UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
AND
THE STATE OF NEVADA

ROBERT B. GRIFFITH WATER PROJECT

ASSIGNMENT AGREEMENT
FOR
AMENDATORY, SUPPLEMENTARY AND RESTATING CONTRACT
BETWEEN THE UNITED STATES AND THE STATE OF NEVADA
FOR THE DELIVERY OF WATER AND REPAYMENT OF PROJECT WORKS,
CONTRACT NO. 7-07-30-W0004, AMENDMENT NO. 1,
DATED MARCH 2, 1992

Parties

1. THIS ASSIGNMENT AGREEMENT is made and entered into this 29th day
of December, 1995, by and between:

(a) the STATE OF NEVADA ("State") and its COLORADO RIVER
COMMISSION ("Commission"), the Commission acting pursuant to NRS 538.041 to 538.251,
inclusive, and chapter 393, Statutes of Nevada 1995, as principal in its own behalf as well as
in behalf of the State of Nevada; and

(b) the SOUTHERN NEVADA WATER AUTHORITY ("Authority"), a
political subdivision of the State of Nevada created on July 25, 1991, by a cooperative
agreement entered into on that date pursuant to the provisions of NRS 277.080 to 277.180,
inclusive.

Assignment of Contract No. 7-07-30-W0004,
Amendment No. 1
Explanatory Recitals

2. (a) WHEREAS, chapter 393, Statutes of Nevada 1995 (Assembly Bill No. 542 of the sixty-eighth session of the Nevada Legislature) ("Transfer Act" or "Act"), which Act is attached hereto as Exhibit A and by this reference incorporated herein and made a part hereof, requires the Authority to, except as otherwise provided in the Act, hold in its own name and exercise in its own right all rights, interests, functions and powers, perform all duties and obligations and assume all liabilities of the State and the Commission relating to the Southern Nevada Water System, which system includes, without limitation, the Robert B. Griffith Water Project ("SNWS"), including, without limitation, all rights, powers, duties, obligations and liabilities of the State and the Commission pursuant to, among other things, that certain "Amendatory, Supplementary and Restating Contract between the United States and the State of Nevada for the Delivery of Water and Repayment of Project Works," Contract No. 7-07-30-W0004, Amendment No. 1, dated March 2, 1992, hereinafter referred to as the "Repayment Contract," and the Repayment Contract is attached hereto as Exhibit B and by this reference incorporated herein and made a part hereof; and

(b) WHEREAS, the Transfer Act requires the Commission to execute on behalf of itself and, where necessary, on behalf of the State, all documents, including assignments, required to effect the transfer of rights, interests, functions, powers, duties, obligations and liabilities to the Authority made pursuant to the Act; and

(c) WHEREAS, the State, the Commission and the Authority desire and intend a novation by this Assignment Agreement, whereby the Authority is substituted for the State and the Commission in the performance of the duties and obligations of the State and the Commission under the Repayment Contract and whereby, as evidenced by the agreement and approval of the United States to this Assignment Agreement, the State and the Commission are discharged and released from those duties and obligations, except with regard to the pledge of Assignment of Contract No. 7-07-30-W0004, Amendment No. 1
the faith and credit of the State and certain reporting requirements as provided in this Assignment Agreement; and

(d) WHEREAS, subarticle 34(a) of the Repayment Contract provides that no assignment or transfer of the contract or any part or interest therein is valid until approved in writing by the Contracting Officer, and the United States herein grants that approval; and

(e) WHEREAS, the Regional Director of the Lower Colorado Region of the United States Bureau of Reclamation has been delegated authority from the Secretary of the Interior to act as Contracting Officer on those matters relating to the Repayment Contract; now, therefore,

IN CONSIDERATION of the mutual promises, covenants and agreements herein contained, the parties hereto agree as follows:

Assignment, Relinquishment, Delegation and Transfer

3. (a) Pursuant to the Transfer Act, and except as provided in subsection (d) of this section and in section 5, the State and the Commission hereby assign, relinquish, delegate and transfer to the Authority, respectively, all rights, powers, duties, and obligations and liabilities of the State and the Commission in and pursuant to the Repayment Contract.

