

WATER BANKING AND TRUST AGREEMENT

THE PARTIES TO THIS AGREEMENT ("Agreement") are Great Basin Water Co., a certificated public utility with a division serving the municipal water needs of Cold Springs Valley, Washoe County, Nevada (hereinafter "GBWC") and Intermountain Water Supply, Ltd, a Nevada limited liability company (hereinafter "Intermountain"), collectively known as the "Parties". This agreement is dated this 26th day of May, 2017 ("Effective Date").

RECITALS

WHEREAS GBWC owns and operates a municipal water distribution system serving the needs of customers within its certificated service territory in the Cold Springs area of Washoe County, Nevada; and

WHEREAS GBWC is a certificated public utility company, holding Certificate of Public Convenience and Necessity ("CPCN") No. 2692 Sub 7 issued by the Nevada Public Utilities of Commission ("PUCN"); and

WHEREAS there are extensive developments for up to 12,000 homes adjacent to the service territory of GBWC planned to commence in the near future ("Planned Developments"), which will be designed, permitted and built by a number of land development companies ("Developer" and "Developers"); and

WHEREAS Intermountain has a contract with Genoa Ridge Investors LLC, a Delaware limited liability company, ("Genoa Ridge") potential developer of the Evans Ranch and Silver Star ("Evans Ranch") developments located in Cold Springs Valley; and

WHEREAS, Intermountain and Genoa Ridge desire GBWC to provide water for domestic use ("Utility Service") for Evans Ranch, and GBWC desires to provide Utility Service to Evans Ranch; and

WHEREAS, GBWC and Intermountain acknowledge that Evans Ranch and the Planned Developments are currently outside of GBWC water service territory (“Water Service Territory”) and must be annexed into the Water Service Territory by the Public Utilities Commission of Nevada (“Commission”) as established by its CPCN (the “Annexation Application”) so that GBWC may provide Utility Service for Evans Ranch and the Planned Developments according to the terms, conditions and covenants of this Agreement and the Utility’s Tariff Rules and Schedules applicable to water service, GBWC Tariff 1-W and any subsequent updates approved by the Commission (the “Tariff”), and the applicable Commission regulations including but not limited to Sections 703.175, 703.190 and 703.195 of the Nevada Administrative Code (“NAC”). The Water Service Territory together with the land covered by the Planned Developments including Evans Ranch shall be referred to as the “Expanded Water Service Territory;” and

WHEREAS, Intermountain and GBWC understand that the Commission has declared that it is the policy of the State of Nevada that growth shall not impose any cost on existing utility customers and therefore developers must fund all utility facilities necessary to provide utility services to their new developments; and

WHEREAS, Intermountain and GBWC understand that in connection with any annexation into the existing Water Service Territory of GBWC, Intermountain and/or Genoa Ridge are required to plan, engineer, construct and dedicate to GBWC all of the necessary water facilities needed to serve Evans Ranch, including, but not limited to, wells, buried pipeline, electrical installations, pumps, Aquifer Storage and Recovery (if necessary), easements and booster stations (collectively, the “Pipeline”). The point in time in which the construction of the Pipeline has been completed, tested and given the required permits to start the operation of the Pipeline and accepted by GBWC by letter of acceptance, shall be referred to as the “Pipeline Completion Date;” and

WHEREAS GBWC will need water rights and a source of municipal water to serve the Planned Developments in its Expanded Water Service Territory; and

WHEREAS Intermountain holds permits for municipal water for a minimum of 3,564.1 acre-feet annually (“afa”) (“PermittedWater”) identified on Exhibit A hereto, from nearby hydrographic basins, currently permitted for use in Lemmon Valley; and

WHEREAS Intermountain plans to file change applications with the Nevada State Engineer to expand the place of use to include the Expanded Water Service Territory of GBWC in the Cold Springs area; and

WHEREAS Intermountain’s Permitted Water is already approved for inter-basin transfers from Bedell Flat (368.1 afa), Lower Dry Valley (2000 afa), Newcomb Lake (200 afa), and Upper Dry Valley (996 afa); and

WHEREAS Intermountain has gone through a full Environmental Impact Statement (“EIS”) process with the Bureau of Land Management (“BLM”) and other federal agencies and been granted a right-of-way over BLM land for the Pipeline from Lower Dry Valley and Bedell Flat to Lemmon Valley pursuant to the Record of Decision; and

WHEREAS Intermountain has obtained a right-of-way grant through an Environmental Assessment for power from Nevada Energy’s transmission line on Red Rock Road to Intermountain’s wells and booster station that are part of the Pipeline; and

WHEREAS Intermountain has drilled and test-pumped five (5) test wells in Lower Dry Valley which, based on hydrogeological calculations, yield, on a sustainable basis, in excess of Intermountain’s permits in Lower Dry Valley by more than 25%; and

WHEREAS, based on pump tests, Intermountain’s municipal well in Bedell Flat yields, on a sustainable basis, in excess of Intermountain’s permits in Bedell Flat; and

WHEREAS Intermountain represents the project is an approved municipal water project in the North Valleys amendment to the Regional Water Management Plan, 1995-2015, and is listed as an Approved Project on page 118 of 132 of Truckee Meadows Water Authority, 2008-2030 Water Resource Plan; and

WHEREAS Intermountain represents and warrants that its water availability to support the Permitted Water has been confirmed and water quality analysis has been conducted in hydrogeologic studies, analyses and modeling by Desert Research Institute, Stantec Consulting, Inc., Cordilleran Hydrology, Interflow Hydrology, and by R. Michael Turnipseed, P.E., former Nevada State Engineer, in addition to the actual pump tests; and

WHEREAS Intermountain's project is uniquely situated to the Cold Springs area to be able to economically provide municipal water to GBWC to enable it to serve the Evans Ranch and the proposed Planned Developments; and

WHEREAS, the transfer of Intermountain's Permitted Water to GBWC as provided for herein, will assist the State Engineer in approving proposed Applications to Change the Place of Use of Intermountain's permits to include GBWC's Expanded Water Service Territory in the Cold Springs, Washoe County area; and

WHEREAS, in order to facilitate the transfer of the Permitted Water and the Pipeline to GBWC as the projected growth develops and Intent to Serve letters are requested from and approved by GBWC, GBWC has agreed to hold the municipal Permitted Water of Intermountain, in trust, under this Agreement in accordance with the terms hereof; and

WHEREAS Intermountain is willing to transfer its Permitted Water in trust and the Pipeline to GBWC, under the provisions of this Agreement.

Now therefore, in consideration of the mutual agreements of the Parties hereto, and in consideration of the transfer of the Intermountain Permitted Water in trust and the agreement to transfer the Pipeline to GBWC, pursuant to the terms of and conditions of this Agreement, the Parties hereto hereby agree as follows:

1. Schedule: Within five months of the Effective Date, GBWC and Intermountain shall jointly prepare an anticipated schedule of the timing of the Evans Ranch Development after consultations and inputs from Genoa Ridge (“Schedule”). The Schedule shall include (a) Milestones which shall include, but not necessarily be limited to, start of utility service to each phase of the Evans Ranch Development, Intent to Serve commitments, forecast of water needs and their timing; (b) GBWC’s and Evans Ranch’s milestones in connection with the annexation process, including the anticipated filing of and decision on the Annexation Petition, and (c) Intermountain’s activities and milestones in connection with the Pipeline design, financing and construction including, but not limited to the application to the State Engineer to expand Intermountain’s place of use to include the Expanded Water Service Territory of GBWC.

2. Conveyance of Permitted Water in Trust:

(a) Intermountain shall, within eight months of the date hereof, convey by Grant Bargain and Sale deed to GBWC, the Permitted Water , to be held by GBWC in trust, pursuant to the terms hereof, for the purpose of banking the Permitted Water with GBWC pursuant to the terms hereof. Intermountain shall record the deed and shall file a copy of same with the Nevada State Engineer together with a Report of Conveyance and Abstract of Title at Intermountain’s sole cost. Copies of all documents, filed-stamped, shall be furnished to GBWC. The Permitted Water shall be subject to the terms of the respective permits, but shall be free of all

monetary encumbrances and shall not be encumbered in the future at any time. Water Rights Allocations (defined below) may not, and are not considered to encumber the Permitted Water.

