NO.

FILED

JUN 04 2010

Eureka County Clerk

IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

VERIFIED COMPLAINT TO QUIET TITLE (Exempt from Arbitration: Action

Plaintiff, EUREKA COUNTY, a political subdivision of the state of Nevada, by and through its counsel ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. and THEODORE BEUTEL, Eureka County District Attorney, complains and alleges as follows:

- Plaintiff, EUREKA COUNTY, is a political subdivision of the state of
- Defendant, EUREKA WATER ASSOCIATION, INC., was a Nevada corporation until October 31, 1996 at which time its corporate charter was permanently revoked.

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See, True and correct copy of the Memorandum of Secretary of State dated July 31, 2007 attached hereto as Exhibit "1" and incorporated herein by this reference.

- 3. The true names or capacities, whether individual, corporate, associate or otherwise, of Defendants named herein as DOES I through XX, inclusive, are unknown to Plaintiff, who sues said Defendants by such fictitious names, and Plaintiff will amend this Complaint to show their true names and capacities when the same have been ascertained.
- Plaintiff is informed and believes that Defendants, DOES I through XX, inclusive, and each of them, claim an interest in or to the real property described in paragraph 5 below adverse to Plaintiff's interest, and whose claims constitute a cloud on Plaintiff's interest in said real property.
- Plaintiff, EUREKA COUNTY, is the true and lawful owner of all the right, 5. title and interest in and to the water rights used for municipal and domestic purposes known as follows:
 - Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) a. providing for a diversion rate of 0.14 cubic feet per second from an underground well commonly referred to as the Spring Street Well, the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., R.53E., M.D.B.& M., or at a point from which the West 1/4 corner of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of 3060 feet situated in Eureka County, State of Nevada;
 - b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34' E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
 - Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) c. providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well #1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
 - d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of

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said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;

- e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19 N., R.53 E., M.D.B.&M. bears N. 51° 41' W. a distance of 5,383.08 feet situated in Eureka County, State of Nevada;
- f. Nevada State Engineer's Certificate No. 12928 (Permit No. 40157) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Bullwacker Spring, the point of diversion being in the SW1/4 SW1/4 Section 19, T.19N., R.54E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19N., R.53E., M.D.B.&M. bears N. 46°53' W. a distance of 5,844.21 feet situated in Eureka County, State of Nevada;
- g. Nevada State Engineer's Certificate No. 12929 (Permit No. 40158) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Gorman Spring, the point of diversion being in the NE1/4 SW1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S. 53°54' E. a distance of 4,432.47 feet situated in Eureka County, State of Nevada;
- h. Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Florio Spring and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S.26° 12' E. a distance of 2,291.88 feet situated in Eureka County, State of Nevada;
- i. Nevada State Engineer's Certificate No. 12931 (Permit No. 40160) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Fred Spring, the point of diversion being in the NW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 08° 35' W. a distance of 1,483.01 feet situated in Eureka County, State of Nevada;
- j. Nevada State Engineer's Certificate No. 12932 (Permit No. 40161) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lani Spring, the point of diversion being in the SW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 31°23′ W. a distance of 1,566.12 feet situated in Eureka County, State of Nevada;
- k. Nevada State Engineer's Certificate No. 12933 (Permit No. 40162) providing for a diversion rate of 0.111 cubic feet per second but not

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| to exceed 26.18 million gallons annually from Middle Spring and its |
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| tributaries, the point of diversion being in the SE1/4 NÊ1/4 Section |
| 36, T.19N., R.53E., M.D.B.&M. or at a point from which the NE |
| corner of said Section 36 bears N. 05° 09'E. a distance of 2,072.08 |
| feet situated in Eureka County, State of Nevada; |

- Nevada State Engineer's Certificate No. 12934 (Permit No. 40163) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Summit Spring, the point of diversion being NE1/4 NE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 05° 46' E. a distance of 5,680.66 feet situated in Eureka County, State of Nevada;
- m. Nevada State Engineer's Certificate No. 12935 (Permit No. 40164) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lucky Springs and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 04° 12' E. a distance of 8,487.23 feet situated in Eureka County, State of Nevada;
- n. Nevada State Engineer's Certificate No. 12936 (Permit No. 40165) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Prospect Springs, the point of diversion being in the NE1/4 NE1/4 Section 12, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 07° 04' E. a distance of 11,975.48 feet situated in Eureka County, State of Nevada;
- Nevada State Engineer's Vested Right No. V04501 providing for a diversion rate of 0.111 cubic feet per second from Gorman Spring, the point of diversion being NE1/4SW1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S.53°54'E. a distance of 4432.47 feet;
- p. Nevada State Engineer's Vested Right No. V04502 providing for a diversion rate of 0.111 cubic feet per second from Prospect Springs, the point of diversion being NE1/4NE1/4 Sec. 12, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M., bears N. 7°04'E. a distance of 11,975.48 feet;
- q. Nevada State Engineer's Vested Right No. V04503 providing for a diversion rate of 0.111 cubic feet per second from Lucky Springs and its tributaries, the point of diversion being NE1/4SE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N.4°12'E. a distance of 8487.23 feet;
- r. Nevada State Engineer's Vested Right No. V04504 providing for a diversion rate of 0.111 cubic feet per second from Summit Spring, the point of diversion being NE1/4NE1/4 Sec.1, T.18N., R.53E.,

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2 3 S. 4 5 N. 5°09' E. a distance of 2072.08 feet; 6 t. 7 bears S.31°23'W a distance of 1566.12 feet; 8 9 u. 10 11 12 ٧. 13

M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N. 5°46'E. a distance of 5680.66

- Nevada State Engineer's Vested Right No. V04505 providing for a diversion rate of 0.111 cubic feet per second from Middle Spring the point of diversion being SE1/4NE1/4 Sec. 36, T.19N., R.53E., M.D.M. or at a point from which the NE corner of said Sec. 36 bears
- Nevada State Engineer's Vested Right No. V04506 providing for a diversion rate of 0.111 cubic feet per second from Lani Spring, the point of diversion being SW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30
- Nevada State Engineer's Vested Right No. V04507 providing for a diversion rate of 0.111 cubic feet per second from Fred Spring, the point of diversion being NW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.8°35' W. a distance of 1483.01 feet;
- Nevada State Engineer's Vested Right No. V04508 providing for a diversion rate of 0.111 cubic feet per second from Florio Spring and its tributaries, the point of diversion being NE1/4SE1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S 26°12'E, a distance of 2291.88 feet;
- Nevada State Engineer's Vested Right No. V04509 providing for a W. diversion rate of 0.111 cubic feet per second from Bullwacker Spring, the point of diversion being SW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Section 13-24, T.19N., R.53E., M.D.M. bears N. 46°53'W. a distance of 5844.21 feet; and,
- Nevada State Engineer's Vested Right No. V04510 providing for a X. diversion rate of 0.111 cubic feet per second from Richmond Spring, the point of diversion being NW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Sec. 13-24 T.19N., R.53E., M.D.M. bears N 51°41'W a distance of 5383.08 feet.

The place of use of all the above described water rights is located in the SE1/4 NE1/4, SE1/4 Section 14; SE1/4 NE1/4, N1/2 NE1/4, Section 23; SW1/4 NW1/4, W1/2 SW1/4, Section 13; W1/2 NW1/4, Section 24, T.19N., R.53E., M.D.B.&M.

Pursuant to Nevada law, water rights are regarded as real property. 6. Application of Filippini, 66 Nev. 17, 21-22, 202 P.2d 535, 537 (1949).

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- 7. In order to effectuate a conveyance of a water right, there must be a deed recorded with the applicable county recorder's office and a report of conveyance filed with the Nevada Division of Water Resources. NRS 533.382 and NRS 533.384.
- 8. On October 16, 1963, the water rights described in paragraph 5 above, then commonly referred to as Heller's Eureka Water Works, were transferred by Louis and Helen Heller to J. Donald Morrison and Rose Morrison by a Deed recorded on September 5, 1967 as Document No. 45212 in the Eureka County Recorder's Office in Book 20, pages 305-308. A true and correct copy of the Deed is attached hereto as Exhibit "2" and incorporated herein by this reference.
- 9. On March 22, 1967, EUREKA WATER ASSOCIATION, INC. was formed for the purpose of operating a domestic water system. A true and correct copy of the Articles of Incorporation of the EUREKA WATER ASSOCIATION, INC. is attached hereto as Exhibit "3" and incorporated herein by this reference.
- 10. Thereafter, on August 31, 1967, Donald Morrison and Rose Morrison transferred the water system to EUREKA WATER ASSOCIATION, INC., by a Warranty Deed recorded on August 31, 1967 as Document No. 45194 in the Eureka County Recorder's Office in Book 20, pages 281-283. A true and correct copy of the Warranty Deed is attached hereto as Exhibit "4" and incorporated herein by this reference.
- 11. Between February 9, 1972 and August 12, 1985, EUREKA WATER ASSOCIATION, INC. filed with the Nevada Division of Water Resources the applications and the vested claims for the real property water rights utilized in the water system and described in paragraph 5 above.
- 12. On January 5, 1982, EUREKA WATER ASSOCIATION, INC. passed a resolution that the real property water rights described in paragraph 5 above, then commonly referred to as the Eureka Town Water System, "with all assets, real or personal, and debts be taken over, maintained and controlled by the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada." A true and correct copy of the January 5, 1982 Resolution of EUREKA WATER ASSOCIATION, INC. is attached hereto as Exhibit "5" and incorporated herein by this reference.

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13. EUREKA WATER ASSOCIATION, INC. intended by such resolution to transfer ownership of the real property water rights described in paragraph 5 above to Plaintiff, EUREKA COUNTY. See, True and correct copy of Affidavit of Pete Goicoechea, a former member of the Board of EUREKA WATER ASSOCIATION, INC. attached hereto as Exhibit "6" and incorporated herein by this reference; and Affidavit of David A. Pastorino, a former member of the Board of the EUREKA WATER ASSOCIATION, INC., dated February 5, 2009 and true and correct copy of December 18, 2007 Affidavit of David A. Pastorino, both attached hereto as Exhibit "7" and incorporated herein by this reference.

- 14. EUREKA COUNTY accepted the real property water rights described in paragraph 5 above when the Board of County Commissioners at their meeting on January 6, 1982 unanimously agreed to "take over, maintain and operate the water system for the Town of Eureka until all statutes are complied with." A true and correct copy of the January 6, 1982 Minutes of the Board of Eureka Commissioners is attached hereto as Exhibit "8" and incorporated herein by this reference.
- 15. Despite the intended transfer of the real property water rights from EUREKA WATER ASSOCIATION, INC. to EUREKA COUNTY, no deed was ever executed or recorded nor was a Report of Conveyance filed with the Nevada Division of Water Resources, and accordingly the water rights described in paragraph 5 above are currently titled in the name of EUREKA WATER ASSOCIATION, INC. See, Affidavit of Ronald D. Damele, Jr. dated February 6, 2009 and true and correct copy of December 27, 2007 Affidavit of Ronald D. Damele, Jr., both attached hereto as Exhibit "9" and incorporated herein by this reference.
- 16. Since EUREKA WATER ASSOCIATION, INC.'s charter has been permanently revoked, EUREKA COUNTY can no longer obtain a deed from EUREKA WATER ASSOCIATION, INC. and therefore requests that this Court quiet title to the real property water rights identified in paragraph 5 above in the name of EUREKA COUNTY.
- 17. EUREKA COUNTY has utilized the real property water rights since January 6, 1982, a period exceeding fifteen (15) years. See, Exhibit "9".

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| | 18. | EUREKA | COUNTY | has | paid | all | taxes, | assessments | , costs | and | fees |
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| including all r | naintena | ance of the | equipment n | eede | d to p | ut tl | he wate | er rights to be | neficial | use, | since |
| January 6, 198 | 32, a per | riod exceedi | ng fifteen (| 15) y | ears. | | | | | | |

19. EUREKA COUNTY is entitled to judgment quieting title to it in fee simple to the real property water rights described above in paragraph 5.

WHEREFORE, Plaintiff prays:

- 1. For an Order of this Court permitting publication of Summons;
- 2. For an Order of this Court quieting title in Plaintiff to the water rights described above in paragraph 5 as against all Defendants, and all persons claiming under them,
 - 3. For such other and further relief as the Court deems just and proper.

| DATED this | 28 day of_ | may | , 2010. |
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ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street Carson City, NV 89703

By:

KAREN A. PETERSON, ESQ. Nevada State Bar No. 0366 JENNIFER MAHE, ESQ. Nevada State Bar No. 9620

Attorneys for Plaintiff, EUREKA COUNTY

-and-

THEODORE BEUTEL, ESQ.
Nevada State Bar No. 5222
EUREKA COUNTY DISTRICT ATTORNEY
701 South Main Street
Post Office Box 190
Eureka, Nevada 89316

Attorney for EUREKA COUNTY

ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street, P. O. Box 646, Carson City, NV 89702 Telephone: (775) 687-0202 Fax: (775) 82-7918 F. Maria Allanoi, Property of the control of the control

VERIFICATION

| STATE OF NEVADA |) |
|------------------|------|
| | : SS |
| COUNTY OF EUREKA |) |

I, RONALD D. DAMELE, JR., under penalty of perjury, declare that the following assertions are true:

I am the Public Works Director for EUREKA COUNTY, the Plaintiff in the aboveentitled action; that I am authorized to sign this Verification on behalf of Plaintiff, EUREKA COUNTY; that I have read the foregoing Verified Complaint to Quiet Title and know the contents thereof; that the same are true and correct to the best of my knowledge, save and except those matters therein stated on information and belief and as to those matters I believe them to be true.

DATED this 4 day of June , 2010

RONALD D. DAMELE, JR. Eureka County Public Works Director

STATE OF NEVADA) : ss. COUNTY OF EUREKA)

On ______, 2010, personally appeared before me, a Notary Public, RONALD D. DAMELE, JR., personally known (or proved) to me to be the person whose name is subscribed to the foregoing Verified Complaint to Quiet Title, who acknowledged to me that he executed foregoing document.

