains the entire agreement between the parties hereto relating to the rights granted and the obligations assumed herein. Any oral representations or modifications of the instrument shall be of no force and effect unless embodied in a subsequent modification in writing signed by the party to be charged.

6. Binding Effect. This agreement is binding on, and shall inure to the benefit and burden of the parties, their heirs, grantees, successors and assigns.

7. Revocation. This Permit is revocable by KGID in the event that the Encroaching Improvements are removed from or are no longer in the Right-of-Way, or in the event that the Permittee breaches the terms of the Encroachment Permit Agreement.

8. Cost of Enforcement. In the event that any action is filed by any party in relation to the rights and obligations under this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, all costs incurred and a reasonable sum for the successful party's attorneys' fees.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto on the date first set forth above.

KINGSBURY GENERAL IMPROVEMENT DISTRICT

By: *Michelle Kuntzel*

Print Name: Michelle Kuntzel

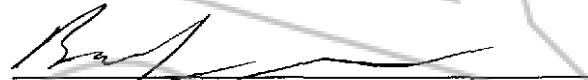
Its: Business : Contracts mgr

Michelle Kuntzel Permittee
CHAUNCEY LANE, Permittee

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On October 9th, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared, Michelle Runtzel, personally known (or proved) to me to be the person whose name is subscribed to the above Encroachment Permit Agreement and acknowledged to me that he/she executed the same, and that by his/her signature on the instrument, the person(s) or entity on behalf of which he/she acted, executed the instrument.




NOTARY PUBLIC

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On October 9th, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared, CHAUNCEY LANE, personally known (or proved) to me to be the person whose name is subscribed to the above Encroachment Permit Agreement and acknowledged to me that he executed the same, and that by his signature on the instrument, the person(s) or entity on behalf of which he acted, executed the instrument.




NOTARY PUBLIC

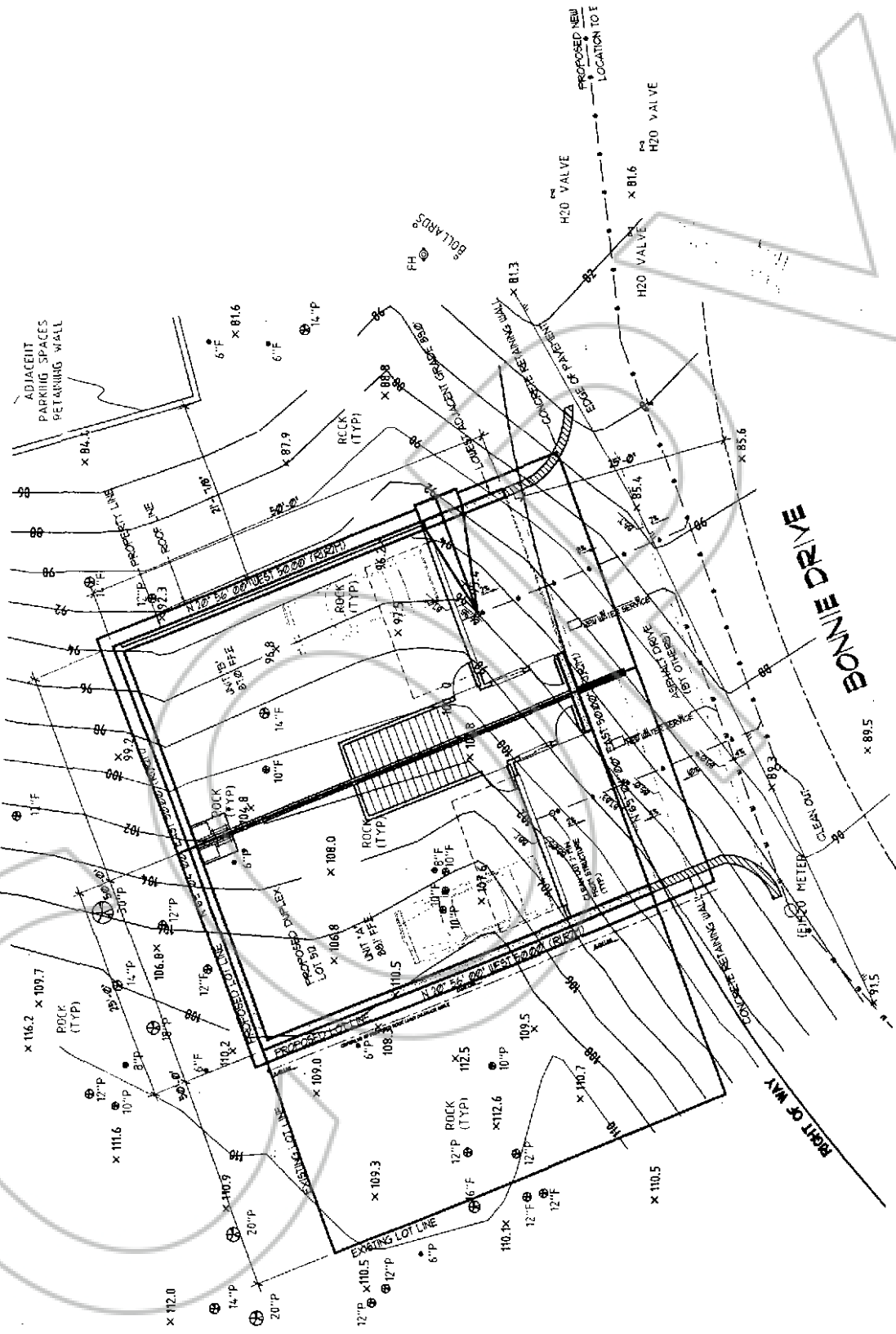
EXHIBIT "A"

TO THE ENCROACHMENT PERMIT AGREEMENT
BETWEEN KINGSBURY GENERAL IMPROVEMENT DISTRICT
AND CHAUNCEY LANE, OWNER
OF 736 BONNIE DRIVE, STATELINE, NV
APN 1319-19-718-021

The legal description of the parcel is:

Lot 512, Summit Village Subdivision, Douglas County, Nevada





BONNIE DRIVE

EXHIBIT "B"
736 BONNIE DRIVE
APN 1319-19-718-021