STATE OF CALIFORNIA  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF WATER RIGHTS  

PERMIT FOR DIVERSION AND USE OF WATER  

AMENDED PERMIT 20636  

Application 29698 of Sleepy Hollow Properties  
c/o Jim Ledbetter  
7689 Lakeville Highway  
Petaluma, CA  94954  

filed on March 23, 1990, has been approved by the State Water Resources Control Board (State Water Board) SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.  

Permittee is hereby authorized to divert and use water as follows:  

1. Source of water  

<table>
<thead>
<tr>
<th>Source:</th>
<th>Tributary to:</th>
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</thead>
<tbody>
<tr>
<td>Unnamed Stream</td>
<td>Petaluma River thence</td>
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<tr>
<td></td>
<td>San Pablo Bay</td>
</tr>
</tbody>
</table>

within the County of Sonoma  

2. Location of point of diversion  

<table>
<thead>
<tr>
<th>By California Coordinate System of 1927 in Zone 2</th>
<th>40-acre subdivision of public land survey or projection thereof</th>
<th>Section (Projected)*</th>
<th>Township</th>
<th>Range</th>
<th>Base and Meridian</th>
</tr>
</thead>
<tbody>
<tr>
<td>North 1,600 feet and East 1,750 feet from the SW corner of projected Section 26</td>
<td>NE¼ of SW¼</td>
<td>26</td>
<td>4N</td>
<td>6W</td>
<td>MD</td>
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<tr>
<td>3. Purpose of use</td>
<td>4. Place of use (Projected)</td>
<td>Section</td>
<td>Township</td>
<td>Range</td>
<td>Base and Meridian</td>
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</tr>
<tr>
<td>Stockwatering</td>
<td>NE¼ of SW¼</td>
<td>26</td>
<td>4N</td>
<td>6W</td>
<td>MD</td>
</tr>
<tr>
<td>Irrigation</td>
<td>NE¼ of NW¼</td>
<td>26</td>
<td>4N</td>
<td>6W</td>
<td>MD</td>
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<td></td>
<td>SW¼ of NW¼</td>
<td>26</td>
<td>4N</td>
<td>6W</td>
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<td></td>
<td>SE¼ of NW¼</td>
<td>26</td>
<td>4N</td>
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<td></td>
<td>NW¼ of NE¼</td>
<td>34</td>
<td>4N</td>
<td>6W</td>
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<tr>
<td></td>
<td>NE¼ of NE¼</td>
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The place of use is shown on map filed with the State Water Board.

5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 104 acre-feet per annum to be collected from November 1 of each year to March 31 of the succeeding year.

6. Complete application of the water to the authorized use shall be made by December 31, 2016.
7. Permittee shall maintain the existing outlet pipe through Sleepy Hollow Dam No. 2 in proper working order.

(000S001)

8. Permittee shall install and properly maintain a staff gage in Sleepy Hollow Reservoir, satisfactory to the State Water Board, for the purpose of determining water levels in the reservoir. Permittee shall record the staff gage readings on or about November 1 and March 31 of each year. Such readings shall be supplied to the State Water Board with the next progress report submitted by Permittee.

The State Water Board may require the release of water which cannot be verified as having been collected to storage prior to October 1 of each year.

(0070047, 0100047)

9. For the protection of potential habitat for California red-legged frog (Rana aurora draytonii) and to allow for the continued growth of riparian vegetation, Permittee shall:

a. Maintain, undisturbed, a minimum of a 50-foot-wide strip of natural upland vegetation around the water storage reservoir;

b. Obtain approval of the United States Fish and Wildlife Service-Sacramento Endangered Species Office and the California Department of Fish and Game prior to any future reservoir dredging operations. Permittee shall submit to the Chief of the Division of Water Rights evidence of agencies’ approval prior to any future reservoir dredging operations; and

c. Refrain from disturbing the fringe of emergent (wetland) vegetation in the reservoir during any future dredging operations.

These requirements shall remain in effect as long as water is being diverted by Permittee (or successors-in-interest) under any license issued pursuant to Permit 20636.

(0400205)

10. If ground disturbing activities such as trenching, ripping or vine removal occur in the place of use, a qualified biologist shall conduct protocol level surveys for western burrowing owls (Athene cunicularia). If western burrowing owls are detected, mitigation shall follow the guidelines set forth in the California Department of Fish and Game’s Staff Report on Burrowing Owl Mitigation (October 1995).

(0400600)

11. If ground disturbing activities such as trenching, ripping or vine removal occur in the place of use and if a qualified biologist detects pallid bat (Antrozous pallidus) species onsite roosting in rocky outcrops, cliffs, crevices, manmade structures and/or foraging within the project site boundaries, bat roosting areas shall be completely avoided and the United States Fish and Wildlife Service-Sacramento Endangered Species Office shall be contacted for further consultation and conservation requirements.

