

When Recorded Mail to:
WALLEY'S PARTNERS
1702 County Road
Minden, NV 89423
APTN: _____
RPTT: \$5,850.00

98080620

GENERAL WARRANTY DEED

THIS DEED, made this 4th day of June, 1998, is between Walley's Hot Springs, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Nevada, hereinafter "Grantor," whose legal address is P.O. Box 7096, Incline Village, Nv 89452, of the ~~unincorp-~~^{orated} County of Douglas, State of Nevada, and Walley's Partners Limited Partnership, a limited partnership duly organized and existing under and by virtue of the laws of the State of Nevada, hereinafter "Grantee," whose legal address is Hickey Professional Building, Suite D, 11702 County Road, Minden, Nevada 89423.

WITNESSETH, that Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto Grantee, Grantee's successors and assigns, forever, all of the real property, together with improvements, if any, situate, lying and being in the County of Douglas, State of Nevada, described as follows:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE;

also known as Walley's Hot Springs Resort, 2001 Foothill Road, Genoa, County of Douglas, State of Nevada;

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto Grantee, Grantee's heirs, personal representatives, successors and assigns forever. And Grantor, for Grantor, Grantor's heirs, personal representatives, successors and assigns, does covenant, grant, bargain and agree to and with Grantee, Grantee's heirs, personal representatives, successors and assigns, that at the time of the ensembling and delivery of these presents, Grantor is well seised of the

premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, has good right, full power and authority to grant, bargain, sell and convey the same in the manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except:

SEE EXHIBIT B ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, Grantee's heirs, personal representatives, successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, Grantor has executed this deed on the date set forth above.

"Grantor"

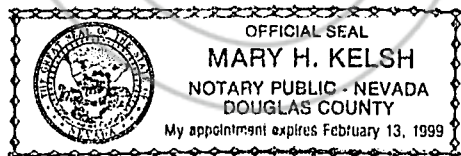
Walley's Hot Springs, Inc., a Nevada corporation

By: [Signature]
DANIEL BROWER, President

STATE OF NEVADA)
) ss.
County of Douglas)

On June 4, 1998, personally appeared before me, a Notary Public, Daniel Brower, personally known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged that he or she executed the above instrument as President of Walley's Hot Springs, Inc., a Nevada corporation, on behalf of the corporation.

[Signature]
Notary Public



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LEGAL DESCRIPTION

Order No.: 98080620

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

PARCEL A:

A parcel of land located within a portion of the West one-half of the Northeast one-quarter (W1/2NE1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence along the north-south centerline of said Section 22, South 00°15'37" West, 166.96 feet to the POINT OF BEGINNING;

thence along the north line of Parcel A as shown on the Parcel Map for Edgar R. and Helen J. Johnson recorded June 23, 1976 in the office of Recorder, Douglas County, Nevada as Document No. 01230, South 88°33'18" East, 370.82 feet to a point on the westerly right-of-way of Foothill Road;

thence along said westerly right-of-way along the arc of a curve to the right, nontangent to the preceding course, having a radius of 1150.00 feet, central angle of 01°40'17", arc length of 33.55 feet, chord bearing South 28°00'23" West, a chord distance of 33.55 feet;

thence continuing along said westerly right-of-way, South 28°50'31" West, 265.21 feet;

thence continuing along said westerly right-of-way along the arc of a curve to the left having a radius of 1250.00 feet, central angle of 24°21'00", arc length of 531.23 feet, chord bearing South 16°40'01" West, and chord distance of 527.25 feet;

thence continuing along said westerly right-of-way, South 04°29'31" West, 313.93 feet;

thence continuing along said westerly right-of-way along the arc of a curve to the right having a radius of 1150.00 feet,
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STEWART TITLE
Guaranty Company

central angle of $02^{\circ}54'29''$, arc length of 58.37 feet, chord bearing South $05^{\circ}56'46''$ West, and chord distance of 58.36 feet;

thence along the south line of said Parcel A, North $89^{\circ}57'53''$ West, 50.37 feet to a point on said north-south centerline of Section 22;

thence along said north-south centerline, North $00^{\circ}15'37''$ East, 1147.37 feet to the POINT OF BEGINNING.

