

Official RecordRecording requested By
MC DONALD CARANO WILSON

Lincoln County - NV

Leslie Boucher - Recorder

Fee: \$61.00 Page 1 of 23

RPTT: Recorded By: AE

Book- 247 Page- 0495



APN: 008-251-03; 008-251-04;
008-261-05; 008-261-09;
008-261-06

Recording Requested by and
When Recorded Return To:

BLT Acquisition Group, LLC
c/o McDonald Carano Wilson LLP
Attn: Andrew S. Gabriel, Esq.
2300 West Sahara Avenue, Suite 1000
Las Vegas, NV 89102

MEMORANDUM OF WATER RIGHTS AGREEMENT

Reference is made to that certain Water Rights Agreement made by and among Pouqot Water and Power Company, LLC, a Nevada limited liability company ("Pouqot"), BLT Acquisition Group, LLC, a Nevada limited liability company ("BLT"), and BLT Lincoln County Land LLC ("BLT LCL") (collectively "BLT Entities"), each a "Party" and collectively "Parties" dated as of October 5, 2007 (the "Water Rights Agreement"). Pursuant to Section 18 of the Water Rights Agreement, Pouqot authorized the BLT Entities to record this Memorandum with the Lincoln County, Nevada Recorder and to record a conformed copy with the State of Nevada Water Engineer as of the date of the recording hereof. By this Memorandum, the BLT Entities desire to provide record notice of the Water Rights Agreement and of certain terms and provisions thereof as set forth herein. This Memorandum does not contain all of the terms and provisions of the Water Rights Agreement. This Memorandum is not intended to modify, amend, waive, or otherwise affect the Water Rights Agreement. In the event of any conflict between this Memorandum and the Water Rights Agreement, the Water Rights Agreement shall govern and control.

RECITALS

A. Pouqot entered into an agreement with Vidler Water Company, Inc. and Lincoln County Water District, dated April 18, 2005 and amended and restated as of September 11, 2006 (the "Vidler Agreement"), pursuant to which Pouqot acquired water rights under Permit No. 66932 and had the right to acquire water rights under pending Permit Application No. 64692 (collectively the "Existing Water Rights," more particularly described in Exhibit A attached hereto). Further, Pouqot may obtain in the future water rights for use in the Lincoln County Land Act properties including without limitation any water rights obtained under Application Nos. 67964, 679965, 67966 and 67967 for up to an additional 14,000 acre feet of potable water independently from the Clover Valley Basin (the "Future Water Rights") (for the purposes of the Water Rights Agreement, the Existing Water Rights and Future Water Rights are collectively hereinafter referred to as the "Pouqot Water Rights"). The Pouqot Water Rights include then existing production wells, test and monitoring wells, well equipment and related personal



property, testing data and analyses, and all related licenses, permits, applications and governmental approvals, rights of way and other easements or rights under the Vidler Agreement or otherwise obtained by Pouqot;

B. Pouqot entered into an agreement with Sithe Global Power, LLC, dated September 19, 2005, which agreement was amended and assigned to Toquop Energy LLC ("Toquop") as of March 29, 2007 (the "Toquop Agreement"), pursuant to which Toquop was entitled to acquire certain of the Existing Water Rights. The Toquop Agreement was terminated and superseded with a Replacement Water Rights Agreement dated as of June 30, 2008, which provides Toquop an option to acquire certain of the Existing Water Rights. This option expires on December 31, 2009. The Pouqot Water Rights shall not include any water rights actually transferred to Toquop pursuant to Toquop's Replacement Water Rights Agreement after the date of the Water Rights Agreement;

C. Pouqot has entered into an agreement with Bighorn Ranch Land Investors, L.L.C. ("Bighorn"), dated October 6, 2005, together with ancillary security instruments (the "Bighorn Agreement"), pursuant to which Bighorn had the right to acquire and had secured certain of the Pouqot Water Rights. The Pouqot Water Rights shall not include any water rights actually transferred to Bighorn pursuant to the Bighorn Agreement after the date of the Water Rights Agreement;

D. BLT is the owner of certain real property located in Lincoln County, Nevada, including Parcel C, Lincoln County Assessor Parcel Numbers 088-261-05 & 06, a portion of real property sold under the Lincoln County Conservation, Recreation and Development Act of 2004 ("Lincoln County Land Act"), more particularly described in Exhibit B attached hereto;

E. BLT LCL is the owner of certain real property located in Lincoln County, Nevada, and acquired under the Lincoln County Land Act, including Parcels F, I, and J, more particularly described in Exhibit C attached hereto (Parcels C, F, I and J are individually referred to as a "Parcel" and collectively referred to as the "Parcels"); and

F. Concurrently with the Water Rights Agreement, Pouqot amended its operating agreement to provide for an Independent Manager (as defined therein) and made other changes as agreed to by the Members of Pouqot.

