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DAIS
Robert Morris
FILED
NO. 99.154

APPROVED 8/5/99 COMMISSIONERS MEETING

'99 OCT -4 A9 57

**Transfer of Water Rights
and Elimination of Previous Agreements**

BARBARA REED
CLERK
BY [Signature] This agreement dated August 5, 1999 is made between Arthur E. Hall (Hall) and Douglas County, Nevada (County), a political subdivision of the State of Nevada.

PREAMBLE

Hall, individually and as President of Valman Corporation, and the County have made several agreements to provide for a municipal water system to serve the development of property owned by the parties. These agreements have been modified and amended as the County has developed its water system and development has occurred on the property involved. The parties intend to terminate the previous agreements based on the County providing municipal water service to the property and closing the Omohundro and Valman wells and Hall quit claiming permits 42780 and 42914 to the County.

The existing agreements include:

On June 3, 1982 the County and Hall, acting as President of Valman corporation, agreed to a joint participation agreement to connect their water systems into a single system owned and operated by the County.

On July 1, 1993 the County and Hall made an agreement to transfer the use of water right permits 42780 and 42914 to the County, recorded at book 793, pages 3398-3401.

On July 27, 1993 an easement for the Omohundro well was recorded at book 893, pages 765-767.

On November 7, 1996 the County and Hall amended the July 1, 1993 agreement allowing the transfer of water rights from the Omohundro well to a county well in the Airport and Mountain View water system. This agreement was recorded in book 1196, pages 2908-2913.

The parties, because of the changes in the circumstances, intend to supercede and incorporate these previous agreements based on the following agreement:

1. The County, subject to the terms and conditions of any ordinance or standard procedures utilized by the County, agrees to provide water service from its water system to the property in perpetuity, described as the W½ of the E½ of Section 5, and the NW¼ of the NE¼ of

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Section 8 T.13N., R20E. MDB&M, in the amounts that may be reasonably required for its development.

2. The County agrees, after the transfer of permits 42780 and 42914 to the County, to plug the Valman and Omohundro wells in compliance with regulations of the division of water resources. Hall agrees to allow the County and its contractors access to the wells. After the Omohundro well is capped the County will abandon the easement in connection with the well.

3. Hall agrees to quitclaim his interest in permits 42780 and 42914 to the County.

4. Hall and the County agree that Hall may designate portions of these permits to specific parcels within the property as they are developed, at the time of building permits, for the required contribution of water rights to the County. To the extent the development does not use water rights in the permits after full development of the property those rights belong to the County.

5. The effective date of this agreement will be September 2, 1999.

6. On the effective date of this agreement, the June 3, 1982 joint participation agreement, the July 1, 1993 agreement, and the November 7, 1996 agreement amendment will be incorporated in this agreement.

7. Conditioned on the performance by the parties of the provisions of this agreement, on the effective date the County and Hall shall be fully and unconditionally released and discharged from their respective obligations arising from or connection with the provisions of the June 3, 1982 agreement, the July 1, 1993 agreement and the November 7, 1996 agreement. This agreement shall fully and finally settle all demands, charges, claims, accounts or cause of action of any nature, including, without limitation, both known and unknown claims and causes of action that arose out of or in connection with these agreements and constitutes a mutual release with respect to all the agreements.

8. Each party represents that it has not made any assignment, sublease, transfer, conveyance, or other disposition of the water rights or agreements, or any claim, demand, obligation, liability, action or cause of action arising from the water rights and the agreements.

9. The parties have read this agreement and the mutual agreements contained in it, and on advice of counsel have freely and voluntarily entered into this agreement.

10. If either party commences an action against the other party arising out of or in connection with this agreement, the prevailing party is entitled to recover from the losing party reasonable attorney fees and costs of suit.

11. This agreement is binding on and inures to the benefit of the parties of their successors.

Douglas County

Jacques Etchegoyhen
Jacques Etchegoyhen, Chairman

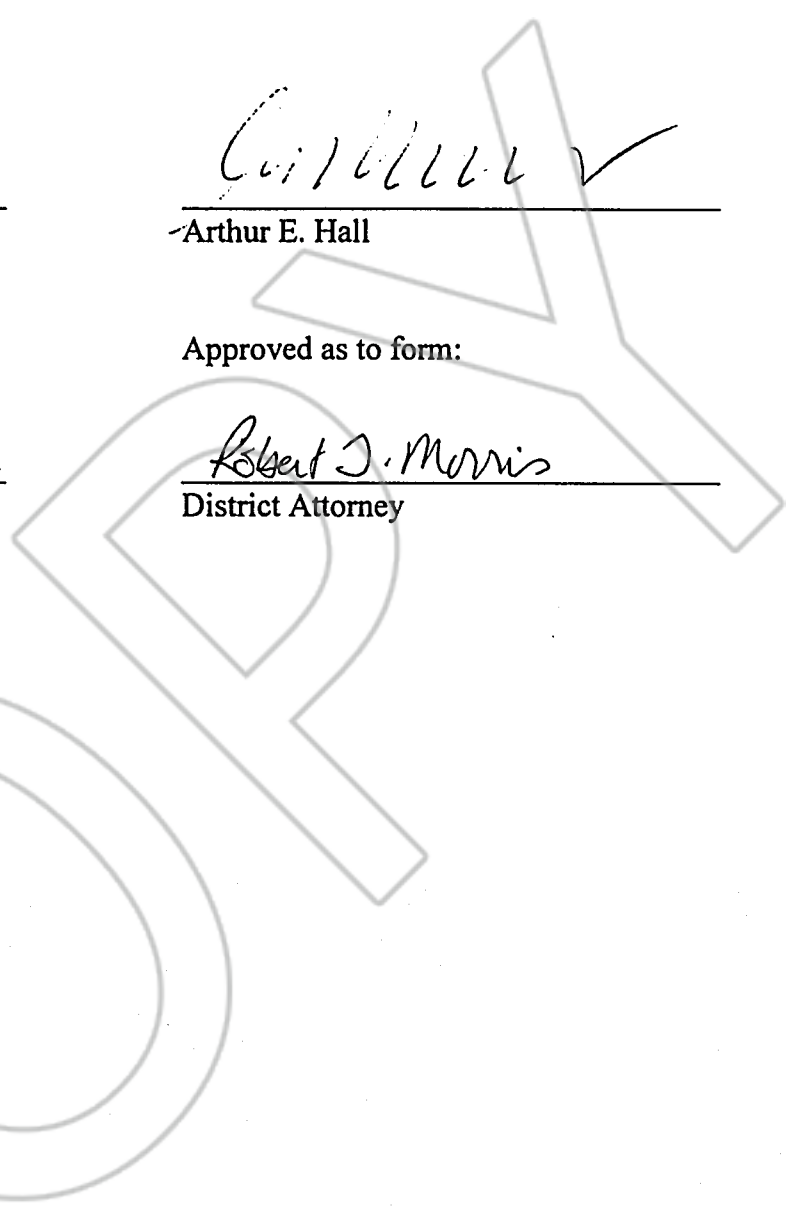
Arthur E. Hall
Arthur E. Hall

Approved as to content:

JRM
Director of Community Development

Approved as to form:

Robert J. Morris
District Attorney



REQUESTED BY
DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

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LINDA SLATER
RECORDER

PAID KJ DEPUTY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: Oct 4, 1999
B. REAP Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By Carol M. Mullock Deputy

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