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**MEMORANDUM OF AGREEMENT
FOR OPTION, PURCHASE AND SALE OF
WATER RIGHTS, REAL PROPERTY AND EASEMENTS**

This Memorandum of the above entitled Agreement for Option, Purchase and Sale of Water Rights, Real Property and Easements dated the 27th day of NOV, 1998, by and between Coyote Springs Investment, LLC, a Nevada limited liability company ("Seller") and Southern Nevada Water Authority, a political subdivision of the State of Nevada, created by an Inter-Local Agreement on July 25, 1991, pursuant to Chapter 227, Nevada Revised Statutes ("Buyer"), (hereinafter "Agreement"), is to memorialize on the records of the County Recorders of Lincoln County and Clark County, Nevada, and on the records of the Nevada State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources of the State of Nevada, the terms and conditions of the Agreement in the following particulars:

1. Subject to the provisions of the Agreement, the Buyer therein has purchased certain easement rights described as follows:

- 1.1. One Five Acre Exclusive Use Easement described on Exhibit A attached hereto together with one or two fifty foot wide Access Easements for an underground water transmission line or lines, an access road or roads, electrical lines and any other purposes necessary for the production and transmission of water from an existing well located within the Exhibit A property to Highway 93, said Access Easements being located upon the land described on Exhibit B attached hereto.

1.2. Five One Acre Exclusive Use Easements for future well sites, together with Access Easements from State Route 168 or Highway 93 for the purposes described above in paragraph 1.1, said easements being located upon the land described on Exhibit B attached hereto.

1.3. A General Easement over the Exhibit B land for the purpose of locating additional well sites together with Access Easements from State Route 168 or Highway 93 for the purposes described above in paragraph 1.1 above, said easements being located upon the land described on Exhibit B attached hereto.

2. At such time as definitive easements are recorded describing the easements identified in paragraph 1 above with particularity, the definitive easements shall thereafter determine the location of the easements described therein for all purposes of the Agreement.

3. The Agreement sets forth the terms of purchase by the Buyer named therein from the Seller named therein of 7,500 acre feet annually of water represented by the following water rights:

3.1. Uncertificated Permits 49414, 49660, 49661, 49662, 49978, 49979, 49980, 49981, 49982, 49983 and 49984 issued by the Nevada State Engineer on November 13, 1997.

3.2. The above described water rights shall be free of liens and encumbrances or claims by others.

3.3. Buyer named in the Agreement shall have the first priority right under the above Permits to take its water from the existing well located within the Exhibit A land (the "MX Well"). This first priority right is to take up to 7,500 acre feet annually from the MX Well, as provided in the Agreement, on a first priority basis before Seller can obtain any of its unsold or reserved water from the MX Well, as such water is defined in the Agreement.

3.4. In the event the MX Well does not have sufficient productive capacity for all of the water rights described in the Agreement, any wells drilled in Coyote Springs Valley by either Buyer or Seller named in the Agreement shall be placed and drilled so as not to adversely impact the productive capability of the MX Well.

3.5. In the event the Nevada State Engineer determines that the appropriation of public waters in Coyote Springs Valley must be reduced, Seller's Reserved Water as defined in the Agreement will be reduced first so that Buyer's rights are not diminished.

4. The Agreement provides that this Memorandum shall be filed with the Nevada State Engineer for inclusion in the files of all of the permits described above in paragraph 3.1 hereof.

5. The Agreement is hereby referred to and incorporated in this Memorandum for further particulars respecting the rights of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned Buyer and Seller named in the Agreement have executed this Memorandum this 27th day of May, 1998.

"SELLER"

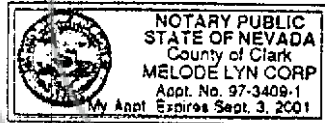
COYOTE SPRINGS INVESTMENT, LLC,
a Nevada limited liability company

By: *Eam S. Derck*
Name: *Eam S. Derck*
Title: *Manager*

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on May 26, 1998, by *Eam S. Derck*, the *Manager* of COYOTE SPRINGS INVESTMENT LLC.



Melode L. Corp
Notarial Officer
My commission expires: *9/3/2001*

"BUYER"

SOUTHERN NEVADA WATER AUTHORITY
a political subdivision of the State of Nevada, created
by an Inter-Local Agreement on July 25, 1991

By: *Patricia Muir*
Name: *Patricia Muir*
Title: *General Manager*

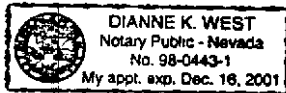
Approved as to Legality:

Charles K. Hauser
Charles K. Hauser, General Counsel

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on MAY 26, 1998, by Patricia Mulroy, General Manager of the SOUTHERN NEVADA WATER AUTHORITY.



