

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Mr. John J. Thompson  
4634 Mint Lane  
Santa Barbara, California 93110  
(805) 964-2339

MEMORANDUM OF AGREEMENT  
AND EASEMENT LOCATION DOCUMENT

This Memorandum of Agreement and Easement Location Document is made effective this 1st day of September, 1989, by and between GIOVANNI CARGASACCHI and CLEMENTINA CARGASACHI, husband and wife (hereinafter "SERVIENT TENEMENT OWNERS") and the owners of the LAKEVIEW PROPERTIES, and RANCHO DOS MUNDOS, which real properties are described in Exhibit "A" attached hereto and incorporated herein by reference, the owners of which real properties are hereinafter collectively referred to as the "DOMINANT TENEMENT OWNERS."

RECITALS

A. WHEREAS, Bartolo Cargasacchi, an unmarried man (herein "Bartolo"), granted a non-exclusive easement and right of way for road purposes to Wallace P. Dyer and Mary L. Dyer, husband and wife (herein "Dyers"), by a Grant of Easement dated January 3, 1968 and recorded January 4, 1968 as Instrument No. 367 in Book 2216, Page 1273 of Official Records of Santa Barbara County, California (herein the "Original Grant of Easement"); and

B. WHEREAS, said Original Grant of Easement traversed that certain parcel of real property located in the County of Santa Barbara, State of California, and legally described in Exhibit "B" attached hereto and incorporated herein by reference, said real property being referred to herein as the "SERVIENT TENEMENT"; and

C. WHEREAS, said Original Grant of Easement to the Dyers was for the benefit of a parcel of real property which was subdivided as described in Recital D. hereof; and

D. WHEREAS, on November 21, 1968, a successor in interest to the Dyers recorded a Record of Survey in Book 84 of Records of Survey at pages 31 through 33 of Official Records of Santa Barbara County, California, which Record of Survey

subdivided the LAKEVIEW PROPERTIES portion of the DOMINANT TENEMENTS into thirty-eight (38) separate parcels, which parcels are separately identified in said Record of Survey as Parcels 1 through 38, inclusive; and

E. WHEREAS, on May 5, 1987, SERVIENT TENEMENT OWNERS executed a "Clarification to and Expansion of Grant of Easement" which was recorded on May 14, 1987 as Instrument No. 1987-035869, Official Records of Santa Barbara County (hereinafter "CLARIFICATION DOCUMENT"); and

F. WHEREAS, said CLARIFICATION DOCUMENT clarified and expanded an easement grant and right of way, for use in common with others, for road purposes, over the real property described in Exhibit "B" hereto (hereinafter "SERVIENT TENEMENT"); and

G. WHEREAS, the CLARIFICATION DOCUMENT stated that the easement rights created by the Original Grant of Easement, as clarified and expanded by the Clarification Document, were appurtenant to Parcels 1 through 38, inclusive, as shown on the Record of Survey recorded in Book 84 of Records of Survey at pages 31 through 33 of Official Records of Santa Barbara County, California, but did not state that such rights, as so clarified and expanded, were appurtenant to RANCHO DOS MUNDOS; and

H. WHEREAS, said Original Grant of Easement, together with the CLARIFICATION DOCUMENT, upon the terms and conditions set forth therein, provide for an easement and right of way, for use in common with others, for road purposes, on, over, and across a strip of land, 30 feet in width, from the West boundary of the SERVIENT TENEMENT, abutting the end of the existing County Road known as Sweeney Road, over and across the SERVIENT TENEMENT, to the West boundary of the DOMINANT TENEMENTS; and

I. WHEREAS, said Original Grant of Easement and CLARIFICATION DOCUMENT did not specifically locate the road easement and right of way, except as described in the preceding paragraph hereof; and

J. WHEREAS, the parties hereto wish by this Memorandum of Agreement and Easement Location Document, subject to the terms and conditions set forth herein, to provide for the specific location of the road easement and right of way, and to make other agreements regarding the road easement, as herein contained;

