

STATE OF OREGON

COUNTY OF JACKSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

SHADY COVE WATERWORKS LLC
10 CRATER LAKE AVE, SUITE 21
MEDFORD, OR 97504

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

APPLICATION FILE NUMBER: S-86478

SOURCE OF WATER: SECOND PUMP STATION POND, PERMIT R-14319 (APPLICATION R-86479), AND LOST CREEK RESERVOIR, TRIBUTARIES OF ROGUE RIVER

PURPOSE OR USE: QUASI-MUNICIPAL USES

MAXIMUM VOLUME: 109.0 ACRE FEET (AF) EACH YEAR, BEING 9.0 AF FROM SECOND PUMP STATION POND AND 100.0 AF FROM LOST CREEK RESERVOIR

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: JANUARY 10, 2006

POINT OF DIVERSION LOCATIONS:

SECOND PUMP STATION POND: NW ¼ NE ¼, SECTION 16, T34S, R1W, W.M.; 270 FEET SOUTH & 540 FEET EAST FROM N1/4 CORNER, SECTION 16

LOST CREEK RESERVOIR RE-DIVERSION: NE ¼ SE ¼, SECTION 16, T34S, R1W, W.M.; 790 FEET SOUTH & 350 FEET WEST FROM E1/4 CORNER, SECTION 16

THE PLACE OF USE IS LOCATED AS FOLLOWS:

Twp	Rng	Mer	Sec	Q-Q
34 S	1 W	WM	8	NE NE
34 S	1 W	WM	8	NW NE
34 S	1 W	WM	8	SW NE
34 S	1 W	WM	8	SE NE
34 S	1 W	WM	8	NE NW
34 S	1 W	WM	8	NW NW
34 S	1 W	WM	8	SW NW

Twp	Rng	Mer	Sec	Q-Q
34 S	1 W	WM	8	SE NW
34 S	1 W	WM	8	NE SW
34 S	1 W	WM	8	NW SW
34 S	1 W	WM	8	SW SW
34 S	1 W	WM	8	SE SW
34 S	1 W	WM	8	NE SE
34 S	1 W	WM	8	NW SE
34 S	1 W	WM	8	SW SE
34 S	1 W	WM	8	SE SE
34 S	1 W	WM	9	SE NE
34 S	1 W	WM	9	NW SW
34 S	1 W	WM	9	SW SW
34 S	1 W	WM	9	NE SE
34 S	1 W	WM	9	SW SE
34 S	1 W	WM	9	SE SE
34 S	1 W	WM	10	SW NW
34 S	1 W	WM	10	NE SW
34 S	1 W	WM	10	NW SW
34 S	1 W	WM	10	SW SW
34 S	1 W	WM	10	SE SW
34 S	1 W	WM	10	NW SE
34 S	1 W	WM	15	NW NE
34 S	1 W	WM	15	SW NE
34 S	1 W	WM	15	NE NW
34 S	1 W	WM	15	NW NW
34 S	1 W	WM	15	SW NW
34 S	1 W	WM	15	SE NW
34 S	1 W	WM	15	NE SW
34 S	1 W	WM	15	NW SW
34 S	1 W	WM	15	SW SW

Twp	Rng	Mer	Sec	Q-Q
34 S	1 W	WM	15	SE SW
34 S	1 W	WM	15	NW SE
34 S	1 W	WM	16	NE NE
34 S	1 W	WM	16	NW NE
34 S	1 W	WM	16	SW NE
34 S	1 W	WM	16	SE NE
34 S	1 W	WM	16	NE NW
34 S	1 W	WM	16	SE NW
34 S	1 W	WM	16	NE SW
34 S	1 W	WM	16	SW SW
34 S	1 W	WM	16	SE SW
34 S	1 W	WM	16	NE SE
34 S	1 W	WM	16	NW SE
34 S	1 W	WM	16	SW SE
34 S	1 W	WM	16	SE SE
34 S	1 W	WM	21	NE NE
34 S	1 W	WM	21	NW NE
34 S	1 W	WM	21	SW NE
34 S	1 W	WM	21	SE NE
34 S	1 W	WM	21	NE NW
34 S	1 W	WM	21	SW NW
34 S	1 W	WM	21	SE NW
34 S	1 W	WM	21	NE SE
34 S	1 W	WM	21	NW SE
34 S	1 W	WM	21	SW SE
34 S	1 W	WM	21	SE SE
34 S	1 W	WM	22	NW NW
34 S	1 W	WM	28	NE NE
34 S	1 W	WM	28	NW NE

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 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 consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

The use of water under this right is subject to the terms and conditions of the *WATER STORAGE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND SHADY COVE WATERWORKS, LLC, MEDFORD, OREGON FOR ORIGINALLY AUTHORIZED WATER STORAGE SPACE IN LOST CREEK LAKE PROJECT, OREGON*, or a satisfactory replacement, a copy of which is on file in the records of the Water Resources Department.

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, 2011. 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 November 2, 2006

E. Timothy Ward

Phillip C. Ward, Director *for*
Water Resources Department