C			
District Name			
	**************************************	 	
THOUSAND THE	98080620		
ESCROW NO	7000000		
LDCXC II IIO.		 	

RECORDING REQUESTED BY:

STEWART TITLE COMPANY
WHEN RECORDED MAIL TO:

WALLEY'S PARTNERS LIMITED PARTNERSH P.O. Box 158 Genoa, NV 89411

### PARTIAL RECONVEYANCE

STEWART TITLE OF **DOUGLAS** COUNTY made by

, a Nevada Corporation, as Trustee under Deed of Trust

WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership

Trustor(s)

and recorded as Instrument No. 441511 , on June 08, 1998 in Book 698 , Page 1782 , of Official Records in the office of the County Recorder of DOUGLAS , State \*\* of Nevada, having been requested in writing by the holder of obligations secured by said Deed of Trust, to reconvey a portion of the estate granted to said Trustee under said Deed of Trust, DOES HEREBY RECONVEY unto the person or persons legally entitled thereto, without warranty, all the estate, title and interest acquired by said trustee under that Deed of Trust and to that portion of the property 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.

The remaining property described in said Deed of Trust shall continue to be held by said trustee under the terms thereof. As provided in said Deed of Trust this Partial Reconveyance is made without affecting the personal liability of any person for payment of the indebtedness secured by said Deed of Trust.

STEWART TITLE OF **DOUGLAS COUNTY** a Nevada Corporation, Trustee

DATE: August 31, 2001

\*\*and under AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS AND PROCEEDS, SECURITY AGREEMENT, FINANCING STATEMENT AND FIXTURE FILING, RECORDED April 24, 2001 in Book 401, Page 6170, as Document No. 512893.

JAMES D. ROSE VICE PRESIDENT

01

JANICE K. CONDON

Notary Public - State of Nevada

Appointment Recorded in Douglas County

No. 00-65319-5 - EXPIRES SEPTEMBER 11, 2004

STATE OF Nevada	}	
GOLDEN OF DOUGLAS	}	SS
COUNTY OF DOUGLAS	}	

Notary Public

This instrum	ent was acknow S D. ROSE	ledged before	me on Au	gust	31,	2,0
by, JAME Stewart	S D. ROSE Title of	DOUGLAS	RESIDEN COUNTY	Tof		
Sionature	Acmi	s, k (n	_0			

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	HAR 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 immission 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% SE% Section 15, T.13N., R.19E., MDM, or at a point from which the S% corner of said Section 15 bears South 5°26' West, 1125 feet
- 6. The existing permitted point of diversion is located within NWX NWX 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% NE% Section 22, SW% SE% Section 15, T.13N., R.19E., MDM
- 5. 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 52703

Compared	dl/cms	dl/bk
----------	--------	-------

Protested

EXHIBIT "A"

0520124 BK0801PG1703

#### OF STATE ENGINEER APPROVAL

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 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.

and 64881

The total combined duty of water under Permits 48320, 48321 (4881 shall not exceed 45.84 acre-feet annually.

The issuance of Permit 64881 reduces the total combined duty Permits 60576; 60607; 60608; 60609; 60610; 60611, Certificate 122; 60612; 60613, Certificate 15123; 60614 and 60615, of. 15122; Certificate 15124 to 1,996.82 million gallons annually. (CONTINUED ON PAGE 3)

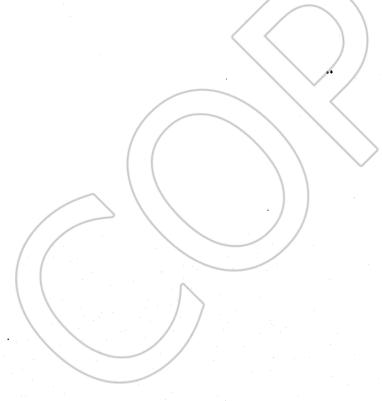


EXHIBIT "A"

0520124 BK0801PG1704

Page 3 of 3 (PERMIT TERMS CONTINUED)

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.

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

AYK

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 hereunco set

my hand and the seal of my office.

this 11th day of Ayoust, A.D. 1999

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, 28, 27, 34, 35, and 38, 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, 28, 27 East 1/2 Section 28, East 1/2 Section 33, Sections 34, 35, and 38, 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 35, 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

#### Juestion 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 lot 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 Wulley's Partners Limited Partnership, 1702 County Roud. 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 SW4 SE4 Section 15, T.13N., R.19E., MDM, or at a point from which the S4 corner of said Section 15 bears South 5°26' West, 1125 feet
  - 6. The existing permitted point of diversion is located within NW4 NW4 Section 4, T.12N., R.20E., MDBSM, 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 NW4 NE4 Section 22, SW4 SE4 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 hs/cmf hs/cmf		
Mark Million Commence		
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 and a totalizing meter must be installed and maintained in the 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

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, 60612; 60613; 60614 Certificate 15122; 60612; 60613, Certificate 15123 Certificate 15395; 60615, Certificate 15124; 64626; 665007 shall not exceed 1,994.70 million gallons annually. Certificate Certificate 15123; 64627 <and (CONTINUED ON PAGE 3)

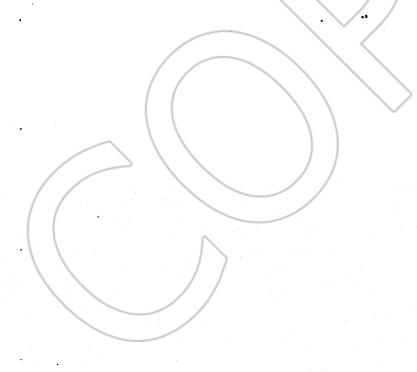


EXHIBIT "B"

