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**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

**STEWART TITLE COMPANY  
3800 Howard Hughes Pkwy, Suite 500  
Las Vegas, Nevada 89109-0913  
Attn: Linda J. Jones, Vice-President**

**GRANT OF EASEMENT AGREEMENT**

**(One Acre Exclusive Use Easements)**

This GRANT OF EASEMENT AGREEMENT ("Agreement") is made as of May 21, 1998, by and among Coyote Springs Investment LLC, a Nevada limited liability company ("CSI"), whose address is 7755 Spanish Springs Rd., Sparks, Nevada 89436; Harrich Investments, LLC, a Nevada limited liability company ("Harrich"), whose address is 7755 Spanish Springs Rd., Sparks, Nevada 89436 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 277, Nevada Revised Statutes ("SNWA"), whose address is 1001 South Valley View Blvd., Las Vegas, Nevada 89153.

**RECITALS**

A. SNWA is acquiring certain water rights, real property and easements from CSI appurtenant to the Coyote Spring valley pursuant to that certain Agreement for Purchase and Sale of Water Rights, Real Property and Easements, dated as of April 2, 1998, by and between CSI and SNWA ("Purchase Agreement").

B. The Purchase Agreement provides that SNWA shall receive from CSI five (5) one acre Exclusive use easements for future well sites accompanied by fifty foot wide access easements for underground water transmission line or lines, an access road, transmission of electric power and any other purposes necessary for the production and transmission of water from such future well sites.

C. For the benefit of CSI, Harrich, as successor in interest to Aerojet-General Corporation, an Ohio corporation ("Aerojet"), holds legal title to a certain leasehold estate of 99 years under a certain Lease, dated July 14, 1988, by and between the United States of America and Aerojet (the "Lease"), in a portion of the property in which SNWA is to receive an easement; Harrich desires to enter into this Agreement at the behest of CSI.

NOW, THEREFORE, for valuable consideration, the sufficiency and receipt of which are hereby acknowledged, CSI, Harrich and SNWA mutually agree as follows:

1. Grant of Use Easement. Subject to the terms and conditions contained in the Purchase Agreement, CSI and Harrich hereby grant, transfer and convey to SNWA five (5) one acre Exclusive use easements (the "Use Easements") on, over, across, under and through the property described on

Exhibit "A" attached to this Agreement ("CSI's Property") and the property described on Exhibit "B" attached to this Agreement ("Harrich's Property") for the purpose of establishing one or more future well sites ("Future Well Sites") to develop any water rights SNWA may hold or acquire in Coyote Spring valley and for the purpose of ingress and egress, transportation and usage, including, without limitation building, constructing, operating, using, maintaining, and repairing a well and a water delivery system for each Future Well Site.

2. Grant of Access Easement. Subject to the terms and conditions contained in the Purchase Agreement, CSI and Harrich hereby grant, transfer and convey to SNWA non-exclusive access easements (the "Access Easements"), each fifty (50) feet in width, on, over, across, under and through CSI's Property and Harrich's Property for the purpose of building, constructing, operating, using, maintaining, and repairing one or more access roads and one or more utility (including electric and water) corridors from State Route 168 or Highway 93 and any other purposes necessary for the production of water at, and transmission of water from, each of the Future Well Sites. To the extent practicable to the SNWA, the Access Easement shall fall within existing rights of way or future dedicated rights of way on CSI's Property or Harrich's Property.

3. Effective Date of SNWA's Title. Conveyance of SNWA's title to the Use Easements together with the Access Easements thereto described herein shall be effective at such time as SNWA shall have paid the entire purchase price for the water described in the Purchase Agreement.

4. Selection Obligations. The rights and obligations of SNWA and CSI with respect to designating, locating and describing the Use Easements together with the Access Easements thereto are set forth in the Purchase Agreement.

5. Cooperation. The parties hereto, for themselves and their successors and assigns, agree to execute and deliver, in recordable form, any instrument reasonably deemed necessary or desirable, by any party hereto, to carry out the intent of this Agreement. Without limiting the foregoing, should SNWA establish a Future Well Site, CSI, Harrich and SNWA shall execute, deliver and record a supplement to this Grant of Easement Agreement fixing the location of the Use Easement and Access Easements applicable to such Future Well Site.

6. Binding Effect. The Use Easements, Access Easements and the provisions of this Agreement shall be covenants running with land and shall be binding upon CSI, Harrich and SNWA and their respective heirs, successors and assigns or anyone claiming under them.

7. Governing Law. This Agreement shall be governed by, construed and enforced under the laws of the State of Nevada.

IN WITNESS WHEREOF, CSI, Harrich and SNWA have executed this Agreement as of the day and year first above written.

"CSI"

COYOTE SPRINGS INVESTMENT LLC, a Nevada limited liability company

By: [Signature]  
Name: Gary Derck  
Title: Manager

"HARRICH"

HARRICH INVESTMENTS, LLC, a Nevada limited liability company

By: [Signature]  
Name: Harvey Whittemore  
Title: Manager

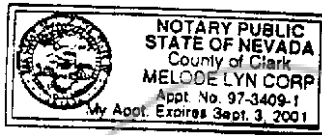
"SNWA"

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 277, Nevada Revised Statutes

By: [Signature]  
Name: [Signature]  
Title: General Manager

STATE OF NEVADA )  
 ) :SS  
COUNTY OF CLARK )

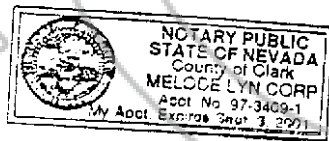
This instrument was acknowledged before me on May 26, 1998, by Gary Derck as Manager of Coyote Springs Investment LLC, a Nevada limited liability company.



