

STATE OF OREGON

COUNTY OF POLK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

VINEYARD HOLDINGS LLC
PO BOX 280
DUNDEE, OR 97115

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

APPLICATION FILE NUMBER: S-87156

SOURCE OF WATER: UNNAMED STREAM AND EOLA RESERVOIR, TRIBUTARIES TO KING CREEK

PURPOSE OR USE: SUPPLEMENTAL IRRIGATION USE ON 127.8 ACRES AND POND MAINTENANCE OF EOLA RESERVOIR (PERMIT R-9965)

MAXIMUM RATE: 0.5 CUBIC FOOT PER SECOND (CFS), BEING 0.3 CFS FOR SUPPLEMENTAL IRRIGATION AND 0.2 CFS FOR POND MAINTENANCE FROM AN UNNAMED STREAM; 36.7 ACRE FEET (AF) FROM EOLA RESERVOIR, CONSTRUCTED UNDER (PERMIT R-9965), FOR SUPPLEMENTAL IRRIGATION

PERIOD OF USE:

UNNAMED STREAM - MARCH 1 THROUGH JUNE 30 FOR SUPPLEMENTAL IRRIGATION

UNNAMED STREAM - NOVEMBER 1 THROUGH JUNE 30 FOR POND MAINTENANCE

EOLA RESERVOIR - MARCH 1 THROUGH OCTOBER 31 FOR SUPPLEMENTAL IRRIGATION

DATE OF PRIORITY: APRIL 24, 2008

POINT OF DIVERSION LOCATION:

SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 13, T6S, R4W, W.M.; 450 FEET NORTH AND 950 FEET EAST FROM SW CORNER, SECTION 13

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 $\frac{1}{4}$ SW $\frac{1}{4}$ 9.9 ACRES
 NW $\frac{1}{4}$ SW $\frac{1}{4}$ 21.5 ACRES
 SW $\frac{1}{4}$ SW $\frac{1}{4}$ 36.2 ACRES AND POND MAINTENANCE
 SECTION 13

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 34.9 ACRES
 SECTION 23

NW $\frac{1}{4}$ NW $\frac{1}{4}$ 25.3 ACRES AND POND MAINTENANCE
 SECTION 24
 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 at each point of diversion. The permittee shall maintain the meter(s) in good working order. The permittee 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(s); provided however, where any meter is located within a private structure, the watermaster shall request access upon reasonable notice.

Notwithstanding that Oregon Department of Fish and Wildlife has made a determination that fish screens and/or by-pass devices are not necessary at the time of permit issuance, the permittee may be required in the future to install, maintain, and operate fish screening and/or by-pass devices to prevent fish from entering the proposed diversion, and to provide adequate upstream and downstream passage for fish.

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, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

Irrigation allowed under this permit shall be by drip irrigation or by an equally efficient method.

The Director may require the user to measure inflow and outflow, above and below the reservoir respectively, to ensure that live flow is not impeded outside the storage season. Measurement devices and their implementation must be acceptable to the Director, and the Director may require that data be recorded on a specified periodic basis and reported to the Department annually or more frequently.

At the time of certification, the total rate allowed for pond maintenance may be reduced, in accordance with Departmental standards, so as to be commensurate with the certified volume(s) of the reservoir(s).

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.

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 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 decreases to the point that those waters no longer meet existing 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 complete application of the water to the use shall be made on or before October 1, 2013. 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 MARCH 30 , 2009

E. Timothy Ward

for Phillip C. Ward, Director
Water Resources Department