STATE OF OREGON

COUNTY OF JACKSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

THOMAS A ISOLA, R R I P LIMITED 7196 DURANGO ST LAS VEGAS, NV 89120

(702) 458-2858

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

APPLICATION FILE NUMBER: S-84709

SOURCE OF WATER: LOST CREEK RESERVOIR, A TRIBUTARY OF ROGUE RIVER

PURPOSE OR USE: IRRIGATION OF 43.35 ACRES

MAXIMUM VOLUME: 151.73 ACRE FEET EACH YEAR

PERIOD OF USE: APRIL 1 THROUGH OCTOBER 31

DATE OF PRIORITY: APRIL 2, 2001

POINT OF DIVERSION LOCATION: NW 1/2 SW 1/4, SECTION 6, T36S, R1W, W.M.; 668.4 FEET SOUTH & 224.4 FEET EAST FROM THE WEST 1/4 CORNER OF SECTION 6

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of the same lands, is the irrigation season of reach year.

THE PLACE OF USE IS LOCA

SW WW. CHILDONG CRES
SE WWW. W. W. O. D. ACRES
SW W. SW W. ACRES
TOWNSHIP 36 SOUTH RANGE 1 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, 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

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require the permittee to report general water use information, including the place and nature of use of water under the permit.

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.

The permittee shall install, maintain, and operate fish screening and by-pass devices as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the proposed diversion. The required screens and by-pass devices are to be in place, functional and approved by an ODFW representative prior to diversion of any water.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish. The applicant is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, Portland, Oregon, before beginning construction of any in-channel obstruction.

The use of water under this right is subject to the terms and conditions of contract No. 029E101334, 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.

STANDARD CONDITIONS

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

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.

Complete application of the 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 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 July (7, 2002)

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.