

STATE OF OREGON
 COUNTY OF WALLOWA

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

JON VANDERZANDEN
 VZ FARMS LLC
 82113 BLACK MARBLE LANE
 ENTERPRISE OR 97828

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

APPLICATION FILE NUMBER: S-87953

SOURCE OF WATER: WALLOWA LAKE, CONSTRUCTED UNDER PERMIT R-347, TRIBUTARY TO WALLOWA RIVER

MAXIMUM VOLUME AND USE: 444.5 ACRE FEET, BEING 44.45 ACRE FEET FOR PRIMARY IRRIGATION OF 12.7 ACRES AND 400.05 ACRE FEET FOR SUPPLEMENTAL IRRIGATION OF 114.3 ACRES

DATE OF PRIORITY: JANUARY 27, 2014

PERIOD OF USE: MAY 1 THROUGH OCTOBER 1

Authorized Point of Re-Diversion:

| Twp | Rng | Mer | Sec | Q-Q | Measured Distances |
|-----|------|-----|-----|-------|--------------------------------------------------------------|
| 1 S | 45 E | WM | 32 | SE SE | 300 FEET NORTH AND 1320 FEET WEST FROM SE CORNER, SECTION 32 |

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to a diversion of not to exceed 3.5 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:

| Twp | Rng | Mer | Sec | Q-Q | Primary Acres | Supplemental Acres |
|-----|------|-----|-----|-------|---------------|--------------------|
| 1 S | 45 E | WM | 32 | NE SE | 1.5 | |
| 1 S | 45 E | WM | 32 | SE SE | 11.2 | |
| 1 S | 45 E | WM | 32 | SW NE | | 37.8 |
| 1 S | 45 E | WM | 32 | SE NE | | 39.6 |
| 1 S | 45 E | WM | 32 | NE SE | | 20.7 |
| 1 S | 45 E | WM | 32 | NW SE | | 16.2 |

Measurement devices, and recording/reporting of annual water use conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of re-diversion. The permittee shall maintain the device in good working order.

- B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes 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.
- 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 fish passage devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion, while passage devices provide adequate upstream and downstream passage for fish. The required screen and passage 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 passage devices are not necessary.

The use of water under this right is subject to the terms and conditions of a contract between The Associated Ditch Company and the permittee, a copy of which must be 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 22 2014.

E. Timothy Wallin

E. Timothy Wallin, Water Rights Program Manager
for Phillip C. Ward, Director