STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO CONSTRUCT A RESERVOIR AND TO STORE FOR BENEFICIAL USE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

C. CALVERT KNUDSEN dba KNUDSEN VINEYARDS 17000 NE KNUDSEN LANE DUNDEE, OREGON 97115

503-538-3318

to construct KNUDSEN RESERVOIR and store the waters of AN UNNAMED STREAM, a tributary of HESS CREEK, to be maintained by appropriation under Application 70041, Permit 50837, for RECREATION.

This Permit to store waters is issued approving Reservoir Application R-70040. The date of priority is AUGUST 21, 1989. The amount of water entitled to be stored each year is not more than 5.0 ACRE-FEET.

The dam will be located as follows:

NW 1/4 SE 1/4, SECTION 28, T 3 S, R 3 W, W.M.

The area submerged by the reservoir, when full, will be 1.4 acres and the maximum depth of water will be 9.0 feet.

The area to be submerged by the reservoir is described as follows:

NW 1/4 SE 1/4 SECTION 28 TOWNSHIP 3 SOUTH, RANGE 3 WEST, W.M.

This permit is subject to conditions as follows:

- 1. The structure shall be constructed under the supervision of a registered engineer licensed in Oregon.
- 2. The structure shall be constructed, operated and maintained in accordance with the approved plans and specifications and with the design intent.
- 3. No water shall be stored until this department receives written certification from the engineer that construction has been completed in accordance with the approved plans and specifications, and the applicant receives written authorization from this department.
- 4. The outlet gate shall be cycled at least once each year in order to assure smooth operation.
- 5. The embankment and spillway shall be kept clear of trees, brush and other debris.
- 6. The embankment shall be kept free of burrowing animals.
- 7. No fill shall be placed until excavation of the cutoff trench has been completed in its entirety and approved by the engineer.
- 8. A new topographical map and area-capacity curve, prepared by an engineer, must be submitted to this department if earth material is removed from the storage area during construction.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

"OBTITICATE NO 74 24

Application R-70040

Water Resources Department

PERMIT R-11192

Actual construction work shall begin on or before JANUARY 17, 1991, and shall be completed on or before October 1, 1991. The reservoir shall be filled, and complete application of the stored water to the use shall be made on or before October 1, 1992.

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.

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.

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

Issued this date, JANUARY 17, 1990.

Water Resources Department William H. Young Director

Extended to October 1, 1992