Permit No. 80237

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant:	**MT ROSE DEVELOPMENT COMPANY**
Source:	**UNDERGROUND**
Basin:	**PLEASANT VALLEY**
Manner of Use:	**RECREATIONAL**
Period of Use:	**OCTOBER 1ST TO MAY 1ST**
Priority Date:	**10/22/2010**

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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 existing rights. It is understood that the amount of water 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 beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins, or before the Proof of Completion of Work is filed. 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.

A separate totalizing meter must be installed and the amount of water pumped from this source for quasi-municipal and snowmaking purposes shall be reported separately. The Permittee shall keep monthly records of the amount of water pumped from this well for both uses and the consumptive use portions must be calculated. These records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year. Under no circumstances shall the maximum net consumptive use duty of 131.669 acre-feet annually be exceeded.

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

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The totally combined duty of water that may be withdrawn from the well under Permit 67914, Certificate 17118; Permit 67915, Certificate 17119; Permit 67916, Certificate 17120; Permit 67917, Certificate 17121; Permit 67918, Certificate 17122; Permits 79024 and 80237 shall not exceed 386.669 acre-feet annually and the net consumptive use duty of water under these permits shall not exceed 131.669 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 place of use of this permit is limited to that area lying totally within the Pleasant Valley Hydrographic Basin (6-088).

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 0.60 cubic feet per second for non-consumptive purposes (snowmaking).**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**March 26, 2012**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**March 26, 2016**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 8th day of **June**, A.D. **2011**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Application No. 80237

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 OCT 2 2 2010

Returned to applicant for correction _____

Corrected Application filed _____ Map filed NOV 2 5 2009 under 7 9 0 2 4

The applicant Mt. Rose Development Company

22222 Mount Rose Highway (Street Address or P.O. Box) of Reno (City or Town)

Nevada, 89511 (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.)

A domestic corporation filed in the State of Nevada 11/10/1964

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1. The source of water is Underground
   (Name of the stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 0.60 cfs, 255 afa * see remarks
   (One second foot equals 448.83 gallons per minute.)
   (a) If stored in a reservoir give the number of acre-feet _____
3. The water is to be used for Snowmaking
   (Irrigation, power, mining, commercial, domestic or other use. Must be limited 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) See #12
   (d) Power:
      (1) Horsepower developed _____
      (2) Point of return of water to stream _____

Revised 07/09

88-WD

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.)

SW¼ SW¼ Section 19, T17N, R19E, MDB&M, or at a point from which the S ¼ corner of said Section 19 bears S.73° 09' 07" E., a distance of 2,227 feet. Reference is made to the supporting map filed under Permit 79024.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

Portions of the NW¼ NE¼, NE¼ NE¼, SW¼ NE¼, SE¼ NE¼, NE¼ NW¼, SE¼ NW¼, NE¼ SW¼, NW¼ SW¼, SW¼ SW¼, SE¼ SW¼, and the SE¼ of Section 19; SW¼ NW¼, NW¼ SE¼, SW¼ SE¼, and the SW¼ Section 20; NW¼ NE¼, and the NW¼ of Section 29; NE¼ NE¼, NW¼ NE¼ SE¼ NE¼, Section 30; all in Township 17 North, Range 19 East, MDB&M. See map on file under Permit 79024.

7. Use will begin about October 1 (Month and Day) and end about May 1 (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 a pump and motor, etc.)

Existing drilled and cased well, distribution pipelines and above ground storage tank.

9. Estimated cost of works: Completed

10. Estimated time required to construct works: Completed
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 10 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.)

This application is filed to allow for diversion of water for snowmaking purposes. The actual need is variable and dependant on seasonal snowfall and climatic conditions. This application represents the highest amount of diversion that would be needed in dry conditions. An estimated 80% of water for snowmaking is considered non-consumptive, thus, of the requested 255 afa, only 51 afa would be consumed at full diversion.

13. Miscellaneous remarks:

Said 51 afa is intended to be included in the total combined duty of the applicant's existing rights, not as an additional appropriation of water. The total combined consumptive use of water under Permit 67914, Certificate 17118; Permit 67915, Certificate 17119; Permit 67916, Certificate 17120; Permit 67917, Certificate 17121; Permit 67918, Certificate 17122; Permit 79024; and this application, is not intended to exceed the existing allocation of 131.669 afa.

Paul G. Taggart, Esq., Agent
Type or print name clearly

Paul G. Taggart
Signature, applicant or agent

Taggart & Taggart, Ltd.
Company Name

108 N. Minnesota Street
Street Address or PO Box

Carson City, Nevada 89703
City, State, ZIP Code

paul@legaltnt.com
E-mail Address

775-882-9900
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

2010 OCT 22 PM 3:51 STATE ENGINEER'S OFFICE

 $300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION