STATE OF OREGON

COUNTY OF MARION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

HILAND WATER CORP.

DBA ILLAHE ESTATES WATER SYSTEM
23875 DILLON RD
NEWBERG OR 97132

confirms the right to use the waters of WELL 1, WELL 2, WELL 3, AND WELL 4 in the Willamette River Basin for OUASI-MUNICIPAL USE.

This right was perfected under Permit G-15833. The date of priority is JANUARY 16, 2004. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.891 CUBIC FOOT PER SECOND (CFS), IN ANY COMBINATION, BEING 0.519 CFS FROM WELL 1, 0.363 CFS FROM WELL 2, 0.129 CFS FROM WELL 3, AND 0.10 CFS FROM WELL 4, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	DLC	Measured Distances
3	7 S	3 W	WM	31	NW SW	73	102 FEET SOUTH & 189 FEET WEST FROM NW
_			,				CORNER, J M TOWNSEND DLC 74
4	7 S	3 W	WM	31	NW SW	73	83 FEET SOUTH & 262 FEET WEST FROM NW
							CORNER, J M TOWNSEND DLC 74
1	7 S	3 W	WM	31	SW SW	73	187 FEET SOUTH & 498 FEET WEST FROM NW
							CORNER, J M TOWNSEND DLC 74
2	7 S	3 W	WM	31	SW SW	73	517 FEET SOUTH & 870 FEET WEST FROM NW
							CORNER, J M TOWNSEND DLC 74

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

Twp	Rng	Mer	Sec	Q-Q	DLC
7 S	3 W	WM	31	NW SW	73
7 S	3 W	WM	31	SWSW	73
7 S	3 W	WM	31	SE SW	74
7 S	3 W	WM	31	SW SE	74
8 S	3 W	WM	6	NE NE	47
8 S	3 W	WM	6	NW NE	47

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.

Twp	Rng	Mer	Sec	Q-Q	DLC
8 S	3 W	WM	6	SW NE	47
8 S	3 W	WM	6	SE NE	47
8 S	3 W	WM	6	NE NW	47
8 S	3 W	WM	6	NWNW	45
8 S	3 W	WM	6	SWNW	45
8 S	3 W	WM	6	SE NW	47
8 S	3 W	WM	6	NE SW	47
8 S	.3 W	WM	6	NW SW	45
8 S	3 W	WM	6	NW SE	47

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water-use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

The water user shall submit a Water Management and Conservation Plan consistent with OAR Chapter 690, Division 86, when service connections exceed 300 or the population exceeds 1000. The Director may approve an extension of this time line to complete the required Water Management and Conservation Plan. The time line for submittal of a plan under this right does not alter the time lines for submittal of a plan under any other order of the Department.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

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.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to the agreement.

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 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 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.

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Phillip C. Ward, Di

Water Resources Department



