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:

JAMES STONEBRIDGE 10800 ABBEY RD NE CARLTON OR 97111

503-852-7058

to construct 6 SHALLOW WATER PONDS and to store the waters of SURFACE RUNOFF AND OLD TILE DRAINFIELD, a tributary of CHEHALEM CREEK, to be appropriated under Application 73304, Permit 51591, for WILDLIFE HABITAT.

This permit is issued approving Reservoir Application R-73303. The date of priority is MARCH 26, 1993. The amount of water entitled to be stored each year is not more than 5.0 ACRE-FEET. The use of water for storage is limited to the period of November 1 through June 30 of each year.

The dams will be located as follows:

POND 1 - NW 1/4 SE 1/4, 3258 FEET SOUTH AND 1816 FEET WEST,
POND 2 - NW 1/4 SE 1/4, 2930 FEET SOUTH AND 1953 FEET WEST,
POND 3 - NW 1/4 SE 1/4, 2682 FEET SOUTH AND 2103 FEET WEST,
POND 4 - NW 1/4 SE 1/4, 2706 FEET SOUTH AND 2271 FEET WEST,
POND 5 - NW 1/4 SE 1/4, 2893 FEET SOUTH AND 2170 FEET WEST,
POND 6 - NW 1/4 SE 1/4, 3206 FEET SOUTH AND 1989 FEET WEST,
ALL FROM THE NE CORNER OF SECTION 19, AS PROJECTED WITHIN SECTION 19
T 3 S, R 3 W, W.M.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The total area proposed to be submerged by the reservoir, when full, is 3.0 acres; the proposed maximum depth of water is 6 feet. The maximum height of the dam shall not exceed 7.0 feet.

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

NW 1/4 SE 1/4 ALL 6 PONDS SECTION 19
TOWNSHIP 3 SOUTH, RANGE 3 WEST, W.M.

Measurement recording and reporting conditions:

A. The Director may require the permittee to install a meter or other suitable measuring device as approved by the Director. If the Director notifies the permittee to install a meter or other measuring device, the permittee 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 permittee 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 permittee to submit alternative measuring procedures for review and approval.

Application R-73303 Water Resources Department

PERMIT R-11530

B. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

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

During the period of July 1 through October 31 of each year, use under this permit is limited to the reservoir area. This permit does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

Actual construction work shall begin on or before JANUARY 13, 1996 and shall be completed on or before October 1, 1997. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 1998.

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.

The Director of the Water Resources Department has found that the proposed use of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Issued this date, January 13, 1995.

/s/ A. REED MARBUT

Water Resources Department for Martha O. Pagel Director