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

1. Location of Easement. SERVIENT TENEMENT OWNERS hereby grant location and DOMINANT TENEMENT OWNERS hereby accept the location of the above-described easement and right of way as shown on the photograph whi

is attached hereto and incorporated herein by reference as Exhibit "C." It will begin at the western entrance to the SERVIENT TENEMENT and extend in a straight line directly east until it intersects the existing road at the base of the foothill. From this point of intersection it will generally follow the existing road, as hereinafter described, through the foothills to the eastern gate where it leaves the SERVIENT TENEMENT and enters the DOMINANT TENEMENTS. The Original Grant of Easement as clarified and expanded by the CLARIFICATION DOCUMENT shall be appurtenant to each of the DOMINANT TENEMENTS described in Exhibit "A" hereto, and the easement and right of way is located for each of them as set forth above.

2. Preparation of Legal Description. After the signing of this Memorandum of Agreement and Easement Location Document, the LAKEVIEW PROPERTIES COMMITTEE, on behalf of the DOMINANT TENEMENT OWNERS shall, at their sole expense, have prepared a surveyed description of said 30 foot easement. Said surveyed description shall become Exhibit "D" of this Memorandum of Agreement and Easement Location Document. Said surveyed description shall also provide that, after the road is constructed, the legal description will be adjusted so that the thirty (30) foot easement is located fifteen (15) feet on either side of the centerline of the road as constructed. The Legal Description (Exhibit "D") shall be approved in writing by SERVIENT TENEMENT OWNERS and by the DOMINANT TENEMENT OWNERS, either individually or by their Attorney in Fact.

3. Road Width. The width of the road easement shall be thirty (30) feet throughout the SERVIENT TENEMENT, and it will be measured as fifteen (15) feet on each side of the center-line of the finished road. The road shall be paved to a width of twenty (20) feet across the flat farm land, and to a width of sixteen (16) feet across the hillside land. This narrowing of twenty (20) feet to sixteen (16) feet through the hillside land will be subject to the approval of Santa Barbara County and will not be objected to by SERVIENT TENEMENT OWNERS. It is acknowledged by all parties that in the hillside area it may be necessary, for road construction purposes, that some cuts and/or fills may have to be made outside of the thirty (30) foot easement in order to achieve a final sixteen (16) foot paved width. Permission for these cuts and fills outside of the easement is hereby granted by the SERVIENT TENEMENT OWNERS on a one time only basis in order to facilitate the construction of the road. These cuts and fills outside of the easement will be limited to the North side of the existing road, unless otherwise agreed to by SERVIENT TENEMENT OWNERS, in order to avoid intruding into the farm land to the immediate south. Following road construction, DOMINANT TENEMENT OWNERS shall reseed the disturbed slope areas as directed by SERVIENT TENEMENT OWNERS.

4. Gates. The Original Grant of Easement, the CLARIFICATION DOCUMENT, and this instrument are subject to the right of SERVIENT TENEMENT OWNERS to maintain gates and cattle guards across said right-of-way, and said gates shall be kept closed.

5. No Overburdening by Additional Parcels. The easement was granted and restricted to the use of each one of the parcels of the original LAKEVIEW PROPERTIES, and RANCHO DOS MUNDOS, which properties are more fully described in Exhibit "A" hereto. DOMINANT TENEMENT OWNERS shall not materially increase the burden or impose new or additional burdens upon the easement or SERVIENT TENEMENT OWNERS. The right to grant permission for any future requests to increase the use and/or burden of the easement and to grant additional easements is hereby reserved to the SERVIENT TENEMENT OWNERS. DOMINANT TENEMENT OWNERS hereby release all other easements or other rights that lie outside the easement location described herein, and hereby release and quitclaim all other rights and claims across the SERVIENT TENEMENT, whether acquired by prescription, grant or otherwise.

