

STATE OF OREGON
 COUNTY OF WASHINGTON
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

OREGON ROSES INC.
 1804 NW MARTIN RD
 FOREST GROVE OR 97116

confirms the right to use the waters of WELL 1, WELL 2 AND WELL 3 in the DAIRY CREEK BASIN for AGRICULTURE USES (NURSERY OPERATIONS) AND IRRIGATION of 4.7 ACRES.

This right was perfected under Permit G-12504. The date of priority is JUNE 13, 1991. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.11 CUBIC FOOT PER SECOND (CFS), BEING 0.066 CFS FROM WELL 1, 0.022 CFS FROM WELL 2, AND 0.022 CFS FROM WELL 3.

The period of allowed use is year round for agricultural use (nursery operations) and March 1 through October 31 for irrigation.

The wells are located as follows:

Twp	Rng	Mer	Sec	Q-Q	DLC	Measured Distances
1 N	3 W	WM	32	NE NE	63	WELL 1 - 670 FEET SOUTH AND 1070 FEET WEST FROM NE CORNER, SECTION 32
1 N	3 W	WM	32	NE NE	63	WELL 2 - 790 FEET SOUTH AND 810 FEET WEST FROM NE CORNER, SECTION 32
1 N	3 W	WM	32	NE NE	63	WELL 3 - 1110 FEET SOUTH AND 910 FEET WEST FROM NE CORNER, SECTION 32

The amount of water used for NURSERY OPERATIONS is limited to a diversion of 0.15 cubic foot per second per acre. For the irrigation of containerized nursery plants, the amount of water diverted is limited to ONE-FORTIETH of one cubic foot per second (or its equivalent) and 5.0 acre feet per acre per year. For the irrigation of in ground nursery plants the amount of water diverted is limited to ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre feet per acre per year. The use of water for NURSERY OPERATIONS may be made at anytime of the year that the use is beneficial. For the irrigation of any other crop, the amount of water diverted is limited to ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre feet per acre during the irrigation season of each year.

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.

A description of the place of use is as follows:

Twp	Rng	Mer	Sec	Q-Q	DLC	Acres
1 N	3 W	WM	32	NE NE	63	4.50
1 N	3 W	WM	32	NW NE	63	0.20

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meters or measuring devices in good working order.
- B. The water user shall allow the watermaster access to the meters or measuring devices; provided however, where the meter(s) or measuring device(s) 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.

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 interference.

To monitor the effect of water use from the well authorized under this right, the Department requires the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

Measurements must be made in according to the following schedule:

The water user is not required to measure additional water levels after the reference level has been determined unless water levels after the reference level has been determined unless required by the Director. The additional measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if annual water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The reference levels against which any future measurements will be compared is 36 feet below land surface for Well 1, 11 feet below land surface for Well 2, and 13.2 feet below land surface from Well 3.

The period of non or restricted use shall continue until the annual water level rises above the decline level which triggered the action or until the Department determines, based on the water user's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

This right shall allow groundwater production from Well 1 from no shallower than 140 feet below land surface.

The well 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 useable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

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.

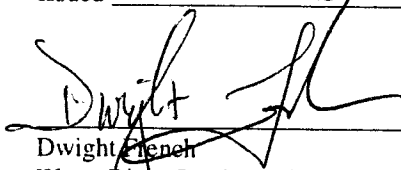
This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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

The right to the use of the water for the above purpose is restricted to beneficial use on the place of use described.

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Dwight French
Water Right Services Division Administrator, for
Thomas M. Byler, Director
Oregon Water Resources Department