

AGREEMENT TO FINANCE THE PURCHASE OF GROUNDWATER RIGHTS

This **Agreement to Finance the Purchase of Groundwater Rights** (“**Agreement**”) is made this ____ day of _____ 2024, between the Southern Nevada Water Authority, a political subdivision of the state of Nevada (“**Authority**”) and the Moapa Valley Water District, a political subdivision of the state of Nevada (“**MVWD**”). The Authority and MVWD may be referred to, individually, as a “**Party**” or, collectively, the “**Parties.**”

RECITALS

- A.** The Authority is a joint-powers entity created pursuant to Chapter 277 of the Nevada Revised Statutes through a Cooperative Agreement, by and among certain municipal water purveyors and wastewater treatment providers in Clark County, Nevada, and provides wholesale water delivery to its purveyor members in the Las Vegas Valley.
- B.** MVWD is a political subdivision of the State of Nevada and water purveyor that delivers water to numerous townships, the towns of Overton, Logandale, Glendale, and Moapa, in addition to surrounding rural areas within Clark County.
- C.** The Authority has appropriated various water rights in a hydrologic basin known as the Lower White River Flow System (“**LWRFS**”), including groundwater and Muddy River surface water rights.
- D.** MVWD has appropriated 2,533.0 acre-feet annually (“afa”) of groundwater in the Muddy River Springs Area (a sub-basin in the LWRFS) under Permit No. 66043, which MVWD pumps and delivers to customers in its service area for beneficial uses (the “**MVWD Water Rights**”).
- E.** In 2023, the Nevada Department of Conservation and Natural Resources established the Nevada Water Conservation Infrastructure Initiative Award program (“**Grant Program**”), which seeks to alleviate conflicts and other issues in over-appropriated groundwater basins throughout Nevada, such as the LWRFS, by providing funding to incentivize the retirement of groundwater rights in over-appropriated basins.
- F.** The Authority and MVWD have a demonstrated history of excellent environmental stewardship and cooperation with each other to conserve water and protect sensitive species and ecosystems in the LWRFS.
- G.** In furtherance of their relationship and acting as good stewards in the LWRFS, the Authority, in consultation with MVWD, applied to the Grant Program (“**Application**”). The Application proposed a transaction where the Authority would help MVWD purchase 2,329.55 afa of LWRFS groundwater rights senior to the MVWD Water Rights (“**Senior Water Rights**”), submit necessary filings to the Nevada Division of Water Resources (“**Division**”) to allow MVWD to use the Senior Water Rights, and then coordinate with the Division to “retire” the MVWD Water Rights, thereby reducing groundwater appropriations in the LWRFS by 2,329.55 afa and accomplishing the Grant Program’s goals.

H. In 2023, the Division notified the Authority that the Application had been approved and that the Authority would receive \$3,000,000 to help MVWD acquire the Senior Water Rights in the LWRFS and retire an equal amount of the MVWD Water Rights in the LWRFS.

I. The Authority and MVWD intend to execute this Agreement concurrent with a Water Rights Purchase and Sale Agreement (“PSA”) to establish MVWD’s obligations to repay the Authority a portion of the Senior Water Rights purchase price.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Authority and MVWD agree as follows.

AGREEMENT

1. **Purpose and Intent.** This Agreement sets forth the Parties’ respective obligations for MVWD’s repayment of a portion of the purchase price the Authority paid under the PSA through which MVWD acquired, or will acquire, the Senior Water Rights from the Church of Jesus Christ of Latter-Day Saints, a Utah corporation sole (“Church”).¹
 - a. The purchase price for the Senior Water Rights was \$6,000,000. The Authority, in conjunction with MVWD, received \$3,000,000 in grant funding from the State of Nevada to apply toward the PSA’s purchase price. The Authority paid the remaining balance as a loan to MVWD (“Loan”).
 - b. After applying the grant funding, the Authority paid an additional \$3,000,000 (“Loan Amount”) to acquire the Senior Water Rights. The Parties intend for MVWD to repay the Loan Amount, as provided in this Agreement.
2. **MVWD Financing.** MVWD acknowledges that the Authority paid, or will pay, \$3,000,000 under the PSA to enable MVWD to acquire the Senior Water Rights. MVWD further agrees that the Authority’s payment for the Senior Water Rights is a loan to MVWD, and a debt owed to the Authority, that will be secured by the Senior Water Rights and deed of trust as further contemplated in the PSA. MVWD shall repay the Loan Amount, which shall not accrue interest, unless MVWD fails to repay the Loan Amount, as provided below, or otherwise materially breaches the Agreement.
3. **Authority’s Security Interest.** Under the PSA and this Agreement, MVWD will own the Senior Water Rights and possess the corresponding water rights certificates (“Certificates”). MVWD agrees to execute a deed of trust and endorse the Certificates in favor of the Authority and in consideration of the Loan.
4. **Execution and Effective Date.** The Authority and MVWD shall, within seven calendar days of the PSA’s execution, execute this Agreement. This Agreement’s “Effective Date” shall be

