STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

11 THREE 11 LLC 3750 PARIS PIKE LEXINGTON, KY 40511

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

APPLICATION FILE NUMBER: S-86243

SOURCE OF WATER: RUNOFF, TRIBUTARY TO HAWN CREEK AND 11 THREE 11 RESERVOIR, CONSTRUCTED UNDER PERMIT R-14203, A TRIBUTARY OF HAWN CREEK

PURPOSE OR USE: SUPPLEMENTAL IRRIGATION USE ON 79.9 ACRES

MAXIMUM RATE AND VOLUME: 0.5 CUBIC FOOT PER SECOND FROM RUNOFF AND 9.0 ACRE FEET FROM 11 THREE 11 RESERVOIR

PERIOD OF USE: MARCH 1 THROUGH APRIL 30 FROM RUNOFF AND MARCH 1 THROUGH OCTOBER 31 FROM 11 THREE 11 RESERVOIR

DATE OF PRIORITY: APRIL 4, 2005

POINT OF DIVERSION LOCATION: NW 1/4 NE 1/4, SECTION 25, T3S, R4W, W.M.; 1100 FEET SOUTH & 1500 FEET WEST FROM NE CORNER SECTION 25

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 ONE-EIGHTIETH of one cubic foot per second and 2.5 acre-feet for each acre irrigated during the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SW % SE % 1.8 ACRES SE % SE % 7.8 ACRES SECTION 24

NE 1/4 NE 1/4 27.1 ACRES NW 1/2 NE 1/2 28.0 ACRES SW 1/4 NE 1/4 6.8 ACRES SE 1/4 NE 1/4 8.4 ACRES SECTION 25

TOWNSHIP 3 SOUTH, RANGE 4 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.

The use described herein may be considered primary irrigation at the time of perfection of the appropriation, provided the underlying water right has been canceled, diminished, or transferred to other lands, and if the water has been beneficially used as the primary source for the use as described in this permit. Issuance of this permit does not confirm the validity of any underlying right or claim.

STANDARD CONDITIONS

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

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.

Completion of construction and complete application of the water to the use shall be made on or before October 1, 2010. 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 April /3, 2006

Phillip C. Ward, Director Jor

Water Resources Department

