STATE OF OREGON

COUNTY OF

JACKSON

CERTIFICATE OF WATER RIGHT

This Is to Certify, That Sterling Mines, incorporated

of Box 1038, Medford , State of Oregon , has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of Sterling Creek

a tributary of Applegate River

for the purpose of

Manufacturing (concentration mill.)
under Permit No. 11612 of the State Engineer, and that said right to the use of said waters
has been perfected in accordance with the laws of Oregon; that the priority of the right hereby
confirmed dates from March 15, 1935;

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 1.0 cubic foot per second measured at the point of diversion from the stream,

or its equivalent in case of rotation.

The point of diversion is located in the SE2SW1, Section 8, Township 39 South, Range 2 West, W. M.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to of one cubic foot per second per acre,

and shall

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

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

PLACE OF USE:

SEiSWi, Section 53, Township 38 South, Range 2 West, N. M.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described.

After the expiration of fifty years from the date of this certificate or on the expiration of any federal power license issued in connection with this right, and after not less than two years' notice in writing to the holder hereof, the State of Oregon, or any municipality thereof, shall have the right to take over the dams, plants and other structures and all appurtenances thereto which have been constructed for the purpose of devoting to beneficial use the water rights specified herein, upon condition that before taking possession the State or municipality shall pay not to exceed the fair value of the property so taken, plus such reasonable damages, if any, to valuable, serviceable and dependable property of the holder of this certificate, not taken over, as may be caused by the severance therefrom of the property taken in accordance with the provisions of section 47-508. Oregon Code 1980.

WITNESS the signature of the State Engineer, affixed

this 8th day of September , 1937.

CHAS. E. STRICKLIN

State Engineer

Recorded in State Record of Water Right Certificates, Volume 11 page 11844