NOTICE IS HEREBY GIVEN BY THE BLT PARTIES OF THE FOLLOWING TERMS AND PROVISIONS OF THE WATER RIGHTS AGREEMENT:

1. **Restriction on the Sale of the Pouqot Water Rights.** Pouqot agrees that it will not sell Pouqot Water Rights to anyone other than the BLT Entities or to anyone other than persons purchasing Parcels C, F, I, and/or J from the BLT Entities and who is purchasing such water rights for use on the Parcels, or to a public or private entity that will undertake to provide water service to said Parcels on terms reasonably satisfactory to BLT and Pouqot (collectively, the "Eligible Purchasers"). In the event that BLT or its principals have an ownership interest in an Eligible Purchaser, then BLT shall give Pouqot or its principals the opportunity to participate in the Eligible Purchaser on the same terms and conditions as BLT. Any transfer to BLT LCL



shall be deemed to satisfy the requirement of the last sentence since an affiliate of Pouqot, Flat Top Mesa, LLC, owns a fifty percent (50%) member interest in BLT LCL. Further, no more than 125 acre feet of Pouqot's Water Rights shall be transferred to an Eligible Purchaser of Parcel C without Pouqot's written consent. Except with the written consent of BLT, Pouqot shall restrict the place of use of the Pouqot Water Rights to the Parcels in any water rights deed conveying Pouqot Water Rights to an Eligible Purchaser. Any Pouqot Water Rights conveyed to an Eligible Purchaser shall be by grant, bargain, and sale deed in the form attached hereto as Exhibit D. Except as set forth in Paragraph 4 of the Water Rights Agreement, there shall be no time limitation on this restriction.

2. **Requests for Conveyance of Water Rights.** Subject to the Toquop and Bighorn Agreements, Pouqot agrees that it will sell all or any part of the Pouqot Water Rights to an Eligible Purchaser, immediately upon receipt of written instructions from the BLT Entities, which instructions shall identify the Eligible Purchaser, the amount of water to be conveyed, and the property which the water rights serve. The number of acre feet to be conveyed in a particular transfer shall not exceed the number of acre feet that can be put to use on the property to which the Pouqot Water Rights will be appurtenant based upon current or projected zoning of the Parcel. Notwithstanding the right of the BLT Entities to request the sale of Pouqot Water Rights to an Eligible Purchaser, Pouqot agrees that the BLT Entities shall have no liability to Pouqot in the event such proposed purchaser does not consummate a purchase of the Pouqot Water Rights.

3. **Sales Price.** The Water Rights Agreement sets forth the sales price of the Existing Water Rights and any Future Water Rights.

4. **Termination of Restrictions.** In the event that Parcels C, F, I or J are sold either individually or in combination with one or more of the other Parcels pursuant to either a foreclosure or bankruptcy sale, the Parties agree that the restrictions set forth in Paragraph 1 shall terminate with respect to the affected Parcel(s) six months following the closing date (or if later, the effective date) of a sale of the affected Parcel or Parcels.

5. **No Joint Venture or Partnership.** Nothing in the Water Rights Agreement, in and of itself, is intended to create a partnership or joint venture between or among Pouqot, BLT, and BLT LCL. Pouqot acknowledged that BLT and BLT LCL by entering into the Water Rights Agreement are not assuming any obligations or liabilities under the Vidler, Bighorn, or Toquop Agreements.

6. **Additional Covenants.** Pouqot shall not modify or terminate the Vidler Agreement, Toquop Agreement or Bighorn Agreement (collectively the "Existing Water Agreements") without the written consent of the BLT Entities, which consent may be denied in their sole discretion. Further, the consent of the BLT Entities shall not be required in the event that Pouqot desires to terminate the Toquop Agreement pursuant to the terms thereof.

7. **Assignment.** None of the Parties has a right to assign the Water Rights Agreement without the express written consent of the other Parties, which consent will not be unreasonably withheld.



8. **No Third Party Beneficiaries.** There are no third party beneficiaries to the Water Rights Agreement.

[Remainder of Page is Intentionally Blank; Signature Page Follows]





IN WITNESS WHEREOF, the BLT Entities parties have executed this Memorandum of Water Rights Agreement.

BLT Acquisition Group, LLC
a Nevada limited liability company

By: 

Timothy DeRosa, Manager

By: 

Brent Ramenofsky, Manager

BLT Lincoln County Land LLC
a Nevada limited liability company

By: 

Timothy DeRosa, Manager

By: 

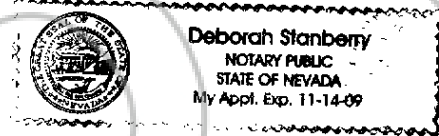
Brent Ramenofsky, Manager



STATE OF Nevada)
)ss.
COUNTY OF Clark)

This instrument was acknowledged before me on March 6th, 2009, by Timothy DeRosa, as Manager of BLT Acquisition Group, LLC, a Nevada limited liability company, and as Manager of BLT Lincoln County Land, LLC, a Nevada limited liability company

