STATE OF OREGON

COUNTY OF YAMHILL

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

KNUDSEN VINEYARDS PO BOX 280 DUNDEE OR 97115

confirms the right to store water perfected under the terms of Permit R-11455. The amount of water used to which this right is entitled is limited to the amount used beneficially, and shall not exceed the amount specified, or its equivalent in the case of rotation, measured at the point of diversion from the source. The specific limits and conditions of the use are listed below.

APPLICATION NUMBER: R-71763

SOURCE: AN UNNAMED INTERMITTENT STREAM, TRIBUTARY OF HESS CREEK

STORAGE FACILITY: KNUDSEN POND #2

PURPOSE or USE: APPROPRIATED UNDER PERMIT S-51458 FOR IRRIGATION

MAXIMUM STORAGE VOLUME: 11.4 ACRE FEET

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: NOVEMBER 1 THROUGH MAY 31

DATE OF PRIORITY: JULY 19, 1991

DAM LOCATION / POINT OF DIVERSION:

Twp	Rng	Mer	Sec	Q-Q	DLC	Measured Distances
3 S	3 W	WM	33	NW NE	55	176 FEET SOUTH & 1647 FEET WEST FROM NE CORNER, SECTION 33

The area submerged by this reservoir is as follows:

Twp	Rng	Mer	Sec	Q-Q	DLC	
3 S	3 W	WM	33	NW NE	55	

Not withstanding that Oregon Department of Fish and Wildlife has made a determination that fish screens and/or by-pass devices are not necessary at this time, the water user may be required in the future to install, maintain, and operate fish screening and/or by-pass devices to prevent fish from entering the diversion, and to provide adequate upstream and downstream passage for fish.

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

The outlet gate shall be cycled at least once each year and shall be fully operational. The embankment and spillway shall be kept clear of brush, debris, and burrowing animals.

The dam shall be operated and maintained according to the approved plans and specifications dated March 16, 1992, on file with the Water Resources Department.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The storage of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Issued AUG 1 9 2010

Dwight W Prench

Administrator Water Rights and Adjudications, for

Phillip G. Ward, Director Water Resources Department