A.P.N. #				
ESCROW NO.	9808062	0		

RECORDING REQUESTED BY: STEWART TITLE COMPANY WHEN RECORDED MAIL TO:

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

PARTIAL RECONVEYANCE

STEWART TITLE OF DOUGLAS COUNTY

, a Nevada Corporation, as Trustee under Deed of Trust

made by

WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership

Trustor(s) and recorded as Instrument No. 441510 on June 08, 1998 in Book 698 Page 1755 , 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: A'll 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 6143, as Document No. 512891.

JAMES D. ROSE VICE PRESIDENT

STATE OF Nevada } ss. DOUGLAS COUNTY OF

JANICE K. CONDON Notary Public - State of Nevada Appointment Recorded in Douglas County No. 00-65319-5 - EXPIRES SEPTEMBER 11, 2004

This instrument was acknowledged before me on August by. JAMES D. ROSE, VICE PRESIDENT of August 31, 2001

Stewart Title of DOUGLAS COUNTY

Signature

Notary Public

0522366 BK 0 9 0 1 PG 1 4 4 1

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 precision 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 NW% NW% 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
- 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 59703

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 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 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 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)

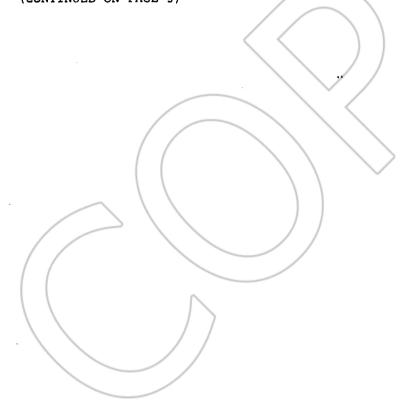


EXHIBIT "A"

0520124 BK 080 | PG | 704

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 agre-feet annually.

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

ANA

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 15, 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 meal of my office,

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

State Engineer

Cartificate 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 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 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

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 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 Wulley's Partners Limited Partnership, 1702 County Road. Suite D. Minden, NV 89423.

EXHIBIT "A"

0520124 BK 0801PG 1706

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., MDB&M, or at a point from which the NE corner of said Section 4 bears North $86^{\circ}15^{\circ}$ 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

Protested

EXHIBIT "B"

0520124 BK0801PG1707

APPROVAL OF STATE ENGINEER

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 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 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 accur
measurements must be kept of water placed to beneficial use.
totalizing meter must be installed before any use of the wa
begins or before the proof of completion of work is filed. If and accurate 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 alĺ 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, and local agencies.

The total combined duty of water under Permits 48320, 48321,

1, and 65762 shall not exceed 75.84 acre-feet.

The issuance of Permit 65762 reduces the total combine water under Permits 60576; 60607; 60608; 60609; ifficate 15122; 60612; 60613, Certificate 15123; combined duty 60611, Certificate 15122; 60612; 60613, Certificate 15123; 60 Certificate 15395; 60615, Certificate 15124; 64626; 64627 and 65007 shall not exceed 1,994.70 million gallons annually. (CONTINUED ON PAGE 3)

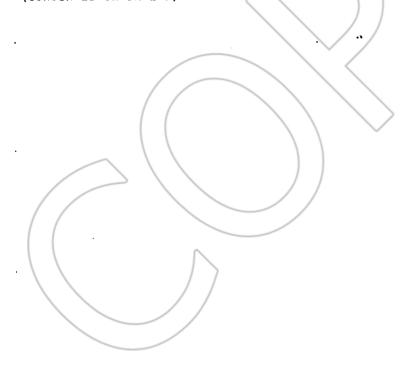


EXHIBIT "B"

0520124 BK 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: $\mathbf{N/A}$

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 1th may get April A.D. 2000

Wila Timper PC

Completion of work filed

Proof of beneficial use filed

Cultural map filed N/A

Certificate No. _____ Issued _____

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 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 28, the NE 1/4 and Portions of NW 1/4 and SE 1/4 of Section 38, 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

CONFIGURE CONTRACTOR AND ASSESSMENT OF THE PROPERTY OF THE PRO

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, Mindeil, NV 89423.

v.liv./5979

MORE COLAT RECURNS OF DOUBLE SEASON

2000 APR 20 PRI 4: 22

UB 79 (7)(0)(8)

