APPROVED JUNE 5, 2003 #17
DOUGLAS COUNTY BOARD OF COMMISSIONERS

WATER SYSTEM DEDICATION AGREEMENT

THIS AGREEMENT is made by and between WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership ("WALLEY'S"), and the COUNTY OF DOUGLAS, STATE OF NEVADA ("DOUGLAS COUNTY").

PREAMBLE

WALLEY'S has built a water line to connect the water system servicing the real estate known as David Walley's Resort, Hot Springs & Spa and David Walley's Resort, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the Exhibit "A" Property) to Douglas County's Genoa Lakes/Sierra Shadows Water System; said water line is hereinafter defined and is hereinafter referred to as the "Water Line"; and

WALLEY'S has constructed or there exists all additional on-site domestic cold water system improvements necessary to serve existing improvements and Phases I and II, including the cold water well and various water meters as hereinafter defined and hereinafter referred to as the "Water System;" and

WALLEY'S has conveyed fifty (50) acre feet of water rights for the Exhibit "A" Property to DOUGLAS COUNTY; and

WALLEY'S has constructed a gravity sewer collection system and related appurtenances to serve Phases I through II of the timeshare project pursuant to plans approved by DOUGLAS COUNTY as hereinafter defined and hereinafter referred to as the "Sewer System;" and

WALLEY'S desires to dedicate and transfer any and all ownership, operations and maintenance of the Water System and Water Line to DOUGLAS COUNTY as provided herein; and

DOUGLAS COUNTY has already accepted the conveyance and dedication of the said water rights and desires to accept conveyance and dedication of the Water Line and ownership, operation and maintenance of the said Water System on the terms provided herein, excepting the

WALLEY'S regional lift station and facilities owned by DOUGLAS COUNTY;

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Based upon the mutual promises and conditions contained herein, the parties agree as follows:

1. As used herein the follow terms shall have the meanings set forth below:

"Water Line" shall mean the ten (10) inch water line ("Water Line") built by WALLEY'S to connect the water system servicing the Exhibit "A" Property to the Douglas County's Genoa Lakes/Sierra Shadows Water System as shown on Exhibit B; and

"Water System" shall mean: all water lines, meters and other equipment related thereto and one (1) cold water well, shown as "public" on Exhibit B attached hereto and incorporated herein by this reference and does not include the hot water wells, storage tank, fire booster pump station or cooling towers or water lines, meters and other equipment related thereto shown as "private" on Exhibit B or otherwise situated on the Exhibit A Property.

"Sewer System" shall mean: all gravity sewer collection system improvements and related appurtenances located on the Exhibit A Property.

- 2. WALLEY'S hereby dedicates, assigns, transfers and conveys to DOUGLAS COUNTY any and all of its right, title, and interest in and to the said Water System and Water Line. The effective date of DOUGLAS COUNTY's acceptance of the Water Line, and Water System shall be upon adoption and approval of this agreement by the Douglas County Board of Commissioners ("Transfer Date"). DOUGLAS COUNTY acknowledges that it is operating and maintaining the Water Line at present and agrees to continue to do so at its own expense. WALLEY'S is responsible for operating the Water System through midnight of the Transfer Date. WALLEY'S and DOUGLAS COUNTY acknowledge and agree that WALLEY'S operates the on-site gravity sewer collection system which connects to the DOUGLAS COUNTY operated sewer system off-site.
- 3. DOUGLAS COUNTY is not responsible for, nor is it obligated to pay for, any electrical power billings, collections, service complaints or testing costs incurred by or to the Water System before the Transfer Date. All electrical power billings, collections and service complaints and testing costs from the Transfer Date onward shall belong to DOUGLAS COUNTY.

- 4. DOUGLAS COUNTY agrees to provide to the Exhibit "A" Property ample potable water for normal use and fire protection. Said water will be furnished on demand.
- 5. WALLEY'S has caused to be filed three Reports of Conveyance and the transfers were approved by the Division of Water Resources on the 50.00 acre feet of water transferred to DOUGLAS COUNTY. The Summary of Ownerships have been received. DOUGLAS COUNTY acknowledges that no further conduct with respect to those water rights is required of WALLEY'S.
- 6. WALLEY'S shall deliver to DOUGLAS COUNTY on the Transfer Date, a deed assigning, transferring and conveying to DOUGLAS COUNTY easements for maintenance and repair of the Water Line and Water System in the form attached hereto as Exhibit "C" and incorporated herein by this reference.
- 7. DOUGLAS COUNTY acknowledges that there are no repairs or modifications necessary for the Water System including that all necessary meters and back flow valves have been installed to meet County standards and accepts the Water System "as is" as of the Transfer Date. WALLEY'S agrees to pay DOUGLAS COUNTY \$15,000 on the Transfer Date with which funds DOUGLAS COUNTY will make any other improvements to the system desired by DOUGLAS COUNTY.
- 8. DOUGLAS COUNTY acknowledges that all conditions of its April 27, 2001, water "will serve" letter have been met.
- 9. DOUGLAS COUNTY has inspected the Water Line and connection to the Genoa Lakes/Sierra Shadows Water System to verify that the Water Line was constructed as specified. No deficiencies have been found by DOUGLAS COUNTY. WALLEY'S warrants that the Water Line shall be free of defects in material and construction for one (1) calendar year from the Transfer Date.
- 10. WALLEY'S shall have all maintenance and repair obligations for the water meters, water lines and any equipment related thereto shown as "private" on Exhibit B. DOUGLAS COUNTY will accept dedication of said water meters, water lines and any equipment related thereto

shown as "private" on Page 1 of Exhibit B, if at any time in the future such improvements no longer run through an enclosed structure.

