

STATE OF OREGON

COUNTY OF WASHINGTON

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RESERVE VINEYARDS & GOLF CLUB LLC
10700 SW BEAVERTON-HILLSDALE HWY, #501 PHONE: (503) 350-0800
BEAVERTON, OREGON 97005

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

APPLICATION FILE NUMBER: R-83788

SOURCE OF WATER: SCOGGINS RESERVOIR, CONSTRUCTED UNDER PERMIT R5777, A
TRIBUTARY OF THE TUALATIN RIVER, AND RUN-OFF

STORAGE FACILITY: POND 4

PURPOSE OR USE OF THE STORED WATER: RECREATION AND AESTHETICS

MAXIMUM STORAGE VOLUME: 1.5 ACRE-FEET EACH YEAR. The use of stored
water under this permit and Permit R-12532, Permit R-12533, Permit R-
12535, Permit R-12537, and Permit 53162, shall not exceed the total
amount of 552.2 Acre-Feet each year allowed under the contract agreement
with the Bureau of Reclamation.

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: NOVEMBER 1
THROUGH JUNE 30 OF EACH YEAR, OR AS FURTHER LIMITED BY CONTRACT
AGREEMENT WITH THE BUREAU OF RECLAMATION

DATE OF PRIORITY: MARCH 16, 1998, FOR WATER FROM SCOGGINS RESERVOIR AND
NOVEMBER 2, 1998, FOR WATER FROM RUN-OFF

THE MAXIMUM HEIGHT OF THE DAM SHALL NOT EXCEED 10.00 FEET.

DAM LOCATION: NE 1/4 SW 1/4, SECTION 15, T1S, R2W, W.M.; 3800 FEET SOUTH
AND 1800 FEET EAST FROM NW CORNER, SECTION 15

TUALATIN RIVER POINT OF DIVERSION: SW 1/4 NE 1/4, SECTION 16, T1S, R2W,
W.M.; 2170 FEET SOUTH AND 2400 FEET WEST FROM NE CORNER, SECTION 16

THE AREA TO BE SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

NE 1/4 SW 1/4
SECTION 15
TOWNSHIP 1 SOUTH, RANGE 2 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.

- 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 provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

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.

The use of water under this right is subject to the terms and conditions of a contract or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area.

The use may be restricted if the quality of the source stream or downstream water decrease to the point that those waters no longer meet state or federal water quality standards due to reduced flows.

The permittee shall install, maintain, and operate fish screening to prevent fish from entering the proposed diversion. The permittee shall also install a fishway at the obstruction that will provide adequate upstream and downstream passage for fish. The permittee may submit evidence that the Oregon Department of Fish and Wildlife (ODFW) has determined screens and/or fishways are not necessary. The required screens and fishways are to be in place, functional, and approved by ODFW before diversion of any water.

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.

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.

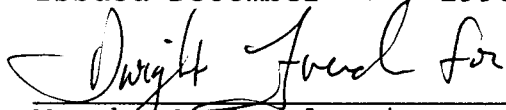
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use 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 finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Actual construction work shall begin by December 16, 1999. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2003. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report.

Issued December 16 1998



Martha O. Pagel, Director
Water Resources Department

Application R-83788
Basin 02
LKS

Water Resources Department
VOLUME 19A TUALATIN R MISC
MGMT.CODE 1B 1BW 1BF 6EW

PERMIT R-12536
DISTRICT 18