

1418-02-401-001
APN: 1418-02-410-001

When Recorded, Mail to:

Paul P. Flynn, as trustee
9101 Alta Drive, Suite 503
Las Vegas, Nevada 89145

Douglas County - NV
Karen Ellison - Recorder

Page: 1 Of 13 Fee: 26.00
BK-0809 PG- 4548 RPTT: 0.00



The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

UTILITIES EASEMENT

This Utilities Easement (this "Agreement") is made as of the 20 day of AUGUST, 2008, by and between Patrick K. Willis, as trustee of the Patrick K. Willis Family Trust dated March 28, 2000 ("Grantor"), and Paul P. Flynn ("Grantee"). Grantor and Grantee are sometimes individually referred to as a "Party" and may be collectively referred to as the "Parties":

RECITALS:

- A. Grantor is the owner of that certain real property located in Douglas County, Nevada, more particularly described in **Exhibit "A"** attached hereto and incorporated herein by this reference (the "Servient Property").
- B. Grantee is the owner of that certain real property located in Douglas County, Nevada, more particularly described in **Exhibit "B"** attached hereto and incorporated herein by this reference (the "Dominant Property").
- C. Grantor desires to grant, and Grantee desires to acquire, perpetual, non-exclusive public or private utilities easements appurtenant to the Dominant Property over, through, and under that portion of the Servient Property which is more particularly described in **Exhibit "C"** attached hereto and incorporated herein by this reference (the "Easement Area"), which Easement Area is also depicted on **Exhibit "D"** attached hereto and incorporated herein by this reference.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

AGREEMENT:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein.

2. **Grant of Easements.** Grantor hereby grants to Grantee perpetual, non-exclusive, easements over, through, and under the Easement Area for the following purposes: (1) the construction, installation, use, maintenance, repair (including necessary replacements), alteration, and operation of public or private utilities lines and improvements consisting of, without limitation, pipelines, transmission lines, foundations, markers, conduits, pull boxes, vaults, switchgear, valves and valve boxes, and any other appurtenances reasonably connected therewith as Grantee may construct, install, or improve upon the Easement Area (collectively, the "Improvements"); and (2) such access, ingress, and egress over the Easement Area as may be necessary or useful to enjoy the foregoing rights. The easements granted herein are appurtenant to, and for the benefit of, the Dominant Property and every portion thereof and interest therein.

3. **Maintenance.**

3.1 **Maintenance Obligations.** Grantee shall maintain the Improvements in good condition and repair. Grantee shall repair any damage to the Servient Property caused by Grantee's work in the Easement Area, and, to the extent reasonably practicable, shall promptly restore the Servient Property to a condition substantially similar to its condition prior to the occurrence of such damage. In the event Grantee fails to reasonably maintain or repair the Improvements, and such failure materially and adversely affects Grantor's use and enjoyment of the Servient Property, then Grantor may, after thirty (30) days written notice to Grantee, undertake such repair; provided, however, Grantor shall not have the right to undertake such repair if Grantee commences such repair within thirty (30) days after notice is deemed to have been received by Grantee and thereafter diligently prosecutes such repairs to completion. Notwithstanding the foregoing, in the event of an emergency, Grantor may undertake all necessary repairs without providing prior notice to, or obtaining consent from, Grantee. For purposes of this Agreement, an emergency is any failure or defect in the Improvements that, if left unchecked, would cause significant damage to the Servient Property or any improvements thereon, or would threaten the health, safety, or welfare of the owner, occupants, or invitees of the Servient Property.

3.2 **Maintenance Costs.** The owner of the Dominant Property shall bear the expense of all necessary maintenance and repair of the Improvements, including any necessary repair to the Easement Area occasioned by such maintenance and repair.

4. **Indemnity.** Grantee shall defend, protect, indemnify, and hold harmless Grantor against any and all damages, losses, expenses, and fines based upon any claim of

personal injury or property damage occurring during the term of this Agreement and resulting from Grantee's construction upon, or maintenance of, the Easement Area or the Improvements, except to the extent arising from Grantor's own negligence or misconduct, or that of Grantor's agents, tenants, licensees, or invitees. In the event that Grantor receives notice of any claim potentially implicating Grantee's duties under this Section 4, Grantor shall inform Grantee of the claim as soon as is reasonably possible, and in any event within ten (10) days of receiving notice of such claim. Grantor's failure to timely inform Grantee of a claim shall waive Grantor's rights under this Section 4 as to that claim.