(b) GBWC shall hold the Permitted Water in trust for Intermountain in accordance with the terms hereof. It is the intent of the Parties that GBWC shall ultimately own the Permitted Water, free of the trust responsibilities contained herein, as Intent to Serve commitments are made from time to time by GBWC. (See Section 6 hereof.) Until Intent to Serve commitments are made by GBWC for all of the Permitted Water, GBWC shall hold the uncommitted balance of the Permitted Water in trust for Intermountain, (“Uncommitted Water Rights”) under the terms hereof. Intermountain shall retain the beneficial interest in the Uncommitted Water Rights and shall have the exclusive right to allocate any portion of the Uncommitted Water Rights to Genoa Ridge and/or its successors for use within GBWC’s Water Service Territory (“Water Rights Allocations”). Intermountain shall also have the exclusive right, among others, to conduct monetary transactions with Genoa Ridge and/or its successor(s) in connection with the Water Rights Allocations provided GBWC has no responsibility or potential liability related to such monetary transactions except as expressly set forth in this Agreement. Following a Water Rights Allocation and GBWC’s issuance of an Intent to Serve based on such Water Rights Allocation, GBWC’s trust obligations to Intermountain for such allocated water rights shall be deemed fully satisfied.

(c) Intermountain shall do all things necessary to maintain the Uncommitted Water Rights in good standing until the beneficial interest of all of such rights has been transferred to GBWC and GBWC shall have no liability arising out of actions by the Nevada State Engineer or any other governmental agency with respect to the Uncommitted Water Rights. After transfer of any of the Water Rights Allocations to GBWC based on an Intent to Serve commitment with

legal title free and clear of encumbrances, and free of the Trust responsibilities contained herein, it shall be GBWC's obligation to maintain such Permitted Water in good standing and make all required filings with the Nevada State Engineer. Once the beneficial interest in the Uncommitted Water Rights is transferred to GBWC, such transfer shall be absolute and all trust obligations of GBWC provided for herein shall terminate.

(d) The Water Rights Allocations shall be transferred by Intermountain to GBWC pursuant to the provisions of Section 6 hereof.

(e) The purposes and principles of the GBWC trust are as follows:

- (i) To support the fulfilling of the provisions of this Agreement;
- (ii) Facilitate the Annexation Application and utility services to be provided to Evans Ranch and to the Planned Developments;
- (iii) To collaboratively work with the PUCN through the Integrated Resource Planning ("IRP") process to determine if there are any economies of scale or other mechanisms which could provide benefit to current customers and be allowed in rate base through GBWC's monetary participation;
- (iv) To support and facilitate expansion of Intermountain's place of use of its Permitted Water to include GBWC's Water Service Territory (including the Expanded Water Service Territory), at Intermountain's (and/or Developers') sole cost;
- (v) To support and facilitate Water Rights Allocations transactions between Genoa Ridge and Intermountain by means of the Water Rights Allocations, at Intermountain's (and/or Genoa Ridge's) sole

cost provided that GBWC shall have no liability arising out of such transactions with GBWC's obligations limited to the terms set forth in this Agreement.

3. Annexation of Territory Covered by the Planned Developments:

(a) Within three months of receipt of all necessary information from Intermountain and/or Genoa Ridge or other Developers of the Planned Developments, for the Annexation Application, ("Information"), GBWC shall file a petition with the Commission for annexation of the territory proposed to be covered by Genoa Ridge and any other Planned Development, the inclusion of which is approved by Intermountain, at Intermountain's sole expense. Intermountain agrees to support such Annexation Application by reasonably cooperating with GBWC in any and all applications or petitions to public authorities deemed necessary by GBWC in connection with providing Utility Services as contemplated by this section.

(b) Genoa Ridge and any other Developer included in Section 3(a) who desire for their land to be included in the Annexation Application, shall consent in writing for their land to be included, by providing a signed consent form to GBWC which shall contain a legal description of their land and a projected schedule of development by dates, giving the anticipated number and size of lots, water requirements and such additional information as may be required by GBWC, Intermountain and/or the Commission ("Consent"). The intent of the Consent is for such Developer(s) and GBWC to enter into a "Developer's Agreement" to be submitted with the Annexation Application(s). GBWC and such Developers shall execute Developer's Agreement(s) as soon as possible after the date of receipt of the Consent forms to facilitate filing and prosecuting the Annexation Application(s) and to enable Intermountain, Genoa Ridge or its successor(s) to prepare a construction schedule for constructing the Pipeline necessary to bring its domestic water

to GBWC's Expanded Water Service Territory. Copies of the Annexation Application and the Developer's Agreement shall be provided to Intermountain in a timely manner.

(c) The initial source of water to serve the proposed Expanded Water Service Territory, as defined herein, shall be Intermountain's water under its permits as determined by Nevada State Water Engineer which meets the parameters of the Safe Drinking Water Act ("SDWA") and the State of Nevada. Intermountain agrees to cooperate with GBWC with respect to processing the Annexation Application(s), including but not limited to, making available to GBWC all hydrologic studies, pump tests and other data such as water quality testing requested by GBWC which has been developed by or on behalf of Intermountain. GBWC's representatives shall have access to Intermountain's wells and easements for the purpose of additional pump tests (if necessary) and compiling water quality data at Intermountain's sole expense. Information required to prosecute the Annexation Application, and to be supplied by Intermountain, shall be furnished to GBWC within seven (7) months from the Effective Date to allow GBWC to process its Annexation Applications as required under NAC 703.190 and all other applicable rules and regulations.

(d) On or before seven (7) months of the Effective Date, Intermountain and/or the Developers or some of them will pay GBWC a deposit (hereinafter referred to as "Deposit") in the amount of \$5,000.00. (No work by GBWC on said Annexation will occur before the deposit is paid.) GBWC shall draw against the Deposit for direct costs for the Annexation proceeding as they are incurred. Intermountain shall be responsible for continuing to make additional deposits to ensure that at no time the balance amount of Deposit shall be less than \$1,000.00. When requesting additional Deposit funds, GBWC will provide Intermountain with a written accounting of direct Annexation expenditures against the Deposit with invoice copies enclosed. Intermountain

shall pay invoices for Deposit upon demand by the GBWC. Upon completion of the Annexation by signed Commission Order or termination of this Agreement under the terms of this agreement, GBWC will refund to Intermountain any remaining balance of the Deposit or if the third party costs exceed the Deposit, GBWC will bill Intermountain for such excess direct costs which shall be due and payable within 30 days or interest and penalties will be accrued in accordance with the GBWC Tariffs, Cold Springs Division. GBWC estimates that the cost of annexation will be approximately \$20,000.00. This is a good faith non-binding estimate.

(e) The obligations of Intermountain under this section may be assumed by Genoa Ridge and/or one or more Developers acceptable to GBWC. On such assumption and acceptance by GBWC, in writing, Intermountain shall be relieved of further obligations under this section for costs and obligations expressly assumed by accepted Developers, but shall continue to be responsible for invoicing the Developers for their respective share of such costs based on GBWC invoices. The Developers may pay GBWC directly or if payment is made to Intermountain, Intermountain shall promptly forward such payment to GBWC. Payment obligations will not be satisfied until GBWC receives such payment.

(f) This Agreement may be terminated by either Party in the event the Commission does not approve the initial Annexation Application, for Utility Service under this Agreement, within nine (9) months of the original docket date set by the Commission for the Annexation Application or places conditions upon such approval which are unacceptable to either Party in such Party's reasonable discretion. Prior to termination of this Agreement, Intermountain shall pay GBWC all direct costs of the Annexation Application borne by GBWC up to the date of Termination in accordance with this Agreement, including but not limited to GBWC's capitalized labor costs incurred prior to the termination date of this Agreement. The Parties may agree to

negotiate in good faith to reach an alternative agreement for annexation and utility service which would be acceptable to the Commission and meet the reasonable expectations of the Parties. Should this agreement be terminated under the terms of this paragraph 3(f), GBWC shall reconvey all Uncommitted Water Rights to Intermountain at Intermountain's sole cost upon written request of Intermountain.

