THE STATE OF NEVADA

PERMIT TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant:	**MOUNTAIN FALLS, LLC**
Source:	**UNDERGROUND**
Basin:	**PAHRUMP VALLEY**
Manner of Use:	**QUASI-MUNICIPAL**
Period of Use:	**January 1st to December 31st**
Priority Date:	**10/26/1940**

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APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion of a portion of the waters of an underground source as heretofore granted under Permit 70651 is issued subject to the terms and conditions imposed in said Permit 70651 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

The Permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 70325, 70326, 70652, 71362, 76175, 76747 and 76748, all or portions owned by Mountain Falls for Quasi-Municipal purposes, shall not exceed 2246.81 acre-feet annually.

The total combined duty of water under Permits 19030, 65734, 68908, 70269, 71362, 76175, 76747 and 76748, having the same point of diversion, shall not exceed 3.814 cubic feet per second and 2359.62 acre-feet annually.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(Continued on Page 2)

The permittee shall report to the State Engineer on a quarterly basis the effect of pumping this well on other previously existing wells that are located within 2,500 feet of this well. Any pumping of water in this well may be limited or prohibited to prevent any unreasonable adverse effects on an existing domestic well located within 2,500 feet of this well, unless the holder of this permit and the owner of the domestic well have agreed to alternative measures that mitigate adverse effects.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.487 cubic feet per second or 352.56 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**N/A**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**July 7 , 2014**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 7th day of **July**, A.D. **2009**

K. P. Hall P.E.
for State Engineer

Completion of work filed June 6, 2007 under 71362

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Serial No. 76175

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office AUG 17 2007

Returned to applicant for correction

Corrected application filed Map filed APR. 11, 1968 under 19030

The applicant **Mountain Falls, LLC**

500 Pilot Road, Suite G of **Las Vegas**
Street and No. or P.O. Box No. City or Town

NV 89119, hereby make_application for permission to change the
State and Zip Code No.

Point of Diversion of a portion

of water heretofore appropriated under, **Permit 70651**
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

1. The source of water is **Underground**
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed **0.4868 c.f.s., not to exceed 352.558 acre-feet annually**
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for **Quasi-Municipal**
Irrigation, power, mining, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.

4. The water heretofore used for **Quasi-Municipal**
If for stock state number and kind of animals.

5. The water is to be diverted at the following point **SW¼ NE¼ Sec. 3, T.21S., R.54E., M.D.B.&M., or at a**
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.
point from which the N¼ corner of said Sec. 3 bears N. 0° 46' W., a distance of 2,171 feet.

6. The existing point of diversion is located within ~~SW~~ SE **¼ NW¼ Sec. 3, T.21S., R.54E., M.D.B.&M., or at a** 99D 8/22/07
If point of diversion is not changed, do not answer.
point from which the N¼ corner of said Sec. 3 bears N. 12° 51' E., a distance of 1,890.0 feet.

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7. Proposed place of use **Portions of Sections 3, 4, 5 and 6, T.21S., R.54E., MDB&M**
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.

8. Existing place of use **Portions of Sections 3, 4, 5 & 6, T.21S., R.54E., MDB&M**
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

9. Use will be from **January 1** (Month and Day) to **December 31** (Month and Day) of each year.

10. Use permitted from **January 1** (Month and Day) to **December 31** (Month and Day) of each year.

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) **Drilled well and pump with elevated storage tank and Water distribution system.**
State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.

12. Estimated cost of works **$1,500,000**

13. Estimated time required to construct works **Existing Well. 704' TD, w/ 16" casing to 470', 14" to 640', & 10" to TD. 125 hp submersible at 200', 8" column and 8" Water Specialty totalizing meter.**
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use **15 years**

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
Use the map under Permit 19031 to support the Existing Point of Diversion. Use the map under Permit 19030 to support the Proposed Point of Diversion. Use the map under Permit 70325 to support the Existing and Proposed Place of Use.

775-883-1600
Phone No.

Brian A. Randall, Resource Concepts, Inc.
Type or print name clearly

By Brian A. Randall
Signature, applicant or agent

340 North Minnesota Street
Street and No., or P.O. Box No.

Carson City, Nevada 89703
City, State, Zip Code No.

STATE ENGINEERS OFFICE
2007 AUG 17 AM 11:25

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$150 FILING FEE MUST ACCOMPANY APPLICATION