

WATER SUPPLY AGREEMENT

WATER SUPPLY AGREEMENT ("Agreement") effective April 20, 2006, among the Moapa Band of Paiute Indians ("Tribe"), Las Vegas Valley Water District ("LVVWD"), Southern Nevada Water Authority ("SNWA"), Muddy Valley Irrigation Company ("MVIC") and Moapa Valley Water District ("MVWD") referred to herein individually as a "Party" and collectively as the "Parties."

Recitals

A. The Tribe, LVVWD, SNWA, MVIC, MVWD and the State of Nevada ("State") have negotiated a proposed written Water Settlement Agreement and remain committed to consummating the Water Settlement Agreement substantially in its current form (the "WSA"). The proposed WSA is attached hereto as Exhibit A. The United States must approve and join in the WSA.

B. SNWA, Coyote Springs Investment LLC, MVWD and the United States Fish and Wildlife Service ("FWS") have negotiated a proposed Memorandum of Agreement (the "MOA") regarding certain planned groundwater pumping in the Coyote Spring Hydrographic Basin and measures to mitigate potential impacts of such pumping on the endangered Moapa dace. The proposed MOA is attached hereto as Exhibit B. This

Agreement has been negotiated by the Parties to obtain and facilitate the Tribe's joinder in the MOA.

C. The Tribe will execute the MOA upon execution of this Agreement by all Parties and the satisfaction of certain conditions precedent which are explicitly set forth below. Among other features, subject to conditions set forth below, under this Agreement the Tribe will receive the State groundwater permit and State groundwater applications which are to be provided to the Tribe by LVVWD under the WSA, and a lease of Muddy River water rights which in certain respects will be functionally similar to the federally-reserved Muddy River rights to be secured to the Tribe under the WSA.

Terms and Conditions

The Parties hereto agree as follows:

1. **Commitment to WSA.** The Tribe, LVVWD, SNWA, MVIC and MVWD:
 - a. shall make best efforts to secure federal approval and execution of the WSA substantially in its current form;
 - b. on the securing of such federal approval, shall execute the WSA; and

- c. shall make best efforts to secure mutually satisfactory written confirmation from the State that it continues to support consummation of the WSA.

2. Commitment by Tribe to Execute the MOA. The Tribe shall execute the MOA upon satisfaction of the following conditions precedent:

- a. **Condition Precedent No. 1.** Provision by the State of Nevada of the written confirmation described in ¶ 1.c above.
- b. **Conditions Precedent Nos. 2 - 5.** The conditions precedent set forth in ¶¶ 3.e and 4.c below.

3. Provision of Groundwater Rights.

- a. **2500 afy Permit and Related LVVWD Groundwater Applications.** In 1989, LVVWD filed two State applications to appropriate groundwater from the California Wash Hydrographic Basin (Applications 54075 and 54076) totaling 20 cubic feet per second (cfs) and 14,480 acre-feet per year (afy). On April 18, 2002, the Nevada State Engineer issued Ruling 5115, which granted LVVWD a permit to withdraw 2,500 afy of

groundwater under Application 54075 ("2500 afy Permit"), denied the balance of Application 54075, and held Application 54076 in abeyance pending completion of the groundwater study ordered in State Engineer's Order 1169.

- b. **Tribal Appeal.** The Tribe has appealed Ruling 5115 to the Eighth Judicial District Court of Clark County, Nevada (the "Appeal"), and LVVWD has intervened as a defendant in the Appeal (which remains pending). Through the Appeal, the Tribe is seeking an increase in the quantity of groundwater currently permitted to be withdrawn under Application 54075 and restoration of the balance of Application 54075 pending further action by the State Engineer. This Agreement does not resolve the Tribe's claims in the Appeal. Application 54076 and any balance of Application 54075 which may be restored as a result of the Appeal are referred to herein as the "LVVWD Groundwater Applications" and individually as an "LVVWD Groundwater Application."

- c. **Pending LVVWD Change Applications.** In July 2003, in contemplation of the consummation of the WSA, LVVWD in consultation with the Tribe filed three applications ("LVVWD Change Applications") with the State Engineer to change the point of diversion under the 2500 afy Permit to locations on the Moapa Indian Reservation ("Reservation"). The LVVWD

Change Applications were not protested and are pending for approval before the State Engineer. LVVWD shall make best efforts to secure the promptest possible State Engineer approval of the LVVWD Change Applications.

- d. **Transfer of 2500 afy Permit and LVVWD Groundwater Applications to Tribe.** Contemporaneous with the Tribe's execution of the MOA, LVVWD shall transfer to the Tribe, at no charge and free and clear of liens and encumbrances, full ownership of the 2500 afy Permit and the LVVWD Groundwater Applications, subject to reversion under ¶ 7 below. If the Tribe subsequently establishes a federally-reserved right to groundwater appurtenant to any portion of the Reservation, an equal quantity of State groundwater rights acquired by the Tribe under the 2500 afy Permit and/or LVVWD Groundwater Applications shall be deemed relinquished by the Tribe.

- e. **Conditions Precedent Nos. 2 and 3.** The following are two additional conditions precedent that must be satisfied to trigger the Tribe's obligation to execute the MOA:
 - i. approval of the LVVWD Change Applications by the State Engineer on no conditions unacceptable to the Tribe; and

- ii. transfer of the 2500 afy Permit and LVVWD Groundwater Applications to the Tribe as provided in ¶ 3.d above.

- f. **LVVWD Disclaimers.** LVVWD makes no representation or warranty to the Tribe as to the quantity or quality of water that: (i) will ultimately be permitted by the State Engineer in response to the LVVWD Groundwater Applications; or (ii) can ultimately be developed under the 2500 afy Permit.

- g. **Issuance of Further Rights to Tribe under LVVWD Groundwater Applications.** All Parties hereto shall withdraw their pending protests, if any, against the LVVWD Groundwater Applications. No Party shall oppose (or assist others to oppose), in any administrative or judicial proceeding or otherwise, any issuance to the Tribe by the State Engineer of additional groundwater rights under an LVVWD Groundwater Application in the form of a permit or certificate ("Further Permit or Certificate"), except that LVVWD may contend in the Appeal or any remand therefrom that, as provided in State Engineer Ruling 5115, the 2500 afy Permit should be for 2500 afy with a maximum diversion of 5 cfs and that Application 54076 should be held in abeyance pending completion of the groundwater study ordered in State Engineer Order

1169. No Party hereto may oppose (or assist others to oppose) in any administrative or judicial proceeding or otherwise, any Tribal application to have an LVVWD Groundwater Application acted on by the State Engineer on a piecemeal basis over time, by dividing the LVVWD Groundwater Application into increments or by comparable means.¹

- h. **Change Applications.** No Party hereto may oppose (or assist others to oppose) in any administrative or judicial proceeding or otherwise, the granting by the State Engineer of the LVVWD Change Applications, or any Tribal application under an LVVWD Groundwater Application, the 2500 afy Permit, or a Further Permit or Certificate: (i) to change any point of groundwater diversion thereunder to any location on or off the Reservation within the California Wash Hydrographic Basin, which lies at least one mile (in the case of a carbonate aquifer well) and two miles (in the case of an alluvial well) from Muddy Springs and the Muddy River; or (ii) to change any use or place of use of groundwater thereunder to facilitate the beneficial use thereof on or off the Reservation.

- i. **Tribal Acquisition of Additional Groundwater Rights.** Subject to the protest rights of any other Party hereto (except for those relinquished under ¶¶ 3.g and h above), nothing in this Agreement shall prejudice the

¹ The Tribe acknowledges that the State has previously advised that the State Engineer does not decide groundwater applications on a piecemeal basis.

Tribe's right to apply under State law to the State Engineer either (i) for further groundwater rights appurtenant to the Reservation, or (ii) for transfer to the Reservation of State law-based groundwater rights having points of diversion or places of use located off the Reservation.

4. Provision of Surface Water Rights.

- a. **Muddy River.** The Muddy River flows through the Reservation and the Tribe claims an unadjudicated 1873 federally-reserved water right in the river. MVIC holds legal title to certain State surface water rights in the Muddy River ("MVIC Surface Water Rights") awarded in a Judgment and Decree dated March 12, 1920 ("Muddy River Decree"), in *Muddy Valley Irrigation Co., et al. v. Moapa and Salt Lake Produce Co., et al.*, in Nevada's Tenth Judicial District Court (now Nevada's Eighth Judicial District Court). The Muddy River Decree also purported to award the Tribe surface water rights in the Muddy River appurtenant to the Reservation of 1.242 cfs (Apr. - Sept.) and 0.87 cfs (Oct. - Mar.). However it is the position of the Tribe that the Court did not have jurisdiction to adjudicate the Tribe's water rights, and the Tribe shall not claim or use the awarded right while the Surface Water Lease provided under ¶ 4.b below is in force. Each shareholder in MVIC holds, pursuant to its shares, a beneficial interest in MVIC Surface Water

Rights, and collectively all MVIC shareholders hold all beneficial interests in all MVIC Surface Water Rights.

- b. **Lease of MVIC Surface Water Rights.** Contemporaneous with the Tribe's execution of the MOA, MVIC and the Tribe shall enter into the lease attached hereto as Exhibit C ("Surface Water Lease"). The Surface Water Lease provides a rent-free 99-year lease of a portion of MVIC Surface Water Rights to the Tribe, sufficient to provide the Tribe with the right to divert at the existing Muddy River diversion points on the Reservation and beneficially use on the Reservation 11.5 cfs (Apr. - Sept.) and 10.5 cfs (Oct. - Mar.), subject to a maximum consumptive use limit of 3700 afy. The Surface Water Lease further provides that if the Tribe wishes, at any time during the term thereof, to change the manner of use or place of beneficial use within the Reservation of MVIC Surface Water Rights covered by the Surface Water Lease, MVIC shall fully cooperate with the Tribe in the preparation, filing and pursuit of State Engineer approval of a change application necessary to effect such change. No other Party hereto shall oppose (or assist others to oppose) the granting of such change application. The Surface Water Lease further provides that the Tribe's right to divert and use water pursuant to the Surface Water Lease is, as a matter of contract, functionally senior to the rights of all shareholders in MVIC to divert and use water

pursuant to the MVIC Surface Water Rights. The Surface Water Lease is renewable on the same terms and conditions at the end of the 99-year term for an additional 99 years at the Tribe's option, provided that the Surface Water Lease is terminable as provided in ¶ 8 below. In exercising its rights under the Surface Water Lease, the Tribe shall otherwise have all rights and privileges, and be bound by all substantive and procedural laws, principles and rules, applicable to owners of MVIC Surface Water Rights, including without limitation with respect to beneficial use and changes in the point of diversion, place of use and manner of use. The foregoing notwithstanding, the Surface Water Lease does not expressly or impliedly have the effect, in law or in equity, of making the Tribe a shareholder in MVIC for any purpose.

- c. **Conditions Precedent Nos. 4 and 5.** The following are two additional conditions precedent that must be satisfied to trigger the Tribe's obligation to execute the MOA:
 - i. execution and delivery to the Tribe of the Surface Water Lease;
and
 - ii. State Engineer approval of the three filed change applications authorizing the Tribe to divert at the existing points of diversion

for the Reservation and beneficially use on the Reservation the MVIC Surface Water Rights covered by the Surface Water Lease.

5. Provision of Mitigation Surface Water Rights.

a. **Pumping Limits.** As reflected in paragraph I(5)(e) - (g) of the attached MOA, the Tribe is prepared to agree therein that on-Reservation pumping under the 2500 afy Permit shall be reduced to specified amounts ("Pumping Limits") if flow levels at the Warm Springs West flume decline to specified levels. The Tribe believes, however, that monitoring data and sound hydrogeologic analysis show and will continue to show that on-Reservation pumping under the 2500 afy Permit will not appreciably impact flows as measured at the Warm Springs West flume. Nevertheless, the Tribe is prepared to agree to the Pumping Limits principally because:

i. as provided in paragraph I(6) of the MOA, the validity of the Pumping Limits will be regularly reconsidered by the Hydrologic Review Team on the basis of monitoring data and hydrogeologic analysis, and, as appropriate, adjusted; and

- ii. MVWD has agreed to mitigate the effects of the Pumping Limits as provided in ¶ 5.b below.
- b. **Mitigation Surface Water Rights.** To mitigate the effects of the Pumping Limits, the surface water rights described in subparagraph i below (the "Mitigation Surface Water Rights") shall be available for use by the Tribe:
- i. Subject to the approval of any necessary change application(s) as provided in subparagraph ii(3) below, upon the Tribe's execution of the MOA, the Tribe shall have the right, at no charge and free and clear of liens and encumbrances, to divert water from the Muddy River, at the existing Muddy River diversion points on the Reservation, at a maximum rate of .8 cfs, subject to a maximum diversion and consumptive use limit of 520 afy, from MVWD's "Jones Water Right" (Certificate No. 10060) dedicated to in-stream flows in accordance with paragraph I(2)(a) of the MOA. Such Mitigation Surface Water Rights shall be useable by the Tribe only during times, and only to the extent, that a Pumping Limit of less than 2500 afy is being implemented. At all times, and in all other respects, MVWD's Jones Water Right shall remain under the ownership and control of MVWD. The Tribe's use of the Mitigation

Surface Water Rights will be monitored in accordance with ¶ 10 below.

ii. **Characteristics of Mitigation Surface Water Rights.** The Mitigation Surface Water Rights shall have the following characteristics:

- (1) they shall be subject to reversion under ¶ 7 below;
- (2) they shall provide to the Tribe a right to divert and use such water from the Muddy River;
- (3) they shall be available for municipal use anywhere on the Reservation and, to facilitate such diversion and use, MVWD in consultation with the Tribe shall timely develop, file and secure issuance by the State Engineer of all legally required approvals of any necessary change applications. Any costs associated with securing necessary approvals of any such change applications shall be borne equally by the Tribe and MVWD;
- (4) they shall be additive to the Tribe's rights under the Surface Water Lease to be provided under ¶ 4.b above; and

- (5) in exercising the Mitigation Surface Water Rights, the Tribe shall have all rights and privileges, and be bound by all substantive and procedural laws, principles and rules, applicable to other owners of surface water rights in the Muddy River, including without limitation with respect to beneficial use and changes in the point of diversion, place of use and manner of use.
- (6) MVWD agrees to keep the Jones Water Right or successor rights in good standing for so long as MVWD's obligation under this ¶ 5 is in existence. A copy of this Agreement shall be filed with the Office of the Nevada State Engineer and any successor to or assignee of MVWD shall be bound this ¶ 5.

6. State Law. The 2500 afy Permit, LVVWD Groundwater Applications and any Further Permit or Certificate acquired by the Tribe under ¶ 3 above, the Surface Water Lease acquired by the Tribe under ¶ 4.b above, and the Tribe's right to use the Mitigation Surface Water Rights under ¶ 5.b above, and any Tribal change application with respect to any of the foregoing, shall be held, sought, made and utilized by the Tribe in accordance with State law, both substantive and procedural. Without limitation, no such water right may be transferred by the Tribe for use at an off-

Reservation location without compliance with State law. In addition, the provisions of ¶¶ 7 and 8 below shall be interpreted and enforced in accordance with State law. All of the foregoing shall be enforceable in administrative and judicial forums specified in State law for injunctive or declaratory enforcement of such water rights matters, and the Tribe hereby waives its sovereign immunity for the exclusive purpose of such enforcement in such forums, and as to any appeals therefrom in any appellate courts with jurisdiction over such appeals under State law. The Tribe hereby waives and foregoes any right to claim that exhaustion of federal or Tribal court remedies is a prerequisite to any action by any Party to enforce the provisions of this ¶ 6 in the specified State administrative or judicial forums. However, no Party shall ever contend that any water right acquired by the Tribe under ¶¶ 3, 4.b or 5.b above has been abandoned or forfeited.