Dianne K. West
Notarial Officer
My commission expires: 12/18/01

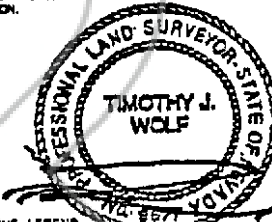
EXHIBIT A, No. 1
OVERALL SURVEY DATA

LVVWD
S18,348
S27,235
1988
P.L.S. 8677
T125, 862K
S.O.M.

FOUND 8"X8"X4" IGNEOUS BASALT,
(HOT ROCK - MAGNETIC CONSTITUENT)
2 NOTCHES ON ONE FACE (EAST)
2 NOTCHES AT A RIGHT ANGLE (SOUTH)
IN 2.5" DIAMETER ROCK COLLAR.
SET 2" LONG NO. 5 REBAR WITH LVVWD
1-1/2" ALUMINUM CAP, P.L.S. 8677

SURVEYOR'S CERTIFICATE
I, TIMOTHY J. WOLF, A PROFESSIONAL LAND SURVEYOR,
REGISTERED IN THE STATE OF NEVADA, AGREE AS AGENT
FOR THE LAS VEGAS VALLEY WATER DISTRICT, HEREBY
CERTIFY TO THE INFORMATION SHOWN HEREON.

TIMOTHY J. WOLF
PROFESSIONAL LAND SURVEYOR
NEVADA LICENSE NO. 8677
LVVWD DISTRICT SURVEYOR



LINE LEGEND
MEASURED SECTION LINE PER FOUND
MONUMENTATION AS NOTED
PROTRACTED SECTION LINE,
MONUMENTS NOT FOUND
MEASURED CENTERLINE
STATE ROUTE 168
CALCULATED RIGHT-OF-WAY
LINE, STATE ROUTE 168 (NON-FEE)
MEASURED TR DISTANCES

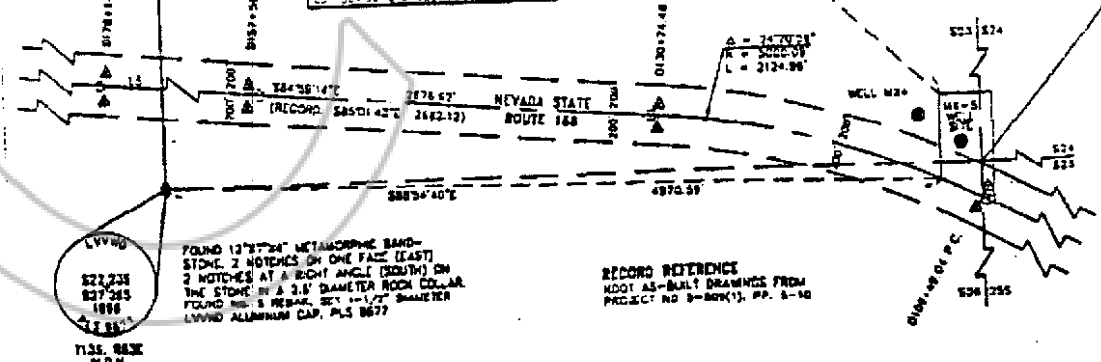
MONUMENT LEGEND
FOUND AND SUBSEQUENTLY REPLACED
ORIGINAL MONUMENT AS INDICATED
● SET 1-1/2" DIA. ALUMINUM CAP,
LVVWD P.L.S. 8677
● MEASURED WELL POSITION, WELL
NAIVE AS INDICATED

MEASURED VS. RECORD HOOT DIMENSIONS

L1	N05°02'44"E	186.57'	(RECORD: 186.43')
L2	N01°09'41"E	146.77'	(RECORD: 146.73')
L3	N05°01'04"E	188.25'	(RECORD: 188.49')
L4	N19°11'44"E	163.68'	(RECORD: 161.20')
L5	S84°08'12"E	202.71'	(RECORD: 208.28')

S23,245
S28,255
1988
T125, 862K
W.O.M.

BORDON BUILT UPON PROTRACTED
AND OLD RECORDS. ORIGINAL MONUMENT
WAS NOT FOUND. PROPER RESTORATION
PROCEDURE MAY REQUIRE A DOUBLE PRO-
PORTION, WHICH MAY REQUIRE AN EXOR-
BITANT AMOUNT OF ADDITIONAL FIELD WORK



LVVWD
S22,235
S27,235
1988
P.L.S. 8677
T125, 862K
S.O.M.

