

STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

THORNBURGH UTILITY GROUP, LLC
2447 NW CANYON DR
REDMOND, OR 97756

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-16385

SOURCE OF WATER: SIX WELLS IN DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USES, INCLUDING IRRIGATION OF GOLF COURSES COURSES AND COMMERCIAL AREAS, AND MAINTENANCE OF RESERVOIRS.

MAXIMUM RATE AND VOLUME: 9.28 CUBIC FEET PER SECOND, LIMITED TO A MAXIMUM ANNUAL VOLUME OF 2355.0 ACRE FEET (AF). THE RATE AND VOLUME ARE FURTHER LIMITED BY THE CORRESPONDING MITIGATION PROVIDED. THE MAXIMUM VOLUME FOR IRRIGATION OF 323.0 ACRES FOR GOLF COURSES SHALL NOT EXCEED 717.0 ACRE FEET.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: FEBRUARY 9, 2005

WELL LOCATIONS:

WELL 1: SE ¼ NW ¼, SECTION 28, T15S, R12E, W.M.; 1800 FEET SOUTH AND 2335 FEET EAST FROM NW CORNER, SECTION 28

WELL 2: SE ¼ NW ¼, SECTION 29, T15S, R12E, W.M.; 1655 FEET SOUTH AND 2750 FEET WEST FROM NE CORNER, SECTION 29

WELL 3: SW ¼ SW ¼, SECTION 21, T15S, R12E, W.M.; 1100 FEET NORTH AND 400 FEET EAST FROM SW CORNER, SECTION 21

WELL 4: NE ¼ SE ¼, SECTION 20, T15S, R12E, W.M.; 2885 FEET SOUTH AND 750 FEET WEST FROM NE CORNER, SECTION 20

WELL 5: SW ¼ NE ¼, SECTION 20, T15S, R12E, W.M.; 2590 FEET SOUTH AND 1860 FEET WEST FROM NE CORNER, SECTION 20

WELL 6: SE ¼ NW ¼, SECTION 17, T15S, R12E, W.M.; 2375 FEET SOUTH AND 3615 FEET WEST FROM NE CORNER, SECTION 17

THE PLACE OF USE IS WITHIN THE BOUNDARIES OF THE THORNBURGH RESORT, BEING WITHIN SECTIONS 17, 20, 21, 28, 29, AND 30; TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

The amount of water used for irrigation under this right, 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 and 3.0 acre-feet for each acre irrigated during the irrigation season of each year. The amount of water used for golf course irrigation under this right is further limited to a diversion of 2.24 acre-feet for each acre irrigated during the irrigation season of each year.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of appropriation. The totalizing flow meters must be installed and maintained in good working order consistent with those standards identified in OAR 690-507-645(1) through (3). The permittee 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 permittee to report general water use information, including the place and nature of use of water under the permit.
- B. The permittee shall allow the watermaster access to the meters; provided however, where the meters are located within a private structure, the watermaster shall request access upon reasonable notice.

Use of water under authority of this permit may be regulated if analysis of data available after the permit 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 subsequently reduced. However, the use of ground water allowed under the terms of this permit will not be subject to regulation for Scenic Waterway flows so long as mitigation is maintained.

GROUND WATER MITIGATION CONDITIONS

Mitigation Obligation: 1356.0 acre-feet annually in the General Zone of Impact (anywhere in the Deschutes Basin above the Madras gage, located on the Deschutes River below Lake Billy Chinook.)

Mitigation Source: 3.6 Mitigation Credits from a chartered mitigation bank, or suitable replacement mitigation that meets the requirements of OAR 690-505-0610, in accordance with the incremental development plan on file with the Department, meeting the requirements of OAR 690-505 (Deschutes Ground Water Mitigation Rules) and OAR 690-522, within the General Zone of Impact.

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

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

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

The permittee shall provide mitigation prior to each stage of development under the permit and in accordance with the standards under 690-505-0610(2)-(5).

The permittee shall not increase the rate or amount of water diversion before increasing the corresponding mitigation.

The permittee shall seek and receive Department approval prior to changing the incremental permit development plan and related incremental mitigation.

The permittee shall report to the Department the progress of implementing the incremental permit development plan and related mitigation no later than April 1 of each year. This annual notification is not necessary if the permittee has completed development and submitted a Claim of Beneficial Use to the Department.

Within five years of permit issuance, the permittee shall submit a new or updated Water Management and Conservation Plan pursuant to OAR Chapter 690, Division 86.

Failure to comply with these mitigation conditions shall result in the Department regulating the ground water permit, or subsequent certificate(s), proposing to deny any permit extension application for the ground water permit, and proposing to cancel the ground water permit, or subsequent certificate(s).

STANDARD CONDITIONS

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

If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may be subject to cancellation, unless the Department authorizes the change in writing.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, 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 constructed 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 water level elevation in the well at all times.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

Prior to receiving a certificate of water right, the permit holder shall submit to the Water Resources Department the results of a pump test meeting the Department's standards for each point of appropriation (well), unless an exemption has been obtained in writing under OAR 690-217. The Director may require water-level or pump-test data every ten years thereafter.

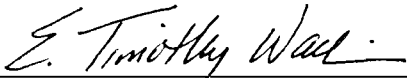
This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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.

Completion of construction and application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued February 7, 2013



for Phillip C. Ward, Director
Water Resources Department