5. Easement Runs With the Land; Successors and Assigns. The easement created in this Agreement is perpetual in nature, appurtenant to the Dominant Property, and shall run with the Dominant Property and benefit any owner of any portion of the Dominant Property in perpetuity. The provisions of this Agreement shall be binding upon the successors and assigns of Grantor and Grantee. Grantor and Grantee shall be responsible for their respective obligations that accrue during their ownership of their respective parcels; provided, however, in the event that either Party conveys, transfers, assigns, or otherwise disposes of all of its interest in the Dominant Property or Servient Property, as the case may be, the transferring party shall be released and discharged from any liabilities and obligations under this Agreement that occur after such transfer.

6. Notices. All communications which may be, or are required to be, given by either Party to this Agreement shall be properly given if made in writing and sent by: (a) hand delivery; (b) certified mail, return receipt requested; (c) facsimile, provided a confirming copy thereof is also sent in accordance with (a), (b), or (d); or (d) Federal Express or another nationally recognized overnight delivery service for next business day delivery, with all postage, delivery, and other charges paid by the sender and addressed to Grantor or Grantee, as applicable, as follows, or at such other address as each may request in advance in writing. Such notices shall be deemed delivered: (i) by hand, upon actual delivery; (ii) by overnight delivery service, on the next business day after the notice is sent; (iii) by facsimile, on the next business day after the date the notice is sent; and (iv) if mailed, upon the earlier of actual receipt or three (3) business days after mailing. Refusal of delivery shall be deemed effective delivery. Unless changed as provided in this Section 6, notice addresses are as follows:

If to Grantor:

Patrick K. Willis Family Trust dated March 28, 2000
Attn: Patrick K. Willis, Trustee
P.O. Box 1144
Sacramento, CA 95812
Telephone: 916-240-5430
Facsimile: 916-391-9592

If to Grantee:

Paul P. Flynn
9101 Alta Drive, Suite 503
Las Vegas, Nevada 89145
Telephone: 702-880-0800
Facsimile: 702-880-0900

7. **Mechanics' Liens.** Grantee shall at all times keep the Servient Property free and clear of all liens and encumbrances (including, without limitation, mechanics, materialmens, and other similar liens) arising or alleged to arise as a result of the installation, maintenance, repair, or replacement of the Improvements or the Easement Area. If any such liens are filed or recorded, Grantee shall, within thirty (30) days after such filing or recording, cause the same to be discharged of record or bonded over in accordance with applicable law. Grantee shall notify Grantor in writing no less than three (3) business days prior to the commencement of construction of any improvements to the Easement Area to allow Grantor sufficient time to record a Notice of Nonresponsibility pursuant to Chapter 108 of the Nevada Revised Statutes. Grantee agrees to indemnify Grantor and hold Grantor harmless from any and all mechanics liens, materialmens liens, and other similar liens arising from work performed on the Servient Property at the request of Grantee.


8. **Breach Shall Not Permit Termination.** No breach of this Agreement shall entitle either Party to terminate this Agreement or to bring any action for termination; provided, however, that such limitation shall not impact any other rights that may be available to such Party.

9. **Construction and Interpretation.** It is expressly agreed by the Parties hereto that any uncertainty or ambiguity in this Agreement shall not be interpreted against any one Party. This Agreement shall be governed by the laws of the State of Nevada. The section headings of this Agreement are inserted solely for convenience of reference and are not intended to govern, limit, or aid in the construction of any term or provision hereof.

[Signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Utilities Easement on the date first written above.

GRANTOR:



Patrick K. Willis, as Trustee of
the Patrick K. Willis Family Trust
dated March 28, 2000

GRANTEE:

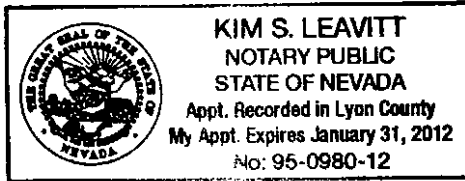


Paul P. Flynn



STATE OF Nevada)
County of Douglas)

This instrument was acknowledged before me on Sept 18, 2008, by Patrick K. Willis, as Trustee of Patrick K. Willis Family Trust dated March 28, 2000.