TONI M. WRIGHT
Notary Public, State of Nevada
Appointment No. 99-34907-8
My Appt. Expires Dec. 20, 2010

EXHIBIT "1"

STATE OF NEVADA

ROSS MILLER
Secretary of State



SCOTT W. ANDERSON
Deputy Secretary
for Commercial Recordings

OFFICE OF THE SECRETARY OF STATE

TO: THEODORE BEUTEL ESQ PO BOX 190 EUREKA NV 89316

| DATE: JULY 31, 2007 SUBJECT: EURER | CA WATER ASSOCIATION, INC. |
|---|---|
| Date of Organization: MARH 22, 1967 | Date of Qualification: |
| Entity #: <u>C427-1967</u> | State: |
| Good Standing - current as of: | |
| Delinquent as of: Sixty-Day List | of Officers |
| Delinquent as of: Annual List of | Officers |
| Permanently revoked as of: OCT 31, 1 | 996 (NRS 78.180 (4)) |
| Merged_ Dissolved_ as of:_ Withdraw | n as of: |
| Name change: | |
| Corporation not on file: A search for the corporation in the State of Nevada. | is corporation shows no record on file having registered as a |
| | OING HOW TO OBTAIN COPIES OF ANY FURTHER CT THE COPIES DIVISION AT (775) 684-5708. |

Respectfully,

ROSS MILLER Secretary of State

Ву

Certification Clerk

Commercial Recording Division 200 N. Carson Street Carson City. Nevada 89701-4069 Telephone (775) 684-5708 Fax (775) 684-5630

EXHIBIT "2"

BOOK 20 MGP EDS

THIS INDENTURE, made this 14 day of October, A.D., 1963, between LOUIS A. HELLER and HELEN HELLER, husband and wife, of Euraka, Nevada, the parties of the first part and J. DONALD MORRISON and HOSE MORRISON, husband and wife, of the same place, the parties of the second part.

WITNESSETH: .

That the said parties of the first part, for and in consideration of the sum of TEN DOLLARS (\$10) lawful money of the United States of America, to them in hand paid by the parties of the second part, and for other valuable considerations, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell and convey unto the said parties of the second part, as joint tenants, and to the survivor of them, and to the heirs and assigns of such survivor forever, all those certain lots, pieces or parcels of land, waters, water rights, possessory rights, personal property, franchises and essements operated as a unit under the name of HELLER'S EUREKA WATER WORKS, and more particularly described as follows:

PARCEL 1:

All that portion of Block 104, as set forth in the Covernment Survey of the Townsite of Eureka, Nevada, as approved by the Ceneral Land Office on November 19, 1937, lying easterly of the following described line:

Reginning at a point 236 feet east of the southwest corner of said Block 104; thence North 9044* west 150 feet to a point; thence north 180 16' east a distance of 260 feet, more or less, to the north boundary of said Block 104.

PARCEL 2:

All that portion of Block 107 as set forth in the Government Survey of the Townsite of Eureka, Revada, as approved by the General Land Office on November 19, 1937, lying west of the following described line:

Beginning at corner monument No. 2 of the Southern Cross Mill Site, also known as Block 107 of the Townsite of Eureka; running theore in a northwesterly

LAW OFFICES DIEKL & NEGARZONG OR DM. ELLINE FALLOW, NEYABA

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BOOK 2 0 PAGE 1 506

direction to the southwest corner of monument No. 3 of the Richmond dining Company of Nevada's will Site, also known as Elock 108 of Eureka Townsite.

PARCEL 3:

THE DON RICARDO MILL SITE, in the Eureka mining District, as patented under Survey No. 274-B od March 31, 1883, and recorded in Book 15, page 33, Leed Records of Eureka County.

PARCEL 4:

The CERALDINE MILL SITE, in the Eureka Mining District, as patented under Survey No. 284-E on July 28, 1883, and recorded in Book 17, page 39, Deed Records of Eureka County.

PARCEL 5:

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The SOUTHERN CROSS NO. 2 MILL SITE, in the Eureka mining District, as patented under Survey No. 100-B on June 15, 1878, and recorded in Book 6, page 634, Leed Records of Eureka County.

PARCEL 6:

An undivided one-half interest in and to the CARLA SEAL WILL SITE, in the Eureka mining District, as patented under Patent No. 6169, and Survey No. 167-B on July 15, 1882.

PAHUEL 7:

All of Block 43, as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office on November 19, 1937.

FARCEL 8:

PARCEL 9:

Summit Spring

DICHL & RICANION OR DO, MAINE

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Prospect Spring
Morgan Spring
Fred Spring
Sunberg Spring
Big Spring
Watkins Spring
Silver Spring
Ceep Spring
Ceep Springs
One spring in New York Canyon south of Eureka
One spring southwest of Eureka in Goodwin Canyon
One spring at south end of the Town of Eureka, between Buel and Spring Streets.

PARCEL 10:

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Also the following possessory rights and water rights:

The Lani Hanch, known as Summer Hanch
Farcel known as Survey No. 1 containing 94, acres,
Hichmond Water Works
houndtree Vegetable Hanch, containing South, Widdle &
Last Springs,
Stream of Water & water right located by Wm. Cillen, et
Also certain lots containing Clark Springs
Also certain Springs situate about 40 feet southerly fro
the main sand box of the Hichmond Hining Company's main
pipe line,
Entire property, etc., comprising the Hichmond Hining
Company's water works, including East Spring, Gillen
Spring, Middle Spring, Clark Springs and South Spring.

PARCEL 11:

All those certain water mains and laterals, tacks, reservoirs, pumps, and engines, together with all franchises and rights now held and enjoyed by the Heller's Eureka Water Works and all privileges granted the same as a Public Utility and heretofore enjoyed by the said Heller Eureka Water works for the purpose of conveying, transporting, and supplying water to the residents and inhabitants of the Town of Eureka, County of Eureka, State of Nevada.

TOGETHER WITH, all and singular, the waters and water rights, ditches and ditch rights, tenements, hereditaments and appurtenances, thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said parties of the second part, as joint tenants, and not as tenants in common, with right of survivorship,

SAW DIFFICES

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OF DD. MAINE

FALLOW, NEWADA

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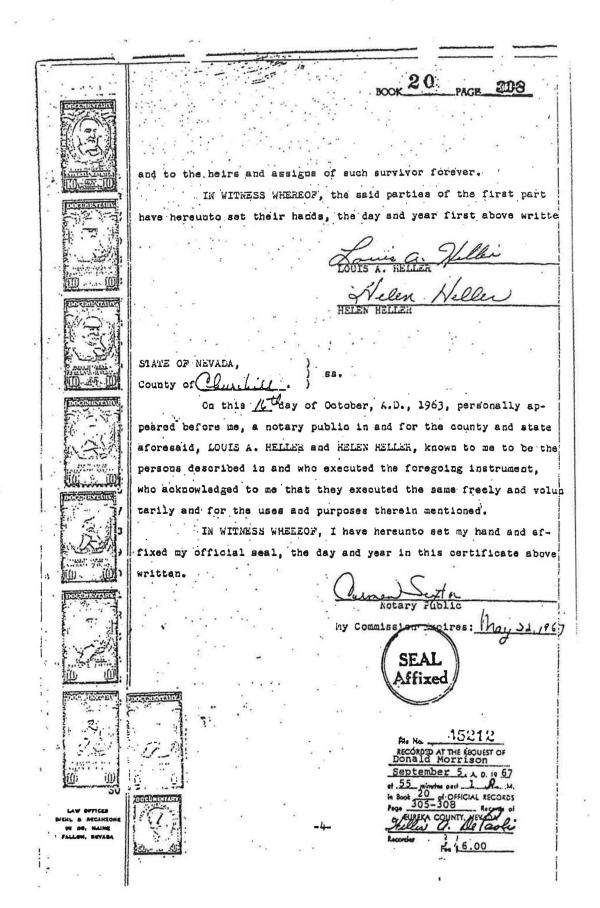


EXHIBIT "3"

JOHN KOONTZ



DEPARTMENT OF STATE

I, JOHN KOONTZ, the duly elected, qualified and acting Secretary of State of the State of Nevada, do hereby certify that the annexed is a true, full and correct transcript of the original Articles of Incorporation of

EUREKA WATER ASSOCIATION, INC.

as the same appears on file and of record in this office.

In Witness Whereof, I have hereunto set my hand and affixed the Great Seal of State, at my office in Carson City, Nevada, this 22ND day of MARCH A. D. 19 67

Form 1

ARTICLES OF INCORPORATION

OF

EURERA WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

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30 31 That the undersigned do hereby associate themselves into a corporation under and by virtue of Nevada Revised Statutes 81.410 and 31.540, and do hereby certify and adopt the following Articles of Incorporation.

ARTICLE I.

The name of the corporation shall be: EUNEKA WATER ASSOCIATION, INC.

ARTICLE II.

This shall be a nonstock, nonprofit organization.

ARTICLE III.

The purposes for which said corporation is formed and its powers are:

- (a) To engage in any lawful activity;
- (b) To supply the members thereof with domestic water and to carry on the business of a domestic water works company and all its branches; to sink wells and shafts, and fo make, build and construct, lay down and maintain reservoirs, eleterno, culberts, filter beds, main and other pipes and appliances, and to execute and do all other works and things necessary or convenient for obtaining atoring, silling, delivering and measuring and distributing water, or otherwise for the purposes of the company including the purchase, lease, or other acquisition of all property incident thereto, and the holding, owning, enjoying, selling, leaning, mortgaging, or otherwise encumbering and disposing of any and all and every kind of real and personal property;
- (c) To appoint such agents and officers as its business might require, and such appointed agents may be either persons or corporations.
 - (d) To admit persons and corporations to membership in the corporation;

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(f) To forfeit the membership of any member for violation of any agreement between him and the corporation or for his violation of its by-laws;

of its business, or for the exercise of its corporate rights, privileges or franch-

(i) To borrow money and contract debts when necessary for the transaction

(g) To sue and be sued in any court;

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(h) To make contracts;

or acquired, or for any other lawful object;

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ises, or for any other lawful purpose of its incorporation; to issue bonds, prommissory notes, bills of exchange, debentures, and other obligations and evidences of indebtedness, payable at a specified time or times, or payable upon the happening of a specified event or events, whether secured by mortgage, pledge or otherwise, or unsecured, for money borrowed, or in payment for property purchased,

(j) To carry on any and all operations necessary or convenient in connection with the transaction of any of its business.

IT IS HEREBY EXPRESSLY PROVIDED that the foregoing snumeration of purposes and powers shall not be held to limit or restrict in any manner the powers of this corporation, except as such powers may be limited according to law, provided, however, that nothing in these Articles of Incorporation shall be deemed to empower the corporation to engage in the banking business, trust company business, or building and loan association business.

ARTICLE IV.

The location of the principal office of the corporation in the State of Nevada is the Office of the District Attorney, Courthouse, Fureka, Nevada. Branch offices may hereafter be established at such other place or places within the State of Nevada as may from time to time be determined by the Board of Directors.

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ARTICLE V.

The period of the existence of this corporation shall be fifty (50) years.

ARTICLE VI.

Members of the governing board shall be known as directors and the number thereof shall be not less than three (3), the exact number to be fixed by the by-laws of the corporation provided that the number so fixed by the by-laws may be increased or decreased from time to time.

The names and addresses of the first Board of Directors are as follows:

Eureka, Nevada

Tom Johnston Eureka, Nevada

E. C. Leutzinger Eureka, Nevada

Donald E. Morrison Eureka, Nevada

Jack Bay Eureka, Nevada

ARTICLE VIL

The voting power and the property rights and interest of each member shall be equal. New members may be admitted who shall be emitted to vote and share in the property of the corporation with the old members in accordance with the provisions of the by-laws.

ARTICLE VIII.

The names and post office addresses of each of the subscribers signing these Articles of Incorporation are as follows:

Jack Bay Eureka, Nevada

E. C. Leutzinger Eureka, Nevada

Tom Johnston Eureka, Nevada

ARTICLE IX.

Pursuant to NRS 81. 470 the Board of Directors shall have the power to make and alter the by-laws of the corporation. By-laws made by the directors under the power so conferred may be altered, amended or repealed by the directors.

ALIDANY C. DANS ALIDANEY AT LAW I' O. BOX 207 I'HONE 4081 EHIEMA, NEVADA 89316

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HARRY C. TANE
ALCORNEY AT LAW
P. O. SOX 207
PUDNE 408)
FINISKA, NEVADA
88216

ectors, or by the members at any meeting called and held for that purpose, provided, however, that such action by the members shall require a vote of two-thirds (2/3), of the total membership.

ARTICLE X.

The full powers of control and management of the corporation shall be vested in the Board of Directors, which Board may delegate, in its discretion, portions of such powers to any committee of said Board, or to the officers of the corporation. In the absence of fraud no contract or other transaction of the corporation shall be affected by the fact that any of the directors of the corporation are in any way interested or connected with any other party to such contract or transaction, provided that the interest in any such contract or transaction of any such director shall at the time be fully disclosed or otherwise known to the board of directors; and each and every person who may become a director of the corporation is hereby relieved from any liability that might otherwise exist from contracting with the corporation for the benefit of himself or any firm, association or corporation in which he may be in anywise interested. Any director of the corporation may vote and act upon any matter, contract or transaction between the corporation and any subsidiary, parent, or affiliated corporation or corporations, without regard to the fact that he is also a director of, or has any igterest in, such other corporation or corporations.

ARTICLE XI.

The Board of Directors may appoint an executive committee from among the members of such Board of Directors, which committee, to the extent provided in the by-laws of the corporation and so far as may be permitted by law, shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the corporation during the intervals between the meetings of the Board of Directors.

IN WITNESS WHEREOF, we have hereunto set our hands and seals and

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| 1 | executed these presents this 20th day or | Masch 1967. |
| 2 | | in |
| 3 | | Ch JEMP MU CU |
| 4 | | E. C. LEUTZINGER |
| , 5 | | JACK BAY |
| 6 | | in the first |
| 7 | | TOM JOHNSTON |
| 8 | STATE OF NEVADA,) | - 25 |
| 9 | : SS. | ** |
| 10 | On this can day of | _, 1967, personally appeared before |
| 11 | N. 4 | |
| 12 | | |
| 13 | | , and TOM JOHNSTON |
| 14 | , and will to the to be alle per sons t | lescribed in and who executed the above |
| 15 18 | and foregoing instrument; who acknowled | ged to me that they each executed the |
| 17 | same freely and voluntarily and for the us | ses and purposes therein mentioned. |
| 18 | . IN WITNESS WHEREOF, I have he | ereunto set my hand and offixed my |
| 19 | official seal the day and year first herein | above written. |
| 20 | 4 | |
| 21 | Seal Affixed | /s/ Willis A. DePaoli |
| 22 | To graduate a contract to the | NOTARY PUBLIC. |
| - 1 | Willis A. DePaoli Notary Public - State of Nevada | NOTARY PUBLIC. |
| 23 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 23 24 | Notary Public - State of Nevada | NOTARY PUBLIC. |
| | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 25 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 25 26 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 25 26 27 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 25 26 27 28 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |
| 24 25 26 27 28 29 | Notary Public - State of Nevada Eureka County, Nevada | NOTARY PUBLIC. |

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27. 4.

EXHIBIT "4"

File N. 45194

BOOK & O PAGE SE

WARRANTY DEED

THIS INDENTURE, made this 31st day of August, 1967, between J.