7. Reversion of 2500 afy Permit, LVVWD Groundwater Applications, Further Permit or Certificate, and Mitigation Surface Water Rights. Ownership of the 2500 afy Permit, LVVWD Groundwater Applications and any Further Permit or Certificate acquired by the Tribe under ¶ 3 above and the Tribe's entitlement to the Mitigation Surface Water Rights under ¶ 5.b above (collectively "Rights Subject to Reversion") shall revert to LVVWD or MVWD, as the case may be, as follows:

- a. **Reversion.** The Rights Subject to Reversion shall revert if, prior to consummation of the WSA, the Tribe (or the United States on behalf of

the Tribe), in any administrative or judicial proceeding, seeks federally-reserved groundwater rights appurtenant to the Reservation in excess of 14,480 afy ("Groundwater Reversion Trigger") or seeks federally-reserved surface water rights in the Muddy River appurtenant to the Reservation having diversion rates in excess of 11.5 cfs (Apr. - Sept.) and 10.5 cfs (Oct. - Mar.), a consumptive use limit in excess of 3700 afy, or a priority date earlier than March 12, 1873 ("Surface Water Reversion Trigger").

- b. **Notice.** To exercise the above right of reversion, LVVWD or MVWD, as the case may be, must give the Tribe written notice of its intention to do so and the grounds therefor, and 120 days to reverse or terminate the Groundwater Reversion Trigger or Surface Water Reversion Trigger, as the case may be.

8. Termination of Surface Water Lease. The Surface Water Lease provided to the Tribe under ¶ 4.b above will instantly terminate upon the first occurrence of any of the following:

- a. **Surface Water Reversion Trigger.** Occurrence of the Surface Water Reversion Trigger as defined in ¶ 7.a above, the giving of notice thereof by MVIC in the same manner provided in ¶ 7.b above, and the failure of

the Tribe to reverse or terminate the Surface Water Reversion Trigger within the 120-day period specified in the notice.

- b. **WSA.** "Judicial Confirmation" of the Tribe's federally-reserved water rights in the Muddy River as contemplated by the WSA.
- c. **Adjudication.** Failing consummation of the WSA, adjudication in a court of competent jurisdiction of the Tribe's federally-reserved rights in the Muddy River appurtenant to the Reservation.

9. Change Applications in Case of Reversion or Termination. In the event of a reversion of Rights Subject to Reversion under ¶ 7 above, or termination of the Surface Water Lease under ¶ 8 above, the Tribe shall cooperate with and not oppose the granting of any change applications reasonably necessary to restore the involved water rights to their original place of diversion, place of use and manner of use.

10. Monitoring Plan. The Parties shall in good faith diligently and cooperatively establish, agree on, and as necessary adjust over time a written plan for monitoring their respective uses of Muddy River water and groundwater from the California Wash Hydrographic Basin and adjacent hydrographic basins, and the water-related impacts thereof, if any. Existing on-Reservation monitoring wells shall be incorporated in the

monitoring plan and the plan shall be integrated with the Regional Monitoring Plans referred to in recital N of the MOA.

- a. **Elements of Monitoring Plan.** Without limitation, such plan shall provide for: installation of appropriate metering devices by all Parties including parshall flumes (if not already installed) to meter the Parties' respective Muddy River diversions, provided that SNWA shall pay all costs of acquiring and installing (if not already installed) parshall flumes at the Muddy River diversion points on the Reservation (which shall be installed within 120 days of the effective date of this Agreement) ; the right of each Party to inspect diversion facilities, measuring devices (including any well meters) and pumping and diversion data of all other Parties; and appropriate methods for determining the Muddy River diversion rates, annual diversion amounts, and annual consumptive use amounts of each Party, and the groundwater pumping rates and annual groundwater withdrawals of each Party.

- b. **Interim Monitoring.** Pending finalization of such monitoring plan, each Party, on written notice, shall be accorded the right to reasonably monitor all ground and surface water diversions of any other Party from the Muddy River, the California Wash Hydrographic Basin and the hydrographic basins adjacent thereto, including reasonable access to and

inspection of diversion facilities, measuring devices (including well meters) and pumping and diversion data.

11. Notices. All notices and communications given hereunder shall be in writing and shall be delivered by fax and first class, certified or registered mail, postage prepaid, to the fax numbers and addresses shown below, or to such other fax number or addressee as the Party entitled to notice may designate from time to time. Any notice given hereunder shall be deemed to be effective upon receipt.

If to Tribe: Chairperson, Moapa Band of Paiute Indians
P.O. Box 340
Moapa, NV 89025
fax: 702-865-2875

with copies to: Steven H. Chestnut
Richard M. Berley
Ziontz, Chestnut, Varnell, Berley & Slonim
2101 Fourth Ave., Ste. 1230
Seattle, WA 98121
fax: 206-448-0962

If to LVVWD: General Counsel
Las Vegas Valley Water District
1001 S. Valley View Blvd.
Las Vegas, NV 89153
fax: 702-258-3803

If to SNWA: General Counsel
Southern Nevada Water Authority
1001 S. Valley View Blvd.
Las Vegas, NV 89153
fax: 702-258-3803

If to MVIC: General Manager
 Muddy Valley Irrigation Company
 Box 665
 Overton, NV 89040
 fax: 702-397-6013

If to MVWD: General Manager
 Moapa Valley Water District
 P.O. Box 257
 Logandale, NV 89021
 fax: 702-397-6894

12. No Waiver. No failure by a Party to insist upon the strict performance of any term or condition of this Agreement, or to exercise any right or remedy consequent upon noncompliance therewith, shall constitute a waiver of any such term or condition, it being understood that any such waiver shall require the written agreement of such Party.

13. Amendment. All amendments or modifications of this Agreement shall be effective only when reduced to writing and signed by all Parties.

14. Further Documents and Action. The Parties shall execute all further documents and do all further things as may reasonably be necessary to give full force and effect to the provisions of this Agreement.

15. Interpretation. This Agreement shall be construed as a whole and in accordance with its fair meaning. Captions are used for convenience and shall not be used in construing meaning.

16. Successors. Every obligation, term and condition of this Agreement shall extend to and be binding upon, and every right and benefit hereunder shall inure to, the assignees, transferees or other successors of the respective Parties by operation of law or otherwise.

17. Representations and Warranties of Authority. Each Party represents and warrants as follows: (a) that it and the individual executing the Agreement on its behalf is fully empowered and authorized to execute and deliver this Agreement; (b) that it is fully empowered and authorized to approve and perform this Agreement; (c) that this Agreement is binding on its interest at the moment of execution and for so long as this Agreement is in effect; (d) that its governing body has authorized and approved the foregoing representations and warranties by duly adopted written resolution, a copy of which will be provided to each of the other Parties on execution of this Agreement; and (e) that it has obtained all approvals necessary to enter into and perform this Agreement, including without limitation the Tribe's taking of all actions necessary to accomplish the Tribe's waivers of sovereign immunity set forth herein and delivery by MVIC to the Tribe of a shareholder resolution approving this Agreement and the Surface Water Lease.

18. **Counterparts.** This Agreement may be executed and approved in multiple counterparts, each of which shall be deemed an original.

19. **Dispute Resolution.** In ¶ 6 above, the Tribe has expressly granted a waiver of sovereign immunity with respect to the enforcement of certain matters set forth in ¶ 6. Further, if a dispute should arise among the Tribe and any other Party or Parties with respect to the meaning or enforcement of any provision of this Agreement, any Party to the dispute may seek to resolve it only through a suit among such Parties brought in the Eighth Judicial District Court, Clark County, Nevada. The Tribe hereby waives its sovereign immunity as to such suits in such Court with respect to declaratory or injunctive relief only, and as to any appeals therefrom in appellate courts with jurisdiction over such appeals under State law. The Tribe hereby waives and foregoes any right to claim that exhaustion of federal or Tribal court remedies is a prerequisite to any action brought in State court under this ¶ 19.

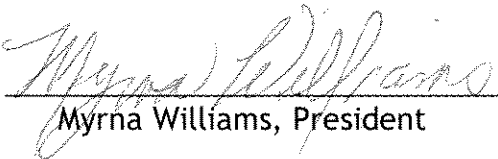
20. **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the matters covered hereby, and subsumes and incorporates all prior written and oral statements and understandings.

MOAPA BAND OF PAIUTE INDIANS

By  _____
Dalton Tom, Chairman

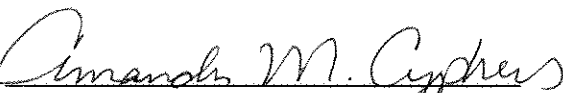
Date: April 20, 2006

LAS VEGAS VALLEY WATER DISTRICT

By 
Myrna Williams, President

Date: 4-20-06

SOUTHERN NEVADA WATER AUTHORITY

By 
Amanda M. Cyphers, Chair

Date: 4-20-06

MUDDY VALLEY IRRIGATION COMPANY

By 
Todd Robison, Chairman of the Board

Date: 4/20/06

MOAPA VALLEY WATER DISTRICT

By 
Ivan Cooper, Chairman of the Board

Date: 4-20-06

WATER SETTLEMENT AGREEMENT

AGREEMENT (“Agreement”) effective _____ among the Moapa Band of Paiute Indians (“Tribe”), State of Nevada acting through the Director of its Department of Conservation and Natural Resources (“State”)¹, Las Vegas Valley Water District (“LVVWD”), Southern Nevada Water Authority (“SNWA”), Muddy Valley Irrigation Company (“MVIC”), Moapa Valley Water District (“MVWD”), and United States of America, as trustee for the Tribe, acting through the Secretary of the Interior (or her authorized representative). The Tribe, State, LVVWD, SNWA, MVIC, MVWD and the United States are referred to herein individually as a “Party” and collectively as the “Parties.” The Parties other than the Tribe and the United States are referred to herein collectively as the “Non-Tribal Parties.”

Recitals

A. The Tribe beneficially owns and occupies the Moapa Indian Reservation (“Reservation”), which at its nearest point is approximately 26 miles northeast of Las Vegas, Nevada. The entire Reservation is held in trust for the Tribe by the United States.

B. The Reservation was initially established by Presidential Executive Order of March 12, 1873, which set aside a reservation of approximately 2.5 million acres. On February 12, 1874, the Reservation was expanded 8 miles east and 20 miles west by Presidential Executive Order. On March 3, 1875, Congress (18 Stat. 445) reduced the Reservation to 1,000 acres. Presidential Executive Orders of July 31, 1903, and November 26, 1912, added 103.28 acres and 128.37 acres, respectively, to the Reservation. On December 2, 1980, Congress (via Public Law 96-491, 94 Stat. 2561) added approximately 70,565 acres to the Reservation (“1980 Addition”).

C. It is the position of the Tribe and the United States that the United States holds in trust for the Tribe unadjudicated federally-reserved rights to groundwater beneath the 1980 Addition, with a priority date no later than December 2, 1980. It is the position of the Non-Tribal Parties that the federal reserved rights doctrine does not apply to groundwater.

¹The commitments of the State set forth herein are made without prejudice to any and all authority and duties of the Nevada State Engineer (“State Engineer”).

D. It is the position of the Tribe and the United States that the United States holds in trust for the Tribe unadjudicated federally-reserved surface water rights in the Muddy River, with a priority date no later than March 12, 1873. The Non-Tribal Parties dispute this position, believing that all surface water rights in the Muddy River were fully quantified, adjudicated and decreed in *Muddy Valley Irrigation Co., et al. v. Moapa and Salt Lake Produce Co., et al.* in Nevada's Eighth Judicial District Court ("Muddy River Decree Court") by Judgment and Decree dated March 12, 1920 ("Muddy River Decree"). The Tribe and the United States contend that the Muddy River Decree Court did not have jurisdiction to adjudicate claims to federally-reserved Muddy River rights appurtenant to the Reservation, and that the Muddy River Decree recognized a possible need to accommodate a future award of such a right.

E. The Tribe wishes to develop the Reservation, which requires water. The Parties wish to avoid legal disputes over the use of water for Reservation development. After a considerable number of negotiating meetings, for purposes of this settlement only, the Parties have agreed upon the terms and conditions set forth in this Agreement, which include mutual compromises on several of their positions on Reservation water matters.

F. In 1989, LVVWD filed two State applications to appropriate groundwater from the California Wash Hydrographic Basin (Applications 54075 and 54076) totaling 20 cubic feet per second (cfs) and 14,480 acre-feet per year (afy). On April 18, 2002, the Nevada State Engineer issued Ruling 5115, which granted a permit to withdraw 2,500 afy of groundwater under Application 54075 at a maximum diversion rate of 5 cfs ("Initial Permit"), denied the balance of Application 54075, and held Application 54076 in abeyance pending completion of the groundwater study ordered in State Engineer's Order 1169.

G. The Tribe has appealed Ruling 5115 to the Eighth Judicial District Court of Clark County, Nevada (the "Appeal"), and LVVWD has intervened as a defendant in the Appeal. Through the Appeal, the Tribe is seeking an increase in the quantity of groundwater currently permitted to be withdrawn under Application 54075 and restoration of the balance of Application 54075 pending further action by the State Engineer. This Agreement does not resolve the Tribe's claims in the Appeal. Application 54076 and any balance of Application 54075 which may be restored as a result of the Appeal are referred to herein together as the "Original Applications" and individually as an "Original Application."

H. LVVWD, in consultation with the Tribe, has filed the attached three applications with the State Engineer to change the point of diversion under the Initial Permit to locations on

the Reservation and the place of use to Clark County, Nevada (“LVVWD Change Applications”). Hereinafter, the term Initial Permit shall include such changed points of diversion and place of use to the extent approved by the State Engineer in response to the LVVWD Change Applications, as well as any adjustment of the Initial Permit resulting from the Appeal.

Terms and Conditions

On the basis of the above Recitals and in consideration of their mutual covenants hereunder, the Parties agree to the following terms and conditions in order to fully resolve all claims of the Tribe and the United States to a federally-reserved surface water right in the Muddy River appurtenant to the Reservation including the 1980 Addition, address Reservation groundwater issues, promote cooperation in regional water management, and address related matters:

1. Groundwater: Initial Permit, Original Applications and Rights Thereunder.

a. Transfer of Original Applications and Initial Permit to Tribe. Within 10 days after the State Engineer approves the LVVWD Change Applications, LVVWD shall transfer to the Tribe the Original Applications² and the Initial Permit, all at no charge and free and clear of all liens and encumbrances. LVVWD makes no representation or warranty as to the quantity or quality of water that: (1) will ultimately be permitted by the State Engineer in response to the Original Applications; or (2) that can ultimately be developed under the Initial Permit.

b. Issuance of Additional Rights to Tribe Under Original Applications. All Parties shall withdraw their pending protests, if any, against the Original Applications. No Party shall oppose (or assist others to oppose) in any administrative or judicial proceeding or otherwise, any issuance to the Tribe by the State Engineer of additional groundwater rights under an Original Application in the form of a permit or certificate (“Further Permit or Certificate”), except that LVVWD may contend in the Appeal or any remand therefrom that, as provided in State Engineer Ruling 5115, the Initial Permit should be for 2500 afy with a maximum diversion of 5 cfs and that Application 54076 should be held in abeyance pending completion of the

² The Tribe understands that the Original Applications are subject to State Engineer Order 1169 and that, as provided in the Order, the Original Applications and all other applications for groundwater in the California Wash Hydrographic Basin will be held in abeyance until completion of the study required by the Order.

groundwater study ordered in State Engineer Order 1169. No Party other than the State may oppose (or assist others to oppose) in any administrative or judicial proceeding or otherwise, any Tribal application to have an Original Application acted on by the State Engineer on a piecemeal basis over time, by dividing the Original Application into increments or by comparable means.³

c. Change Applications. No Party shall oppose (or assist others to oppose) in any administrative or judicial proceeding or otherwise, the granting by the State Engineer of the LVVWD Change Applications, or any Tribal application under an Original Application, the Initial Permit or a Further Permit or Certificate: (1) to change any point of groundwater diversion thereunder to any location on or off the Reservation, within the California Wash Hydrographic Basin, which lies at least one mile (in the case of a carbonate aquifer well) and two miles (in the case of an alluvial well) from Muddy Springs and the Muddy River; or (2) to change any use or place of use of groundwater to facilitate the beneficial use thereof on or off the Reservation. If the State Engineer does not approve the LVVWD Change Applications as submitted by June 30, 2004, the Tribe shall have the right to terminate this Agreement by giving written notice of termination to all other Parties (“Notice of Termination”) by July 31, 2004 or within 30 days after any State Engineer denial of the LVVWD Change Applications as submitted, whichever is earlier. Upon the giving of such Notice of Termination, this entire Agreement shall immediately terminate and be of no further force or effect, *provided* that if Judicial Confirmation under section 2 below has occurred by the date of such termination, then such termination shall not be effective as to: the Judicial Confirmation or its effect as a full settlement of the Tribe’s claim to a federally-reserved water right in the Muddy River appurtenant to the Reservation; or the Muddy River Decree as it may be amended by such Judicial Confirmation; or the monitoring plan and interim monitoring provisions of ¶¶ 6.a and 6.b below, respectively, insofar as they provide for mutual monitoring of the Parties’ use of Muddy River water.

d. State Law. The Original Applications, the Initial Permit, any Further Permit or Certificate, and any Tribal change application with respect to any of the foregoing, shall be held, sought, made and utilized by the Tribe in accordance with all relevant terms and conditions of this Agreement and State groundwater law, both substantive and procedural, and shall be enforceable in the administrative and judicial forums specified in State law for enforcement of such State groundwater rights and matters.