[Signature]
Notary Public
My Commission Expires: 1-31-2012

STATE OF Nevada)
County of Douglas)

This instrument was acknowledged before me on August 13, 2008⁹, by Paul P. Flynn.

[Signature]
Notary Public
My Commission Expires: April, 2011

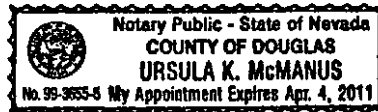


Exhibit "A"
Remainder Parcel

A portion of land within portions of the Southwest one-quarter of the Southwest one-quarter of Section 2, and the Southeast one-quarter of the Southeast one-quarter of Section 3, Township 14 North, Range 18 East, MDM, Douglas County, Nevada, for lease purposes being more particularly described as follows:

BEGINNING at a point on the Southerly boundary line of Parcel 3-A, as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office, which bears N. 89°46'38" E., 28.54 feet from the Southwest corner of said Section 2;

thence 16.43 feet along the arc of a non-tangent curve to the right, having a central angle of 11°28'50" and a radius of 82.00 feet, (chord bears N. 24°18'00" E., 16.40 feet);

thence N. 30°02'26" E., 12.42 feet;

thence 71.51 feet along the arc of a curve to the right, having a central angle of 56°54'07" and a radius of 72.00 feet, (chord bears N. 58°29'29" E., 68.60 feet);

thence N. 86°56'33" E., 35.99 feet;

thence 46.47 feet along the arc of a curve to the right, having a central angle of 12°06'08" and a radius of 220.00 feet, (chord bears S. 87°00'23" E., 46.38 feet);

thence S. 80°57'19" E., 40.20 feet;

thence N. 08°40'49" W., 90.93 feet;

thence N. 39°00'03" W., 121.00 feet;

thence S. 60°26'06" W., 150.00 feet to a point on the Southerly boundary line of said Parcel 3-A;

thence along the Southerly, Westerly and Northerly boundary lines of said Parcel, the Northerly and Easterly boundary lines of Parcel 3-D of said Record of Survey for George W. Gillemot, and the Southerly boundary lines of said parcels 3-D and 3-A, the following eighteen courses;

1) N. 00°33'30" E., 90.24 feet;

- 2) S. 89°47'27" W., 391.25 feet;
- 3) S. 26°21'25" E., 173.39 feet;
- 4) N. 40°17'16" W., 100.92 feet;
- 5) N. 35°20'53" W., 50.90 feet;
- 6) N. 11°11'18" W., 121.08 feet;
- 7) N. 14°20'33" W., 99.56 feet;
- 8) N. 80°38'10" E., 465.80 feet;
- 9) N. 00°33'30" E., 34.54 feet;
- 10) N. 88°22'24" E., 166.88 feet;
- 11) N. 47°56'17" E., 177.11 feet;
- 12) S. 64°30'20" E., 87.74 feet;
- 13) S. 25°47'36" E., 134.29 feet;
- 14) S. 31°08'54" W., 108.51 feet;
- 15) S. 03°16'02" W., 151.90 feet;
- 16) N. 89°46'38" E., 787.22 feet;
- 17) S. 00°26'30" W., 261.00 feet;
- 18) S. 89°46'38" W., 1133.10 feet to the POINT OF BEGINNING;

Containing 499,122 Square Feet (11.458 Acres) more or less.

Basis Of Bearing

The Westerly line of said Section 2 as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office (N. 00°33'30" E.)