4. Change of Place of Beneficial Use ("PBU") by Intermountain: Within seven (7) months of the Effective Date hereof, Intermountain shall file an Application for change of the Place of Beneficial Use ("PBU") of its Permitted Water to include the the GBWC's Expanded Water Service Territory ("Change of PBU"). GBWC agrees to support such application. Intermountain shall pay all costs in connection with the Application for Change of the PBU. Intermountain shall have the sole right to cancel this Agreement together with the trust and conveyances in connection therewith in the event the Change of PBU is not approved by the Nevada State Engineer within fifteen (15) months of the Effective Date; provided that Intermountain shall be responsible for payment of GBWC's costs incurred in connection with the Agreement prior to such termination.

5. Infrastructure:

(a) Subject to Section 5(b), the Pipeline shall be furnished by Intermountain or its assignee(s) on a timely basis to allow GBWC to commence Utility Service to the Evans Ranch development and GBWC's service territory in accordance with the applicable provisions of the Tariff, and any applicable provisions of law at Intermountain's sole cost. Intermountain has the right to construct the Pipeline in phases consistent with water needs as agreed by GBWC in writing. Intermountain or its assignee shall pay all costs of engineering, permitting construction, interconnection and testing of each phase of the Pipeline. An assignment by Intermountain, agreed

upon in writing by GBWC, which will not unreasonably be withheld, to another company or companies, shall relieve Intermountain of its obligations hereunder, provided the assignee(s) assumes the obligations contained herein ("Assignee").

(b) It is understood and agreed that subsequent agreement(s) will be necessary between Intermountain, or its Assignee and GBWC ("Pipeline Construction Agreements") for accomplishing the required engineering and construction, quality assurance and control, and dedication of the Pipeline phases at the appropriate time.

(c) Intermountain or the Assignee shall design and build all the Pipeline phases in compliance with, among others, GBWC's design standards which will be further detailed in the Pipeline Construction Agreements.

(d) Upon attaining the Pipeline Completion including all required inspections and testing to ensure construction was completed in accordance with all standards, specifications and applicable government and Tariffs requirements, Intermountain or its Assignee shall transfer full ownership interest in and to each phase of the Pipeline to GBWC, free and clear of all encumbrances and claims of others by an appropriate instrument or instruments of transfer and conveyance to be accepted by GBWC by letter of acceptance. GBWC shall thereafter assume full responsibility for operations and maintenance of the Pipeline phase as conveyed subject to the provisions of subsection (e) below. GBWC has no obligation to provide service until acceptance of the necessary infrastructure to serve.

(e) Intermountain or the Assignee and GBWC agree to work together to establish a reasonable customer number to support the operations and maintenance ("O&M") of the Pipeline so that it is not a burden to current customers. (Breakeven Point, defined below). The

Parties hereto shall jointly work together to agree, prior to filing the Annexation Applications with the Commission on the following:

- (i) To establish the reasonable annual O&M cash costs for the Pipeline (“Annual O&M Costs”) which may include, but are not limited to, the operation of the Pipeline, electricity, preventative and corrective maintenance, overhaul and spare parts;
- (ii) To calculate the number of new customers (“Customer Base”) needed to support the Annual O&M Costs (“Breakeven Point”). GBWC shall calculate at the end of each year, commencing with the year after Pipeline dedication and acceptance, the Annual O&M Cost for the total amount of water used that year by the new customers. That amount shall be applied against the Annual O&M cost of the Pipeline and shall be borne by GBWC. (“GBWC Annual O&M Cost”). The balance of the Annual O&M cost of the Pipeline shall be borne by Intermountain or its assignee and shall be paid quarterly, at the end of each calendar quarter, with a true-up prior to the due date of GBWC’s Annual Report to the PUCN. The point in time at which the GBWC Annual O&M Cost is equal to the total O&M Cost of the Pipeline is the “Breakeven Point.” Intermountain’s obligation to pay a portion of the GBWC Annual O&M Cost shall continue until the Breakeven Point is reached or eight (8) years after the Pipeline Completion Date (subject to PUCN approval), whichever first occurs.

- (iii) The formula agreed on by the parties and end date for the Breakeven Point shall be submitted for approval by the PUCN on or prior to approval by the PUCN of the Annexation Application. If the PUCN does not approve the Breakeven Point as set forth herein or modifies the Breakeven Point the parties shall work in good faith to effect their mutual intent as set forth herein.
- (iv) The calculations by GBWC, each year, until the Breakeven Point is reached shall be submitted to Intermountain with appropriate backup documentation, as soon as possible after the end of each year.
- (f) Notwithstanding anything to the contrary this Agreement, the Parties agree

that:

- (i) Intermountain has the irrevocable and exclusive right to conduct transactions in connection with the Water Rights Allocations for the Uncommitted Water Rights, (“Allocation Transactions”) so long as such transactions do not encumber the Uncommitted Water Rights in violation of the terms of this Agreement and provided that GBWC shall have no liability arising from such transactions.
- (ii) Allocation Transactions shall not be deemed to create an encumbrance on the Permitted Water.

6. Intent to Serve Commitments by GBWC:

(a) As a condition to issuance of an Intent to Serve commitment in the Expanded Service Territory, Intermountain or its Assignee shall certify to GBWC that it has

completed any financial transactions for the Water Rights Allocation involved in accordance with the terms of the agreement between the Developer and Intermountain or its Assignee. Intermountain or its Assignee, shall deliver to GBWC an assignment of the Water Rights Allocation involved, free of the provisions for Uncommitted Water Rights in this Agreement and any and all claims of others, and subject only to the terms of the permits. All such assignments of the Water Right Allocation from time to time shall warrant that the Permitted Water covered thereby are in good standing and are free and clear of all encumbrances and claims of others and shall state the amount of water covered by each permit.

(b) The Parties hereto, or their successor(s), shall jointly establish an accounting mechanism for tracking all conveyances of the beneficial interest in portions of the Permitted Water from time to time, identifying the following criteria: (i) Permit involved, (ii) amount of water, (iii) name and address of person to whom the Intent to Serve commitment is issued, (iv) amount of water under such permit previously covered by Intent to Serve commitments, and (v) amount of water covered by such permit remaining and available for issuance of additional Intent to Serve commitments, (vi) parcel(s) to be served and their respective water rights allocation(s), and (vi) total Water Rights Allocations. Such information shall be maintained for each permit. It shall be GBWC's obligation, at Intermountain's (or its Assignee's) expense, to process each deed of the beneficial interest by filing a copy with the Nevada State Engineer on a Report of Conveyance form so that after such filing, GBWC shall be the sole owner of the water covered by the deed of the beneficial interest including the Water Rights Allocation, free of the provisions of this Agreement.

7. Termination:

(a) This Agreement may be amended or terminated only by written agreement between the Parties, except as provide in Paragraph 7(b) below and 3(f) above, and 4 above

(b) This Agreement will terminate of its own accord at such time as the beneficial interest in the total amount of the Permitted Water and the Pipeline have been assigned to GBWC or 20 years from the Execution Date whichever occurs first.

8. Existing Contract to Purchase: Intermountain has disclosed to GBWC the existing agreement with Genoa Ridge to purchase all of Intermountain's Permitted Water Interests. Subject to the provisions of the Genoa Ridge agreement, Genoa Ridge shall succeed to all of Intermountain's rights and obligations hereunder pursuant to the conditions in Paragraph 10 (a). Genoa Ridge has approved this Agreement. (Please see Exhibit C, Genoa Ridge Agreement.) Intermountain represents and warrants that nothing in the Genoa Ridge Agreement is inconsistent with the terms of this Agreement and agrees to hold GBWC harmless from any and all claims, costs, or damages arising from or related to the Genoa Ridge Agreement.