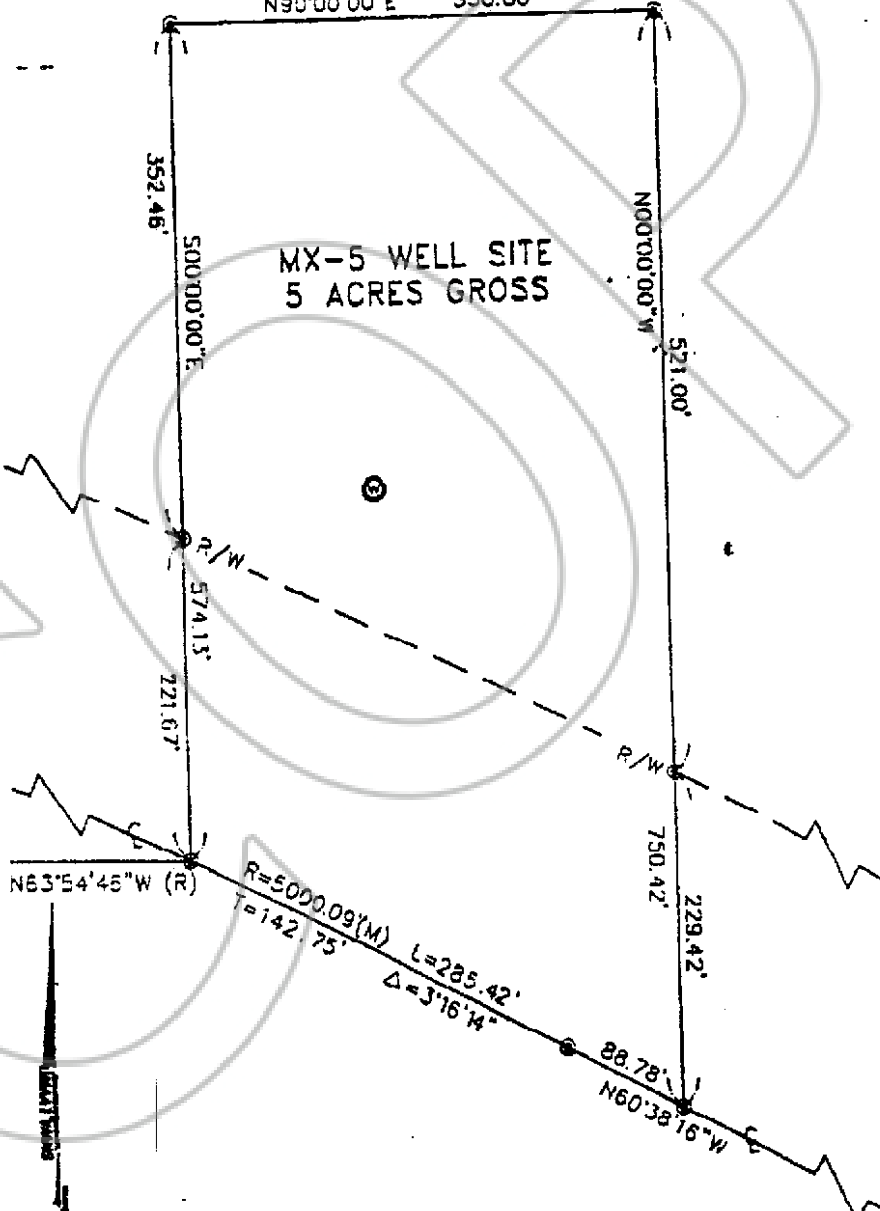
FOUND 12"X12" METAMORPHIC SAND-
STONE, 2 NOTCHES ON ONE FACE (EAST)
2 NOTCHES AT A RIGHT ANGLE (SOUTH) ON
THE STONE IN A 3.0" DIAMETER ROCK COLLAR.
FOUND NO. 5 REBAR, SET 1-1/2" DIAMETER
LVVWD ALUMINUM CAP, P.L.S. 8677