¹ The *Senior Water Rights* are Nevada Water Rights Permit Numbers 50723 (Certificate 13381), 50724 (Certificate 13382), 50725 (Certificate 13383), 50726 (Certificate 13384), 50727 (Certificate 13385), 50728 (Certificate 13386), 50729 (Certificate 13387), 50730 (Certificate 13388), 50731 (Certificate 13389), 50732 (Certificate 13390), and 50733 (Certificate 13391), constituting 2,329.55 afa.

the date on which this Agreement and the PSA are fully executed. The Effective Date shall be entered in the space provided in this Agreement's preamble.

5. **Repayment Term.** MVWD shall have 15 years to repay the Loan Amount to the Authority. MVWD shall make a yearly \$200,000 payment until the Loan Amount is satisfied.
 - a. MVWD shall make its first Loan payment to the Authority on or before September 30, 2024. Each year thereafter, MVWD shall continue to make the yearly \$200,000 Loan payment to the Authority on or before September 30 of each year.
 - b. The Loan shall be deemed complete and satisfied on or before September 30, 2038, if MVWD successfully makes each yearly Loan payment of \$200,000.
 - c. If MVWD fails to repay the full Loan Amount by October 1, 2038, interest shall begin to accrue as of that date. Interest shall continue to accrue until MVWD has fully repaid the Loan Amount, including any interest that may have accrued.
 - d. If interest begins to accrue, the accrual shall be at the statutory rate established under Chapter 99 of the Nevada Revised Statutes.

6. **MVWD Filings.** Upon receipt of the Senior Water Rights Certificates, MVWD shall:
 - a. Confirm that the Declaration of Value is promptly completed and submitted to the Clark County Recorder. The Parties believe that the acquisition of the Senior Water Rights is a transaction exempt from Nevada's real estate transfer tax. If, however, the tax must be paid, MVWD shall be responsible for payment.
 - b. Promptly file necessary reports of conveyance and/or abstract of title with the Division to ensure MVWD is identified as the record owner of the Certificates.
 - c. Endorse the Certificates in the Authority's favor, through a notice of pledge or deed of trust submitted to the Division, encumbering the Certificates to secure the Loan Amount as a condition precedent to this Agreement's execution and effectiveness.
 - d. Pursuant to NRS 534.382, record the appropriate reports of conveyance, deed of trust, or other satisfactory documentation with the Clark County Recorder's Office, as required for the Division to accept MVWD's other filings noted in this Section 6.
 - e. Submit to the Authority copies of the Certificates reflecting the encumbrance of the Certificates in the Authority's favor, and other documentation to show that the Division has acknowledged MVWD's ownership of the Senior Water Rights and the encumbrance in the Authority's favor.
 - f. Promptly file and prosecute change applications with the Division to enable MVWD to use the Senior Water Rights to provide water service in MVWD's service area.

7. **Retirement of Certain MVWD Groundwater Rights.** The Parties, as required under the Program, shall periodically consult with the Division to ensure the MVWD Water Rights are "retired" in accordance with Grant Program requirements.
 - a. MVWD agrees to promptly consult with the Division to ensure MVWD has filed all necessary and appropriate change applications, other reports of conveyance, and other filings as necessary for MVWD to use the 2,329.55 afa of Senior Water Rights within the MVWD service area.

- b. MVWD also agrees to promptly and diligently take any other actions necessary for the Division to formally retire at least 2,329.55 afa of the MVWD Water Rights.