9. Use of Uncommitted Water Rights Allocations Outside GBWC's Service Territory: In the event that Uncommitted Water Rights Allocations are held in trust by GBWC for which no Water Rights Allocations have been made ten (10) years after the Effective Date, Intermountain or its successors shall have the right to enter into transaction(s) to sell all or a portion of such Water Rights Allocations to one or more entities located outside GBWC's's service territory ("Outside Purchasers") on terms acceptable to Intermountain provide the following conditions are met:

(a) Only Uncommitted Water Rights Allocations shall be assigned to the Outside Purchaser(s); the underlying Permitted Water shall continue to be held by GBWC after

the date of Transfer of the Water Rights Allocation(s) to an Outside Purchaser, free of the trust responsibilities herein and subject to the provisions hereof;

(b) Uncommitted Water Rights Allocations to be used by Outside Purchasers will be subject to the written approval of GBWC based on actual water availability and any terms, conditions or restrictions placed on such water rights by the Nevada State Engineer;

(c) There shall be only one connection of a pipeline to serve the Outside Purchaser(s) with GBWC's existing pipeline ("Point of Connection"); the connection shall be done under the supervision of GBWC personnel and pursuant to GBWC's construction standards;

(d) GBWC shall not be responsible for any costs of the pipeline connection conveying water to Outside Purchaser(s);

(e) Outside Purchaser(s) shall pay all of GBWC's cost to deliver the water as established by the PUCN. GBWC shall not provide water service outside the GBWC service territory without PUCN approval; and

(f) GBWC shall not be responsible for any costs or water quality beyond the Point of Connection and any agreement with Outside Purchaser(s) shall include a provision acknowledging these requirements and holding GBWC harmless from any and all claims, damages or costs arising out of water issues of any kind beyond the Point of Connection and for any limitations or restrictions imposed by the Nevada State Engineer on use of the Permitted Water.

10. Miscellaneous:

(a) Assignment: Intermountain's rights and obligations contained within this Agreement may be assigned with the written consent of GBWC, which will not unreasonably be withheld. And, GBWC's rights and obligations contained within this Agreement may be assigned with the written consent of Intermountain, which will not unreasonably be withheld. All of the

Parties' rights inure to, and the obligations are binding upon, the Parties' successors in interest. Upon a successor assuming the assignor's rights and obligations hereunder, the assignor shall be relieved of all further obligations under this Agreement.

(b) Entire Agreement: Subject to the provisions of Section 5(b), this Agreement, together with any exhibits and other matters attached hereto and/or incorporated herein by reference, constitutes the entire Agreement between the Parties of the subject matter hereof. All terms, conditions, representations, warranties, understandings and interpretations contained in any other written or oral communications between the Parties with respect to the subject matter hereof are superseded. In executing this Agreement, the Parties acknowledge that they are relying solely on the matters set forth herein and not on any other inducements, written or oral, by the other party or any agent, employee or representative thereof. There will be subsequent agreements as described above in Sections 3(b) and 5(b). GBWC and Intermountain make no representations or warranties and shall have no liability for the amount of water actually available to support the Permitted Water.

(c) Severability: If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions and provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated so long as the Parties' intent in entering the Agreement can be fulfilled. The rights and obligations of the Parties hereto shall be governed by and construed in accordance with the laws of the State of Nevada.

(d) Notice: No notice, request, demand, instruction or other document to be given hereunder to any Party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed

effective only upon such delivery) delivered by air courier next-day delivery (e.g., Federal Express), or delivered by U.S. Mail, sent by registered or certified mail, return receipt requested as follows:

To Intermountain: Intermountain Water Supply, Ltd.
Attn: Robert W. Marshall, Co-Manager
625 Onyo Way
Sparks, NV 89441

To GBWC: Great Basin Water Co.
Attn: Wendy S.W. Barnett, President
1240 E. State St., Suite 115
Pahrump, NV 89048

Copy to Genoa Ridge: Genoa Ridge Investors, LLC
11661 San Vicente Blvd., #910
Los Angeles, CA 90049
Attn: Paul Jennings, Manager/Member

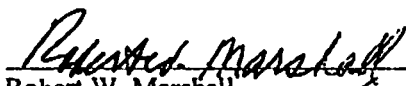
Notices delivered by air courier shall be deemed to have been given the next business day after deposit with the courier, and notices mailed shall be deemed to have been given on the second day following deposit of same in the United States Post Office mailbox in the state to which notice is addressed or on the fifth day following deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above as long as an electronic copy is delivered to GBWC within 5 days of posting in the United States Post Office mailbox. The addresses and addressees, for the purpose of this paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or provided herein, if no such written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder.

(e) Counterpart: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

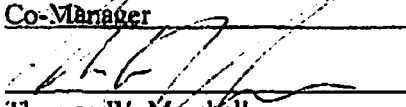
(f) Time: Time is of the essence of all obligations hereunder.

Intermountain Water Supply, Ltd.,
a Nevada limited liability company

Great Basin Water Co.,
a Nevada corporation

By: 
Name: Robert W. Marshall
Title: Co-Manager

By: _____
Name: Wendy S.W. Barnett
Title: President

By: 
Name: Thomas W. Marshall
Title: Co-Manager

By: Lifestyle Homes, TND, Inc.

By: _____
Name: Robert Lissner
Title: Manager/Member

Approved:*

Genoa Ridge Investors, LLC,
a Delaware limited liability company

By: _____
Paul Jennings, Manager, Member

*this approval of terms is not an assumption of the obligations

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(f) Time: Time is of the essence of all obligations hereunder.

Intermountain Water Supply, Ltd.,
a Nevada limited liability company

Great Basin Water Co.,
a Nevada corporation

By: *Robert W. Marshall*
Name: Robert W. Marshall
Title: Co-Manager

wsbamet@uiwater.c
om
By: _____
Name: Wendy S.W. Barnett
Title: President

By: _____
Name: Thomas W. Marshall
Title: Co-Manager

By: Lifestyle Homes, TND, Inc.

By: _____
Name: Robert Lissner
Title: Manager/Member

Approved:*

Genoa Ridge Investors, LLC,
a Delaware limited liability company

By: _____
Paul Jennings, Manager, Member

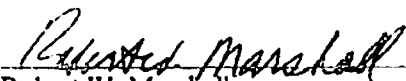
*this approval of terms is not an assumption of the obligations

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Intermountain Water Supply, Ltd.,
a Nevada limited liability company

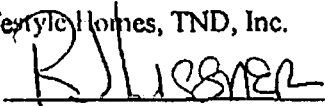
Great Basin Water Co.,
a Nevada corporation

By: 
Name: Robert W. Marshall
Title: Co-Manager

By: _____
Name: Wendy S. W. Barnett
Title: President

By: _____
Name: Thomas W. Marshall
Title: Co-Manager

By: Lifestyle Homes, TND, Inc.

By: 
Name: Robert Lissner
Title: Manager/Member

Approved:*

Genoa Ridge Investors, LLC,
a Delaware limited liability company

By: _____
Paul Jennings, Manager, Member


*this approval of terms is not an assumption of the obligations

(c) Counterpart: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

(f) Time: Time is of the essence of all obligations hereunder.

Intermountain Water Supply, Ltd.,
a Nevada limited liability company

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By: 
Name: Robert W. Marshall
Title: Co-Manager

By: _____
Name: Wendy S.W. Barnett
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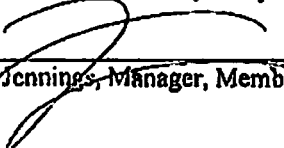
By: _____
Name: Thomas W. Marshall
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Title: Manager/Member

Approved:*

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By: 
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Intermountain Water Supply, Ltd.,
a Nevada limited liability company

Great Basin Water Co.,
a Nevada corporation

By: *Robert W. Marshall*
Name: Robert W. Marshall
Title: Co-Manager

By: _____
Name: Wendy S.W. Barnett
Title: President

By: _____
Name: Thomas W. Marshall
Title: Co-Manager

By: Lifestyle Homes, TND, Inc.

