

DEED OF EASEMENTS IN REAL PROPERTY
and/or
BILL OF SALE OF PERSONAL PROPERTY

THIS AGREEMENT entered into as of the 6th day of September and between DEVIL'S GATE GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada, hereinafter "GID," and DEVEL'S GATE WATER USERS ASSOCIATION, a not-for-profit corporation organized under the laws of the State of Nevada, hereinafter "Association," serving as a Deed of Easements in Real Property from Association to GID, and as a Bill of Sale of Personal Property from Association to GID,

WITNESSETH:

RECITALS:

1, Association is the owner and operator of a community water system commonly known as the Devel's Gate Water Company, serving residences in the southern Diamond Valley area of Eureka County.

2. Association's member-customers presently are subject to a "boil water order" issued by the State of Nevada Department of Environmental Protection.

3. Substantial expenditures will be required to modernize the existing water system to meet current clean water standards, so that the "boil water order" may be lifted.

4. Association has asked Eureka County to create a general improvement district, a political subdivision of the State of Nevada, to take over, operate and modernize Association's water system, and to that end has agreed to transfer to such general improvement district all physical assets of the Association.

5. Eureka County has, pursuant to the requirements of Nevada Revised Statutes, organized the Devil's Gate General Improvement District as a political subdivision of the State of Nevada, empowered to accept all of Association's right, title and interest in the physical assets of the existing water system, and to operate the same as a water general improvement district as permitted by NRS.

6. Association warrants that it has clear and unencumbered title to the real and personal property herein described, and is duly authorized to sell or otherwise deal with the same.

NOW, THEREFORE, for good and valuable consideration, that being agreement by GID to take title to, manage and operate the facilities of Association as a public taxing district under the laws of the State of Nevada, Association hereby does grant, bargain and sell to GID the following:

FIXTURES, IMPROVEMENTS AND/OR PERSONAL PROPERTY

- 1) Approximately 5,880 ft. of four-inch PVC pipe in place;
- 2) Approximately 9,340 ft. of two-inch PVC pipe in place;

- 3) Forty-four 3/4-inch water meters;
- 4) Two 80-gallon pressure tanks;
- 5) One 1,000-gallon pressure tank;
- 6) One 6,000-gallon riveted tank;
- 7) Two three horsepower pumps;
- 8) Two wellhouses;
- 9) Miscellaneous valves and fitting in place;
- 10) One two-inch meter;
- 11) One one and one-half horsepower pump.

REAL PROPERTY (EASEMENTS)

1) All easements currently existing across private property for the Devil's Gate Water Users Association system, whether or not recorded on the records of the Eureka County Recorder;

2) All well sites, tank sites, and all other real property, including easements therefor, currently existing and in use by the Devil's Gate Water Users Association system, whether or not recorded on the records of the Eureka County Recorder.

TO HAVE AND TO HOLD, all and singular, to the DEVIL'S GATE GID and its successors and assigns, forever.

DONE this 13th day of September, 1996.

DEVIL'S GATE WATER USERS ASSOCIATION,
a not-for-profit Nevada corporation

By: [Signature]
Earl A. Rasmussen, President

ATTEST:

[Signature]
Corporate Secretary

ACKNOWLEDGEMENT

BOOK 300 PAGE 484
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
EUREKA COUNTY
96 SEP 19 PM 4:26
EUREKA COUNTY NEVADA
M.N. REBALANCE, RECORDER
FILE NO. FEES No fee

Joan Shangle, Eureka County Clerk
And Ex Officio Clerk of the GID

ATTEST:

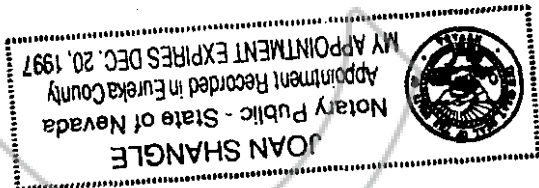
Pete Golcochea, Chairman

By:

DEVIL'S GATE GENERAL IMPROVEMENT DISTRICT,
a political subdivision of the State of Nevada

The foregoing transfer of title was accepted by the Devil's
Gate General Improvement District, a political subdivision of the
State of Nevada, by vote of its board of directors, on the
day of September, 1996.

ACCEPTANCE



NOTARY PUBLIC

On this day of September, 1996, there appeared before me, a Notary Public in and for said State and County, a person known or satisfactorily identified to me to be EARL RASMUSSEN, who stated that he is President of the Devil's Gate water Users Association, a not-for-profit Nevada corporation in good standing with the office of the Secretary of State of Nevada, that he is authorized to execute the foregoing instrument by action of the board of directors taken on the day of September, 1996, and that in conformance with such action of the board of directors, he executed the foregoing instrument on behalf of said corporation, freely and voluntarily and for the purposes therein set forth.

STATE OF NEVADA
)
) ss.
) County of Eureka