DONALD MORRISON and ROSE MORRISON, hereinafter collectively referred to as GRANTORS and EUREKA WATER ASSOCIATION, INC., a Nevada Corporation, hereinafter referred to as GRANTEE,

WITNESSETH:

That Grantors in consideration of the sum of SEVENTY-TWO THOUSAND FIVE HUNDRED and no/100 DOLLARS (\$72, 500.00), to Grantors in hand paid by Grantee, the receipt whereof is hereby acknowledged, do hereby grant, bargain, sell, and convey unto the said Grantee, its successors and assigns forever, all that tract or parcel of land lying and being in Eureka County, Nevada, and described as follows, to-wit:

PARCEL 1: All that portion of Block 104 as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office, November 19, 1937, lying easterly of the following described line:

Beginning at a point 236 feet East of the Southwest corner of said Block 104; thence North 9° 44′ West 150 feet to a point; thence North 18° 16′ East a distance of 250 feet, more or less, to the North boundary of said Block 104.

PARCEL 2: All that portion of Block 107 as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office on November 19, 1937, lying West of the following described line:

Beginning at corner monument No. 2 of the Southern Cross Mill Site, also known as Block 107 of the Townsite of Eureka; thence in a Northwesterly direction to the Southwest corner of Monument No. 3 of the Richmond Mining Company of Nevada's Mill Site, also known as Block 108 of Eureka Townsite.

PARCEL 3: The DON RICARDO MILL SITE in the Eureka Mining District as patented under Survey No. 274-B on March 31, 1883, and recorded in Book 15, page 33, Deed Records.

- PARCEL 4: The GERALDINE MILL SITE in the Eureka Mining District, as patented under Survey No. 284-B on

32 JESSY & LLVB ATTORNET AT LAW P. G. BOE 207 PHONE 4061 EUREAA. NEVADA ESSIA 1 2

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July 28, 1883, and recorded in Book 17, page 39 of Deeds.

PARCEL 5: The SOUTHERN CROSS NO. 2 MILL SITE; in the Eureka Mining District, as patented under Survey No. 100-B on June 15, 1878, and recorded in Book 6, page 634 of Deeds.

PARCEL 6: All of Block 43, as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office on November 19, 1937.

PARCEL 7: A tract of land more particularly described as follows:

Commencing at the U.S. C. G. Station tank monument which bears North 70° 19'30" East, 1852, 79 feet from the South quarter corner of Section 14, Township 19 North, Range 53 East, MDB&M, thence a distance of 25 feet towards the City cemetery on a bearing of S. 85° 18'W., the true point of beginning; thence a distance of 45. 96 feet on a true bearing of N. 22° 54'W.; thence a distance of 100 feet on a true bearing of N. 67° 06'E; thence a distance of 100 feet on a true bearing of N. 67° 06'E; thence a distance of 100 feet on a true bearing of S. 22° 54'E; thence a distance of 42 feet on a true bearing of S. 22° 54'E; thence a distance of 200 feet on a true bearing of S. 67° 06'W.; thence a distance of 54, 04 feet on a true bearing of N22° 54'W.

SUBJECT to recorded rights of way;

together with all franchieses, rights of way; permits and licenses for the construction and maintenance of the water distribution system of Borrower in and near Eureka, Nevada and all pipes, valves, meters, fittings, and other appurtenances of said water system now or hereafter installed on the lands covered by said franchises, rights of way, permits or licenses.

TO HAVE AND TO HOLD the same together with all the hereditaments and appurtenances thereunto belonging or in any wise appertaining to the said Grantee, its successors and assigns, forever.

Said Grantors, for themselves, their heirs, executors and administrators, do covenant with the said Grantee, its successors and assigns, that the Grantors are will seised in fee of the lands and premises aforesaid; that Grantors have good right to sell and convey the same in manner and form aforesaid; that the same are free from all incrumbrances; and that Grantors will, and their heirs, executors and administrators shall, warrant and defend the same to the said Grantee, its successors and assigns, against the lawful claims and demands of

JENNY C. ZARO ATTORNEY AT LAW P. O. BOX 107 PHONE 4081 EURCKA, NEVADA - 2 -

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| | | BOOK 20 PAGE 33 |
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| | 1 | all persons. |
| | 2 | IN WITNESS WHEREOF, the said Grantors have hereunto set their hands |
| | 3 | the day and year first above written. |
| | 4 | 01/10/20 |
| | 5 | J. DONALD MORRISON |
| | 6 | J. DONALD MORRISON |
| | 7 | Say Marison |
| | 8 | ROSE MORRISON |
| | 9 | * * |
| | 10 | STATE OF NEVADA,) : SS. |
| | 11 | COUNTY OF EUREKA.) |
| 23 | 12 | On the 31st day of August, 1967, personally appeared before me, a |
| | 13 | Notary Public, J. DONALD MORRISON and ROSE MORRISON, who acknowledged |
| | 14 | to me that they executed the above instrument. |
| | 15 | Vin a Cont |
| | 18 | WILLIS A. DaPAOLI Notary Public - State of Nevede Euroba Country, Novada Notary Public, |
| | 17 | My commission expires Oct 14, 1969 |
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| | 20 | FIG. No. 15 COVI |
| • | 21 | Euroka_Water_Association, Inc., August_31A.o. 19_67. |
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EXHIBIT "5"

RESOLUTION

WHEREAS, the Eureka Town Water Association has operated and maintained the water system for the town of Eureka, Nevada for a number of years last past; and

WHEREAS, the said Eureka Town Water Association acting by and through its lawful Water Board and Officers of said association are fully informed and aware of serious problems confronting the water system for the town of Eureka, Nevada, that will necessitate major repairs and improvements for said water system;

WHEREAS, the said Eureka Town Water Association is precluded from obtaining grant money or other funds, unless the water system becomes a political entity under the control of the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada; and

WHEREAS, the Board of County Commissioners acting as a Town Board for the town of Eureka, Nevada, have agreed to take over, control and maintain the said water system, subject to all legal requirements under the statutes made and provided; and

WHEREAS, it is the unanimous desire of all the Water Board Members and Officers of the Eureka Town Water Association and expressed herein by this resolution, that the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada, take over, control and maintain the water system for the town of Eureka, Nevada, and to also assume and take over all physical assets, which include real and personal property, accounts receivable, debts and assets of every kind and description, subject to applicable statutes, rules or regulations.

| 1 | NOW, THEREFORE, it is upon motion of Clave Pastarias |
|----------|---|
| 2 | seconded by Houst Klinds, and unanimously carried. It is |
| 3 | resolved that the Eureka Town Water System together with all |
| 4 | assets, real or personal, and debts be taken over, maintained |
| Б | and controlled by the Board of County Commissioners acting as a |
| 6 | Town Board for the unincorporated town of Eureka, Nevada, subject |
| 7 | to the statutes made and provided and that the Board Members and |
| 8 | Officers of the Eureka Town Water Association be relieved of all |
| 9 | duties, responsibilities or obligations in the future operation |
| 10 | of the Eureka Town Water System. |
| 11 | DATED this day of January, 1982. |
| 12 | |
| 13 | Approved: |
| 14 | EUREKA TOWN WATER ASSOCIATION |
| 15 | By May Luftangl |
| 16 | President |
| 17 18 | By: Stry () Con () |
| 19 | 1 1 2.11 |
| 20 | By: Saulty! / Collant |
| 21 | |
| 22 | By: A) Coul Common Board Member |
| 23 | _ |
| 24 | By:Board Member |
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| 26 | By:Board Member |
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EXHIBIT "6"

Affidavit of Pete Goicoechea

| County of Eureka |) |
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| | :ss. |
| State of Nevada |) |

PETE GOICOECHEA, being first duly sworn, deposes and says that:

- I am the Assemblyman for District 35 of the Nevada State Legislature, and have served in that position since 2003.
- 2. From 1987 to 2002, I served as a member of the Board of Eureka County Commissioners.
- 3. From 1977 to1980, I served as a member of the Board on the Eureka Water Association, Inc.
- 4. I am aware the Eureka Water Association, Inc. was experiencing serious problems requiring major repairs and improvements to continue to provide water service to the town of Eureka. For example, in 1980, while I was President of the Association, the Association entered into a contract for the County to take over the operation of the water system. See Attachment A to this Affidavit, which is a true and correct copy of this contract.
- 5. The intent of the Association's Resolution of January 5, 1982, a true and correct copy of which is attached to this Affidavit as Attachment B, was to turn over the care, custody, and control of the water system completely to Eureka County.
- 6. The Board of Eureka County Commissioners accepted this Resolution, and published it in their minutes. A true and correct copy of those minutes is Attachment C to this

Affidavit.

7. The intent of the parties was to convey ownership of the entire water system, including the water rights, to Eureka County:

Pete Goicoechea

NOTARY PUBLIC



AGREEMENT

THIS AGREEMENT, made and entered into this day of day of line and letween the County of Eureka, a polictical subdivision, hereinafter called "County", First Party, and EUREKA WATER ASSOCIATION, a Nevada Corporation, hereinafter called "Water Association", Second Party.

WITNESSETH:

THAT WHEREAS, the Water Association is the owner and operator of the municipal water system in the town of Eureka, Nevada; and WHEREAS, the Water Association can no longer operate said system due to the lack of equipment and personnel; and

WHEREAS, the County is willing to take over the operation of the said.municipal.water system upon the terms and conditions as hereinafter set forth;

THEREFORE, in consideration of the mutual covenants, conditions and requirements on the part of the respective parties to be performed, said parties hereby agree as follows:

- The Water Association agrees that it will remain responsible for the establishment of rates, the amount of advance deposits, and cost of all hookups.
- 2. The Water Association shall remain the owner of the municipal water system, and shall be responsible for determining the necessity of all capital improvements and the method of financing thereof.
- 3. The County will operate and maintain the minicipal water system as it in its discretion shall determine. The County may incur normal maintenance costs as it in its discretion shall determine to be necessary, and can make purchases and hire labor and equipment for other than normal operation and maintenance to a maximum of ONE THOUSAND DOLLARS, (\$1000.00), for each purchase or for labor and materials. Any purchase or job resulting in an expenditure of over ONE THOUSAND DOLLARS, (\$1000.00), for other than normal operation

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Exhibit A

and maintenance must be approved by the Water Association.

- 4. The County agrees to collect, or to provide an office and personnel for the payment of all boils incurred in the operation and maintenance of the water system. The County agrees to establish a separate bank account to handle all receipts and from which all disbursements will be made. The County will be paid \$50.00 per month for this service. The amount of this charge will be reviewed at the end of every SIX (6) months to the end that the County will be adequately reimbursed for this service.
- 5. This agreement shall be for a term of TEN (10) months. It is understood, however, that this agreement may be cancelled by either party upon THIRTY (30) days written notice to the other of its intention to cancel this agreement.
- 6. The County will submit to the Water Association for its approval a schedule of charges for all labor and equipment supplied by the County. This labor and equipment schedule shall be reviewed every TWELVE (12) months from the commencement of this contract, to the end that the County will be adequately reimbursed for its labor and equipment.

It is further understood that from the revenues, the County will collect on behalf of the Water Association, the County will reimburse itself its costs for operating and maintaininghe water system. After the costs have been paid, the County is directed to make the monthly payment due the Farmers Home Administration from the Water Association.

7. It is understood that the County is in no way assuming the obligation of the Water Association to the Farmers Home Administration, or any other prior or future obligations; the County's only obligation being to perform the services agreed upon in this agreement.

The Water Association agrees to indemnify and hold the County harmless from any and all obligations or liabilities of the Water Association heretofore incurred, or which may be incurred in the future.

THIS AGREEMENT shall be binding upon and inure to the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands, the day and year above written.

COUNTY OF EUREKA

BY Charles G. Vanne

President

MARCIA ElliATI

RESOLUTION

WHEREAS, the Eureka Town Water Association has operated and maintained the water system for the town of Eureka, Nevada for a number of years last past; and

WHEREAS, the said Eureka Town Water Association acting by and through its lawful Water Board and Officers of said association are fully informed and aware of serious problems confronting the water system for the town of Eureka, Nevada, that will necessitate major repairs and improvements for said water system; and

WHEREAS, the said Eureka Town Water Association is precluded from obtaining grant money or other funds, unless the water system becomes a political entity under the control of the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada; and

WHEREAS, the Board of County Commissioners acting as a Town Board for the town of Eureka, Nevada, have agreed to take over, control and maintain the said water system, subject to all legal requirements under the statutes made and provided; and

WHEREAS, it is the unanimous desire of all the Water Board Members and Officers of the Eureka Town Water Association and expressed herein by this resolution, that the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada, take over, control and maintain the water system for the town of Eureka, Nevada, and to also assume and take over all physical assets, which include real and personal property, accounts receivable, debts and assets of every kind and description, subject to applicable statutes, rules or requilations.

Exhibit B

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| NOW, THEREFORE, it is upon motion of Lave Pastabeles |
| seconded by Though Klinds, and unanimously carried. It is |
| resolved that the Eureka Town Water System together with all |
| assets, real or personal, and debts be taken over, maintained |
| and controlled by the Board of County Commissioners acting as a |
| Town Board for the unincorporated town of Eureka, Nevada, subject |
| to the statutes made and provided and that the Board Members and |
| Officers of the Eureka Town Water Association be relieved of all |
| duties, responsibilities or obligations in the future operation |
| of the Eureka Town Water System. |
| DATED this day of January, 1982. |
| * |
| Approved: |
| EUREKA TOWN WATER ASSOCIATION |
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| By: Thy land with the President |
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| By: Challent Millart |
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| Board Member |
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| | Elko County Farm Supply | | Supplies | | | 17.75 |
| | Foulger Equipment Co. | | Supplies | | | 741.52 |
| | Inland Chemical & Supply Co., Inc. | | Supplies | | | 44.80 |
| ŀ | Inland Chemical a dupply confined | | Supplies | | | 90.57 |
| | P-M Supply Company | | Supplies | | | 123.15 |
| ı | Sargent-Sowell, Inc. | | Supplies | | | 113.07 |
| ١ | State of Nev. Purchasing Div. | | | | | 50.00 |
| l | Garney Marshall | | Salary | | | 119.60 |
| 1 | Nevada Bell | | Tolls-services | | | 192.50 |
| ١ | Plaskett Irrigation Co. | | Supplies | | | 6.92 |
| l | osina's Market | | Supplies | | | |
| ١ | Electronic Dist. Co. of Navada | | Supplies | | | 63.24 |
| l | mannehaum Const. Co. | | Sewer project | | | 16,337.05 |
| ł | wame Lumber & Supply Co. | | Supplies | | | 150.63 |
| ١ | Elko Cabinet & Woodworking | | Services-supplies | | | 164.00 |
| ١ | Hasco, Inc. | | Library | | | 13,819.70 |
| 1 | Leo L. Curto Insurance | | Ins. Prem. | | | . ' 859.00 |
| l | Mt. Wheeler Power, Inc. | | Services | | | 156.65 |
| ١ | Wilson Bates Furniture Co. | | Supplies | | | 193.70 |
| Ì | Johnson W. Lloyd | | Mileage | | | 250.96 |
| l | Fox Foto Shop | | Services-supplies | | | .88.25 |
| ł | Warren Motor Co. | | Dump truck; pickup | | | 36,561.00 |
| ١ | | | Road Fund | | | 86.01 |
| 1 | Petty Cash | 125 | Water Asen. | | | 88.83 |
| 1 | Petty Cash | | Postage | | | 36.00 |
| 1 | James Ithurralde | | Services-supplies | | | 27.00 |
| 1 | Ella McKay-Postmaster Nev. Telecommunications, Inc. | | Supplies | | | 420.45 |
| 1 | Nev. Telecommunications, inc. | | Cr.Cd.Acct. | | | 18.92 |
| 1 | Texaco, Inc. Union Oil Co. of California | | Cr.Cd.Acct. | | | 49.46 |
| 1 | Union Oil Co. of California | | Supplies | | | 1,382,48 |
| H | L.N. Curtiss & Sons | | Sarvica | | | 50.00 |
| | The Gibbens Co. Inc. | | Service-supplies | | | 33.06 |
| U | Oakman's | | | | | 40.00 |
| | Ella McKay-Postmaster | | Supplies | | | 307.48 |
| ľ | Chevron U.S.A. Inc. | | Supplies | | | 9-48 |
| H | IML Freight, Inc. | | Freight | | | 1,345.42 |
| | Pioneer Equipment Co. of Nevada | | Supplies | | | 4.00 |
| | State of Nev. Dept.Mtr. Vehicles | | License plates | | | 42.00 |
| | Fannie Komp | | Supplies | | | 15.00 |
| | Eloise McDaniel | | C.V. Rent | | | 7.97 |
| | Nevada Ball | | Toll | | | 174.42 |
| | Pargas | | Supplies | | | 347.15 |
| | Record Supply Company | | Supplies | | | 341.13 |
| | | | | | | |

Motion was made by Commissioner Bailey, seconded by Commissioner Vaccaro and unanimously carried that R.D. Damele be appointed Chairman for the year 1982 - IT IS SO ORDERED -

Leonard J. Fiorenzi, Director of Public Works, appeared before the Board and reported on county roads, athletic complex; and discussed a shop building.