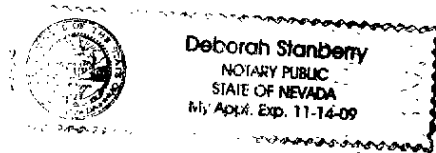
[Signature]
Notary Public



STATE OF NEVADA)
)ss.
COUNTY OF CLARK)

This instrument was acknowledged before me on March 6th, 2009, by Brent Ramenofsky, as Manager of BLT Acquisition Group, LLC, a Nevada limited liability company, and as Manager of BLT Lincoln County Land, LLC, a Nevada limited liability company

[Signature]
Notary Public





125380

R.P.T.T. \$49,140.00
When recorded return to:
THE POUQOT WATER AND POWER
COMPANY, LLC
1349 Galleria Dr. #200
Henderson, Nevada 89014
NCS-191893-WCLV (t1)

FILED FOR RECORDING
AT THE REQUEST OF
First American Title
2005 OCT 18 PM 1 40
LINCOLN COUNTY RECORDER
FEE \$90.00 DEP
LESLIE BOUGHER

WATER RIGHTS DEED

THIS INDENTURE, made this 24th day of September, 2005, by LINCOLN COUNTY WATER DISTRICT, a political subdivision of the State of Nevada and VIDLER WATER COMPANY, INC., a Nevada corporation, hereinafter collectively referred to as "GRANTOR," and THE POUQOT WATER AND POWER COMPANY, LLC, a Nevada Limited Liability Company ("Pouqot"), hereinafter referred to as "GRANTEE."

WITNESSETH:

That the GRANTOR, for good and valuable consideration delivered to them by the GRANTEE, the receipt and sufficiency of which is hereby acknowledged, subject to the conditions and restrictions set forth below, does hereby grant, bargain and sell to said GRANTEE, and to its successors and assigns forever, all right, title and interest of GRANTOR's right, title and interest in and under those certain water rights within Lincoln County in the state of Nevada set forth in Permit Number 66932 issued by the Nevada State Engineer and more particularly described in Exhibit "A" which is incorporated by this reference as if fully set forth herein.

The interest conveyed herein is subject to the following covenants, conditions and restrictions:

1. The water rights described in Exhibit "A" hereto may only be put to beneficial use within the boundaries of the real property known as the Lincoln County Conservation, Recreation and Development Act of 2004, comprising



13,300 acres more or less and located within the southeasterly most portion of Lincoln County, Nevada, the 110 acre site sold under the earlier Lincoln County Land Act, and in the area designated for the electric power plant referred to as the "Toquop Power Project" in Lincoln County, Nevada more particularly described in Exhibit "B" which is incorporated by this reference as if fully set forth herein or any alternate site for such power plant in Lincoln County, Nevada; and

2. Any action by GRANTEE or its successors or assigns to put the water rights described in Exhibit "A" hereto to beneficial use or to convey to a third party for use anywhere outside of the area described immediately above shall result in the immediate reversion of these water rights to GRANTOR.

The restrictive measures and provisions of this Deed and GRANTEE's acknowledgement and acceptance of all responsibilities and obligations, including groundwater monitoring requirements, set forth in or associated with Permit Number 66932 and GRANTEE's acknowledgement that the water is conveyed at the wellhead and GRANTEE is responsible for any and all costs associated with pumping, transporting and/or treating the water set forth in that certain agreement between GRANTOR and GRANTEE dated April 18, 2005 shall run with the water rights described on Exhibit "A" and shall be binding upon and shall inure to the benefit of the GRANTOR, their successors and assigns forever.

By its terms, the restrictive measures and provisions of this Deed are enforceable by the GRANTOR, their successors and assigns forever. The restrictive measures and provisions of this Deed may be enforced in accordance with and by the same means any similar provision, as well



as by any other means or proceeding as allowed or permitted under the laws of the state of Nevada.

EXCEPT AS SPECIFICALLY PROVIDED FOR ABOVE, TOGETHER WITH all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder or remainders, rents, issues and profits thereof.

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

IN WITNESS WHEREOF, the GRANTOR has executed this conveyance the day and year first above written.

GRANTOR:

LINCOLN COUNTY WATER DISTRICT
a political subdivision of the State of Nevada

VIDLER WATER COMPANY, INC.
a Nevada Corporation

By: *Ronda Hornbeck*
Ronda Hornbeck
Chairperson

By: *Dorothy Timian-Palmer*
Dorothy Timian-Palmer P.E.
Chief Operating Officer

STATE OF NEVADA)
 : ss.
LINCOLN COUNTY)

On the 26th day of September 2005, RONDA HORNBECK, personally appeared before me, a notary public, personally known to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that she is the Chairperson of the Lincoln County Water District, and who acknowledged to me that she executed the foregoing WATER RIGHTS DEED on behalf of said water district.