³ The State advises that the State Engineer does not decide groundwater applications on a piecemeal basis.

2. Muddy River Settlement.

a. Tribe's Federally-Reserved Water Right. In the interests of compromise and settlement, all Parties hereby agree to a federally-reserved water right, held in trust by the United States for the Tribe, in the Muddy River and appurtenant to the Reservation, with a diversion right of 11.5 cfs from April through September and 10.5 cfs from October through March, a maximum consumptive use limit of 3,700 afy, and a priority date of March 12, 1873, which may be used by the Tribe in its discretion for any of the Permitted Uses defined in ¶ 2.b below ("Tribe's Reserved River Right").

b. Tribal Water Use Pending and Subsequent to Judicial Confirmation. Pending and subsequent to issuance of a final order by the Muddy River Decree Court, exercising jurisdiction over the Tribe and the United States under the McCarran Amendment, 43 U.S.C. § 666(a), decreeing the Tribe's Reserved River Right, including any appeals of such order ("Judicial Confirmation"), the Tribe may withdraw water from the Muddy River at the rates and with the priority date set forth in ¶ 2.a above and, at the Tribe's option, apply such water, up to a maximum consumptive use of 3,700 afy, to any beneficial uses allowed under applicable law at any location on the Reservation or to mitigate water-related impacts (if any) of on-Reservation water use (collectively "Permitted Uses"), *provided* that nothing in this Agreement shall prejudice the right of the Tribe and the United States to claim a larger Tribal federally-reserved right in the river if this river settlement is revoked by the Tribe as permitted below in ¶ 2.c below or if this Agreement is terminated under ¶ 1.c above before Judicial Confirmation.

c. Judicial Confirmation. All Parties hereby agree that the McCarran Amendment, 43 U.S.C. § 666(a), provides jurisdiction to the Muddy River Decree Court to decree Judicial Confirmation of the Tribe's Reserved River Right, and all Parties shall in good faith diligently and cooperatively initiate proceedings for, and pursue, support and make best efforts to achieve such Judicial Confirmation. No later than six months after initiation of Judicial Confirmation proceedings, the Parties shall file therein a joint stipulation setting forth this Muddy River settlement, the consent of each Party to enforcement by the Muddy River Decree Court of the Judicial Confirmation and the monitoring provisions in ¶¶ 6.a and b below and any monitoring plan theretofore or thereafter established under ¶ 6.a below, and any other mutually agreeable relevant terms. If Judicial Confirmation of the Tribe's Reserved River Right is not obtainable within seven years of initiation of the Judicial Confirmation proceedings ("7-Year Period"), or the court at any time refuses to effect Judicial Confirmation of the Tribe's Reserved River Right, the Tribe may by written notice to all other Parties revoke the Muddy River settlement provided for in this section 2, but not any other provision of this Agreement.

However, if final Judicial Confirmation of the Tribe's Reserved River Right is not obtainable within the 7-Year Period because of delays due to appeals or independent action of a third party beyond the control of any Party which causes a delay in the Judicial Confirmation proceedings, the running of the 7-Year Period will be extended by the duration of such delay(s).

d. Enforcement of Judicial Confirmation. Each Party shall have the right, under 43 U.S.C. § 666(a)(2) and any other applicable State or federal law, to seek enforcement of the Judicial Confirmation by the Muddy River Decree Court, and shall be bound by and comply with any such enforcement order, unless and until the issuing court or any reviewing court decides otherwise.

3. Cap on Tribal Claim to Reserved Right to Groundwater. In the interest of compromise, the Tribe and the United States hereby agree to a limit of 14,480 afy (subject to availability under applicable legal and hydrological principles) with a December 2, 1980, priority date, on their claim to a federally-reserved right to groundwater beneath the 1980 Addition or any other portion of the Reservation, without prejudice to any defenses to the claim held by the Non-Tribal Parties. Specifically, the Non-Tribal Parties expressly reserve the right to fully contest and oppose all claims by the Tribe to any federally-reserved rights to groundwater beneath both the 1980 Addition or any other portion of the Reservation. If the Tribe establishes a federally-reserved right to groundwater appurtenant to the 1980 Addition or any other portion of the Reservation (subject to the above limit), an equal volume of groundwater rights acquired by the Tribe under ¶ 1.a and ¶ 1.b above, shall be deemed relinquished by the Tribe.

4. Tribal Applications to State Engineer for Further Groundwater. Subject to the protest rights of any other Party (except for those relinquished under ¶ 1.b and ¶ 1.c above), nothing in this Agreement shall prejudice the Tribe's right to apply under State law to the State Engineer either (a) for further groundwater rights appurtenant to the Reservation, or (b) for transfer to the Reservation of State law-based groundwater rights having points of diversion or places of use located off the Reservation.

5. Characteristics of Tribal Water Rights. No Non-Tribal Party shall ever contend that any Tribal water right established pursuant to this Agreement has been abandoned or forfeited. No groundwater permit or certificate acquired by the Tribe under ¶ 1.a or ¶ 1.b above may be transferred for use at an off-Reservation location without compliance with State law.

6. Monitoring.

a. Monitoring Plan. The Parties shall in good faith diligently and cooperatively establish, agree on, and as necessary adjust over time a written plan for monitoring their respective uses of Muddy River water and groundwater from the California Wash Hydrographic Basin and hydrographic basins adjacent thereto, and the water-related impacts thereof, if any. Without limitation, such plan shall provide for: installation of appropriate metering devices by all Parties; the right of each Party to inspect diversion facilities, measuring devices (including any well meters) and pumping and diversion data of all other Parties; and appropriate methods for determining the Muddy River diversion rates, annual diversion amounts, and annual consumptive use amounts of each Party, and the groundwater pumping rates and annual groundwater withdrawals of each Party.

b. Interim Monitoring. Pending finalization of such monitoring plan, each Party, on written notice, shall be accorded the right to reasonably monitor all ground and surface water diversions of any other Party from the Muddy River, the California Wash Hydrographic Basin, and hydrographic basins adjacent thereto, including reasonable access to and inspection of diversion facilities, measuring devices (including any well meters) and pumping and diversion data.

c. Preservation of State Engineer's Authority. The foregoing provisions of this section 6 shall not diminish, enhance or otherwise affect any authority under applicable law of the State Engineer to adopt monitoring plans or otherwise administer water usage.

7. On-Reservation Well Drillers. To the extent that competent and reliable Nevada-licensed well drillers are available in a timely fashion at competitive prices, the Tribe shall make best efforts to use such well drillers in Tribal exploration for and development of groundwater resources on the Reservation.

8. Notices. All notices and communications given hereunder shall be in writing and shall be delivered by fax and first class, certified or registered mail, postage prepaid, to the fax numbers and addressees shown below, or to such other fax number or addressee as the Party entitled to notice may designate from time to time. Any notice given hereunder shall be deemed to be effective upon receipt.

If to Tribe: Chairperson, Moapa Band of Paiute Indians
P.O. Box 340
Moapa, NV 89025
fax: 702-865-2875

with copies to: Steven H. Chestnut
Richard M. Berley
Ziontz, Chestnut, Varnell, Berley & Slonim
2101 Fourth Ave., Ste. 1230
Seattle, WA 98121
fax: 206-448-0962

If to State: Director, Department of Conservation
and Natural Resources
123 W. Nye Lane
Carson City, NV 89710
fax: 775-687-6122

If to LVVWD: General Counsel
Las Vegas Valley Water District
1001 S. Valley View Blvd.
Las Vegas, NV 89153
fax: 702-258-3268

If to SNWA: General Counsel
Southern Nevada Water Authority
1001 S. Valley View Blvd.
Las Vegas, NV 89153
fax: 702-258-3268

If to MVIC: General Manager
Muddy Valley Irrigation Company
Box 665
Overton, NV 89040
fax: 702-397-6013

If to MVWD: General Manager
Moapa Valley Water District
P.O. Box 257
Logandale, NV 89021
fax: 702-397-6894

If to United States: Regional Director, Western Regional Office
Bureau of Indian Affairs
400 N. 5th Street, 12th floor
P.O. Box 10
Phoenix, AZ 85001

fax: (602) 379-6835

with copies to:

Field Representative, Southern Paiute Field Station
Bureau of Indian Affairs
P.O. Box 720
St. George, UT
fax: (435) 674-9714

9. No Waiver. No failure by a Party to insist upon the strict performance of any term or condition of this Agreement, or to exercise any right or remedy consequent upon noncompliance therewith, shall constitute a waiver of any such term or condition, it being understood that any such waiver shall require the written agreement of such Party.

10. Amendment. All amendments or modifications of this Agreement shall be effective only when reduced to writing and signed by all Parties.

11. Further Documents and Action. The Parties shall execute all further documents and do all further things as may reasonably be necessary to give full force and effect to the express provisions of this Agreement.

12. Interpretation. This Agreement shall be construed as a whole and in accordance with its fair meaning. Captions are used for convenience and shall not be used in construing meaning.

13. Successors. Every obligation, term and condition of this Agreement shall extend to and be binding upon, and every right and benefit hereunder shall inure to, the assignees, transferees or other successors of the respective Parties by operation of law or otherwise.

14. Warranty of Authority. Each Party warrants that it is fully empowered and authorized to execute this Agreement and to thereby fully bind its interest.

15. Counterparts. This Agreement may be executed and approved in multiple counterparts, each of which shall be deemed an original.

16. Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to water rights appurtenant to the Reservation, and subsumes and incorporates all prior written and oral statements and understandings.

MOAPA BAND OF PAIUTE INDIANS

By _____
Dalton Tom, Chairman

Date: _____

NEVADA DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES

By _____
Allen Biaggi, Director

Date: _____

LAS VEGAS VALLEY WATER DISTRICT

By _____
Myrna Williams, President

Date: _____

SOUTHERN NEVADA WATER AUTHORITY

By _____
Amanda M. Cyphers, Chair

Date: _____

MUDDY VALLEY IRRIGATION COMPANY

By _____
Todd Robison, Chairman of the Board

Date: _____

MOAPA VALLEY WATER DISTRICT

By _____
Ivan Cooper, Chairman of the Board

Date: _____

UNITED STATES OF AMERICA

By _____
[Title], authorized representative of the
Secretary of the Interior

Date: _____

THE STATE OF NEVADA
CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS Stephen F. Turner - Agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from Muddy River through company ditches and irrigation system for irrigation, stockwatering and domestic

purposes. The point of diversion of water from the source is as follows: NW 1/4 NE 1/4 Sec. 21, T. 15 S., R. 67 E., M.D.B.&M., or at a point from which the SE corner of Sec. 28, T. 15 S., R. 67 E., M.D.B.&M., bears S. 11° 12' E., a distance of 10,131.06 feet, situated in Clark County, State of Nevada.

Now Know Ye, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator Muddy Valley Irrigation Co.
Post-office address Overton, Nevada
Amount of appropriation 3.98 cfs
Period of use, from October 1st to April 1st the following year of 1974
* Date of priority of appropriation January 1, 1905

Description of land to which water is appurtenant:

See Exhibit "A" attached

This certificate is issued subject to the terms of the permit.

* This certificate changes the point of diversion of waters heretofore appropriated under Permit 31, Certificate 271, hence the date of priority of appropriation is the same as Certificate 271.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein

IN TESTIMONY WHEREOF, I ROLAND D. WESTERGARD State Engineer

Compared dp/jw of Nevada, have hereunto set my hand and the seal of my office, this 19th day of July A. D. 19 74
Recorded 7-23-74 440
Clark County Records
State Engineer

EXHIBIT "A"

0.88	acres in	NE $\frac{1}{4}$ SW $\frac{1}{4}$	Section 15,	T. 15 S.,	R. 67 E.,	M.D.P.S.M.
30.05	"	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
18.68	"	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
11.52	"	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 21,	"	"	"
6.31	"	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
1.58	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
7.88	"	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
5.79	"	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 22,	"	"	"
39.39	"	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
7.55	"	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
13.82	"	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
27.07	"	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
39.73	"	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
31.41	"	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
33.91	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
32.32	"	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
9.76	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
4.21	"	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
40.00	"	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
39.76	"	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
25.86	"	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
18.00	"	NW $\frac{1}{4}$ SW $\frac{1}{4}$	Section 26,	"	"	"
1.70	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
6.06	"	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
0.17	"	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
35.18	"	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 27,	"	"	"
25.42	"	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
28.00	"	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
6.60	"	NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
37.12	"	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
31.26	"	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
26.52	"	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
31.82	"	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
12.42	"	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
21.09	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
14.22	"	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
29.84	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
29.09	"	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
39.70	"	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
9.82	"	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
38.34	"	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 34,	"	"	"
33.88	"	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
33.86	"	NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
28.29	"	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
36.21	"	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"	"
16.32	"	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
7.71	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
25.32	"	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
18.55	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
31.48	"	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 35	"	"	"
22.37	"	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
33.95	"	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
28.39	"	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"	"
34.94	"	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
15.91	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
5.18	"	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
2.41	"	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
22.65	"	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"	"	"
29.16	"	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"
18.10	"	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"	"	"

Exhibit "A"

27.04	acres in	NE $\frac{1}{4}$	NE $\frac{1}{4}$	Section 24, T. 16 S., R. 67 E., M.D.B.&M.		
14.21	"	NE $\frac{1}{4}$	NE $\frac{1}{4}$	Section 30,	"	68
9.83	"	NW $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
6.14	"	NE $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
1.40	"	SE $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
18.97	"	SW $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
17.92	"	SE $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
27.71	"	SE $\frac{1}{4}$	NW $\frac{1}{4}$	Section 29,	"	"
29.15	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
18.26	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
11.24	"	NE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
2.53	"	NE $\frac{1}{4}$	SE $\frac{1}{4}$	Section 22, T. 15 S., R. 67 E.,	"	"
5.85	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	Section 26,	"	"
2.25	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
2.66	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
13.54	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
.56	"	NE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
16.76	"	SW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
6.07	"	SE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
13.55	"	NE $\frac{1}{4}$	NE $\frac{1}{4}$	Section 27,	"	"
2.92	"	NW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
3.04	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
2.25	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
5.62	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
.79	"	SW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
23.51	"	SE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
6.19	"	SE $\frac{1}{4}$	NW $\frac{1}{4}$	Section 34,	"	"
10.86	"	SE $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
18.62	"	NE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
14.62	"	NW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
21.77	"	NE $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
39.93	"	SE $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
35.99	"	SE $\frac{1}{4}$	SE $\frac{1}{4}$	Section 2, T. 16 S.	"	"
8.66	"	SW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
27.90	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
35.32	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
7.09	"	SW $\frac{1}{4}$	NE $\frac{1}{4}$	Section 11,	"	"
15.02	"	SE $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
21.94	"	NE $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
14.40	"	NW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
37.01	"	NW $\frac{1}{4}$	NW $\frac{1}{4}$	Section 12,	"	"
18.62	"	NE $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
18.05	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
2.25	"	SE $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
28.12	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
13.50	"	NE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
37.23	"	SW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
27.56	"	SE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
7.65	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	Section 13	"	"
3.26	"	SW $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
2.81	"	NW $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
18.67	"	SE $\frac{1}{4}$	NW $\frac{1}{4}$	"	"	"
10.12	"	NE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
10.07	"	SE $\frac{1}{4}$	SW $\frac{1}{4}$	"	"	"
38.24	"	SW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
38.81	"	NW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
.67	"	NW $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
8.89	"	SW $\frac{1}{4}$	NE $\frac{1}{4}$	"	"	"
12.37	"	NE $\frac{1}{4}$	SE $\frac{1}{4}$	"	"	"
3,498.86	Total Acres					

The place of use under this certificate shall not exceed 2784.75 acres within the lands described under the place of use of this certificate.

