STATE OF OREGON

COUNTY OF YAMHILL

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MELVIN J. TAYLOR 18975 SW PILKINGTON RD. LAKE OSWEGO, OR 97035

confirms the right to store the waters of RUNOFF, tributary to CHEHALEM CREEK, in AN UNNAMED RESERVOIR, for WILDLIFE AND WETLAND ENHANCEMENT.

The right to store these waters was perfected under Reservoir Permit R-12387. The date of priority is JULY 24, 1997. The amount of water entitled to be stored each year under this right is not more than 1.0 ACRE-FOOT. The appropriation of water for storage is limited to the period of NOVEMBER 1 through JUNE 30 of each year.

THE AREA SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

NW 1/4 NE 1/4 SECTION 7 TOWNSHIP 3 SOUTH, RANGE 2 WEST, W.M.

Measurement, recording and reporting conditions:

A. The Director may require the water user to install a meter or other suitable measuring device as approved by the Director. If the Director notifies the water user to install a meter or other measuring device, the water user shall install such device within the period stated in the notice. Such installation period shall not be less than 90 days unless special circumstances warrant a shorter installation period. Once installed, the water user shall maintain the meter or measuring device in good working order and shall allow the watermaster access to the meter, for measuring device. The Director may provide an insportantly for the water user to submit alternative measuring procedures for review and approval.

B. The Director may require the water user to keep and maintain a record of the amount (rough) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review of the order must be filed within the 60 days of the date of service.

R-83514.DIP

Certificate Number 80077

of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right 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 confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

The Director finds the use of water described by this right, as conditioned, will not impair or be detrimental to the public interest.

Issued July 1, 2003

Wight for for Paul R Celeary, Director Water Resources Department

NOTE: Pursuant to ORS 537.330, in any transaction for the conveyance of real estate that includes any portrop of the lands described in this right, the seller of the real estate shall, upon accepting an offer to purchase that real estate, also inform the purchaser in writing whether any permit, transfer approval order, or certificate evidencing the water right is available and that the seller will deliver any permit, transfer approval order or certificate to the purchaser at closing, if the permit, transfer approval order or certificate is available.

Recorded in State Record of Water Right Certificates Number 80077.

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