

NF
Barbara Reed
County Clerk

AGREEMENT FOR TRANSFER OF WATER RIGHTS

This Agreement dated this 5th day of March, 1992, between WALLEY'S HOT SPRINGS RESORT AND COUNTRY CLUB, INC, a Nevada Corporation, and UNITED VENTURE CAPITAL, INC., a Nevada Corporation as ASSIGNOR, and DOUGLAS COUNTY, NEVADA, a political subdivision of the State of Nevada, as County.

WITNESSETH:

WHEREAS ASSIGNOR has acquired certain permitted water rights #48320 and 48321 for 1.0cfs respectively, (hereinafter " WATER RIGHTS") with an existing point of diversion in place of use in ASSIGNOR's property, being the SW 1/4 S.E. 1/4 Section 15 T.13N., R.19 E., M.D.B. & M., or at a point at which the S 1/4 corner of said Section 15 bears S. 5 degrees 26 feet W., 1125 feet, Douglas County, Nevada, (hereinafter "property"): and

WHEREAS, the water rights can be utilized by County within its water system at Sierra Shadows; and

WHEREAS, ASSIGNOR is desirous of transferring the WATER RIGHTS to COUNTY; and,

WHEREAS, COUNTY is willing to accept the WATER RIGHTS upon certain terms and conditions:

NOW THEREFORE, in consideration of the mutual promises herein set forth the parties agree as follows:

1. Transfer of Water Rights

a. ASSIGNOR does hereby transfer the WATER RIGHTS to COUNTY, and shall evidence the same by appropriate Quitclaim Deed satisfactory in form to the Nevada State Engineer, referencing this Agreement.

2. Will-Serve Obligation

a. Subject to the terms and conditions of any Ordinance of or standard procedure utilized by COUNTY, COUNTY agrees to provide municipal water service from its SYSTEM to the PROPERTY in perpetuity and in such amounts as may be reasonably required for the development thereof, to the limit of the subject WATER RIGHTS transferred hereunder.

b. In that respect, to the extent as developed and provided by ASSIGNOR, COUNTY will reserve to ASSIGNOR in its SYSTEM the waters, production, and delivery capacity up to the full amount of the WATER RIGHTS required for the development of the PROPERTY, provided, however, that COUNTY may in the interim prior to the final development of the PROPERTY utilize any unused portion of the

WATER RIGHTS for its own purposes.

c. ASSIGNOR shall pay for any SYSTEM improvements and on-site developments required for the development of the PROPERTY for use of the WATER RIGHTS and COUNTY will pay for or give ASSIGNOR credit against hook-up fees for the expense of such extension for any "up-sizing" required by COUNTY to provide service by the SYSTEM to areas other than the PROPERTY.

3. Maintenance of WATER RIGHTS/WELL

a. At its sole cost and expense, ASSIGNOR will at its cost and expense on behalf of COUNTY keep the transferred water rights in good standing with the Nevada State Engineer.

b. At its sole cost and expense, ASSIGNOR may use the COUNTY'S SYSTEM and WELL, and shall have access thereto, for purposes of fulfilling the requirements of the Nevada State Engineer for the use of the WATER RIGHTS.

c. COUNTY at its cost and expense shall maintain and keep the WELL in good condition and repair.

4. Testing; Installation of Pump/Meter

a. ASSIGNOR at its sole cost and expense shall provide any necessary testing of the WELL's capacity to support both the COUNTY water rights and the subject WATER RIGHTS.

b. ASSIGNOR at its cost and expense shall provide any necessary pump and meter sufficient for the production and metering of the WELL's water rights required for the COUNTY's existing rights in the WELL and the subject WATER RIGHTS.

c. Any pump and meter so installed may be removed by ASSIGNOR and stored with COUNTY for security purposes to avoid damage thereto and theft thereof until the need for its utilization.

5. Non-Interference with COUNTY rights

a. It is understood that COUNTY has water rights using the WELL as a point of diversion, and in that respect, ASSIGNOR'S utilization of the WELL shall not interfere with COUNTY'S prior water rights or its use thereof, and ASSIGNOR at its sole cost and expense shall take all necessary action to secure that non-interference.

6. Future Use/Reversion of Water Rights

a. If upon final development of the PROPERTY, the full amount of the transferred water rights is not necessary for such development, title to the surplusage of water rights shall revert

to ASSIGNOR in such amount as shall be determined by the State Engineer, and ASSIGNOR shall at its sole cost and expense secure such determination, if any.

7. Prevention of Use

a. In the event any governmental agency does not approve this Agreement, and/or limits the use of the transferred water rights in such a way as to make them impossible or impracticable for development of the PROPERTY, then this Agreement may, at the option of ASSIGNOR, be rescinded, and the parties returned as close as possible to their original positions, and title to the water rights shall revert to ASSIGNOR. ASSIGNOR shall at its sole cost and expense take the necessary steps to effect such reversion.

8. No Cost to County

In addition to the provisions above respecting ASSIGNOR'S financial obligations, it is expressly understood that ASSIGNEE, Douglas County, shall not suffer any cost as a result of providing ASSIGNOR with the opportunity to make and enjoy this assignment.

9. Binding Effect

This Agreement shall be binding upon the heirs, successors, and assigns of each of the respective parties.

10. Additional Documents

Each party shall execute such additional documents as may be required and/or reasonably necessary to carry out the provisions and purpose of this Agreement.

ASSIGNOR:

DOUGLAS COUNTY:

WALLEY'S HOT SPRINGS AND COUNTRY CLUB, INC.

BY: Robert J. Angles
UNITED VENTURE CAPITAL, INC.

BY: [Signature]

BY: Robert J. Angles

ATTEST:

APPROVED AS TO FORM:

DOUGLAS COUNTY CLERK:

SCOTT DOYLE
DISTRICT ATTORNEY

BY: Barbara Reed
Court Clerk

David W Doyle

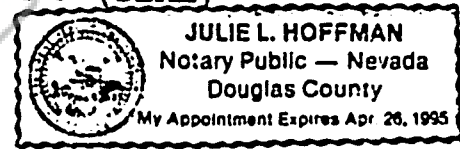
ACKNOWLEDGMENT

STATE OF NEVADA)
Douglas County) ss
~~CARSON CITY~~)

On this 18th day of March, 1992, before me, the undersigned, a Notary Public, personally appeared Barbara Reed known to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

Julie L. Hoffman
NOTARY PUBLIC (SEAL)



STATE OF NEVADA)
CARSON CITY) ss

On this _____ day of _____, 1992, before me, the undersigned, a Notary Public, personally appeared _____ known to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC (SEAL)

FILED

No. 92,021

'92 MAR 18 P1 28

EA... NEED
CLERK

BY Wills DEPUTY

COPY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

SEAL

DATE: March 18, 1992
Breed Clerk of the District Court
of the State of Nevada, in and for the County of Douglas.

By Bonnie Wills Deputy

273543

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5th PAGE OF 5 PAGES.

COPY

REQUESTED BY
DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'92 MAR 18 P3:15

SUZANNE BEAUDREAU
RECORDER

273543

\$ 0 PAID Ke DEPUTY

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