

STATE OF OREGON
COUNTY OF MARION
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

NORTHWEST FARM CREDIT SERVICES
650 HAWTHORNE AVE SE, SUITE 210
SALEM OR 97309-9831

KNG, INC.
24075 KLUPENGER RD NE
AURORA OR 97002

RDO FARM, INC
24075 KLUPENGER RD NE
AURORA OR 97002

confirms the right to use the waters of KLUPENGER WELL 3 in the Willamette Basin for NURSERY USES of 75.10 ACRES.

This right was perfected under Permit G-10853. The date of priority is NOVEMBER 24, 1987. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 350 GALLONS PER MINUTE OR ITS EQUIVALENT IN CASE OF A HIGHER PUMPING RATE FOR ONLY PART OF THE EACH DAY or its equivalent in case of rotation, measured at the well.

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Survey Coordinates
3 S	1 W	WM	34	SW NW			10 FEET NORTH & 352 FEET EAST FROM W1/4 CORNER, SECTION 34

This right is limited to appropriation of water only to the extent that it does not impair or substantially interfere with prior surface water rights as well as prior ground water rights of others. If use of water under this right is found to interfere with appropriation of ground water under prior existing water rights, use of the Klupenger Well 3 shall be regulated so as to eliminate the interference.

If used for field irrigation for nursery stock, such use is not restricted to the defined agricultural irrigation season.

A description of the place of use to which this right is appurtenant is as follows:

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

NURSERY USES							
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
3 S	1 W	WM	34	NE NW			2.80
3 S	1 W	WM	34	NW NW			35.70
3 S	1 W	WM	34	SW NW			36.60

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

The water user shall install and maintain a weir, meter, or other suitable measuring device and keep a complete record of the amount of ground water withdrawn.

The works constructed shall include an air line and pressure gauge or an access port for measuring line, adequate to determine water level elevation in the well at all times.

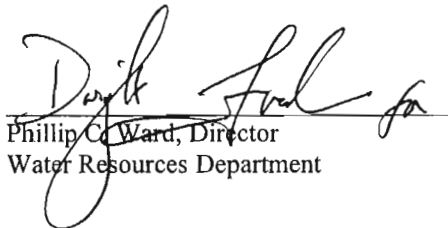
The water user shall install and maintain a weir, meter, or other suitable measuring device and keep a complete record of the amount of ground water withdrawn.

This right is for the beneficial use of water.

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 of water shall be limited when it interferes with any prior surface or ground water rights.

WITNESS the signature of the Water Resources Director, affixed SEP 21 2007


 Phillip C. Ward, Director
 Water Resources Department