0520124 8K 0 8 0 1 PG 1 7 0 8

Page 3 of 3 (PERMIT TERMS CONTINUED)

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:

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

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

Will Ill in Oce

Completion of work filed

Proof of beneficial use filed

Cultural map filed N/A

Certificate No. \_\_\_\_\_ Tasued \_\_\_\_\_

EXHIBIT "B"

0520124 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 18, and East 1/2 NE 1/4, and East 1/2 SE 1/4 Section 21, Sections 22, 23, 24, 25, 28, 27, East 1/2 Section 28, East 1/2 Section 33, Sections 34, 35, and 38, Township 13 North, Range 18 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 Portlans 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 Portlans of NW 1/4, SW 1/4, and SE 1/4 of Section 28, the NE 1/4 and Portlans 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 38, 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, Minde.;, NV 89423.

Chick 5979

DOUGH, JANUARY WAR

2000 Amit 23 PA 4: 22

Pro your

s\_\_\_and cany

EXHIBIT "B" 0520124 0490956

BK 0801PG 1710

## 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 permission to change the Point of Diversion appropriated under Permit 60576  1. The source of water is Underground  2. The amount of water to be changed .014 c.:  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 of the Silverted at the following or at a point from which the Silverted in the Sil	Water Company, hereby makes application for and Place of Use of a portion of water heretofore f.s., 10.0 acre-feet  ipal wing point SWN SEN Section 15, T.13N., R.19E., corner of said Section 15 bears South 5°26' West, on is located within NWN NWN Section 4, T.12N., hich the NE corner of said Section 4 bears North a 22, SWN SEN Section 15, T.13N., R.19E., MDM
13. Estimated time required to construct wo	rks existing
14. Estimated time required to complete the	application of water to beneficial use 5 years
By s/Bri 340 i	ce R. Scott, Resource Concepts, Inc. uce R. Scott Not .i. Minnesota Street son City, Nevada 89703
Compared cmf/kda hf/cmf	
Protested	
EXHIBIT O 5	20124 BK0801PG1711

#### APPROVAL OF STATE ENGINEER

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 imposed in the discharge maintained in the discharge maintained in the discharge meter must be imposed to the maintained in the discharge meter must be imposed to the discharge maintained in the discharge meter must be imposed to the discharge maintained in the discharge meter must be imposed to the discharge maintained in the discharge meter must be imposed to the discharge meter must be discharge meter must be imposed to the discharge meter must be i This is to certify that I have examined the foregoing application, hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and conditions: 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

permittee the This permit does not extend right

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 vater under Permits 60576; 60607; 60608; 60609; 6 under Pe e 15122; 60611, water Certificate 60613, Cartificate 60612; 15123; 60011, ficate 15395; 60615, Certificate 153 to 1,984.70 million gallons annually. Certificate 15124; 64626; 65007 (CONTINUED ON PAGE 3)



EXHIBIT "C

0520124 BK 080 | PG 1712 Page 3 of 3 (PERMIT TERMS CONTINUED)

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 acro-foot annually.

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

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 betorg: 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.O. 2001

State Engineer

Completion of work fil	led		/ /
Proof of beneficial us	e filed		
Cultural map filed	N/A		//
Certificate No.	Issued	$\setminus$	

EXHIBIT "C"

0520124 BK 0801PG 1713

CONFORMED CO.
Has not been comparto the original.

Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 36, 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 Douglus County.

Please use maps on file at the Division of Water Resources under Application 48321 to support the projected 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.

0201/278

вковотретить 0520124 **в5**08068.

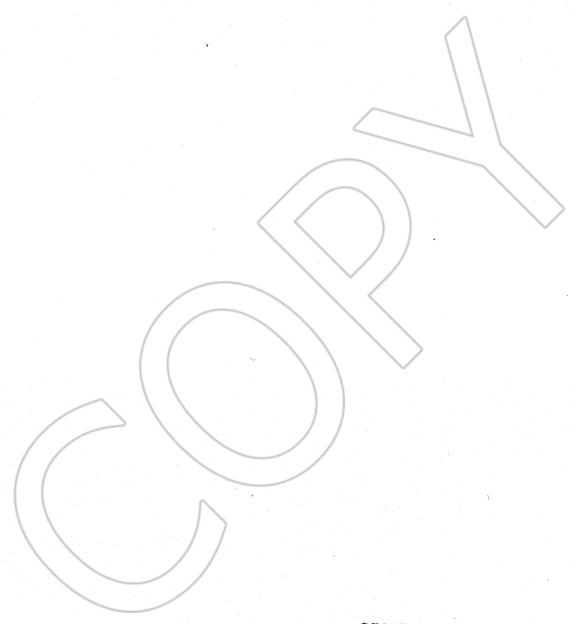
IN OFFICIAL RECORDS OF

REQUESTED BY

2001 FEB -2 AM 10: 41

LINDA SLATER RECORDER

S\_\_\_PAID\_\_\_DEPUTY



REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY

IN OFFICIAL RECORDS OF DOUGLAS CO., NEVADA

2001 SEP -7 AM 10: 32

LINDA SLATER
RECORDER

\$200 PAID & DEPUTY