STATE OF OREGON

COUNTY OF DESCHUTES

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

ARROWOOD COMMUNITY WATER COMPANY, LLC PO BOX 1830 BEND OR 97709

ARROWOOD DEVELOPMENT LLC 250 NW FRANKLIN AVE SUITE 403 BEND OR 97701

TARTAN DRUIM, LLC 250 NW FRANKLIN AVENUE, SUITE 403 BEND OR 97701

confirms the right to the use of water perfected under the terms of Permit G-16903. 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 FILE NUMBER: G-16680

SOURCE OF WATER: WELL 3 (DESC 5259) AND WELL 4 (DESC 5260) IN DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USES

MAXIMUM RATE AND VOLUME: 1.34 CUBIC FEET PER SECOND (CFS), LIMITED TO AN ANNUAL VOLUME OF 18.7 ACRE FEET, FURTHER LIMITED TO NO MORE THAN 0.55 CFS FROM WELL 4 (DESC 5260) NOT TO EXCEED A MAXIMUM CUMULATIVE RATE OF 1.34 CFS IN COMBINATION OF WELL 3 (DESC 5259) AND WELL 4 (DESC 5260)

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: MARCH 13, 2007

WELL LOCATIONS:

| Twp | Rng | Mer | Sec | Q-Q | Measured Distances | |
|------|------|-----|-----|-------|--|--|
| 18 S | 11 E | WM | 22 | SE SW | WELL 3 (DESC 5259) - 1090 FEET NORTH AND 3040 FEET WEST FROM SE CORNER, SECTION 22 | |
| 18 S | 11 E | WM | 22 | SE SW | WELL 4 (DESC 5260) - 960 FEET NORTH AND 2690 FEET WEST FROM SE CORNER, SECTION 22 | |

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 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and 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 within three months after issuance of the certificate.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

| Twp | Rng | Mer | Sec | Q-Q |
|------|------|-----|-----|-------|
| 18 S | 11 E | WM | 22 | NW SE |
| 18 S | 11 E | WM | 22 | SW SE |
| 18 S | 11 E | WM | 22 | SE SE |

Measurement, recording and reporting conditions:

- A. The water user shall maintain the totalizing flow meter or other suitable measuring device as approved by the Director in good working order at each well. The water user shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water-use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

Use of water under authority of this certificate may be regulated if analysis of data available after the certificate is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right, or as those quantities may be reduced subsequently. However, the use of ground water allowed under the terms of this certificate will not be subject to regulation for Scenic Waterway flows, provided the mitigation is maintained.

GROUNDWATER MITIGATION CONDITIONS

Mitigation Obligation: 10.0 acre-feet annually in the General Zone of Impact, located anywhere in the Deschutes

River above the Madras Gage, which is located below Lake Billy Chinook.

Mitigation Source: 10.0 Mitigation Credits from Mitigation Project MP-91, established by instream water

right Certificate 84129, within the General Zone of Impact.

Mitigation water must be legally protected instream for instream use within the General River Zone of Impact and committed for the life of the certificate or subsequent certificate(s). Regulation of the use and/or cancellation of the certificate, or subsequent certificate(s), will occur if the required mitigation is not maintained.

If mitigation is from a secondary right for stored water for stored water from a storage project not owned or operated by the water user, the use of water under this right is subject to the terms and conditions of a valid contract, a copy of which must be on file in the records of the Water Resources Department prior to use of water.

The water user shall provide additional mitigation if the Department determines that average annual consumptive use of the subject appropriation has increased beyond the originally mitigated amount.

Failure to comply with these mitigation conditions shall result in the Department regulating this certificate or subsequent certificate(s), and proposing to cancel the certificate or subsequent certificate(s).

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 interferences.

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 adequate to determine the water level elevation in the well at all times.

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

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

Issued

JUL 2 3 2021

Dwight French

Water Right Services Division Administrator, for

Thomas M. Byler, Director

Oregon Water Resources Department