8. Additional Costs.

- a. MVWD agrees to pay all expenses associated with filing reports of conveyance, change applications, and any other documents to effectuate the transfer of ownership for the Senior Water Rights to MVWD.
- b. MVWD further agrees to pay for any other related, but unspecified, expenses

9. Compliance with Grant Funding Agreement. The Parties mutually agree to diligently comply with the Grant Program to ensure the awarded funding can be applied to the purchase of the Senior Water Rights.

10. Default. If MVWD fails to comply with the provisions of Section 5 of this Agreement, the Authority shall give MVWD written notice of such default. MVWD shall have 30 calendar days to cure, or otherwise resolve, the default. If MVWD fails to cure or resolve the default, the Authority may exercise all rights at law and equity to recover damages, including but not limited to, foreclosure on the Senior Water Rights.

11. Indemnification. MVWD shall indemnify and hold harmless the Authority and its respective directors, officers, employees and agents, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Indemnified Parties") from and against all losses, costs, liabilities, damages, penalties, fines, judgments, claims or expenses (including reasonable attorneys' fees) incurred by or asserted against any of the Indemnified Parties in connection with or arising from (a) any material breach by Seller of its covenants and agreements contained herein; and (b) any material breach by Seller of the representations and warranties contained herein.

12. Consents. MVWD and the Authority have obtained all necessary agreements and consents of any Parties to the consummation of the transaction contemplated by this Agreement.

13. Full Disclosure. MVWD represents and warrants that no statement furnished by MVWD, or any other person acting on MVWD's behalf, has contained or will contain any untrue statement of material fact, or omit any material fact.

14. Entire Agreement. The Parties agree that this Agreement represents the final and complete understanding and Agreement of the Parties with respect to the subject matter hereof. Moreover, this final, written Agreement supersedes all previous conversations, negotiations and representations of the Parties and in no event shall any claim be brought by any Party other than in accordance with this written Agreement.

15. Venue / Choice of Law. Any lawsuits, actions or other legal claims and disputes shall be initiated in a state or federal court located in Clark County, Nevada. Each Party irrevocably agrees to submit and consents to the exclusive jurisdiction of the courts located in Clark County, Nevada over any dispute or matter arising under or in connection with this

Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to its choice of law provisions.

16. **Notice.** All correspondence between the Parties shall be in writing and shall be sent to the following locations:

If to the Authority:

Southern Nevada Water Authority
Attention: Deputy General Manager – Water Resources
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: Colby.pellegrino@snwa.com

With a copy to:

Attention: General Counsel
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: GeneralCounsel@lvvwd.com

If to MVWD:

Moapa Valley Water District
Attention: Joseph Davis – General Manager
601 N. Moapa Valley Blvd.
Overton, NV 89040
Email: joe@moapawater.com

With a copy to:

Greg Morrison
Parsons Behle & Latimer
50 West Liberty Street, Ste 750
Reno, NV 89501
Email: gmorrison@parsonsbhle.com

Each notice, invoice and other communication required under this Agreement is deemed to have been received by the Party to whom it was addressed: (i) when delivered, if delivered personally; (ii) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if mailed by certified mail; (iii) upon transmittal to the email addresses set forth above; or (iv) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier. Each Party may change its contact information for purposes of the Agreement by giving written notice to the other Party in the manner set forth above. This section shall survive termination of this Agreement.

17. **Severability.** If any term, covenant, condition, or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court

of competent jurisdiction or rendered by the adoption of a statute invalid, void, or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall not in any way be affected, impaired, or invalidated.