- 11. DOUGLAS COUNTY agrees that the value of the agreements contained herein shall satisfy all obligations of WALLEY'S including payment of connection fees, for the existing improvements and Phase I and Phase II of the timeshare improvements to be served with domestic water by the County. Future phases of development of the Exhibit "A" property will be served by the County upon payment of connection fees and conveyance of any additional water rights or payment of in-lieu water fees as provided in the County Code in quantities related to the consumptive use of the improvements being metered. Such fees and conveyances shall be due upon issuance of building permits for the additional phases or buildings to be served, except that such fees may be paid with respect to Phase III within thirty (30) days following the issuance of building permits. In the event that the metering of the water usage shows after a minimum of three (3) years of records that water rights in excess of what is necessary for the improvements being served has been conveyed to DOUGLAS COUNTY, DOUGLAS COUNTY shall reconvey the excess water rights to WALLEY'S. Conversely, in the event that the metering of the water usage shows after a minimum of three (3) years of records that the dedicated water rights were insufficient to provide what is necessary for the improvements being served was conveyed to DOUGLAS COUNTY, WALLEY'S agrees to convey the additional amount of water rights necessary to meet the usage requirements.
- 12. DOUGLAS COUNTY acknowledges that WALLEY'S has provided to DOUGLAS COUNTY "as built" plans and all other documents or records in its possession relating to the Water System and Water Line requested by DOUGLAS COUNTY.
- 13. The parties agree to execute any and all documents, agreements, assignments, deeds and other papers which may be necessary to carry out the provisions of this Agreement. The parties agree that this Agreement supercedes and nullifies all prior agreements on this subject matter including the one dated March 5, 1992.

- 14. If litigation is commenced with respect to the interpretation and/or obligations respecting this Agreement, the prevailing party is entitled to recover attorneys' fees and costs.

	15. This Agreement contains the entire agreement as between the parties; there
are and have	been no other representations or warranties other than those contained in this
Agreement.	\ \
	16. This Agreement is binding upon the heirs, assigns, agents and successors-in-
interest to the	parties.
	DATED this 5th day of Jun E, 2003.
	WALLEY'S PARTNERS LIMITED PARTNERSHIP
	By: VALLEY PARTNERS, LLC, General Partner
	By: SIERRA RESORTS GROUP, L.L.C.
	By: Lull
	C. ROBERT SEWELL, Manager
	COUNTY OF DOUGLAS, STATE OF NEVADA
	By: forteling.
ATTESTS:	Chairman, Douglas County Commissioners
ATTESTS.	ana Beed 0-6-6-03
County Clerk	M: X Charle Click to Board Date
i	
Approved as to	Community Development Date
Douglas Coun	Community Development Date
Approved as to	form
Approved as to	10111
Office of Doug	las County District Attorney Date

EXHIBIT "A"

LEGAL DESCRIPTION

All that real property situate in the county of Douglas, state of Nevada, described as

follows:

A parcel of land located within a portion of the West one-half of the Southeast one-quarter (W½SE¼) of Section 15 and the West one-half of the Northeast one-quarter (W½NE¼) 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.13N., R.19E., 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, 1322.57 feet to a found 2". iron pipe, no tag;

thence North 86°52'39" East, 249.87 feet to a point on the easterly right-of-way of Foothill Road, the northwest corner of Parcel E as shown on the Record of Survey for Walley's Hot Springs, Inc. recorded May 14, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 439613, the POINT OF BEGINNING;

thence along the boundary of said Parcel E the following courses:

thence continuing North 86°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°20'43" East, 1064.63 feet;

thence South 00°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°11'10" West, 1178.84 feet to a found ½" 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°22'15", arc length of 51.31 feet, chord bearing North 05°40'39" East, and chord distance of 51.31 feet;

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, and chord distance of 1135.85 feet;

thence North 25°40'29" West, 499.42 feet to the POINT OF BEGINNING, containing 56.32 acres, more or less.