Paul Pawlowski, BLM, appeared before the Board and discussed the sale of land by the BLM for possible town expansion. The date of the sale was set for March 31, 1982 at 2:00 P.M. 130 acres without mining claims will definitely be sold and another 150 acres possibly if Ruby Hill Mining Company will relinquish mining claims they have in that area. A telegram was received from O.W. Gushee, Jr., Ruby Hill Mining Company requesting 60 days for them to check claims. The Board unanimously agreed that they do not desire to propose validity examinations of claims and do not want to jeopardize them in any way if they are needed by Ruby Hill.

Motion was made by Commissioner Vaccaro, seconded by Commissioner Bailey and unanimously carried that the following appointments be made until further order of the Board:

Director of Public Works - Leonard J. Fiorenzi; Road Foreman - Earle Borgna; Courthouse Janitor - Karen Stephenson; D & T Janitor - Norma Allison; Sentinel Bldg. & Library Janitor - Dorothy Lyell; Park Caretaker - Gene Estella; - IT IS SO ORDERED -

An application to be appointed as a member to the Eureka County Planning Board was received from Kenneth P. Stenton. Motion was made by Commissioner Vaccaro, seconded by Commissioner Bailey and unanimously carried that Janet Eyre be reappointed and that Martin Milano be appointed in Judi Klindt's place to represent the Northend of Eureka County with both terms to expire January 1, 1986 - IT IS SO ORDERED -

Motion was made by Commissioner Vaccaro, seconded by Commissioner Bailey and unanimously carried that the following appointments be made until further order of the Board - IT IS SO ORDERED - Athletic Complex Committee: - Leonard J. Fiorenzi, Monique Ithurralde, Glen Moyle, Grant Crutchley, Barbara Bailey, Charles Vaccaro, Ted Jackson and Kate Holbo.

Airport Committee - Walt Plaskett, Joe Rand and LaVerne Machacek; Recreation Board - Roy Casey, Marge Hammond, R.D. Damela, Mary Jean Labarry and C.S. Thomas; General Obligation Bond Commission - R.D. Damele, Glen Moyle, Jarry Todd, Paul Sansinena and Barbara Bailey.

A grant in the amount of \$2,000.00 was received by the Town of Crescent Valley from the State Division of Water Planning for a feasibility study of the town water system. Motion was made by Compissioner Vaccaro, seconded by Commissioner Bailey and unenimously carried that the Spick Corporation be appointed to do a feasibility study for the Town of Crescent Valley water system - IT IS SO ORDERED -

Responsibility was denied on patients admitted to the Elko General Hospital (Wilbur channie: Sharon Jeppesen; Margaret Gree; and Andrea Exter).

A Resolution was received from the Eureka Water Association as follows:

RESOLUTION

WHEREAS, the Eureka Town Water Association has operated and maintained the water system for the Town of Eureka, Nevada for a number of years last past; and

WHEREAS, the said Eureka Town Water Association acting by and through its lawful Water Board and Officers of said Association are fully informed and aware of the serious-problems confronting the water system for the Town of Eureka, Nevada, that will necessitate major repairs and improvements for said water system; and

WHEREAS, the said Eureka Town Water Association is precluded from obtaining grant money or other funds, unless the water system becomes a political entity under the control of the Board of County Commissioner acting as a Town Board for the unincorporated town of Eureka, Nevada; and

WMEREAS, the Board of County Commissioners acting as a Town Board for the Town of Eureka, Nevada, have agreed to take over, control and maintain the said water system, subject to all legal requirements under the statutes made and provided; and

WHEREAS, it is the unanimous desire of all the Water Board members and officers of the Eureka Town Water Association and expressed herein by this Resolution that the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada, take over, control and maintain the water system for the Town of Eureka, Nevada, and to also assume and take over all physical assets, which include real and personal property, accounts receivable, debts and assets of every kind and description, subject to applicable statutes, rules or regulations.

NOW THEREFORE, it is upon motion of Dave Pastorino, seconded by Floyd Klindt and unanimously carried, it is resolved that the Eureka Town Water System together with all assets, real or personal, and debts be taken over, maintained and controlled by the Board of County Commissioners acting as a Town Board for the unincorporated Town of Eureka Nevada, subject to the statutes made and provided and that the Board members and officers of the Eureka Town Water Association be relieved of all duties, responsibilities or obligations in the future operation of the Eureka Town Water System.

DATED: this 5th day of January, 1982.

The Board unanimously agreed that the Board acting as the Town Board for the Town of Eureka recognize that an emergency exists that requires them to take over, maintain and operate the water system for the Town of Eureka until all statutes are complied with. The District Attorney was instructed to telephone the Nevada Tax Commission advising them of this situation and to set up a meeting between the Board and the Tax Commission regarding the financial responsibilities involved.

List of Jurors drawn for year - 1982 -

Melvin R. Healy Mary Reith Wilfred R. Bailey Cecile Johnston Mary Bisoni James Moyle Daniel Shangle Antoinette Lesperance Prank Paxton Joseph L. Rand Billie Sue Slagowski Mark Moyle Maxine Rebaleati Grant Crutchley Mari Kephart Lillian Marr Emilia Tognoni Harold Lemler Laverne Machacek LeRoy Sestanovich Mildred Adams Robert O. Burnham Ruth Parman Eric Pastorino John Whitakar James Buffham Clarics Perry Dave Slagowski Elsine Burcham Patti Benson Grace Tognoni Joel Jappesen Valeria Whitaker Ronald W. Naillon Dennis Blehm Steven R. Kephart Lao G. Damala John Pitman

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Richard Kephart Robert N. McKay Hester Moore Rebecca Rowley Tamara Kephart Anthony Lasperance Rita Brown William 5. Nelson Richard Hepperle Marvel Thallheimer Maxine Meek Alta Petterson John V. Damele Theo Jeppesen Evelyn Naillon Rachel Marshall Mary Damele Judy Buffington Thomas Smith Cathy Neal Ethel Buffington Lee Bailey Halen Hensen Reese Marshall Christine Healy Kolbe Klindt Brent Henson Shirley Allison Leona Rowley Arlene DePaoli John D. Rand Janice Lesperance June Espen Elizabeth Dann Anthony Rowley Dorothy Jeppesen Robert Martin Ray Hubbard

Sandra Halpin Dave Betschart Brian Green George Thallheimer James McCool James Stenton Kenneth Dugan paul Sansinena Blains Roberts Alan Brown Vada Hubbard Lawrence Melka Tony Sestanovich Kathy Roberts Rosalie Edwards Charles Carroll allen Sabev Beverly Conley Robert Raine . Cheri Sestanovich Lucille Tallcott John Etchegaray Isadore Sara, Andrew Thomas Carl Silveria Jace Prow Howard Krein Jerry Anderson

Chester Hess Fred Bailey Robert Woodworth Carl Schaumann Tony. Mangipane RaVev Nuttall Georgeann Brown Elwood Wright Gifford A. Thompson Robert Eddy Val. O. Cunningham Kavin Buchanan Gerald Sestanovich Thomas Farrell Carl Slagowski Wm. Tomporowski Dal P. Ward, Jr. Bertha Northup Douglas Carver Arlene Damele Todd Hubbard William Marshall Lawrence Miller Helen Lemler Tina Bergener Stephen Damela Linda Brown Vickia Melka Elaine Patterson

Edna M. Pritchett Jackie Torell Robin Hicks Patricia Garate Wondell Myers Roy Garate Sharon Borrasch Denny Mulford Lynatte Halpin Luther Fiorenzi Thomas Halpin Elma Conaway Sharon Slagowski Thomas C. Johnson Barbara Dugan Joseph Tognoni Adair Robinson Panelope Corsentino Kenneth Benson Patricia Berrueta Teresa Sansinena David Torell Barbara Todd Joyce Robinson Gerald Fontes Sherry Paxton James Dotson Patrice Pittman

There being no further business, the Board adjourned to the call of the Chairman.

Approved this at day of Carnauge 198:

Chairm

ATTEST:

Claude the Board

SEVERITH JUDICIAL DISTRICT COURT, IN AND FOR COUNTY OF EUREKA, STATE OF NEVADA

I, the Undersigned COUNTY CLERK and Ex-Officio CLERK of the SEVENTH JUDICIAL DISTRICT COURT do hereby CERTIFY that the foregoing is a full, true and correct copy of the original on file in my office and that I have carefully compared the same with the original.

DISTRICT COURT, this 24 WITNESS, My Hand agd Seal of acid

County Clark and Ex-Officia Court Clark

Joyce Jeppesen Baptily Clark

EXHIBIT "7"

AFFIDAVIT OF DAVID A. PASTORINO

| STATE OF NEVADA |) | |
|------------------|---|----|
| | : | SS |
| COUNTY OF EUREKA |) | |

DAVID A. PASTORINO, being first duly sworn deposes and says:

- I am the chair of the Eureka County Television Board, and have held that position since about 1996.
- From 1983 to 1986, and from 2003 to 2006, I served as a member of the Board of Eureka County Commissioners.
- From 1981 to 1982, I served as a member of the Board on the Eureka Water
 Association, Inc.
- 4. I previously executed an Affidavit dated December 18, 2007 which addressed the transfer of title from Eureka Water Association, Inc. to Eureka County for the water rights described as:

| Permit No. | Source | Certificate No. |
|------------|-------------------|-----------------|
| 40156 | Richmond Spring | 12927 |
| 40157 | Bullwacker Spring | 12928 |
| 40158 | Gorman Spring | 12929 |
| 40159 | Florio Spring | 12930 |
| 40160 | Fred Spring | 12931 |
| 40161 | Lani Spring | 12932 |
| 40162 | Middle Spring | 12933 |
| 40163 | Summit Spring | 12934 |
| 40164 | Lucky Spring | 12935 |
| 40165 | Prospect Spring | 12936 |

5. The water rights listed below that are the subject of this Affidavit were inadvertently omitted from my December 18, 2007 Affidavit. These water rights are now held in the name of the Eureka Water Association, Inc., and are described as follows:

| Permit No. | Source | Certificate No. |
|------------|-----------------------|-----------------|
| 26542 | Spring Street Well | 9889 |
| 26543 | Well #3 | 9890 |
| 26544 | Well #1 | 9891 |
| 29603 | Underground | 9685 |
| V04501 | Gorman Spring | |
| V04502 | Prospect Spring | |
| V04503 | Lucky Springs & Tribs | |
| V04504 | Summit Spring | |
| V04505 | Middle Spring | |
| V04506 | Lani Spring | |
| V04507 | Fred Spring | |
| V04508 | Florio Spring & Tribs | |
| V04509 | Bullwacker Spring | |
| V04510 | Richmond Spring | |

- As a Board member of the Eureka Water Association, Inc., I made the motion reflected in the Resolution of January 5, 1982, a true and correct copy of which is attached to this Affidavit as Attachment A.
- 7. The Resolution describes the fact that the water system, serving the town of Eureka, was confronted with serious problems requiring major repairs and improvements.
- The intent of the Resolution was to hand over the entire water works to the Board of Eureka County Commissioners.
- There was little or no activity by the Association's Board after the Resolution was passed and accepted by the Commissioners.
- 10. The Board of Eureka County Commissioners has considered the property of the Eureka Water Association, Inc. to be part of the unincorporated town of Eureka's water system since 1982.

Dated this 5th day of February 2009.

DAVID A. PASTORINO

On FEBRUARY 5, 2009, personally appeared before me, a notary public, DAVID A. PASTORINO, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit of David A. Pastornio, who acknowledged to me that he executed the foregoing document.

NOTARYPUBLIC



RESOLUTION

WHEREAS, the Eureka Town Water Association has operated and maintained the water system for the town of Eureka, Nevada for a number of years last past; and

WHEREAS, the said Eureka Town Water Association acting by and through its lawful Water Board and Officers of said assoclation are fully informed and aware of serious problems confronting the water system for the town of Eureka, Nevada, that will necessitate major repairs and improvements for said water system;

WHEREAS, the said Eureka Town Water Association is precluded from obtaining grant money or other funds, unless the water system becomes a political entity under the control of the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada; and

WHEREAS, the Board of County Commissioners acting as a Town Board for the town of Eureka, Nevada, have agreed to take over, control and maintain the said water system, subject to all legal requirements under the statutes made and provided; and

WHEREAS, it is the unanimous desire of all the Water Board Members and Officers of the Eureka Town Water Association and expressed herein by this resolution, that the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada, take over, control and maintain the water system for the town of Eureka, Nevada, and to also assume and take over all physical assets, which include real and personal property, accounts receivable, debts and assets of every kind and description, subject to applicable statutes, rules or regulations.