6. Erosion Control. The design of the road shall be fully sensitive to the natural flow of surface water across the SERVIENT TENEMENT. The road shall be designed so as to avoid any undue channeling or concentration of runoff water. The engineer shall consult with SERVIENT TENEMENT OWNERS in order to become familiar with the problems of surface flow on the SERVIENT TENEMENT and SERVIENT TENEMENT OWNERS will be invited to, but shall not be required to, sign the final plans thereby showing their approval of the appropriateness of the design considerations. If, however, there is an abnormal amount of erosion that is caused by the road during a normal amount of rainfall and this unusual erosion is caused by a deficiency in either the design, construction, or maintenance of the road, then the necessary modifications shall be made to the road to correct the problem and the damage caused by the erosion shall be repaired, all at DOMINANT TENEMENT OWNERS' expense. It is understood by all parties that unusually heavy rains will occur and they can and will cause severe erosion problems in spite of the most careful engineering and the best construction.

7. Crossings and Culverts. At locations to be designated by SERVIENT TENEMENT OWNERS, DOMINANT TENEMENT OWNERS will provide and maintain three (3) crossings which are twenty-five (25) feet wide for the use of SERVIENT TENEMENT OWNERS' tractors with steel tracks and other abrasive equipment. Tractors with steel tracks shall cross the road in a reasonably straight line. DOMINANT TENEMENT OWNERS shall install and maintain three (3) culverts, each fifteen (15) inches in diameter for the purpose of receiving SERVIENT TENEMENT OWNERS' high-pressure water pipes, thereby allowing the pipes to pass under the roadbed and to protect the road in the event that a

water pipe ruptures. The layout of these culverts shall be to SERVIENT TENEMENT OWNERS' specifications.

8. Construction and Maintenance of the Road. DOMINANT TENEMENT OWNERS shall be responsible for all of the costs of design, construction and maintenance of the road. Before the road is constructed, a mechanism such as an assessment district shall be formed to insure that funds will be available to pay the costs of construction and maintenance of the road. The road shall be constructed between crop seasons, and completed before March 30th of the year in which construction occurs, including the removal of the gravel of the old roadway between the buildings and the hillside. The old road may be used until the new road is completed. All construction contractors shall be licensed and bonded. DOMINANT TENEMENT OWNERS shall promptly pay all labor and material suppliers, and shall defend, indemnify, and hold harmless SERVIENT TENEMENT OWNERS from all labor and material suppliers mechanics liens in connection with the road construction and maintenance.

9. Liability. DOMINANT TENEMENT OWNERS acknowledge that SERVIENT TENEMENT OWNERS run livestock on the SERVIENT TENEMENT and on the road easement, and that at certain times it may be dangerous to use the easement, and DOMINANT TENEMENT OWNERS acknowledge that they do so at their own risk. DOMINANT TENEMENT OWNERS shall be responsible and liable for any and all of their own activities or those of their guests while on the SERVIENT TENEMENT and DOMINANT TENEMENT OWNERS agree to hold SERVIENT TENEMENT OWNERS harmless for any claims or damages that derive from any of DOMINANT TENEMENT OWNERS' activities while using the easement.

✓ With regard to liability insurance, if a funding mechanism such as an assessment district or homeowners association is established to finance construction of the road, or at any time thereafter, then such funding mechanism shall, if legally permissible, purchase and maintain a policy of liability insurance in the amount of One Million Dollars (\$1,000,000.00), naming SERVIENT TENEMENT OWNERS as additional insureds. If such a funding mechanism is not established, then DOMINANT TENEMENT OWNERS will make every effort to ensure that each of the DOMINANT TENEMENT OWNERS will individually have his or her own homeowner's policy extended to include the road easement and to name SERVIENT TENEMENT OWNERS as additional insureds. The purpose of this insurance is to protect SERVIENT TENEMENT OWNERS from claims that may arise from parties beyond their control who claim injury or damage while using the easement.

10. California Law. The law of the state of California regarding easements shall apply to other problems which may arise.

11. Relocation. It is understood and intended by all parties that this Memorandum of Agreement and Easement Location Document results in the relocation of the original easement and that the terms and conditions of this Memorandum of Agreement and Easement Location Document shall apply to all who were a party or who derived benefit from the Original Grant of Easement or CLARIFICATION DOCUMENT. This Memorandum of Agreement and Easement Location Document does not constitute an easement in addition to the Original Grant of Easement, but is only a clarification and expansion thereof. Except as expressly clarified and expanded herein, all terms, conditions and stipulations of the Original Grant of Easement and CLARIFICATION DOCUMENT shall remain in full force and effect and are hereby confirmed as such.