(b) The Authority hereby accepts the assignment, relinquishment, delegation and transfer made in subsection (a) of this section. By this acceptance, the Authority expressly covenants and agrees to hold in its own name and exercise in its own right all rights, interests, functions and powers, perform all duties and obligations and assume all liabilities of the State and the Commission in and pursuant to the Repayment Contract, in substitution of the State and the Commission in a novation, as if the contract was issued to the Authority and not to the State or the Commission.

(c) Except as provided in paragraph (2) of subsection (d) of this section, the water delivery entitlement assigned herein shall comprise, as to the Authority, all rights,
including, but not limited to, priorities, remedies and attributes which pertain to the water
delivery entitlement described in the Repayment Contract.

(d) Nothing in subsections (a), (b) or (c) of this section shall affect:

(1) the irrevocable pledge of the faith and credit of the State of
Nevada made in subsection 1 of NRS 538.211, as amended by section 12 of the Transfer Act,
for the performance and observance of all covenants, conditions, limitations, promises and
undertakings made or specified to be kept, observed or fulfilled on the part of the State, in any
contract entered into on or before January 1, 1996, with the United States of America relating
to the Robert B. Griffith Water Project.

(2) the authority of the Commission to receive, protect and safeguard
and hold in trust for the State all water and water rights, and all other rights, interests or
benefits in and to the waters described in NRS 538.041 to 538.251, inclusive, and section 5 of
the Transfer Act, pursuant to the provisions of those laws, and in connection with that authority
to exercise the rights and powers and carry out the duties set forth in NRS 538.041 to 538.251,
inclusive, and sections 5, 6 and 7 of the Transfer Act.

Financial Obligations

4. For the purpose of ensuring all payments to the United States under the
Repayment Contract when due, the Authority hereby expressly covenants and agrees to:

(a) set, maintain, charge and collect such fees, rates, assessments and other
charges for the use of the SNWS, and for services, water or other commodities furnished by
or through the SNWS, against all users of the SNWS and purchasers of such services or
commodities, such that, in the aggregate or in combination with other legally available sources
that are specifically designated or authorized to be used for such purpose, there will be available
in each fiscal year from such sources adequate monies to make all payments in that fiscal year,
when due, that are set forth in subsection 1 of section 3 of the Transfer Act, including, without
limitation, the cost of operation and maintenance of the facilities of the SNWS, the payment to the United States for the reimbursable costs of the construction of the federal facilities comprising the SNWS, and the charges payable to the United States for water delivery under the Repayment Contract, in full compliance with the terms of the Repayment Contract.

(b) set, maintain and enforce appropriate rules and contractual and other obligations for the payment of such charges by those users and purchasers.

**Reporting Requirements**

5. For the purpose of enabling the Commission to carry out the responsibilities described in paragraph 3(d)(2) of this Assignment Agreement, the Authority shall, in complying with any provision of the Repayment Contract which requires the furnishing of any report to the Contracting Officer, furnish the report through the Commission by submitting the report to the Commission, and the Commission shall furnish the report to the Contracting Officer, together with any other reports required of the Commission by its other water apportionment or water delivery contracts with the United States.

** Releases and Indemnifications**

6. (a) The United States and the State and the Commission do not warrant the condition of the facilities of the SNWS or the suitability of those facilities for the purposes of the Authority. The Authority hereby expressly accepts the SNWS "as is" and expressly relieves and releases the United States, the State and the Commission, and their respective officers, agents, employees and successors from any liability or responsibility whatsoever from all claims, of whatever kind or nature, arising out of or resulting from:

1. the condition of any facility of, or land pertaining to, the SNWS;
2. the acquisition, improvement, equipment, construction, reconstruction, operation, maintenance or replacement of any facility, land or real property interest, license, permit or special use agreement relating to the SNWS; or
(3) any failure of the State or the Commission, or their respective officers, agents or employees to keep, observe or fulfill any covenant, condition, limitation, promise or undertaking of the State or the Commission provided in the Repayment Contract or any agreement or instrument executed by any of them pursuant to the Repayment Contract, except those covenants, limitations, promises or undertakings made or specified to be kept, observed, or fulfilled on the part of the State or the Commission in this Assignment Agreement or the Transfer Act.

