

AGREEMENT FOR
LEASE OF WATER RIGHTS

By

Moapa Valley Water District,
a political subdivision of
the State of Nevada (MVWD)

Southern Nevada Water Authority
a political subdivision of
the State of Nevada (SNWA)

and

Corporation of the Presiding Bishop
of The Church of Jesus Christ of Latter-day Saints,
a Utah corporation sole (CPB)

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AGREEMENT FOR LEASE OF WATER RIGHTS

For good and valuable consideration, Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a Utah corporation sole (CPB), Southern Nevada Water Authority, a political subdivision of the State of Nevada (SNWA) and Moapa Valley Water District, a political subdivision of the State of Nevada (MVWD) hereby make this Agreement For Lease Of Water Rights.

1. Background

1.1 CPB is the appropriator or applicant of record with regard to certain water rights (the "Water Rights") listed on the annexed Exhibit A. SNWA and MVWD desire to lease these Water Rights for purpose of irrigation, municipal and industrial use. The amount of water leased is 2,001 acre feet per annum. CPB retains the water rights in excess of 2,001 acre feet per annum. CPB has appropriated the water which is the basis of the Water Rights by means of springs which are located at State Engineer approved points of diversion.

1.2 The Nevada State Engineer has approved irrigation use for the Water Rights. SNWA and MVWD desire to obtain approval of the State Engineer to apply the Water Rights to other places of use for municipal and industrial uses.

1.3 CPB desires to assure itself that the Water Rights will be beneficially used for the life of the within lease.

1.4 SNWA and MVWD desire to lease the Water Rights from CPB and the parties are willing to lease the Water Rights under the terms of this Agreement.

2. CPB Obligations

CPB agrees to the following:

2.1 To support SNWA and MVWD's activities in obtaining permits to change the point(s) of diversion, place of use and manner of use of the Water Rights as necessary to allow SNWA and MVWD to fully utilize the Water Rights for any lawful purpose during the term of this Agreement.

2.2 To grant SNWA and MVWD permission to divert water for their use from CPB's existing spring facilities as appropriate.

3. Term

3.1 The primary term of this lease is for twenty (20) years commencing on January 1, 2007.

3.2 SNWA and MVWD are hereby granted the option of extending the lease for two additional ten -year terms. The option to extend the lease shall be exercised by written notice to CPB given by SNWA and MVWD not more than nine months and not less than three months prior to the end of the current term.

3.3 Should SNWA and MVWD fail to notify CPB of SNWA and MVWD's intent to exercise the option of extending the lease for an additional ten year term pursuant to the terms or conditions outlined in Section 3.2, this lease shall expire at the end of the current term. All rights to the appropriation of the water which are the subject matter of this lease then will revert to CPB.

3.4 SNWA and MVWD may cancel this lease if it is required to obtain a permit from Office of State Engineer after it has sought in good faith and with due diligence to obtain the approval of the State Engineer for the revised beneficial use contemplated herein and if the State Engineer has not approved such a change by December 31, 2006.

3.5 SNWA and MVWD shall pay costs incurred in applying for and obtaining approval of any permits it needs to utilize the water leased under this Agreement, including without loss of generality any permits from the State Engineer for transferring the Water Rights to MVWD's service area or the service area of any of SNWA's member agencies at the beginning hereof. SNWA and MVWD shall obtain CPB's approval in writing of any such permit applications prior to submitting them, which approval shall not be unreasonably denied or delayed.

4. Rental

4.1 SNWA and MVWD shall pay CPB for the water delivered to SNWA and MVWD at the designated points at the rate of \$130.00 per acre-foot per annum, as adjusted. This amounts to an obligation of \$260,130.00 per year (\$21,677.50 per month), as adjusted, as rental for the Water Rights. One-twelfth of the annual rent shall be paid on the first day of each month, without grace, to CPB at Finance Department, Fifteenth Floor, Property No. 517-2306, 50 East North Temple St., Salt Lake City, Utah 84150.

4.2 SNWA and MVWD shall pay \$ 20,000.00 to CPB at the time this Agreement is

executed, as earnest money, which shall be an advance on the rental payment due for calendar year 2007. This earnest money is not refundable in the event that the State Engineer does not give the approvals needed by SNWA and/or MVWD to apply the water to its property during 2006, or that SNWA and MVWD are not otherwise able to use the water under this lease during 2006.

