Permit No. 81716

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee:	**GRANITE CREEK PARTNERS, LLC**
Source:	**GRANITE CREEK**
Basin:	**HUALAPAI FLAT**
Manner of Use:	**COMMERCIAL**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**12/10/1987**

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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, place and manner of use of a portion of the waters of Granite Creek as heretofore granted under Permit 51624, Certificate 13625 is issued subject to the terms and conditions imposed in said Permit 51624, Certificate 13625 and with the understanding that no other rights on the source will be affected by the change proposed herein. A measuring device must be installed and measurements of water use kept

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)

A total of 2.0 acre-feet annually is abrogated from the base right. However, pursuant to NRS 533.3703 **only 1.65 acre-feet (the net consumptive use amount) at 0.0078 cubic feet per second can be diverted annually. Additional duty up to the total may be granted if it can be shown that this additional duty will not cause the consumptive use amount to be exceeded.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **November** 28 **2015**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **November** 28 **2017**

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 28th day of **November, 2012**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Application No. 81716

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 MAR 30 2012

Returned to applicant for correction

Corrected application filed Map filed MAR 30 2012

The applicant Granite Creek Partners, LLC, a Nevada limited liability company

4790 Caughlin Parkway, #441 of Reno
Street Address or PO Box City or Town

Nevada 89519 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 rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit No. 51624, Certificate 13625

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

2. The amount of water to be changed 0.0078 cfs, 2.00 afa
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Commercial
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
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.)

within the NE 1/4 of the NW 1/4 of Section 35, T.34N., R.23E., M.D.M., or at a point from which the northwest corner of said Section 35 bears North 61°04'57" West a distance of 1550.23 feet, as shown on the map supporting this application.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

within the NW 1/4 of the NW 1/4 of Section 35, T.34N., R.23E., M.D.M., or at a point from which the north 1/4 corner of said Section 35 bears North 61°32' East a distance of 1950.0 feet, as shown on the map supporting Permit No. 51624.

24-WD

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

within the NE 1/4 NW 1/4 and NW 1/4 NE 1/4 of Section 35, T.34N., R.23E., M.D.M.. A portion of Washoe County Assessor's Parcel Number 071-211-65 as shown on the map supporting this application.

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.)

0.50 acres within the SW 1/4 of the SW 1/4 of Section 25, T.34N., R.23E., M.D.M., as shown on the map supporting this application.

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

10. Existing use permitted from March 1 (Month and Day) to November 30 (Month and Day) of each year.

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.)

See attached.

12. Estimated cost of works $10,000

13. Estimated time required to construct works 3 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 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 would change 2.00 acre feet of water for commercial use, as a non-potable source for five (5) guest cabins. See attached Water System Description for particulars. The applicant has been granted a Special Use Permit from Washoe County Community Development, Case Number SB11-013.

16. Miscellaneous remarks:

RECEIVED 2012 MAR 30 AM 10: 23

David C. Crook, PLS/WRS

Type or print name clearly

Signature, applicant or agent

DCrook@TriStateLtd.com

E-mail Address

(775) 358-9491 118

Phone No. Ext.

Tri State Surveying, Ltd.

Company Name

1925 E. Prater Way

Street Address or PO Box

Sparks, NV 89434

City, State, ZIP Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Revised 07/09 $200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Water System Description
in support of the Granite Creek Ranch Project

- Water Rights Application -

March 28, 2012

The following information is to serve as a description of the proposed "private" water system in support of the proposed Granite Creek Ranch – HUD Manufactured Units.

Parcel Number: 071-211-65 ; Area: 1,080 acres ; Zoning: General Rural ; Specific Plan Area: High Desert

INTRODUCTION

The subject property has an approved Special Use Permit issued by the Washoe County Board of Adjustment (dated 12/1/2011) to allow the placement of up to five recreational units for commercial recreation use. Per a deed restriction (recorded document # 4092157, dated 3/12/2012), no Units within the Special Use Permitted portion of the Granite Creek Ranch property shall be considered as permanent dwellings, the Units are to be owner-occupied only, and are intended for occasional recreational usage only (15-20 weekends per year).

Three new Units are proposed to be installed as part of the project, while an existing Unit is already in place at the project location on the subject property. The project is located at 84785 State Route 34, approximately 16 miles north of Gerlach on County Road 34, on APN 071-211-65. The subject parcel is 1,080 acres in size and the Units are planned to be located on approximately 1 acre of the 1,080 acres. This project is within a portion of Section 36, Township 34 North, Range 23 East. The property surrounding this project is as follows:

North:	Vacant Land and State Route 34	(+/- 4,000 feet from proposed Units)
South:	Vacant Land	(+/- 5,000 feet from proposed Units)
East:	Vacant Land and State Route 34	(+/- 7,800 from proposed Units)
West:	BLM Land	(+/- 35 feet from proposed Units)

The three new Units are proposed as HUD manufactured buildings and will be installed per all HUD and State of Nevada Manufactured Housing requirements. The Units will be served by individual portable propane tanks for gas service, individual solar panels and/or portable generators for electric service, and a commercial septic system for sanitary sewer.

