STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

FOX HOLLOW ESTATES WATER CORPORATION C/O LEO GYSIN 3153 FOX HOLLOW DRIVE S.E. SALEM, OREGON 97301

503-399-0357

to use the waters of TWO WELLS in the BATTLE CREEK BASIN for IRRIGATION OF 27.97 ACRES.

This permit is issued approving Application G-12168. The date of priority is JULY 10, 1990. The use is limited to not more than 0.35 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

NE 1/4 SE 1/4, SECTION 24, T 8 S, R 3 W, W.M.; WELL 1 - 2500 FEET NORTH AND 636 FEET WEST; WELL 2 - 2410 FEET NORTH AND 666 FEET WEST, BOTH FROM SE CORNER, SECTION 24.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to ONE-EIGHTIETH of one cubic foot per second per acre, 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.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the proposed place of use under the permit is as follows:

SW 1/4 NE 1/4 12.052 ACRES SE 1/4 NW 1/4 6.367 ACRES NE 1/4 SW 1/4 2.531 ACRES NW 1/4 SE 1/4 7.020 ACRES SECTION 24 TOWNSHIP 8 SOUTH, RANGE 3 WEST, W.M.

The well shall be constructed 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 well at all times. When required by the department, 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

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.

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Use of water from the wells shall not be allowed for irrigation if the well 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 after the permit issuance. These are the levels from which previously cited declines will be referenced.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

Actual construction work shall begin on or before December 23, 1992, and shall be completed on or before October 1, 1993. Complete application of the water shall be made on or before October 1, 1994.

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

This permit 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 use granted herein may be made only at times when sufficient water is available to satisfy all prior rights.

Issued this date, DECEMBER 23, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director

B+C Extended to 10-1-95 EXt. BC96