

STATE OF OREGON

COUNTY OF LINN

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

VALLEY FALLS FARM LLC
9955 SW POTANO ST
EUALATIN, OR 97062

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-18090

SOURCE OF WATER: WELL 1 (LINN 4869), WELL 2, WELL 3, WELL 4, AND WELL 5
IN WILSON LAKE BASIN

PURPOSE OR USE: IRRIGATION OF 253.8 ACRES

MAXIMUM RATE: 3.17 CUBIC FEET PER SECOND

PERIOD OF USE: MARCH 1 THROUGH OCTOBER 31

DATE OF PRIORITY: MAY 21, 2015

WELL LOCATIONS:

WELL 1 (LINN 4869): MCCLAIN DLC 70 (SWNE), SECTION 18, T10S, R3W,
W.M.; 2550 FEET SOUTH AND 1440 FEET WEST FROM NE CORNER, SECTION 18

WELL 2: MCLAIN DLC 70 (NWSE), SECTION 18, T10S, R3W, W.M.; 2690
FEET SOUTH AND 1450 FEET WEST FROM NE CORNER, SECTION 18

WELL 3: MCCLAIN DLC 70 (NWNE), SECTION 18, T10S, R3W, W.M.; 1270
FEET SOUTH AND 1930 FEET WEST FROM NE CORNER, SECTION 18

WELL 4: MCCLAIN DLC 70 (NENE), SECTION 18, T10S, R3W, W.M.; 1270
FEET SOUTH AND 1180 FEET WEST FROM NE CORNER, SECTION 18

WELL 5: FENN DLC 69 (NWNW), SECTION 17, T10S, R3W, W.M.; 1270 FEET
SOUTH AND 20 FEET EAST FROM NW CORNER, SECTION 17

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 and
2.5 acre-feet for each acre irrigated during the irrigation season of
each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW ¼ SW ¼ 6.9 ACRES
 SW ¼ SW ¼ 28.6 ACRES
 SECTION 8

FENN DLC 69 NW ¼ NW ¼ 37.5 ACRES
 FENN DLC 69 SW ¼ NW ¼ 34.4 ACRES
 FENN DLC 69 SE ¼ NW ¼ 3.6 ACRES
 SECTION 17

FENN DLC 69 NE ¼ NE ¼ 8.2 ACRES
 MCCLAIN DLC 70 NE ¼ NE ¼ 27.0 ACRES
 MCCLAIN DLC 70 NW ¼ NE ¼ 20.4 ACRES
 MCCLAIN DLC 70 SW ¼ NE ¼ 10.8 ACRES
 FENN DLC 69 SE ¼ NE ¼ 8.0 ACRES
 MCCLAIN DLC 70 SE ¼ NE ¼ 9.0 ACRES
 MCCLAIN DLC 70 NE ¼ SW ¼ 2.2 ACRES
 MCCLAIN DLC 70 NE ¼ SE ¼ 29.6 ACRES
 MCCLAIN DLC 70 NW ¼ SE ¼ 27.6 ACRES
 SECTION 18

TOWNSHIP 10 SOUTH, RANGE 3 WEST, W.M.

Measurement devices, and recording/reporting of annual water use conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of appropriation. The permittee shall maintain the device in good working order.
- B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes 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.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

Static Water Level Conditions

To monitor the effect of water use from the well(s) authorized under this permit, the Department requires the water user to obtain, from a qualified individual (see below), and report annual static water-level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

Measurements must be made according to the following schedule:

Before Use of Water Takes Place

Initial and Annual Static Water Level Measurements

The Department requires the permittee to report an initial water-level measurement in the month specified above once well construction is complete, and annually thereafter until use of water begins; and

After Use of Water has Begun

Seven Consecutive Annual Static Water Level Measurements

Following the first year of water use, the user shall report seven consecutive annual static water-level measurements. The first of these seven annual measurements will establish the reference level against which future annual measurements will be compared. Based on an analysis of the data collected, the Director may require the user to obtain and report additional annual static water-level measurements beyond the seven year minimum reporting period. The additional measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- A. Identify each well with its associated measurement;
- B. Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface;
- C. Specify the method used to obtain each well measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

The Department may require the discontinuance of groundwater use, or reduce the rate or volume of withdrawal, from the well(s) if any of the following events occur:

- A. Annual water-level measurements reveal an average water-level decline of three or more feet per year for five consecutive years; or
- B. Annual water-level measurements reveal a water-level decline of 15 or more feet in fewer than five consecutive years; or
- C. Annual water-level measurements reveal a water-level decline of 25 or more feet; or
- D. Hydraulic interference leads to a decline of 25 or more feet in any neighboring well with senior priority.

The period of non-use or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the permittee's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

Groundwater production shall occur only from the alluvial groundwater reservoir.

Prior to using water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.

STANDARD CONDITIONS

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.

If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may be subject to cancellation, unless the Department authorizes the change in writing.

If substantial interference with surface water or 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.

The well(s) shall be constructed and maintained in accordance with the General Standards for the Construction and Maintenance of Water Supply Wells in Oregon. The works shall be equipped with a usable access port adequate to determine water-level elevation in the well at all times.

If the riparian area is disturbed in the process of developing a point of appropriation, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

The use may be restricted if the quality of downstream waters decreases to the point that those waters no longer meet state or federal water quality standards due to reduced flows.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

Prior to receiving a certificate of water right, the permit holder shall submit to the Water Resources Department the results of a pump test meeting the Department's standards for each point of appropriation (well), unless an exemption has been obtained in writing under OAR 690-217. The Director may require water-level or pump-test data every ten years thereafter.

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.

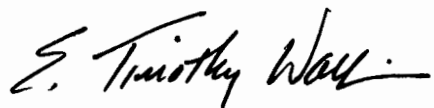
Construction of the well shall be made within five years of the date of permit issuance. The deadline to begin construction may not be extended. This permit is subject to cancellation proceedings if the begin construction deadline is missed.

Complete application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not

been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued *MARCH 16 2016*



E. Timothy Wallin, Water Rights Program Manager
for Thomas M. Byler, Director