

RPTT-EXEMPT # 2

APN: ~~17-212-05~~ now 1319-22-000-003

When recorded, return to:
DOUGLAS COUNTY
Attn: Dan Holler
1594 Esmeralda Avenue, Room 307
Minden, NV 89423
RPTT: Exempt

②

GRANT, BARGAIN AND SALE DEED

THIS INDENTURE, made this 3rd day of August, 2001, by

and between 'WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership, hereinafter referred to as "GRANTOR," and DOUGLAS COUNTY, a political subdivision of the State of Nevada, 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 Nos. 64881, 65762 and 66657 issued by the Office of the State Engineer for the State of Nevada, copies of which are attached hereto as Exhibits "A," "B" and "C" 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

NO. 64881

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office MAR 01 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed AUG 17 1984 under 48320

The applicant **Gardnerville Town Water Company**, hereby makes application for permission to change the Point of Diversion and Place of Use of a portion of water heretofore appropriated under Permit 60576

1. The source of water is **Underground**
2. The amount of water to be changed **.014 c.f.s., 10.0 acre-feet**
3. The water to be used for **Municipal**
4. The water heretofore permitted for **Municipal**
5. The water is to be diverted at the following point **SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 15, T.13N., R.19E., MDM, or at a point from which the S $\frac{1}{4}$ corner of said Section 15 bears South 5°26' West, 1125 feet**
6. The existing permitted point of diversion is located within **NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 4, T.12N., R.20E., MDB&M, or at a point from which the NE corner of said Section 4 bears North 86°15' East, 3,946 feet**
7. Proposed place of use **NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 22, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 15, T.13N., R.19E., MDM**
8. Existing place of use **See Attached**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **well, pump, motor, storage tank, and domestic fire distribution system**
12. Estimated cost of works **existing**
13. Estimated time required to construct works **existing**
14. Estimated time required to complete the application of water to beneficial use **5 years**
15. Remarks: **See Attached**

Bruce R. Scott, Resource Concepts, Inc.
By **s/Bruce R. Scott**
340 North Minnesota Street
Carson City, Nevada 89703

Compared dl/cms dl/bk

Protested _____

EXHIBIT "A"

0520124
BK0801PG1703

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 and 64881 shall not exceed 45.84 acre-feet annually.

The issuance of Permit 64881 reduces the total combined duty of Permits 60576; 60607; 60608; 60609; 60610; 60611, Certificate 15122; 60612; 60613, Certificate 15123; 60614 and 60615, Certificate 15124 to 1,996.82 million gallons annually.

(CONTINUED ON PAGE 3)

0520124

EXHIBIT "A"

BK0801PG1704

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.014 cubic feet per second, but not to exceed 10.0 acre-feet annually.

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

N/A

Proof of completion of work shall be filed before:

N/A

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 11th day of August, A.D. 1999


State Engineer

Completion of work filed N/A

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

EXHIBIT "A"

0520124

BK0801PG1705

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.

EXHIBIT "A"

0520124

BK0801PG1706

NO. 65762

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office DEC 27 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed AUG 17 1984 under 48320

The applicant **Gardnerville Town Water Company**, hereby makes application for permission to change the **Point of Diversion and Place of Use of a portion of water heretofore appropriated under Permit 60576**

1. The source of water is **Underground**
2. The amount of water to be changed **.041 c.f.s., 30.0 acre-feet**
3. The water to be used for **Municipal**
4. The water heretofore permitted for **Municipal**
5. The water is to be diverted at the following point **SW¹/₄ SE¹/₄ Section 15, T.13N., R.19E., MDM, or at a point from which the S¹/₄ corner of said Section 15 bears South 5°26' West, 1125 feet**
6. The existing permitted point of diversion is located within **NW¹/₄ NW¹/₄ Section 4, T.12N., R.20E., MDB&M, or at a point from which the NE corner of said Section 4 bears North 86°15' East, 3,946 feet**
7. Proposed place of use **NW¹/₄ NE¹/₄ Section 22, SW¹/₄ SE¹/₄ Section 15, T.13N., R.19E., MDM**
8. Existing place of use **See Attached**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **wall, pump, motor, storage tank, and domestic fire distribution system**
12. Estimated cost of works **existing**
13. Estimated time required to construct works **existing**
14. Estimated time required to complete the application of water to beneficial use **5 years**
15. Remarks: **See Attached**