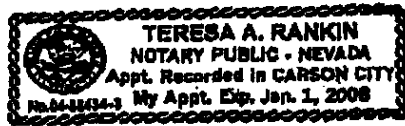
Teresa M. Seevers
NOTARY PUBLIC





STATE OF NEVADA)
 : ss.
CARSON CITY)

On the ___ day of September 2005, DOROTHY TIMIAN-PALMER, personally appeared before me, a notary public, personally known to me to be the person whose name is subscribed to the foregoing instrument and known to me to be the Chief Operating Officer of Vidler Water Company, Inc, and who acknowledged to me that she executed the foregoing WATER RIGHTS DEED on behalf of said corporation.



Teresa A. Rankin

NOTARY PUBLIC



EXHIBIT "A"

Permit Number 66932, authorizing the appropriation of not to exceed 2,100 acre-feet of water annually with a rate of diversion not to exceed 6.0 cubic feet per second, for municipal purposes, including power plant cooling.

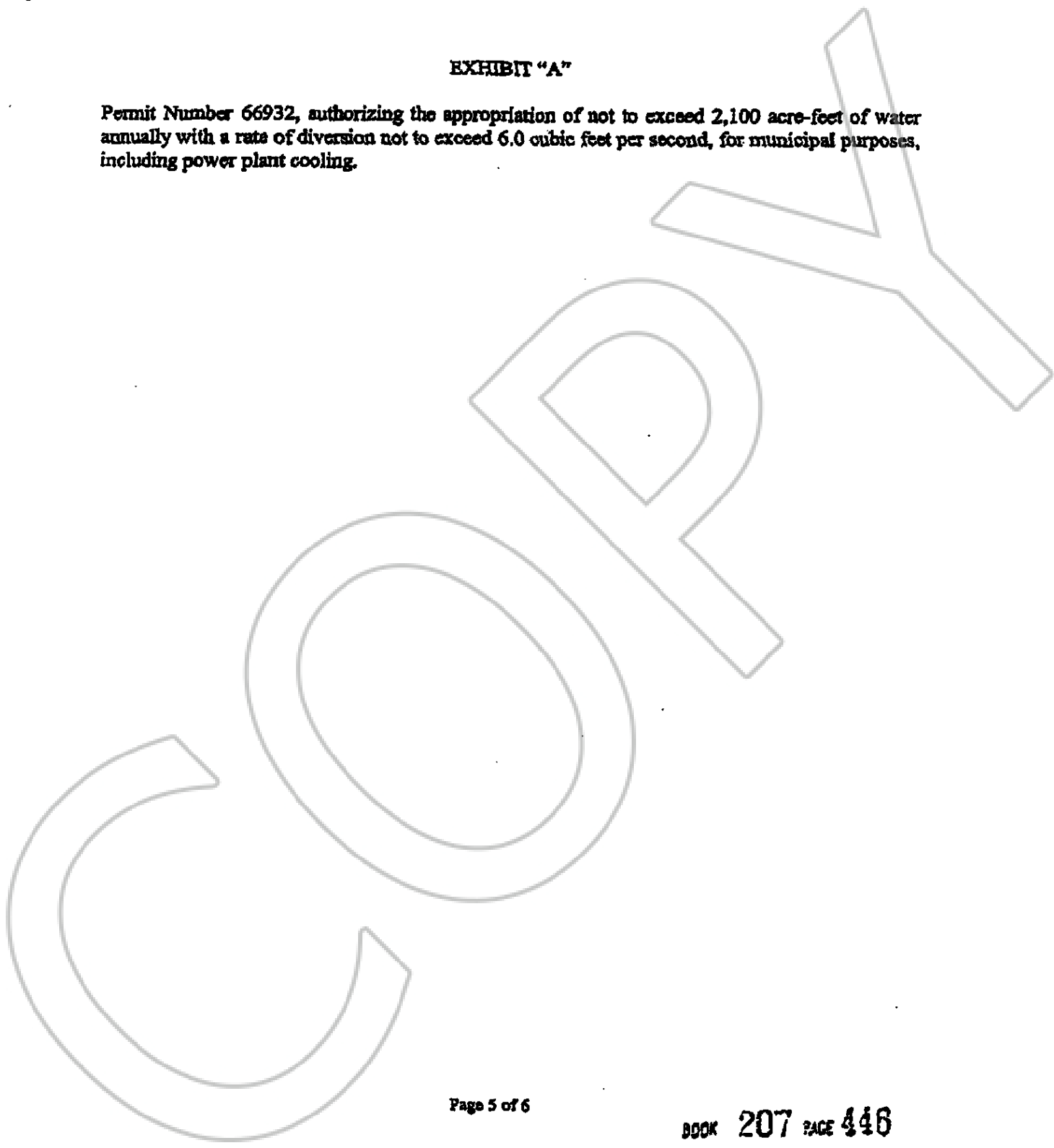
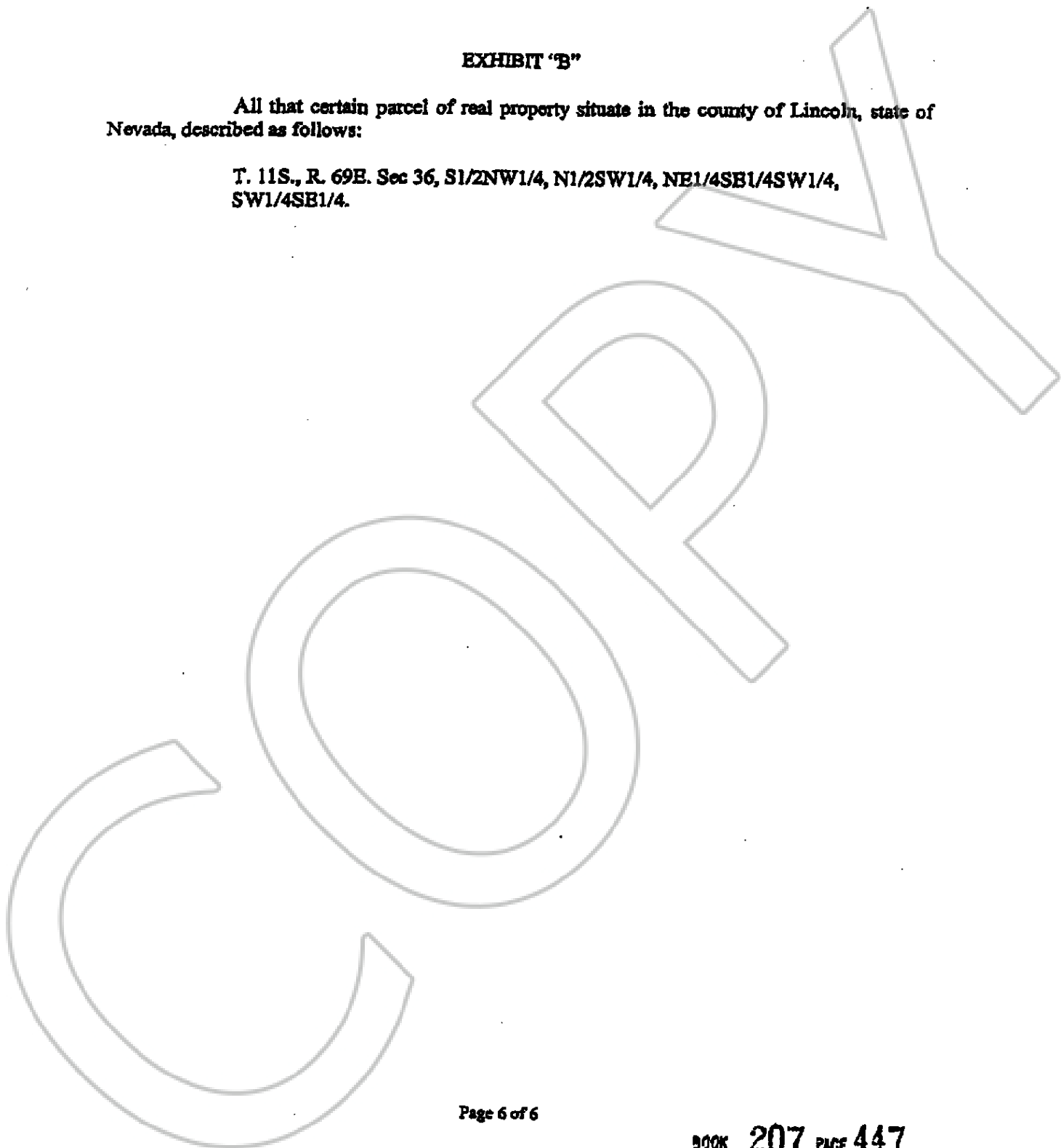