PREPARED BY:

Darryl M. Harris, P.L. S. #6497
Resource Concepts, Inc.
P.O. Box 11796
Zephyr Cove, NV 89448
(775) 588-7500

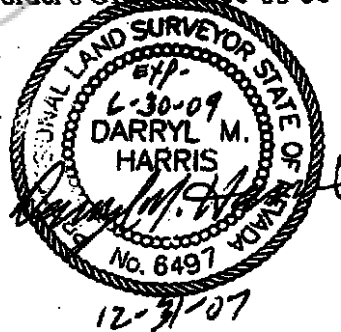


Exhibit "B"
Orchard House Parcel

A portion of the Southwest one-quarter of the Southwest one-quarter of Section 2, Township 14 North, Range 18 East, MDM, Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the Southwest corner of said Section 2, also being the Southwest corner of this lease parcel, as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office;

thence N. 00°33'30" E., along the Westerly line of said Section 2, 164.76 feet;
thence N. 60°26'06" E., 150.00 feet;
thence S. 39°00'03" E., 121.00 feet;
thence S. 08°40'49" E., 90.93 feet;
thence N. 80°57'19" W., 40.20 feet;
thence 46.47 feet along the arc of a curve to the left having a central angle of 12°06'08" and a radius of 220.00 feet, (chord bears N. 87°00'23" W., 46.38 feet);
thence S. 86°56'33" W., 35.99 feet;
thence 71.51 feet along the arc of a curve to the left having a central angle of 56°54'07" and a radius of 72.00 feet, (chord bears S. 58°29'29" W., 68.60 feet);
thence S. 30°02'26" W., 12.42 feet;
thence 16.43 feet along the arc of a curve to the left having a central angle of 11°28'50" and a radius of 82.00 feet, (chord bears S. 24°18'00" W., 16.40 feet) to a point on the South line of said Section 2;
thence S. 89°46'38" W., along said South line, 28.54 feet to the POINT OF BEGINNING.

Containing 31,801 square feet (0.730 acres) more or less.

Basis Of Bearing

The Westerly line of said Section 2 as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office (N. 00°33'30" E.)

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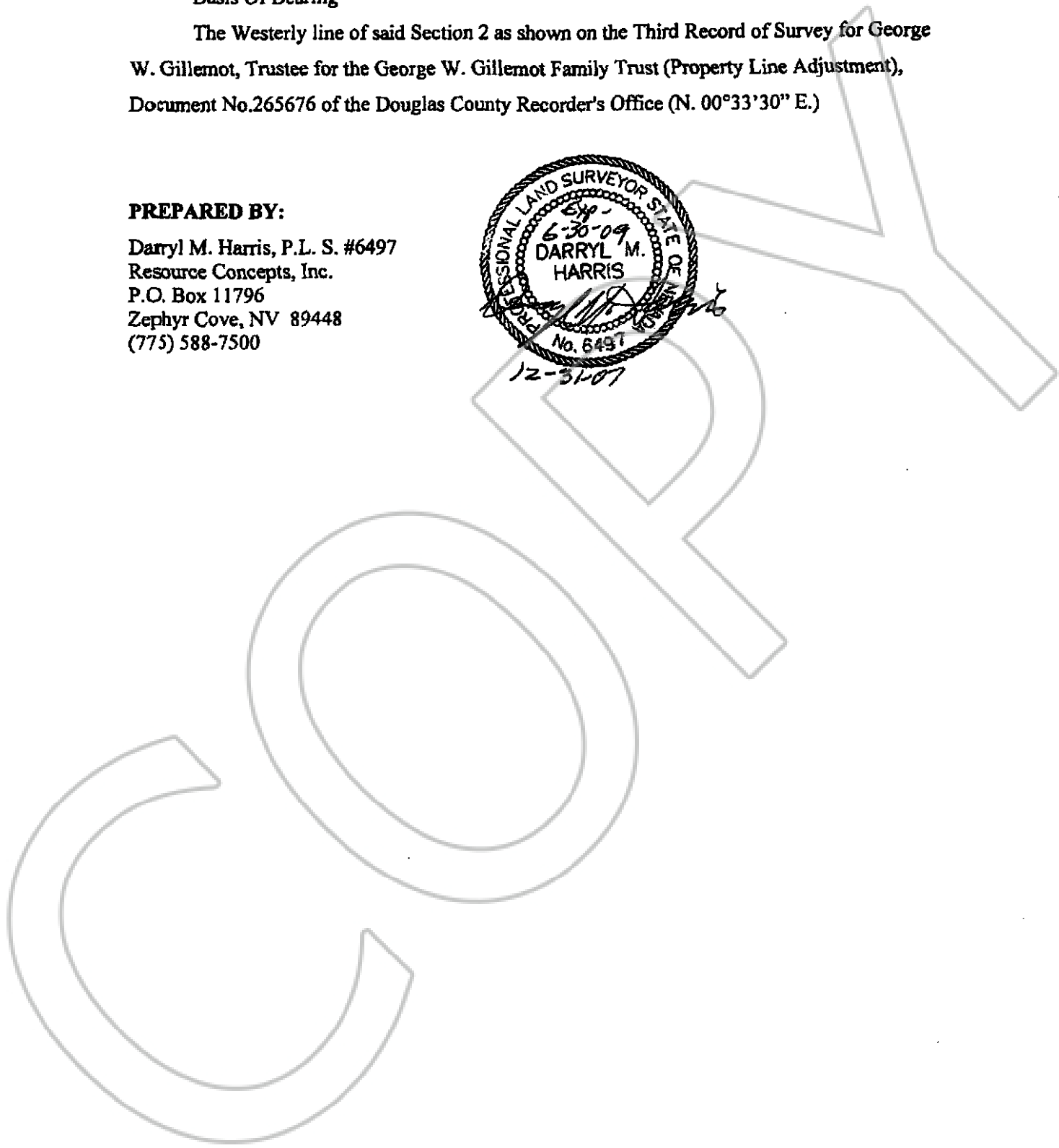
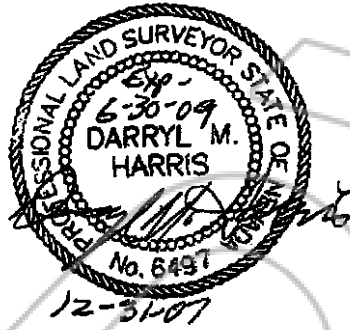