18. **No Third-Party Beneficiaries**. This Agreement is intended, and should be interpreted, to only benefit the Parties and their successors-in-interest. This Agreement shall not be deemed to be for the benefit of any other entity or person other than a Party or that Party's successor-in-interest and does not create any rights, benefits or causes of action for any other person, entity or member of the general public.
19. **Assignment**. The Parties hereto may not assign their respective rights or delegate their respective obligations hereunder, without the express written consent of the other Party, which consent shall not be unreasonably withheld.
20. **Independent Contractors / No Joint Venture**. Neither the Authority nor MVWD are, and shall not be deemed to be, for any purpose, the agent, representative, contractor, subcontractor, or employee of the other by reason of this Agreement. Furthermore, the Parties do not intend to, and nothing contained in this Agreement shall, create any partnership, joint venture, agency, or other similar arrangement between the Parties.
21. **No Waiver**. No waiver by either Party of any right or obligation hereunder, including Default, is effective unless made in writing by the Party's authorized representative, and delivered by the Party to be charged in accordance with this Agreement's "Notice" provisions. The waiver of any right under this Agreement as to a particular transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence.
22. **Amendment**. Except for addendums that can be executed without amending the Agreement, this Agreement may be modified or amended only by a written instrument signed by the Parties, following the same procedural requirements as the execution of this Agreement.
23. **Counterparts**. The Parties may execute this Agreement in electronic form and/or in one or more counterparts, each of which when so signed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same Agreement. A facsimile, email or other electronic copy of a signature has the same legal effect as an originally drawn signature.
24. **Authority**. Each Party represents that it has taken all actions necessary or advisable and proper to authorize this Agreement, the execution and delivery of it, and the performance contemplated in it. The individual(s) executing this Agreement on behalf of a Party state and acknowledge that she/he/they are authorized and empowered to do so on behalf of that Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SOUTHERN NEVADA WATER AUTHORITY:
Southern Nevada Water Authority,
a political subdivision of the State of Nevada

By: _____
John Entsminger – General Manager

Date: _____

APPROVED AS TO FORM:



Greg Walch – General Counsel

Moapa Valley Water District:
Moapa Valley Water District,
A political subdivision of the State of Nevada

By: _____
Joseph Davis – General Manager

Date: _____

APPROVED AS TO FORM:

Greg Morrison – Counsel

The undersigned hereby affirms that there is no Social Security number contained in this document

RECORDING REQUESTED BY:

Southern Nevada Water Authority
1001 S. Valley View Blvd.
Las Vegas, NV 89153

AFTER RECORDATION, RETURN BY MAIL TO:

Southern Nevada Water Authority
Attn: Zane L. Marshall
1001 S. Valley View Blvd.
Las Vegas, NV 89153

Paul G. Taggart, Esq.
Taggart & Taggart, Ltd.

DEED OF TRUST

THIS DEED OF TRUST is dated this ____ day of _____, 2024, and is entered into by the Moapa Valley Water District, a political subdivision of the State of Nevada (“Trustor”), whose business address is 601 N. Moapa Valley Blvd., Overton, NV 89040, Taggart & Taggart, Ltd. (“Trustee”), whose address is 108 N. Minnesota St., Carson City, NV 89703; and the Southern Nevada Water Authority, a political subdivision of the State of Nevada (“Beneficiary”), whose address is 1001 S. Valley View Blvd., Las Vegas, NV 89153. References to this “Deed of Trust” shall mean this instrument and any and all renewals, modifications, amendments, supplements, extensions, consolidations, substitutions, and replacements of this instrument.

RECITALS

Trustor is the owner of certain groundwater rights in Clark County, Nevada, and possesses the associated permits and certificates, which are further described in the “Granting Clauses” below (the “Property”), together with all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights directly related to the Property.

Pursuant to that *Agreement to Finance the Purchase of Groundwater Rights* (“Note”) by and between Trustor and Beneficiary, dated the same date as this Deed of Trust, the Beneficiary has agreed to make a certain loan to Trustor for the purpose of purchasing the Property on the condition that the Trustor will secure repayment of the loan and all other amounts from time to time owed by Trustor to Beneficiary under the Note.

Through this Deed of Trust, Trustor is pledging the Property to secure its debt to, and promise to repay, the Beneficiary.

This Deed of Trust will be and is security for payment in lawful money of the United States of any and all additional or future advances or loans which may be made by Beneficiary

to Trustor, and any and all moneys that may become due and payable from Trustor to Beneficiary for any cause whatsoever, and shall also be security for any and all renewals of the debt of Trustor to Beneficiary however evidenced.

