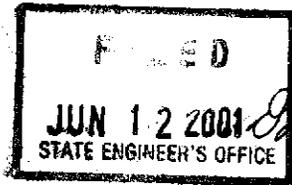


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA



IN THE MATTER OF APPLICATION NUMBER 66526
FILED BY FALCON CAPITAL, LLC
ON JUNE 29TH, 2000, TO APPROPRIATE THE
WATERS OF OPHIR CREEK

PROTEST

Comes now ROGER GASH & KAREN GASH
Printed or typed name of protestant

whose post office address is 3135 OLD U.S. 395, CARSON CITY, NV 89704
Street No. or P.O. Box, City, State and Zip Code

whose occupation is ABTRACTER & RETIRED, and protests the granting

of Application Number 66526, filed on JUNE 29TH, 2000

by FALCON CAPITAL, LLC
Printed or typed name of applicant to appropriate the

waters of OPHIR CREEK
Underground or name of stream, lake, spring or other source situated in WASHOE

County, State of Nevada, for the following reasons and on the following grounds, to wit:

SEE EXHIBIT A ATTACHED.

THEREFORE the protestant requests that the application be DENIED
(Denied, issued subject to prior rights, etc., as the case may be)

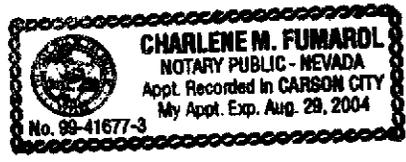
and that an order be entered for such relief as the State Engineer deems just and proper.

RECEIVED
01 JUN 12 PM 1:50
STATE ENGINEER'S OFFICE

Signed [Signature]
Agent or protestant

Printed or typed name, if agent
Address 3135 OLD U.S. 395
Street No. or P.O. Box No.
CARSON CITY NV 89704
City, State and Zip Code No.

Subscribed and sworn to before me this 12th day of June, 2001.
Charlene M. Fumaiol
Notary Public



State of Nevada
County of Carson

\$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

EXHIBIT A
Grounds for Protest

- 1) Washoe Valley residents are dependent on well water. Presumably, any transfer of Washoe Valley water rights outside this valley will be detrimental to ground water re-charge within it.

- 2) Ophir Creek (and other creeks included in this proposed transfer) was adjudicated as an intrastate water source. Proposed co-mingling of Ophir Creek rights with Truckee River rights will create new jurisdiction, and new demands, for all creek rights in Washoe Valley.

- 3) Since at least the adjudication of Ophir Creek, there have been numerous years when available creek water has not been adequate to satisfy junior perfected claims. This year, 2001, is an example. As recent as year 2000, the State Engineer concluded that there was not enough water to serve any junior 1862 users. Because the 'Casey Ranch' water rights are primarily 1862 claims, the water purportedly under application for transfer often does not in reality exist.

- 4) This proposed transfer, subsequent to recent approval of the Washoe County bond issue to provide funds for purchase of the 'Casey Ranch', is 'bait and switch' deception. The voters had reasonable expectations that this 'open space' property acquisition would appear in the future as it was seen at the time of the bond issue passage.

- 5) Unreasonable non-beneficial loss of water during transit from Washoe Valley to its proposed place of use.

STATE ENGINEER'S OFFICE

01 JUN 12 PM 1:51

RECEIVED