STATE OF OREGON

COUNTY OF MARION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

FOX HOLLOW ESTATES WATER CORP. 6438 MAHALO DR SE SALEM OR 97306

confirms the right to use the waters of TWO WELLS in the BATTLE CREEK Basin for IRRIGATION of 25.3 ACRES.

This right was perfected under Permit G-11393. The date of priority is JULY 10, 1990. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.32 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

| Well | Twp | Rng | Mer | Sec | Q-Q | Measured Distances | |
|------|-----|-------|-----|-----|-------|---|--|
| 1. | 8 S | 3 W · | WM | 24 | NE SE | 2500 FEET NORTH & 636 FEET WEST FROM SE | |
| | | | | | | CORNER, SECTION 24 | |
| 2 | 8 S | 3 W | WM | 24 | NE SE | 2410 FEET NORTH & 666 FEET WEST FROM SE | |
| | | 1 | | | | CORNER, SECTION 24 | |

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second, or its equivalent for each acre irrigated, 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.

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

| | | | _ | | | | | | | | |
|------------|-----|-----|-----|-------|-------|------|-------|--|--|--|--|
| IRRIGATION | | | | | | | | | | | |
| Twp | Rng | Mer | Sec | Q-Q | GLot | DLC | Acres | | | | |
| 8 S | 3 W | WM | 24 | SW NE | 1.00 | 52 | : 4.9 | | | | |
| 8 S | 3 W | WM | 24 | SW NE | 3 | 1 | 6.5 | | | | |
| 8 S | 3 W | WM | 24 | SE NW | | 52 | 4.0 | | | | |
| 8 S | 3 W | WM | 24 | SE NW | 2 | | 3.1 | | | | |
| 8 S | 3 W | WM | 24 | NE SW | test. | 77.5 | 1.1 | | | | |
| 8 S | 3 W | WM | 24 | NW SE | | | 5.7 | | | | |

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.

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the wells 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.

The water user shall report a March static water level in the wells to the Groundwater/Hydrology Section of the Water Resources Department by April 15 of each year. The measurement shall be made and calculations detailed by a certified water rights examiner, registered professional geologist, certified engineering geologist, or professional engineer.

Use of water from the wells shall not be allowed for irrigation if the wells displays (A) an average water level decline of 4 or more feet per year for 5 consecutive years, or (B) a water level decline of 20 or more feet in fewer than 5 consecutive years, or (C) a water level decline of 25 or more feet, or (D) a hydraulic interference decline of 25 or more feet in any neighboring well with senior priority which provides water for an authorized use.

The Water Resources Department has determined that the initial water levels in the wells are those determined the first March measurement. These are the levels from which previously cited declines will be referenced.

The Director may require water level or pump test results every ten years.

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 beneficial use of water without waste. The water user is advised that new regulations may require 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 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 use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued

OCT 0 2 2009

Phillip C. Ward, Director

Water Resources Department