(0400601)
12. The Permittee shall maintain riparian setbacks of a minimum of 25 feet from the top of the bank of both sides of the unnamed USGS blue-line stream located south of Lakeville Highway and setbacks of a minimum of 50 feet from the top of the bank on both sides of the unnamed streams located north of Lakeville Highway. No activity shall occur within the setback area, including, but not limited to, grading, roads, fencing, storage areas, and irrigation, with the exception of access roads and livestock access, unless the activity is approved in writing by the Chief of the Division of Water Rights. These requirements shall remain in effect as long as water is being diverted by Permittee (or successors-in-interest) under any license issued pursuant to Permit 20636.

13. Should any buried archeological materials be uncovered during project activities, such activities shall cease within 100 feet of the find. Prehistoric archeological indicators include: obsidian and chert flakes and chipped stone tools; bedrock outcrops and boulders with mortar cups; ground stone implements (grinding slabs, mortars and pestles) and locally darkened midden soils containing some of the previously listed items plus fragments of bone and fire affected stones. Historic period site indicators generally include: fragments of glass, ceramic and metal objects; milled and split lumber; and structure and feature remains such as building foundations, privy pits, wells and dumps; and old trails. The Chief of the Division of Water Rights shall be notified of the discovery and a professional archeologist shall be retained by Permittee to evaluate the find and recommend appropriate mitigation measures. Proposed mitigation measures shall be submitted to the Chief of the Division of Water Rights for approval. Project-related activities shall not resume within 100 feet of the find until all approved mitigation measures have been completed to the satisfaction of the Chief of the Division of Water Rights.

14. If human remains are encountered, then Permittee shall comply with Section 15064.5 (e) (1) of the California Environmental Quality Act Guidelines and the Public Resources Code Section 7050.5. All project-related ground disturbance within 100 feet of the find shall be halted until the county coroner has been notified. If the coroner determines that the remains are Native American, the coroner will notify the Native American Heritage Commission to identify the most-likely descendants of the deceased Native Americans. Project-related ground disturbance, in the vicinity of the find, shall not resume until the process detailed under Section 15064.5 (e) has been completed and evidence of completion has been submitted to the Chief of the Division of Water Rights.

15. The area that contains the historic-period domestic refuse identified in the Tom Origer & Associates report dated October 2003 may continue to be cultivated with general vineyard maintenance activities. However, no ripping or grading shall be allowed in this area. If this area is ever replanted, the vines must be cut off with the root system remaining in the ground. Replanting of vines shall be between the old rootstock. If this is not possible then techniques for removal of vines in this area shall be restricted to using mechanical non-invasive techniques (i.e., pulling the vines with a chain attached to a backhoe rather than excavation of vines). A qualified archeologist shall monitor these activities. If additional resources are discovered, then the archeologist shall halt work in the area of the find and notify the Chief of the Division of Water Rights. A professional archeologist shall be retained by Permittee to evaluate the find and recommend appropriate mitigation measures. Proposed mitigation measures shall be submitted to the Chief of the Division of Water Rights for approval. Project-related activities shall not resume within 100 feet of the find until all approved mitigation measures have been completed to the satisfaction of the Chief of the Division of Water Rights.
16. Permittee shall submit evidence of compliance with all applicable regulations from the Sonoma County Agricultural Commissioner’s Office for the use of soil stabilizers, pesticides, herbicides, and other regulated chemicals on the place of use at the time the project authorized by this permit is inspected for license.

(0400551)

ALL PERMITS ISSUED BY THE STATE WATER RESOURCES CONTROL BOARD (STATE WATER BOARD) ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

A. The amount authorized for appropriation may be reduced in the license if investigation warrants.

(0000006)

B. Progress reports shall be submitted promptly by Permittee when requested by the State Water Board until a license is issued.

(0000010)

C. Permittee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by said State Water Board, reasonable access to project works to determine compliance with the terms of this permit.

(0000011)

D. Pursuant to California Water Code sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board also may be exercised by imposing further limitations on the diversion and use of water by Permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust.

(0000012)
E. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Board if, after notice to the Permittee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the State Water Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

F. This permit does not authorize any act that results in the taking of a threatened, endangered, or candidate species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish & G. Code, §§ 2050 - 2097) or the federal Endangered Species Act (16 U.S.C.A. §§ 1531 - 1544). If a "take" will result from any act authorized under this water right, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit.

G. Permittee shall maintain records of the amount of water diverted and used to enable the State Water Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code section 1605.

H. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the California Department of Fish and Game and Permittee is filed with the Division of Water Rights. Compliance with the terms and conditions of the agreement is the responsibility of the Permittee. If a stream or lake agreement is not necessary for this permitted project, the Permittee shall provide the Division of Water Rights a copy of a waiver signed by the California Department of Fish and Game.
This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every Permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefore shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any Permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

STATE WATER RESOURCES CONTROL BOARD

Victoria A. Whitney, Chief
Division of Water Rights

Dated:  JUN 3 0 2006