

AGREEMENT

This Agreement is made and entered into this 5th day of July, 2000, by and between the Las Vegas Valley Water District ("Water District") and Robert J. Mathews ("Mathews").

RECITALS:

A. The Water District has previously filed applications with the Nevada State Engineer seeking to appropriate ground water from Patterson Valley, Basin No. 202, which applications have a superior priority of the application of Mathews.

B. On March 28, 2000, the Water District and the Counties of Lincoln, Nye and White Pine entered into a certain Memorandum of Understanding ("Memorandum"). That document is incorporated herein.

C. On July 9, 1998, Mathews filed Application 64289 with the Nevada State Engineer seeking to appropriate 1280 acre-feet annually of ground water from Patterson Valley for irrigation purposes. A copy of Application 64289 is attached hereto as Exhibit A.

D. On February 14, 2000, Lincoln County, in accordance with paragraph THIRD, article VI of the Memorandum, notified the Water District that it was in support of Application 64289, and stated that the total combined annual duty or volume sought by Mathews and therefore approved by Lincoln County was 1280 acre-feet. A copy of that letter is attached hereto as Exhibit B.

E. The Water District and Mathews are desirous of adhering to the terms and conditions of the Memorandum.

NOW, THEREFORE, in consideration of the mutual covenants and understanding of the parties, they do agree as follows:

1. The Water District agrees that Mathews' Application to Appropriate the Public Waters of the State of Nevada, assigned number 64289 by the Nevada State Engineer, may be considered for approval by the State Engineer in his usual fashion without regard to the better priority of the Water District.

2. Conditions of Approval. It is expressly understood that by the Water District granting this approval, Application 64289, if granted, shall be subject to and conditioned upon the following agreed upon conditions. Matthew agrees that should the State Engineer sees fit to grant the application, the permit terms must, as a condition precedent to this Agreement being effective, include the following terms:

(a) The application may be granted for irrigation purposes within the 320 acres described on the application to appropriate (Exhibit A) with a duty of 4.0 acre-feet per acre, for a total combined duty of the permit of 1280 acre-feet annually.

(b) Mathews shall have the right to file an application or applications to change the point of diversion and place of use within the hydrographic basin of all or a portion of the permit if granted by the State Engineer. It is expressly understood that Mathews shall not be authorized to change the manner of use. The permit shall forever remain permitted for irrigation purposes.

(c) Water not actually placed to a beneficial use pursuant to Permit 64289 shall revert to the source and shall not be the subject of further applications for irrigation and domestic purposes, or for any other purposes whatsoever.

(d) After the certificate of appropriation is granted, any cancellation of the certificated right, in total or in part, caused by forfeiture and/or abandonment shall revert to the source and shall not be the subject of further applications to appropriate for any purpose whatsoever.

(e) The water will be put to beneficial use within five (5) years of the date the State Engineer grants Application 64289. The Proof of Beneficial Use shall be filed within five (5) years of the date the State Engineer grants the application, or the State Engineer shall cancel Permit 64289.

(f) No extensions of time seeking to extend the filing of the Proof of Beneficial Use beyond five (5) years shall be allowed.

3. Covenant Running with the Land. This Agreement shall be expressly considered a covenant running with the land or a restrictive covenant, to be binding upon the current owner(s) and all successors in interest for a period of ninety-nine (99) years from date hereof. The description of the real property to which this covenant shall run is described as follows: See Application 64289 (Exhibit A), together with the legal description of 320 acres attached thereto. Any change in the place of use of Application 64289 described herein, if approved by the State Engineer, shall become burdened by these restrictive covenants.

4. Recordation. This Agreement shall be recorded with the Lincoln County Recorder and with the Nevada State Engineer.

5. Additional Documents. If necessary, the parties hereto agree to execute the necessary additional documents to carry out the purposes and intentions of this Agreement. No party to this Agreement shall be responsible or liable if the State Engineer denies Application 64289.

6. Hearings or Judicial Proceedings. The Water District will not be required to appear on behalf of Mathews at any administrative proceedings conducted by the State Engineer or other governmental agency or judicial proceedings involving this Agreement or Application 64289.

7. Addresses. The addresses of the parties, should mailing of notices be required, are as follows:

Director, SNWA Resources Department
Las Vegas Valley Water District
1001 S. Valley View Blvd.
Las Vegas, NV 89153

Robert J. Mathews
P. O. Box 328
Panaca, NV 89042

OTHER CONDITIONS:

1. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a party hereto, and neither this Agreement, nor any interest therein, may be assigned without the prior written consent of the non-assigning parties.
2. The laws of the State of Nevada will govern as to the interpretation, validity, and effect of this Agreement.
3. The failure of any party to this Agreement to insist in any one or more instances upon the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any right herein, shall not be construed as a waiver of relinquishment of such term, covenants, condition or right as respects further performance.

IN WITNESS WHEREOF the parties have executed this Agreement effective the day and year first above written.