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|----|--|
| 1 | NOW, THEREFORE, it is upon motion of Care Pastatice |
| 2 | seconded by They Blindt, and unanimously carried. It is |
| 3 | resolved that the Eureka Town Water System together with all |
| 4 | assets, real or personal, and debts be taken over, maintained |
| 5 | and controlled by the Board of County Commissioners acting as a |
| 6 | Town Board for the unincorporated town of Eureka, Nevada, subjec |
| 7 | to the statutes made and provided and that the Board Members and |
| 8 | Officers of the Eureka Town Water Association be relieved of all |
| 9 | duties, responsibilities or obligations in the future operation |
| 10 | of the Eureka Town Water System. |
| 11 | DATED this _5 day of January, 1982. |
| 12 | 14 |
| 13 | Approved: |
| 14 | EUREKA TOWN WATER ASSOCIATION |
| 15 | By That Luftange |
| 16 | President |
| 17 | By: John Line President |
| 18 | 2 1 2.11 |
| 19 | By: (Sadleys! / (Ellast) |
| 20 | |
| 21 | By: A) and lifations |
| 22 | |
| 23 | By:Board Member |
| 24 | |
| 25 | By: Board Member |
| 26 | |
| 27 | |
| 28 | |

Affidavit of David A. Pastorino

| County of Eureka |) |
|------------------|------|
| | ; ss |
| State of Nevada |) |

DAVID A. PASTORINO, being first duly sworn, deposes and says that:

- I am the Chair of the Eureka County Television Board, and have held that position since about 1996.
- From 1983 to 1986, and from 2003 to 2006, I served as a member of the Board of Eureka County Commissioners.
- 3. From 1981 to 1982, I served as a member of the Board on the Eureka Water Association, Inc.
- 4. The water rights that are the subject of this Affidavit are now held in the name of the Eureka Water Association, Inc. and are described here:

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| 40164 | Lucky Spring | 12935 |
|-------|-----------------|-------|
| 40165 | Prospect Spring | 12936 |

- 5. As a member of the Eureka Water Association, Inc., I made the motion reflected in the Resolution of January 5, 1982, a true and correct copy of which is attached to this Affidavit as Attachment A.
- 6. The Resolution describes the fact that the water system, serving the town of Eureka, was confronted with serious problems requiring major repairs and improvements.
- The intent of the Resolution was to hand over the entire water works to the Board of Eureka County Commissioners.
- 8. There was little or no activity by the Association's Board after the Resolution was passed and accepted by the Commissioners.
- The Board of Eureka County Commissioners has considered the property of the Eureka Water Association, Inc. to be part of the unincorporated town of Eureka's water system since 1982.

David A. Pastorino

Subscribed and sworn to before me this 1842 day of December, 2007

NOTARY PUBLIC



RESOLUTION

WHEREAS, the Eureka Town Water Association has operated and maintained the water system for the town of Eureka, Nevada for a number of years last past; and

WHEREAS, the said Eureka Town Water Association acting by and through its lawful Water Board and Officers of said association are fully informed and aware of serious problems confronting the water system for the town of Eureka, Nevada, that will necessitate major repairs and improvements for said water system; and

WHEREAS, the said Eureka Town Water Association is precluded from obtaining grant money or other funds, unless the water system becomes a political entity under the control of the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada; and

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Exhibit A

EXHIBIT "8"

JANUARY 6, 1982 State of Navada, 59. County of Eureka. The Board of County Commissioners met pursuant to law. Present: R.D. Damele, Charles Vaccaro and Hale Bailey, Members; Johnson W. Lloyd, District Attorney; and Joan Shangle, Clark. The minutes of the previous meeting were read and approved. The following Bills were allowed: List of Officers Salaries 3,231.97 Angela M. Evans Arlene W. Damele Salary 453.56 Salary 252.08 Alice Sara Salary 428.90 Valaire Christiansen Salary 396.67 Salary Gladys P. Goicoechea Karen L. Stephenson 403.56 Salary 388.15 Leonard J. Fiorenzi John A. Egbart Sally L. Egbart Salary 495.39 Salary 194.69 Constance 5. Emery Salary 217.99 Constance S. Emery
Micheal R. Emery
Ormal W. Hodson
Michael G. Jay
Mowry A. Klindt
Famela Y. McRann
Rand E. Nelson Salary 528.95 Salary 566.58 Salary 449.23 Salary Salary 408.65 Salary 564.96 Lawrence D. Tolgo Salary Ida I. Turner Edwin A. Kiefer Salary 345.53 229.46 240.73 Shirley A. Allison Bruce D. Carlsen Albert J. Hammond Kelly D. Risi Salary Salary 153.45 Salary Salary 25.78 296.98 Reity D. Kisl
Ploise A. McDaniel
Norma Allison
Gwandolyn M. Thomas
Dorothy M. Lyell Salary Salary 88.61 229.28 Salary 195,99 Keith M. Fackenthal Lenola Fipps Salary 357.88 Salary Landon Patrick J. Lando Earle E. Borgna Salary 497.45 Labor Richard D. Dann Labor 441.57 Luther Fiorenzi Labor Chester D. Hess William J. Martin Labor Labor Lawrence L. Melka Labor 466.86 503.89 296.18 380.13 J. Donald Morrison Labor Robert B. Murphy Evelyn Naillon Labor Salary Benjamin F. Pascoe 474.03 Labor Louis J. Tognoni Colleen G. Hess Labor Salary 244.73 First Interstate Bank of Nevada
Public Employees Retirement System
McBride's Service
Mt. Wheeler Power, Inc.
A.Carlisle & Co. of Nevada Withholding 3,147,19 Retirement Supplies 25.80 Services Supplies 3.61 Chevron U.S.A. Inc. Elko County Farm Supply Eureka Producers Co-Operative 313.74 Supplies 20.00 Supplies 1,391,50 Warren Hodson Expense Intl.Assn.Coroner & Med. Examiner Dues 25.00 Supplies Quill Corporation 104.64 Quill Corporation Walter F. Stephens, Jr. Inc. Nevada Home Health Services, Inc. Supplies 80.04 Services 425.00 Bruce D. Carlsen M.Valaire Christiansen Expense 11.95 7.74 Expense Kevin Jackson Services R and K Sales Eastern Nev. Med. Group Supplies 59.47 Services 222.82 Builders Mart Supplies 197.80 Burroughs Corporation Maintenance David Meister Refund 28.00 Bureau of Land Management Fee 208.00 Keith M. Fackental Ехреляе 8.66 Quill Corporation 67.39 Supplies Leo L. Curton Insurance Agency Ins. Prems. 1,599.00 Nevada Bell Services-Tolls Nevada Bell Services-Tolls 179.18 Mt. Wheeler Power, Inc. Services 806.96 Mt. Wheeler Power, Inc. Services Lundberg's Supplies 145.76 Xerox Corporation Sierra Pacific Power Co. 185.00

Services

D Textile Rentals Services A D Textile Rentals Elko County Farm Supply Foulger Equipment Co. 17.75 741.52 Supplies Supplies Inland Chemical & Supply Co., Inc. 44.80 Supplies P-M Supply Company Supplies Sargent-Sowell, Inc. State of Nev. Purchasing Div. Supplies Supplies Salary 113.07 50.00 Garney Marshall Nevada Bell Tolls-services 119.60 plaskett Irrigation Co. Supplies 192.50 Supplies 6.92 Raine's Market Electronic Dist. Co. of Navada 63.24 Supplies Sewer project Supplies Tannebaum Const. Co. Home Lumber & Supply Co. 150.63 Services-supplies 164.00 Elko.Cabinet & Woodworking .13,819.70 Library Hasco, Inc. Leo L. Curto Insurance Ins. Pram. 859.00 Services Mt. Wheeler Power, Inc. Wilson Bates Furniture Co. Supplies Mileage 193.70 250.96 Johnson W. Lloyd Fox Foto Shop Services-supplies 88.25 Dump truck; pickup 36,561.00 Warren Motor Co. Road Fund 86.01 Patty Cash Patty Cash James Ithurralde Water Assn. 88.83 36.00 Services-supplies Ella McKay-Postmaster .27.00 Nev. Telecommunications, Inc. Texaco, Inc. Union Oil Co. of California Supplies 420,45 Cr.Cd.Acot. Cr.Cd.Acot. . 18.92 49.46 L.N. Curtiss & Sons The Gibbens Co. Inc. Supplies 1,382.48 Service 50.00 Service-supplies 33.06 Oakman's Supplies .40.00 Ella McKay-Postmaster Inc. Supplies .307.48 Chavron U.S.A. IML Freight, Inc. Pioneer Equipment Co. of Nevada State of Nev. Dept.Mtr. Vehicles Freight Supplies License plates 1.345.42 4.00 Fannie Komp Eloise McDaniel 42.00 Supplies C.V. Rent 15.00 Nevada Bell Tol1 7.97 Supplies Pargas Record Supply Company Supplies

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Ray Hubbard

Sandra Halpin Dave Betschart Brian Green George Thallheimer James McCool James Stenton Kenneth Dugan Paul Sansinena Blaine Roberts Alan Brown Vada Hubbard Lawrence Melka Tony Sestanovich Kathy Roberts Rosalie Edwards Charles Carroll Allen Sabey Beverly Conlay Robert Rains Cheri Sestanovich Lucille Tallcott John Etchegaray Isadore Sara, III Andrew Thomas Carl Silveria Norville Marr Jace Prow Howard Krein Jerry Anderson

Chester Hess Fred Bailey Robert Woodworth Carl Schaumann Tony Mangipane Ravey Nuttall Georgeann Brown Elwood Wright Gifford A. Thompson Robert Eddy Val. D. Cunningham Kevin Buchanan Gerald Sestanovich Thomas Farrell Carl Slagowski Wm. Tomporowski Dal P. Ward, Jr. Bertha Northup Douglas Carver Arlene Damele Todd Hubbard William Marshall Lawrence Miller Helen Lemler Tina Bergener Stephen Damele Linda Brown Vickie Melka Elaine Patterson

Edna M. Pritchett Jackie Torell Robin Hicks Patricia Garate Wondell Myers Roy Garate Sharon Borresch Denny Mulford Lynette Halpin Luther Fiorenzi Thomas Halpin Elma Conaway Sharon Slagowski Thomas C. Johnson Joseph Tognoni Adair Robinson Penelope Corsentino Kenneth Benson Patricia Berrueta Teresa Sansinena David Torell Barbara Todd Joyce Robinson Gerald Fontes Sherry Paxton James Dotson Patrice Pittman

There being no further business, the Board adjourned to the call of the Chairman.

Approved this 25th day of January 1982

ATTEST:

Clerk of the Board

SEVERTH JUDICIAL DISTRICT COURT, IN AND FOR COUNTY OF EUREKA, STATE OF NEVADA

I, the Undersigned COUNTY CLERK and Ex-Officio CLERX of the SEVENTH JUDICIAL DISTRICT COUNT do hereby CERTIFY that the loraging is a full, true and correct copy of the original on file in my office and that I have carefully compared the same with the original.

DISTRICT COURT, this 24 WITNESS, My Hand and Seal of said day of August 20 07

County Clerk and Ex-Olficia Court Clerk

OLCE CEPPEDED Deputy Clerk

EXHIBIT "9"

AFFIDAVIT OF RONALD D. DAMELE, JR.

| STATE OF NEVADA |) |
|------------------|-------|
| | : ss. |
| COUNTY OF EUREKA |) |

RONALD D. DAMELE, JR., being first duly sworn deposes and says:

- 1. I am the Director of Public Works for the County of Eureka, Nevada, and have held that position since 2004.
- 2. I previously executed an Affidavit dated December 27, 2007 which addressed the transfer of title from Eureka Water Association, Inc. to Eureka County for the water rights described as:

| Permit No. | Source | Certificate No. |
|------------|-------------------|-----------------|
| 40156 | Richmond Spring | 12927 |
| 40157 | Bullwacker Spring | 12928 |
| 40158 | Gorman Spring | 12929 |
| 40159 | Florio Spring | 12930 |
| 40160 | Fred Spring | 12931 |
| 40161 | Lani Spring | 12932 |
| 40162 | Middle Spring | 12933 |
| 40163 | Summit Spring | 12934 |
| 40164 | Lucky Spring | 12935 |
| 40165 | Prospect Spring | 12936 |

3. The water rights that are the subject of this Affidavit were inadvertently omitted from the December 27, 2007 Affidavit. The title to these water rights are now held in the name of the Eureka Water Association, Inc., and are described as follows:

| Permit No. | Source | Certificate No. |
|------------|-----------------------|-----------------|
| 26542 | Spring Street Well | 9889 |
| 26543 | Well #3 | 9890 |
| 26544 | Well #1 | 9891 |
| 29603 | Underground | 9685 |
| V04501 | Gorman Spring | |
| V04502 | Prospect Spring | |
| V04503 | Lucky Springs & Tribs | |
| V04504 | Summit Spring | |
| | | |

| V04505 | Middle Spring |
|--------|-----------------------|
| V04506 | Lani Spring |
| V04507 | Fred Spring |
| V04508 | Florio Spring & Tribs |
| V04509 | Bullwacker Spring |
| V04510 | Richmond Spring |

- Eureka County and the unincorporated town of Eureka are experiencing growth as a result of increased mining exploration and activity.
- 5. As a result of this growth and increased activity, I am in the process of reviewing the needs of the town of Eureka's water and sewer infrastructure to accommodate increased demand.
- 6. During my review, I encountered the fact that the water rights described in paragraphs 2 and 3 of this Affidavit were never conveyed to the County of Eureka.
- 7. My letter of December 27, 2007 to Rick Oliver, Engineering Technician 5, with attachments A through L, is a fair and accurate history of the Eureka Water Association and the Association's struggle to provide water utility service to the residents of the townsite of Eureka, all of which is relevant to the water rights described in paragraph 3 of this Affidavit, as well as the water rights referenced in such letter.
- 8. I have researched whether any former Board Members of the permanently revoked Eureka Water Association, Inc., and/or members of the Board of Eureka County Commissioners were available to sign affidavits regarding the transfer of title from Eureka Water Association, Inc. to Eureka County. I have located Pete Goicoechea and David Pastorino, former Eureka Water Association Board members and former members of the Board of Eureka County Commissioners.

/////

- 9. Eureka County is the entity which controls the town of Eureka's water system, and has been utilizing the water permits described in this Affidavit to provide water to customers since January 6, 1982.
- 10. From the facts and circumstances presented, no harm will be done to the revoked Association or anyone else from updating the title information in the State Engineer's Office.

Dated this 6th day of February, 2009.

RONALD D. DAMELE, JR., Director of Public Works Eureka County, Nevada

On February (e , 2009, personally appeared before me, a notary public, RONALD D. DAMELE, JR., personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit of Ronald D. Damele Jr., who acknowledged to me that he executed the foregoing document.

NOTARY PUBLIC

Affidavit of Ronald D. Damele, Jr.