4.3 The rent due hereunder shall be adjusted during the month of December, beginning in December, 2006, for the following year to allow for inflation or deflation. Rent shall not be adjusted to less than \$130.00 per year per acre foot, however. This adjustment shall be made during the primary term and during any extended term of the lease. The base rental, R, for this calculation, shall be \$260,130.00, or as adjusted. The rental shall be calculated for the lease year to be adjusted, A, using a comparison between the Consumer Price Index for All Urban Consumers All Items Unadjusted (CPI-U) for March, 2005, 'I_B' and for October of the year prior to the year to be adjusted, I_A. Thus, $A = R \cdot (I_A / I_B)$, or in words the adjusted rental for the following lease year shall be the product of the Base Rental times the quotient of the CPI-U for the October prior to the year to be adjusted divided by the CPI-U for March, 2005. If the CPI-U is itself adjusted to a different index base year than the one on which the CPI-U is currently based, then 'I_A' and 'I_B' shall be adjusted to the same index base year prior to making the above calculation.

4.4 If the Water Rights are reduced due to any regulatory reason, the adjusted or unadjusted annual rent shall be reduced proportional to the reduction of the Water Rights effective on the date of the reduction.

4.5 As additional consideration to CPB for this lease MVWD shall provide a one and one-half inch culinary connection at CPB's recreation property. MVWD will provide and install the approximately 300 feet of pipe needed to connect the water line to the existing water main and the appropriate meter needed to service the CPB property. CPB will provide an easement for the facilities needed to support the water service. MVWD will waive the standard connection fee for the service. CPB will pay the usual and customary monthly charges for the water service.

4.6 SNWA and MVWD shall have the right to terminate this Agreement by written notice to CPB, if at any time during the term of this Agreement, SNWA and MVWD are prevented from using the Water Rights obtained hereunder because of judicial orders, court decrees or local, state or federal laws, rules or regulations now or hereinafter in effect.

5. Beneficial Use.

It is a condition hereof that SNWA and MVWD shall make beneficial use of the Water Rights and keep the Water Rights in effect.

5.1 CPB agrees that SNWA and MVWD may apply, at their expense, for a change of place of use, point of diversion and manner of use to the State Engineer. CPB shall have no duty in connection with the prosecution of SNWA and MVWD's applications with the State Engineer hereunder except to affirm that it has agreed to lease the Water Rights to SNWA and MVWD. The CPB may participate in any proceeding regarding the Water Rights, as it may choose in its discretion to do, to protect its interest in the Water Rights, whether to its reversion after the termination of this lease or its rights under this Agreement.

5.2 SNWA and MVWD shall furnish CPB with copies of all papers they submit to the State Engineer or any other tribunal with respect to the Water Rights at the same time it serves them upon parties to a proceeding or files them, whichever is earlier.

5.3 CPB may upon reasonable notice inspect the facilities SNWA and MVWD install to divert or produce the Water Rights.

6. Liability and Indemnity

6.1 SNWA and MVWD hereby indemnifies CPB, its officers, employees, servants, agents, subsidiaries or affiliates and agrees to hold them harmless against all claims, demands, damages, personal injury, illness, death, property damage or loss incurred by any person, animal, fish, plant or geological or meteorological feature as a result of or in connection with SNWA and MVWD's use of the Water Rights or SNWA and MVWD's use of CPB's land in connection herewith or activities of SNWA and MVWD hereunder or disposal of water derived from the Water Rights.

6.2 SNWA and MVWD shall comply with all laws and regulations, whether of federal, state or local jurisdictions, applicable to the subject matter of this Agreement. SNWA and MVWD shall have sole responsibility to dispose of water it produces hereunder. SNWA and MVWD shall not inject or permit to be injected any water or other substance or elements into any underground formation through wells on CPB's property or through wells which are connected hydrologically with the existing springs.

7. Use of Leased Water Outside of the MVWD Service Area

7.1 MVWD and SNWA shall not sublease, assign, or transfer the water rights to another entity without the written consent of CPB, which consent CPB may grant or withhold in its sole discretion. CPB shall have the right to condition its approval of any assignment, sublease or other transfer upon an adjustment of the rental and adjustment of the rent due in regard to water rights thus subleased, assigned or transferred in order to provide that fifty percent of any rental payments obtained by MVWD or SNWA that exceed the rent due under this Agreement shall be paid to CPB.

7.2 MVWD may deliver water to Southern Nevada Water Authority (SNWA) on the following terms. Prior to December 1st of the upcoming calendar year, SNWA and MVWD shall jointly provide an anticipated schedule of usage for the "leased water" to the CPB. The schedule shall include the place of use and the volume of use. For water placed to beneficial use outside of the MVWD service area, as defined by Chapter 447 of the Laws of Nevada 1983, or outside the drainage area of the Muddy River above its confluence with Lake Mead, whichever area is least extensive, either through direct pipeline transport or the receipt of "augmentation credits" for the Colorado River system, the lessee (SNWA and MVWD) shall pay a surcharge of \$100 per acre-foot per year (the "Surcharge") to the CPB. The rental rates as contemplated in Section 4.1 shall be calculated with any applicable surcharges and one – twelfth of the rent shall be paid on the first day of the month. The adjustment for inflation provided by Paragraph 4.3 shall also apply to the Surcharge, which shall not be reduced to less than \$100 as a result of such adjustment.