WATER SYSTEM DESCRIPTION

With the approved Special Use Permit for the commercial use and the deed restriction (as mentioned above), the water system is proposed as a "private" system to serve the three new Units and the existing Unit located within the project limits.

A wet rotor domestic water circulating pump is designed to be located in a vault adjacent to the existing side flow-through pool located on the north side of the existing Granite Creek, just adjacent to the location of the proposed Units. Water will be drawn from the side flow-through pool via a filtered foot valve. The side flow-through pool was analyzed in a report prepared by InterFlow Hydrology (dated 10/28/2011). The creek flow rate was measured at the side flow-through pool location using a velocity-flow meter and the resulting flow was 1.83 cfs (approximately 820 gpm). These flow rates (taken 9/29/2011) represent the base flow of the creek as a previous measurement was taken (5/20/2008) that resulted in rates of 2.16 cfs (970 gpm).

A foot valve will be located in the side flow-through pool to draw water from the pool for use at the Units. A foot valve is a filtered check valve that filters the water as it is drawn into the system and providing a check to prevent backflow and maintain pressure on the pump. The foot valve is to be installed a minimum 6 inches above the pool bottom and 12 inches below the predominant water line. From the foot valve, the water passes through a pair of Bell & Gossett PL-55 wet rotor domestic water circulating pumps installed in series. These pumps will be installed underground in an irrigation style vault/box for access and service. The pumps are 120V single phase and will be powered by a generator provided by the owners. The pumps are controlled by a pressure transducer to maintain (cut in) a minimum system pressure of 40 PSI and maintain (cut out) a maximum system pressure of 50 PSI.

From the pumps, a 1-1/2 inch cross-linked polyethylene water service line will be constructed to serve the four Units. At the highest point in the supply piping, a vent pipe with a shut off valve will be installed to provide an air source into the system for draining. Just past said vent pipe are the pumps, which each provide pump isolation and system shut off for maintenance. The main piping reduces to 1-1/4 inches after Unit "W" and again to 1 inch after unit "L." At the end of the main system piping run is a drain that diverts water from the supply piping to the creek for draining purposes. When the system pumps are shut off and the vent is open, this drain will be opened voiding the system of water for freeze protection or maintenance.

The approximate elevation of the pump inlet is 4058 and the terminus of the water service pipe at the last Unit is at an approximate elevation of 4050.50, allowing for approximately 7.50 feet of head pressure for the water system.

Each Unit will include an individual water service connection. A 1 inch branch will be connected to the main service line to each of the Units for water service. In order; the valves on this branch will include a shut off valve, a reduced pressure backflow preventer, and a system drain. The initial shut off valve will allow isolation of the individual Units from the main supply. Following the shut off valve, is the reduced pressure backflow assembly, which serves two purposes: (1) backflow prevention protecting the main water supply from the Unit and (2) pressure control to ensure adequate pressure and flow at each Unit. Lastly is the system drain, which will allow each individual unit to be drained when isolated from the system for freeze protection or maintenance.

WATER SYSTEM QUALITY

Based on the results of the water analysis report by InterFlow Hydrology, the water system appurtenances are specified as such to provide potable water. However, the system is currently proposed as a non-potable system to service the Units. Point-of-use treatment will be provided within each Unit at each owner's discretion.

WATER SYSTEM OPERATION AND MAINTENANCE

The operational aspects of the water system will include:

- **Filling of the system** – At which time the water system is put into use, the drain at the end of the piping and the system vent will be closed. Each owner shall verify to ensure only Units being occupied at that time have their isolation valves providing water to the unit. All isolation valves on the pumps will be opened allowing water to be supplied to the pumps. Power will be supplied to the pumps via an owner supplied generator which will energize the pumps.

- **Typical System Operation** – Once filled and energized, the pumps will be controlled via a pressure transducer enabling the pumps when the system pressure drops below the low limit set point and disabling pumps when the high limit set point is met.

- **Draining of the System** - At which time the water system requires maintenance or freeze protection, the power will be disconnected from the pumps. Each unit shall be checked to ensure their isolation valves are closed and drain valves are open. Lastly, the drain at the end of the piping and the system vent will be opened allowing gravity draining of the system.

The maintenance aspects of the water system will include:

- Periodic inspection of the foot valve filter. Over time this filter may plug up with debris reducing or cutting off system flow completely.

- Visual inspection of the supply pumps to ensure they are not leaking, surging or operating in an abnormal manner.

WATER SYSTEM QUANTITY (WATER RIGHTS)

With five Units approved under the Special Use Permit, the "ultimate" calculation for water consumption for the particular use is similar to a mobile home (per discussions with the State Engineer's Office).

- 300 gallons per day x 5 cabins = 1,500 gallons per day. 1,500 gallons per day x 365 days = 547,500 gallons per year / 325,852 gallons per acre-feet = 1.68 acre feet per year.

Sincerely,
Bighorn Consulting

Eric Anderson

Eric Anderson, P.E.
Principal