Bruce R. Scott, Resource Concepts, Inc.
By **s/Bruce R. Scott**
340 North Minnesota Street
Carson City, Nevada 89703

Compared hs/cmf hs/cmf

Protested _____

EXHIBIT "B"

0520124

BK0801PG1707

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)

0520124

EXHIBIT "B"

BK0801PG1708

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 _____

0520124

EXHIBIT "B"

BK0801PG1709

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

CONFIDENTIAL
Has not been reported
to the public

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.

04/04/5979

REGISTERED BY

IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

2000 APR 28 PM 1:22

LIBRARY
RECORDS

\$ PAID. DEPUTY

EXHIBIT "B"

0520124

0490956

BK0801PG1710

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office AUG 09 2000

Returned to applicant for correction _____

Corrected application filed _____

Map filed AUG 17 1984

The applicant Gardnerville Town Water Company, hereby makes application for permission to change the Point of Diversion and Place of Use of a portion of water heretofore appropriated under Permit 60576

1. The source of water is Underground
2. The amount of water to be changed .014 c.f.s., 10.0 acre-feet
3. The water to be used for Municipal
4. The water heretofore permitted for Municipal
5. The water is to be diverted at the following point SW¼ SE¼ Section 15, T.13N., R.19E., MDM, or at a point from which the S¼ corner of said Section 15 bears South 5°26' West, 1125 feet
6. The existing permitted point of diversion is located within NW¼ NW¼ Section 4, T.12N., R.20E., MDB&M, or at a point from which the NE corner of said Section 4 bears North 86°15' East, 3,946 feet
7. Proposed place of use NW¼ NE¼ Section 22, SW¼ SE¼ Section 15, T.13N., R.19E., MDM
8. Existing place of use See Attached
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works well, pump, motor, storage tank, and domestic fire distribution system
12. Estimated cost of works existing
13. Estimated time required to construct works existing
14. Estimated time required to complete the application of water to beneficial use 5 years
15. Remarks: See Attached

By Bruce R. Scott, Resource Concepts, Inc.
s/Bruce R. Scott
340 North Minnesota Street
Carson City, Nevada 89703

Compared cmf/kdg hf/cmf

Protested _____

EXHIBIT "C"

0520124

BK0801PG1711

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 total combined duty of water under Permits 48320, 48321, 64881, 65762, and 66657 shall not exceed 85.84 acre-feet annually.

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

The issuance of Permit 66657 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 to 1,984.70 million gallons annually.

(CONTINUED ON PAGE 3)

EXHIBIT "C"

0520124

BK0801PG1712

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.014 cubic feet per second, but not to exceed 10 acre-feet annually.

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

October 16, 2001

Proof of completion of work shall be filed before:

November 16, 2001

Water must be placed to beneficial use on or before:

October 16, 2002

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

November 16, 2002

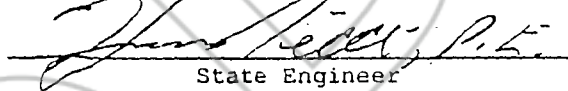
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 8th day of, January A.D. 2001


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

0520124

EXHIBIT "C"

BK0801PG1713

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

IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

2001 FEB -2 AM 10:41

LINDA SLATER
RECORDER

\$ PAID DEPUTY

0201/278

EXHIBIT C 0520124

0508068

BK0801PG1714

COPY

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

2001 AUG -7 AM 10: 30

LINDA SLATER
RECORDER

\$ 21⁰⁰ PAID K2 DEPUTY

0520124

BK0801PG1715