County of Eureka)
: ss.
State of Nevada)

RONALD D. DAMELE, JR., being first duly sworn, deposes and says that:

- I am the Director of Public Works for the County of Eureka, Nevada, and have held that position since 2004.
- 2. The water rights that are the subject of this Affidavit are now held in the name of the Eureka Water Association, Inc., and are described here:

| Permit No. | Spring name | Certificate No. |
|------------|-------------------|-----------------|
| 40156 | Richmond Spring | 12927 |
| 40157 | Bullwacker Spring | 12928 |
| 40158 | Gorman Spring | 12929 |
| 40159 | Florio Spring | 12930 |
| 40160 | Fred Spring | 12931 |
| 40161 | Lani Spring | 12932 |
| 40162 | Middle Spring | 12933 |
| 40163 | Summit Spring | 12934 |
| 40164 | Lucky Spring | 12935 |
| 40165 | Prospect Spring | 12936 |

- Eureka County and the unincorporated town of Eureka are experiencing growth as a result of increased mining exploration and activity.
- 4. As a result of this increased activity, I am in the process of reviewing the needs of the

town of Eureka's water and sewer infrastructure to accommodate increased demand.

5. During my review, I encountered the fact that the water rights described in ¶2 of this

Affidavit were never conveyed to the County of Eureka.

6. My letter of December 27, 2007 to Rick Oliver, Engineering Technician 5, with

attachments A through L, is a fair and accurate history of the Eureka Water

Association and the Association's struggle to provide water utility service to the

residents of the townsite of Eureka.

I have researched whether there remains persons who were members or Directors of 7.

the permanently revoked Association, and have located Pete Goicoechea and David

Pastorino, former Association members and former members of the Board of Eureka

County Commissioners.

Eureka County is the entity which controls the town of Eureka's water system, and 8.

has been utilizing the water permits described in this Affidavit to provide water to

customers since January 6, 1982.

9. From the facts and circumstances presented, no harm will be done to the revoked

Association or anyone else from updating the title information in the State Engineer's

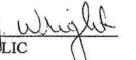
Office.

Ronald D. Damele, Jr.

Director of Public Works

Eureka County, Nevada

Subscribed and sworn to before me this 27th day of December, 2007.



Notary Public, State of Nevada Appointment No. 99-34907-8 ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street, P. O. Box 646, Carson City, NV 89702 Telephone: (775) 687-0202 Fax: (775) 882-7918 E-Mail Address: law@allisonmackenzie.com

| | A | C | | |
|----|---|----|---|---|
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FILED

Case No. CV 1006-141

Dept. No. II

SEP 17 2010

Eureka County Clerk

IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF EUREKA

EUREKA COUNTY, a political subdivision of the state of Nevada,

Plaintiff,

VS.

JUDGMENT QUIETING TITLE

EUREKA WATER ASSOCIATION, INC., a revoked Nevada corporation, All persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto; and DOES I through XX, inclusive,

Defendants.

This matter having come regularly for hearing before this Court on September 17, 2010 after due notice having been properly provided; Plaintiff, EUREKA COUNTY, a political subdivision of the state of Nevada, appeared by and through its attorneys, JENNIFER M. MAHE, ESQ., of ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD., and THEODORE BEUTEL, ESQ., EUREKA COUNTY DISTRICT ATTORNEY; and no Defendants having appeared in the action by filing an answer or other pleading, or appearing at the hearing, and the Court notes the Clerk entered a Default against all named Defendants, and all persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint

adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto, and DOES I through XX, inclusive, on August 27, 2010.

The Court having taken evidence and no persons objecting; the Court having considered the evidence presented, the pleadings and papers on file herein; and it appearing that the allegations of the Verified Complaint to Quiet Title are true. Accordingly, good cause appearing, the Court finds as follows:

- 1. Plaintiff, EUREKA COUNTY, a political subdivision of the state of Nevada, claims it is the true and lawful owner of all the right, title and interest in and to the water rights used for municipal and domestic purposes known as follows:
 - a. Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) providing for a diversion rate of 0.14 cubic feet per second from an underground well commonly referred to as the Spring Street Well, the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., R.53E., M.D.B.& M., or at a point from which the West 1/4 corner of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of 3060 feet situated in Eureka County, State of Nevada;
 - b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34' E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
 - c. Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well #1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
 - d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;
 - e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner

NU.

FILED

AUG 3 0 2010

No. CV 10010-141

By Jeanna M Cunty Clerk

By Jeanna M Cunty Deputy

IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF EUREKA

EUREKA COUNTY, a political subdivision of the State of Nevada,

Plaintiff,

VS.

EUREKA WATER ASSOCIATION, INC., a revoked Nevada corporation; All persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto; and DOES I THROUGH XX, inclusive.

Defendants.

SUMMONS

EUREKA WATER ASSOCIATION, INC., a revoked Nevada Corporation

The State of Nevada sends greets to the above-named Defendant:

You are hereby summoned and required to serve upon Plaintiff's attorneys, whose address

is:

KAREN A. PETERSON, Esq. ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street Carson City, NV 89703 (775) 687-0202

an answer to the Complaint which is herewith served upon you, within 20 days after service of this Summons on you, exclusive of the date of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.*

JACKIE BERG, Clerk of the Court

Date: Qure 4. , 2010

By Jeanna M Cantrell
Deputy Clerk

(SEAL OF COURT)

*-Note:-When service is by publication, insert a brief statement of the object of action. See Rule 4. RETURN OF SERVICE ON REVERSE

RECEIVED

AUG 3 0 2010

Clerk & Treasurer

1

| STATE OF NEVADA |) | AFFIDAVIT OF MAILING |
|------------------------------|---------------|--|
| | : ss. | (For Use When Service Is By Publication and Mailing) |
| COUNTY OF EUREKA |) | - |
| | 200 | , being first duly sworn, deposes and says: That affiant is, |
| and was, when the herein d | escribed mai | iling took place, a citizen of the United States, over 21 years of |
| age, and not a party to, nor | interested in | n, the within action; that on the day of, |
| 2010, affiant deposited in t | he post Offic | ce at Eureka, Nevada, a copy of the within Summons attached |
| to a copy of the Complain | t, enclosed i | n a sealed envelope upon which first class postage was fully |
| prepaid, addressed to | | , the within named |
| | | , that there is regular |
| communication by mail bet | ween the pla | ace of mailing and the place so addressed. |
| Subscribed and Sworn to be | efore me | |
| this day of | ,2 | 20 |
| | 11.6 | 10 |
| Notary Public in and for sa | ld County an | id State |
| My commission expires: _ | | |
| (SEAL) | | |

Note:-If service is made in any manner permitted by Rule 4 other than personally upon the defendant, or is made outside the United States, a special affidavit or return must be made.

| | | AFFIDAVIT OF SERVICE |
|---|-----------------------|--|
| STATE OF |) | (For General Use) |
| | : ss. | |
| COUNTY OF |) | |
| | | |
| | | , being first duly sworn, deposes and says: |
| | | the within Summons, a citizen of the United States, |
| over 21 years of age, and not a | party to, nor interes | ted in, the within action; that the affiant received the |
| Summons on the | day of | , 2010, and personally served |
| the same upon | 2010 1 111 1 | |
| day of, | 2010, by deliverin | g to the said defendant, |
| personally in | , County of | , State of, |
| a copy of the Summons attached | ed to a copy of the | Complaint. |
| Subscribed and Sworn to befor | e me | |
| this day of | | Signature of person making service |
| uns day of | , 2010 | Signature of person making service |
| | | |
| Notary Public in and for said C | County and State | |
| | | |
| My Commission expires: | | |
| (SEAL) | | |
| | | |
| | | MANAGE CATED AND ACT OF THE PARTY OF THE PAR |
| STATE OF NEVADA) | | NEVADA SHERIFFI'S RETURN |
| AND THE LAND DAYS OF THE STATE | | |
| | SS. | |
| COUNTY OF EUREKA) | | |
| Thereby certify | and return that I rec | eeived the within Summons on the day |
| | | |
| the within named defendant on | the | ed the same upon, of, 2010, by delivering to the |
| the within named defendant, on | the day | oi, 2010, by delivering to the |
| said defendant, | C.1 C | , personally in Eureka County, State of Nevada, a omplaint. |
| copy of the Summons attached | to a copy of the Co | omplaint. |
| | | |
| | | Sheriff of Eureka County, Nevada |
| | | one of Datom County, Novada |
| Date: | , 200 | By: |
| | | Deputy |
| | | |
| | | |

The object of said action is to quiet title to Plaintiff, EUREKA COUNTY, to the real property water rights used for municipal and domestic purposes described as follows:

- a. Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) providing for a diversion rate of 0.14 cubic feet per second from an underground well commonly referred to as the Spring Street Well, the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., R.53E., M.D.B.& M., or at a point from which the West 1/4 corner of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of 3060 feet situated in Eureka County, State of Nevada;
- b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34′ E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
- c. Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well #1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
- d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;
- e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19 N., R.53 E., M.D.B.&M. bears N. 51° 41' W. a distance of 5,383.08 feet situated in Eureka County, State of Nevada;
- f. Nevada State Engineer's Certificate No. 12928 (Permit No. 40157) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Bullwacker Spring, the point

- of diversion being in the SW1/4 SW1/4 Section 19, T.19N., R.54E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19N., R.53E., M.D.B.&M. bears N. 46°53' W. a distance of 5,844.21 feet situated in Eureka County, State of Nevada;
- g. Nevada State Engineer's Certificate No. 12929 (Permit No. 40158) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Gorman Spring, the point of diversion being in the NE1/4 SW1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S. 53°54' E. a distance of 4,432.47 feet situated in Eureka County, State of Nevada;
- h. Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Florio Spring and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S.26° 12' E. a distance of 2,291.88 feet situated in Eureka County, State of Nevada;
- i. Nevada State Engineer's Certificate No. 12931 (Permit No. 40160) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Fred Spring, the point of diversion being in the NW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 08° 35' W. a distance of 1,483.01 feet situated in Eureka County, State of Nevada;
- j. Nevada State Engineer's Certificate No. 12932 (Permit No. 40161) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lani Spring, the point of diversion being in the SW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 31°23' W. a distance of 1,566.12 feet situated in Eureka County, State of Nevada;
- k. Nevada State Engineer's Certificate No. 12933 (Permit No. 40162) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Middle Spring and its tributaries, the point of diversion being in the SE1/4 NE1/4 Section 36, T.19N., R.53E., M.D.B.&M. or at a point from which the NE corner of said Section 36 bears N. 05° 09'E. a distance of 2,072.08 feet situated in Eureka County, State of Nevada;

- 1. Nevada State Engineer's Certificate No. 12934 (Permit No. 40163) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Summit Spring, the point of diversion being NE1/4 NE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 05° 46' E. a distance of 5,680.66 feet situated in Eureka County, State of Nevada;
- m. Nevada State Engineer's Certificate No. 12935 (Permit No. 40164) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lucky Springs and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 04° 12' E. a distance of 8,487.23 feet situated in Eureka County, State of Nevada;
- n. Nevada State Engineer's Certificate No. 12936 (Permit No. 40165) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Prospect Springs, the point of diversion being in the NE1/4 NE1/4 Section 12, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 07° 04' E. a distance of 11,975.48 feet situated in Eureka County, State of Nevada;
- o. Nevada State Engineer's Vested Right No. V04501 providing for a diversion rate of 0.111 cubic feet per second from Gorman Spring, the point of diversion being NE1/4SW1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S.53°54'E. a distance of 4432.47 feet;
- p. Nevada State Engineer's Vested Right No. V04502 providing for a diversion rate of 0.111 cubic feet per second from Prospect Springs, the point of diversion being NE1/4NE1/4 Sec. 12, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M., bears N. 7°04'E. a distance of 11,975.48 feet;
- q. Nevada State Engineer's Vested Right No. V04503 providing for a diversion rate of 0.111 cubic feet per second from Lucky Springs and its tributaries, the point of diversion being NE1/4SE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N.4°12'E. a distance of 8487.23 feet;
- r. Nevada State Engineer's Vested Right No. V04504 providing for a diversion rate of 0.111 cubic feet per second from Summit Spring, the

- point of diversion being NE1/4NE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N. 5°46'E. a distance of 5680.66 feet;
- s. Nevada State Engineer's Vested Right No. V04505 providing for a diversion rate of 0.111 cubic feet per second from Middle Spring the point of diversion being SE1/4NE1/4 Sec. 36, T.19N., R.53E., M.D.M. or at a point from which the NE corner of said Sec. 36 bears N. 5°09' E. a distance of 2072.08 feet;
- t. Nevada State Engineer's Vested Right No. V04506 providing for a diversion rate of 0.111 cubic feet per second from Lani Spring, the point of diversion being SW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.31°23'W a distance of 1566.12 feet;
- u. Nevada State Engineer's Vested Right No. V04507 providing for a diversion rate of 0.111 cubic feet per second from Fred Spring, the point of diversion being NW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.8°35' W. a distance of 1483.01 feet;
- v. Nevada State Engineer's Vested Right No. V04508 providing for a diversion rate of 0.111 cubic feet per second from Florio Spring and its tributaries, the point of diversion being NE1/4SE1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S 26°12′E, a distance of 2291.88 feet;
- w. Nevada State Engineer's Vested Right No. V04509 providing for a diversion rate of 0.111 cubic feet per second from Bullwacker Spring, the point of diversion being SW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Section 13-24, T.19N., R.53E., M.D.M. bears N. 46°53'W. a distance of 5844.21 feet; and,
- x. Nevada State Engineer's Vested Right No. V04510 providing for a diversion rate of 0.111 cubic feet per second from Richmond Spring, the point of diversion being NW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Sec. 13-24 T.19N., R.53E., M.D.M. bears N 51°41'W a distance of 5383.08 feet.

The place of use of all the above described water rights is located in the SE1/4 NE1/4, SE1/4 Section 14; SE1/4 NE1/4, N1/2 NE1/4, Section 23; SW1/4 NW1/4, W1/2 SW1/4, Section 13; W1/2 NW1/4, Section 24, T.19N., R.53E., M.D.B.&M.

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No. CV1004-141

Eureka County Clerk

IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF EUREKA

EUREKA COUNTY, a political subdivision of the State of Nevada,

Plaintiff,

VS.

EUREKA WATER ASSOCIATION, INC., a revoked Nevada corporation; All persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto; and DOES I THROUGH XX, inclusive,

First Additional SUMMONS

All persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto

Defendants.

