STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

VERL HOLDEN 10374 HAZEL GREEN ROAD NE SILVERTON, OREGON 97381

503-873-5940

to use the waters of TWO WELLS in the PUDDING RIVER BASIN for NURSERY OPERATIONS ON 36.4 ACRES.

This permit is issued approving Application G-12243. The date of priority is SEPTEMBER 26, 1990. The use is limited to not more than 1.56 CUBIC FEET PER SECOND (CFS), BEING 0.78 CFS FROM EACH WELL, or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

NE 1/4 SE 1/4, SE 1/4 SE 1/4, SECTION 31, T 6 S, R 1 W, W.M.; NORTHERLY WELL - 2130 FEET NORTH AND 720 FEET WEST; SOUTHERLY WELL - 800 FEET NORTH AND 620 FEET WEST, BOTH FROM SE CORNER, SECTION 31.

The amount of water used for Nursery Operations (OAR 690-11-010(17)) 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 at any time 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.

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:

> SE 1/4 NE 1/4 1.4 ACRES NE 1/4 SE 1/4 16.2 ACRES SW 1/4 SE 1/4 3.2 ACRES SE 1/4 SE 1/4 15.6 ACRES

SECTION 31

TOWNSHIP 6 SOUTH, RANGE 1 WEST, W.M.

A static water level measurement shall be made and submitted before any use of water may commence at the well.

The permittee/appropriator shall install a meter or other suitable measuring device approved by the Director, and shall submit an annual report of water used to the Department.

Use of water from the well shall be controlled or shut off if limits specified in the permit to protect the resource from depletion and prior appropriators from interference are exceeded.

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The Department shall determine, from measurements submitted by the permittee/appropriator, or other data on file in the Department, the initial and subsequent water levels from which the previously cited declines are referenced.

Following the issuance of a permit, the permittee/appropriator shall measure the water levels in the permitted well each year between March 1 and March 31 (spring high water level), and submit the data to the Department within 90 days of measurement. Water level measurements shall be made by a Certified Water Right Examiner, Licensed Water Well Driller, Licensed Pump Installer, Registered Geologist, Licensed Land Surveyor, Registered Professional Engineer, or the Permittee/Appropriator.

Use of water from the southerly well shall not be allowed if the well(s) displays an (A) average water level decline of 3 or more feet per year for 5 consecutive years, or (B) a water level decline of 15 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 which provides water for an authorized use.

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.

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 April 20, 1993, and shall be completed on or before October 1, 1994. Complete application of the water shall be made on or before October 1, 1995.

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

Issued this date, APRIL 20, 1992.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director