GRANTING CLAUSES

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Trustor agrees that to secure: (i) the due and punctual payment of all of the payments and installments on said Note, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or later existing or due or to become due, in accordance with the terms thereof; and (ii) the performance of all of the obligations of Trustor contained in the Note:

TRUSTOR CONVEYS TO TRUSTEE AND ASSIGNS TO TRUSTEE, IN TRUST WITH POWER OF SALE FOR THE USE AND BENEFIT OF BENEFICIARY, AND GRANTS BENEFICIARY AND TRUSTEE A SECURITY INTEREST IN AND TO THE FOLLOWING WATER RIGHTS, REFERRED TO HEREIN AS THE “PROPERTY”:

Permit No. 50723, Certificate No. 13381

88 afa together with a diversion rate of 0.32 cubic feet per second (“cfs”) as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

Permit No. 50724, Certificate No. 13382

162.55 afa together with a diversion rate of 0.92 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of October 4, 1949.

Permit No. 50725, Certificate No. 13383

65 afa together with a diversion rate of 0.302 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of April 28, 1965.

Permit No. 50726, Certificate No. 13384

65 afa together with a diversion rate of 0.302 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of April 28, 1965.

Permit No. 50727, Certificate No. 13385

60 afa together with a diversion rate of 0.271 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of April 28, 1965.

Permit No. 50728, Certificate No. 13386

158 afa together with a diversion rate of 0.58 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

Permit No. 50729, Certificate No. 13387

120 afa together with diversion rate of 0.44 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

Permit No. 50730, Certificate No. 13388

25 afa together with diversion rate of 0.117 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of April 28, 1965.

Permit No. 50731, Certificate No. 13389

586 afa together with a diversion rate of 2.16 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

Permit No. 50732, Certificate No. 13390

930 afa together with a diversion rate of 2.33 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

Permit No. 50733, Certificate No. 13391

70 afa together with a diversion rate of 0.18 cfs as issued by the Nevada Division of Water Resources, Office of the State Engineer, 901 S. Stewart Street, Suite 2000, Carson City, Nevada 89701, filed on March 24, 1987, having a priority date of August 13, 1947.

TO HAVE AND TO HOLD the Property and the rights and privileges granted to Trustee, its successors and assigns for the uses and purposes set forth, until the Property reverts to Trustor in accordance with the provisions of this Deed of Trust.

PROVIDED, HOWEVER, that this Deed of Trust shall be of no force and effect whatsoever, no representation or warranty contained herein shall be deemed made, and no obligation or lien on or interest in the Property is created, until the execution of the before mentioned Note, which shall be deemed conclusively to have occurred on the recording of this Deed of Trust in the County in which the Property is located.

TERMS AND CONDITIONS

Trustor further represents, warrants, covenants and agrees with Trustee and Beneficiary as follows:

1. **Incorporation of Loan and Note.** The loan secured by this Deed of Trust is governed by and evidenced by the Note, which is herewith, by reference, made a part of this document.
2. **Deed of Trust as Security.** This Deed of Trust is given to secure a loan totaling Three-Million Dollars (\$3,000,000), with no interest accruing thereon, according to the terms of the Note. This Deed of Trust shall also secure any and all renewals or extensions of the whole or any part of the indebtedness hereby secured, however evidenced, with interest at such lawful rate as any be agreed upon and any such renewals or extensions or any change in the terms or rate of interest shall not impair in any manner the validity of or priority of this Deed of Trust, nor release the Trustor from personal liability for the indebtedness hereby secured.
3. **Adoption of Statutory Covenants.** The following covenants, Nos. 3, 5, and 9 of NRS 107.030 are hereby adopted and made a part of this deed of trust.
4. **Definitions.** Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust shall be used interchangeably in singular or plural form and the word "Trustor" shall mean each Trustor or any subsequent owner or owners of the Property or any part thereof or interest therein, the word "Trustee" shall mean "Trustee and any successor Trustee hereunder," the term "Secured Obligations" shall mean "the obligations of Trustor contained in the Note or any other obligations of Trustor secured by this Deed of Trust," and the word "person" shall include any individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Deed of Trust are for convenience or reference only and in no way limit or amplify the provisions hereof.
5. **Warranty of Title.** Trustor warrants that Trustor shall have good title to the Property,

and Trustor shall warrant, defend and preserve title and the rights granted by this Deed of Trust with respect thereto against all claims of all persons and entities. Trustor further warrants that it has the right to grant this Deed of Trust.

6. **Taxes.** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which can attain priority over this Security Instrument. Trustors shall not claim, demand or be entitled to receive any credit or credits toward the satisfaction of this Deed of Trust or on any interest payable for any taxes assessed against the Property or any part thereof and shall not claim any deduction from the taxable value of the Property by reason of this Deed of Trust.

