

STATE OF OREGON
COUNTY OF YAMHILL
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LeCep II, dba Anne Amie Vineyards
c/o Patrick Evenson
Columbia Empire Farms
P.O. Box 1
Dundee, Oregon 97115

confirms the right to use the waters of FIVE WELLS in the MILLICAN CREEK BASIN for COMMERCIAL USE.

This right was perfected under Permit G-15271. The date of priority is APRIL 17, 2002. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.089 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the well.

The period of allowed use for commercial use is year round.

The wells are located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	DLC	Survey Coordinates
3	3 S	4 W	WM	36	NE SW	74	1565 FEET NORTH AND 415 FEET WEST FROM S1/4 CORNER, SECTION 36
4	3 S	4 W	WM	36	NE SW	74	1445 FEET NORTH AND 40 FEET WEST FROM S1/4 CORNER, SECTION 36
1	3 S	4 W	WM	36	SE SW	74	1120 FEET NORTH AND 635 FEET WEST FROM S1/4 CORNER, SECTION 36
2	3 S	4 W	WM	36	SE SW	74	1235 FEET NORTH AND 480 FEET WEST FROM S1/4 CORNER, SECTION 36
5	3 S	4 W	WM	36	NW SE	74	1565 FEET NORTH AND 165 FEET EAST FROM S1/4 CORNER, SECTION 36

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.

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.

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

COMMERCIAL USE						
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
3 S	4 W	WM	36	NE SW		74
3 S	4 W	WM	36	SE SW		74

Measurement, recording and reporting conditions:

- A. The Director may require the water user to install a meter or other suitable measuring device as approved by the Director. If the Director notifies the water user to install a meter or other measuring device, the water user shall install such device within the period stated in the notice. Such installation period shall not be less than 90 days unless special circumstances warrant a shorter installation period. Once installed, the water user shall maintain the meter or measuring device in good working order and shall allow the watermaster access to the meter or measuring device. The Director may provide an opportunity for the water user to submit alternative measuring procedures for review and approval.
- B. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

To monitor the effect of water use from the wells authorized under this right, the Department requires the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

Measurements must be made according to the following schedule:

Following the first year of water use, the user shall submit seven consecutive annual reports of static water level measurements. The first of these seven annual measurements will establish the reference level against which future annual measurements will be compared. Based on an analysis of the data collected, the Director may require that the user obtain and report additional annual static water level measurements beyond the seven year minimum reporting period. The additional measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if annual water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The period of non-use or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the water user's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interference.

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge to determine the water level elevation in the well at all times.

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

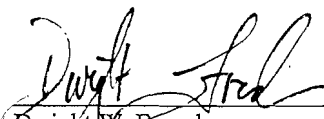
Failure to comply with any of the provisions of this right may result in action including, but not limited to restrictions on the use, civil penalties, or cancellation of the right.

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

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Dwight W. French
Administrator Water Rights and Adjudications, for
Phillip C. Ward, Director
Water Resources Department