8. Default

In the event SNWA and MVWD default in the payment of money required hereunder and does not cure said default within thirty days after written notice, in addition to any other remedies provided by law, CPB may retake possession of the water, and apply the water to other uses at its discretion. Such retaking possession of the water and application of the water to other uses shall not terminate this lease, and the rental reserved hereunder shall continue to fall due from month to month until the end of the lease, and the rental hereunder shall only be reduced by the amount that remains after cash revenues obtained by CPB from the use or leasing of the Water Rights have been applied to attorney fees, costs of repossession, costs of proceeding before the State Engineer to reestablish beneficial uses of the water, costs incurred under this Agreement, and costs of equipment, labor and engineering needed to apply the water.

9. Fixtures

All buildings and equipment built or installed upon CPB property by SNWA and/or MVWD under this Agreement shall become the property of CPB if they remain on the property after the term of this Agreement. SNWA and MVWD shall maintain all such buildings and equipment in good and safe condition during the term hereof. SNWA and MVWD may remove buildings installed by SNWA and/or MVWD at any time prior to the termination hereof. SNWA and MVWD will leave all operating equipment in operating condition at termination of lease. SNWA and MVWD shall return CPB's property to its condition prior to the installation of any buildings or equipment removed by it before the termination hereof. If SNWA and/or MVWD have modified the irrigation system now in use upon CPB's property during the term hereof, it shall return the modified portion of the irrigation system to its condition prior to the modifications by SNWA and/or MVWD.

10. Right of first offer

10.1 Definitions. The parties define the following terms.

"Water rights Subject to Right of First Offer" means the Water Rights.

"Offer Water Right" means a water right that includes all or a portion of the Water Rights Subject to Right of First Offer

"Sale" shall mean any purchase of water rights in fee simple or any lease for a term of five years or longer.

10.2 Right to purchase upon election of CPB to sell. In the event that CPB elects to sell an Offer Water Right, either of CPB own volition or in response to an offer to purchase from a third party, CPB, for itself and its heirs, successors and assigns, hereby jointly grants to SNWA and MVWD the right to purchase the Offer Water Right prior to its sale to the third party. In any such event, CPB shall notify SNWA and MVWD in writing of the terms and conditions approved by CPB of the proposed sale, including a description of the Offer Water Right. Upon receiving CPB's written notice, SNWA and MVWD shall have sixty (60) business days to exercise said first right by giving CPB notice of SNWA and MVWD's binding commitment to purchase the Offer Water Right on the terms and conditions approved by CPB, in which event SNWA and MVWD shall have ninety (90) business days after acceptance to close the purchase, subject to a thirty day extension in good faith if necessary to complete the documentation and satisfy closing conditions.

10.3 Non-exercise of Right by SNWA and MVWD. If SNWA and MVWD do

not for any reason accept the terms of any such offer, CPB may then sell the Offer Water Right on the same terms and conditions as those rejected by SNWA and MVWD to the third party without any further obligation to SNWA and/or MVWD. If the said sale is not consummated, however, the Right of First Offer shall revive with regard to the Offer Water Right and apply again to any sale of the Offer Water Right. If CPB determines to alter the terms and conditions under which the Offer Water Right may be sold to a third party and if the said altered terms and conditions are more favorable to the buyer than in the notice given to SNWA and MVWD, CPB shall first offer the same terms and conditions to SNWA and MVWD on such new terms according the procedure established by this agreement. If the Offer Water Right does not include all of Water rights Subject to Right of First Offer, the Right of First Offer shall continue in effect against all of Water rights Subject to Right of First Offer outside of the Offer Water Right until terminated according to the express terms of this agreement.

10.4 Expiration of Right of First Offer. The parties agree further that the right of First Offer herein contained shall in all respects terminate and end and be of no further effect either legal or equitable and shall not be enforceable after the expiration of the within Lease.

