

STATE OF OREGON

COUNTY OF POLK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BROADMEAD LLC
11120 MCCANN RD
AMITY OR 97101

confirms the right to store water perfected under the terms of Permit R-12635. The amount of water used to which this right is entitled is limited to the amount used beneficially, and shall not exceed the amount specified, or its equivalent in the case of rotation, measured at the point of diversion from the source. The specific limits and conditions of the use are listed below.

APPLICATION NUMBER: R-81521

SOURCE: SALT CREEK, TRIBUTARY OF SOUTH YAMHILL RIVER

STORAGE FACILITY: AN UNNAMED RESERVOIR

PURPOSE or USE: NURSERY OPERATIONS (To be appropriated under permit S-53555)

MAXIMUM STORAGE VOLUME: 17.5 ACRE FEET

WATER MAY BE APPROPRIATED FOR STORAGE: NOVEMBER 1 THROUGH JUNE 30

DATE OF PRIORITY: SEPTEMBER 10, 1996, FOR 17.5 AF

The dam is located as follows:

| Twp | Rng | Mer | Sec | Q-Q | DLC | Measured Distances |
|-----|-----|-----|-----|-------|-----|---|
| 6 S | 5 W | WM | 11 | SW SW | 47 | 2237 FEET NORTH & 380 FEET EAST FROM SW CORNER, JOHN EADES DLC 47 |

The point of diversion is located as follows:

| Twp | Rng | Mer | Sec | Q-Q | DLC | Measured Distances |
|-----|-----|-----|-----|-------|-----|--|
| 6 S | 5 W | WM | 11 | SE SW | 47 | 2228 FEET NORTH & 1405 FEET EAST FROM SW CORNER, JOHN EADES DLC 47 |

The area submerged by this reservoir is as follows:

| Twp | Rng | Mer | Sec | Q-Q | DLC |
|-----|-----|-----|-----|-------|-----|
| 6 S | 5 W | WM | 11 | SW SW | 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 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and 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 within three months after issuance of the certificate.

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meter or other suitable measuring device in good working order.
- 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.
- C. The Director may require the water user to keep and maintain a record of the amount (volume) 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 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.

Notwithstanding that Oregon Department of Fish and Wildlife has made a determination that a fishway or by-pass device is not necessary at this time, the water user may be required in the future to install, maintain, and operate a fishway and/or by-pass device to prevent fish from entering the diversion, and to provide adequate upstream and downstream passage for fish.

The water user shall maintain and operate fish screening as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the diversion.

The use may be restricted if the quality of the source stream, namely the Yamhill River, decreases to the point that it no longer meets state and federal water quality standards due to reduced flows.

Use under this right is limited to the reservoir area. This right does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

The outlet gate shall be cycled at least once each year and shall be fully operational at all times.

Routine maintenance of the dam, spillway and appurtenant structures shall be performed as necessary to remove trees, brush, and debris, and to repair slumps, areas of erosion, or defective equipment.

The earthen dam, spillway, and resultant reservoir shall be maintained according to the approved as-built specifications on file with Oregon Water Resources Dam Safety program.

The completed structure shall not be enlarged, modified, altered or otherwise changed without the prior written approval of the Director of the Water Resources Department of the Director's authorized representative. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed engineer are required for any modification or rehabilitation of the dam, spillway or appurtenant structures.

The storage of water allowed herein is subject to the installation and maintenance of a fully functional conduit/gate assembly having a minimum diameter of 8 inches.

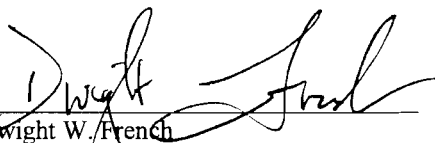
Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

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

Issued MAR 12 2013


Dwight W. French
Water Right Services Administrator, for
Phillip C. Ward, Director
Water Resources Department