

STATE OF OREGON

COUNTY OF MARION

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

SAR BEN FARMS THE DAIRY FARM LTD PARTNERSHIP
23231 RIVER RD NE
SAINT PAUL, OREGON 97137

(503) 633-4027

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

APPLICATION FILE NUMBER: R-84984

SOURCE OF WATER: BARN WASH WASTE WATER, PERMITTED UNDER G-15359, A
TRIBUTARY OF SKOOKUM LAKE

STORAGE FACILITY: ANIMAL WASTE PONDS 1 AND 2

PURPOSE OR USE OF THE STORED WATER: TO BE APPROPRIATED UNDER APPLICATION
S-84983, PERMIT 53953, FOR SUPPLEMENTAL IRRIGATION OF 151.8 ACRES

MAXIMUM VOLUME: 44.0 ACRE FEET EACH YEAR, BEING 10.0 AF IN POND 1 AND
34.0 AF IN POND 2

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: DECEMBER 6, 2001

The maximum height of the dam shall be less than 10.0 FEET for POND 1
and 14.0 FEET for POND 2.

DAM LOCATIONS: POND 1: SWNW, 1100 FEET NORTH & 1000 FEET WEST FROM NW
CORNER, DLC 70, SECTION 4, T4S, R2W, W.M.

POND 2: NWSW, 900 FEET NORTH & 1000 FEET WEST FROM NW
CORNER, DLC 70, SECTION 4, T4S, R2W, W.M.

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

SW ¼ NW ¼ RESERVOIR 1
NW ¼ SW ¼ RESERVOIR 2
SECTION 4

TOWNSHIP 4 SOUTH, RANGE 2 WEST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order.
- B. The permittee 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.
- C. 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.

Regarding Reservoir #2: Routine maintenance of the dam, it's 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.

Regarding Reservoir #2: The completed structure shall not be enlarged, modified, altered or otherwise changed without 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.

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.

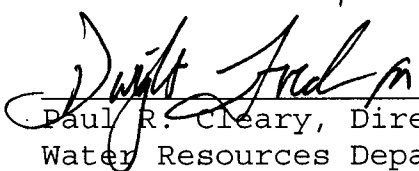
The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

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 water to the use shall be made on or before October 1, 2007. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee 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 permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued August 14, 2003


Paul R. Cleary, Director
Water Resources Department

REAL ESTATE TRANSACTIONS: 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

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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.

CULTURAL RESOURCES PROTECTION LAWS: Permittees involved in ground-disturbing activities should be aware of federal and state cultural resources protection laws. ORS 358.920 prohibits the excavation, injury, destruction or alteration of an archeological site or object, or removal of archeological objects from public and private lands without an archeological permit issued by the State Historic Preservation Office. 16 USC 470, Section 106, National Historic Preservation Act of 1966 requires a federal agency, prior to any undertaking to take into account the effect of the undertaking that is included on or eligible for inclusion in the National Register. For further information, contact the State Historic Preservation Office at 503-378-4168, extension 232.