Assessors Parcel No. 17-211-01

PARCEL B:

A parcel of land located within portions of the Southwest one-quarter of the Southeast one-quarter (SW1/4SE1/4) of Section 15 and the Northwest one-quarter of the Northeast one-quarter (NW1/4NE1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937, the POINT OF BEGINNING;

thence along the north-south centerline of said section 15, North $00^{\circ}03'48''$ West, 132.83 feet to a found $5/8''$ rebar, LS 827;

thence along the north line of Parcel B as shown on the Parcel Map for Edgar R. and Helen J. Johnson recorded June 23, 1976 in the office of Recorder, Douglas County, Nevada as Document No. 01230, South $88^{\circ}39'09''$ East, 474.47 feet to a point on the westerly right-of-way of Foothill Road;

thence along said westerly right-of-way along the arc of a curve to the right, nontangent to the preceding course, having a radius of 1150.00 feet, central angle of $15^{\circ}46'42''$, arc length of 316.69 feet, chord bearing South $19^{\circ}16'53''$ West, and chord distance of 315.69 feet;

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thence along the south line of said Parcel B, North 88°33'18" West, 370.82 feet to a point on the north-south centerline of said Section 22;

thence along said north-south centerline of Section 22, North 00°15'37" East, 166.96 feet to the POINT OF BEGINNING.

Assessors Parcel No. 17-211-02

PARCEL C:

A parcel of land located within a portion of the Southwest one-quarter of the Southeast one-quarter (SW1/4SE1/4) of Section 15, Township 14 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence along the north-south centerline of said Section 15, North 00°03'48" West, 132.83 feet to a found 5/8" rebar, LS 827, the POINT OF BEGINNING;

thence continuing along said north-south centerline, North 00°03'48" West, 262.00 feet;

thence along the north line of Parcel C as shown on the Parcel Map for Edgar R. and Helen J. Johnson recorded June 23, 1976 in the office of Recorder, Douglas County, Nevada as Document No. 01230, South 88°40'14" East, 496.90 feet to a point on the westerly right-of-way of Foothill Road;

thence along said westerly right-of-way along the arc of a curve to the right, nontangent to the preceding course, having a radius of 1150.00 feet, central angle of 13°06'36", arc length of 263.13 feet, chord bearing South 04°50'14" West, and a chord distance of 262.56 feet;

thence along the south line of said Parcel C, North 88°39'09"
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West, 474.47 feet to the POINT OF BEGINNING.

Assessors Parcel No. 17-211-03

PARCEL D:

A parcel of land located within a portion of the southwest one-quarter of the Southeast one-quarter (SW1/4SE1/4) of Section 15, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Section 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence along the north-south centerline of said Section 15, North $00^{\circ}03'48''$ West, 394.83 feet to the POINT OF BEGINNING;

thence continuing along said north-south centerline of Section 15, North $00^{\circ}03'48''$ West, 927.74 feet to a found 2" iron pipe, no tag;

thence along the north line of Parcel D as shown on the Parcel Map for Edgar R. and Helen J. Johnson recorded June 23, 1976 in the office of Recorder, Douglas County, Nevada as Document No. 01230, North $86^{\circ}52'39''$ East, 152.42 feet to a point on the westerly right-of-way of Foothill Road;

thence along said westerly right-of-way, South $25^{\circ}40'29''$ East, 536.80 feet;

thence along the arc of a curve to the right having a radius of 1150.00 feet, central angle of $23^{\circ}57'25''$, arc length of 480.85 feet, chord bearing South $13^{\circ}41'47''$ East, and chord distance of 477.35 feet;

thence along the south line of said Parcel D, North $88^{\circ}40'14''$ West, 496.90 feet to the POINT OF BEGINNING.

Assessors Parcel No. 17-211-04

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LEGAL DESCRIPTION - continued

Order No.:98080620

PARCEL E:

A parcel of land located within a portion of the West one-half of the Southeast one-quarter (W1/2SE1/4) of Section 15 and the West one-half of the Northeast one-quarter (W1/2NE1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence along the north-south centerline of said Section 15, North $00^{\circ}03'48''$ West, 1322.57 feet to a found 2" iron pipe, no tag;

thence North $86^{\circ}52'39''$ East, 249.87 feet to a point on the easterly right-of-way of Foothill Road, the POINT OF BEGINNING;

thence continuing North $86^{\circ}52'39''$ East, 4.38 feet to a found fence post, no tag, per Deed recorded February 28, 1977 in the office of Recorder, Douglas County, Nevada in Book 277, at Page 1249;

thence South $89^{\circ}20'43''$ East, 1064.63 feet;

thence South $00^{\circ}04'09''$ West, 2621.92 feet to a point on the north-south 1/16 line of the Northeast one-quarter of said Section 22;

thence South $89^{\circ}11'10''$ West, 1178.84 feet to a found 1/2" rebar, no tag, a point on said easterly right-of-way of Foothill Road;

thence along said easterly right-of-way along the arc of a curve to the left, nontangent to the preceding course, having a radius of 1240.00 feet, central angle of $02^{\circ}22'15''$, arc length of 51.31 feet, chord bearing North $05^{\circ}40'39''$ East, and chord distance of 51.31 feet;