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“MOA”) is entered into this 20th day of April, 2006, (the “Effective Date”) by and between the Southern Nevada Water Authority (“SNWA”), a political subdivision of the State of Nevada, the United States Fish and Wildlife Service (“FWS”), Coyote Springs Investment LLC, a Nevada limited liability company (“CSI”), the Moapa Band of Paiute Indians (“Tribe”) and the Moapa Valley Water District (“MVWD”), a political subdivision of the State of Nevada. For convenience, SNWA, FWS, CSI, the Tribe and MVWD are at times herein referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. In Order No. 1169 the Nevada State Engineer held in abeyance applications for new groundwater rights in certain groundwater basins, and mandated that SNWA, MVWD and other parties conduct a regional groundwater study including the pumping of at least 50 percent of the permitted water rights within the Coyote Spring Valley hydrographic basin for a period of at least two consecutive years (“Pump Test”).¹ SNWA currently owns 9,000 afy of water rights with points of diversion within the Coyote Spring Valley hydrographic basin under Permit Nos. 49414, 49660 through 49662 and 49978 through 49987 (“SNWA Water Rights”).

B. To facilitate the Pump Test and delivery of SNWA Water Rights, SNWA applied to the Bureau of Land Management (“BLM”) for a right-of-way across Federal land for the

¹ Currently there are 16,100 acre-feet per year (“afy”) of permitted groundwater rights in the Coyote Spring Valley hydrologic basin, including the SNWA Water Rights and CSI Water Rights, defined in Recitals A and D herein, and Order No. 1169 requires the continuous diversion of 8,050 acre-feet per year during the Pump Test.

construction and operation of a pipeline to deliver groundwater from the Coyote Spring hydrographic basin to either the Muddy River System or to MVWD's service system.

C. In Ruling No. 5115 the Nevada State Engineer granted Application No. 54075, filed by the Las Vegas Valley Water District ("District") on October 17, 1989, for a total duty of 2,500 afy with a diversion rate of 5.0 cubic feet per second ("cfs") within the California Wash hydrographic basin ("Permit No. 54075"). By separate agreement, the District has transferred ownership of Permit No. 54075 to the Tribe. The Tribe plans to divert and utilize groundwater under Permit No. 54075.

D. CSI is a private landowner in the Coyote Spring Valley hydrographic basin and owns 4,600 afy of water rights with points of diversion within the basin under Permit Nos. 70429 and 70430 ("CSI Water Rights").

E. MVWD is responsible for supplying the municipal water needs of Upper and Lower Moapa Valley located in Clark County, Nevada. MVWD owns several water rights within Upper Moapa Valley including surface rights to spring flows in the Muddy Springs area and groundwater rights (Permit Nos. 52520, 55450 and 58269) with points of diversion at the Arrow Canyon well and a right to 1.0 cfs of spring flow from the Jones Spring (Certificate No. 10060) ("Jones Water Right").

F. FWS is a Federal agency within the Department of the Interior. FWS' responsibilities include implementation of the Endangered Species Act and administration of the National Wildlife Refuge System. FWS holds a Nevada State water right certificate for a flow rate of not less than 3.5 cfs as measured at the Warm Springs West flume (Permit No. 56668; Certificate No. 15097 issued subject to the terms of Permit No. 56668) for the maintenance of habitat of the Moapa dace and other wildlife purposes ("FWS Water Right").

G. The Moapa dace (*Moapa coriacea*) is an endemic fish that inhabits the upper Muddy River and tributary thermal spring systems within the Warm Springs area in Clark County, Nevada. The Moapa dace was federally listed as endangered on March 11, 1967 (32 FR 4001). FWS manages the Moapa Valley National Wildlife Refuge established in 1979 as part of the National Wildlife Refuge System.

H. Based upon its evaluation of available data, FWS postulates that current groundwater pumping by MVWD at the Arrow Canyon well is causing a decline in spring flows in the Warm Springs area and that future withdrawals of groundwater by SNWA and/or CSI in the Coyote Spring Valley hydrographic basin and/or by the Tribe in the California Wash hydrographic basin may cause spring flows to decline. SNWA, CSI, and MVWD do not believe the available hydrologic data supports these conclusions.

I. The Tribe believes that regional groundwater monitoring and scientifically valid, but conservative, regional computer modeling have demonstrated and will continue to demonstrate that on-Reservation groundwater pumping authorized under Permit No. 54075 will not cause appreciable declines in spring flows in the Warm Springs area.

J. Prior to the issuance of Order No. 1169, a stipulation was executed on July 19, 2001, between Federal agencies and SNWA regarding protests filed by Federal agencies against SNWA applications for new groundwater rights in the Coyote Spring Valley hydrographic basin. The Federal agencies and SNWA agreed to implement a monitoring study that was clarified in a Monitoring, Management, and Mitigation Plan for Existing and Future Permitted Groundwater Development in Coyote Spring Valley ("3M Plan") attached to and incorporated in that stipulation.

K. As part of the approval of the MVWD water rights at the Arrow Canyon well, the Nevada State Engineer required a monitoring plan. A monitoring plan has been developed and agreed upon jointly by MVWD, Nevada Power Company, FWS and National Park Service, with the most recent amendments to that plan being submitted to the State Engineer in September 2002 (“MVWD Monitoring Plan”).

L. State Engineer Ruling No. 5115 requires that “[a] monitoring program approved by the State Engineer prior to the diversion of any water [under Permit No. 54075] be prepared in conjunction with the [Pump Test] ordered in State Engineer’s Order No. 1169.”² The Tribe will develop, in coordination with the other Parties, a monitoring plan approved by the Nevada State Engineer prior to applying any groundwater to beneficial use under Permit No. 54075 (“Tribal Monitoring Plan”).

M. On March 11, 2005, the Nevada State Engineer approved a document entitled “Southern Nevada Water Authority’s Monitoring Plan for Groundwater Applications and Permits in Coyote Spring Valley, Hidden and Garnet Valleys, and California Wash Hydrographic Basin, Clark and Lincoln Counties March, 2005” (“SNWA Monitoring Plan”). The State Engineer directed that the SNWA Monitoring Plan serve as the monitoring plan required by the State Engineer for the SNWA Water Rights and the CSI Water Rights.

N. The Parties share a common interest in the conservation and recovery of the Moapa dace and its habitat. Each Party also has an interest in the protection, use and enjoyment of its water rights and entitlements. To serve these interests, the Parties have identified certain conservation measures with the objective of making measurable progress toward the conservation and recovery of the Moapa dace, and have agreed to coordinate the monitoring, management and mitigation measures included and to be included in the 3M Plan, MVWD

Monitoring Plan, SNWA Monitoring Plan, and Tribal Monitoring Plan (collectively the “Regional Monitoring Plans”).

O. The Parties desire that FWS engage in consultation and prepare a formal biological opinion under the provisions of Section 7 of the Endangered Species Act and its implementing regulations prior to execution of this MOA. The consultation shall consider the effects on the Moapa dace from the pumping of 9,000 afy under the SNWA Water Rights, 4,600 afy under the CSI Water Rights, and 2,500 afy by the Tribe under Permit No. 54075, together with the implementation of the monitoring, management and conservation measures identified herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties do agree as follows:

I. Conservation Measures. The Parties agree that in order to make measurable progress toward protection and recovery of the Moapa dace and its habitat concurrent with the operation and development of water projects for human use, it is beneficial to the public interest to establish the following conservation measures:

1. Establishment of Recovery Implementation Program. To effectuate the goals of this MOA the Parties agree to establish a Recovery Implementation Program (“RIP”) whereby measures necessary to accomplish the protection and recovery of the Moapa dace, the operation and development of regional water facilities, and the inclusion of necessary and interested third parties are outlined and implemented. To facilitate establishment of the RIP:

a. The Parties agree to cooperate in the selection of qualified personnel and/or contractors to oversee the development of the RIP.

² Ruling No. 5115 at 40.

b. SNWA agrees to provide funding in the amount of \$300,000.00 to develop the RIP. SNWA agrees to execute such documents as may be necessary to ensure that these funds are available to meet the needs of those persons designated by the Parties with the task of establishing the RIP.

c. The Parties agree to seek the cooperation of other parties within the region that have an interest in the development and management of water and biological resources. To achieve the goals of the RIP, the Parties agree to employ principles of adaptive management to further the current understanding of the habitat and aquatic needs of the Moapa dace. The Parties will jointly negotiate the participation of any other party in the RIP.

2. Dedication of the Jones Water Right. The Parties agree that the recovery of the Moapa dace will be enhanced by the guarantee of additional in-stream flows in areas of historical Moapa dace habitat. One such area is the Apar Stream down gradient of the Jones Spring. The Parties concur that the dedication of the Jones Water Right to the purpose of providing in-stream flows will be beneficial to the Moapa dace population in this area and further the recovery of the species. To effectuate the dedication of the Jones Water Right to the provision of in-stream flows in the Apar Stream, the Parties agree as follows:

a. MVWD agrees to record an agreement between MVWD and FWS (“Jones Springs Agreement”) on the Jones Water Right with both the Nevada State Engineer and the Clark County, Nevada, Recorder’s Office that requires the entire 1.0 cfs flow right under the Jones Water Right to be dedicated to the purpose of maintaining in-stream flows in the Apar Stream subject to the provisions of paragraph 7 of the Jones Springs Agreement. MVWD shall retain ownership of the Jones Water Right. The Jones Springs Agreement shall be executed and recorded promptly upon execution of this MOA. A draft of the Jones Springs Agreement is

attached hereto as "Exhibit A." The Jones Springs Agreement ultimately recorded pursuant to this paragraph shall be in substantially the same form as Exhibit A.

b. SNWA agrees to transfer to MVWD, at no cost, a portion of Permit No. 49414 equal to 724 afy. This transferred portion of Permit No. 49414 shall remain of equal priority date with that portion of Permit No. 49414 retained by SNWA.

c. MVWD agrees to transfer to SNWA, at no cost, the first 724 afy, or any portion thereof if less than 724 afy is permitted, of any permit(s) issued by the Nevada State Engineer pursuant to Application Nos. 54055 through 54059, inclusive.

d. The Parties agree to cooperate with MVWD in the filing and processing of any change applications, including applications to change the manner or place of use that are filed by MVWD with the Nevada State Engineer in order to effectuate the Jones Springs Agreement referenced in paragraph I(2)(a) above.

e. Subject to paragraph 2 of the Jones Springs Agreement, the Parties agree to cooperatively determine the best methods to ensure that the Jones Water Right accomplishes the purpose stated in paragraph I(2)(a) above, as related to the recovery of the Moapa dace and other endemic species, including the possibility of restoration of the springhead at Jones Spring.

3. Dedication of Portion of CSI Water Rights.

a. CSI agrees to record a conservation easement with both the Nevada State Engineer and the Clark County, Nevada, Records Office dedicating 460 afy of the CSI Water Rights to the survival and recovery of the Moapa dace and its habitat. The use of this water would be at the discretion of the FWS in consultation with the CSI and the Parties.

b. In addition, CSI agrees to dedicate 5 percent of all water rights above 4,600 afy that CSI may in the future be entitled to withdraw from Coyote Spring Valley

hydrographic basin or any water rights that CSI imports into and uses in the basin. The Parties, consistent with the RIP, will determine the most effective method for utilizing such water rights. CSI shall execute and record such documentation, including conservation easements, deeds, change applications and reports of conveyance, as may be necessary to effectuate the dedication of that portion of such water rights that is subject to the terms and conditions contained herein.

4. Habitat Restoration and Recovery Measures. To restore the habitat necessary for the Moapa dace and take other steps to protect and recover the species, the Parties agree as follows:

a. SNWA agrees to provide funding in the amount of \$750,000.00 for the restoration of Moapa dace habitat under the direction of FWS on the Apcar Unit of the Moapa National Wildlife Refuge or otherwise. All tasks funded under this paragraph I(4)(a) shall be agreed to in advance by SNWA and FWS in consultation with the other Parties. SNWA agrees to execute such documents as may be necessary in order to ensure that these funds are available for such habitat restoration.

b. FWS agrees to provide funding in the amount of \$125,000.00 and SNWA agrees to provide funding in the amount of \$125,000.00 to develop an ecological model designed to investigate the effects of habitat change on the ecology of the Moapa dace. FWS and SNWA shall, in consultation with the other Parties, agree upon the selection of a contractor to prepare the model.

c. SNWA agrees to provide funding in the amount of \$50,000.00 to construct fish barriers to help eliminate the predacious Tilapia from areas of Moapa dace habitat. FWS and SNWA shall, in consultation with the other Parties, agree upon the selection of a contractor to perform such work.

d. SNWA agrees to provide funding in the amount of \$25,000.00 to implement programs related to the eradication of non-native fish species, including predacious Tilapia, in the Warm Springs area. FWS and SNWA shall, in consultation with the other Parties, agree upon the selection of a contractor to perform such work.

e. CSI agrees to provide FWS with funding on an annual basis in the amount of \$50,000.00 for a period of four years following the execution of this MOA for the restoration of Moapa dace habitat outside the boundaries of the Moapa National Wildlife Refuge along the Apcar Stream, or at such other locations as CSI and FWS, in consultation with the other Parties, agree.

f. The Tribe agrees to use a reasonable portion of the existing on-Reservation greenhouse facility for a reasonable period of years, for the purpose of cultivating native vegetation for use in RIP-approved habitat restoration. The Parties understand that the greenhouse is in a state of major disrepair and that such use of the greenhouse will require repairs and a water supply. FWS will work with the Tribe to obtain the funding necessary to provide for such repairs and to identify and secure a water supply adequate for such use. The Tribe reserves the right to pursue, and if feasible implement, separate arrangements for the improvement and commercial operation of the remainder of the greenhouse.

g. The Tribe agrees to provide access to the Tribe's Reservation for the construction and subsequent maintenance of at least one fish barrier, at a mutually agreeable location, to help eliminate the predacious Tilapia from Moapa dace habitat. FWS will work with the Tribe to obtain the funding necessary for construction, maintenance and repair of such barrier(s).

h. The Tribe agrees to provide the services of the Tribe's Environmental Director for in-kind staff services and participation in the RIP.