The State of Nevada sends greets to the above-named Defendant:

You are hereby summoned and required to serve upon Plaintiff's attorneys, whose address

is:

KAREN A. PETERSON, Esq. ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street Carson City, NV 89703 (775) 687-0202

an answer to the Complaint which is herewith served upon you, within 20 days after service of this Summons on you, exclusive of the date of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.*

JACKIE BERG, Clerk of the Court

Date: <u>Qune 4</u>, 2010

*-Note:-When service is by publication, insert a brief statement of the object of action. See Rule 4. RETURN OF SERVICE ON REVERSE

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Luyery County
Clerker Treasurer

(SEAL OF COURT)

| STATE OF NEVADA |) | AFFIDAVIT OF MAILING |
|--------------------------------|---------------|--|
| | : ss. | (For Use When Service Is By Publication and Mailing) |
| COUNTY OF EUREKA |) | |
| | | , being first duly sworn, deposes and says: That affiant is, |
| | | illing took place, a citizen of the United States, over 21 years of |
| age, and not a party to, nor | interested in | n, the within action; that on the day of, |
| 2010, affiant deposited in the | he post Offi | ice at Eureka, Nevada, a copy of the within Summons attached |
| | | in a sealed envelope upon which first class postage was fully |
| prepaid, addressed to | | , the within named |
| defendant at | | , that there is regular |
| communication by mail bet | ween the pl | ace of mailing and the place so addressed. |
| Subscribed and Sworn to be | efore me | |
| this day of | | 20 |
| Notary Public in and for sai | id County ar | nd State |
| • | | |
| My commission expires: _ | | William Control of the Control of th |
| (SEAL) | | |

Note:—If service is made in any manner permitted by Rule 4 other than personally upon the defendant, or is made outside the United States, a special affidavit or return must be made.

AFFIDAVIT OF SERVICE STATE OF _____ (For General Use) COUNTY OF ____ _____, being first duly sworn, deposes and says: That affiant is, and was on the day when he served the within Summons, a citizen of the United States, over 21 years of age, and not a party to, nor interested in, the within action; that the affiant received the Summons on the ______day of _______, 2010 , and personally served the same upon ______, the within named defendant, on the day of _____, 2010, by delivering to the said defendant _____, personally in ______, County of _____, State of _____ a copy of the Summons attached to a copy of the Complaint. Subscribed and Sworn to before me this _____, 2010 Signature of person making service Notary Public in and for said County and State My Commission expires:_____ (SEAL) **NEVADA SHERIFFI'S RETURN** STATE OF NEVADA) : SS. COUNTY OF EUREKA) I hereby certify and return that I received the within Summons on the day of _______, 2010, and personally served the same upon _______, the within named defendant, on the ______ day of _______, 2010, by delivering to the said defendant, ______, personally in Eureka County, State of Nevada, a copy of the Summons attached to a copy of the Complaint. Sheriff of Eureka County, Nevada Date: ______, 200_ By: Deputy

The object of said action is to quiet title to Plaintiff, EUREKA COUNTY, to the real property water rights used for municipal and domestic purposes described as follows:

- a. Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) providing for a diversion rate of 0.14 cubic feet per second from an underground well commonly referred to as the Spring Street Well, the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., R.53E., M.D.B.& M., or at a point from which the West 1/4 corner of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of 3060 feet situated in Eureka County, State of Nevada;
- b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34' E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
- c. Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well#1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
- d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;
- e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19 N., R.53 E., M.D.B.&M. bears N. 51° 41' W. a distance of 5,383.08 feet situated in Eureka County, State of Nevada;
- f. Nevada State Engineer's Certificate No. 12928 (Permit No. 40157) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Bullwacker Spring, the point

- of diversion being in the SW1/4 SW1/4 Section 19, T.19N., R.54E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19N., R.53E., M.D.B.&M. bears N. 46°53' W. a distance of 5,844.21 feet situated in Eureka County, State of Nevada;
- g. Nevada State Engineer's Certificate No. 12929 (Permit No. 40158) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Gorman Spring, the point of diversion being in the NE1/4 SW1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S. 53°54' E. a distance of 4,432.47 feet situated in Eureka County, State of Nevada;
- h. Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Florio Spring and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S.26° 12' E. a distance of 2,291.88 feet situated in Eureka County, State of Nevada;
- Nevada State Engineer's Certificate No. 12931 (Permit No. 40160) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Fred Spring, the point of diversion being in the NW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 08° 35' W. a distance of 1,483.01 feet situated in Eureka County, State of Nevada;
- j. Nevada State Engineer's Certificate No. 12932 (Permit No. 40161) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lani Spring, the point of diversion being in the SW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 31°23' W. a distance of 1,566.12 feet situated in Eureka County, State of Nevada;
- k. Nevada State Engineer's Certificate No. 12933 (Permit No. 40162) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Middle Spring and its tributaries, the point of diversion being in the SE1/4 NE1/4 Section 36, T.19N., R.53E., M.D.B.&M. or at a point from which the NE corner of said Section 36 bears N. 05° 09'E. a distance of 2,072.08 feet situated in Eureka County, State of Nevada;

- 1. Nevada State Engineer's Certificate No. 12934 (Permit No. 40163) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Summit Spring, the point of diversion being NE1/4 NE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 05° 46' E. a distance of 5,680.66 feet situated in Eureka County, State of Nevada;
- m. Nevada State Engineer's Certificate No. 12935 (Permit No. 40164) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lucky Springs and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 04° 12' E. a distance of 8,487.23 feet situated in Eureka County, State of Nevada;
- n. Nevada State Engineer's Certificate No. 12936 (Permit No. 40165) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Prospect Springs, the point of diversion being in the NE1/4 NE1/4 Section 12, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 07° 04' E. a distance of 11,975.48 feet situated in Eureka County, State of Nevada;
- o. Nevada State Engineer's Vested Right No. V04501 providing for a diversion rate of 0.111 cubic feet per second from Gorman Spring, the point of diversion being NE1/4SW1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S.53°54'E. a distance of 4432.47 feet;
- p. Nevada State Engineer's Vested Right No. V04502 providing for a diversion rate of 0.111 cubic feet per second from Prospect Springs, the point of diversion being NE1/4NE1/4 Sec. 12, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M., bears N. 7°04'E. a distance of 11,975.48 feet;
- q. Nevada State Engineer's Vested Right No. V04503 providing for a diversion rate of 0.111 cubic feet per second from Lucky Springs and its tributaries, the point of diversion being NE1/4SE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N.4°12'E. a distance of 8487.23 feet;
- r. Nevada State Engineer's Vested Right No. V04504 providing for a diversion rate of 0.111 cubic feet per second from Summit Spring, the

- point of diversion being NE1/4NE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N. 5°46'E. a distance of 5680.66 feet;
- s. Nevada State Engineer's Vested Right No. V04505 providing for a diversion rate of 0.111 cubic feet per second from Middle Spring the point of diversion being SE1/4NE1/4 Sec. 36, T.19N., R.53E., M.D.M. or at a point from which the NE corner of said Sec. 36 bears N. 5°09' E. a distance of 2072.08 feet;
- t. Nevada State Engineer's Vested Right No. V04506 providing for a diversion rate of 0.111 cubic feet per second from Lani Spring, the point of diversion being SW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.31°23'W a distance of 1566.12 feet;
- u. Nevada State Engineer's Vested Right No. V04507 providing for a diversion rate of 0.111 cubic feet per second from Fred Spring, the point of diversion being NW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.8°35' W. a distance of 1483.01 feet;
- v. Nevada State Engineer's Vested Right No. V04508 providing for a diversion rate of 0.111 cubic feet per second from Florio Spring and its tributaries, the point of diversion being NE1/4SE1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S 26°12'E, a distance of 2291.88 feet;
- w. Nevada State Engineer's Vested Right No. V04509 providing for a diversion rate of 0.111 cubic feet per second from Bullwacker Spring, the point of diversion being SW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Section 13-24, T.19N., R.53E., M.D.M. bears N. 46°53'W. a distance of 5844.21 feet; and,
- x. Nevada State Engineer's Vested Right No. V04510 providing for a diversion rate of 0.111 cubic feet per second from Richmond Spring, the point of diversion being NW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Sec. 13-24 T.19N., R.53E., M.D.M. bears N 51°41'W a distance of 5383.08 feet.

The place of use of all the above described water rights is located in the SE1/4 NE1/4, SE1/4 Section 14; SE1/4 NE1/4, N1/2 NE1/4, Section 23; SW1/4 NW1/4, W1/2 SW1/4, Section 13; W1/2 NW1/4, Section 24, T.19N., R.53E., M.D.B.&M.

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IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF EUREKA

EUREKA COUNTY, a political subdivision of the state of Nevada,

Plaintiff,

V\$.

JUDGMENT QUIETING TITLE

EUREKA WATER ASSOCIATION, INC., a revoked Nevada corporation, All persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto; and DOES I through XX, inclusive.

Defendants.

This matter having come regularly for hearing before this Court on September 17, 2010 after due notice having been properly provided; Plaintiff, EUREKA COUNTY, a political subdivision of the state of Nevada, appeared by and through its attorneys, JENNIFER M. MAHE, ESQ., of ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD., and THEODORE BEUTEL, ESQ., EUREKA COUNTY DISTRICT ATTORNEY; and no Defendants having appeared in the action by filing an answer or other pleading, or appearing at the hearing, and the Court notes the Clerk entered a Default against all named Defendants, and all persons unknown claiming any right, title, estate, lien, or interest in the real property described in the complaint

adverse to EUREKA COUNTY's ownership, or any cloud upon EUREKA COUNTY's title thereto, and DOES I through XX, inclusive, on August 27, 2010.

The Court having taken evidence and no persons objecting; the Court having considered the evidence presented, the pleadings and papers on file herein; and it appearing that the allegations of the Verified Complaint to Quiet Title are true. Accordingly, good cause appearing, the Court finds as follows:

- 1. Plaintiff, EUREKA COUNTY, a political subdivision of the state of Nevada, claims it is the true and lawful owner of all the right, title and interest in and to the water rights used for municipal and domestic purposes known as follows:
 - a. Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) providing for a diversion rate of 0.14 cubic feet per second from an underground well commonly referred to as the Spring Street Well, the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., R.53E., M.D.B.& M., or at a point from which the West 1/4 corner of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of 3060 feet situated in Eureka County, State of Nevada;
 - b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34' E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
 - c. Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well #1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
 - d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;
 - e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner

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| common to Sections 13 and 24, T.1 | 9 N., R.53 E., N | A.D.B.&M. bears |
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| N, 51° 41' W, a distance of 5,383.0 | 8 feet situated in | n Eureka County, |
| State of Nevada: | | • |

- f. Nevada State Engineer's Certificate No. 12928 (Permit No. 40157) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Bullwacker Spring, the point of diversion being in the SW1/4 SW1/4 Section 19, T.19N., R.54E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19N., R.53E., M.D.B.&M. bears N. 46°53' W. a distance of 5,844.21 feet situated in Eureka County, State of Nevada;
- g. Nevada State Engineer's Certificate No. 12929 (Permit No. 40158) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Gorman Spring, the point of diversion being in the NE1/4 SW1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S. 53°54' E. a distance of 4,432.47 feet situated in Eureka County, State of Nevada;
- h. Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Florio Spring and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S.26° 12' E. a distance of 2,291.88 feet situated in Eureka County, State of Nevada;
- Nevada State Engineer's Certificate No. 12931 (Permit No. 40160) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Fred Spring, the point of diversion being in the NW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 08° 35' W. a distance of 1,483.01 feet situated in Eureka County, State of Nevada;
- j. Nevada State Engineer's Certificate No. 12932 (Permit No. 40161) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lani Spring, the point of diversion being in the SW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 31°23' W. a distance of 1,566.12 feet situated in Eureka County, State of Nevada;
- k. Nevada State Engineer's Certificate No. 12933 (Permit No. 40162) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Middle Spring and its tributaries, the point of diversion being in the SE1/4 NE1/4 Section 36, T.19N., R.53E., M.D.B.&M. or at a point from which the NE corner of said Section 36 bears N. 05° 09'E. a distance of 2,072.08 feet situated in Eureka County, State of Nevada;
- 1. Nevada State Engineer's Certificate No. 12934 (Permit No. 40163) providing for a diversion rate of 0.111 cubic feet per second but not

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to exceed 26.18 million gallons annually from Summit Spring, the point of diversion being NE1/4 NE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 05° 46′ E. a distance of 5,680.66 feet situated in Eureka County, State of Nevada;

- m. Nevada State Engineer's Certificate No. 12935 (Permit No. 40164) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lucky Springs and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 04° 12' E. a distance of 8,487.23 feet situated in Eureka County, State of Nevada;
- n. Nevada State Engineer's Certificate No. 12936 (Permit No. 40165) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Prospect Springs, the point of diversion being in the NE1/4 NE1/4 Section 12, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 07° 04' E. a distance of 11,975.48 feet situated in Eureka County, State of Nevada;
- o. Nevada State Engineer's Vested Right No. V04501 providing for a diversion rate of 0.111 cubic feet per second from Gorman Spring, the point of diversion being NE1/4SW1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S.53°54'E. a distance of 4432.47 feet;
- p. Nevada State Engineer's Vested Right No. V04502 providing for a diversion rate of 0.111 cubic feet per second from Prospect Springs, the point of diversion being NE1/4NE1/4 Sec. 12, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M., bears N. 7°04'E. a distance of 11,975.48 feet;
- q. Nevada State Engineer's Vested Right No. V04503 providing for a diversion rate of 0.111 cubic feet per second from Lucky Springs and its tributaries, the point of diversion being NE1/4SE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N.4°12'E. a distance of 8487.23 feet;
- r. Nevada State Engineer's Vested Right No. V04504 providing for a diversion rate of 0.111 cubic feet per second from Summit Spring, the point of diversion being NE1/4NE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N. 5°46'E. a distance of 5680.66 feet;
- s. Nevada State Engineer's Vested Right No. V04505 providing for a diversion rate of 0.111 cubic feet per second from Middle Spring the point of diversion being SE1/4NE1/4 Sec. 36, T.19N., R.53E.,

diversion rate of 0.111 cubic feet per second from Lani Spring, the point of diversion being SW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.31°23'W a distance of 1566.12 feet;
u. Nevada State Engineer's Vested Right No. V04507 providing for a diversion rate of 0.111 cubic feet per second from Fred Spring, the point of diversion being NW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.8°35' W. a distance of 1483.01 feet;

N. 5°09' E. a distance of 2072.08 feet;

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v. Nevada State Engineer's Vested Right No. V04508 providing for a diversion rate of 0.111 cubic feet per second from Florio Spring and its tributaries, the point of diversion being NE1/4SE1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S 26°12'E, a distance of 2291.88 feet;

M.D.M. or at a point from which the NE corner of said Sec. 36 bears

Nevada State Engineer's Vested Right No. V04506 providing for a

w. Nevada State Engineer's Vested Right No. V04509 providing for a diversion rate of 0.111 cubic feet per second from Bullwacker Spring, the point of diversion being SW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Section 13-24, T.19N., R.53E., M.D.M. bears N. 46°53'W. a distance of 5844.21 feet; and,

x. Nevada State Engineer's Vested Right No. V04510 providing for a diversion rate of 0.111 cubic feet per second from Richmond Spring, the point of diversion being NW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Sec. 13-24 T.19N., R.53E., M.D.M. bears N 51°41'W a distance of 5383.08 feet.