EXHIBIT "B"

All that certain parcel of real property situate in the county of Lincoln, state of Nevada, described as follows:

T. 11S., R. 69E. Sec 36, S1/2NW1/4, N1/2SW1/4, NE1/4SE1/4SW1/4,
SW1/4SE1/4.





STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

- a) Water Rights Deed
- b) _____
- c) _____
- d) _____

2. Type of Property:

- a) Vacant Land
- b) Single Fam. Res.
- c) Condo/Twnhse
- d) 2-4 Plex
- e) Apt. Bldg
- f) Comm'/Ind'l
- g) Agricultural
- h) Mobile Home
- Other Water Rights

FOR RECORDER'S OPTIONAL USE ONLY
 Book: 207 Page: 442-447
 Date of Recording: 03-18-2005
 Notes: #175380

3. Total Value/Sales Price of Property

\$ 12,600,000.00
 Deed in Lieu of Foreclosure Only (value of property) _____
 Transfer Tax Value: \$ _____
 Real Property Transfer Tax Due \$ _____

4. If Exemption Claimed:

- a. Transfer Tax Exemption per NRS 375.090, Section _____
- b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: _____ %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Linda M Alexander Capacity Authorized Agent

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION (REQUIRED)

Print Name: vidler Water Company
 Address: 704 W. Nye Lane, #201
 City: Carson City
 State: NV Zip: 89703

BUYER (GRANTEE) INFORMATION (REQUIRED)

Print Name: The Bougot Water and Power Company
 Address: 1349 Galleria Dr, #200
 City: Henderson
 State: NV Zip: 89014

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name: First American Title Co. Escrow #: 191893 mt
 Address: 9950 W. Cheyenne Ave, #240
 City: Las Vegas State: NV Zip: 89129

AN ADDITIONAL RECORDING FEE OF \$1.00 WILL APPLY FOR EACH DECLARATION OF VALUE FORM PRESENTED TO CLARK COUNTY, EFFECTIVE JUNE 1, 2004.



0133534

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03/10/2009
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**ASSIGNED
NO. 64692**

**AMENDED
APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF
NEVADA**

Date of filing in State Engineer's Office	DEC 11 1998
Returned to applicant for correction	FEB 04 1999
Corrected application filed	APR 05 1999
Map filed	APR 05 1999

The applicant Lincoln County and Vidler Water Company, Inc., hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is Underground
2. The amount of water applied for is 10.0 c.f.s. second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for Municipal
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 2, T.9S., R.69E., MDM, or at a point from which the SE corner of said Section 2 bears South 47° 45' East, a distance of 462 feet. Located within Tule Desert.
6. Place of Use All of T.12S., R.71E., Sections 1,2,11,12,13,14,23,24, 25,26,35, and 36, T.12S., R.70E.,MDM.
7. Use will begin about January 1 and end about December 31, of each year.
8. Description of proposed works drilled well, pump and motor, and irrigation distribution system
9. Estimated cost of works \$100,000
10. Estimated time required to construct works 5 years
11. Estimated time required to complete the application of water to beneficial use 10 years
12. Remarks: The use of water under this application is proposed for future growth and development, of the Mesquite area within Lincoln County.



64692

_____ 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:

COPY



AMENDED

No. 66932

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 NOV 08 2000

Returned to applicant for correction DEC 01 2000

Corrected application filed JAN 31 2001

Map filed JAN 31 2001

The applicant Lincoln County and Vidler Water Company, Inc., hereby makes application for permission to change the Point of Diversion and Place of Use of water heretofore appropriated under Application 64693

1. The source of water is Underground
2. The amount of water to be changed 10.0 c.f.s.
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 $\frac{1}{4}$ NW $\frac{1}{4}$ Section 4, T.10 S., R.69 E., MDM or at a point from which the SW corner of Section 6, T.10 S., R.69 E., MDM bears South 75°52' West, a distance of 11,839 feet
6. The existing permitted point of diversion is located within NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 1, T. 10 S., R. 68 E., MDM, or at a point from which the S $\frac{1}{4}$ corner of said Section 1 bears South 01°39' East, a distance of 4824 feet
7. Proposed place of use All of T.12 S., R.71 E. within Nevada; Sections 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 35, and 36, T.12 S., R.70 E.; Section 36 T.11 S., R.69 E., MDM.
8. Existing place of use All of T.12 S., R.71 E., Sections 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 35, and 36, T.12 S., R.70 E., MDM.
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 drilled well, pump and motor, and municipal water distribution system.
12. Estimated cost of works in excess of \$100,000
13. Estimated time required to construct works 5 years
14. Estimated time required to complete the application of water to beneficial use 10 years
15. Remarks: Use map on file at the Division of Water Resources under Application 64692 to support the existing point of diversion. The use of water under this application is proposed



66932

for municipal purposes including power plant cooling, and the future growth and development, of the Mesquite area, within Lincoln County.

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

Compared em/cmc

Protested 4/13/01 by Virgin Valley Water District; 4/13/01 by James L. Wade
Prtest Overruled in part and Protest w/d 8-27-01
upheld in part 11-26-02. See Ruling
#5181

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 of the waters of an underground source as heretofore granted under Permit 64693 is issued subject to the terms and conditions imposed in said Permit 64693 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. 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.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

Permit 66932 is issued subject to Ruling 5181 dated November 26, 2002.

The issuance of this permit totally abrogates Permit 64693.

A monitoring plan must be developed and submitted to the State Engineer for approval prior to diversion of any water authorized under this permit. If information from the monitoring plan or other study demonstrate an adverse impact on other rights, mitigation will be required to the satisfaction of the State Engineer.

(CONTINUED ON PAGE 3)



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66932

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(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 5.0 cubic feet per second, but not to exceed 2,100 acre-feet annually.