By: _____
Name: Robert Lissner
Title: Manager/Member

Approved:*

Genoa Ridge Investors, LLC,
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By: _____
Paul Jennings, Manager, Member

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EXHIBIT A
(Genoa Ridge Agreement)

AGREEMENT
TO
PURCHASE WATER RIGHTS, EASEMENTS AND PERMITS
("AGREEMENT")

This Agreement is made and entered into this 16 day of March, 2017 ("Effective Date") by and between Intermountain Water Supply, Ltd., a Nevada limited liability company ("Seller") and Genoa Ridge Investors, LLC a Delaware limited liability company ("Buyer").

RECITALS

A. Seller is a Nevada limited liability company, in good standing that has developed an approved municipal water project which consists of groundwater permits in Bedell Flat, Washoe County (368.1 acre feet annually, "afa"), Lower Dry Valley, Washoe County, (2,000 afa), Newcomb Lake (200 afa) and Upper Dry Valley (996 afa) for use in Lemmon Valley, Nevada, ("Water Rights") together with easements, right-of-way grants ("Easements") five, six-inch (6") test wells, and one twelve (12") inch well, all as more particularly described on Exhibit A, attached hereto; ("Seller's Project").

B. Buyer is in the process of purchasing adjacent developments located in Cold Springs Valley, Washoe County, Nevada, known as Evans Ranch and Silver Star ("Evans Ranch"), which will consist of approximately 7,300 homes, schools and neighborhood commercial "Proposed Development." The Proposed Development will require approximately 3000± acre feet of municipal water annually.

C. The Public Utilities Commission of Nevada ("PUCN") certificated municipal water purveyor in Cold Springs Valley is Utilities Inc. of Nevada ("Utilities Inc."). Buyer will need to annex its Proposed Development into the service territory of Utilities Inc. pursuant to a standard Annexation Agreement of Utilities Inc. ("Annexation Agreement").

D. Seller and Utilities Inc. have negotiated and drafted an unexecuted Water Banking and Trust Agreement ("Banking Agreement") to utilize water from Seller's Project in the service territory of Utilities Inc. to serve the municipal water needs of a developer (or developers) who has (have) purchased the water from Seller's Project and who has constructed the necessary works of improvement to convey such water to Utilities Inc.'s water system and who has dedicated the works of improvement to Utilities Inc. Buyer will need to approve the Banking Agreement on or before the end of the Initial Due Diligence Period.

E. The place of use of Seller's municipal water permits is Lemmon Valley, Washoe County, Nevada, the valley adjacent and to the east of Cold Springs Valley. It will be necessary for Seller to file a Change Application with the Nevada State Engineer ("State Engineer") expanding the place of use of its municipal water to include the service territory of Utilities Inc. in Cold Springs Valley.

F. It will be the Buyer's responsibility to construct Seller's Project to Utilities Inc.'s standards, to supply water to Utilities Inc. for use by Buyer's Proposed Development, as needed, all without cost or obligation to Seller.

G. Subject to the terms hereof, Seller agrees to sell and Buyer agrees to buy Seller's Project.

NOW THEREFORE, in consideration of the \$5,000.00 cash deposited in escrow by Buyer as provided herein, and in consideration of mutual covenants and agreements contained herein, Seller and buyer agree as follows:

1. Deposit: Within five (5) days of the date hereof, Buyer shall deposit the sum of \$5,000.00 cash in escrow at Western Title, 5390 Kietzke Lane, Suite 101, Reno, Nevada 89511, Attn: Michelle Davis (775-829-4964; mdavis@westertitle.net) to be held and applied on the purchase price on close of escrow or returned to Buyer in the event Buyer does not purchase Seller's Project as provided herein.

R. W. M.
1/8

2. Initial Due Diligence Period: Buyer shall have from the Effective Date to close of business on August 31, 2017, to satisfy itself of the validity of Seller's water permits and easements and Right-of-Way Grants and the general viability of Seller's Project ("Initial Due Diligence Period"). Within the first thirty (30) days of the Initial Due Diligence Period, Seller shall deposit with Buyer the following:

(a) all of the Seller's water permits which constitute the water of Seller's Project, including current extensions of time, described on Exhibit A,

(b) all of Seller's right-of-way grants and easements for portions of Seller's Project, described on Exhibit A,

(c) the Washoe County Special Use Permit,

(d) Seller's Plan of Development,

(e) Seller's prior UEPA application to the PUCN,

(f) all groundwater monitoring plans,

(g) copies of studies, models, cost estimates, engineering plans, and pump test reports prepared by or for Seller and described on Exhibit A, and

(h) Record of Decision (ROD) issued by the United States Department of the Interior, Bureau of Land Management, pursuant to the Environmental Impact Statement conducted with respect to a portion of Seller's Project. Seller shall furnish such other information in its possession to Buyer during the Initial Due Diligence period as Buyer may reasonably request.

3. Drilling and Test Pump Period ("Drilling Period"): In the event Buyer does not wish to purchase Seller's Project, Buyer shall so notify Seller of that fact in writing prior to the end of the Initial Due Diligence Period and neither party shall have any further obligation to the other as a result of this Agreement from and after the date of such notification. In the event Buyer

does not so notify Seller by the end of the Initial Due Diligence Period, Buyer agrees to undertake the following actions:

(a) Buyer's Obligations subsequent to the Initial Due Diligence Period and prior to February 28, 2019 ("Drilling Period"):

(i) As soon as technically possible after the Initial Due Diligence Period, but prior to December 1, 2017, Buyer shall commence drilling municipal quality wells at one or more of Seller's drill sites of Buyer's choosing in Lower Dry Valley, all at Buyer's expense. Buyer shall consult with Dwight Smith of Interflow Hydrology, Seller's hydrogeologist, during the course of drilling each well. Well casings shall be not less than twelve inches (12"), inside diameter, and shall be designed to maximize production. Well depth and casing depth shall also be determined in consultation with Dwight Smith to maximize production. Once production of water from drilled wells in Lower Dry Valley indicates a sustainable yield of 2000 acre-feet annually (afa) from the Lower Dry Valley wells, no more wells need be drilled. All test pumpings of drilled wells shall be done by customarily approved methods in consultation with Dwight Smith.

(ii) As soon as technically possible after the Initial Due Diligence Period, Buyer shall test pump the existing well in Bedell Flat. All test pumping of the Bedell Flat well shall be done by customarily approved methods in consultation with Dwight Smith.

(iii) Buyer shall promptly pay all costs of drilling and pumping of the wells and shall notify Seller ten (10) days in advance of commencement of work to enable Seller to record notices of non-responsibility to prevent the filing of mechanic's liens.

(iv) Seller shall pay fees of Dwight Smith.

~~(v) In the event pump tests show annual yield of not less than 2,300 afa production from the wells in Lower Dry Valley and Bedell Flat an escrow shall be opened as set forth below and, subject to the provisions of Section 4 below, the purchase of Seller's Project shall close as provided in this Agreement.~~

R.W.M.

(vi) In the event the pump tests show an annual yield of less than 2,300 afa from the wells in Lower Dry Valley and Bedell Flat, Buyer, at Buyer's option, may cancel this agreement and neither party shall have any further obligations hereunder, save and except that Buyer shall fully pay for all work done by Buyer as required in this Agreement.

(vii) All drilling and testing shall be completed on or before February 28, 2019.

(viii) Buyer shall, promptly on commencement of the Drilling Period, sign the Utilities Inc. Water Banking and Trust Agreement. Buyer shall pay all costs associated with that agreement.

(ix) Buyer shall, promptly on commencement of the Drilling Period, sign the Utilities Inc. Annexation Agreement. Buyer shall pay all costs associated with that agreement.

(x) Buyer shall obtain a 404 permit from the U.S. Army Corp. of Engineers in consultation with Richard de Long of Enviroscientists, and pay all costs associated with such permit.

