STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

NORPAC FOODS, INC. P.O. BOX 458 STAYTON, OREGON 97383

503-769-2101

to use the waters of WELLS NUMBERED 1 THROUGH 8 in the LAKE LABISH DITCH BASIN for INDUSTRIAL USE AND IRRIGATION OF 346.2 ACRES.

This permit is issued approving Application G-12498. The date of priority is APRIL 24, 1991. The use is limited to not more than 6.41 CUBIC FEET PER SECOND (CFS), BEING 2.08 CFS FOR INDUSTRIAL USE AND 4.33 CFS FOR IRRIGATION, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

SE 1/4 NE 1/4, SE 1/4 SW 1/4, NW 1/4 SE 1/4, SW 1/4 SE 1/4, Section 8, NW 1/4 NE 1/4, NE 1/4 NW 1/4, Section 17, Township 6 South, Range 2 West, WM; Well 1 - 570 feet South and 2850 feet East, Well 2 - 925 feet South and 2800 feet East, Well 3 - 2840 feet South and 2710 feet East, Well 4 - 920 feet South and 2280 feet East, Well 5 - 890 feet South and 2990 feet East, Well 6 - 2380 feet North and 3930 feet East, Well 7 - 2640 feet South and 1390 feet East, Well 8 - 210 feet South and 1680 feet East; all from the re-entrant Corner, west line, Lambert DLC 61.

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-eightieth of one cubic foot per second (or its equivalent) and 2.5 acre-feet for each acre irrigated during the irrigation season of each year. The use of water for irrigation is limited to the period of March 1 through October 31 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 this permit is as follows:

SW 1/4 SW 1/4 7.3 ACRES SECTION 4 SE 1/4 SW 1/4 4.4 ACRES SW 1/4 SE 1/4 2.8 ACRES SE 1/4 SE 1/4 3.4 ACRES SECTION 5 NE 1/4 NE 1/4 5.0 ACRES NW 1/4 NE 1/4 SW 1/4 NE 1/4 13.6 ACRES 12.1 ACRES 14.7 ACRES SE 1/4 NE 1/4 NE 1/4 NW 1/4 24.2 ACRES SW 1/4 NW 1/4 0.4 ACRE SE 1/4 NW 1/4 33.1 ACRES NE 1/4 SW 1/4 38.8 ACRES NW 1/4 SW 1/4 13.4 ACRES SW 1/4 SW 1/4 4.7 ACRES SE 1/4 SW 1/4 8.3 ACRES & INDUSTRIAL NE 1/4 SE 1/4 30.3 ACRES NW 1/4 SE 1/4 14.3 ACRES SW 1/4 SE 1/4 25.2 ACRES & INDUSTRIAL SE 1/4 SE 1/4 11.2 ACRES SECTION 8

Application G-12498

Water Resources Department

PERMIT G-11974

NW 1/4 NW 1/4 26.1 ACRES SW 1/4 NW 1/4 21.8 ACRES NW 1/4 SW 1/4 2.8 ACRES SECTION 9 NW 1/4 NE 1/4 5.7 ACRES & INDUSTRIAL SW 1/4 NE 1/4 2.4 ACRES NE 1/4 NW 1/4 10.8 ACRES & INDUSTRIAL NW 1/4 NW 1/4 SE 1/4 NW 1/4 6.0 ACRES & INDUSTRIAL 0.3 ACRE SECTION 17 NE 1/4 NE 1/4 3.1 ACRES SECTION 18

TOWNSHIP 6 SOUTH, RANGE 2 WEST, W.M.

The use of water allowed under this permit includes appropriation of water directly from the eight wells or through five ponds for irrigation use. In addition, water may be appropriated for irrigation purposes through the ponds during the irrigation season each year utilizing waste water from industrial water use, provided the total quantity of water does not exceed the limits of this permit.

The embankments of the ponds shall be kept clear of brush, debris and burrowing animals. The embankments shall be constructed, operated and maintained according to the plans prepared by Clark & Groff Engineers, Inc. dated April, 1968, or according to satisfactory plans approved by the Director.

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.

The water user shall report a March static water level in the well(s) 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, professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board, or the permittee/appropriator. Measurements and calculations shall be provided to the Department on forms provided by the Department and shall be certified as to their accuracy by the individual making the measurements.

Use of water from the well(s) 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 with senior priority which provides water for an authorized use.

The Water Resources Department has determined that the initial water level in the well(s) are those of the initial March report. That is the level from which the cited declines in (A), (B) and (C) above will be referenced.

Measurement, recording and reporting conditions:

Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water use information, including the place and nature of use of water under the permit.

PAGE THREE

The permittee 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. 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 March /4, 1996 and shall be completed on or before October 1, 1999. Complete application of water shall be made on or before October 1, 1999.

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.

The Director finds that the proposed use(s) of water described by this permit, as conditioned, would not impair or be detrimental to the public interest.

Issued this date, March /4, 1995.

/s/ MARTHA O. PAGE.

Water Resources Department Martha O. Pagel Director

Application G-12498 Basin 2

Water Resources Department Volume 14 Lake Labish Ditch PERMIT G-11974 District 16