



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: ARTISAN EAST, LLC
Source: UNDERGROUND
Basin: ELKO SEGMENT
Manner of Use: QUASI-MUNICIPAL
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 08/15/2012

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. Totalizing meters must be installed and maintained in the discharge pipelines near the point of diversion and accurate measurements must be kept of water placed to beneficial use at each residence. The totalizing meters 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.

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.

This permit is issued based upon the dedication of the 4.0 acre-feet of water previously relinquished for the drilling of two domestic wells on Elko County parcels APN 006-09P-051 and APN 006-09P-053. This is a portion of the water under Relinquishments 69713R06 and 69713R07.

This permit is issued for 1.12 acre-feet annually of water use for each parcel, or a total of 2.24 acre-feet annually of the 4.0 acre-feet relinquished. The remainder, 1.76 acre-feet, remains in the groundwater source and is unavailable for future appropriation.

Any application to change the place or manner of use of this permit will be subject to additional evaluation and approval by the State Engineer.

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 0.05 cubic feet per second or 2.24 acre-feet annually.**

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

November 26 2015

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

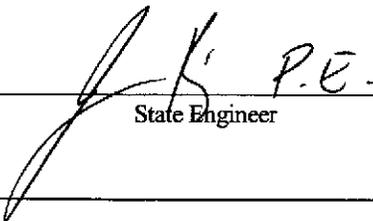
November 26 2017

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 26th day of November, 2012



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 15 2012

Returned to applicant for correction _____

Corrected application filed _____ Map filed AUG 15 2012 UNDER 82062

The applicant Artisan East, LLC

4990 Leo Bingo Court of Washoe Valley
Street Address Or P.O. Box City or Town

Nevada 89704 hereby make(s) application for permission to appropriate
State and Zip code No.
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.)

June 13, 2012 in Nevada

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

2. The amount of water applied for is 0.05 cfs 2.24 afa second feet.
One second foot equals 448.83 gallons per minute.

(a) If stored in reservoir give number of acre-feet _____

3. The water to be used for Quasi-Municipal
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.)

NW1/4 SW1/4 of Section 28, T.34 N., R.55 E., M.D.B. & M., at a point from which the West 1/4 Corner of said Section 28 bears N 84° 13' 15" W, 311.26 feet.

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

Portion of the NW1/4 SW1/4, SW1/4 NW1/4 of Section 28, T.34 N., R.55 E., M.D.B. & M., being Parcel No. 3, as shown on the Parcel Map for Jordanelle Third Mortgage, LLC, File No. 652102. APN 006-09P-051 and Parcel No. 1, as shown on the Parcel Map for Jordanelle Third Mortgage, LLC, File No. 653466. APN 006-09P-053, on file in the Office of the Elko County Recorder, Elko, Nevada.

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

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.)

Drilled well, pump, motor and pipelines to service 2 single family residences.

9. Estimated cost of works: \$10,000

10. Estimated time required to construct works: 3 years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 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.)

Drilled well, pump, motor and pipelines to service 2 single family residences.

The waters applied for under this application are to be appropriated from the waters relinquished for the approval of the Parcel Maps for Jordanelle Third Mortgage, LLC on file in the office of the Elko County Recorder, Elko, Nevada as File No. 652102 and File No. 653466 under Relinquishment No. 69713R07 and Relinquishment No. 69713R06 filed in the office of the Elko County Recorder, Elko, Nevada as Document No. 655577 and Document No. 652598.

13. Miscellaneous remarks:

remorley@frontiernet.net
E-mail Address

(775) 738-4053
Phone No.

By Robert E. Morley
Type or print name clearly
Robert E. Morley
Signature, applicant or agent
High Desert Engineering, LLC
Company Name
640 Idaho Street
Street Address or P.O. Box
Elko, Nevada 89801
City, State, Zip Code

STATE ENGINEERS OFFICE
2012 AUG 5 AM 11:04
RECEIVED

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION