

Pinnacle

HOMES

October 4, 2011

Jason King, P.E.
State Engineer
Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Dear Mr. King,

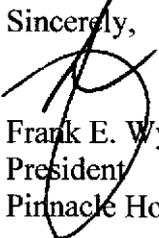
As President of Pinnacle Homes, I appreciate this opportunity to voice our support of the Southern Nevada Water Authority's applications for unused groundwater in Spring, Cave, Dry Lake and Delamar Valleys.

Our industry involves large investments in land and infrastructure. The time frame for development projects can involve long lead times for entitlements in addition to the actual construction process. Those types of investments would be at a severe risk and difficult to justify if a sustained water supply for future orderly growth was not assured. Obtaining financing for larger projects with longer time lines will become very costly if not impossible due to the perceived risks that financial institutions will have. Our industry is not unique in this aspect, as any large company considering a sizable investment in southern Nevada will be concerned with the future of our area and its growth potential, thus a major factor in their decision making process.

Currently, southern Nevada depends on the Colorado River for almost all of its drinking water needs. As drought conditions continue to impact Colorado River snow pack and water flows, it is imperative that local water managers diversify the community's water resource options. Having a diverse selection of available water supplies will provide greater protection from future drought, and unknown implications from expected climate variation. The project will allow current and future resources to be more responsibly managed.

The prospect of securing a reliable water supply for an area in need, from an area where water is available should not be seen as controversial, it is simply a matter of an unused resource being put to beneficial use. For that reason, we fully support the Southern Nevada Water Authority's applications for the unused groundwater. Nevada's future depends on it.

Sincerely,



Frank E. Wyatt
President
Pinnacle Homes Inc.