The place of use of all the above described water rights is located in the SE1/4 NE1/4, SE1/4 Section 14; SE1/4 NE1/4, N1/2 NE1/4, Section 23; SW1/4 NW1/4, W1/2 SW1/4, Section 13; W1/2 NW1/4, Section 24, T.19N., R.53E., M.D.B.&M.

2. On October 16, 1963, some of the water rights described in paragraph 1 above, then commonly referred to as Heller's Eureka Water Works, were transferred by Louis and Helen Heller to J. Donald Morrison and Rose Morrison by a Deed recorded on September 5, 1967 as Document No. 45212 in the Eureka County Recorder's Office in Book 20, pages 305-308. A true and correct copy of the Deed was attached as **Exhibit "2"** to the Verified Complaint to Quiet Title.

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- 3. On March 22, 1967, EUREKA WATER ASSOCIATION, INC. was formed for the purpose of operating a domestic water system. A true and correct copy of the Articles of Incorporation of the EUREKA WATER ASSOCIATION, INC. was attached as Exhibit "3" to the Verified Complaint to Quiet Title.
- On August 31, 1967, Donald Morrison and Rose Morrison transferred some of the water rights described in paragraph 1 above to EUREKA WATER ASSOCIATION, INC., by a Warranty Deed recorded on August 31, 1967 as Document No. 45194 in the Eureka County Recorder's Office in Book 20, pages 281-283. A true and correct copy of the Warranty Deed was attached as Exhibit "4" to the Verified Complaint to Quiet Title.
- 5. Between February 9, 1972 and August 12, 1985, EUREKA WATER ASSOCIATION, INC. filed with the Nevada Division of Water Resources the applications and the vested claims for the water rights utilized in the water system and described in paragraph 1 above.
- 6. On January 5, 1982, EUREKA WATER ASSOCIATION, INC. passed a resolution that some or all of the water rights described in paragraph 1 above, commonly referred to as the Eureka Town Water System, "with all assets, real or personal, and debts be taken over, maintained and controlled by the Board of County Commissioners acting as a Town Board for the unincorporated town of Eureka, Nevada." A true and correct copy of the January 5, 1982 Resolution of EUREKA WATER ASSOCIATION, INC. was attached as Exhibit "5" to the Verified Complaint to Quiet Title.
- 7. EUREKA WATER ASSOCIATION, INC. intended by such resolution to transfer ownership of the water rights described in paragraph 1 above to Plaintiff, EUREKA COUNTY.
- 8. EUREKA COUNTY accepted the real property water rights described in paragraph 1 above when the Board of County Commissioners at its meeting on January 6, 1982 unanimously agreed to "take over, maintain and operate the water system for the Town of Eureka until all statutes are complied with." A true and correct copy of the January 6, 1982 Minutes of the Board of Eureka Commissioners was attached as Exhibit "8" to the Verified Complaint to Quiet Title.

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| | 9. | No de | eed was e | ever executed | or re | corded no | r was a | Report | of Con | veyance f | iled |
|-----------|---------|-------------|-------------|---------------|--------|-----------|---------|--------|--------|-----------|------|
| with the | Nevada | Division | of Wate | r Resources | and | according | gly the | water | rights | described | d in |
| paragraph | 1 above | e are curre | ently title | d in the nam | e of I | EUREKA | WATE | ER ASS | SOCIA | TION, IN | VC. |

- 10. EUREKA COUNTY WATER ASSOCIATION, INC's charter was permanently revoked on October 31, 1996. Accordingly, EUREKA COUNTY can no longer obtain a deed from EUREKA WATER ASSOCIATION, INC.
- Pursuant to Nevada law, water rights are regarded as real property. 11. Application of Filippini, 66 Nev. 17, 21-22, 202 P.2d 535, 537 (1949).
- 12. In order to effectuate a conveyance of a water right, there must be a deed recorded with the applicable county recorder's office and a report of conveyance filed with the Nevada Division of Water Resources. NRS 533.382 and NRS 533.384.
- 13. EUREKA COUNTY has utilized the real property water rights identified in paragraph 1 above since January 6, 1982, a period exceeding fifteen (15) years.
- EUREKA COUNTY has paid all taxes, assessments, costs and fees related 14. to the said water rights, including all maintenance of the equipment needed to put the water rights to beneficial use, since January 6, 1982, a period exceeding fifteen (15) years.
- 15. No persons claiming an equitable interest in the said water rights have appeared.
- 16. The Court has reviewed the evidence presented and finds that the water rights described in paragraph 1 were conveyed to EUREKA COUNTY.
- 17. Based upon the foregoing, Plaintiff, EUREKA COUNTY, is the holder of legal and equitable title to the water rights described in paragraph 1 above.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AND JUDGMENT ENTERED AS FOLLOWS:

1. Title is quieted in the name of EUREKA COUNTY, a political subdivision of the state of Nevada, to all the right, title and interest in and to the water rights used for municipal and domestic purposes known as follows:

ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. 402 North Division Street, P. O. Box 646, Carson City, NV 89702 Telephone: (775) 687-0202 Fax: (775) 882-7918 E-Mail Address: law@allisonmackenzie.com

| a. | Nevada State Engineer's Certificate No. 9889 (Permit No. 26542) |
|----|--|
| | providing for a diversion rate of 0.14 cubic feet per second from an |
| | underground well commonly referred to as the Spring Street Well, |
| | the point of diversion being SW 1/4 SW 1/4 Section 13, T.19N., |
| | R.53E., M.D.B.& M., or at a point from which the West 1/4 corner |
| | of Section 24, T.19N., R.53E., bears S. 17° 50' W., a distance of |
| | 3060 feet situated in Eureka County, State of Nevada; |

- b. Nevada State Engineer's Certificate No. 9890 (Permit No. 26543) providing for a diversion rate of 0.05 cubic feet per second from an underground well commonly referred to as Well #3, the point of diversion being SW1/4 NW1/4 Section 24, T.19N., R.53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 20° 34′ E., a distance of 1746.30 feet situated in Eureka County, State of Nevada;
- c. Nevada State Engineer's Certificate No. 9891 (Permit No. 26544) providing for a diversion rate of 0.07 cubic feet per second from an underground well commonly referred to as Well #1, the point of diversion being SW1/4 NE1/4 Section 25, T.19N., R. 53E., M.D.B.&M., or at a point from which the W 1/16 corner of Section 13 and 24, T.19N., R.53E., M.D.B.&M., bears N. 16° 20' W., a distance of 7397 feet situated in Eureka County, State of Nevada;
- d. Nevada State Engineer's Certificate No. 9685 (Permit No. 29603) providing for a diversion rate of 0.089 cubic feet per second but not to exceed 21.02 million gallons annually from an underground well, the point of diversion being NW1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M., or at a point from which the S1/4 corner of said Section 25 bears S. 32° 12' W., a distance of 2135.54 feet situated in Eureka County, State of Nevada;
- e. Nevada State Engineer's Certificate No. 12927 (Permit No. 40156) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Richmond Spring, the point of diversion being in the NW1/4 SW1/4 Section 19, T.19N., R.54 E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19 N., R.53 E., M.D.B.&M. bears N. 51° 41' W. a distance of 5,383.08 feet situated in Eureka County, State of Nevada;
- f. Nevada State Engineer's Certificate No. 12928 (Permit No. 40157) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Bullwacker Spring, the point of diversion being in the SW1/4 SW1/4 Section 19, T.19N., R.54E., M.D.B.&M. or at a point from which the W1/16 corner common to Sections 13 and 24, T.19N., R.53E., M.D.B.&M. bears N. 46°53' W. a distance of 5,844.21 feet situated in Eureka County, State of Nevada;
- g. Nevada State Engineer's Certificate No. 12929 (Permit No. 40158) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Gorman Spring, the point of diversion being in the NE1/4 SW1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said

| Section 25 bears S. 53°54' E. a distance of 4,432.47 feet situated in Eureka County, State of Nevada; |
|--|
| Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Elorio Spring and its |

- h. Nevada State Engineer's Certificate No. 12930 (Permit No. 40159) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Florio Spring and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 25, T.19N., R.53E., M.D.B.&M. or at a point from which the SE corner of said Section 25 bears S.26° 12' E. a distance of 2,291.88 feet situated in Eureka County, State of Nevada;
- i. Nevada State Engineer's Certificate No. 12931 (Permit No. 40160) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Fred Spring, the point of diversion being in the NW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 08° 35' W. a distance of 1,483.01 feet situated in Eureka County, State of Nevada;
- j. Nevada State Engineer's Certificate No. 12932 (Permit No. 40161) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lani Spring, the point of diversion being in the SW1/4 SW1/4 Section 30, T.19N., R.54E., M.D.B.&M. or at a point from which the SW corner of said Section 30 bears S. 31°23' W. a distance of 1,566.12 feet situated in Eureka County, State of Nevada;
- k. Nevada State Engineer's Certificate No. 12933 (Permit No. 40162) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Middle Spring and its tributaries, the point of diversion being in the SE1/4 NE1/4 Section 36, T.19N., R.53E., M.D.B.&M. or at a point from which the NE corner of said Section 36 bears N. 05° 09'E. a distance of 2,072.08 feet situated in Eureka County, State of Nevada;
- 1. Nevada State Engineer's Certificate No. 12934 (Permit No. 40163) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Summit Spring, the point of diversion being NE1/4 NE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 05° 46' E. a distance of 5,680.66 feet situated in Eureka County, State of Nevada;
- m. Nevada State Engineer's Certificate No. 12935 (Permit No. 40164) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Lucky Springs and its tributaries, the point of diversion being in the NE1/4 SE1/4 Section 1, T.18N., R.53E., M.D.B.&M. (unsurveyed) or at a point from which the NE corner of Section 36, T.19N., R.53E., M.D.B.&M. bears N. 04° 12' E. a distance of 8,487.23 feet situated in Eureka County, State of Nevada;
- n. Nevada State Engineer's Certificate No. 12936 (Permit No. 40165) providing for a diversion rate of 0.111 cubic feet per second but not to exceed 26.18 million gallons annually from Prospect Springs, the

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| naint | of diversion | baing in the | NET MAN | E1// Sont | ion 12 T | 191 |
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| | E., M.D.B.&N | | | | | |
| corne | r of Section 3 | 6, T.19N., R | .53E., M. | D.B.&M. l | pears N. (| 07° 04' |
| E. a d | listance of 11 | ,975.48 feet | situated i | n Eureka (| County, S | tate of |
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- o. Nevada State Engineer's Vested Right No. V04501 providing for a diversion rate of 0.111 cubic feet per second from Gorman Spring, the point of diversion being NE1/4SW1/4 Sec. 25, T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S.53°54'E. a distance of 4432.47 feet;
- p. Nevada State Engineer's Vested Right No. V04502 providing for a diversion rate of 0.111 cubic feet per second from Prospect Springs, the point of diversion being NE1/4NE1/4 Sec. 12, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M., bears N. 7°04'E. a distance of 11,975.48 feet;
- q. Nevada State Engineer's Vested Right No. V04503 providing for a diversion rate of 0.111 cubic feet per second from Lucky Springs and its tributaries, the point of diversion being NE1/4SE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N.4°12'E. a distance of 8487.23 feet;
- r. Nevada State Engineer's Vested Right No. V04504 providing for a diversion rate of 0.111 cubic feet per second from Summit Spring, the point of diversion being NE1/4NE1/4 Sec.1, T.18N., R.53E., M.D.M. (unsurveyed) or at a point from which the NE corner of Sec. 36, T.19N., R.53E., M.D.M. bears N. 5°46'E. a distance of 5680.66 feet;
- s. Nevada State Engineer's Vested Right No. V04505 providing for a diversion rate of 0.111 cubic feet per second from Middle Spring the point of diversion being SE1/4NE1/4 Sec. 36, T.19N., R.53E., M.D.M. or at a point from which the NE corner of said Sec. 36 bears N. 5°09' E. a distance of 2072.08 feet;
- t. Nevada State Engineer's Vested Right No. V04506 providing for a diversion rate of 0.111 cubic feet per second from Lani Spring, the point of diversion being SW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.31°23'W a distance of 1566.12 feet;
- u. Nevada State Engineer's Vested Right No. V04507 providing for a diversion rate of 0.111 cubic feet per second from Fred Spring, the point of diversion being NW1/4SW1/4 Sec. 30, T.19N., R.54E., M.D.M. or at a point from which the SW corner of said Sec. 30 bears S.8°35' W. a distance of 1483.01 feet;
- v. Nevada State Engineer's Vested Right No. V04508 providing for a diversion rate of 0.111 cubic feet per second from Florio Spring and its tributaries, the point of diversion being NE1/4SE1/4 Sec. 25,

| 1 | T.19N., R.53E., M.D.M. or at a point from which the SE corner of said Sec. 25 bears S 26°12'E, a distance of 2291.88 feet; |
|-----|---|
| 3 4 | w. Nevada State Engineer's Vested Right No. V04509 providing for a diversion rate of 0.111 cubic feet per second from Bullwacker Spring, the point of diversion being SW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Section |
| 5 | 13-24, T.19N., R.53E., M.D.M. bears N. 46°53'W. a distance of 5844.21 feet; and, |
| 6 | Nevada State Engineer's Vested Right No. V04510 providing for a diversion rate of 0.111 cubic feet per second from Richmond Spring, |
| 7 8 | the point of diversion being NW1/4SW1/4 Sec. 19, T.19N., R.54E., M.D.M. or at a point from which the W 1/16 corner Sec. 13-24 T.19N., R.53E., M.D.M. bears N 51°41'W a distance of 5383.08 feet. |
| 9 | The place of use of all the above described water rights is located in the SE1/4 |
| 10 | NE1/4, SE1/4 Section 14; SE1/4 NE1/4, N1/2 NE1/4, Section 23; SW1/4 NW1/4, W1/2 SW1/4, |
| 12 | Section 13; W1/2 NW1/4, Section 24, T.19N., R.53E., M.D.B.&M. |
| 13 | 2. That Defendants, each of them, and all other persons claiming rights in the |
| 14 | said water rights, are permanently enjoined from asserting any adverse claim to Plaintiff's right, title |
| 15 | to, or interest in, said water rights. |
| 16 | DONE IN OPEN COURT this 17 day of September, 2010. |
| 17 | £2_ |
| 18 | Submitted By: |
| 20 | ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. |
| 21 | 402 North Division Street P.O. Box 646 Corresp City, NW, 80702 |
| 22 | Carson City, NV 89702 |
| 23 | By: |
| 24 | Nevada State Bar # 0366 JENNIFER MAHE, ESQ. |
| 25 | Nevada State Bar # 9620 |
| 26 | Attorneys for Plaintiff, EUREKA COUNTY |
| 27 | POWER COUNT |
| 28 | |