7. **Restrictions.** Trustor shall not (a) sell, assign, transfer, convey or permit to be transferred or conveyed the Property or any part thereof; and/or (b) except for the lien of this Deed of Trust and the Permitted Exceptions, further mortgage, nor otherwise encumber the Property nor create or suffer to exist any lien, charge or encumbrance on the Property, or any part thereof, whether superior or subordinate to the lien of this Deed of Trust and whether recourse or nonrecourse, except, in each case, as permitted in the Note. If there is any permitted sale, transfer, conveyance, assignment or other disposition or any part of the Property, this Deed of Trust will remain in effect with respect to all of the remaining Property.

8. **Agent's Right to Perform.** Pursuant to the terms of the Note, if Trustor fails to perform certain covenants or agreements under the Note, Beneficiary or its Agent may, at any time (but shall be under no obligation to) pay or perform the same, provided that (other than in the case of an emergency) Beneficiary or its Agent shall have first given ten (10) days written notice to Trustor of the Beneficiary's or its Agent's intention to do so, and the amount or cost of any such payment or performance, with interest at the rate of five (5%) percent per annum shall immediately be due from Trustor to Beneficiary and shall be secured by this Deed of Trust and shall be a lien on the Property prior to any right, title to, interest in or claim upon the Property attaching subsequent to the lien of this Deed of Trust.

9. **Notice of Acceleration; Remedies.** This Deed of Trust is executed by Trustor and accepted by Beneficiary with the understanding and upon the express condition that if Trustor should make default in the performance of any of the covenants and agreements set forth in this instrument, then the full amount of the principal indebtedness secured hereby shall promptly be and become wholly due and payable, notwithstanding the fact that the same would not otherwise be due according to the terms of the Note. If a breach by Trustor of any covenant or agreement in this Deed of Trust, the Beneficiary shall give notice to Trustor that the Beneficiary intends to exercise its right to accelerate Trustor's obligations under the Note.

(a) While a Notice of Acceleration is in effect, in addition to any other rights and remedies Beneficiary may have pursuant to the Note,

(i) Beneficiary may direct Trustee to exercise Trustee's power of sale with

respect to the Property in a nonjudicial procedure as permitted by Nevada law. In case of a trustee's sale or foreclosure sale, the Property may be sold at Beneficiary's election and Beneficiary is specifically empowered (without being required to do so, and in its sole and absolute discretion) to cause successive sales of portions of the Property.

- (ii) Beneficiary may, to the extent permitted by applicable law; (A) institute and maintain an action of judicial foreclosure against all or any part of the Property; or (B) take such other action at law or in equity for the enforcement of this Deed of Trust or the Note as the law may allow.
- (iii) Beneficiary may proceed in any action to final judgment and execution thereon for all sums due, together with any interest and all costs of suit, including, without limitation, reasonable attorneys' fees and disbursements.

(b) If any breach of any of the covenants, agreements, terms or conditions contained in this Deed of Trust, and notwithstanding to the contrary any exculpatory or nonrecourse language which may be contained herein, Beneficiary or Trustee shall be entitled to enjoin the breach and obtain specific performance of any covenant, agreement, term or condition and Beneficiary and Trustee shall have the right to invoke any equitable right or remedy as though other remedies were not provided for in this Deed of Trust.

10. **Right of Beneficiary to Credit Sale.** Upon the occurrence of any sale made under this Deed of Trust, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof. In lieu of paying cash, Beneficiary may make settlement for the purchase price by crediting upon the Secured Obligations or other sums secured by this Deed of Trust the net sales price after deducting the expenses of sale and the cost of the action and any other sums which Beneficiary are authorized to deduct under this Deed of Trust. In this event, this Deed of Trust and documents evidencing the Secured Obligations and other expenditures secured may be presented to the person conducting the sale so that the amount so used or applied may be credited upon the Secured Obligations as having been paid.

