

THE STATE OF NEVADA

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

Name of Permittee: SANTA MARGARITA RANCH, LLC
Source: UNDERGROUND
Basin: EAST WALKER AREA
Manner of Use: IRRIGATION
Period of Use: APRIL 1ST THROUGH OCTOBER 31ST
Priority Date: 08/15/1985

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 77566 is issued subject to the terms and conditions imposed in said Permit 77566 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. The State retains the right to regulate the use of the water herein granted at any and all times.

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

The total combined duty of water under portions of Permits 49276 (806.95 acre-feet per season), 49277 (1163.11 acre-feet per season), 69908 (1324.41 acre-feet per season), 70050 (1134.66 acre-feet per season), 77566 (665.30 acre-feet per season), 81963 (778.50 acre-feet per season), 81864 (617.20 acre-feet per season), 81965 (1158.80 acre-feet per season), any water of the Walker River Decree and any flood or storage water appurtenant to the place of use shall not exceed 7,556.0 acre-feet per season for the irrigation of 1,889.0 acres within the described place of use. These permits for underground water are issued as a supplemental water supply to lands that have surface water rights from the Walker River as set forth in Claim Numbers 17, and 133 of the Walker River Decree C-125 or from flood or storage water provided from the Walker River Irrigation District. The permit holder is responsible for insuring delivery of the entitled decreed, storage and flood waters that these permits supplement. Underground water shall not be pumped from the wells described in these permits except to the extent necessary to make up the portion of the entitled duty from Decree, flood and storage water in any given year and shall not exceed a duty of four acre-feet per acre per season from the total of decreed, flood, storage and underground waters.

(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.

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

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 2.73 cubic feet per second or 1158.80 acre-feet annually.**

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

October 29 2015

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

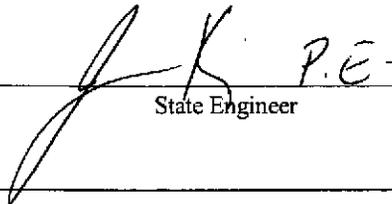
October 29 2017

Map in support of proof of beneficial use shall be filed on or before:

October 29 2017

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of **October, 2012**

 P.E.

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 JUN 14 2012
Returned to applicant for correction _____
Corrected application filed _____ Map filed JUN 14 2012 under 81963

The applicant Santa Margarita Ranch, LLC, a Nevada limited liability company
136 E. Walker River Road of Yerington
Street Address or PO Box City or Town
Nevada 89447 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 77566

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

2. The amount of water to be changed 2.73 cfs, not to exceed 1,158.9 acre-feet per season
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Irrigation
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.)
NE ¼ SE ¼, Section 36, T.11N., R.26E., M.D.B. & M. or at a point from which the SE Corner of Section 31, T.11N., R.27E., M.D.B. & M., bears S. 65° 1' 22" E., a distance of 6,188.7 feet. Refer to map filed with this application for proposed point of diversion.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
SW ¼ NE ¼, Section 36, T.11N., R.26E., M.D.B. & M., or at a point from which the W ¼ Corner of Section 25, said Township & Range, bears N. 34° 15' 55" W., a distance of 4,836.25 feet. Refer to map filed under Permit 77566 for existing point of diversion.

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

Please refer to Attachment "A"

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.)

Please refer to Attachment "B"

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

10. Existing use permitted from April 1 to October 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.)

Drilled & cased well equipped with motor, pump & meter and distribution system

12. Estimated cost of works \$75,000.00

13. Estimated time required to construct works Three (3) Years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Five (5) years

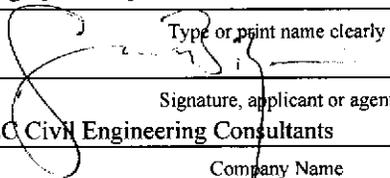
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

Water will be commingled with existing rights under Permits 49276, 49277, 69908, 70050, 77566 and any applications to change the aforementioned permits to supplement decreed and storage water rights from the East Walker River for the irrigation of 1889 acres within the described place of use.

16. Miscellaneous remarks:

gregb@tecreno.com
E-mail Address
(775) 352-7800 ext 227
Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Gregory M. Bilyeu
Type or print name clearly

Signature, applicant or agent
TEC Civil Engineering Consultants
Company Name
9480 Double Diamond Parkway, Suite 200
Street Address or PO Box
Reno, NV 89521
City, State, ZIP Code

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Exhibit "A"

7. Proposed Place of Use

1889 acres within the following subdivisions

T.11N., R.26 E., M.D.B. & M.

- Section 25: Por. NW ¼ SW ¼, S ½ SW ¼, SW ¼ SE ¼
- Section 26: Por. NE ¼ SE ¼, SE ¼ SE ¼
- Section 36: All

T.11N., R.27 E., M.D.B. & M.

- Section 31: SW ¼ NW ¼, SW ¼

T.10N., R.26 E., M.D.B. & M.

- Section 1: NE ¼ NE ¼

T.10N., R.27 E., M.D.B. & M.

- Section 5: NW ¼ SW ¼, S ½ SW ¼
- Section 6: N ½, SE ¼, NW ¼ SW ¼, E ½ SW ¼
- Section 7: N ½ NE ¼, SE ¼ NE ¼, NE ¼ SE ¼
- Section 8: W ½, W ½ E ½, SE ¼ NE ¼, E ½ SE ¼
- Section 9: SW ¼ SW ¼
- Section 16: W ½ W ½, NE ¼ SW ¼, Por. SE ¼ SW ¼, SW ¼ SE ¼
- Section 17: E ½, N ½ NW ¼, SE ¼ NW ¼
- Section 20: Por. NE ¼ NE ¼, Por. SE ¼ NE ¼
- Section 21: Por. NW ¼ NW ¼, Por. NE ¼ NW ¼

The acres irrigated within the above listed subdivisions are limited to those lands irrigated under Claims 17 and 133 of the Walker River Decree and/or storage rights administered by the Walker River Irrigation District and any changes thereto.

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Exhibit "B"

8. Existing Place of Use

1889 acres within the following described subdivisions:

T.11N., R.26 E., M.D.B. & M.

Section 25: Por. NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 26: Por. NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 36: All

T.11N., R.27 E., M.D.B. & M.

Section 31: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

T.10N., R.26 E., M.D.B. & M.

Section 1: NE $\frac{1}{4}$ NE $\frac{1}{4}$

T.10N., R.27 E., M.D.B. & M.

Section 5: NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 6: N $\frac{1}{2}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$

Section 7: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8: W $\frac{1}{2}$, SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$

Section 9: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 16: W $\frac{1}{2}$ W $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Por. SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 17: E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 20: Por. NE $\frac{1}{4}$ NE $\frac{1}{4}$, Por. SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 21: Por. NW $\frac{1}{4}$ NW $\frac{1}{4}$, Por. NE $\frac{1}{4}$ NW $\frac{1}{4}$

The 1889 acres irrigated within the above listed subdivisions are limited to those lands irrigated under Claims 17 and 133 of the Walker River Decree and storage rights administered by the Walker River Irrigation District.

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