(b) (1) The Authority hereby agrees to indemnify and hold harmless the United States and its officers, agents, and employees from every claim for damages to persons or property, direct or indirect, and of whatever kind or nature, arising by reason of:

(I) the diversion, pumping, transportation, or use or return of water by the Commission pursuant to the Repayment Contract or by the Authority pursuant to the Repayment Contract and this Assignment Agreement;

(II) the care, operation, maintenance, and replacement of the Robert B. Griffith Water Project by the Commission pursuant to the Repayment Contract or by the Authority pursuant to the Repayment Contract and this Assignment Agreement; or

(III) the use by the Commission or by the Authority of federal lands or interests in lands pursuant to:

(i) the Repayment Contract;

(ii) the lease between the United States and the State and the Commission for the Alfred Merritt Smith Water Treatment Facility, dated July 30, 1979, as amended on June 2, 1995;

(iii) the facilities and pipeline contract and grant of easement between the United States and the State and the Commission, dated August 7, 1977;
(iv) the contract and grant of easement for access road purposes between the United States and the State and the Commission, dated December 3, 1985;

(v) the agreement providing for joint use of antenna site and access road among the United States, the State and the Commission, and the City of Henderson, dated August 16, 1991; and

(vi) the contract and grant of easement for the SNWS improvements between the United States and the State and the Commission, dated June 2, 1995.

(2) Water shall be delivered under the Repayment Contract without treatment of any kind and without any warranty whatsoever by the United States as to quality or fitness of such water for the uses or purposes of the Authority. Except as provided in paragraph (3) of this subsection, consistent with applicable federal law, the Authority hereby expressly relieves and releases the United States and its officers, agents, and employees from any liability or responsibility whatsoever, except for liability resulting from gross negligence, for the quality, composition, or contents of the water delivered under the Repayment Contract, or for any lack of fitness of such water for any use thereof by the Authority.
(3) The agreement by the Authority to relieve and release the United States under paragraph (2) of this subsection shall not extend to any cause of action against the United States which arises out of contamination of water delivered or diverted under the Repayment Contract which contamination is not naturally occurring and which is caused by an act or omission of the United States, its officers, agents, or employees.

(4) The Authority hereby covenants and agrees that the United States and its officers, agents, and employees shall not be liable for damages caused by suspensions or reductions in delivery of water which occur for any reason whatsoever, except for damages caused by gross negligence, including, but not limited to, the operation of subarticles 5(b), (c), and (d) of the Repayment Contract, an insufficient supply of water as determined by the Secretary, or by hostile diversions, drought, or interruption of service occasioned by necessary repairs to any of the works by means of which water is stored or for damages caused by floods, unlawful acts, or unavoidable accidents.

(c) The Authority hereby agrees to protect, defend, indemnify and hold harmless the State and the Commission, and their respective officers, agents, employees and successors from and against any claims, demands, causes of action, suits, liability, damages, losses, costs, liens, and judgments, direct or indirect, and of whatever kind or nature, including, without limitation, claims for contribution or indemnification or attorney's fees, or all of them, arising out of or resulting from:

(1) the exercise by the Authority of any right or power respectively assigned or relinquished hereunder;

(2) the performance by the Authority or failure or refusal of the Authority to perform any duty delegated hereunder; or

(3) the failure or refusal of the Authority to assume any obligation or liability transferred hereunder,
as provided by the terms, conditions and provisions of the Repayment Contract and this Assignment Agreement. The Authority's obligation to protect, defend, indemnify, and hold harmless, as set forth herein, shall include any attorney's fees and investigation and litigation expenses which are incurred by the State or the Commission in enforcing or obtaining compliance with the provisions of this Assignment Agreement.