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	A HERETOFORE APPROPRIATED
Date of filing in State Engineer's C	OfficeAUG 09 2000
Returned to applicant for correction	N
Corrected application filed	
Map filed	AUG 17 1984
The applicant Gardners permission to change the Point of appropriated under Permit 60576	ville Town Water Company, hereby makes application for of Diversion and Place of Use of a portion of water heretofore
1. The source of water is Underg	round
2. The amount of water to be char	nged .014 c.f.s., 10.0 acre-feet
3. The water to be used for Muni	cipal
4. The water heretofore permitted	l for Municipal
	at the following point SW% SE% Section 15, T.13N., R.19E., ich the S% corner of said Section 15 bears South 5°26' West,
	of diversion is located within NWN NWN Section 4, T.12N., int from which the NE corner of said Section 4 hears North
7. Proposed place of use NW1/1	NE% Section 22, SW% SE% Section 15, T.13N., R.19E., MDM
8. Existing place of use See Atta	iched
9. Use will be from January 1 to	o December 31 of each year.
10. Use was permitted from Jan	uary 1 to December 31 of each year.
distribution system	works well, pump, motor, storage tank, and domestic fire
12. Estimated cost of works exis	sting
13. Estimated time required to c	construct works existing
14. Estimated time required to o	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 Not Minnesota Street Carson City, Nevada 89703
Compared cmf/kdg hf/	<u>lemt</u>
Protested	
E	XHIBIT "C" 0520124 BK0801PG171

APPROVAL OF STATE ENGINEER .

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 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 the change proposed herein. The well shall be equipped with a totalizing meter must be installed and opening and 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 534.630. 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

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 and local agencies. from State,

The issuance of Permit 66657 reduces the total combined duty vater under Permits 60576; 60607; 60608; 60609; 60611, 60608; 60576; water under 60609; 15123; 576; 60607; 60608; 60613, Certificate 15122; 60612; 60613, C 15395; 60615, Certificate 60C14, Certificate 15124; Certificate 64626; 65007 to 1,984.70 million gallons annually. (CONTINUED ON PAGE 3)



EXHIBIT "C"

0520124 BK 080 | PG | 7 | 2

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-feet 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 betoru: November 16, 2002

Map in support of proof of beneficial use shall be filed on or before: $\mathbf{N/A}$

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

EXHIBIT "C"

0520124 BK 0801PG 1713

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, 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, Ranga 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.

0201/278

_{ЕХНІВІІ} "С" 0520124

0508068

BK 0 8 0 1 PG 1 7 1 4

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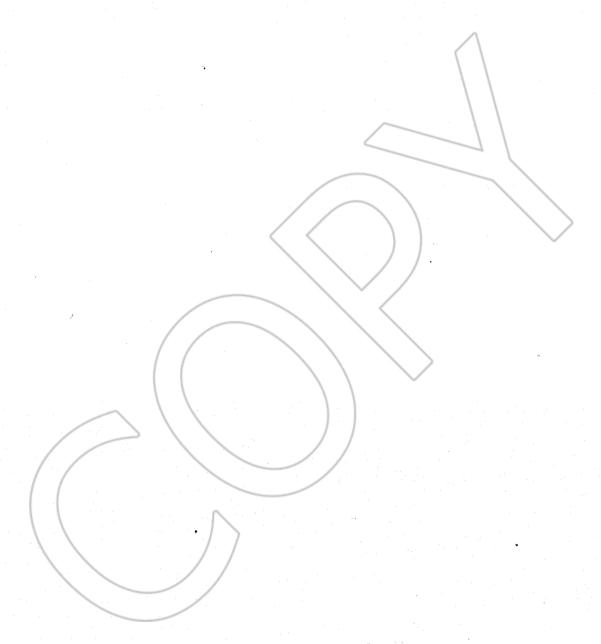
REQUESTED BY

IN OFFICIAL RECORDS OF

2001 FEB -2 AM 10: 41

LINDA SLATER RECORDER

S___PAID___DEPUTY



REQUESTED BY

STEWART TITLE OF DOUGLAS COUNT IN OFFICIAL RECORDS OF DOUGLAS CO., NEVADA

2001 SEP -7 AM 10: 34

LINDA SLATER RECORDER

\$20 PAIDX DEPUTY

0522366 BK 0 9 0 1 PG 1 4 5 4