



BlueCastleProject

86 North University Avenue , Suite 400
Provo, Utah 84601

801-717-3080 ext. 311

April 14, 2011

San Juan County Water Conservancy District
48 N. Main
PO Box 246
Blanding, Utah 84511

Subject: Water Right Lease Agreement

To Whom It May Concern;

Please find enclosed the following original agreements to complete your files;

Assignment and Assumption of Water Rights Lease Assignment

Date: June 17, 2010

Transition Power Development LLC, Blue Castle Holdings Inc., San Juan County Water Conservancy District

Water Right Lease Agreement

Date: September 15, 2010

San Juan County Water Conservancy District, Blue Castle Holdings Inc.

If you have any questions, please do not hesitate to contact me either at the office or by e-mail.

Sincerely,

Kaycee Conger; Administrative Manager
Blue Castle Holdings, Inc.
kaycecong@bluecastleproject.com

cc: correspondence file

ASSIGNMENT AND ASSUMPTION OF WATER RIGHTS LEASE ASSIGNMENT

This ASSIGNMENT AND ASSUMPTION OF WATER RIGHTS LEASE ASSIGNMENT (“Assignment”) made and entered into as of June 17, 2010, by and among Transition Power Development, LLC, a Utah limited liability company, having a place of business at 299 South Main Street Suite 1300 Salt Lake City, UT 84111 (“Assignor”), Blue Castle Holdings, Inc., a Delaware corporation, having a place of business at 299 South Main Street Suite 1300 Salt Lake City, UT 84111 (“Assignee”) and San Juan County Water Conservancy District, a political subdivision of the State of Utah created and governed under the Water Conservancy District Act found at *Utah Code Ann.* §§ 17B-2a-1001 (“Lessor”).

BACKGROUND

A. Lessor and Assignor entered into a certain Water Rights Lease Assignment dated as of November 30, 2007 (the “Lease”) with respect to certain Water Rights Nos. 09-462 (“Water Rights”) and up to 24,000 acre-feet of water under the Water Rights for the development, construction and operation of a power generation facility.

B. Assignor is desirous of assigning its rights and obligations as lessee under the Lease to Assignee

C. Assignee is desirous of assuming the Lease and all rights and obligations of the lessee arising under the Lease.

NOW THEREFORE, for the premises set forth above, the promises contained herein and the consideration of one (\$1.00) Dollar and other good and valuable considerations received to Assignor’s full satisfaction of Assignee, the parties hereto agree as follows:

1. Capitalized Terms. Except as otherwise defined herein, any and all defined terms used herein shall have the meaning set forth in the Lease.

2. Assignment and Assumption

A. Pursuant to Section 17 of the Lease, Assignor, as lessee, does hereby sell, convey, transfer and assign, without recourse, and set over unto Assignee all of the Assignor’s rights, privileges and obligations under the Lease.

B. Assignee hereby unconditionally and absolutely assumes all of the obligations and agrees to perform all of the terms, covenants and conditions of the Lease on the part of the lessee therein required to be performed, including payment of all Lease Payments set forth in Section 10. Furthermore, Assignee hereby represents and warrants that Assignee is capable of assuming the obligations under the Lease.

C. Assignor represents to its actual knowledge, without independent investigation, that the Lease is now in full force and effect and has not been amended or modified in any material respect and no default exists by Lessor or Assignor under the Lease.


3. Release. Upon the full execution of this Assignment, Lessor and Assignee hereby agree that Assignor is hereby released from any and all obligations and liabilities arising under the Lease.

4. Lessor's Consent. Lessor by its signature below hereby consents to the assignment of the Lease by Assignor to Assignee pursuant to this Assignment.

In Witness Whereof, the Assignor, Assignee and Lessor have made, executed and delivered the within instrument as of the _____ day of June, 2010.

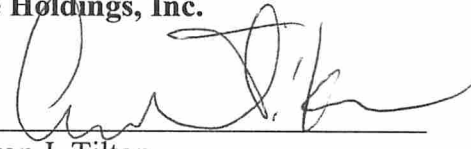
ASSIGNOR:

Transition Power Development, LLC

By: 
Name: Aaron J. Tilton
Title: Managing Member

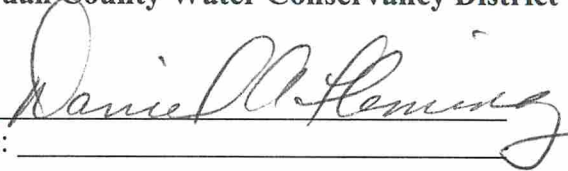
ASSIGNEE:

Blue Castle Holdings, Inc.

By: 
Name: Aaron J. Tilton
Title: President & CEO

LESSOR:

San Juan County Water Conservancy District

By: 
Name: _____
Title: _____