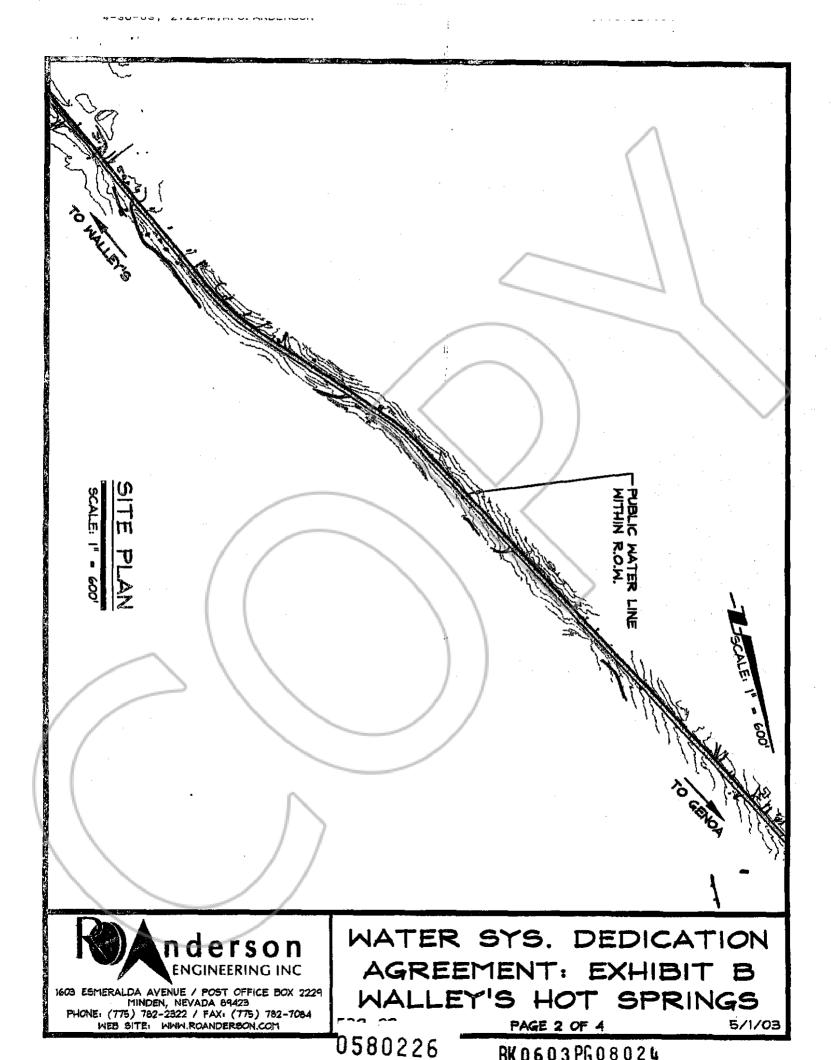
03 ESMERALDA AVENUE / POST OFFICE BOX 2229 MINDEN, NEVADA 69423 PHONE: (775) 762-2822 / FAX: (776) 762-7084 WEB SITE: WWW.ROANDERSON.COM

WATER EXHIBIT B SPRINGS

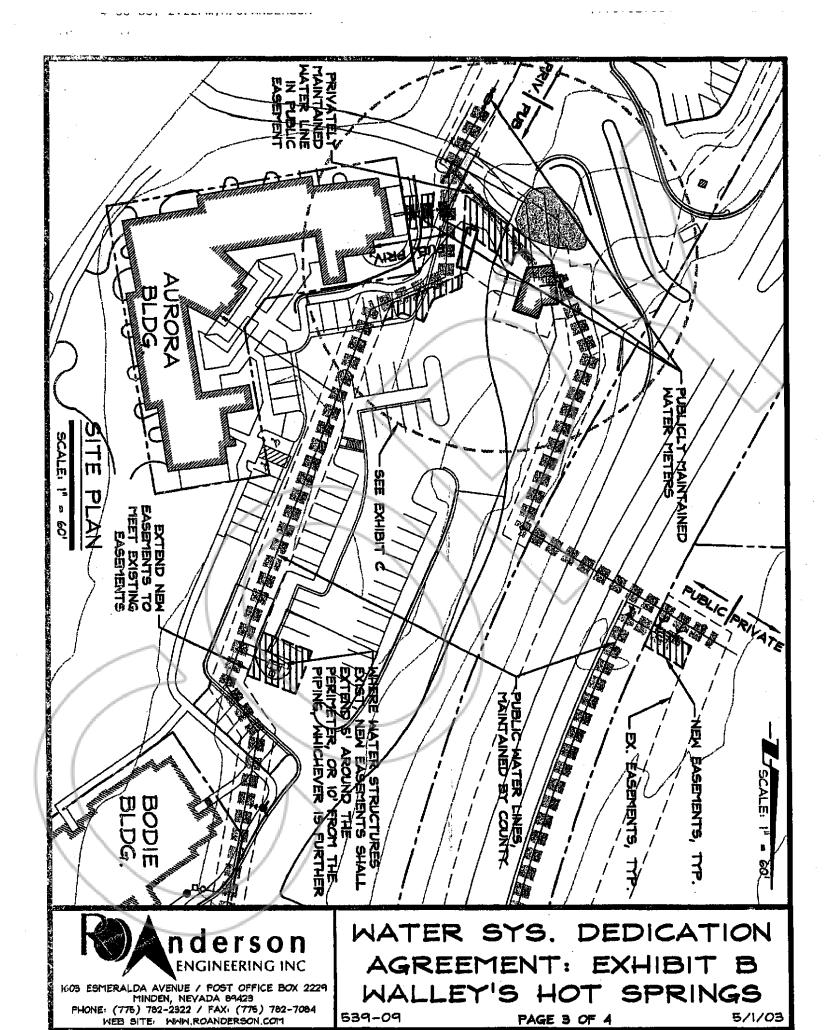
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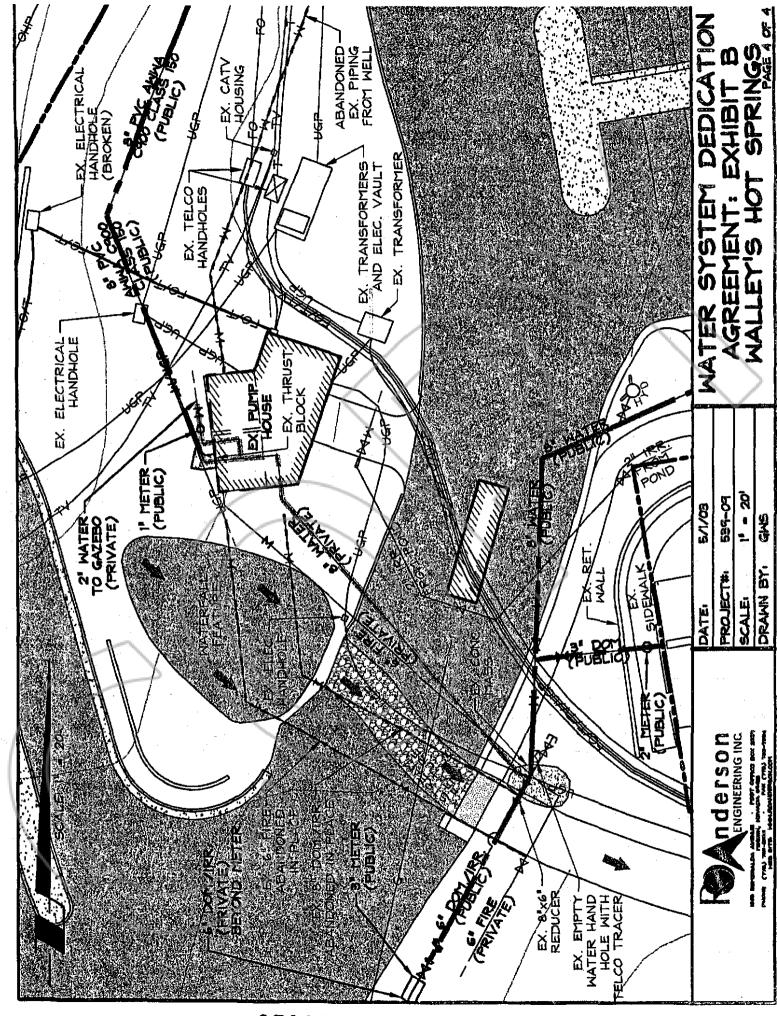