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

January 9, 2006

Proof of completion of work shall be filed before:

February 9, 2006

Water must be placed to beneficial use on or before:

January 9, 2013

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

February 9, 2013

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 9th day of January, A.D. 2003

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____ N/A _____

Certificate No. _____ Issued _____



EXHIBIT B

**LEGAL DESCRIPTION OF PARCEL C
PARCELS 088-261-05 & 06**

Situated in the County of Lincoln and State of Nevada, and is described as follows:

PARCEL 1:

**GOVERNMENT LOTS 1 AND 3 IN SECTION 33, TOWNSHIP 12
SOUTH, RANGE 71 EAST, M.D.B.&M.**

PARCEL 2:

**GOVERNMENT LOT 8 IN SECTION 34, TOWNSHIP 12 SOUTH,
RANGE 71 EAST, M.D.B.&M.**

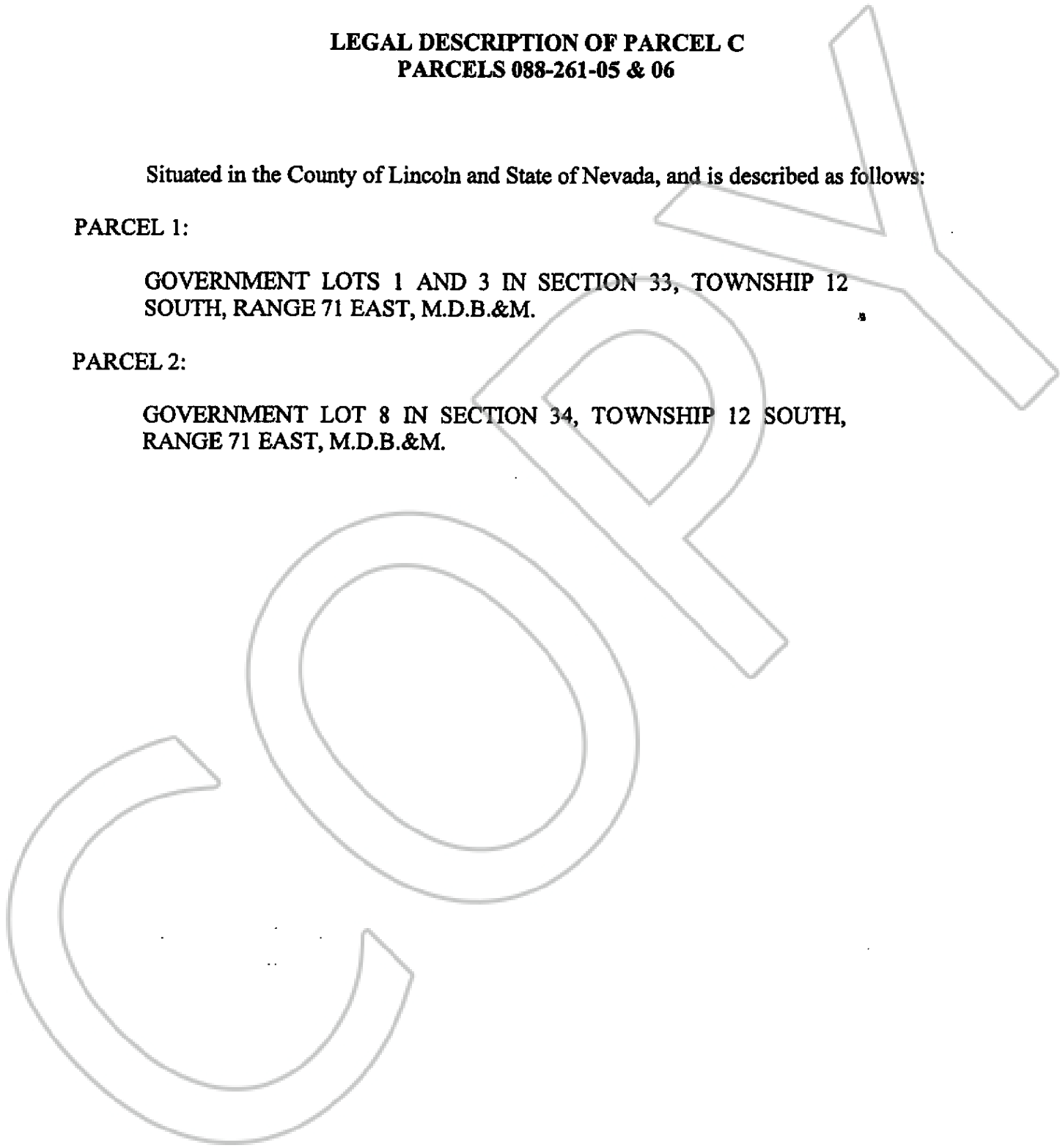




EXHIBIT C

**LEGAL DESCRIPTION OF
PARCELS F, I & J**

PARCELS I AND J:

THE WEST HALF (W ½) OF SECTION 25; ALL OF SECTIONS 26, 27, 34 AND 35; THE NORTHWEST QUARTER (NW ¼) OF SECTION 36 IN TOWNSHIP 12 SOUTH, RANGE 70 EAST, M.D.B.&M.

