STATE OF OREGON

COUNTY OF POLK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PREMIER PACIFIC VINEYARDS
RE: ZENA HEIGHTS VINEYARD, LLC
PO BOX 3989
NAPA, CA 94558

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

APPLICATION FILE NUMBER: S-86145

SOURCE OF WATER: ZENA HEIGHTS RESERVOIR #1, CONSTRUCTED UNDER PERMIT R-5384, TO BE ENLARGED UNDER APPLICATION R-86140; ZENA HEIGHTS RESERVOIR #2, CONSTRUCTED UNDER PERMIT R-14144; ZENA HEIGHTS RESERVOIR #4, CONSTRUCTED UNDER PERMIT R-14145; ZENA HEIGHTS RESERVOIR #5, CONSTRUCTED UNDER PERMIT R-14146; ZENA HEIGHTS RESERVOIR #6, CONSTRUCTED UNDER PERMIT R-14147; TWO UNNAMED SPRINGS; RUNOFF; AND AN UNNAMED STREAM, TRIBUTARIES OF/TO SPRING VALLEY CREEK

PURPOSE OR USE: IRRIGATION OF 29.8 ACRES; SUPPLEMENTAL IRRIGATION OF 15.11 ACRES; POND MAINTENANCE

MAXIMUM VOLUME: 28.5 ACRE FEET (AF) EACH YEAR; BEING 14.5 AF FROM ZENA HEIGHTS RESERVOIR #1, 4.0 AF FROM ZENA HEIGHTS RESERVOIR #2, 7.0 AF FROM ZENA HEIGHTS RESERVOIR #4, 2.0 AF FROM ZENA HEIGHTS RESERVOIR #5, AND 1.0 AF FROM ZENA HEIGHTS RESERVOIR #6 FOR IRRIGATION AND SUPPLEMENTAL IRRIGATION

MAXIMUM RATE: 0.655 CUBIC FOOT PER SECOND (CFS), BEING 0.067 CFS FROM AN UNNAMED SPRING, 0.009 CFS FROM AN UNNAMED SPRING, 0.111 CFS FROM AN UNNAMED STREAM, AND 0.2 CFS FROM RUNOFF FOR MAINTENANCE OF RESERVOIRS; AND 0.045 CFS FROM AN UNNAMED SPRING, AND 0.223 CFS FROM AN UNNAMED STREAM FOR IRRIGATION AND SUPPLEMENTAL IRRIGATION

PERIOD OF USE: MARCH 1 THROUGH OCTOBER 31 FOR IRRIGATION AND SUPPLEMENTAL IRRIGATION FROM ZENA HEIGHT RESERVOIRS #1, #2, #4, #5, AND #6; NOVEMBER 1 THROUGH JUNE 30 FOR POND MAINTENANCE FROM TWO UNNAMED SPRINGS, AN UNNAMED STREAM, AND RUNOFF; AND MARCH 1 THROUGH JUNE 30 AND SEPTEMBER 1 THROUGH OCTOBER 31 FOR IRRIGATION AND SUPPLEMENTAL IRRIGATION FROM AN UNNAMED SPRING AND AN UNNAMED STREAM

DATE OF PRIORITY: DECEMBER 30, 2004

Application S-86145 Water Resources Department

PERMIT S-54514

POINTS OF DIVERSION LOCATIONS:

ZENA HEIGHTS RESERVOIR #6: NE 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 1920 FEET NORTH & 2260 FEET EAST FROM SW CORNER, SECTION 23

UNNAMED STREAM: NE 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 1920 FEET NORTH & 2260 FEET EAST FROM SW CORNER, SECTION 23

ZENA HEIGHTS RESERVOIR #1: NW 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 1390 FEET NORTH & 350 FEET EAST FROM SW CORNER, SECTION 23

UNNAMED SPRING: NW 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 1650 FEET NORTH & 160 FEET EAST FROM SW CORNER, SECTION 23

ZENA HEIGHTS RESERVOIR #2: SW 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 510 FEET NORTH & 790 FEET EAST FROM SW CORNER, SECTION 23

ZENA HEIGHTS RESERVOIR #4: SW 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 1260 FEET NORTH & 560 FEET EAST FROM SW CORNER, SECTION 23

ZENA HEIGHTS RESERVOIR #5: SE 1/4 SW 1/4, SECTION 23, T6S, R4W, W.M.; 920 FEET NORTH & 2530 FEET EAST FROM SW CORNER, SECTION 23

UNNAMED SPRING: SE ¼ SW ¼, SECTION 23, T6S, R4W, W.M.; 910 FEET NORTH & 2400 FEET EAST FROM SW CORNER, SECTION 23

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:

				PRIMARY	SUPPLEMENTAL	
-NE	_1/4_	SE	<u> 1/4</u> _	0.23_ ACRE		
SE	1/4	SE	1/4	1.62 ACRES		
				SECTION 22		
NE	1/4	SW	1/4	4.27 ACRES	0.39	ACRE
NW	1/4	SW	1/4	0.14 ACRE	0.73	ACRE
SW	1/4	SW	1/4	11.00 ACRES	12.29	ACRES
SE	1/4	SW	1/4	12.54 ACRES	1.70	ACRES
SECTION 23						

TOWNSHIP 6 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 totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. 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 diverted, 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.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

RESERVOIR #6: 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 prior to diversion of any water. Water user shall obtain written approval from ODFW that the installation of the required screen and by-pass devices meets the state's criteria or the water user shall submit documentation that ODFW has determined screens and/or by-pass devices are not necessary.

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.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee 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 635-415, shall be followed.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet state or federal water quality standards due to reduced flows.

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 application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued February /4, 2012

E. Timothy Wallin, Water Rights Program Manager

for Phillip C. Ward, Director

Water Resources Department