11.1 Miscellaneous Provisions:

11.1 Notices.

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been properly given when delivered in person to the person to whom the notice is directed or three days after deposit in the United States mail, certified mail, return receipt requested (addressee only), first-class postage prepaid, postmarked no later than three days prior to the effective day of the notice, or by telex, telegram, cable, or acknowledged telefax, charges prepaid, to the party addressed (or to such other address or attention as the party to be given such notice may designate by notice to the other party in the manner herein prescribed) as follows:

If to CPB:

The Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints
Natural Resource Services, 12th Floor
50 East North Temple
Salt Lake City, Utah 84150-6320
Attention: Grant S. Cooper

If to SWNA:

Patricia Mulroy, General Manager
Southern Nevada Water Authority
1001 S. Valley View Blvd.
Las Vegas, NV 89153

If to MVWD:

Brad Huza, General Manager
Moapa Valley Water District
601 North Moapa Valley Blvd, P. O. Box 257
Logandale NV 89021

11.2 Applicable Law.

This Agreement shall be construed under the laws of the state of Nevada. Except as otherwise provided herein, all remedies at law, in equity, by statute, or otherwise shall be cumulative and may be enforced concurrently therewith or from time to time and the election of any one or more shall not constitute a waiver of the right to pursue other available remedies.

11.3 Waiver.

Forbearance in enforcing any remedy granted by this Agreement shall not be deemed a waiver thereof nor shall it be the basis of an inference that a party hereto has waived any provision hereof or that a party has waived a remedy available at law or in equity. No consent by any party to any departure herefrom shall be effective unless in writing, and then only to the extent stated in such writing. No notice in any particular circumstance shall entitle a party to notice in the same or similar circumstance unless notice is required hereunder.

11.4 Taxes.

SNWA and MVWD shall pay all taxes imposed upon the Water Rights during the term hereof.

11.5 Entire Agreement

This Agreement merges all previous negotiations between the parties hereto, supersedes all prior discussions and correspondence between the parties, and constitutes the entire Agreement and understanding between the parties with respect to the subject matter of this Agreement. No

alteration, modification, or change of this Agreement shall be valid except by a written instrument executed by the parties.

11.6 Captions.

The captions of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.7 Expenses of Enforcement.

If any party starts an action to enforce any provision of this Agreement or for damages by reason of an alleged breach hereof, the court shall award the prevailing party judgment for all costs and expenses, including reasonable attorney's fees and costs, incurred in connection with such action, to be paid by the other party hereto.

11.8 Pronouns

In this Agreement the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective once both parties have signed and delivered signed copies to one another.

Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a Utah corporation sole (CPB)

By Terry F. Budd GSC
Name Terry F. Budd
Title AUTHORIZED AGENT
Date 3-29-06

Moapa Valley Water District, a political subdivision of the State of Nevada (MVWD)

By Ivan Cooper
Name Ivan Cooper
Title Chairman
Date 3/31/06

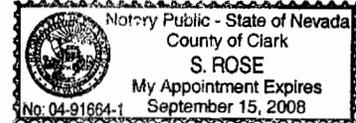
Southern Nevada Water Authority, a political subdivision of the State of Nevada (SNWA)

By Amanda Cyphers
Name Amanda Cyphers
Title Chair
Date 4-20-06

STATE OF NEVADA)
 : ss
COUNTY OF CLARK)

On the 31st day of March, 2006, personally appeared before me Ivon Cooper who acknowledged that he executed the foregoing as Chairman of Moapa Valley Water District, a political subdivision of the State of Nevada.

S. Rose
Notary Public

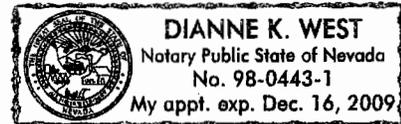


My commission expires: 9/15/08 Residing at: Overton, NV

STATE OF NEVADA)
 : ss
COUNTY OF CLARK)

On the 20th day of April, 2006, personally appeared before me Amanda Cyphers who acknowledged that she executed the foregoing as Chair of Southern Nevada Water Authority, a political subdivision of the State of Nevada.

Dianne K West
Notary Public

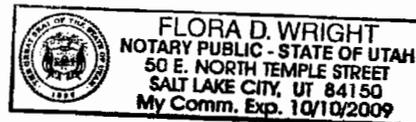


My commission expires: 12-16-09 Residing at: Las Vegas, NV

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On this 27th day of MARCH, 2006, personally appeared before me TERRY F. RUDOLPH, personally known to me to be the Authorized Agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a Utah Corporation Sole, who acknowledged to me that he signed the foregoing instrument as Authorized Agent for said Corporation, that the seal impressed on the within instrument is the seal of said corporation, and the said TERRY F. RUDOLPH acknowledged to me that the said Corporation executed the same.

Flora D. Wright
Notary Public



My commission expires: 10-10-09 Residing at: SALT LAKE CITY, UT

Exhibit A

Water Rights of CPB

Lessor has the following surface water rights, located at the Moapa Warm Springs NV property:

Quantity = 2,001 acre-feet for irrigation

Nevada Water Right Nos. 6419, 25861, 26316, 26317, and 26318.