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WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 1 OF 15

APN:	
When	recorded, return to:
DOUG	GLAS COUNTY
Attn: 1	Dan Holler
1594 I	Esmeralda Avenue, Room 307
Minde	n, NV 89423

EASEMENT DEED

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, a nonexclusive easement for public utility purposes, including for public water lines as described in Exhibit "A" attached hereto and incorporated herein by this reference and for the water system facilities shown as "public" on Exhibit "B" attached hereto and incorporated herein by this reference; and for the maintenance and repair thereof over and across the real property described in Exhibit "C" attached hereto and incorporated herein by this reference, together with the right to access said easements over and

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 2 OF 15

across any driveways or parking areas now constructed or in the future constructed on the Exhibit "C" property for the purpose of access for maintenance and repair.

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.

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.

WALLEY'S PARTNERS LIMITED PARTNERSHIP

By: VALLEY PARTNERS, LLC, General Partner

By: SIERRA RESORTS GROUP, L.L.C.

By: C. ROBERT SEWELL, Manager

STATE OF NEVADA

COUNTY OF 1201/05

On New 22, , 2003, personally appeared before me, a notary

public, C. ROBERT SEWELL, 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 Manager of SIERRA RESORTS GROUP, L.L.C., Manager of VALLEY PARTNERS, LLC, General Partner of WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership, and who

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WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 3 OF 15

further acknowledged to me that he executed the foregoing Easement Deed on behalf of said partnership.

NOTARY PUBLIC



K. BURCHIEL

Notary Public - State of Nevada Appointment Recorded in County of Carson My Appointment Expires Dec. 28, 2004

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WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" **PAGE 4 OF 15**

539-09-99 03/26/03

DESCRIPTION WATERLINE EASEMENT #1

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Northeast one-quarter (W½NE¼) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the 1/4 corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence South 52°10'38" East, 598.28 feet to an angle point on an existing waterline easement as recorded in said office of Recorder August 7, 2001 in Book 0801. at Page 1693, as Document No. 520123, the POINT OF BEGINNING;

thence along said existing waterline easement the following courses:

North 00°23'58" East, 8.64 feet;

North 83°21'48" East, 6.34 feet;

North 17°47'52" East, 7.70 feet;

South 55°17'45" East, 36.02 feet;

South 03°04'46" West, 21.60 feet;

North 55°40'50" West, 45.00 feet to the POINT OF BEGINNING, containing 767 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

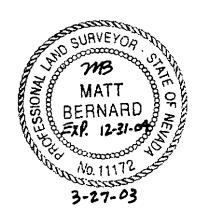
before incorporating into any legal document.

Prepared By:

R.O. ANDERSON ENGINEERING, INC.