(xi) Buyer shall obtain an easement for the pipeline, access road, and electrical/telemetry lines from Red Rock Road to Dan Douglas' property across a portion of Section 12, generally along the old NCO Railroad grade, and pay all costs thereof. Such work will be done in consultation with Richard de Long.

(xii) Buyer shall obtain a UEPA permit from the Nevada Public Utilities Commission. Since this filing was previously made into Lemmon Valley by Richard de Long, Buyer shall engage Mr. de Long to do this work. Buyer shall pay all costs in connection with this work.

(xiii) Buyer shall obtain an encroachment permit along Red Rock Road, as required from Washoe County, and pay all costs in connection therewith.

(xiv) Buyer shall secure any required updates to the Washoe County Special Use Permit and pay all costs in connection therewith.

(xv) Buyer shall cause the Plan of Development, previously filed by Richard de Long with the Bureau of Land Management ("BLM") to be updated as required due to extending the project into Cold Springs. Buyer shall pay all costs thereof.

(xvi) Buyer shall obtain completion of the design of Seller's Project from Lower Day Valley, through Bedell Flat, Antelope Valley, Lemmon Valley and into Dan Douglas' property in Cold Springs, including customary specifications and bid documents. Buyer shall pay the cost of such work

(b) Seller's obligations during the Drilling Period:

(i) Promptly, after the Purchase Date, Seller shall file a change of place of use application with the Nevada State Engineer, expanding the place of use of Seller's permits to add the Proposed Development land and the service area of Utilities Inc. to Seller's place of use under its permits.

(ii) Seller shall use its best efforts to keep all permits in good standing in the office of the State Engineer by timely making necessary filings and paying all costs thereof.

(iii) Seller shall timely pay all rental and other charges to keep the easements in good standing.

4. Terms of Purchase and Escrow:

(a) In the event the easement described above in sub-section 3(a)(xi) has not been obtained on conclusion of the Drilling Period, ~~or prior thereto within 30 days of well tests showing that at least 2,300 mly can be produced from Seller's wells in Lower Dry Valley and Bedell Flat~~, the opening of escrow shall be delayed up to six (6) months to allow the easement to

R.W.M.

be obtained. In the event the easement cannot be obtained by the end of the six (6) month period, Buyer may, at Buyer's option, cancel this Agreement and neither party shall have any further obligations hereunder, save and except that Buyer shall pay for all work done by Buyer as required in this Agreement.

(b) Subject to Section 7, on conclusion of the Drilling Period, ~~or prior thereto, within 30 days of well tests showing at least 2,300 cty can be produced from Seller's wells in Lower Dry Valley and Bedell Flat,~~ escrow shall be opened at First American Title Insurance Company, 5310 Keitzke Lane, Reno, NV 89502. The terms of purchase shall, at the option of Buyer, be either (a) \$5,000,000.00 cash through escrow, for the full cash purchase price, or (b) \$700,000 cash through escrow for the down payment with a promissory note, secured as described below in Section 6, which note shall provide nine (9) equal annual payments of principal in the amount of \$700,000.00 with no interest.

R.W.M.

(c) Escrow shall close fifteen (15) days after being opened.

(d) Buyer shall deposit the following in escrow:

(i) the full cash purchase price or the down payment, at Buyer's option;

(ii) the promissory note (if applicable);

(iii) a Deed of Trust, approved by Seller, securing payment of the promissory note as described in Section 6 (if applicable);

(iv) Assumption Agreement assuming all of the obligations of Seller under the Water Banking and Trust Agreement between Seller and Utilities Inc.; and

(v) Buyer's share of costs through escrow.

(e) Seller shall deposit in escrow the following:

(i) Grant, bargain and sale deed to the water rights;

(ii) Assignment of all of Seller's right, title and interest in and to the Water Banking and Trust Agreement with Utilities Inc.;

(iii) Assignments in recordable form of all of the recorded easements and all of the right-of-way grants;

(iv) Assignment of all permits, licenses, monitoring plans, construction plans, environmental filings, PUCN filings, etc.;

(v) Bill of Sale for all well casings; and

(vi) Consent to Sale signed by all Members of Seller (Exhibit B).

(f) The parties shall jointly prepare and sign a Declaration of Value.

- (g) The costs of escrow shall be divided as follows:
 - (i) Escrow costs shall be divided equally;
 - (ii) Buyer shall pay costs of recording the Grant, Bargain and Sale Deed;
 - (iii) Seller shall pay costs of recording the Deed of Trust (if applicable);
- and
- (iv) Transfer taxes shall be divided equally.
- (h) Escrow shall close within fifteen (15) days of opening.

On close of escrow (a) all cash due Seller shall be paid to Seller, less Seller's share of costs through escrow, (b) the Promissory Note (if applicable) shall be dated and delivered to Seller, (c) Seller's conveyancing documents shall be dated and recorded and delivered as required by law, and (d) the deed of trust shall be dated and recorded and filed as required by law (if applicable). All other documents of transfer of easements permits etc., shall be delivered to Buyer on close of escrow.

(i) Seller shall prepare and file required Reports of Conveyance with the State Engineer, promptly after close of escrow. Buyer shall pay the fees covering the deed and Seller shall pay the fees covering the deed of trust (if applicable).

5. Title:

(a) **Water Rights:** all water rights permits shall stand in the name of Seller, be in good standing on the records of the Nevada State Engineer and shall be free and clear of all encumbrances and claims of others except as may be acceptable to Buyer and as set forth in the water permits.

(b) All Easements shall be in full force and effect according to their terms.

(c) It is understood that title companies do not insure title to water rights.

6. Security:

(a) In the event Buyer elects to pay the purchase price over time as provided in section 4, Buyer shall, on close through escrow, secure the promissory note by providing Seller with a first deed of trust on a number of lots in the initial 25% of the Proposed Development (approximately 2,000 total lots) shown on the tentative map thereof, with infrastructure in place, to the area covered by the proposed lots (roads, sewer lines, etc.) which, valued at \$50,000.00 each, equal \$6,300,000.00, subject only to assessments similar to all lots in the Proposed Development, which are estimated at approximately \$10,000.00 for each lot.

Example: 160 lots: valued at \$50,000.00, less \$10,000.00 = \$40,000.00 value per lot x 160 = \$6,400,000.00

(b) In the event there are not lots in the Proposed Development which fit the above criteria when escrow is otherwise to close, the promissory note to Seller shall be personally guaranteed, through escrow, by Paul Jennings, whose address is 1144 S. Dixie St. Bl 290 LA, York on the date hereof. Such personal guarantee shall continue until a deed of trust can be provided as described above in this section.

7. **BUYERS RIGHT TO TERMINATE:** Buyer shall have the right to terminate this agreement at any time during the Initial Due Diligence Period for any reason. Buyer shall also have the right to terminate this agreement at any time during the Drilling Period for any reason. Notwithstanding such termination, Buyer shall honor its obligations under Section 3(a). In the event of such termination, Buyer shall be entitled to return of the \$5,000.00 deposit described in Section 1.

8. **Seller's Representations and Warranties:**

(a) That Seller has the power and authority to enter into this Agreement and to consummate the transaction contemplated hereby; that the persons signing this Agreement have the power and authority to sign on behalf of and to bind the Seller to the agreements herein contained.

(b) That to the best of Seller's knowledge, all documents and papers delivered by Seller to Buyer are true and complete.

(c) There are no outstanding or delinquent taxes on any of the property comprising Seller's Project.

(d) Except as set forth in Exhibit C, there is no pending or threatened litigation affecting Seller's Project.

(e) To the best of Seller's knowledge, no portion of Seller's Project is in violation of any governmental law or regulation.

(f) All of Seller's water permits are in good standing on the records of the State Engineer.

(g) No portion of Seller's Project is in violation of any environmental law and Seller has not received any notice of violation of any environmental law or regulation from any governmental or other agency with respect to Seller's Project.

(h) There are no leases covering any of Seller's Project.

(i) There are no outstanding or existing rights of first refusal with respect to Seller's Project.