11. **Extension and Release.**

(a) Without affecting the encumbrance or charge of this Deed of Trust upon any portion of the Property not then released as security for the full amount of the Secured Obligations, Beneficiary may, from time to time and without notice, agree to (i) extend the maturity or alter any of the terms of the Secured Obligations; (ii) grant other indulgences; (iii) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any portion or all of the Property; or (iv) take or release any other or additional security for any obligation herein mentioned. Beneficiary may release any part of the Property held for the obligations

secured by this Deed of Trust without, as to the remainder of the Property, in anyway impairing or affecting this Deed of Trust or the priority of this Deed of Trust over any subordinate lien or deed of trust.

(b) No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon the Property or upon any other property of Trustor shall affect the encumbrance of this Deed of Trust or any liens, rights, powers or remedies of Beneficiary or Trustee hereunder, and such liens, rights, powers and remedies shall continue unimpaired.

(c) If Beneficiary shall have the right to foreclose this Deed of Trust or to direct the Trustee to exercise its power of sale, Trustor authorizes Beneficiary at their option to foreclose the lien of this Deed of Trust (or direct the Trustee to sell the Property, as the case may be) subject to the rights of any tenants of the Property.

12. **Merger.** Unless expressly provided otherwise, in the event that Beneficiary’s interest in this Deed of Trust and title to the Property or any estate therein shall become vested in the same person or entity, this Deed of Trust shall not merge in title but shall continue as a valid charge on the Property for the amount secured hereby.

13. **Additional Rights.** By recordation of this Deed of Trust all subordinate lienholders, trustees, or beneficiary under subordinate deeds of trust are subject to and notified of this provision, and any action taken by any such lienholder or trustee or beneficiary contrary to this provision shall be null and void. Upon the delivery of a notice of acceleration to Beneficiary, Beneficiary may, in its sole discretion and without regard to the adequacy of its security under this Deed of Trust, apply all or any part of any amounts on deposit with Beneficiary under this Deed of Trust against all or any part of the Secured Obligations as more fully set forth in the Note. Any such application shall not be construed to cure or waive any Notice of Acceleration or invalidate any act taken by Beneficiary on account of such notice of acceleration.

14. **Due-On-Sale.** If the Trustor sells, conveys or alienates the Property or any portion thereof; or is divested of title or interest in any other manner, whether voluntarily or involuntarily without the written approval of Beneficiary being first obtained, said Beneficiary shall have the right to declare the entire unpaid principal balance is immediately due and payable in full, upon written demand and notice, irrespective of the maturity date.

15. **Notices.** All notices or other communications hereunder shall be given in the manner and to the addresses stated in the Note and this Deed of Trust. Those addresses are as follows:

Trustor: Moapa Valley Water District
Attention: Joseph Davis – General Manager
601 N. Moapa Valley Blvd.
Overton, NV 89040
Email: joe@moapawater.com

With a copy to:
Greg Morrison
Parsons Behle & Latimer
50 West Liberty Street, Ste 750
Reno, NV 89501
Email: gmorrison@parsonsbehle.com

Trustee: Taggart & Taggart
Attn: Paul G. Taggart
108 N. Minnesota St.
Carson City, NV 89703
Email: paul@legaltnt.com

Beneficiary: Southern Nevada Water Authority
Attention: Deputy General Manager – Water Resources
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: John J. Entsminger

With a copy to:
Attention: General Counsel
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: GeneralCounsel@lvvwd.com

16. **No Oral Modification.** This Deed of Trust may not be changed or terminated orally. Any agreement made by Trustor and Beneficiary after the date of this Deed of Trust relating to this Deed of Trust shall be superior to the rights of the holder of any intervening or subordinate Deed of Trust, lien or encumbrance. Trustee's execution of any written agreement between Trustor and Beneficiary shall not be required for the effectiveness thereof as between Trustor and Beneficiary.

17. **Partial Invalidity and Severability.** If any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be severed from the enforceable portion of this Deed Trust and the severed provisions will be construed as if such invalid, illegal or unenforceable provision had never been included.

