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 use the waters of FOUR WELLS in the Hess Creek Basin for IRRIGATION of 123.91 ACRES.

This right was perfected under Permit G-10973. The date of priority is APRIL 14, 1989, for 0.100 cubic foot per second (CFS), and FEBRUARY 26, 1990, for 0.121 CFS. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.221 CFS, being 0.076 CFS from Well 1; 0.020 CFS from Well 2; 0.058 CFS from Well 3; and 0.067 CFS from Well 4, or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Measured Distances	
4	3 S	3 W	WM	28	SE NE			2805 FEET NORTH & 1033 FEET WEST	
								FROM SE CORNER, SECTION 28	
2	3 S	3 W	WM	28	SE SW	3		1240 FEET NORTH & 3230 FEET WEST	
								FROM SE CORNER, SECTION 28	
1	3 S	3 W	WM	28	NW SE			1888 FEET NORTH & 1679 FEET WEST	
								FROM SE CORNER, SECTION 28	
3	3 S	3 W	WM	33	NW NE		55	300 FEET SOUTH & 1635 FEET WEST	
						-371.2 5. 7	The same of the same of	FROM SE CORNER, SECTION 28	

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second, or its equivalent for each acre irrigated, and shall be further limited to a diversion of not to exceed 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

A description of the place of use to which this right is appurtenant is as follows:

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.

IRRIGATION												
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres					
3 S	3 W	WM	28	SW NE			28.67					
3 S	3 W	WM	28	SWNW			4.55					
3 S .	3 W	WM	28	SE NW			29.57					
3 S	3 W	WM	28	NE SW			19.14					
3 S	3 W	WM	28	SE SW	. 3		1.37					
3 S	3 W	WM	28	SE SW		55	0.56					
3 S	3 W	WM	28	NE SE			0.15					
3 S	3 W	WM	28	NW SE			20.23					
3 S	3 W	WM	28	SW SE	2		1.59					
3 S	3 W	WM	28	SW SE		55	18.08					

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works constructed shall include an air line and pressure gauge or an access port for a measuring line, adequate to determine water level elevation in the well at all times. When required by the Department, the water user shall install and maintain a weir, meter, or other suitable measuring device and keep a complete record of the amount of ground water withdrawn.

The Director may require water level or pump test results every ten years.

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 right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued

AUG 1 9 2010

Dwight W. French-

Administrator Water Rights and Adjudications, for

Phillip C. Ward, Director