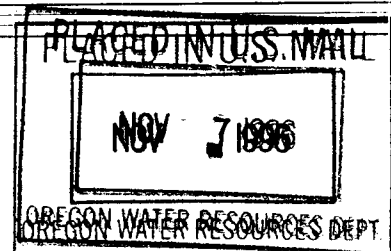


STATE OF OREGON
COUNTY OF CLACKAMAS



PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

WONDERLAND PRESERVE INC.
65000 E HWY 26
WELCHES, OREGON 97067

(503) 622-4011

The specific limits for the use are listed below along with conditions of use.

APPLICATION FILE NUMBER: G-13716

SOURCE OF WATER: TWO WELLS IN THE SALMON RIVER BASIN

PURPOSE OR USE: HUMAN CONSUMPTION ONLY FOR 650 HOUSEHOLDS

RATE OF ALLOWED USE: 0.178 CUBIC FOOT PER SECOND (CFS) TOTAL, BEING 0.089 CFS FROM WELL #1 AND 0.089 CFS FROM WELL #2

PERIOD OF ALLOWED USE: YEAR ROUND FOR HUMAN CONSUMPTION ONLY

DATE OF PRIORITY: JUNE 16, 1994 FOR 0.163 CFS AND APRIL 13, 1995 FOR 0.015 CFS

POINT OF DIVERSION LOCATION: SE 1/4 NW 1/4, SECTION 31, T2S, R7E, W.M.; WELL #1 - 75 FEET SOUTH AND 650 FEET WEST, WELL #2 - 350 FEET SOUTH AND 600 FEET WEST, BOTH FROM THE C-N 1/16 OF SECTION 31

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW 1/4 NW 1/4
SECTION 31
TOWNSHIP 2 SOUTH, RANGE 7 EAST, W.M.

Measurement, recording and reporting conditions:

- A. 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.

- B. 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.

SANDY BASIN GROUNDWATER CONDITION

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, 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 interferences.

Use of water from the well, as allowed herein, shall be regulated if the well displays:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A total water level decline of fifteen or more feet; or
- (C) A hydraulic interference decline of fifteen or more feet in any neighboring well providing water for senior exempt uses or wells covered by prior rights.

The permittee/appropriator shall install a meter or other measuring device suitable to the Director, and shall keep a complete record of water use.

The permittee/appropriator shall be responsible for complying with each of the following requirements for measuring water levels in the well.

- (A) Use of water from a new well shall not begin until the initial water level in the well has been measured. A measurement of initial water level shall be made at the time a pump is installed, but before pumping begins.
- (B) In addition to the measurement required in subsection (a) of this section, a water level measurement shall be made each year at the time of spring high water during the period March 15 through April 15.
- (C) All water level measurements shall be made by a qualified individual. Qualified individuals included certified water rights examiners, licensed water well drillers, registered geologists, registered professional engineers, registered land surveyors, or the permittee/appropriator.
- (D) Any qualified individual measuring a well shall use standard methods of procedure and equipment designed for the purpose of well measurement. The equipment used shall be well suited to the conditions of construction at the well. A list of standard methods of procedure and suitable equipment shall be available from the Department.

- (E) The permittee/appropriator shall submit a record of the measurement to the Department on a form available from the Department. The record of measurement shall be received not later than 30 days from the date of measurement.

The Department shall determine when any of the declines cited above are evidenced by the well measurement required above.

STANDARD CONDITIONS

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

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.

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 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.

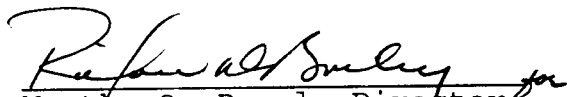
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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

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

Actual construction of the well shall begin within one year from permit issuance and shall be completed on or before October 1, 1998. Complete application of the water to the use shall be made on or before October 1, 1999.

Issued October 29, 1996


Martha O. Pagel, Director
Water Resources Department

Bφ6
Cφ7

Application G-13716
Basin 03

Water Resources Department
Volume 2, Sandy River & Misc.
MGMT.CODES 7BG, 7BW, 7GG, 7GR

PERMIT G-12941
District 01