P.O. Box 2229

Minden, Nevada 89423



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EASEMENT DEED EXHIBIT "A" PAGE 1 OF 6

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 5 OF 15

539**-**09-99 03/26/03

DESCRIPTION WATERLINE EASEMENT #2

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Northeast one-quarter (W½NE¼) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the ¼ corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence South 56°07'52" East, 640.34 feet to an angle point on an existing waterline easement as recorded in said office of Recorder August 7, 2001 in Book 0801, at Page 1693, as Document No. 520123;

thence along said existing waterline easement, South 03°04'46" West, 15.92 feet to the POINT OF BEGINNING;

thence North 83°09'47" East, 14.58 feet to a point on the westerly line of Adjusted Parcel F as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 17, 1998 in said office of Recorder as Document No. 449576;

thence along said westerly line of Adjusted Parcel F, South 10°00'00" East, 20.03 feet;

thence South 83°09'47" West, 19.18 feet to a point on said existing waterline easement;

thence along said existing waterline easement, North 03°04'46" East, 20.30 feet to the POINT OF BEGINNING, containing 338 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

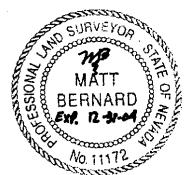
before incorporating into any legal document.

Prepared By:

R.O. ANDERSON ENGINEERING, INC.

P.O. Box 2229

Minden, Nevada 89423



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EASEMENT DEED EXHIBIT "A" PAGE 2 OF 6

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 6 OF 15

539-09-99 03/26/03

DESCRIPTION WATERLINE EASEMENT #3

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Northeast one-quarter (W½NE¼) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the ¼ corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence South 59°41'07" East, 643.50 feet to an angle point on an existing waterline easement as recorded in said office of Recorder August 7, 2001 in Book 0801, at Page 1693, as Document No. 520123, the POINT OF BEGINNING;

thence along said existing waterline easement, South 66°40'50" West, 47.72 feet:

thence North 01°27'52" East, 7.97 feet;

thence North 65°42'08" East, 19.53 feet;

thence North 21°46'10" East, 14.89 feet:

thence South 68°13'50" East, 14.34 feet;

thence North 65°42'08" East, 12.03 feet to a point on said existing waterline easement;

thence along said existing waterline easement, South 20°42'09" West, 11.30 feet to the POINT OF BEGINNING, containing 488 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

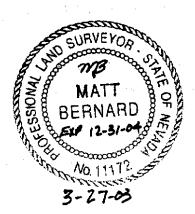
before incorporating into any legal document.

Prepared By:

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Minden, Nevada 89423



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EASEMENT DEED EXHIBIT "A" PAGE 3 OF 6

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 7 OF 15

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DESCRIPTION WATERLINE EASEMENT #4

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Northeast one-quarter (W½NE¼) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the ¼ corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence South 82°13'38" East, 650.97 feet to an angle point on an existing waterline easement as recorded in said office of Recorder August 7, 2001 in Book 0801, at Page 1693, as Document No. 520123;

thence along said existing waterline easement, South 20°42'08" West, 5.21 feet to the POINT OF BEGINNING;

thence along said existing waterline easement, South 20°42'08" West, 28.21 feet;

thence North 69°17'52" West, 32.16 feet;

thence North 20°42'08" East, 28.21 feet;

thence South 69°17'42" East, 32.16 feet to the POINT OF BEGINNING, containing 907 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

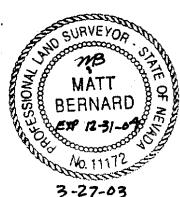
before incorporating into any legal document.

Prepared By:

R.O. ANDERSON ENGINEERING, INC.

P.O. Box 2229

Minden, Nevada 89423



EASEMENT DEED EXHIBIT "A" PAGE 4 OF 6 0580226 BK 0603PG08033

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 8 OF 15

539-09**-**99 03/26/03

DESCRIPTION WATERLINE EASEMENT #5

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Northeast one-quarter (W½NE¼) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the ¼ corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence South 72°10'17" East, 412.72 feet to an angle point on an existing waterline easement as recorded in said office of Recorder August 7, 2001 in Book 0801, at Page 1693, as Document No. 520123, also being a point on the westerly right-of-way of Foothill Road, the POINT OF BEGINNING;

thence along said existing waterline easement, North 59°15'06" West, 26.43 feet; thence continuing along said existing waterline easement, North 20°37'51" East, 14.33 feet;

thence South 59°15'06" West, 27.30 feet to a point on said westerly right-of-way of Foothill Road;

thence along said westerly right-of-way, along the arc of a nontangent curve to the right having a radius of 1150.00 feet, central angle of 00°42'27", arc length of 14.20 feet, and chord bearing and distance of South 24°04'15" West, 14.20 feet to the POINT OF BEGINNING, containing 379 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

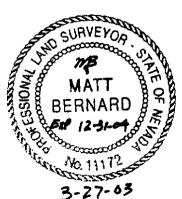
before incorporating into any legal document.

Prepared By:

R.O. ANDERSON ENGINEERING, INC.