**Remedies**

7. (a) Nothing contained in this Assignment Agreement shall be construed as in any manner abridging, limiting, or depriving the United States or the Authority of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions of the Repayment Contract, this Assignment Agreement or the Transfer Act which that party would otherwise have.

(b) If the Authority fails or refuses to meet its obligations hereunder as provided in this Assignment Agreement, including, without limitation, the payment of all financial obligations of the State and the Commission as required by the Repayment Contract, the State or the Commission, or both of them, may proceed to protect and enforce the rights of the State and the Commission hereunder by suit, action or proceeding in equity or at law, for specific performance of any covenant, condition, limitation, promise or undertaking contained in this Assignment Agreement or for the enforcement of any proper legal or equitable remedy as the State or the Commission deems most effectual to protect and enforce their rights under this Assignment Agreement or the Transfer Act or the obligations of the Authority hereunder.

Assignment of Contract No. 7-07-30-W0004, Amendment No. 1
**Miscellaneous**

8. **(a) Inurement; successors.** This Assignment Agreement shall inure to the benefit of the United States, the State, the Commission and the Authority, and shall be binding upon the United States, the State, the Commission and the Authority and their respective successors, governing bodies and permitted assigns.

**(b) Assignment.** The Authority shall not assign its rights, benefits, duties and obligations under this Assignment Agreement, in whole or in part, whether voluntarily, by operation of law or otherwise, without the prior written consent of the United States. No such assignment shall relieve the Authority of its duties and obligations to the State and the Commission under this Assignment Agreement.

**(c) Headings.** The section and subsection headings in this Assignment Agreement are intended for convenience only and shall not be taken into consideration in any construction or interpretation or enforcement of this Assignment Agreement or any of its provisions.

**(d) Drafting considerations.** This Assignment Agreement has been drafted, negotiated and revised by each of the parties hereto, each of whom is sophisticated in the matters to which this Assignment Agreement pertains, and no specific party shall be considered to have drafted this Assignment Agreement.

**(e) Governing law.** This Assignment Agreement shall be deemed to have been made and shall be construed in accordance with the laws of the State of Nevada and applicable federal law and regulations. The Authority expressly acknowledges and agrees to be bound by article 23 of the Repayment Contract entitled, "Bureau of Reclamation Regulations."

**(f) Severability.** If any provision of this Assignment Agreement is held to be invalid, such invalidity shall not affect any of the remaining provisions of this Assignment Agreement.
Agreement which can be given effect without the invalid provision, and to this end the provisions of this Assignment Agreement are declared to be severable.

(g) **Entirety.** This Assignment Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the specific subject matter of this Assignment Agreement and constitutes the entire agreement between the parties.

(h) **Counterparts.** This Assignment Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

(i) **Representations and warranties.**

(1) The parties represent that this Assignment Agreement is executed pursuant to subarticle 34(a) of the Repayment Contract as so authorized therein.

(2) The Commission and the Authority represent and warrant that they, respectively, have the authority to enter into, and to bind themselves to all provisions of this Assignment Agreement, and have taken all necessary steps that are required to do so.

**Effective Date**

9. This Assignment Agreement shall become effective on January 1, 1996, or operate retroactively to that date, as the case may be, if all of the following agreements become effective or operate retroactively on that same date:

(a) Assignment of Contract No. 8-07-35-L0073 (AMSWTF Lease);

(b) Assignment of Contract No. 5-07-30-L0430 (Expansion grant of easement);

(c) Assignment of Contract No. 6-07-30-L0228 (Road access);

(d) Assignment of Contract No. 1-07-30-L0347 (Antenna Site);

(e) Assignment of Water Distribution and Water Quality Control Service Contract;