LAS VEGAS VALLEY WATER DISTRICT

By *Patricia Mulroy*
Patricia Mulroy, General Manager

Approved as to Form:

Charles K. Hauser
Charles K. Hauser, General Counsel
Las Vegas Valley Water District

Robert J. Mathews
Robert J. Mathews

State of Nevada
County of Lincoln

This instrument was acknowledged before me on June 1, 2000, by Robert J. Mathews.

Janice Barr
Notarial Officer



Exhibit A

AMENDED

NO. 64289

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUL 09 1998
 Returned to applicant for correction JUL 31 1998
 Corrected application filed AUG 24 1998
 Map filed AUG 24 1998

The applicant Robert J. Mathews, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is Underground Well
2. The amount of water applied for is 7.0 (seven) second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for Irrigation
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated 320
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point NW $\frac{1}{4}$, NW $\frac{1}{4}$ Section 22, Township 1 North, Range 68 East, M.D.M, from which NW corner of Section 7, Township 1 North R68E bears N 57 degrees, 11'45" West, 19,664.2 feet
6. Place of Use (See attached legal description.)
7. Use will begin about Jan. 1 and end about Dec. 31 of each year.
8. Description of proposed works Drilled underground well with pump and electricity operated motor
9. Estimated cost of works \$40,000.00
10. Estimated time required to construct works 1 month
11. Estimated time required to complete the application of water to beneficial use 3 months
12. Remarks:

Robert J. Mathews
 By s/Robert J. Mathews
 P.O. Box 328
 Panaca, NV 89042

Compared gms/hk

Protected by United States Department of the Interior, National Park Service 11/25/98;

IN TOWNSHIP 1 NORTH, RANGE 68 EAST

SECTION 15	Acres
A S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	5.0
B SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	2.5
C S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	5.0
D SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	2.5
E SW $\frac{1}{4}$	160.0
F SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$	2.5
G W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$	5.0
H W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	5.0
I NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	2.5
SUB TOTAL	190.0

SECTION 16	Acres
J SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$	2.5
K SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$	10.0
L SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$	10.0
M SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$	2.5
N E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$	5.0
O SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$	2.5
P NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	10.0
Q E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	5.0
R E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	20.0
S W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	20.0
T NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	10.0

SECTION 16 (CONT'D)	Acres
U W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	5.0
V NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	2.5
SUBTOTAL	105.0

SECTION 21	Acres
W N $\frac{1}{2}$ NE $\frac{1}{4}$ NN $\frac{1}{4}$ NE $\frac{1}{4}$	5.0
X N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	5.0
SUBTOTAL	10.0

SECTION 22	Acres
Y NE $\frac{1}{4}$ NN $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	2.5
Z N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	5.0
AA N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$	5.0
BB NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$	2.5
SUBTOTAL	15.0

TOTAL : 320.0 Acres

64289

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:

COPY

COPY

Exhibit B



Board of County Commissioners
Lincoln County, Nevada

COUNTY COMMISSIONERS

Paul Christensen
Paul Gonohue
Dan Frehner
Tim Perkins
Shawn Wiscombe

P.O. Box 90, Pioche Nevada 89043
Telephone (775) 962-5390
FAX (775) 962-5180

DISTRICT ATTORNEY

Philip H. Dunleavy

COUNTY CLERK

Corrine Hogan

To: Las Vegas Valley Water District
1001 South Valley View Blvd.
Las Vegas, Nevada 89153

From: Lincoln County Board of Commissioners

Re: The Memorandum of Understanding with Rural Counties regarding issues related to the Water District's outstanding applications for ground water.

Pursuant to the subject memorandum, the Lincoln County Commission, at its regular meeting of February 7, 2000, approves the request of water to be used for agriculture for 1280 acre feet (per annum) by Robert Mathews. The application would be diverted in Patterson Valley (Basin #202) from an underground source. Pursuant to NRS 533.325, Mr. Mathews has made the appropriate application filing with the Nevada Division of Water Resources.

Therefore, it is hereby respectfully requested that the LVVWD agree to the subordination of its filing in Patterson Valley in the amount of 1280 acre feet (per annum).

By the signatures hereby affixed, the County and applicant agree to the conditions and provisions of the aforesaid Memorandum of Understanding. This includes:

- 1.) The water will be put to beneficial use within 5 (five) years of the approval for its use by the governing parties.
- 2.) No extensions of time will be made.
- 3.) The only beneficial use that may be made of the water for this project shall be during the five year period.

Dan Frehner 2/16/00
Dan Frehner, Chairman Date

Corrine Hogan 2/16/00
Attest: Corrine Hogan Date
Lincoln County Clerk

Robert J. Mathews
Robert J. Mathews, Applicant

After recording, please return to:

Las Vegas Valley Water District
Attention: Legal Department
1001 South Valley View Blvd.
Las Vegas, Nevada 89153

NO. **114965**

FILED AND RECORDED AT REQUEST OF

LAS VEGAS VALLEY WATER DISTRICT
AUGUST 10, 2000

AT 50 MINUTES PAST 3 O'CLOCK

PM IN BOOK 149 OF OFFICIAL

RECORDS PAGE 575 LINCOLN

COUNTY, NEVADA

Alia Rouchers
COUNTY RECORDER

BOOK **140** PAGE **586**