P.O. Box 2229

Minden, Nevada 89423



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EASEMENT DEED EXHIBIT "A" PAGE 5 OF 6

DESCRIPTION WELL AND WATERLINE EASEMENT #6

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A strip of land located within a portion of the West one-half of the Southeast one-quarter (W½SE¼) of Section 15, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the ¼ corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey to Support a Boundary Line Adjustment for Walley's Partners Ltd. Partnership recorded September 20, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 552536;

thence along the north-south centerline of said Section 15, North 00°03'48" West, 1210.98 feet to the POINT OF BEGINNING;

thence continuing along said north-south centerline, North 00°03'48" West, 111.59 feet to the northwest corner of Existing Parcel D as shown on the Final Subdivision Map LDA #98-05 for David Walley's Resort recorded October 19, 2000 in said office of Recorder as Document No. 501638;

thence along the north line of said Existing Parcel D, North 86°52'39" East, 152.42 feet to the northeast corner of said Existing Parcel D, a point on the westerly right-of-way of Foothill Road;

thence along said westerly right-of-way, South 25°40'29" East, 30.64 feet;

thence South 64°18'41" West, 136.74 feet;

thence South 07°40'06" East, 33.24 feet;

thence South 89°56'12" West, 46.56 feet to the POINT OF BEGINNING, containing 11,370 square feet, more or less.

The Basis of Bearing of this description is North 00°03'48" West, the north-south centerline of Section 15, T.13N., R.19E., M.D.M. as shown on said Record of Survey, Document No. 552536.

Note:

Refer this description to your title company

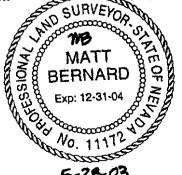
before incorporating into any legal document.

Prepared By:

R.O. ANDERSON ENGINEERING, INC.

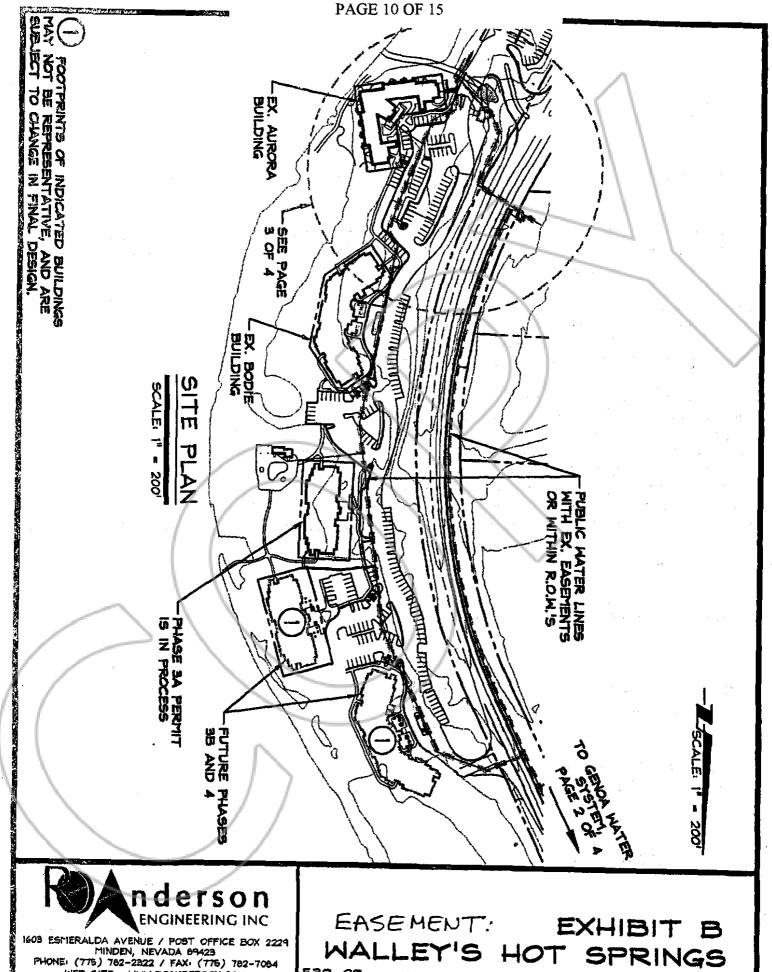
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Minden, Nevada 89423