EXHIBIT A, No. 2

SITE SPECIFIC DATA

N90°00'00"E 330.00

MX-5 WELL SITE
5 ACRES GROSS



NO INSTRUMENT SCALE



SOUTHERN NEVADA
WATER AUTHORITY

**EXHIBIT A, No. 3
LAND DESCRIPTION**

Las Vegas, Nevada 89153
Telephone: (702) 258-3939
Fax: (702) 258-3266

2500 E. Flamingo, Ste. 370
Las Vegas, Nevada 89119
Telephone: (702) 258-7222
Fax: (702) 258-7222

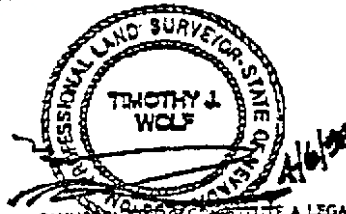
AN EASEMENT DESCRIPTION OF REAL PROPERTY, SAME BEING A PORTION OF SECTIONS 23, 24, 25, AND 26, WITHIN TOWNSHIP 13 SOUTH, RANGE 63 EAST, MOUNT DIABLO MERIDIAN, CLARK COUNTY, NEVADA, SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT WHICH IS DISTANT 6,949.94 FEET AT A BEARING OF SOUTH 45° 56' 01" EAST, FROM THE NORTHWEST CORNER OF SECTION 23 OF SAID TOWNSHIP, RANGE AND MERIDIAN AS ALSO SHOWN ON "EXHIBIT A, No. 1", ATTACHED HERETO AND MADE A PART HEREOF, SAID POINT BEING THE POINT OF BEGINNING; THENCE SOUTH 00° 00' 00" EAST A DISTANCE OF 574.13 FEET TO A POINT ON A NON-TANGENT CURVE COINCIDENT WITH THE CENTERLINE OF NEVADA STATE ROUTE 168, SAID POINT IS DISTANT 4,970.59 FEET AT A BEARING OF SOUTH 88° 54' 40" EAST FROM THE SOUTHWEST CORNER OF SECTION 23 OF THE AFOREMENTIONED TOWNSHIP, RANGE AND MERIDIAN AS ALSO SHOWN ON "EXHIBIT A, No. 1", ATTACHED HERETO AND MADE A PART HEREOF; THENCE DEPARTING SAID POINT, COINCIDENT WITH THE SAID CENTERLINE OF NEVADA STATE ROUTE 168, DEPARTING A TANGENT WHICH BEARS SOUTH 63° 54' 46" EAST, COINCIDENT WITH SAID CENTERLINE CURVE WHICH IS CONCAVE TO THE SOUTHWEST, CONTAINING A RADIUS OF 5000.09 FEET, AN ARC LENGTH OF 285.42 FEET, SPANNING A DELTA ANGLE OF 3° 16' 14", CONTAINING A CHORD WHICH BEARS SOUTH 62° 16' 39" EAST, A CHORD LENGTH OF 285.382 FEET TO A POINT OF TANGENCY; THENCE SOUTH 60° 38' 16" EAST, COINCIDENT WITH THE AFOREMENTIONED CENTERLINE OF NEVADA STATE ROUTE 168, A DISTANCE OF 88.78 FEET; THENCE DEPARTING SAID CENTERLINE OF NEVADA STATE ROUTE 168, NORTH 00° 00' 00" EAST, A DISTANCE OF 730.42 FEET; THENCE NORTH 90° 00' 00" WEST, A DISTANCE OF 530.00 FEET, TO THE POINT OF BEGINNING.

SAID LAND DESCRIPTION CONTAINS APPROXIMATELY 5.000 ACRES.

BASIS OF BEARINGS:
THE BASIS OF BEARINGS HEREON WERE CALCULATED UTILIZING TRIMBLE NAVIGATION LTD. GLOBAL POSITIONING SYSTEM REAL-TIME KINEMATIC METHODS. THEREFORE THE BEARINGS, IN THIS CASE CONSTITUTE A TRUE MERIDIAN PASSING THROUGH AN APPROXIMATE LATITUDE AND LONGITUDE AS DETERMINED BY "AUTONOMOUS" CARRIER PHASE METHODS: LATITUDE: 36° 10' 53.67" N, LONGITUDE: 115° 01' 05.95" W.

TIMOTHY J. WOLF
PROFESSIONAL LAND SURVEYOR
NEVADA LICENSE NO. 9677
DISTRICT SURVEYOR



DUE TO THE STATUS OF THIS LAND, THIS LAND DESCRIPTION CANNOT CONSTITUTE A LEGAL LAND DIVISION PURSUANT TO NEVADA REVISED STATUTES CHAPTER 201 (NEVADA SUBDIVISION LAWS), UNLESS COLLECTED AS SUCH BY AN OPERATION OF LAW.
TJW: E:\WP61\LEGAL\20000000000000000000

BOARD OF DIRECTORS

Mary J. Kincaid, Chair
County Commissioner

Paula L. Brown
North Las Vegas Councilman

Amanda M. Cypher
Henderson Councilman

Bryan Nix
Boulder City Councilman

Parrisie Mubry
General Manager

Myrna Williams
County Commissioner

Arnie Adamsen, Vice Chairman
Las Vegas Councilman

Bruce L. Woodbury
County Commissioner

EXHIBIT B

LEGAL DESCRIPTION FOR ACCESS EASEMENT

Mount Diablo Meridian, Nevada, fee title in and to the following:

Township 11 South, Range 63 East, (Lincoln County, Nevada):

Section 13, South Half (S 1/2):

Section 20, all:

Section 21, all:

Section 22, all:

Section 23, all:

Section 24, all:

Section 25, all:

Section 26, all:

Section 27, all:

Section 28, all:

Section 29, all:

Section 32, all:

Section 33, all:

Section 34, all:

Section 35, all:

Section 36, West Half (W 1/2).

