



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: IBI PROPERTIES LLC
Source: UNDERGROUND
Basin: DAYTON VALLEY
Manner of Use: MUNICIPAL
Period of Use: January 1st to December 31st
Priority Date: 08/02/2001

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, place and manner of use of the waters of an underground source as heretofore granted under Permit 67879 is issued subject to the terms and conditions imposed in said Permit 67879 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 a quarterly basis within 15 days after the end of each calendar quarter.

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 49483, 49486, Certificate 14718; Permits 50361, 56593, Certificate 14706; Permit 58931, Certificate 14719; Permits 58932, 58933, Certificate 14720; Permits 58934, 62937, 62938, Certificate 15662; Permits 62939, 62940, 63626, 63628, 63630, 63632, 63633, 64128, 64957, 66427, 68155, 68156, 68196, 68197, 68198, 68708, 68737, 69243, 69244, 69245, 70040, 70041, 70042, 70693, 70846, 71379, 71476, 71477, 71536, 71537, 71688, 71856, 71857, 71872, 71873, 72603, 72773, 72774, 72775, 72914, 72931, 72932, 72933, 73157, 73158, 73183, 73393, 73394, 73473, 73474, 73490, 73491, 73992, 74283, 74284, 74285, 74286, 74369, 74370, 74427, 74434, 74562, 74569, 74570, 74612, 74922, 75101, 75102, 75103, 75104, 75157, 75159, 75160, 75277, 75366, 75367, 76525, 77110, 77136 and 77288, 77428, 77612, 77613, 77661 and 77662 shall not exceed 9,290.52 acre-feet annually.

(Continued on Page 2)

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

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.

This permit is approved for the entire 16.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 12.8 acre-feet, can be diverted annually. Additional diversion up to the total 16.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 12.8 acre-feet to be exceeded.

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 0.064 cubic feet per second or 16.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

April 8, 2010

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

April 8, 2019

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 8th day of April, A.D. 2009

[Signature]
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 NOV 19 2008
Returned to applicant for correction _____
Corrected application filed _____ Map filed OCT 29 1985 under 49483

The applicant IBI Properties, LLC, a Nevada Limited Liability Company
P.O. Box 432 of Incline Village
Street Address or P.O. Box City or Town
Nevada 89402, hereby make(s) application for permission to change the
State and Zip Code

- Point of diversion Place of use Manner of use of a portion

of water heretofore appropriated under (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)
Permit 67879

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.064 cfs, not to exceed 16 acre-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Municipal purposes
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 Irrigation and Domestic purposes
If for stock, state number and kind of animals.
5. The water is to be diverted 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 stated.)
NW 1/4 NE 1/4, Section 14, T.16N., R.21E., M.D.B. & M., or at a point from which the N 1/4 Corner of said Section 14 bears N. 40° 24' 28" W., a distance of 1701.95 feet. Refer to map on file under Permit 49483 to illustrate the proposed point of diversion.
57"
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
NE 1/4 SW 1/4, Section 12, T.16N., R.21E., M.D.B. & M., or at a point which bears N. 32° 37' 51" E., 615.52 feet to the center 1/4 corner of said Section 12. Refer to map on file under Permit 67878 to illustrate the existing point of diversion

REV
per FAX
11-26-08

103-L7

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See Attachment "A" and refer to map on file under Application 74922 to illustrate the proposed place of use.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

Portions of the NW 1/4 SE 1/4, SW 1/4 SE 1/4 and NE 1/4 SW 1/4 of Section 12, T.16N., R.21E., E. M.D.B. & M. (all such portions lying southeasterly of River Road). Refer to map on file under Permit 67878 to illustrate the existing place of use.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision 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, pipes and flumes or drilled well, pump and motor, etc.)

Existing drilled and cased well equipped with a motor, pump, meter and municipal distribution system

12. Estimated cost of works Completed under Permit 58933

13. Estimated time required to construct works Completed - Refer to Permit 58933
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Ten (10) years

15. 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.)

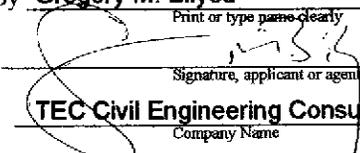
This application is being filed to facilitate the transfer and dedication of water into the Lyon County municipal water system in support of a commercial and residential development within the County's Dayton service area. Upon permitting, the water will be dedicated to Lyon County on a phased basis. Lyon County designated the proposed point of diversion. The Applicant's have an approved tentative map for 300,000 square feet of commercial development. Future plans call for upwards of 60 single family homes or a multi-family/assisted living facility. Projected demand for the commercial portion of this project ranges from 7.85 to 20 acre-feet dependent upon occupancy and final design.

16. Miscellaneous remarks:

The Report of Conveyance and Abstract of title for Permit 67879 was submitted to the State Engineer's office on June 18, 2007.

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E-mail

By Gregory M. Bilyeu
Print or type name clearly

Signature, applicant or agent
TEC Civil Engineering Consultants
Company Name
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City, State, Zip Code

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STATE ENGINEER'S OFFICE

**APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT**

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Attachment "A"

Question #7 – Proposed Place of Use**T.16 N., R.20 E., M.D.B. & M.:**

All of Section 24; E½, those portions of NW¼ and SW¼ Section 25 lying within Lyon County, the portion of the NE¼ Section 36 lying within Lyon County.

T. 16 N., R. 21 E., M.D.B. & M.:

All of Section 1; SE¼ SE¼ Section 2; All of Section 11; All of Section 12; All of Section 13; All of Section 14; All of Section 19; All of Section 20; All of Section 23; All of Section 24; All of Section 26; All of Section 27; All of Section 28; All of Section 29; All of Section 30; N½, the portion of the S½ Section 31 lying within Lyon County; N½ Section 32; N½ Section 33; N½ Section 34; N½ Section 35.

T. 16 N., R. 22 E., M.D.B. & M.:

All of Section 3; All of Section 4; All of Section 5, All of Section 6; All of Section 7; All of Section 8; All of Section 9; N½ Section 16; All of Section 17; All of Section 18; All of Section 19; All of Section 20.

T. 17 N., R. 21 E., M.D.B. & M.:

SE¼, those portions of the SW¼, NW¼ and NE¼ Section 36 lying within Lyon County.

T. 17N., R. 22 E., M.D.B. & M.:

The portion of the S½ Section 21 lying within Lyon County; S½, the portion of the N½ Section 22 lying within Lyon County; All of Section 27; All of Section 28 lying within Lyon County; SE¼, those portions of the SW¼, NW¼, NE¼ Section 29 lying within Lyon County; the portion of the S½ Section 30 lying within Lyon County; S½, NE¼, the portion of the NW¼ Section 31 lying within Lyon County; All of Section 32; All of Section 33; All of Section 34; All of Section 35.

In addition to the above described Place of Use, it is the intent of these applications to provide water service to the entire Lyon County/Dayton Utilities service area as determined by the Lyon County Public Works Director. If in the future, some other entity is determined to have that authority, the Place of Use of this permit shall be pursuant to that authority's determination of the service area.