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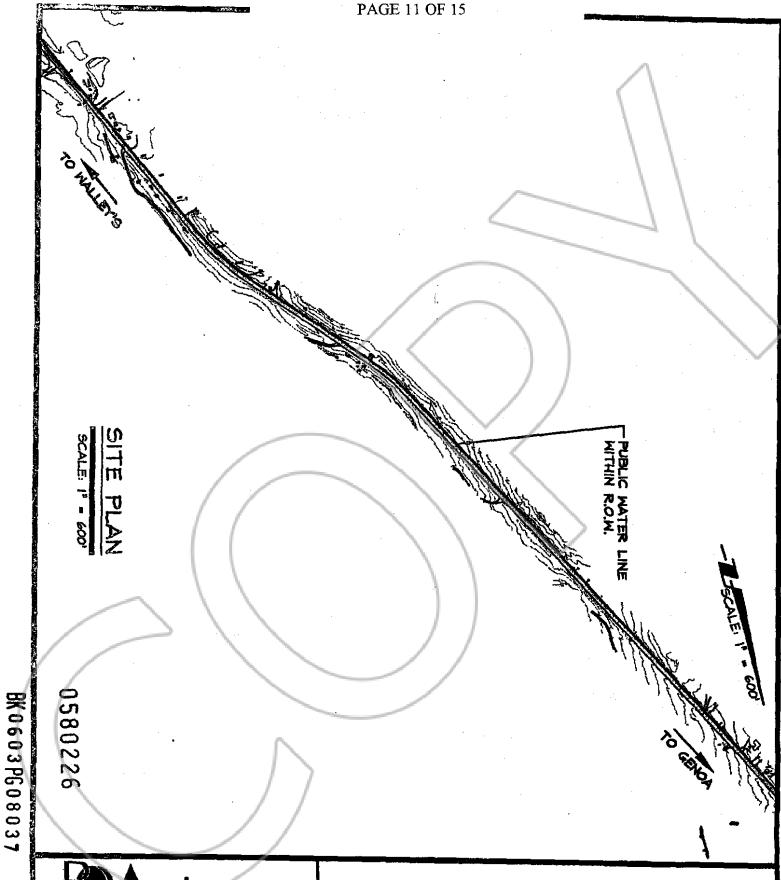
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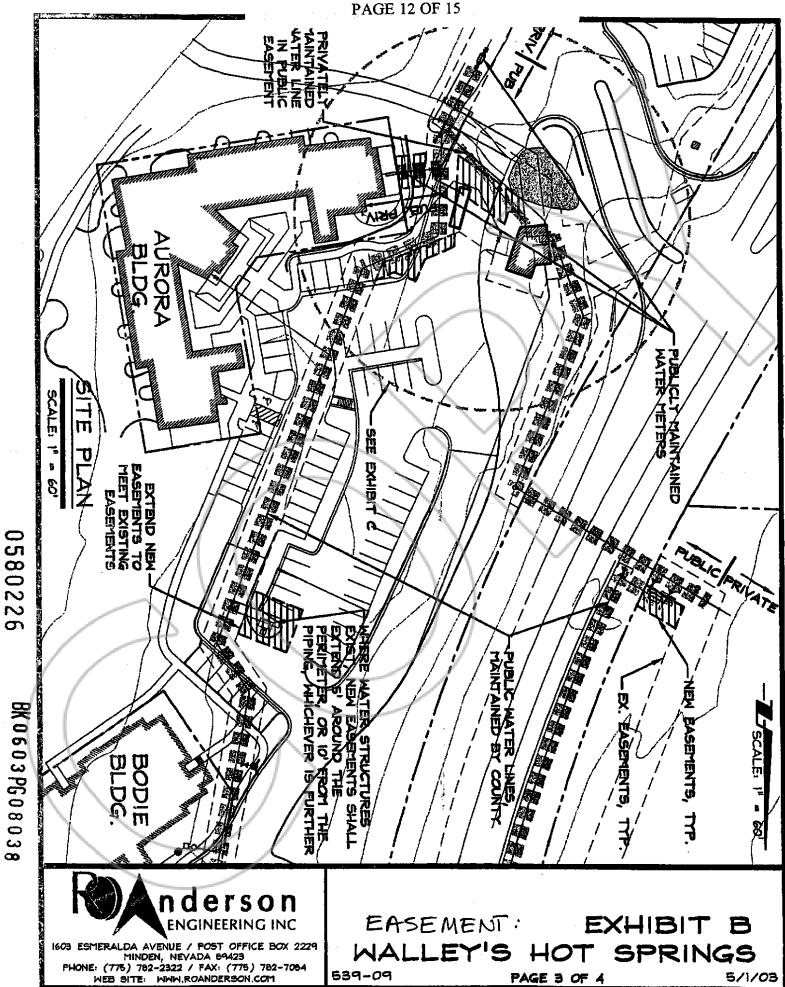
EASEMENT: EXHIBIT B WALLEY'S HOT SPRINGS

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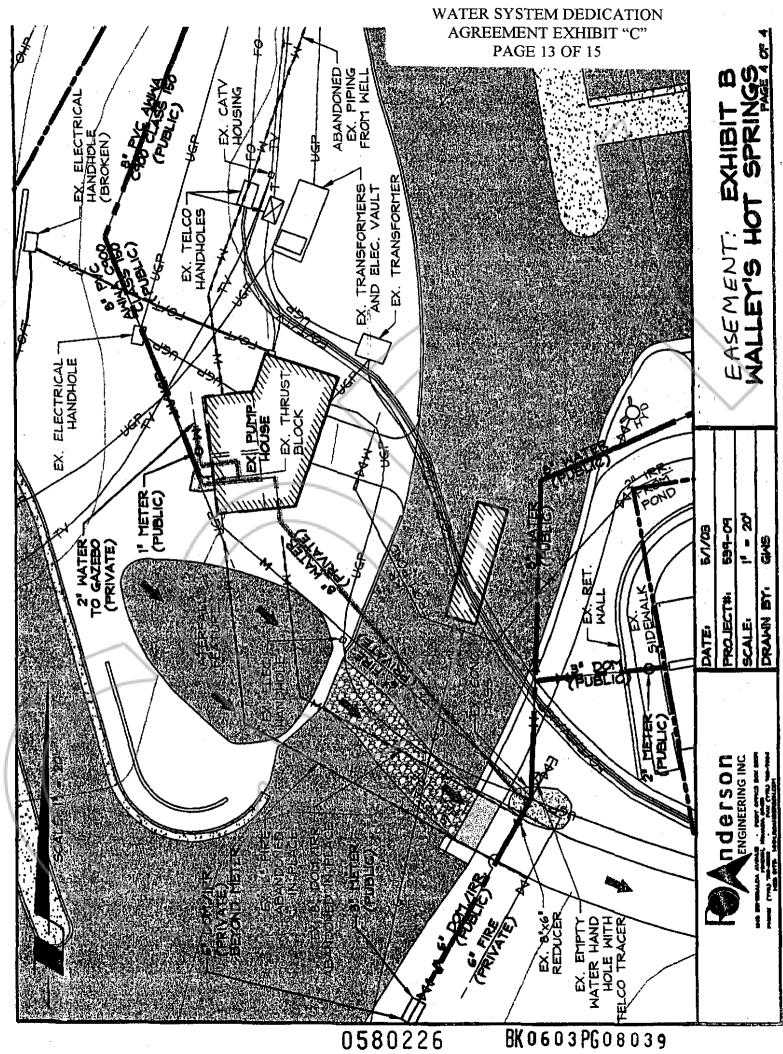
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WATER SYSTEM DEDICATION