Melode J. Corp  
NOTARY PUBLIC  
(My Commission expires: 9/3/2001)

STATE OF NEVADA )  
 ) :SS  
COUNTY OF CLARK )

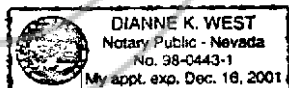
This instrument was acknowledged before me on May 26, 1998, by Harvey Whittemore as Manager of Harrich Investments, LLC, a Nevada limited liability company.



Melode J. Corp  
NOTARY PUBLIC  
(My Commission expires: 9/3/2001)

STATE OF NEVADA )  
 ) :SS  
COUNTY OF CLARK )

This instrument was acknowledged before me on May 26, 1998, by PATRICIA MULROY as GENERAL MANAGER of Southern Nevada Water Authority, a political subdivision of the State of Nevada.



Dianne K West  
NOTARY PUBLIC  
(My Commission expires: 12/16/01)

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF CSI's PROPERTY**

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 ½);  
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 ½).

That portion of Sections 19, 30 and 31 lying Easterly of the Westerly boundary of the transmission corridor, that boundary being ½ 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 ½) of the Northwest Quarter (NW ¼) and the Southwest Quarter (SW ¼);  
Section 2, Lots One (1) thru Four (4), South Half (S ½) of the North Half (N ½) and the South Half (S ½);  
Section 3, Lots One (1) thru Four (4), South Half (S ½) of the North Half (N ½) and the South Half (S ½);

Section 6, that portion lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor, that boundary being ½ mile Easterly of the Centerline of U.S. Highway 93, excluding that portion of the North Half (N ½) of the North Half (N ½) 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 transmission corridor, that boundary being ½ mile Easterly of the Centerline of U.S. Highway 93;

Sections 7, 18, 19, 29, 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 ½ miles from the Centerline of U.S. Highway 93.

Section 8, all;  
Section 10, all;  
Section 11, all;  
Section 12, West Half (W ½) of the West Half (W ½);  
Section 13, West Half (W ½),  
Section 14, all;  
Section 17, all;  
Section 20, all;  
Section 23, North Half (N ½) and the Southeast Quarter (SE ¼);  
Section 24, West Half (W ½);  
Section 25, all;  
Section 26, East Half (E ½);  
Section 36, all;

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

Section 31, the West Half (W ½) of the Southwest Quarter (SW ¼).

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

Section 1, Lot One (1); the East Half (E ½) of Lot Two (2); the East Half (E ½) of the Southwest Quarter (SW ¼) of the Northeast Quarter (NE ¼); Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼); East Half (E ½) of the West Half (W ½) of the Southeast Quarter (SE ¼); East Half (E ½) of the Southeast Quarter (SE ¼);

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 ½ 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 ½ miles from the Centerline of U.S. Highway 93; and that portion lying Northerly to a boundary ½ mile from the Centerline of State Highway 168:

Sections 23 and 24, that portion lying Northerly to a boundary ½ 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 ½ 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 ½);

Section 7, the West Half (W ½) and the West Half (W ½) of the Southeast Quarter (SE 1/4);

Section 18, all

Section 19, all

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

**EXHIBIT "B"**

**LEGAL DESCRIPTION OF HARRICH'S PROPERTY**

A leasehold estate in and to the following:

Mount Diablo Meridian Nevada:

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

Sections 19, 30 and 31, that portion lying Easterly of the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor, that boundary being ½ mile Easterly from the Centerline of U.S. Highway 93.

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

Section 4, all

Sections 5, 9, 16, 21, 28, 33, that portion lying Easterly of the Eastern boundary of the transmission corridor, that boundary being 1 ½ miles Easterly of the Centerline of U.S. Highway 93.

The North Half (N ½) of the North Half (N ½) of Section 6 lying Easterly of the Centerline of U.S. 93 and Westerly of the Westerly boundary of the transmission corridor, that boundary being ½ mile Easterly of the Centerline of U.S. Highway 93.

Section 15, all;  
Section 22, all;  
Section 23, Southwest Quarter (SW ¼);  
Section 26, West Half (W ½);  
Section 27, all;  
Section 34, all;  
Section 35, all.

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

Section 1, West Half (W ½) of the West Half (W ½) of the East Half (E ½), and the West Half (W ½);

Section 2, all;

Sections 3, 4, 10 and 15, that portion lying Easterly of the eastern boundary of the transmission corridor, that boundary being 1 ½ miles from the Centerline of U.S. Highway 93;

Section 11, all;



Section 12, all;  
Section 13, all;  
Section 14, all;

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

Sections 23 and 24, that portion lying Northerly of a boundary 1/2 mile from the Centerline of State Highway 168.

111020

COPIED AND REPRODUCED AT REQUEST OF  
Stewart Title

May 27, 1998

AT 10 MINUTES PAST 11 O'CLOCK

a.m. IN BOOK 134 OF OFFICIAL

RECORDS PAGE 497 LINCOLN

*James A. DeJure*  
COUNTY CLERK