

Swendseid & Stern
50 W. Liberty, Suite 660
Reno, NV 89501

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made this 11th day of June, 2001 by and between Sierra Pacific Power Company, a Nevada corporation ("Seller"), and the Truckee Meadows Water Authority, a political subdivision of the State of Nevada, ("Purchaser"), for the purpose of affording notice that Seller and Purchaser have entered into an Asset Purchase Agreement dated January 15, 2001 (the "Agreement").

Seller has granted and hereby grants to Purchaser the exclusive right to purchase and Purchaser has agreed and hereby agrees to purchase Seller's right, title and interest in the water rights described in Exhibit "A" (attached hereto and by this reference incorporated herein) on the terms and conditions stated in such Agreement which include, without limitation, application for and receipt of all required regulatory approvals.

The Agreement remains in effect until the purchase is consummated, or it is terminated pursuant to the terms of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY,
a Nevada corporation

**TRUCKEE MEADOWS WATER
AUTHORITY,** a political subdivision of the
State of Nevada


By: *Jeffrey Ceccarelli*
Its: President
Jeffrey Ceccarelli

By: *Malyn Malquist*
Its: General Manager
Malyn Malquist

STATE OF NEVADA)
) :ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on June 8, 2001, by Jeffrey Ceccarelli as President of Sierra Pacific Power Company.

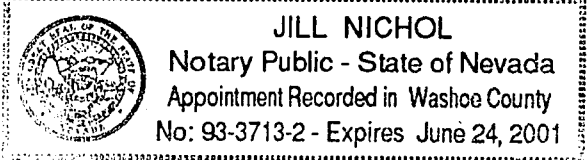
Jill Nichol
Notary Public

(Seal) 

STATE OF NEVADA)
) :ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on June 8, 2001, by Malyn Malquist as Chairman of the Truckee Meadows Water Authority.

Jill Nichol
Notary Public

(Seal) 

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DESCRIPTION OF WATER RIGHTS

Sierra Pacific Power Company's water rights to operate run-of-the river hydroelectric facilities in and along the Truckee River, as set forth in and under:

- The 1915 Truckee River General Electric Decree (entered June 4, 1915 by the United States District Court for the Northern District of California in *United States of America v. Truckee River General Electric Co.*, No. 14861, which case was transferred to the United States District Court for the Eastern District of California on February 9, 1968, and is now designated No. S-643) as recognized and confirmed under Claim number 4 of the Orr Ditch Decree (entered January 1, 1944 by the United States District Court for the District of Nevada in *United States of America v. Orr Water Ditch Co.*, et.al, in Equity, Docket No. A3,) and as affected by the Truckee River Agreement (dated July 1, 1935 and entered into by the United States of America, Truckee-Carson Irrigation District, Washoe County Water Conservation District, Sierra Pacific Power Company, and other users of the waters of the Truckee River); and
- Water Rights Claims numbers 5 through 9 under the Orr Ditch Decree (entered January 1, 1944 by the United States District Court for the District of Nevada in *United States of America v. Orr Water Ditch Co.*, et.al, in Equity, Docket No. A3,); and
- Water Rights for hydroelectric generation associated with Donner and Independence Lakes.

REQUESTED BY

*Debbie Sotero*IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2001 JUN 11 AM 9:26

LINDA SLATER
RECORDER\$ 8.00 PAID *Bh* DEPUTY

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