12. Subdivision of Servient Tenement. In the event that the SERVIENT TENEMENT is subdivided, then each additional parcel shall share equally only the just cost of road maintenance of that portion of the road utilized by such additional parcel. There shall be no fees, assessments, liens, dues, or other costs charged to such additional parcel's use of the road except as provided in the preceding sentence and such additional parcels and their owners shall not be required by DOMINANT TENANT OWNERS to join an assessment district or any other organization. For the purpose of this paragraph, the term "additional parcel" shall mean any parcel in excess of the two (2) that comprise the SERVIENT TENEMENT, it being the intent of the parties that any two parcels constituting a portion of the SERVIENT TENEMENT shall be exempt from the cost sharing provisions of this paragraph. Further, this paragraph shall apply only to such additional parcel or parcels that elect to use the road for ingress and egress.

13. Recordation; Binding Effect. This Memorandum of Agreement and Easement Location Document shall have no binding effect on any of the parties hereto unless and until: a) it has been signed by each of the SERVIENT TENEMENT OWNERS and by each of the DOMINANT TENEMENT OWNERS (either individually or by their Attorneys in Fact); and b) the narrowing of the road to sixteen feet in width as described in Paragraph 3. hereof has been approved in writing by the County of Santa Barbara. After the occurrence of the above described events, and after approval of the legal description as provided in paragraph 2. hereof, JOHN J. THOMPSON shall promptly record this Memorandum of Agreement and Easement Location Document.

14. Counterparts. This Memorandum of Agreement and Easement Location Document may be signed in counterparts, and all copies so executed shall constitute one agreement which shall be binding upon the parties hereto.

15. Dismissal of Lawsuit; Inadmissible Settlement Offer. Immediately upon the occurrence of all of the events described

in Paragraph 13. hereof, and the recordation of this Memorandum of Agreement and Easement Location Document, each of the parties hereto agrees to direct his or her Attorney to prepare, execute, and file with the Clerk of the Superior Court, Santa Maria Branch, a Request for Dismissal with prejudice of the entire action entitled Thompson et. al. v. Cargasacchi et. al and all related cross-actions, Case No. SM 61094. In the event that the events described in Paragraph 13. hereof do not occur, and this Memorandum of Agreement and Easement Location Document is not recorded, then the entire contents of this Memorandum of Agreement shall be construed as a settlement offer, and shall be inadmissible in the trial of said Superior Court action, pursuant to California Evidence Code section 1152.

16. Covenant Running with the Land. It is intended and agreed that each of the obligations contained herein shall be covenants running with the land of the SERVIENT TENEMENT OWNERS and the DOMINANT TENEMENT OWNERS, pursuant to California Civil Code section 1468, which shall benefit and be binding upon each of the successor owners of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS. Each of the current and successor owners of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS is hereby expressed to be bound by the provisions hereof, for the benefit of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS.

17. Prudent Use. In traversing the easement, DOMINANT TENEMENT OWNERS, their agents, employees, contractors, guests and successors, shall at all times do so in a proper, safe and prudent manner, so as not to cause harm to persons, property or livestock.

18. Formation of Assessment District. Following recordation of this instrument as provided herein, DOMINANT TENEMENT OWNERS shall immediately make a good-faith effort to form an assessment district to finance construction and maintenance of the road.

19. Purchase of Title Policy Endorsement. Prior to the recordation of this Agreement, DOMINANT TENEMENT OWNERS shall obtain from First American Title Insurance Company an endorsement to SERVIENT TENEMENT OWNERS' policy of title insurance, to the satisfaction of SERVIENT TENEMENT OWNERS.