Assignment of Contract No. 7-07-30-W0004, Amendment No. 1
(f) Assignment of the Amendatory, Supplementary and Restating Contract for the Delivery of Water through the Southern Nevada Water System between the State of Nevada, acting through its Colorado River Commission, and the cities of Boulder City, Henderson, and North Las Vegas, and the Las Vegas Valley Water District;

(g) Termination of the Contract for the Conveyance of Water through the Southern Nevada Water System between the State of Nevada, acting through its Colorado River Commission, and the Southern Nevada Water Authority, dated March 2, 1995; and


Assignment of Contract No. 7-07-30-W0004, Amendment No. 1
IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement, Contract No. 7-07-30-W0004, Assignment No. 1, on the date first above written.

Attest: 

By: 

Douglas N. Beatty
Chief Accountant

STATE OF NEVADA, acting through its
COLORADO RIVER COMMISSION

By: 

Janet Frasier Rogers
Chairman

Approved as to form:

By: 

Gerald A. López
Senior Deputy Attorney General

Attest: 

By: 

Patricia Mulroy
Secretary

SOUTHERN NEVADA WATER AUTHORITY

By: 

Paul J. Christensen
Chairman

Approved as to legality and form:

By: 

Charles K. Hauser
Chief Deputy District Attorney

Assignment of Contract No. 7-07-30-W0004,
Amendment No. 1
APPROVAL

1. In consideration of the sums paid by the Authority to cover the costs of the United States in processing this Assignment Agreement, and pursuant to subarticle 34(a) of the Repayment Contract, dated March 2, 1992, the United States hereby agrees to and approves this Assignment Agreement, Contract No. 7-07-30-W0004, Assignment No. 1, between the State and its Commission and the Authority, on the following conditions:

   (a) Full performance and observance by the Authority of all covenants, conditions, limitations, promises, and undertakings made or specified to be kept, observed, or fulfilled on the part of the Authority in this Assignment Agreement, including, without limitation, all covenants, conditions, limitations, promises, and undertakings made or specified to be kept, observed, or fulfilled on the part of State or the Commission in the Repayment Contract;

   (b) Where appropriate to effectuate the purposes of the Transfer Act, all references to the State or to the Commission in the Repayment Contract will be deemed to refer to the Authority; and

   (c) Any notice, demand, or request authorized or required by the Repayment Contract will be deemed to have been given, and where required to be given to a party shall be given at the same time to each of the other parties, by mailing it, postage prepaid, or delivering it to the other parties, at the following addresses:

   (1) Regional Director
       Lower Colorado Region
       Bureau of Reclamation
       P.O. Box 61470
       Boulder City, Nevada 89006-1470

Assignment of Contract No. 7-07-30-W0004,
Amendment No. 1
2. By this approval, the United States accepts the Authority in place of the State and the Commission and releases the State and the Commission from further duties, obligations, and liabilities associated with Contract No. 7-07-30-W0004, Amendment No. 1, in a novation, without affecting:

(a) the pledge of the faith and credit of the State described in paragraph 3(d)(1) of this Assignment Agreement; and

(b) the rights, powers, and duties of the State and the Commission described in paragraph 3(d)(2) and section 5 of this Assignment Agreement.
3. The United States agrees, without any duty to investigate, that to the best of its knowledge, defined as actual knowledge of the staff of the Bureau of Reclamation, Lower Colorado Regional Office, the State and the Commission are not currently in material breach of the Repayment Contract, or any agreement or instrument executed by either or both of them pursuant to the Repayment Contract, and there is no claim by the United States against the State or the Commission arising from or related to a material breach of the Repayment Contract or any agreement or instrument executed by either or both of them pursuant to the Repayment Contract.

Legal Approval and Sufficiency

By: Field Solicitor
Phoenix, Arizona

By: Regional Director
Lower Colorado Region
Bureau of Reclamation

UNITED STATES OF AMERICA

Assignment of Contract No. 7-07-30-W0004,
Amendment No. 1