PARCEL F:

LOTS FIVE (5), SIX (6), SEVEN (7) AND EIGHT (8) IN SECTION 15; THE NORTH HALF (N½) OF THE NORTHWEST QUARTER (NW¼); THE SOUTHEAST QUARTER (SE¼) OF THE NORTHWEST QUARTER (NW¼); THE NORTHEAST QUARTER (NE¼) SECTION 16 AND THE EAST HALF (E½) OF THE NORTHEAST QUARTER (NE¼), THE NORTHWEST QUARTER (NW¼) OF THE NORTHEAST QUARTER (NE¼) IN SECTION 17, TOWNSHIP 12 SOUTH, RANGE 71 EAST.

GOVERNMENT LOT 1 IN SECTION 16 AND GOVERNMENT LOT 1 IN SECTION 17, ALL IN TOWNSHIP 12 SOUTH, RANGE 71 EAST, M.D.B.&M.



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APN:

Recording Requested By and
When Recorded Mail To:

John Kozich, Esq.
Harris, McClellan, Binau & Cox PLL,
36 West Broad Street, Suite 950
Columbus, OH 43215-4159

Mail Tax Statements To:
Current Owner



AFFIRMATION COVER PAGE TO:
WATER RIGHTS DEED

AFFIRMATION STATEMENT:

The undersigned hereby affirms that the attached document, including any exhibits, hereby submitted for recording DOES NOT contain the social security number of a person or persons as required by law.

By: _____
Print Name: _____
An Employee of McDonald Carano Wilson LLP



APN#

WHEN RECORDED MAIL TO:
John Kozich, Esq.
Harris, McClellan, Binau & Cox PLL,
36 West Broad Street, Suite 950
Columbus, OH 43215-4159

WATER RIGHTS DEED

THIS INDENTURE is made the ___ day of _____, 20___, by and between THE POUQOT WATER AND POWER COMPANY, LLC, a Nevada limited liability company ("Pouqot") hereinafter called "GRANTOR," and [ELIGIBLE PURCHASER], hereinafter called "GRANTEE."

WITNESSETH

That the GRANTOR, for good and valuable consideration delivered to it by the GRANTEE, the receipt and sufficiency of which is hereby acknowledged, subject to the conditions and restrictions set forth below, does hereby grant, bargain and sell unto said GRANTEE, and to its successors and assigns forever, _____ acre feet together with a pro rata rate of diversion, being a portion of GRANTOR's right, title and interest in and under those certain water rights within Lincoln County in the state of Nevada set forth in Permit Number ___ issued by the Nevada State Engineer.

The interest contained herein is subject to the following covenants, conditions and restrictions:

1. The water rights described herein may only be put to beneficial use within the boundaries of the real property known as the Lincoln County Conservation, Recreation and Development Act of 2004, comprising 13,300 acres more or less and located within the southeasterly most portion of Lincoln County, Nevada, and further limited to [insert description of property to be served], more particularly described in Exhibit "A" hereto; and
2. Any action by GRANTEE or its successors or assigns to put the water rights conveyed herein to beneficial use or to convey to a third party for use anywhere outside of the area described immediately above shall result in the immediate reversion of these water rights to GRANTOR.

The restrictive measures and provisions of this Deed and GRANTEE's acknowledgement and acceptance of all responsibilities and obligations, including groundwater monitoring requirements, set forth in or associated with Permit Number _____ and



GRANTEE's acknowledgement that the water is conveyed at the wellhead and GRANTEE is responsible for any and all costs associated with pumping, transporting and/or treating the water set forth in that certain agreement between VIDLER WATER COMPANY, INC., a Nevada corporation, LINCOLN COUNTY WATER DISTRICT, a political subdivision of the State of Nevada, and GRANTOR, dated April 18, 2005 shall run with the water rights conveyed herein and shall be binding upon and shall inure to the benefit of the GRANTOR, their successors and assigns forever.

By its terms, the restrictive measures and provisions of this Deed are enforceable by the GRANTOR, their successors and assigns forever. The restrictive measures and provisions of this Deed may be enforced in accordance with and by the same means any similar provision, as well as by any other means or proceeding as allowed or permitted under the laws of the state of Nevada.

EXCEPT AS SPECIFICALLY PROVIDED FOR ABOVE, TOGETHER WITH all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder or remainders, rents, issues and profits thereof.

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

IN WITNESS WHEREOF, the GRANTOR has executed this conveyance on the date set forth below and thereby authorizes its recordation.

THE POUQOT WATER AND POWER COMPANY, LLC, a Nevada limited liability company

By:

Name:

Title:

STATE OF NEVADA)

) ss.

COUNTY OF _____)

On this ____ day of _____, 2007, before me, a Notary Public, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as _____ of The Pouqot Water and Power Company, LLC, a Nevada limited liability company.

NOTARY PUBLIC