That portion of Sections 19, 30 and 31 lying Easterly of the Westerly boundary of the transmission corridor, that boundary being 1/4 mile Easterly of the Centerline of U.S. Highway 93.

Township 12 South, Range 63 East, (Lincoln County, Nevada):

Section 1, Lots Three (3), Four (4), South Half (S 1/2) of the Northwest Quarter (NW 1/4) and the Southwest Quarter (SW 1/4):

Section 2, Lots One (1) thru Four (4), South Half (S 1/2) of the North Half (N 1/2) and the South Half (S 1/2):

Section 3, Lots One (1) thru Four (4), South Half (S 1/2) of the North Half (N 1/2) and the South Half (S 1/2):

Section 6, that portion lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor, that boundary being 1/4 mile Easterly of the Centerline of U.S. Highway 93, excluding that portion of the North Half (N 1/2) of the North Half (N 1/2) lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor; and that portion lying Easterly of the Western boundary of the

Sections 23 and 24, that portion lying Northerly to a boundary $\frac{1}{2}$ mile from the Centerline of State Highway 168.

That portion of Section 4 lying Westerly of the Easterly boundary of the transmission corridor, that boundary being $1\frac{1}{4}$ miles Easterly of the Centerline of U.S. Highway 93.

That portion of Section 21 lying Easterly of U.S. Highway 93 and Northerly of the Centerline of State Highway 168.

That portion of Sections 25 and 26, lying Northerly of the Centerline of State Highway 168.

That portion of Section 20 lying Easterly of the Centerline of U.S. Highway 93, and Northerly of the Centerline of State Highway No. 168.

That portion of Sections 5, 8, and 17 lying Easterly of the Centerline of U.S. Highway 93.

Township 13 South, Range 64 East, (Clark County, Nevada):

Section 6, the West Half ($W\frac{1}{2}$):

Section 7, the West Half ($W\frac{1}{2}$) and the West Half ($W\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$):

Section 18, all

Section 19, all

Section 30, that portion lying Northerly of the Centerline of State Highway No. 168.

transmission corridor, that boundary being 1/2 mile Easterly of the Centerline of U.S. Highway 93;

Sections 7, 18, 19, 22, 30, 32 all lying Easterly of the Centerline of U.S. Highway 93;

Sections 5, 9, 16, 21, 28, 33, that portion lying Westerly of the Eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the Centerline of U.S. Highway 93;

Section 8, all;

Section 10, all;

Section 11, all;

Section 12, West Half (W 1/2) of the West Half (W 1/2);

Section 13, West Half (W 1/2);

Section 14, all;

Section 17, all;

Section 20, all;

Section 23, North Half (N 1/2) and the Southeast Quarter (SE 1/4);

Section 24, West Half (W 1/2);

Section 25, all;

Section 26, East Half (E 1/2);

Section 36, all;

Township 12 South, Range 64 East, (Lincoln County, Nevada);

Section 31, the West Half (W 1/2) of the Southwest Quarter (SW 1/4);

Township 13 South, Range 63 East, (Clark County, Nevada);

Section 1, Lot One (1); the East Half (E 1/2) of Lot Two (2); the East Half (E 1/2) of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4); Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4); East Half (E 1/2) of the West Half (W 1/2) of the Southeast Quarter (SE 1/4); East Half (E 1/2) of the Southeast Quarter (SE 1/4);

Section 9, all;

Section 16, all;

Sections 3, 10, 15, that portion lying Westerly of the Eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the Centerline of U.S. Highway 93;

Section 22, that portion lying Westerly of the Eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the Centerline of U.S. Highway 93; and that portion lying Northerly to a boundary 1/2 mile from the Centerline of State Highway 168;

COPY

NO. **111018**

FILED AND RECORDED AT REQUEST OF

Stewart Title

May 27, 1998

AT 10 MINUTES PAST 11 O'CLOCK

A.M. IN BOOK 134 OF OFFICIAL

RECORDS PAGE 483 LINCOLN

COUNTY, NEVADA

James D. Peterson
COUNTY CLERK

BOOK **134** PAGE **494**