In Witness Whereof, the Parties have affixed their signatures:

SERVIENT TENEMENT OWNERS:

Giovanni Cargasacchi  
Giovanni Cargasacchi

Clementina Cargasacchi  
Clementina Cargasacchi

DOMINANT TENEMENT OWNERS:

LAKEVIEW PROPERTIES:

(Parcels 1, 2,  
and 10)

Wen M. Chen Esq. Atty. in Fact  
Wen M. Chen, by his Attorney in Fact

(Parcel 3)

Estate of Jose Rocha, Deceased,  
by its Executor

Socorro Rocha Esq. Atty. in Fact  
Socorro Rocha, by her Attorney in Fact

(Parcels 4, 5,  
7, and 8)

Clayton Sanchez Esq. Atty. in Fact  
Clayton Sanchez, by his Attorney in Fact

W. Bruce Sanchez Esq. Atty. in Fact  
W. Bruce Sanchez, by his Attorney in Fact

(Parcel 6)

Ralph A. Weston  
Ralph A. Weston, individually

Patricia F. Weston Esq. Atty. in Fact  
Patricia F. Weston, by her Attorney in Fact

(Parcel 9)

Robert J. Alexander, Jr. Esq. Atty. in Fact  
Robert J. Alexander, Jr., by his Attorney  
in Fact



(Parcels 11 & 12)

Norman A. Erdman By [Signature]  
Norman A. Erdman, by his Attorney in Fact

Etta M. Erdman By [Signature]  
Etta M. Erdman, by her Attorney in Fact

(Parcel 13)

Jane A. Hall, individually

John E. Hall, individually

John R. Hanley, individually

Gwen C. Hanley, individually

(Parcel 14)

Alan C. Woodbury By [Signature]  
Alan C. Woodbury, by his Attorney in Fact

(Parcel 15)

Richard E. Hansen By [Signature]  
Richard E. Hansen, by his Attorney in Fact

(Parcel 16)

Dale L. Petersen By [Signature]  
Dale L. Petersen, by his Attorney in Fact

(Parcel 17)

Dennis Mulgrew By [Signature]  
Dennis Mulgrew, by his Attorney in Fact

Margaret A. Mulgrew By [Signature]  
Margaret A. Mulgrew, by her Attorney  
in Fact

(Parcel 18)

John Wurts By [Signature]  
John Wurts, by his Attorney in Fact

- Julie Wurts by Ralph A. Weston*  
Julie Wurts, by her Attorney in Fact
- (Parcel 19) *James F. Moore by Ralph A. Weston*  
James F. Moore, by his Attorney in Fact
- Karen L. Moore by Ralph A. Weston*  
Karen L. Moore, by her Attorney in Fact
- (Parcel 20) *Robert L. Clark by Ralph A. Weston*  
Robert L. Clark, by his Attorney in Fact
- (Parcel 21) *Willis G. Skoe by Ralph A. Weston*  
Willis G. Skoe, by his Attorney in Fact
- (Parcel 22) *Robert J. Skinner by Ralph A. Weston*  
Robert J. Skinner, by his Attorney in Fact
- Janet L. Skinner by Ralph A. Weston*  
Janet L. Skinner, by her Attorney in Fact
- (Parcel 23) *Ralph H. Hughes by Ralph A. Weston*  
Ralph H. Hughes, by his Attorney in Fact
- Shelby J. Hughes by Ralph A. Weston*  
Shelby J. Hughes, by her Attorney in Fact
- (Parcel 24) *Theodore E. Knudson by Ralph A. Weston*  
Theodore E. Knudson, by his Attorney in Fact
- Gerda Knudson by Ralph A. Weston*  
Gerda Knudson, by her Attorney in Fact
- (Parcels 25, 26 and 27) *Ralph A. Weston*  
Ralph A. Weston, individually
- Patricia F. Weston by Ralph A. Weston*  
Patricia F. Weston, by her Attorney in Fact

(Parcel 28)

*Michael A. Monasterio by Raph A Westcott*

Michael A. Monasterio, by his Attorney  
in Fact

*Beverly E. Monasterio by Raph A Westcott*

Beverly E. Monasterio, by her Attorney  
in Fact

*Richard Howard Grosland by  
Raph A Westcott*

(Parcel 29)