5. Protection of In-Stream Flows. The Parties recognize that maintenance of minimum in-stream flows in the Warm Springs area is essential for the protection and recovery of the Moapa dace. Although those flows are unknown at this time, the Parties agree as follows:

a. For purposes of this paragraph I(5), all "Average Flow Levels" specified herein shall be determined by flow measurements at the Warm Springs West flume. Average Flow Levels will be determined to have reached a particular level within a range specified in paragraphs I(5)(b) through (g) ("Trigger Range"): (1) if the daily average flow for each of 45 consecutive days decreases to an amount within the Trigger Range, or if the 90 day average flow over any 90 consecutive day period decreases to an amount within the Trigger Range; or (2) if the daily average flow for each of 90 consecutive days increases to an amount within the Trigger Range, or if the 135 day average flow over any 135 consecutive day period increases to an amount within the Trigger Range. If determined to be necessary by the Parties, the Parties will cooperate in removing phreatophytes, repairing or replacing the flume or taking any other steps to ensure the accuracy of flume measurements. Any adjustment in the rating curve for the Warm Springs West flume shall result in a pro-rata adjustment of the Trigger Ranges. The remaining provisions of this paragraph I(5) apply both during and after the Pump Test, except for paragraphs I(5)(c)(i) and (ii) which apply only during the Pump Test.

b. If the Average Flow Level decreases to an amount within the Trigger Range of 3.2 cfs or less, the Parties agree to meet as soon as practicably possible to discuss and interpret all available data and plan for mitigation measures in the event flows continue to decline.

c. If the Average Flow Level decreases to an amount within the Trigger Range of 3.0 cfs or less, the following Parties agree to take the following further actions:

- i. During the pendency of the Pump Test, MVWD agrees to immediately cease pumping from the Arrow Canyon well; and
- ii. While the Arrow Canyon Well is shut down pursuant to paragraph I(5)(c)(i) above, SNWA agrees to supply MVWD with all necessary municipal and domestic water supplies from the MX-5 and RW-2 wells or other sources available to the SNWA. Except for the express provision contained in paragraph I(2)(b) of this MOA, nothing in this MOA will obligate SNWA to supply MVWD with any water from SNWA's existing permits in the Coyote Spring Valley following the completion of the Pump Test; and
- iii. SNWA and CSI agree to take necessary actions to prepare to geographically redistribute their groundwater pumping in the Coyote Spring Valley should flow levels continue to decline; and

d. If the Average Flow Level is within the Trigger Range of 3.0 cfs or less but greater than 2.9 cfs, the pumping of SNWA from the MX-5, RW-2, CS-1 and CS-2 wells in combination with the pumping of CSI from the MX-5, RW-2, CS-1 and CS-2 and CSI's pumping from other wells within the Coyote Springs Valley ("CSV") shall be restricted to 8,050 afy.

e. If the Average Flow Level is within the Trigger Range of 2.9 cfs or less but greater than 2.8 cfs, the pumping of SNWA from the MX-5, RW-2, CS-1 and CS-2 wells in combination with the pumping of CSI from the MX-5, RW-2, CS-1 and CS-2 and CSI's

pumping from other wells in CSV shall be restricted to 6,000 afy, and the pumping of the Tribe under Permit No. 54075 shall be restricted to 2,000 afy.

f. If the Average Flow Level is within the Trigger Range of 2.8 cfs or less but greater than 2.7 cfs, the pumping of SNWA from the MX-5, RW-2, CS-1 and CS-2 wells in combination with the pumping of CSI from the MX-5, RW-2, CS-1 and CS-2 and CSI's pumping from other wells in CSV shall be restricted to 4,000 afy, and the pumping of the Tribe under Permit No. 54075 shall be restricted to 1,700 afy.

g. If the Average Flow Level is within the Trigger Range of 2.7 cfs or less, the pumping of SNWA from the MX-5, RW-2, CS-1 and CS-2 wells in combination with the pumping of CSI from the MX-5, RW-2, CS-1 and CS-2 and CSI's pumping from other wells in CSV shall be restricted to 724 afy, and the pumping of the Tribe under Permit No. 54075 shall be restricted to 1,250 afy.

h. The Parties agree that any pumping of the 460 afy of CSI Water Rights dedicated to the survival and recovery of the Moapa dace pursuant to paragraph 3.a. of this MOA shall be at the discretion of FWS and not counted against the pumping restrictions set forth in paragraphs 5(d) through 5(g) of this MOA.

6. Hydrologic Review Team. Upon execution of this MOA, the Parties shall establish a Hydrologic Review Team ("HRT") which shall be constituted and function as follows:

a. Membership. Each Party shall appoint two representatives ("HRT Representatives"), including at least one with substantial formal training and experience in hydrogeology ("Technical Representative"). Except as otherwise provided herein, the two HRT Representatives shall together have one vote on HRT matters. By consensus, the HRT

Representatives may offer voting or non-voting HRT membership to others who provide regional monitoring records and analyses to the HRT.

b. Objectives. The objectives of the HRT shall be: (1) to identify opportunities and make recommendations for the purpose of coordinating and ensuring accuracy, consistency and efficiency in monitoring, other data collection, and analytical activities performed under the Regional Monitoring Plans; (2) to establish technically sound analyses of impacts on Muddy River Springs and Muddy River flows resulting from regional groundwater pumping; (3) to assess based thereon whether the pumping restrictions, but not the Trigger Ranges, under paragraphs I(5)(c) through (g) above (or any successors thereto) should be adjusted to better reflect the extent to which regional groundwater pumping by the respective Parties causes, or is likely to cause, impacts on Muddy River Springs and Muddy River flows; and (4) to adopt by consensus appropriate adjustments to such restrictions, if warranted.

c. Regional Baseline Pumping Analysis. Within one year following the execution of this MOA, the Technical Representatives shall prepare a written analysis of regional groundwater pumping data and impacts (“Regional Baseline Pumping Analysis”). In preparing such baseline analysis, the HRT shall consider all relevant and available data and analytical materials. The Regional Baseline Pumping Analysis shall set forth all shared and dissenting analyses, interpretations and recommendations of the participating Technical Representatives. All modeling analyses contained therein shall be based on modeling codes in the public domain and data files that are available for comprehensive review by all Technical Representatives.

d. Annual Determination. Based on the Regional Baseline Pumping Analysis, and no later than one year after preparation of that analysis and annually thereafter, the HRT shall endeavor to determine by consensus (“Annual Determination”) whether the

groundwater pumping restrictions, but not the Trigger Ranges, under paragraphs I(5)(c) through (g) above (or any successors thereto) should remain in place, or whether and how any of such restrictions should be adjusted (“Pumping Restriction Adjustments”) to better reflect the extent to which regional groundwater pumping by the respective Parties causes, or is likely to cause, impacts on Muddy River Springs and Muddy River flows. However, no Pumping Restriction Adjustments will be made within the first five years following the Effective Date of this MOA. All Annual Determinations (including any Pumping Restriction Adjustments adopted by HRT consensus) shall be final and binding on all Parties, except that by consensus the HRT may at any time modify or vacate any Annual Determination.

e. Annual Determination Reports. Each Annual Determination shall be set forth and explained in a written Annual Determination Report which includes as appendices the Regional Baseline Pumping Analysis, all previously submitted Annual Technical Representative’s Reports, and any other data or analytical materials considered by the HRT. If the Annual Determination is not made due to lack of consensus or any other reason, the positions thereon of the HRT Representatives shall be set forth and explained in the Annual Determination Report. Furthermore, if the HRT fails to adopt Pumping Restriction Adjustments recommended in a timely submitted Annual Technical Representative’s Report, the Annual Determination Report shall briefly explain why such recommendation was not adopted.

f. Annual Technical Representative’s Reports. Within six months after the close of the year of this MOA and annually thereafter, based on the best available scientific data and information, any Technical Representative may submit to all other HRT Representatives a written report (“Annual Technical Representative’s Report”) containing both: (1) a well-

documented professional analysis of monitored regional pumping and pumping impacts; and (2) recommendations, if any, for Pumping Restriction Adjustments.

g. Provision for Peer Review. If the HRT Representatives are unable to reach consensus on an Annual Determination, the Parties shall refer the matter to a qualified panel of third party reviewers (“Panel”) consisting of three scientists unaffiliated with any Party and having substantial formal training and experience in hydrogeology. If the Parties cannot agree by consensus on the make-up of the Panel, one member of the Panel shall be designated by each of the following from its own ranks: U.S. Geologic Survey, Desert Research Institute and a private firm with the requisite expertise designated by a majority of the Parties (“Appointing Entities”), provided that the Parties by consensus may designate different similarly qualified Appointing Entities. If any Appointing Entity for any reason is unable or refuses to designate a member of the Panel, the Parties by majority vote shall designate a qualified replacement Appointing Entity. The purpose of the referral to the Panel will be to obtain peer review of the then-current Annual Determination Report, the data upon which it is based, all previously submitted Annual Technical Representative’s Reports, and any other relevant and available data and analytical materials. The Panel will be asked to make its recommendation based on the foregoing information concerning the appropriate content of the Annual Determination. All Parties shall have a fair and reasonable opportunity to present factual and analytical submissions in person and/or in writing to the Panel. The Parties contemplate that a determination of the Panel on the Annual Determination will constitute the best available scientific information concerning the impacts on Muddy River Springs and Muddy River flows resulting from regional groundwater pumping, and the appropriateness of any proposed Pumping Restriction Adjustments. The cost of the Panel shall be borne equally by the Parties.

7. Acquisition of Additional Land and Water Rights. As a potential conservation measure, the Parties agree to work cooperatively to identify both land and water rights that, if acquired and dedicated to the recovery of the Moapa dace, will assist in making measurable progress towards the recovery of the Moapa dace. SNWA agrees to make a good faith effort to acquire land and water rights identified by the Parties. The Parties expressly agree that the reasonableness of any terms and conditions for any acquisition of land or water rights by SNWA shall be determined by SNWA at SNWA's sole discretion, and that SNWA shall have no obligation to acquire any land or water rights upon terms and conditions that SNWA finds unreasonable. When such land or water rights are acquired by SNWA, SNWA will cooperate with FWS in establishing restrictions upon the use of such lands and water rights consistent with existing laws so as to effectuate the conservation of these resources and the recovery of the Moapa dace.

8. Operational Coordination Among FWS, SNWA, CSI and MVWD. Consistent with the terms of this MOA and to accomplish the goals of protecting and recovering the Moapa dace, and accommodating the operation of municipal water supply infrastructure, FWS, SNWA, CSI and MVWD agree to examine all reasonable water operational scenarios and agree to implement feasible scenarios that will minimize impacts to the Moapa dace and its habitat, including, but not limited to the provision of water to MVWD from the Coyote Spring Valley hydrographic basin during the Pump Test or other water supplies available to SNWA and MVWD. MVWD shall have the right during the Pump Test to use the Arrow Canyon Well only in the event and to the extent SNWA is unable to supply MVWD with "all necessary municipal and domestic water supplies" pursuant to the provisions of paragraph I(5)(c)(ii) of this MOA. Except for the express provision contained in paragraph I(2)(b) of this MOA, nothing in this

MOA will obligate SNWA to supply MVWD with any water from SNWA's existing permits in the Coyote Spring Valley hydrographic basin following the completion of the Pump Test.

SNWA and CSI agree, following the execution of this MOA, and in coordination with FWS, to cooperate in locating and drilling one or more production wells in the northern part of the Coyote Spring Valley hydrographic basin. The details of this cooperative effort shall be contained in a separate agreement between CSI and SNWA.

9. Adaptive Management Measures. The Parties agree to carry out additional conservation measures that will need to be taken to protect and recover the Moapa dace following the initiation of the RIP and as more data becomes available both as to the biology of the Moapa dace and regional hydrology. Thus, the Parties agree to cooperate in carrying out the following measures as may be appropriate:

- a. Funding, preparation and implementation of biological and hydrological studies and activities supporting the recovery of the Moapa Dace; and
- b. Establish a regional monitoring and management plan that will include science-based management and mitigation measures for RIP participants; and
- c. Assessing the feasibility of augmenting and/or restoring in-stream flows and establishing those flows as deemed feasible.
- d. Continue to re-evaluate necessary measures to protect and recover the Moapa dace.

II. Current Access Agreement. SNWA currently has an access agreement with the owners of the Warm Springs Ranch, which contains Moapa dace habitat, in order to conduct biological surveys of the Moapa dace. SNWA agrees to use its best efforts to seek to amend this access

agreement so that each of the Parties to this MOA will have similar rights of access to the Warm Springs Ranch.

III. Modification of MVWD Monitoring Plan. Pursuant to the MVWD Monitoring Plan, submitted to the Nevada State Engineer in September 2002, FWS and MVWD agreed to a monitoring plan for development of MVWD's water rights at the Arrow Canyon well that contained certain management and mitigation measures that would be taken if flows at the Warm Springs West flume reached 3.17 cfs and 2.94 cfs respectively. This monitoring plan was recognized by the Nevada State Engineer in Ruling No. 5161. The Parties agree that, in order to effectuate a uniform regional monitoring and management plan, that the flow level restrictions and mitigation measures contained in this MOA shall replace the flow and water level restrictions and mitigation measures contained in the MVWD Monitoring Plan.

IV. No Assertion of FWS State Water Right. Provided that the other Parties to this MOA are in full compliance with the terms of this MOA, FWS expressly agrees not to assert a claim of injury to the FWS Water Right against either MVWD for pumping at the Arrow Canyon Well, against the Tribe for pumping within the California Wash hydrographic basin or against SNWA or CSI for any pumping in the Coyote Spring Valley for any diminution in flows at the Warm Springs West flume above 2.7 cfs. This provision shall in no way prejudice the FWS' ability and/or right to assert any and all rights inherent to the FWS Water Right for any diminution in flows at the Warm Springs West flume below 2.7 cfs.

V. No Waiver of Statutory Duties or Legal Rights. This MOA does not waive any of the authorities or duties of the FWS or the United States, nor does it relieve SNWA, CSI, the Tribe and MVWD from complying with any Federal laws, including but not limited to, the National Environmental Policy Act, Endangered Species Act, National Wildlife Refuge System

Improvement Act of 1997, and Federal Land Policy and Management Act of 1976, and any and all rules and regulations thereunder. Except as provided in paragraph IV of this MOA, it is the expressed intention of the Parties that FWS and the United States are not waiving any legal rights or obligations of any kind, including obligations to consult or re-consult under the Endangered Species Act, by entering into this MOA. Further, this agreement is entered as a good faith resolution of certain issues and is not intended to waive any party's rights in a subsequent legal proceeding regarding those issues. In addition, except for the restrictions set forth in paragraphs I(5)(e) through (g) above, this MOA does not in any respect waive, limit, or diminish any rights or claims of the Tribe to any federally-reserved or State surface or groundwater rights.

VI. No Modification of Previous Agreements. The Parties recognize that CSI, SNWA and MVWD have previously entered into multiple agreements concerning the sale, purchase and settlement of water rights within the Coyote Spring Basin including a certain *Agreement For Settlement Of All Claims To Groundwater In The Coyote Spring Basin* entered into between MVWD, CSI, SNWA and the District on March 7, 2002, and a certain *Agreement For Option, Purchase and Sale of Water Rights, Real Property and Easements* entered into between SNWA and CSI on April 16, 1998. Nothing contained herein is intended to abrogate or modify in any manner any of the provisions contained in any of those agreements except as expressly provided in paragraphs I(2)(b) and I(2)(c) of this MOA.

VII. Miscellaneous Provisions.

1. Notices. If notice is required to be sent by the Parties, the addresses are as follows:

If to FWS:

Supervisor
Nevada Fish and Wildlife Office
Fish and Wildlife Service
1340 Financial Blvd., #234
Reno, Nevada 89502

If to SNWA:

General Manager
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

If to MVWD:

General Manager
Moapa Valley Water District
Post Office Box 257
Logandale, Nevada 89021

If to CSI:

Carl Savely, General Counsel
Wingfield Nevada Group
6600 North Wingfield Parkway
Sparks, Nevada 89436

If to the Tribe:

Chairperson, Moapa Band of Paiute Indians
Post Office Box 340
Moapa, Nevada 89025
Fax: 702-865-2875

With copies to:

Steven H. Chestnut
Richard M. Berely
Ziontz, Chestnut, Varnell, Berely & Slonim
2101 Fourth Avenue, Suite 1230
Seattle, Washington 98121
Fax: 206-448-0962

2. Choice of Law. This MOA shall be governed in accordance with applicable Federal laws, and the laws of the State of Nevada to the extent not inconsistent with Federal law.

3. Funding. Any commitment of funding by FWS, MVWD or SNWA under this MOA is subject to appropriations by the respective governing bodies of those entities.

4. Amendment. This MOA may be amended in writing by mutual agreement of the Parties.

5. Integration. This MOA sets forth the entire agreement of the Parties and supercedes all prior discussions, negotiations, understandings or agreements with respect to the subject matter hereof. No alteration or variation of this MOA shall be valid or binding unless contained in an amendment in accordance with paragraph VI(4) of this MOA.

6. Binding Effect, Withdrawal From MOA. The terms and conditions of this MOA shall be binding upon and inure to the benefit of the Parties hereto and their respective personal representatives, successors, transferees and assigns. However, the Parties expressly agree that should the execution of this MOA, or any consultation held or biological opinion issued under Section 7 of the Endangered Species Act which is premised thereon, be challenged in a court of competent jurisdiction and be found in violation of the Endangered Species Act or any other law, any of the Parties may withdraw from the MOA upon thirty days written notice to the other Parties. Upon such withdrawal, the withdrawing Party shall have no further obligation to perform any commitment contained in this MOA.

7. Effective Date, Counterparts. This MOA will become effective as between the Parties upon all Parties signing this MOA. The Parties may execute this MOA in two or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original as against any party who has signed it.

8. Additional Parties. Other entities may become Parties to this MOA by mutual written assent of the Parties.

9. Headings. The underlined paragraph headings used in this MOA are for the convenience of the Parties only, and shall not be deemed to be of substantive force in interpreting the MOA.