Exhibit "C"
Easement Area

A portion of land within the Southwest one-quarter of the Southwest one-quarter of Section 2, Township 14 North, Range 18 East, MDM, Douglas County, Nevada, for private utility easement purposes being more particularly described as follows:

EASEMENT #1:

BEGINNING at a point on the Southerly line of Parcel 3-A, as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office, which bears N. 89°46'39" E., 115.88 feet from the Southwest corner of said Section 2;

thence N. 18°46'23" W., 39.33 feet;

thence N. 24°15'07" E., 27.14 feet to a point on the Southerly line of the Orchard House Parcel;

thence N. 86°57'14" E. along said Southerly line, 21.68 feet;

thence continuing along said Southerly line, 40.30 feet along the arc of a curve to the right, having a central angle of 10°29'44" and a radius of 220.00 feet, (chord bears S. 87°47'31" E., 40.24 feet);

thence S. 47°08'57" W., 37.61 feet;

thence S. 02°14'59" E., 35.90 feet to a point on the Southerly line of said Parcel 3-A;

thence S. 89°46'38" W. along said Southerly line, 34.19 feet to the POINT OF

BEGINNING.

Containing 2882 Square Feet, (0.066 Acres) more or less.

EASEMENT #2:

BEGINNING at a point on the Northwesterly boundary line of Parcel 3-A, as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office, which bears N. 21°19'45" E., 225.93 feet from the Southwest corner of said Section 2;

thence N. 11°38'45" W., 9.50 feet;

thence N. 27°00'30" E., 4.00 feet;

thence N. 78°21'15" E., 2.50 feet;

thence S. 11°38'45" E., 11.01 feet to a point on said Northwesterly boundary line;

thence S. 60°26'05" W., 5.26 feet to the POINT OF BEGINNING.

Containing 55 Square Feet, (0.001 Acres) more or less.

Basis Of Bearing

The Westerly line of said Section 2 as shown on the Third Record of Survey for George W. Gillemot, Trustee for the George W. Gillemot Family Trust (Property Line Adjustment), Document No.265676 of the Douglas County Recorder's Office (N. 00°33'30" E.)

PREPARED BY:

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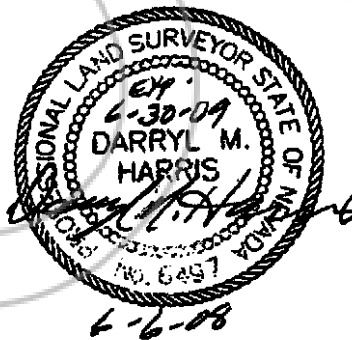


Exhibit "D"
Depicted Easement Area