Richard Howard Grosland, by his Attorney  
in Fact

*John Patrick Palmer by Raph A Westcott*

John Patrick Palmer, by his Attorney  
in Fact

*Lois Elaine Palmer by Raph A Westcott*

Lois Elaine Palmer, by her Attorney in Fact

(Parcel 30)

*Richard J. Swift by Raph A Westcott*

Richard J. Swift, by his Attorney in Fact

*Mary J. Swift by Raph A Westcott*

Mary J. Swift, by her Attorney in Fact

(Parcels 31 & 36)

*John J. Thompson*

John J. Thompson, individually

*Rosemary A. Thompson by Raph A Westcott*

Rosemary A. Thompson, by her Attorney  
in Fact

(Parcel 32)

Miklos D. F. Udvardy, individually

Maud E. Udvardy, individually

Miklos A. P. Udvardy, individually

Monica L. Udvardy, individually

(Parcels 33 & 34)

Harold R. Briggs By [Signature]  
Harold R. Briggs, by his Attorney in Fact

Dorothy M. Briggs By [Signature]  
Dorothy M. Briggs, by his Attorney in Fact

(Parcel 35)

Frederick E. Trager, individually

(Parcels 37 & 38)

Christopher E. Marks, individually

Carol L. Marks, individually

RANCHO DOS MUNDOS:

Rancho Dos Mundós, a California  
Partnership:

By: Robert E. Marks, General Partner

By: Christopher E. Marks, General Partner

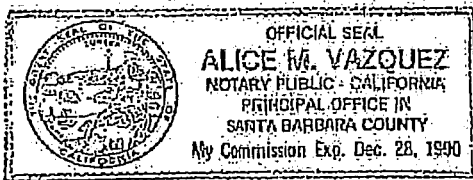
By: Carol L. Marks, General Partner

(Add Notary Forms)

STATE OF CALIFORNIA            )  
  ); ss.  
COUNTY OF SANTA BARBARA    )

On this 12th day of September, 1989, before me, a Notary Public in and for said State, personally appeared JOHN J. THOMPSON, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument individually, and as attorney-in-fact of those individuals listed below, and acknowledged to me that he subscribed the name of each individual thereto as principal and his own name as attorney-in-fact.

WITNESS my hand and official seal.



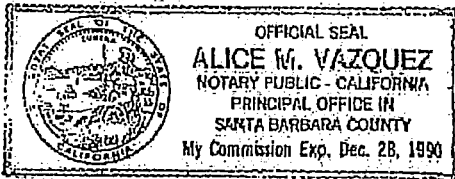
*Alice M. Vazquez*  
Notary Public in and for  
said State

- Wen M. Chen
- Speorro Rocha
- Clayton Sanchez
- W. Bruce Sanchez
- Patricia F. Weston
- Robert J. Alexander, Jr.
- Norman A. Erdman
- Etta M. Erdman
- Alan C. Woodbury
- Richard E. Hansen
- Dale E. Petersen
- Dennis Mulgrew
- Margaret A. Mulgrew
- John Wurts
- Harold R. Briggs
- Dorothy M. Briggs
- John J. Thompson

STATE OF CALIFORNIA            )  
  ): ss.  
COUNTY OF SANTA BARBARA    )

On this 12th day of September, 1989, before me, a Notary Public in and for said State, personally appeared RALPH A. WESTON, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument individually, and as attorney-in-fact of those individuals listed below, and acknowledged to me that he subscribed the name of each individual thereto as principal and his own name as attorney-in-fact.

WITNESS my hand and official seal.



*Alice M. Vazquez*  
Notary Public in and for  
said State

Julie Wurts  
James F. Moore  
Karen L. Moore  
Robert L. Clark  
Willis G. Skoe  
Robert J. Skinner  
Janet L. Skinner  
Ralph H. Hughes  
Shelby J. Hughes  
Theodore E. Knudson  
Gerda Knudson  
Patricia F. Weston  
Michael A. Monasterio  
Beverly E. Monasterio  
Richard Howard Grosland  
John Patrick Palmer  
Lois Elaine Palmer  
Richard J. Swift  
Mary J. Swift  
Rosemary Thompson  
Ralph A. Weston