Permit No. 77340

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant:	**COYOTE SPRINGS REUSE WATER COMPANY LLC A NEVADA LIMITED LIABILITY COMPANY**
Source:	**EFFLUENT**
Basin:	**COYOTE SPRING VALLEY**
Manner of Use:	**STORAGE**
Period of Use:	**January 1st to December 31st**
Priority Date:	**08/22/2008**

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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 is issued subject to all existing rights on the source. It is understood that 4.64 cubic feet per second, herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to a beneficial use. A suitable measuring device must be installed and accurate measurements of the water placed to a beneficial use must be included in the proof of such use when filed. The State retains the right to regulate the use of the water herein granted at any and all times.

This primary permit is issued under the authority of NRS 533.440 (Secondary Applications are required for the use of the appropriated effluent) and is only a temporary allowance and the quantity granted may exceed the effluent discharged. The final water right obtained will be dependent upon the amount of effluent actually placed to beneficial use under the secondary permits. A totalizing meter must be installed at the discharge near the point of diversion and accurate measurements must be kept of effluent discharged. Granting of this permit is not intended in any way to waive or affect authority or requirements of appropriate water quality control agencies or regulations. This permit is further issued subject to the provisions of NRS 533.395 and the State retains the right to regulate the use of water herein granted at any and all times.

Monthly records shall be kept of the amount of water diverted from this source and the records submitted to the State Engineer on a annual basis not later than February 15 of the following year.

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

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

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

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 4.64 cubic feet per second or 3359 acre-feet annually**.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **January 26, 2011**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **N/A**
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 26th day of **January**, A.D. **2009**

for K. Hall P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Second Amended

Application No. 77340

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office AUG 2 2 2008

Returned to applicant for correction AUG 2 8 2008

Corrected application filed SEP 0 5 2008, SEP 1 1 2008 Map filed SEP 1 1 2008

The applicant Coyote Springs Reuse Water Company LLC, a Nevada limited liability company,

6600 N. Wingfield Parkway (Street Address or P.O. Box) of Sparks, (City or Town)

Nevada 89436 (State and Zip Code) hereby make(s) application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Articles of Organization filed with the Nevada Secretary of State on May 2, 2007.

1. The source of water is reclaimed water from the Coyote Springs Water Reclamation Facility (Name of stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 4.64 cfs (3.0 mgd) ~~(3,360.432 afa)~~ 3,359.22 afa Mallon 12 Sept 2008 second feet. (One second foot equals 448.83 gallons per minute.)

   (a) If stored in reservoir give number of acre-feet 24 hr capacity-2 ponds-160.5 ac-ft (Phase 1 Ponds)
3. The water to be used for storage (Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.)
4. If use is for:

   (a) Irrigation, state number of acres to be irrigated _____

   (b) Stockwater, state number and kind of animals _____

   (c) Other use (describe fully in No. 12) _____

   (d) Power:

   (1) Horsepower developed _____

   (2) Point of return of water to stream _____

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)
SE¼SE¼, Section 23, T13S, R63E, M.D.M., Clark County, NV, or at a point from which the SE corner of said Section 23 bears S39°15'14"E a distance of 1,116.99 feet.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)
A portion of the NE¼SE¼ , SE¼SE¼ and SW¼SE¼ of Section 23, T13S, R63E, M.D.M., Clark County, Nevada, lying northerly of the centerline of State Route 168.

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day) of each year.

8. 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.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
See attached Supplement.

9. Estimated cost of works: $42,000,000

10. Estimated time required to construct works: See attached Supplement.
(If well completed, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 20 years

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)
See attached Supplement.

13. Miscellaneous remarks:
Beneficial use to be determined by Secondary Permits.
This Application is for the full capacity of the Wastewater Treatment Plant upon completion of the planned phased expansion.
A list of available documents is provided in the Supplement attached hereto.
This is the only means of disposing reclaimed water within the Coyote Springs Development.

2008 SEP 11 AM 8:00

csavely@resortatredhawk.com
E-mail Address

775-321-5940
Phone No.

Carl D. Savely
Type or print name clearly

By [signature]
Signature, applicant or agent

WNG Management Company, LLC
Company Name

6600 N. Wingfield Parkway
Street Address or P.O. Box

Sparks, NV 89436
City, State, Zip Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Revised 11-07

SUPPLEMENT
TO
APPLICATION TO APPROPRIATE THE PUBLIC WATERS
OF THE STATE OF NEVADA

8. The works will consist of a water reclamation facility, reservoirs, sumps, pumps, motors, pump stations, pipelines, telemetry, electric power, fiber optics, meters, valves, distribution pipelines, drip and sprinkler irrigation systems and related appurtenances.

The Coyote Springs Reclaimed Water Facility ("Facility") will be constructed in multiple phases. Phase 1will have a capacity of 1.54 cfs (992,000 gpd) (1,111 afa). The Facility capacity will be expanded each time demand reaches 85% of the then existing plant capacity, up to a maximum capacity of 3.0 mgd. Expansion will occur as described in the Effluent Reuse Master Plan approved by the Clark County Reclamation District.

The Reclaimed Water Distribution System ("Distribution System") will be expanded in phases corresponding to Facility expansion. The Distribution System will be constructed concurrently with development of the Coyote Springs project even though there may not be sufficient reclaimed water to serve the area at the time of construction. This will allow the conversion from potable water to reclaimed water as soon as sufficient reclaimed water is generated by the Facility to serve the specific area.

Phase 1 of the Distribution System will consist of two reservoirs located adjacent to the Facility, storage ponds located on the golf course, wet well, pump stations, pipelines, meters, valves, telemetry and related appurtenances. Additional reservoirs will be constructed at the Facility location concurrently with Facility expansion. The location of these reservoirs is shown on the plot attached hereto. Additional storage will be constructed concurrently with the construction of each additional golf course. The pipeline distribution system will be expanded as development of the Coyote Spring project progresses.

10. The estimated time to complete construction of Phase 1 is two (2) years. The estimated time to complete construction of the final phase is fifteen (15) years.

12. Pursuant to terms of secondary permits, the water will be used throughout the Coyote Springs Master Planned Community located in the Coyote Spring Valley, both Lincoln County and Clark County. The Community will include single-family residential, multi-family residential, resort residential, commercial, recreational, light industrial and resort uses. Build out is anticipated to occur over a 40-year period.

13. Miscellaneous Remarks: Documents on file with other State and Local Agencies or available from the Applicant upon request:

a. Authorization to Discharge Permit No. NEV2007507 issued by NDEP.
b. Effluent Management Plan on file with NDEP.
c. Effluent Reuse Master Plan approved by Clark County Water Reclamation District.
d. Technical Specification 30% Design Submittal dated December 2007 prepared by HDR.
e. 30% Design Report Draft dated December 19, 2007 prepared by HDR.

f. WWTP Effluent Storage Ponds and RWPS Wet Well 30% Design Plans prepared by HDR.
g. Reclaimed Water Pumping Station Preliminary Design prepared by HDR.

2008 SEP 11 AM 7:59