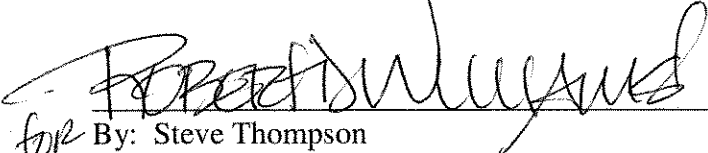
10. No Third Party Beneficiaries. This MOA does not create any right or benefit, substantive or procedural, enforceable by any third parties against the Parties or against any other person or entity. The terms of this MOA are not enforceable by any person or entity other than a Party.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Agreement on the 20th day of April, 2006.

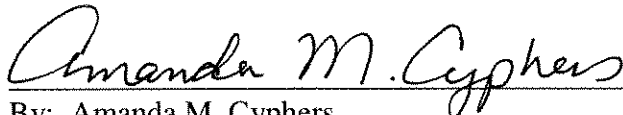
MOAPA VALLEY WATER DISTRICT


By: Ivan Cooper
Title: Chairman

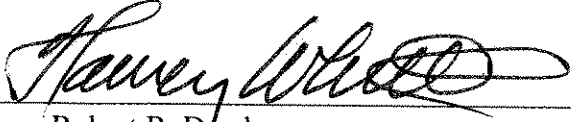
U.S. FISH AND WILDLIFE SERVICE


for By: Steve Thompson
Title: Manager, California/Nevada Operations Office

SOUTHERN NEVADA WATER AUTHORITY

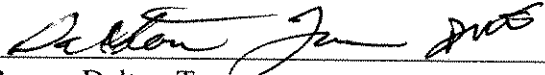

By: Amanda M. Cyphers
Title: Chair

COYOTE SPRINGS INVESTMENT, LLC



By: Robert R. Derck
Title: General Manager

MOAPA BAND OF PAIUTE INDIANS



By: Dalton Tom
Title: Chairman

SURFACE WATER LEASE

SURFACE WATER LEASE ("Lease") effective April 20, 2006 ("Effective Date") between the Muddy Valley Irrigation Company ("MVIC") as lessor and the Moapa Band of Paiute Indians ("Tribe") as lessee. MVIC and the Tribe are sometimes referred to herein individually as a "Party" and jointly as the "Parties."

Recitals

A. The Tribe, Coyote Springs Investments, L.L.C., Southern Nevada Water Authority ("SNWA"), Moapa Valley Water District ("MVWD") and United States Fish and Wildlife Service, have negotiated a Memorandum of Agreement ("MOA") regarding certain planned groundwater pumping in the region and measures to mitigate potential impacts of such pumping on the endangered Moapa Dace.

B. To facilitate the Tribe's execution of the MOA (and to achieve other ends), MVIC, the Tribe, SNWA, MVWD and the Las Vegas Valley Water District ("LVVWD") have entered into a Water Supply Agreement of even date herewith ("Water Supply Agreement"), a copy of which is attached hereto as Exhibit A. The Water Supply Agreement provides (among other features) that the Tribe will execute the MOA upon the satisfaction of five stated conditions precedent ("Conditions Precedent Nos. 1 -

5"). Execution of this Lease satisfies Condition Precedent No. 4 (set forth in ¶4.c.i of the Water Supply Agreement), which requires the execution and delivery of a long-term lease by MVIC to the Tribe of a portion of MVIC's surface water rights in the Muddy River, in accordance with ¶4.b of the Water Supply Agreement.

Terms and Conditions

On the basis of the foregoing recitals, and in consideration of the Tribe's execution of the MOA and the mutual promises set forth herein, MVIC hereby leases to the Tribe the Leased Water Rights described in ¶2 below, on the following terms and conditions:

1. **MVIC's Surface Water Rights.** MVIC holds legal title to certain surface water rights in the Muddy River under the laws of the State of Nevada ("State"), awarded in a Judgment and Decree dated March 12, 1920, in *Muddy Valley Irrigation Co., et al. v. Moapa and Salt Lake Produce Co., et al.*, in Nevada's Tenth Judicial District Court (now Nevada's Eighth Judicial District Court) ("MVIC Surface Water Rights"). Portions of the MVIC Surface Water Rights are reflected in State surface water permit 21876/certificate 8328, State surface water permit 21847/certificate 8324, and State surface water permit 21873/certificate 8325, copies of which are attached hereto as Exhibit B.

2. **Leased Water Rights.** On the terms and conditions set forth in this Lease, MVIC hereby leases to the Tribe the following portions of the MVIC Surface Water Rights ("Leased Water Rights"):

- the right to divert each year 7.948 cfs (from April 1 to April 30), 11.5 cfs (from May 1 to September 30) and 6.52 cfs (from October 1 to March 31) under Nevada State Engineer-approved Permit No. 73483, a copy of which is attached hereto as Exhibit C; and
- the right to divert each year 3.98 cfs (from October 1 to March 31) under Nevada State Engineer-approved Permit No. 73482, a copy of which is attached hereto as Exhibit D; and
- the right to divert each year 3.552 cfs (from April 1 to April 30) under Nevada State Engineer-approved Permit No. 73695, a copy of which is attached hereto as Exhibit E.

all subject to an annual limitation of 3700 afy on the total consumptive use of all such diverted water (where consumptive use means the amount of water diverted less the portion thereof returned to the Muddy River). MVIC warrants that, as of the Effective Date of this Lease, the Leased Water Rights are in good standing under State law. During the Term of this Lease, MVIC and the Tribe shall each take all actions within its respective reasonable control necessary to maintain the Leased Water Rights in

good standing under State law, and shall each timely provide to the other written notice of any matter known to it that is before the State Engineer or any other administrative or judicial forum that may result in cancellation, other termination or adjustment of the Leased Water Rights or any portion thereof. A copy of this Lease shall be filed with the State Engineer.

3. **Point of Diversion.** Unless the State Engineer hereafter approves a change application under State law authorizing a different point of diversion, water diverted under this Lease shall be diverted at the existing Muddy River point of diversion on the Moapa Indian Reservation ("Reservation"), which point is more particularly described as follows:

SW $\frac{1}{4}$ SE $\frac{1}{4}$; section 26, T. 14 S., R. 65 E., M D B & M or at a point from which the NE corner of section 26, T. 14 S., R. 65 E., M D B & M bears N. 29° 44' 20" E., a distance of 5,187.12 feet.

4. **Place of Use.** Unless the State Engineer approves a change application under State law authorizing a different place of use, the place of use of water diverted under this Lease shall be the following described Reservation lands, shown in the map included in attached Exhibits C, D and E:

A portion of SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec 25, S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec 26, NE $\frac{1}{4}$ Sec 35, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE

¼ Sec 36 T. 14 S., R. 65 E. SW ¼ SW ¼ Sec 31 T. 14 S. R. 66 E. NE ¼ Sec 1 T. 15 S., R. 65 E., W ½ NW ¼ Sec 6 T. 15 S., R. 66 E. all M D B & M. 646 acres total.

5. **Manner of Use.** Unless the State Engineer approves a change application under State law authorizing a different manner of use, all water diverted under this Lease shall be used for irrigation and domestic purposes only.

6. **Change Applications.** If the Tribe wishes at any time during the Term of this Lease to change the manner of use or place of use within the Reservation of water diverted under this Lease, MVIC shall fully cooperate with the Tribe in the preparation, filing and pursuit of State Engineer approval of a change application under State law necessary to effect such change.*

7. **Contractual Seniority; All Other Rights and Rules Apply; Tribe Not A MVIC Shareholder.** The right to divert and beneficially use water under this Lease shall, as a matter of contract, be functionally senior to the rights of all shareholders in MVIC to divert and use water pursuant to MVIC Surface Water Rights. In exercising its rights under this Lease, the Tribe shall otherwise have all rights and privileges, and be bound by all substantive and procedural laws, principles and rules, applicable generally to owners of MVIC Surface Water Rights, including without limitation with

respect to beneficial use and changes in the point of diversion, place of use and manner of use. The foregoing notwithstanding, this Lease shall not expressly or impliedly have the effect, in law or in equity, of making the Tribe a shareholder in MVIC for any purpose.

8. Rent-Free. The Tribe shall have no obligation to pay rent (or any similar charge) to MVIC under this Lease.

9. Term of Lease; Extension. Unless terminated earlier under ¶ 10 below, this Lease shall have a term of 99 years commencing on the Effective Date, subject to the Tribe's right to a single 99-year extension thereof on the same terms and conditions set forth in this Lease. The Tribe may exercise its option to extend the Lease for the second 99-year term at any time beginning 75 years after the Effective Date and prior to the expiration of the initial 99-year term. The 99-year term, as it may be extended, is referred to herein as the "Term" of this Lease. Unless the Tribe has previously given written notice to MVIC of its election to exercise its option to the additional 99-year term, then, no earlier than five (5) years and no later than ninety (90) days prior to the expiration of the initial 99-year term, MVIC shall provide the Tribe with notice of the Tribe's right to extend the Lease for an additional 99-year

* In addition, the Water Supply Agreement at ¶4.b provides that the other parties thereto (i.e., LVVWD, SNWA and MVWD) shall not oppose (or assist others to oppose) the granting of such a change application.

term. MVIC will provide such notice via certified mail, return receipt requested. Unless the Tribe has previously given written notice to MVIC of its election to exercise its option, the Tribe must notify MVIC in writing of its election to do so within ninety (90) days of the Tribe's receipt of MVIC's renewal notice. If MVIC fails to provide such renewal notice, the Tribe's right to the 99-year extension shall be deemed exercised without further action by the Tribe, unless the Tribe provides to MVIC a written resolution of the Moapa Business Council relinquishing its right to the 99-year extension.

10. Termination of Lease.

- a. **Instant Termination.** This Lease shall instantly terminate upon the first occurrence of either: (i) any of "Termination Events 1" described in subparagraph (1) below (subject to the proviso therein); or (ii) "Termination Event 2" described in subparagraph (2) below; or (iii) "Termination Event 3" described in subparagraph (3) below.

- (1) **Termination Events 1.** Occurrence of any of the following: Prior to consummation of the Water Settlement Agreement ("WSA") as contemplated in recital A and ¶1 of

the Water Supply Agreement, the Tribe (or the United States on behalf of the Tribe), in any administrative or judicial proceeding, seeks federally-reserved surface water rights in the Muddy River appurtenant to the Reservation having diversion rates in excess of 11.5 cfs (from April 1 to September 30) and 10.5 cfs (from October 1 to March 31), a consumptive use limit in excess of 3700 afy, or a priority date earlier than March 12, 1873 ("Lease Termination Trigger"); provided, that no termination will occur under this ¶10.a(1) until and unless MVIC gives the Tribe written notice stating its intention to terminate the Lease, the grounds therefor, and that the Tribe has 120 days from the giving of such notice to reverse or terminate the Lease Termination Trigger and the Tribe fails to reverse or terminate the Lease Termination Trigger within the 120-day period specified in the above notice.

- (2) **Termination Event 2.** Occurrence of the following: "Judicial Confirmation" of the Tribe's federally-reserved water rights in the Muddy River as contemplated by the WSA.

(3) Termination Event 3. Occurrence of the following:
Failing consummation of the WSA, adjudication in a court of competent jurisdiction of the Tribe's federally-reserved rights in the Muddy River appurtenant to the Reservation.

b. Termination for Noncompliance. In addition to termination under ¶10.a above, either Party ("Terminating Party") shall have the right to terminate this Lease on the grounds of material noncompliance therewith by the other Party ("Terminated Party"), after giving written notice ("Notice of Noncompliance") to the Terminated Party specifying: (i) the noncompliance; (ii) the corrective action which must be taken to eliminate the noncompliance; (iii) when appropriate, a reasonable time limit within which to initiate such corrective action ("Initial Time Limit"); and (iv) a reasonable time limit within which to complete the corrective action ("Final Time Limit"). The Initial Time Limit shall be not less than 10 business days from receipt of the Notice of Noncompliance and the Final Time Limit shall be not less than 30 calendar days from receipt of the Notice of Noncompliance.



- c. **Change Applications.** In the event of termination of this Lease under ¶10.a or 10.b above, the Tribe shall cooperate with and not oppose the granting of any change applications reasonably necessary to restore the Leased Water Rights to their original place of diversion, place of use and manner of use.

11. **Monitoring Plan.** In accordance with the provisions of ¶10 of the Water Supply Agreement, the Parties hereto, in conjunction with all other parties to the WSA, shall in good faith diligently and cooperatively establish, agree on, and as necessary adjust over time a written plan for monitoring their respective uses of Muddy River water, and the water-related impacts thereof, if any. This monitoring plan shall be integrated with the Regional Monitoring Plans referred to in recital N of the MOA.

- a. **Elements of Monitoring Plan.** Without limitation, this monitoring plan shall provide for: installation of appropriate metering devices by the Parties hereto and all other MOA parties, including parshall flumes (if not already installed) to meter all parties' respective Muddy River diversions;* the right of each MOA party to

* In the Water Supply Agreement at ¶ 10.a, SNWA has committed to pay all costs of acquiring and installing (if not already installed) parshall flumes at the Muddy River diversion point on the Reservation described in ¶3 above (which are to be installed within 120 days of the effective date of the Water Supply Agreement).

inspect diversion facilities, measuring devices (including any well meters) and pumping and diversion data of all other MOA parties; and appropriate methods for determining the Muddy River diversion rates, annual diversion amounts, and annual consumptive use amounts of each MOA party, and the groundwater pumping rates and annual groundwater withdrawals of each MOA party.

- b. **Interim Monitoring.** Pending finalization of this monitoring plan, the parties hereto and all other MOA parties, on written notice, shall each be accorded the right to reasonably monitor all ground and surface water diversions of any other MOA party from the Muddy River, including reasonable access to and inspection of diversion facilities, measuring devices (including well meters) and pumping and diversion data.

12. **State Law.** This Lease and any Tribal change application with respect to this Lease, shall be held, sought, made and utilized by the Tribe in accordance with State law, both substantive and procedural. Without limitation, water available under this Lease shall not be used at an off-Reservation location without compliance with State law. In addition, the provisions of ¶10 above shall be interpreted and

enforced in accordance with State law. All of the foregoing shall be enforceable in administrative and judicial forums specified in State law for injunctive or declaratory enforcement of such water rights matters, and the Tribe hereby waives its sovereign immunity for the exclusive purpose of such enforcement in such forums, and as to any appeals therefrom in any appellate courts with jurisdiction over such appeals under State law. The Tribe hereby waives and forgoes any right to claim that exhaustion of federal or Tribal court remedies is a prerequisite to any action by either Party to enforce the provisions of this ¶12 in the specified State administrative or judicial forums. However, MVIC shall never contend that any water right acquired by the Tribe under this Lease has been abandoned or forfeited. *

13. Dispute Resolution. If a dispute should arise between the Parties with respect to the meaning or enforcement of any provision of this Lease, either Party to the dispute may seek to resolve it through suit between the Parties brought in the Eighth Judicial District Court, Clark County, Nevada. In such suit, this Lease shall be governed by and construed in accordance with State law, without reference to State conflict of laws rules that may direct the application of law of another jurisdiction. The Tribe hereby waives its sovereign immunity as to such suits in such Court with respect to declaratory or injunctive relief only, and as to any appeals therefrom in appellate courts with jurisdiction over such appeals under State law. The Tribe

* In addition, the Water Supply Agreement at ¶6 further provides that no other party thereto (i.e.,

hereby waives and foregoes any right to claim that exhaustion of federal or Tribal court remedies is a prerequisite to any suit brought in State court under this ¶13. The prevailing party in any such suit shall be entitled an award of its costs, expenses and reasonable attorneys fees.

14. **Notices.** All notices and communications given hereunder shall be in writing and shall be delivered by fax and first class, certified or registered mail, postage prepaid, to the fax numbers and addresses shown below, or to such other fax number or addressee as the Party entitled to notice may designate from time to time. Any notice given hereunder shall be deemed to be effective upon receipt.

If to the Tribe: Chairperson, Moapa Band of Paiutes
P.O. Box 340
Moapa, Nevada 89025
Fax 702-865-2875

With a copy to:

Steven H. Chestnut
Richard M. Berley
Ziontz, Chestnut, Varnell, Berley & Slonim
2101 Fourth Avenue, Suite 1230
Seattle, Washington 98121
Fax: 206-448-0962

LVVWD, SNWA and MVWD) shall ever so contend.