(j) Seller has never filed for bankruptcy or other protection of debtors under state or federal law nor has a similar involuntary proceeding been filed or threatened against Seller.

(k) There are no other warranties.

9. **Buyer's Representations and Warranties:**

(a) That Buyer is a Delaware limited liability company in good standing. Buyer will timely qualify to do business in Nevada if required to do so by any of the acts required of Buyer under this Agreement.

(b) That the person(s) signing this Agreement on behalf of Buyer is authorized to sign and has the power and authority to bind the Buyer in accordance with the terms herein.

(c) Buyer warrants that it will timely take all necessary steps to cause its Proposed Development to be annexed into the service territory of Utilities Inc. and that it will assume all obligations of Seller under the Water Banking and Trust Agreement between Utilities Inc. and Seller and that it will save Seller free and harmless of and from any and all obligations and liabilities arising by virtue of the provisions of the Water Banking and Trust Agreement with Utilities Inc.

10. **Brokers:** Seller and Buyer represent and warrant to the other that Seller, on its behalf, and Buyer, on its behalf have not retained the services of a broker in connection with this transaction.

11. **Infrastructure:** As soon as practicable after close of escrow, Buyer or Buyer's assignee shall commence work necessary to put the water represented by the Lower Dry Valley and Bedell Flat water rights to beneficial use.

12. **General Provisions:**

(a) **Completeness and Modification.** This Agreement constitutes the entire agreement between the parties as to the transactions contemplated herein and supersedes all prior and contemporaneous discussions, understandings and agreements between the parties.

(b) **Assignments.** Buyer may not assign its rights hereunder without the prior written consent of Seller, which consent shall not unreasonably be withheld, delayed or conditioned; provided, however, that Buyer, without the consent of Seller, may assign, in whole or in part, its rights hereunder to any entity controlling, controlled by, or under common control with Buyer.

(c) **Survival.** All of Seller's and Buyer's representations, warranties, covenants, agreements and indemnifications made in, or pursuant to, this Agreement shall survive close of escrow.

(d) **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Nevada. If the parties are unable to resolve amicably any dispute arising out of or in connection with this Agreement, they agree that such dispute shall be resolved in the Washoe County, Nevada District Court. Notwithstanding anything to the contrary in this Agreement, neither party shall be entitled to recover punitive or exemplary damages, however arising, whether in contract, in tort, or otherwise, under or with respect to any action taken in connection with this Agreement. The prevailing party in any litigation may be awarded reasonable attorney fees.

(e) Severability. If any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to other persons or circumstances, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(f) Costs. Regardless of whether the purchase of Seller's Project by Buyer shall close, each party shall be responsible for its own costs in connection with this Agreement and the transactions contemplated hereby, including, without limitation, fees of attorneys, engineers and accountants, except as otherwise expressly provided herein.

(g) Notices. Any notice expressly provided for or permitted under this Agreement shall be in writing, shall be given either manually or by mail, overnight delivery service, such as UPS, FedEx, or Purolator, and shall be deemed sufficiently given when received by the party to be notified at its address set forth below, or three (3) business days after being mailed by registered or certified mail, postage prepaid, return receipt requested, or one (1) business day after being sent by such overnight delivery service, addressed to such party at such address, whichever shall first occur. Any party and any representative designated below, by written notice to the other party, may change its address for receiving such notices.

If to Buyer:

Genoa Ridge Investors, LLC

11661 San Vicente Bl #90
Los Angeles Ca 90047
ATT Paul Jennings major member

If to Seller:

Intermountain Water Supply, Ltd.,
a Nevada limited liability company
c/o Intermountain Pipeline, Ltd.,
a Nevada limited liability company
625 Onyo Way
Spark, NV 89441
Attention: Robert W. Marshall, co-manager
Thomas W. Marshall, co-manager

(h) Incorporation by Reference. All of the Exhibits attached or referred to herein are by this reference incorporated herein and made a part of this Agreement.

(i) Interpretation. The section and paragraph headings used herein are for reference and convenience only and shall not enter into the interpretation hereof. Wherever used herein, the singular number shall include the plural and vice versa, and the use of any gender shall include all other genders, all as the context may require.

(j) Business Days. If any action is required under the provisions of this Agreement to occur by a date that is a Saturday, Sunday or legal holiday, such date shall be extended to the first day thereafter that is not a Saturday, Sunday or legal holiday.

(k) Waiver. No waiver or purported waiver by Buyer or Seller of any contingency contained herein shall be valid against Buyer or Seller unless it is in writing and signed by Buyer or Seller as the case may be.

(l) Construction. The parties acknowledge that they and their counsel have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

(m) Time of the Essence. The parties hereby agree that time is of the essence with respect to performance of each of the parties' obligations under this Agreement.

(n) Amendments. The terms of this Agreement may be waived, modified and amended only by and instrument in writing duly executed by Seller and Buyer.

(o) Counterparts. This Agreement may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. A facsimile signature to this Agreement or any amendment hereto shall be sufficient to prove the execution hereby by any person.

(p) Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

(q) Confidentiality. The provisions of this Agreement shall be confidential between the parties and shall only be disclosed to governmental authority if required by law. If such disclosure is required, the parties shall attempt to obtain governmental cooperation to limit disclosure to only those persons in the agency required to review the terms hereof. The parties hereto have executed Exhibit D, a Memorandum of Agreement which may be submitted to governmental authority, Utilities Inc. and which may otherwise be made available to the public without constituting a violation of this subsection 12(q).

(r) Consent to Sale. There is attached as Exhibit B, a Consent to Sale from Thomas W. Marshall and Lifestyle Homes, TND, LLC, which, together with Intermountain Pipeline, Ltd. represent all of the members of Seller.

(s) Recitals. The recitals at the beginning of this Agreement are incorporated herein by reference and are part of this Agreement.

(1) Name of Project. As nearly as practicable, the Seller's Project facilities shall be termed the "Marshall Pipeline" on maps and other documents.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

SELLER:

INTERMOUNTAIN WATER SUPPLY, LTD.,
a Nevada limited liability company

By: Intermountain Pipeline Ltd.,
a Nevada limited liability company,
Manager

By: Robert W. Marshall
Robert W. Marshall,
Co-Manager and Member of Seller

By: _____
Thomas W. Marshall,
Co-Manager and Member of Seller

APPROVED:

LIFESTYLE HOMES TND, INC.

By: _____
Robert Lissner,
Manager and Member of Seller

BUYER:

GENOA RIDGE INVESTORS, LLC.,
a Delaware limited liability company

By: Paul Jennings
Paul Jennings, Manager

Paul Jennings
Paul Jennings, individually with respect to Section
(4(b))

(l) Name of Project. As nearly as practicable, the Seller's Project facilities shall be termed the "Marshall Pipeline" on maps and other documents.

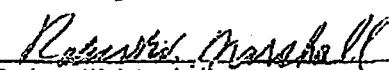
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

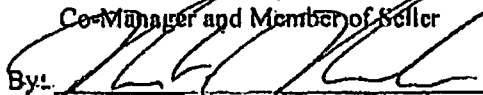
SELLER:

INTERMOUNTAIN WATER SUPPLY, LTD.,

a Nevada limited liability company

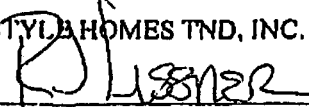
By: Intermountain Pipeline Ltd.,
a Nevada limited liability company,
Manager

By: 
Robert W. Marshall,
Co-Manager and Member of Seller

By: 
Thomas W. Marshall,
Co-Manager and Member of Seller

APPROVED:


LIFESTYLE HOMES LTD, INC.

By: 
Robert Lissner,
Manager and Member of Seller

BUYER:

GENOA RIDGE INVESTORS, LLC.,
a Delaware limited liability company

By: 
Paul Jennings, Manager


Paul Jennings, individually with respect to Section
6(h)

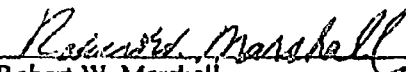
(i) Name of Project. As nearly as practicable, the Seller's Project facilities shall be termed the "Marshall Pipeline" on maps and other documents.

