

STATE OF OREGON
COUNTY OF YAMHILL
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BAILEY NURSERIES, INCORPORATED
9855 NW PIKE ROAD
YAMHILL, OREGON 97148

confirms the right to use the waters of BRYAN CREEK AND A RESERVOIR CONSTRUCTED UNDER PERMIT R-1407 AND ENLARGED UNDER PERMITS R-1560 AND R-1761, tributary of CHEHALEM CREEK, for the purpose of IRRIGATING 115.6 ACRES.

The right has been perfected under Permit 46315. The date of priority is DECEMBER 8, 1981. The right is limited to not more than 1.45 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

NW 1/4 SW 1/4, AS PROJECTED WITHIN DLC 41, SECTION 2, T 3 S, R 3 W, W.M.; 1750 FEET NORTH AND 1240 FEET EAST FROM SW CORNER SECTION 2.

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 ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated from direct flow and shall be further limited to a diversion of not to exceed 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage.

The right shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right, and to which such right is appurtenant, is as follows:

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NW 1/4 NW 1/4 7.4 ACRES
SW 1/4 NW 1/4 32.6 ACRES
SE 1/4 NW 1/4 10.4 ACRES
NE 1/4 SW 1/4 14.9 ACRES
NW 1/4 SW 1/4 32.7 ACRES
SW 1/4 SW 1/4 6.6 ACRES
ALL AS PROJECTED WITHIN DLC 41
SECTION 2

NE 1/4 NE 1/4 1.1 ACRES
SE 1/4 NE 1/4 4.0 ACRES
NE 1/4 SE 1/4 4.0 ACRES
SE 1/4 SE 1/4 1.9 ACRES
ALL AS PROJECTED WITHIN DLC 41
SECTION 3
TOWNSHIP 3 SOUTH, RANGE 3 WEST, W.M.

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. The right is subject to minimum flows established by the Water Resources Commission with an effective date prior to this right.

WITNESS the signature of the Water Resources Director, affixed this date JULY 21, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 61967

63105.BWB