If to MVIC:

General Manager
Muddy Valley Irrigation Company
Box 665
Overton, Nevada 89040
Fax: 702-397-6013

With a copy to:

General Counsel
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, Nevada 89153
Fax: 702-258-3268

15. Representations and Warranties. Each Party represents and warrants as follows: (a) that it and the individual executing this Lease on its behalf is fully empowered and authorized to execute and deliver this Lease; (b) that it is fully empowered and authorized to approve and perform this Lease; (c) that this Lease is binding on its interest at the moment of execution by both Parties and for so long as this Lease is in effect; (d) that it has obtained all approvals necessary to enter into and perform this Lease, including without limitation the Tribe's taking of all actions necessary to accomplish the Tribe's waivers of sovereign immunity set forth in ¶¶ 12 and 13 hereof; (e) that its governing body has authorized and approved this Lease by duly adopted written resolution; copies of which are attached hereto as Exhibits F and G. In addition, a copy of a unanimously adopted resolution of the shareholders of MVIC approving this Lease is attached hereto as Exhibit H.

16. No Partnership, Agency or Trust Relationship. Nothing in this Lease

shall be construed as creating a partnership, joint venture, agency or trust relationship between the Parties. Each Party shall be solely liable for its own obligations under this Lease.

17. No Third Party Beneficiaries. Nothing in this Lease shall be construed as creating any duty to, standard of care with respect to, or liability to, any person or entity not a Party to the Lease.

18. No Waiver. No failure by a Party to insist upon the strict performance of any term or condition of this Lease, or to execute any right or remedy consequent upon noncompliance therewith, shall constitute a waiver of any such term or condition, it being understood that any such waiver shall require the written agreement of such Party.

19. Severability. If any provision of this Lease is found to be violative of applicable law, that provision shall be considered null and void and the Parties shall promptly commence diligent and good faith negotiations for the purpose of establishing a lawful substitute provision in lieu of and as consistent as possible with the invalid provision, and this Lease shall otherwise remain in full force and effect so long as the material purposes of this Lease can be determined and effectuated.

20. Interpretation. This Lease shall be construed as a whole and in accordance with its fair meaning. Captions are used for convenience and shall not be used in construing meaning.

21. Amendment. All amendments or modifications of this Lease shall be effective only if reduced to writing and signed by both Parties.

22. Successors. Every obligation, term and condition of this Lease shall extend to and be binding upon, and every right and benefit hereunder shall inure to, the assignees, transferees or other successors of the respective Parties by operation of law or otherwise.

23. Further Actions. Each Party shall execute and deliver all further instruments and documents and take all further action as may reasonably be necessary to give full force and effect to, or to otherwise effectuate the purposes and intent of, this Lease.

24. Entire Agreement. This Lease, plus all provisions of the Water Supply Agreement relevant to this Lease, constitute the entire agreement between the Parties with respect to the matters covered hereby, and subsume and incorporate all other prior written and oral statements and understandings between the Parties.

25. **Counterparts.** This Lease may be executed and approved in multiple counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed by their duly authorized representatives as of the Effective Date of this Lease.

MUDDY VALLEY IRRIGATION COMPANY

By: 
Todd Robison, Chairman of the Board

Date: 4/21/06

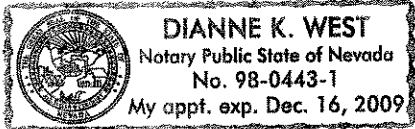
MOAPA BAND OF PAIUTE INDIANS

By: 
Dalton Tom, Chairman

Date: April 20 2006

STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on April 20, 2006,
by Todd Robison as Chairman of the Board
of MUDDY VALLEY IRRIGATION COMPANY.

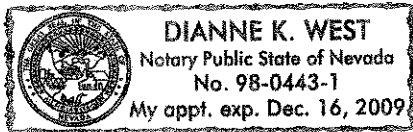


Dianne K West
NOTARY PUBLIC in and for the State of
Nevada
My Commission Expires: 12-16-09

[SEAL]

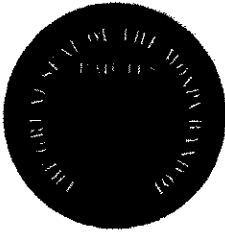
STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on April 20, 2006,
by Dalton Tom as Chairman
of MOAPA BAND OF PAIUTE INDIANS



Dianne K West
NOTARY PUBLIC in and for the State of
Nevada
My Commission Expires: 12-16-09

[SEAL]



MOAPA BAND OF PAIUTES

MOAPA RIVER INDIAN RESERVATION

P.O. BOX 340

MOAPA, NEVADA 89025

TELEPHONE (702) 865-2787

Fax (702) 865-2875

Tribal Resolution # M-06-04-07

Resolution of the Governing Body of the Moapa Band of Paiute Indians

- WHEREAS**, the Moapa Band of Paiute Indians ("Tribe") is a duly organized and federally-recognized Indian tribe, exercising rights of home rule and responsibility for its general membership; and
- WHEREAS**, legal confirmation of groundwater and surface water rights for the Moapa Indian Reservation ("Reservation") is of paramount importance to the Tribe and its members; and
- WHEREAS**, to avoid what could be decades of litigation and attendant expense, uncertainties and polarization, the Tribe has sought to establish legally-confirmed water rights for the Reservation by means other than litigation; and
- WHEREAS**, to that end, for several years, the Tribe, in consultation with the United States Bureau of Indian Affairs, has endeavored to negotiate a water settlement agreement with the major Nevada parties in interest - - Las Vegas Valley Water District ("LVVWD"), Southern Nevada Water Authority ("SNWA"), Muddy Valley Irrigation Company ("MVIC") and Moapa Valley Water District ("MVWD") (collectively the "Regional Parties") and the State of Nevada ("State"); and
- WHEREAS**, in April 2002, the Tribe, the Regional Parties, and the State reached agreement on a proposed water settlement agreement ("Proposed Water Settlement Agreement"), subject to approval thereof by the Secretary of the Interior ("Secretary"); a copy of the Proposed Water Settlement Agreement is included in the attached Volume as Exhibit A of Document 2; and
- WHEREAS**, the Proposed Water Settlement Agreement, which is atypical in that it calls for no financial or other resource contribution by the United States, has been pending for approval before the Secretary for approximately two and one-half years; and

WHEREAS, despite extensive efforts by the Tribe, the Regional Parties, the State and the entire Nevada congressional delegation, the Secretary has neither approved the Proposed Water Settlement Agreement nor provided an adequate explanation for the denial of such approval; and

WHEREAS, given these circumstances, the Tribe and the Regional Parties have developed other means – specifically the Water Supply Agreement included as Document 2 in the attached Volume – to establish legally-confirmed groundwater and surface water rights for the Reservation, similar in certain respects to those that would be provided under the Proposed Water Settlement Agreement, on the condition that the Tribe, the Regional Parties and the State will continue to pursue Secretarial approval of the Proposed Water Settlement Agreement in substantially its current form; and

WHEREAS, pursuant to ¶ 3 of the Water Supply Agreement:

- LVVWD and the Tribe have concurred on the Water Rights Deed and Indenture included as Document 6 in the attached Volume, under which State Groundwater Permit 54075 and State Groundwater Applications 54075 and 54076 will be conveyed by LVVWD to the Tribe on the terms and conditions set forth in the Water Rights Deed and Indenture; and
- as reflected in item f under Document 2 in the attached Volume, the State Engineer has approved three change applications which, for Groundwater Permit 54075, change the point of diversion to points on the Reservation and the place of use to Clark County, Nevada, on no conditions unacceptable to the Tribe; and

WHEREAS, pursuant to ¶ 4 of the Water Supply Agreement:

- MVIC and the Tribe have concurred on the Surface Water Lease included as Document 5 in the attached Volume, under which MVIC will lease to the Tribe, on a rent-free basis, for 99 years with a Tribal option to extend for an additional 99 years, specified surface water rights in the Muddy River, on the terms and conditions set forth in the Surface Water Lease; and
- as reflected in Exhibits C, D and E of Document 5 in the attached Volume, the State Engineer has approved applications changing the points of diversion and places of use of such leased surface water rights to specified locations on the Reservation, on no conditions unacceptable to the Tribe; and

WHEREAS, as reflected in Document 7 in the attached Volume, the State has provided a letter confirming that it continues to support consummation of the Proposed Water Settlement Agreement; and

WHEREAS, SNWA, Coyote Springs Investment LLC, MVWD, United States Fish and Wildlife Service and the Tribe have negotiated the Memorandum of Agreement included as Document 1 in the attached Volume ("MOA"), regarding certain planned groundwater pumping in Coyote Springs Valley hydrographic basin and on the Reservation in the California Wash hydrographic basin; and

WHEREAS, as provided in Recital C of the Water Supply Agreement, the Tribe has committed to execute the MOA jointly with the other parties thereto upon satisfaction of five conditions precedent ("Conditions Precedent Nos. 1 - 5") set forth respectively in ¶¶ 2.a, 3.e.i, 3.e.ii, 4.c.i and 4.c.ii of the Water Supply Agreement; and

WHEREAS, it is expected that satisfaction in full of Conditions Precedent Nos. 1 - 5 will occur on or before the closing on the Water Supply Agreement / Water Rights Deed and Indenture / Surface Water Lease / MOA transactions ("Closing"), currently scheduled to occur at an April 20, 2006, meeting of the Southern Nevada Water Authority board of directors; and

WHEREAS, the Moapa Business Council wishes by this resolution to approve, and authorize Tribal execution at the Closing of, the Water Supply Agreement, Surface Water Lease and MOA, and to approve, and authorize Tribal acceptance of the Water Rights Deed and Indenture.

NOW THEREFORE BE IT RESOLVED:

1. The Water Supply Agreement, Surface Water Lease and MOA, including without limitation any and all Tribal recitals, agreements, undertakings, warranties, representations, and express waivers of Tribal sovereign immunity set forth therein, are hereby approved. Upon full satisfaction of Conditions Precedent Nos. 1 - 5, the Tribal Chairman is hereby authorized and directed at the Closing, on behalf of the Tribe, to execute jointly with all other parties thereto and deliver the Surface Water Lease, Water Supply Agreement and MOA, and to accept delivery of the Water Rights Deed and Indenture.
2. The Tribal Chairman, on behalf of the Tribe, in consultation with and on the advice of the Tribal attorneys, is hereby authorized to take any other actions and execute any other documents reasonably necessary to implement the Closing of the Water Supply Agreement / Water Rights Deed and Indenture / Surface Water Lease / MOA transactions.
3. As may be necessary or appropriate, the Tribal Chairman, on behalf of the Tribe, in consultation with and on the advice of the Tribal attorneys, is hereby authorized to approve non-substantive changes in the Water Supply Agreement, Water Rights Deed and Indenture, Surface Water Lease and/or MOA, in order to correct drafting errors, remedy non-substantive omissions, delete extraneous language, or make other non-substantive revisions, in order to perfect any such document or otherwise facilitate the Closing.

CERTIFICATION

It is hereby certified that the Moapa Business Council with a quorum present met at a duly called meeting at the Tribal offices on the 4th day of April, 2006, and adopted the foregoing resolution by a vote of 4 FOR and 0 AGAINST, pursuant to authority contained in Article V, Section 1 (Cc) of the Tribal Constitution and Bylaws.


Dalton Tom, Tribal Chairman


Kami S. Miller, Tribal Vice-Chairman

**LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM**

April 18, 2006

Subject: Water Supply Agreement and Water Rights Deed	Director's Backup
Petitioner: Thomas A. Minwegen, Deputy General Manager, Engineering/Operations	
Recommendations: That the Board of Directors approve, in substantially the same form, the Water Supply Agreement among the Moapa Band of Paiute Indians, the District, Southern Nevada Water Authority, Muddy Valley Irrigation Company and Moapa Valley Water District, and the Water Rights Deed and Indenture between the District and the Moapa Band of Paiute Indians, authorize the President to execute the agreements, and authorize the General Manager to sign ministerial documents to effectuate the transfer of water rights.	

Fiscal Impact:

The District has no cost basis for these rights since filing fees were de minimus (hundreds of dollars) and were expensed at the time. The value of these rights, however, is in the millions of dollars.

Background:

The Board of Directors is being asked to approve the attached Water Supply Agreement (Agreement) which will contractually commit the parties to a mutually agreeable settlement of water rights issues between the parties in the Moapa Valley, thereby avoiding a lengthy legal process.


In this Agreement, the District is transferring to the Moapa Band of Paiute Indians (Paiutes), at no charge and free of liens, full ownership of Permit No. 54075 and Application Nos. 54075 and 54076 in exchange for an express quantification by the Paiutes of any federally reserved rights to groundwater appurtenant to the Paiutes' Reservation. Permit No. 54075 was granted by the Nevada State Engineer in 2002 with a duty not to exceed 2,500 acre-feet per year. Permit No. 54075 and Application Nos. 54075 and 54076 are part of the original rural groundwater applications filed by the District in 1989. These applications were retained by the District when the rest of the 1989 applications were transferred to the Southern Nevada Water Authority in anticipation of transferring the applications to the Paiutes.

This Agreement also quantifies the Paiutes' claim to reserved rights for surface water in the Muddy River and provides an interim water supply in the same quantity pending final confirmation of the Paiutes reserved rights claims.

The Board is also being asked to approve a Water Rights Deed and Indenture which transfers right, title and interest to Permit No. 54075 and Application Nos. 54075 and 54076 to the Paiutes, on the condition that they never execute a claim for water in excess of the amount being transferred. Any assertion on their part would automatically void the transfer.

The office of the general counsel has reviewed and approved the agreement and deed.

Respectfully submitted:


 Patricia Mulroy, General Manager
 PM:TAM:JJE:JLT:lm
 Attachments

AGENDA ITEM #	12
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**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

April 20, 2006

Subject: Agreements	Director's Backup
Petitioner: Kay Brothers, Deputy General Manager, Engineering/Operations	
Recommendations: That the Board of Directors approve in substantially the same form the following agreements, and authorize the Chair to execute the agreements and the General Manager to sign ministerial documents to effectuate the transfer of water rights: 1) Memorandum of Agreement among the United States Fish and Wildlife Service, Coyote Springs Investment LLC, the Moapa Band of Paiute Indians, the Moapa Valley Water District and the Authority; 2) Water Supply Agreement among the Moapa Band of Paiute Indians, the Muddy Valley Irrigation Company, the Moapa Valley Water District, the Las Vegas Valley Water District and the Authority; and 3) Back-up Water Rights Agreement among the Moapa Valley Water District, Muddy Valley Irrigation Company, Coyote Springs Investment LLC and the Authority.	

Fiscal Impact:

The required \$1,250,000 is authorized in the Authority's Major Capital Plan, Project No. 090F, and will be funded by new expansion revenues, primarily the regional connection charge.

Background:

Beginning in the fall of 2000, the Moapa Band of Paiute Indians (Paiutes), the Authority, the Las Vegas Valley Water District (LVVWD), the Moapa Valley Water District (MVWD), the Muddy Valley Irrigation Company (MVIC) and the State of Nevada through its Department of Conservation and Natural Resources (State) began negotiations to resolve the Paiutes' claims to reserved water rights in the Muddy River and groundwater resources in California Wash hydrographic basin (the location of the Paiutes' Reservation). By December 2003, these parties had reached agreement on a Water Settlement Agreement wherein the Paiutes agreed to limit their reserved rights claim to the Muddy River and their groundwater claims in California Wash. Due to concerns by the United States Department of the Interior (DOI), the Water Settlement Agreement has to date not been executed.

On March 8, 2002, the Nevada State Engineer issued Order No. 1169 regarding groundwater development in Coyote Spring Valley and five other hydrographic basins in this general area which includes the headwaters of the Muddy River. Order No. 1169 required the Authority, LVVWD, MVWD, Coyote Springs Investment LLC (CSI) and other parties to conduct a five year groundwater study, including a two-year aquifer test requiring pumping of at least one-half of existing groundwater rights in Coyote Spring Valley. On April 18, 2002, the State Engineer issued Order No. 5115 which granted 2,500 acre-feet/year of groundwater rights in California Wash to the LVVWD, and included California Wash in the groundwater study mandated by Order No. 1169.

