STATE OF OREGON

COUNTY OF WASHINGTON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

GLENN WALTERS NURSERY, INC. PO BOX 280 BANKS, OREGON 97106

503-693-1125

to use the waters of AN UNNAMED STREAM AND MIDWAY NURSERY RESERVOIR, to be constructed under Application R-70334, Permit R-11266, tributaries of McFEE CREEK, for PRIMARY NURSERY OPERATIONS ON 34.70 ACRES AND SUPPLEMENTAL NURSERY OPERATIONS ON 38.61 ACRES.

This Permit is issued approving Application 70335. The date of priority is MAY 3, 1990. The use is limited to not more than 11.0 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the point of diversion from the source.

USE OF WATER FROM DIRECT FLOW FROM THE STREAM IS NOT ALLOWED DURING THE PERIOD FROM MAY 1 THROUGH OCTOBER 31 EACH YEAR. This limitation does not apply to the waters legally stored in Midway Nursery Reservoir. In addition, the applicant will be required to construct a bypass or pipeline to divert the flow from the unnamed stream around the reservoir between May 1 and October 31.

The point of diversion is located as follows:

SE 1/4 SW 1/4, SECTION 8, T 2 S, R 2 W, W.M.; 1030 FEET NORTH AND 2325 FEET EAST FROM SW CORNER, SECTION 8.

In the interest of conserving groundwater, this permit may be exercised to satisfy the primary rights provided that the total quantity of water diverted from all sources does not exceed the limitations allowed herein.

The amount of water used for Nursery Operations 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 this Permit is as follows:

PRIMARY

NE 1/4 SW 1/4 17.10 ACRES SE 1/4 SW 1/4 17.60 ACRES SECTION 8 TOWNSHIP 2 SOUTH, RANGE 2 WEST, W.M.

16641

Application 70335

Water Resources Department

PERMIT 51137

SUPPLEMENTAL

SW 1/4 NE 1/4 19.76 ACRES SE 1/4 NW 1/4 18.85 ACRES SECTION 8 TOWNSHIP 2 SOUTH, RANGE 2 WEST, W.M.

This project was considered and approved by the Water Resources Commission on October 26, 1990.

Actual construction work shall begin on or before December 17, 1991, and shall be completed on or before October 1, 1992. Complete application of the water to the use shall be made on or before October 1, 1993.

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 allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

Issued this date, DECEMBER 17, 1990.

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Water Resources Department William H. Young

Director