AGREEMENT EXHIBIT "C"



WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 14 OF 15

EXHIBIT "C"

LEGAL DESCRIPTION TO EASEMENT DEED

All that real property situate in the county of Douglas, state of Nevada, described as

follows:

A parcel of land located within a portion of the West one-half of the Southeast one-quarter (W½SE¼) of Section 15 and the West one-half of the Northeast one-quarter (W½NE¼) 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.13N., R.19E., 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, 1322.57 feet to a found 2". iron pipe, no tag;

thence North 86°52'39" East, 249.87 feet to a point on the easterly right-of-way of Foothill Road, the northwest corner of Parcel E as shown on the Record of Survey for Walley's Hot Springs, Inc. recorded May 14, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 439613, the POINT OF BEGINNING;

thence along the boundary of said Parcel E the following courses:

thence continuing North 86°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°20'43" East, 1064.63 feet;

thence South 00°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;

WATER SYSTEM DEDICATION AGREEMENT EXHIBIT "C" PAGE 15 OF 15

thence South 89°11'10" West, 1178.84 feet to a found ½" 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°22'15", arc length of 51.31 feet, chord bearing North 05°40'39" East, and chord distance of 51.31 feet;

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;

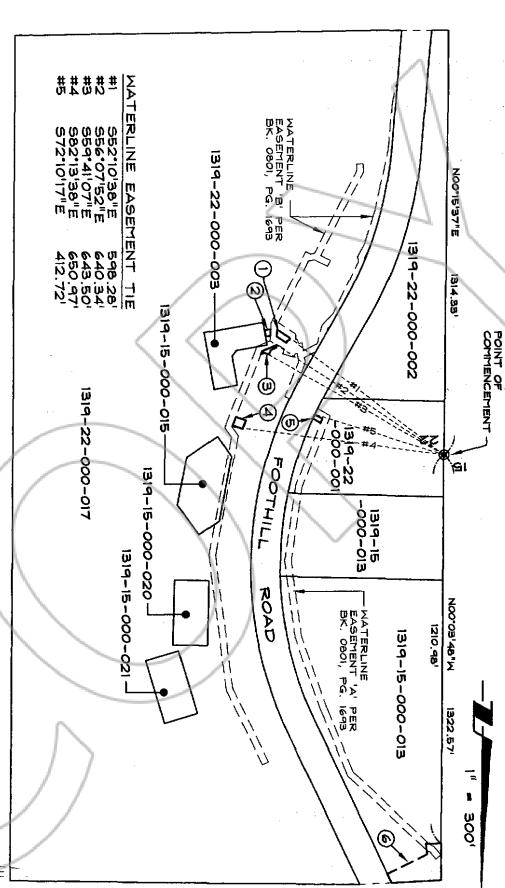
thence North 28°50'31" East, 265.21 feet;

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, and chord distance of 1135.85 feet;

thence North 25°40'29" West, 499.42 feet to the POINT OF BEGINNING, containing 56.32 acres, more or less.

Reserving therefrom Parcels E-1, F, G and H and such parcels created in the future pursuant to the Commercial Subdivision Map recorded October 19, 2000 as Document No. 501638 and the Records of Survey recorded pursuant thereto.

PORTIONS OF MI/2SEI/4 SECTION 15 AND MI/2NEI/4 SECTION 22, T.13N., R.19E., DOUGLAS COUNTY, NEVADA Z U Z



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REFERENCE IS MADE TO DAVID WALLET'S RESORT FINAL MAP RECORDED OCTOBER 19, 2000 AS DOCUMENT NO. 501636 AND THE RECORD OF SURVEY TO SUPPORT A BOUNDARY LINE ADJUSTMENT FOR WALLET'S PARTNERS LTD. PARTNERSHIP RECORDED SEPTEMBER 20, 2002 AS DOCUMENT NO. 552536.

1603 ESMERALDA AVENUE / POST OFFICE BOX 2229 MINDEN, NEVADA 64429 PHONE: (775) 762-2322 / FAX: (775) 762-7064 MED BITE: WWW.ROANDERSON.COM

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