

STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PREMIER PACIFIC VINEYARDS INC.
ROB deOCAMPO
PO BOX 3989
NAPA, CALIFORNIA 94558

(707) 224-6565

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

APPLICATION FILE NUMBER: R-84645

SOURCE OF WATER: RUNOFF CAPTURED IN A DITCH AND THREE UNNAMED
STREAMS, TRIBUTARIES OF ASH SWALE

STORAGE FACILITY: RESERVOIR

PURPOSE OF USE OF THE STORED WATER: IRRIGATION TO BE APPROPRIATED
UNDER APPLICATION S-84646 (PERMIT S-53768); AND WILDLIFE

MAXIMUM VOLUME: 125.0 ACRE-FEET PER YEAR

WATER MAY BE APPROPRIATED FOR STORAGE: NOVEMBER 1 THROUGH MAY 31

DATE OF PRIORITY: FEBRUARY 1, 2001

The area submerged by the reservoir, when full, will be 7 acres and
the maximum depth of water will be 22 feet. The maximum height of the
dam shall not exceed 32 feet.

DAM LOCATION: SE 1/4 NW 1/4, SECTION 22, TOWNSHIP 5 SOUTH, RANGE 4
WEST, W.M.; 1000 FEET SOUTH AND 1100 FEET EAST FROM THE NW CORNER OF
DLC 72.

POINTS OF DIVERSION:

DAM: SE 1/4 NW 1/4, SECTION 22. 1000 FEET SOUTH AND 1100
FEET EAST FROM THE NW CORNER OF DLC 72, TOWNSHIP 5
SOUTH, RANGE 4 WEST, W.M.

POD #1: SE 1/4 SW 1/4, SECTION 22. 350 FEET NORTH AND 980 FEET
EAST FROM THE SW CORNER OF DLC 72, TOWNSHIP 5 SOUTH,
RANGE 4 WEST, W.M.

POD #2: NW 1/4 SE 1/4, SECTION 22. 570 FEET SOUTH AND 1190 FEET
EAST FROM THE CENTER OF SECTION 22, TOWNSHIP 5 SOUTH,
RANGE 4 WEST, W.M.

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

NW 1/4 NE 1/4
SW 1/4 NE 1/4
NE 1/4 NW 1/4
SE 1/4 NW 1/4

SECTION 22

TOWNSHIP 5 SOUTH, RANGE 4 WEST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the applicant shall install a meter or other suitable measuring device as approved by the Director. The applicant shall maintain the meter or measuring device in good working order, 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 applicant to report general water use information, including the place and nature of use of water under the permit.
- B. The applicant shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

The applicant shall install, maintain, and operate fish screening to prevent fish from entering the proposed diversion. The applicant shall also install a fishway at the obstruction that will provide adequate upstream and downstream passage for fish. The applicant 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.

The outlet gate shall be cycled at least once each year and shall be fully operational at all times.

Routine maintenance of the dam, its spillway and all appurtenant structures shall be performed as necessary to remove trees, brush and debris, and to repair slumps, areas of erosion, or defective equipment.

The earthen dam, the resultant reservoir, and the emergency spillway, shall be constructed and maintained according to the approved plans and specifications on file with the Oregon Water Resources Dam Safety program. Any significant change in the approved design prior to or during construction shall be documented by the project engineer in a letter to Dam Safety. All construction shall be performed under the supervision of a registered professional engineer licensed in Oregon.

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No fill shall be placed until preparation of the foundation and excavation of the core trench has been completed and examined in its entirety by the engineer of record, or by the Water Resources Dam Safety Engineer, or both.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that construction has been completed in accordance with the approved plans and specifications. If construction deviates from the approved design a set reproducible asbuilt drawings, including a revised reservoir capacity graph/table, must accompany the engineer's written certification of completion.

The completed structure shall not be enlarged, modified, altered or otherwise changed without the prior written approval of the Director of the Water Resources Department or the Director's authorized representative. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed engineer are required for any significant modification, alteration, or rehabilitation of the dam, spillway or appurtenant structures.

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

The planting plan around the perimeter of the reservoir shall be approved by both ODFW and Yamhill Soil and Water Conservation District prior to diversion of water to fill the reservoir.

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

You will be required to comply with state and federal water quality standards.

STANDARD CONDITIONS

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 storage of water allowed herein is subject to the installation and maintenance of a fully functional conduit/gate assembly having a minimum diameter of 8 inches.

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.

The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2006. If the water is not completely applied before this date, and the applicant wishes to continue development under the permit, the applicant must submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after complete application of water to the proposed use, the applicant shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued February 13, 2002



Paul R. Cleary, Director
Water Resources Department

NOTE: Pursuant to ORS 537.330, in any transaction for the conveyance of real estate that includes any portion of the lands described in this permit, the seller of the real estate shall, upon accepting an offer to purchase that real estate, also inform the purchaser in writing whether any permit, transfer approval order, or certificate evidencing the water right is available and that the seller will deliver any permit, transfer approval order or certificate to the purchaser at closing, if the permit, transfer approval order or certificate is available.

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