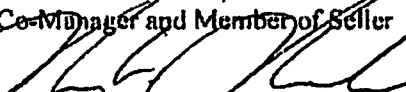
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

SELLER:

INTERMOUNTAIN WATER SUPPLY, LTD.,
a Nevada limited liability company

By: Intermountain Pipeline Ltd.,
a Nevada limited liability company,
Manager

By: 
Robert W. Marshall,
Co-Manager and Member of Seller

By: 
Thomas W. Marshall,
Co-Manager and Member of Seller

APPROVED:


LIFESTYLE HOMES TND, INC.

By: _____
Robert Lissner,
Manager and Member of Seller

BUYER:

GENOA RIDGE INVESTORS, LLC.,
a Delaware limited liability company

By: 
Paul Jennings, Manager


Paul Jennings, individually with respect to Section
(b)

WATER RIGHTS

Intermountain Water Supply Project Summary of Municipal Water Rights And Filings for Use in Lemmon Valley

Lower Dry Valley (underground)

Permit	74327	451 AFY
Permits	66400	
	73428	
	73429	
	73430	<u>1,549 AFY</u>
		2,000 AFY
Application	66961 pending	
	79548 pending	

Bedell Flat (underground)

Permit	66873	315.5 AFY
Permit	73048	52.6 AFY
Application	73049 - pending	

Newcomb Lake (underground)

Permit	67037	200 AFY
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Upper Dry Valley

Permits	64977	
	64978	
	72700*	996 AFY
		<u>3,564.1 AFY</u>

*Place of use Upper Dry Valley and Warm Springs Valley, under this permit.

EXHIBIT A
A-1

4848-0091-4751 v2

EASEMENTS AND RIGHTS-OF-WAY

1. BLM Right-of-Way grant dated February 22, 2007 covering pipeline and fiber optic telemetry from Lower Dry Valley wells and Bedell Flat well and booster station to Lemmon Valley (covering BLM ground).
2. BLM Right-of-Way Grant dated September 8, 2008 covering Nevada Energy power line from Red Rock area through Bedell Flat and to Lower Dry Valley wells sites.
3. Easement and Consent to use access road from Buckhorn Land & Livestock, LLC to Intermountain Water Supply, Co., dated September 22, 2006.
4. Grant of non-exclusive easement dated October 19, 2006 from Wilburn Ranches, Inc. to Intermountain Water Supply, Ltd.
5. Grant of Easement dated August 26, 2005 from Dean T. Glasser to Intermountain Water Supply, Ltd.
6. Memo dated June 12, 2003 from Karen Dennison of Hale, Lane law firm regarding right to install pipeline in Red Rock Estates, 100 foot right-of-way.
7. BLM Right-of-Way Grant dated June 3, 2008 to construct and operate and maintain monitoring wells and access roads to two of the Upper Dry Valley well sites (Serial No. NVN 084712).

WATER FACILITIES, PERMIT AND MONITORING PLANS

Water Facilities:

Test well casings and test pumps (if any) at wells sites DV-1, DV-2, DV-3, DV-4 and DV-5 in lower Dry Valley; well casing at Bedell Flat well BF-1. The lower Dry Valley well sites are shown on the map attached hereto.

Permit:

Washoe County Special use Permit dated January 4, 2006, Case No. SW05-012.

Monitoring Plans:

Groundwater Monitoring Plans for Dry Valley and Bedell Flat dated August 12, 2005, prepared by Interflow Hydrology, Inc.

CONSENT TO SALE

The undersigned, constituting all of the Members of Intermountain Water Supply, Ltd., a Nevada limited liability company ("Seller"), hereby consent to the sale of substantially all of the assets of Seller to Genoa Ridge Investors, LLC pursuant to the terms of the Agreement to Purchase Water Rights, Easements and Permits dated the 16th day of March, 2017.

Dated this 16th day of March, 2017.

INTERMOUNTAIN WATER SUPPLY, LTD., a
Nevada limited liability company

By: Intermountain Pipeline Ltd., a Nevada limited
liability company, Manager

By: Robert W. Marshall
Robert W. Marshall,
Co-Manager and Member of Seller

By: _____
Thomas W. Marshall,
Co-Manager and Member of Seller

LIFESTYLE HOMES, TND, INC.

By: Robert Lissner
Robert Lissner, Manager and Member of
Seller

EXHIBIT B

1

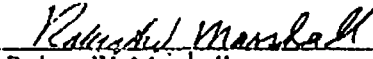
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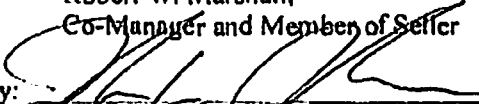
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Nevada limited liability company
By: Intermountain Pipeline Ltd., a Nevada limited
liability company, Manager

By: 
Robert W. Marshall,
Co-Manager and Member of Seller

By: 
Thomas W. Marshall,
Co-Manager and Member of Seller

LIFESTYLE HOMES, TND, INC.

By: _____
Robert Lissner, Manager and Member of
Seller

EXHIBIT B

1

4848-0091-4751 v2

CONSENT TO SALE

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Dated this 16th day of March, 2017.

INTERMOUNTAIN WATER SUPPLY, LTD., a
Nevada limited liability company

By: Intermountain Pipeline Ltd., a Nevada limited
liability company, Manager

By: *Robert W. Marshall*
Robert W. Marshall,
Co-Manager and Member of Seller

By: _____
Thomas W. Marshall,
Co-Manager and Member of Seller

LIFESTYLE HOMES, TND, INC.

By: _____
Robert Lissner, Manager and Member of
Seller

EXHIBIT B

1

4848-0091-4751 v2

DISCLOSURES

1. Any additional archeological work which may need to be done shall be the responsibility of Seller.
2. Engineering on the pipeline, pump station and wells in Lower Dry Valley and Bedell Flat is completed to about 30-35%. Mike Bidart, P.E., was the engineer in charge.
3. The UEPA application needs to be re-filed with the PUCN. Richard DeLong of Environscientists prepared the initial filing.
4. A 404 Permit will need to be secured from the Army Corp. of Engineers.
5. Encroachment permits will need to be obtained from Washoe County to place the pipeline within existing county road rights' of way.
6. Review the covenant with Red Rock H.O. Assn. for pipeline construction through Antelope Valley.
7. Review the construction requirements of the Buckhorn lease.
8. Enter into a contract with the power company, Nevada Energy.
9. Effect, if any, of Petition for Judicial Review of the State Engineer's grants of Extension of Time for 2015-2016 for Seller's Dry Valley Permits; Briefing complete, argument set for May, 2017 before the District Court.

EXHIBIT C

MEMORANDUM OF AGREEMENT

This is a Memorandum of an Agreement dated the ___ day of March, 2017, between Intermountain Water Supply, Ltd., a Nevada limited liability company as Seller and Genoa Ridge Investors, LLC, a Delaware limited liability company as Buyer ("Agreement").

Subject to agreed on terms, the Agreement provides for the purchase of Seller's municipal water project to provide water for use by Buyer in its projected developments of approximately 7,300 homes and related uses in the north valleys area of Washoe County, Nevada. Subject to agreed terms, the Agreement provides for well drilling and other activities necessary to move the project forward, to commence no later than the Fall of 2017.

SELLER:
Intermountain Water Supply, Ltd.

By: Robert W. Marshall
Robert W. Marshall, co-Manager

BUYER:
Genoa Ridge Investors, LLC

By: _____
Its: managing member

STATE OF NEVADA)
) ss
County of Washoe)

This instrument was acknowledged before me on March 16, 2017, by Robert W. Marshall.

Kathy Souviron
Notary



STATE OF NEVADA)
) ss
County of _____)

This instrument was acknowledged before me on March __, 2017, by _____, as the _____ of Genoa Ridge Investors, LLC.

Notary

EXHIBIT D
1

See Attached Certificate

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 16th
day of March, 2017, by PAUL JENNINGS

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)

Signature Nichelle J. Reed