18. **Remedies Not Exclusive.** Neither the acceptance of this Deed of Trust nor its enforcement, shall prejudice or in any manner affect Beneficiary's or Trustee's right to realize upon or enforce any other security held by Beneficiary or Trustee, it being agreed that Beneficiary and Trustee shall be entitled to enforce this Deed of Trust and any other security

now or hereafter held by Beneficiary or Trustee in such order and manner as Beneficiary may determine in its absolute discretion. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. In no event shall Beneficiary or Trustee, in the exercise of the remedies provided in this Deed of Trust (including, without limitation, in connection with the Assignment of Rents, or the appointment of a receiver and the entry of such receiver on to all or any part of the Property), be deemed a "mortgagee in possession," and neither Beneficiary nor Trustee shall in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

19. Expenses; Indemnification.

(a) Trustor shall pay or reimburse Trustee for all reasonable expenses incurred by Trustee after the date of this Deed of Trust with respect to any and all transactions contemplated by this Deed of Trust including without limitation, the preparation of any document reasonably required hereunder or any amendment, modification, restatement or supplement to this Deed of Trust, the delivery of any consent, nondisturbance agreement or similar document in connection with this Deed of Trust or the enforcement of any of Beneficiary' or Trustee's rights. Such expenses shall include, without limitation, all title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, insurance premiums (including title insurance premiums), title search and title rundown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', engineers', consulting professional's, accountants' and attorneys' fees and disbursements. Trustor acknowledges that from time-to-time Trustor may receive statements for such expenses, including without limitation attorneys' fees and disbursements. Trustor shall pay such statements promptly upon receipt.

(b) If (i) any sale (or any prerequisite to a sale), action or proceeding shall be commenced by Beneficiary or Trustee (including but not limited to any sale of the Property, or any action to foreclose this Deed of Trust or to collect the Secured Obligations), or any action or proceeding is commenced to which Beneficiary or Trustee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Deed of Trust (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Trustor), or in which Beneficiary or Trustee is served with any legal process, discovery notice or subpoena; and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Deed of Trust, the Note, or any of the transactions contemplated by this Deed of Trust, then Trustor will immediately reimburse or pay to Trustee all of the reasonable expenses which have been or may be incurred by Trustee with respect to the foregoing (including reasonable counsel fees and disbursements), together with interest thereon and any such sums and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Deed of Trust, prior to any right, or title to, interest in or claim upon the Property attaching or accruing to this Deed of Trust, and shall be deemed to be secured by this Deed of Trust. In any action or proceeding to sell the Property, to foreclose

this Deed of Trust, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) Trustor shall indemnify and hold harmless Trustee and its affiliates, and the directors, officers, agents and employees of Trustee and its affiliates from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Deed of Trust, the Property, ownership, maintenance or management of the Property by Trustor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Trustor. This indemnification shall be in addition to any other liability which Trustor may otherwise have to Trustee.

20. **Successors and Assigns.** All covenants of Trustor contained in this Deed of Trust are imposed solely and exclusively for the benefit of Trustee and Beneficiary and their respective successors and assigns, and no other persons or entities shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a beneficiary of such covenants. All such covenants of Trustor shall run with the land and bind Trustor, the successors and assigns of Trustor (and each of them) and all subsequent owners and encumbrances of the Property, and shall inure to the benefit of Trustee and Beneficiary and their respective successors and assigns. Without limiting the generality of the foregoing, any successor to Trustee appointed by Beneficiary shall succeed to all rights of Trustee as if such successor had been originally named as Trustee hereunder. The word "Trustor" shall be construed as if it read "Trustors" whenever the sense of this Deed of Trust so requires and if there shall be more than one Trustor, the obligations of the Trustors shall be joint and several.

21. **Failure to Waive Rights.** Any failure by Beneficiary to insist upon the strict performance by Trustor of any of the terms and provisions of this Deed of Trust shall not be deemed to be a waiver of any of the terms and provisions hereof, and Beneficiary or Trustee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Trustor of any and all of the terms and provisions of this Deed of Trust to be performed by Trustor.

22. **Governing Law.** This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nevada.

23. **Waiver of Trial by Jury.** Trustor, Trustee and Beneficiary each hereby irrevocably and unconditionally waive trial by jury in any action, claim, suit or proceeding relating to this Deed of Trust and for any counterclaim brought therein. Trustor hereby waives all rights to interpose any counterclaim in any suit brought by Beneficiary or Trustee hereunder and all rights to have any such suit consolidated with any separate suit, action or proceeding.

BY SIGNING BELOW, Trustor accepts and agrees to the terms and covenants contained in this Security Instrument.

DATED: _____

By: _____

Its: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2024, by _____, who personally appeared before me and whose identity is personally known to me to be the person who executed this instrument before me.

NOTARY PUBLIC