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thence North 04°29'31" East, 313.93 feet;

thence along the arc of a curve to the right having a radius of 1160.00 feet, central angle of 24°21'00", arc length of 492.99 feet, chord bearing North 16°40'01" East, and chord distance of 489.28 feet;

thence North 28°50'31" East, 265.21 feet;

thence along the arc of a curve to the left having a radius of 1240.00 feet, central angle of 54°31'00", arc length of 1179.85 feet, chord bearing North 01°35'01" East, a chord distance of 1135.85 feet;

thence North 25°40'29" West, 499.42 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM THE FOLLOWING:

A parcel of land located within a portion of the Southwest one-quarter of the southeast one-quarter (SW1/4SE1/4) of Section 15, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence North 80°37'31" East, 709.60 feet per Quitclaim Deed recorded August 2, 1971 in the office of Recorder, Douglas County, Nevada in Book 89, at Page 392 to the POINT OF BEGINNING;

thence North 80°17'29" West, 62.50 feet per said Deed;
thence North 09°42'31" East, 348.48 feet per said Deed;
thence South 80°17'29" East, 125.00 feet per said Deed;
thence South 09°42'31" West, 348.48 feet per said Deed;
thence North 80°17'29" West, 62.50 feet per said Deed to the POINT OF BEGINNING.

A Portion of Assessors Parcel No. 17-212-01

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PARCEL F:

A parcel of land located within a portion of the Southwest one-quarter of the southeast one-quarter (SW1/4SE1/4) of Section 15, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T. 13 N., R. 19 E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

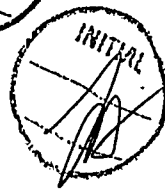
thence North 80°37'31" East, 709.60 feet per Quitclaim Deed recorded August 2, 1971 in the office of Recorder, Douglas County, Nevada in Book 89, at Page 392 to the POINT OF BEGINNING;

thence North 80°17'29" West, 62.50 feet per said Deed;
thence North 09°42'31" East, 348.48 feet per said Deed;
thence South 80°17'29" East, 125.00 feet per said Deed;
thence South 09°42'31" West, 348.48 feet per said Deed;
thence North 80°17'29" West, 62.50 feet per said Deed to the POINT OF BEGINNING.

A Portion of Assessors Parcel No. 17-212-01

Reference is made to Record of Survey for Walley's Hot Springs, Inc., filed for record in the office of the County Recorder of Douglas County, Nevada, on May 14, 1998, in Book 598 at Page 2700, as Document No. 439613.

"Together with all water rights, surface or ground, permitted, certificated, adjudicated, or vested, as well as all seeps, springs, and other rights to water, of any nature whatsoever, appurtenant to or historically used on the property" under permit nos, 48320, 48321, 20409, certificate 6712, and proof no 07310



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EXHIBIT B

1. Waiver and release from any and all claims for damages and lien rights, in favor of State of Nevada, arising out of construction and maintenance of Foothill Road as referenced in an instrument

Recorded : September 29, 1951
: in Book Z of Deeds, Page 290,
: Douglas County, Nevada, records.

2. Easements, dedications, reservations, provisions, relinquishments, recitals, building set back lines, certificates, and any other matters as provided for or delineated on the Parcel map referenced in the legal description contained herein.

Reference is hereby made to said Plat for particulars. If one is not included herewith, one will be furnished upon request.

3. Easements, dedications, reservations, provisions, relinquishments, recitals, building set back lines, certificates, and other matters as provided for or delineated on the following maps.

1) Record of Survey Map, recorded February 28, 1977 in Book 277, at page 1278, as Document No. 07201, Official Records.
(None shown on Record of Survey)

2) Record of Survey Map, recorded May 14, 1998 in Book 598, at page 2700, as Document No. 439613, Official Records.

4. Prescriptive and implied easement rights that may pertain to the use of the water flowing thru the Brockliss Slough, as may be asserted by owners of real property through which the Brockliss Slough runs, their successors and assigns.

5. Matters determined by that certain ALTA Survey, Job #594-02-98, prepared by R.O. Anderson Engineering, disclose the following encroachments:

(1) A fence and gazebo structure encroach over the southerly boundary line of the defined lands.

(2) The tennis court abuts the southerly property line, thus restricting access to the southern most corner of said tennis court.

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(3) Underground electric and water lines intercept said lands at designated points on Foothill Road.

(4) Concrete curb and gutter improvements extend beyond property lines into Foothill Road right-of-way.

(5) Overhead power lines access said lands and continue on to adjacent property on the Northwest side of said lands.

(6) Existing drainage facilities bisecting Foothill Road.

6. Water rights, claims or title to water, or geothermal rights, whether or not the matters are shown by the public records.

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COPY

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER
\$ 17.00 PAID *K* DEPUTY