

98072831

APN: 17-212-05

When recorded, return to:
WALLEY'S PARTNERS LIMITED PARTNERSHIP
Attn: Thomas J. Hubeny
1702 County Road, Suite D
Minden, NV 89423
RPTT: 73.45

GRANT, BARGAIN AND SALE DEED

THIS INDENTURE, made this 12th day of January, 2000, by and between GARDNERVILLE TOWN WATER COMPANY, INC., hereinafter referred to as "GRANTOR," and WALLEY'S PARTNERS LIMITED PARTNERSHIP, hereinafter referred to as "GRANTEE."

WITNESSETH:

That GRANTOR, in consideration of TEN DOLLARS (\$10.00), lawful money of the United States, and other good and valuable consideration to it in hand paid by the GRANTEE, the receipt of which is hereby acknowledged, does by these presents grant, bargain, and sell to the GRANTEE, and to its successors and assigns forever, all of its right, title and interest in and to those certain water rights appurtenant to real property, lying and situate in Douglas County, state of Nevada, more particularly described as follows:

All right, title and interest under Permit No. 65762 issued by the Office of the State Engineer for the State of Nevada, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and any reversion or reversions, remainder or remainders, rents, issues or profits thereof so long as said water rights are used in the Carson Valley Basin as such is

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defined on the date of this deed.

TO HAVE AND TO HOLD all and singular the rights together with the appurtenances, unto the said GRANTEE, and to its successors and assigns forever.

IN WITNESS WHEREOF, the GRANTOR has set its hand on the day and year first above written.

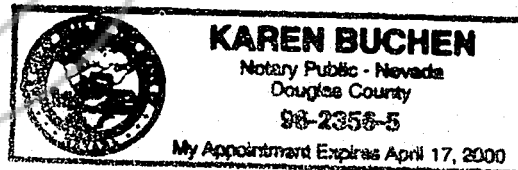
GARDNERVILLE TOWN WATER COMPANY, INC.

By: *DALE BOHLMAN*
DALE BOHLMAN, Chairman

STATE OF NEVADA)
 : ss.
COUNTY OF DOUGLAS)

On JANUARY 12, 2000, personally appeared before me, a notary public, DALE BOHLMAN, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the Chairman of GARDNERVILLE TOWN WATER COMPANY, INC., GRANTOR herein, and who further acknowledged to me that he executed the foregoing Grant, Bargain and Sale Deed on behalf of said entity.

Karen Buchen
NOTARY PUBLIC



THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY, EXPRESSED OR IMPLIED, IS ASSUMED AS TO IT'S REGULARITY OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

STEWART TITLE OF DOUGLAS COUNTY

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APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 60576 is issued subject to the terms and conditions imposed in said Permit 60576 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 48320, 48321, 64881, and 65762 shall not exceed 75.84 acre-feet.

The issuance of Permit 65762 reduces the total combined duty of water under Permits 60576; 60607; 60608; 60609; 60611, Certificate 15122; 60612; 60613, Certificate 15123; 60614, Certificate 15395; 60615, Certificate 15124; 64626; 64627 and 65007 shall not exceed 1,994.70 million gallons annually.

(CONTINUED ON PAGE 3)

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The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.0414 cubic feet per second, **but not to exceed 30.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:

October 16, 2000

Proof of completion of work shall be filed before:

November 16, 2000

Water must be placed to beneficial use on or before:

October 16, 2001

Proof of the application of water to beneficial use shall be filed on or before:

November 16, 2001

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 4th day of April A.D. 2000


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

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Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36,
Township 14 North, Range 19 East, M.D.B.&M.,

Sections 1, 2, 3, E 1/2 Section 4, NE 1/4 and NW 1/4 SE 1/4, and East 1/2 SE 1/4
Section 9, Sections 10, 11, 12, 13, 14, 15, and East 1/2 NE 1/4, and East 1/2 SE
1/4 Section 16, and East 1/2 NE 1/4, and East 1/2 SE 1/4 Section 21, Sections 22,
23, 24, 25, 26, 27, East 1/2 Section 28, East 1/2 Section 33, Sections 34, 35, and
36, Township 13 North, Range 19 East, M.D.B.&M.,

Sections 1, 2, 3, NE 1/4 and NW 1/4 SE 1/4 and East 1/2 SE 1/4 Section 4, Sections
10, 11, 12, 13, 14, 15, the NE 1/4 and Portions of the NW 1/4, SE 1/4 and the SW
1/4 of Section 22, Sections 23, 24, and 25, the NE 1/4 and Portions of NW 1/4, SW
1/4, and SE 1/4 of Section 26, the NE 1/4 and Portions of NW 1/4 and SE 1/4 of
Section 36, Township 12 North, Range 19 East, M.D.B.&M.,

Sections 1 through 36, Township 12 North, Range 20 East, M.D.B.&M.,

Sections 1 through 36, Township 13 North, Range 20 East, M.D.B.&M.,

West 1/2 Section 5, Sections 6, 7, 8, and Sections 13 through 36, Township 14
North, Range 20 East, M.D.B.&M.,

Sections 18, 19, 30, and 31, Township 14 North, Range 21 East, M.D.B.&M.,

Sections 6, 7, 18, 19, 30, and 31, Township 13 North, Range 21 East, M.D.B.&M.,

Sections 6, 7, 18, 19, and 30, Township 12 North, Range 21 East, M.D.B.&M.,

all in Douglas County, Nevada

Question 15 - Remarks

The applicant has entered into an agreement to transfer the water rights to Walley's Partners Limited Partnership for use at Walley's Hot Springs, in conjunction with the permit being issued. The water under this application is to be used with other water for the overall resort use. The other water right on this well is held by Douglas County.

Please use maps on file at the Division of Water Resources under Application 48321 to support the proposed point of diversion and place of use and under Application 60576 to support the existing point of diversion and place of use.

Please send copies of all notices to Walley's Partners Limited Partnership, 1702 County Road, Suite D, Minden, NV 89423.

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

2000 APR 28 PM 4: 22

LINDA SLATER
RECORDER

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