STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

KLUPENGERS NURSERY & GHSE., INC. 24075 KLUPENGER ROAD NE AURORA, OREGON 97002

503-678-5838

is hereby issued a permit to use the waters from KLUPENGER WELL 3, WITHIN WILLAMETTE RIVER BASIN, for RELATED NURSERY USES ON 40.5 ACRES AND CONTAINERIZED NURSERY STOCK USES ON 35.0 ACRES. The permit to the use of these waters has been issued under Application G-11750 with a date of priority of NOVEMBER 24, 1987. The permit is limited to not more than 350 GALLONS PER MINUTE OR ITS EQUIVALENT IN CASE OF A HIGHER PUMPING RATE FOR ONLY PART OF EACH DAY or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SW 1/4 NW 1/4, Section 34, T 3 S, R 1 W, WM; 10 FEET NORTH & 352 FEET WEST FROM W1/4 CORNER, SECTION 34.

The permit shall be 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.

The use of water allowed under this permit shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The place of use is as follows:

ACRES 1/41/4 SECTION TOWNSHIP RANGE, WM

NURSERY USES	1.50	NE NW	34	3 S	1 W
NURSERY USES	39.00	NW NW	34	3 S	1 W
NURSERY USES	35.00	SW NW	34	3 S	1 W

Total: 75.50 acres.

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

The permit shall be 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 permit 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.

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The well shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. 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 permittee shall install and maintain a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Actual construction work shall begin on or before January 31, 1990, and shall be completed on or before October 1, 1990. Complete application of the water to the use shall be made on or before October 1, 1991.

This permit 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. It is possible that the land use you propose may not be allowed if it is not in keeping with the goals and the acknowledged plan. Your city or county planning agency can advise you about the land-use plan in your area.

Issued this date, January 31, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director