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:

KNUDSEN VINEYARDS 17000 N.E. KNUDSEN LANE DUNDEE, OREGON 97115

503-538-3318

to construct KNUDSEN RESERVOIR # 2 and to store the waters of AN UNNAMED INTERMITTENT STREAM, a tributary of HESS CREEK, to be appropriated under Application 71763, Permit 51458, for IRRIGATION.

This permit is issued approving Reservoir Application R-71763. The date of priority is JULY 19, 1991. The amount of water entitled to be stored each year is not more than 11.5 ACRE-FEET. The appropriation of water is limited to the period November through May of each year.

The dam will be located as follows:

NW 1/4 NE 1/4, SECTION 33, T 3 S, R 3 W, W.M.; 175 FEET SOUTH AND 1660 FEET WEST FROM NE CORNER, SECTION 33.

Diversion screening shall be designed, installed, and operated to Oregon Department of Fish & Wildlife specifications.

The area submerged by the reservoir, when full, will be 2.7 acres and the maximum depth of water will be 23.0 feet.

The area to be submerged by the reservoir is located within:

SW 1/4 SE 1/4
SECTION 28
NW 1/4 NE 1/4
SECTION 33
TOWNSHIP 3 SOUTH, RANGE 3 WEST, W.M.

The outlet gate shall be cycled at least once each year and shall be fully operational. The embankment and spillway shall be kept clear of brush, debris, and burrowing animals.

The dam shall be constructed, operated, and maintained according to the approved plans and specifications dated March 16, 1992, on file with the Water Resources Department.

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 written authorization for storage is received from this department.

The structure shall be constructed under the supervision of a registered engineer licensed in Oregon.

No fill shall be placed until excavation of the cutoff trench has been completed in its entirety and approved by the engineer.

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.

Application R-71763

Water Resources Department

PERMIT R-11455

Actual construction work shall begin on or before MAY 26, 1993, and shall be completed on or before October 1, 1995. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 1996.

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.

The 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 prior rights for maintaining instream flows.

Issued this date, MAY 26, 1992.

VS/ MARTHA O. PAGEL

Water Resources Department Martha O. Pagel Director