In order to implement the groundwater study, the Authority made application to the Bureau of Land Management for a right-of-way permit to construct a pipeline approximately eleven miles

from Coyote Spring Valley to MVWD's service system. The United States Fish and Wildlife Service (FWS) expressed concern regarding potential impacts to Muddy River flows and an endangered fish, the Moapa dace, from the proposed groundwater development. The Authority, FWS, MVWD and CSI entered into negotiations on a management and mitigation plan to support the protection and recovery of the Moapa dace in conjunction with regional groundwater development. The Authority's Board approved this Memorandum of Agreement (MOA) in November 2004. However, due to concerns expressed by the DOI regarding federal trust obligations to the Paiutes, FWS did not execute the MOA approved by the Board in November 2004.

Beginning in March 2005, the parties to the MOA met with the Paiutes to discuss inclusion as a party to the MOA to address concerns regarding DOI's federal trust obligations. As a condition to joining the MOA, the Paiutes wanted to insure the terms of the December 2003 Water Settlement Agreement. The following agreements are necessary to include the Paiutes as a party to the MOA:

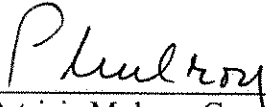
1. A modified Memorandum of Agreement that includes a basic plan of development for certain groundwater rights in California Wash. These modifications result in a plan containing monitoring, management and mitigation components to permit groundwater development in Coyote Spring Valley and California Wash while simultaneously working to protect and recover the Moapa dace.
2. A Water Supply Agreement that implements the terms of the previously negotiated Water Settlement Agreement. These basic terms include the transfer of a water right permit in California Wash with an annual duty of 2,500 acre-feet from LVVWD to the Paiutes and the lease of 3,700 acre-feet per year of Muddy River surface water rights by MVIC to the Paiutes. The Paiutes in turn agreed to quantify their reserved rights claims to surface water and groundwater and make this provision enforceable via a limited waiver of the Paiutes' sovereign immunity.
3. A Back-up Water Rights Agreement whereby the Authority, CSI and MVWD agree to replace certain groundwater rights controlled by the Paiutes with Muddy River surface water rights in the event the Paiutes are required to reduce withdrawals of the groundwater rights in California Wash.
4. The Jones Spring Agreement between the FWS, MVWD and MVIC dedicating one cubic-foot per second of flow from Jones Spring to the conservation and recovery of the Moapa dace.
5. A Surface Water Lease Agreement between MVIC and the Paiutes ensuring the Paiutes' right to use 3,700 acre-feet of Muddy River water each year in accordance with the Water Supply Agreement.

Agreements
April 20, 2006
Page 3

6. A Water Rights Deed and Indenture between LVVWD and the Paiutes transferring, with right of reversion, Permit No. 54075 (2,500 acre-feet/year) and Application Nos. 54075 and 54076 in accordance with the Water Supply Agreement.

The office of the general counsel has reviewed and approved the agreements.

Respectfully submitted:



Patricia Mulroy, General Manager

PM:KB:JJE:llm

Attachments

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUDDY VALLEY IRRIGATION COMPANY
APPROVING WATER SUPPLY AGREEMENT AND WATER LEASE**

WHEREAS, the Board of Directors of the Muddy Valley Irrigation Company (Company) held a meeting on April 13, 2006 to consider approval of a Water Supply Agreement and a Water Lease.

WHEREAS, an annual shareholder meeting of the Company was held on Saturday, February 4, 2006 at the Old Logandale Schoolhouse pursuant to the bylaws of the Company and;

WHEREAS, the Company's shareholders voted on the question of whether the Company through its Board of Directors should enter into the Water Supply Agreement which incorporates the Water Settlement Agreement (dated November 7, 2003) between the Moapa Band of Paiutes, the Las Vegas Valley Water District, the Southern Nevada Water Authority, the Moapa Valley Water District and the Company, and;

WHEREAS, the Water Supply Agreement at paragraph 17 provides for the delivery by the Company of a shareholder resolution and Board of Directors resolution approving the Water Supply Agreement and its incorporated Surface Water Lease,

WHEREAS, at the annual meeting on February 4, 2006 by a vote of the shareholders this resolution approving the Water Supply Agreement and the incorporated Surface Water Lease was approved, and

WHEREAS, in furtherance of the matters above recited, the shareholders of the Company resolved that the Company's Board of Directors is authorized to enter into the Water Supply Agreement, and its incorporated Water Lease with the above referenced parties.

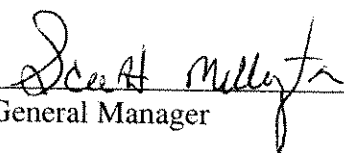
NOW THEREFORE, be it resolved that by vote of the Board of Directors of the Company, the Board authorizes the execution of the Water Supply Agreement and the incorporated Water Lease.

APPROVED AND ADOPTED this 13th day of April 2006.

MUDDY VALLEY IRRIGATION COMPANY

BY: 
Chairman-Board of Directors

ATTEST

BY: 
General Manager

RESOLUTION OF THE SHAREHOLDERS OF THE MUDDY VALLEY
IRRIGATION COMPANY APPROVING WATER SUPPLY AGREEMENT

WHEREAS, the annual shareholder meeting of the Muddy Valley Irrigation Company ("the Company") was held on Saturday, February 4, 2006 at the Old Logendale Schoolhouse pursuant to the bylaws of the Company and;

WHEREAS, the Company's shareholders voted on the question of whether the Company through its Board of Directors should enter into a certain Water Supply Agreement which incorporates the Water Settlement Agreement (dated November 7, 2003) between the Moapa Band of Paiutes, the Las Vegas Valley Water District, the Southern Nevada Water Authority, the Moapa Valley Water District and the Company and;

WHEREAS, the Water Supply Agreement at paragraph 17 provides for the delivery by the Company of its shareholder resolution approving the Water Supply Agreement and its incorporated Surface Water Lease and;

WHEREAS, at the annual meeting on February 4, 2006 by a vote of the shareholders this resolution approving the Water Supply Agreement and the incorporated Surface Water Lease was approved.

NOW THEREFORE, in furtherance of the matters above recited, be it resolved that the Company's Board of Directors

is authorized to enter into the Water Supply Agreement with its incorporated Surface Water Lease with the above referenced parties.

APPROVED AND ADOPTED this 4th day of February 2006.

MUDDY VALLEY IRRIGATION COMPANY

BY: 

Chairman-Board of Directors

ATTEST

BY: 

General Manager

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOAPA VALLEY WATER DISTRICT
APPROVING WATER SUPPLY AGREEMENT**

WHEREAS, the Board of Directors of the Moapa Valley Water District (District) held a meeting on April 13, 2006 to consider approval of a Water Supply Agreement.

WHEREAS, the Board considered whether the District through its Board of Directors should enter into the Water Supply Agreement which incorporates the Water Settlement Agreement (dated November 7, 2003) between the Moapa Band of Paiutes, the Las Vegas Valley Water District, the Southern Nevada Water Authority, the Muddy Valley Irrigation Company and the District,

WHEREAS, the Water Supply Agreement at paragraph 17 provides for the delivery by the District of duly authorized resolution approving the Water Supply Agreement,

WHEREAS, at the Board meeting on April 13, 2006 by a vote of the Board of Directors, the Board approved the execution of the Water Supply Agreement, and

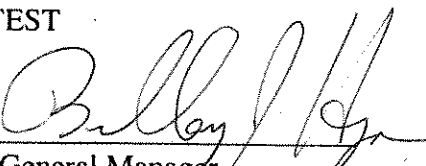
NOW THEREFORE, be it resolved that by vote of the Board of Directors of the District, the Board authorizes the execution of the Water Supply Agreement.

APPROVED AND ADOPTED this 13th day of April 2006.

MOAPA VALLEY WATER DISTRICT

BY: 
Chairman-Board of Directors

ATTEST

BY: 
General Manager

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF
NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office JUL 23 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 31 2003

The applicant **Las Vegas Valley Water District** hereby makes application for permission to change the **point of diversion and place of use** of water heretofore appropriated under **Permit 54075**

1. The source of water is **Underground Rock Aquifer**
2. The amount of water to be changed **5.0 cfs**
3. The water to be used for **Municipal and Domestic**
4. The water heretofore permitted for **Municipal and Domestic**
5. The water is to be diverted at the following point **SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 15, T.16S., R.64E., M.D.B.&M., Or at a point from which the E $\frac{1}{4}$ corner of said Section 15 bears S. 11° 25'05" E., A distance of 1277.89 feet.**
6. The existing permitted point of diversion is located within **within NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 4, T.16S., R.66E., M.D.B.&M., or at a point from which the SE Corner of Section 36, T.15S., R.65E., M.D.B.&M., bears N 73° 51'56" W. a distance of 12,673 feet (map filed under Permit 54075).**
7. Proposed place of use is **the area described as the Boundary of Clark County pursuant to NRS 243.035 except as otherwise provided in NRS 243.293**
8. Existing place of use is **the area within Clark, Lincoln, Nye and White Pine Counties (See attached letter dated 3-22-1990)**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **water will be diverted via a deep well pump, pipelines and distribution system.**
12. Estimated cost of works **\$750,000.00**
13. Estimated time required to construct works **Two Years**
14. Estimated time required to complete the application of water to beneficial use **Five Years**

15. Remarks: **This application changes the point of diversion and place of use of a portion of the waters heretofore granted under permit 54075. It is understood that this application combined with the two other applications changing the point of diversion and place of use of the waters heretofore granted under Permit 54075 shall have a total combined duty not to exceed 2,500 acre-feet per year.**

By **Thomas A. Minwegen, Deputy General Manager**
s/Thomas A. Minwegen
1001 S. Valley View Blvd.
Las Vegas, NV 89153

Compared sg/ sam W/gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 54075 is issued subject to the terms and conditions imposed in said Permit 54075 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 70257, 70258 and 70259 shall not exceed 2500 acre-feet annually and the total combined diversion rate cannot exceed 5.0 cubic feet per second.

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

A monitoring program must be approved by the State Engineer prior to the diversion of any of the water permitted for appropriation under this permit.

If significant impacts to existing water rights are demonstrated, the applicant, or any assignee, will be required to mitigate the same, up to and including cessation of pumping. The State retains the right to regulate the use of the water herein granted at any and all times.

The place of use of water appropriated by this permit is restricted to Clark County, Nevada.

(CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second, **and not to exceed 2500.0 acre-feet annually.**

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

April 18, 2008

Proof of completion of work shall be filed on or before:

May 18, 2008

Water must be placed to beneficial use on or before:

April 18, 2011

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

May 18, 2011

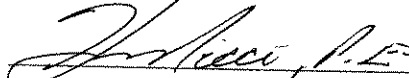
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 18th day of April A.D. 2006


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office JUL 23 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 07 2003 under 70257

The applicant **Las Vegas Valley Water District** hereby makes application for permission to change the **point of diversion and place of use** of water heretofore appropriated under **Permit 54075**

1. The source of water is **Underground Rock Aquifer**
2. The amount of water to be changed **5.0cfs**
3. The water to be used for **Municipal and Domestic**
4. The water heretofore permitted for **Municipal and Domestic**
5. The water is to be diverted at the following point **NE¼ NE¼ Section 15, T.16S., R.64E., M.D.B.&M., Or at a point from which the NE corner of said Section 15 bears N.72° 47'19" E., A distance of 279.96 feet.**
6. The existing permitted point of diversion is located within **within NE¼ SW¼ Section 4, T.16S., R.66E., M.D.B.&M., or at a point from which the SE Corner of Section 36, T.15S., R.65E., M.D.B.&M., bears N 73° 51'56" W. a distance of 12,673 feet (map filed under Permit 54075).**
7. Proposed place of use is **the area described as the Boundary of Clark County pursuant to NRS 243.035 except as otherwise provided in NRS 243.293**
8. Existing place of use is **the area within Clark, Lincoln, Nye and White Pine Counties (See attached letter dated 3-22-1990)**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **water will be diverted via a deep well pump, pipelines and distribution system.**
12. Estimated cost of works **\$750,000.00**
13. Estimated time required to construct works **Two Years**
14. Estimated time required to complete the application of water to beneficial use **Five Years**

15. Remarks: This application changes the point of diversion and place of use of a portion of the waters heretofore granted under Permit 54075. It is understood that this application combined with the two other applications changing the point of diversion and place of use of the waters heretofore granted under Permit 54075 shall have a total combined duty not to exceed 2,500 acre-feet per year.

By Thomas A. Minwegen, Deputy General Manager
s/Thomas A. Minwegen
1001 S. Valley View Blvd.
Las Vegas, NV 89153

Compared sg/sam lt/gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 54075 is issued subject to the terms and conditions imposed in said Permit 54075 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 70257, 70258 and 70259 shall not exceed 2500 acre-feet annually and the total combined diversion rate cannot exceed 5.0 cubic feet per second.

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

A monitoring program must be approved by the State Engineer prior to the diversion of any of the water permitted for appropriation under this permit.

If significant impacts to existing water rights are demonstrated, the applicant, or any assignee, will be required to mitigate the same, up to and including cessation of pumping. The State retains the right to regulate the use of the water herein granted at any and all times.

The place of use of water appropriated by this permit is restricted to Clark County, Nevada.

(CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second.

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

April 18, 2008

Proof of completion of work shall be filed on or before:

May 18, 2008

Water must be placed to beneficial use on or before:

April 18, 2011

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

May 18, 2011

Map in support of proof of beneficial use shall be filed on or before:

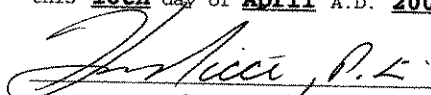
N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 18th day of April A.D. 2006


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____

No. 70259

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF
NEVADA HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office JUL 23 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 31 2003 under 70257

The applicant **Las Vegas Valley Water District** hereby makes application for permission to change the **point of diversion and place of use** of water heretofore appropriated under **Permit 54075**

- 1 The source of water is **Underground Rock Aquifer**
- 2 The amount of water to be changed **5.0 cfs**
- 3 The water to be used for **Municipal and Domestic**
- 4 The water heretofore permitted for **Municipal and Domestic**
- 5 The water is to be diverted at the following point **NE¼ NE¼ Section 15, T.16S., R.64E., M.D.B.&M., Or at a point from which the NE corner of said Section 15 bears N. 15° 39'03" E., A distance of 911.72 feet.**
- 6 The existing permitted point of diversion is located within **within NE¼ SW¼ Section 4, T.16S., R.66E., M.D.B.&M., or at a point from which the SE Corner of Section 36, T.15S., R.65E., M.D.B.&M., bears N 73° 51'56" W. a distance of 12,673 feet (map filed under Permit 54075).**
- 7 Proposed place of use is **the area described as the Boundary of Clark County pursuant to NRS 243.035 except as otherwise provided in NRS 243.293**
8. Existing place of use is **the area within Clark, Lincoln, Nye and White Pine Counties (See attached letter dated 3-22-1990)**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **water will be diverted via a deep well pump, pipelines and distribution system.**
12. Estimated cost of works **\$750,000.00**
13. Estimated time required to construct works **Two Years**
14. Estimated time required to complete the application of water to beneficial use **Five Years**

70259

15. Remarks: This application changes the point of diversion and place of use of a portion of the waters heretofore granted under Permit 54075. It is understood that this application combined with the two other applications changing the point of diversion, and place of use of the waters heretofore granted under Permit 54075 shall have a total combined duty not to exceed 2,500 acre-feet per year.

By Thomas A. Minwegen, Deputy General Manager
s/Thomas A. Minwegen
1001 S. Valley View Blvd.
Las Vegas, NV 89153

Compared sg/sam W/gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

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The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 70257, 70258 and 70259 shall not exceed 2500 acre-feet annually and the total combined diversion rate cannot exceed 5.0 cubic feet per second.

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

A monitoring program must be approved by the State Engineer prior to the diversion of any of the water permitted for appropriation under this permit.

If significant impacts to existing water rights are demonstrated, the applicant, or any assignee, will be required to mitigate the same, up to and including cessation of pumping. The State retains the right to regulate the use of the water herein granted at any and all times.

The place of use of water appropriated by this permit is restricted to Clark County, Nevada.

(CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second.

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

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Proof of completion of work shall be filed on or before:

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Water must be placed to beneficial use on or before:

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

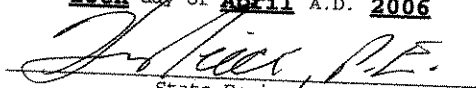
May 18, 2011

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,
State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 18th day of April A.D. 2006


State Engineer

Completion of work filed _____
Proof of beneficial use filed _____
Cultural map filed N/A _____
Certificate No. _____ Issued _____