

STATE OF OREGON

COUNTY OF POLK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

JOHAN VINEYARDS, LLC  
1735 NINETEENTH ST, STE 350  
DENVER, CO 80202

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

APPLICATION FILE NUMBER: S-86406

SOURCE OF WATER: RESERVOIR E AND RESERVOIR G, CONSTRUCTED UNDER PERMIT R-11498; AND RESERVOIR H, CONSTRUCTED UNDER PERMIT R-14581, TRIBUTARIES TO ASH SWALE

PURPOSE OR USE: IRRIGATION USE ON 174.5 ACRES

MAXIMUM VOLUME: 79.95 ACRE FEET (AF) EACH YEAR, BEING 11.25 AF FROM RESERVOIR E, .9.1 AF FROM RESERVOIR G AND 59.6 AF FROM RESERVOIR H

PERIOD OF USE: MARCH 1 THROUGH OCTOBER 31 OF EACH YEAR

DATE OF PRIORITY: AUGUST 24, 2005

POINT OF DIVERSION LOCATIONS:

RESERVOIR E: SE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 6, T7S, R4W, W.M.; 1900 FEET SOUTH & 60 FEET WEST FROM NE CORNER, SECTION 6

RESERVOIR G: NE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 31, T6S, R4W, W.M.; 1760 FEET NORTH & 250 FEET WEST FROM E  $\frac{1}{4}$  CORNER, SECTION 31

RESERVOIR H: SW  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 31, T6S, R4W, W.M.; 1640 FEET SOUTH & 350 FEET EAST FROM N  $\frac{1}{4}$  CORNER, SECTION 31

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:

NE  $\frac{1}{4}$  NE  $\frac{1}{4}$  39.0 ACRES  
NW  $\frac{1}{4}$  NE  $\frac{1}{4}$  40.0 ACRES  
SW  $\frac{1}{4}$  NE  $\frac{1}{4}$  40.0 ACRES

SE ¼ NE ¼ 37.2 ACRES  
NE ¼ SE ¼ 2.1 ACRES  
NW ¼ SE ¼ 16.2 ACRES  
SECTION 31  
TOWNSHIP 6 SOUTH, RANGE 4 WEST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the water user shall install a meter or other suitable measuring device as approved by the Director. The water user 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 water user to report general water use information, including the place and nature of use of water under the permit.
- B. The water user 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.

This right is limited to any deficiency in the available supply of any prior irrigation right that may exist for the same land.

If the riparian area is disturbed in the process of developing a point of diversion, the water user shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR Chapter 635, Division 415, Section 030 adopted November 13, 1991 shall be followed.

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.

The water user 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 water user may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

## STANDARD CONDITIONS

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.

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.

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.

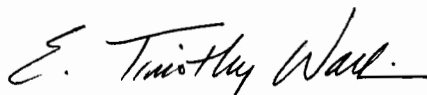
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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, 2012. If the water is not completely applied before this date, and the water user wishes to continue development under the permit, the water user 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 water user shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued April 3, 2008



Phillip C. Ward, Director  
Water Resources Department