

STATE OF OREGON
 COUNTY OF CLACKAMAS
 PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

MORNINGSTAR 2006, LLC
 15350 SW SEQUOIA PARKWAY SUITE 250
 PORTLAND OR 97224

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

APPLICATION FILE NUMBER: S-87531

SOURCE OF WATER: WILLAMETTE BASIN PROJECT RESERVOIRS (CONSTRUCTED UNDER PERMITS R-1625 AND R-5363)

PURPOSE OR USE: IRRIGATION OF 160.0 ACRES AND SUPPLEMENTAL IRRIGATION OF 11.7 ACRES

MAXIMUM VOLUME: 429.25 ACRE FEET

DATE OF PRIORITY: SEPTEMBER 23, 2009

WATER MAY BE APPROPRIATED DURING THE PERIOD: MARCH 1 THROUGH OCTOBER 31

Authorized Point of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
3 S	1 W	WM	29	NE SE	3170 FEET SOUTH AND 830 FEET WEST FROM NE CORNER, SECTION 29

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall not exceed 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year. The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

Authorized Place of Use:

IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
3 S	1 W	WM	20	NE NE	24.50
3 S	1 W	WM	20	NW NE	6.00
3 S	1 W	WM	20	SW NE	0.50
3 S	1 W	WM	20	SE NE	15.00
3 S	1 W	WM	20	NE SE	14.00
3 S	1 W	WM	20	SE SE	24.00
3 S	1 W	WM	21	SW NW	2.50
3 S	1 W	WM	21	NW SW	7.00
3 S	1 W	WM	21	SW SW	11.00
3 S	1 W	WM	28	NW NW	22.50
3 S	1 W	WM	28	SW NW	5.00
3 S	1 W	WM	29	NE NE	25.50
3 S	1 W	WM	29	SE NE	2.50

SUPPLEMENTAL IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
3 S	1 W	WM	20	NE NE	1.30
3 S	1 W	WM	20	NW NE	10.40

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 in good working order.
- B. 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.
- C. 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.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

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

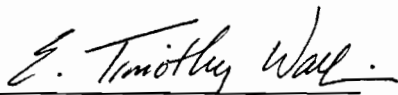
The use of water under this right is subject to the terms and conditions of Contract No. 119E101740, or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department.

STANDARD CONDITIONS

1. 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.
2. 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.
3. 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.
4. 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.

5. 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.
6. 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, shall be followed.
7. 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.
8. 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 MAY 12 2011



for Phillip C. Ward, Director
Water Resources Department