

STATE OF OREGON
COUNTY OF JACKSON
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

PHILLIP ROY KROUSE AND KROUSE RANCH, INC.
15877 NORTH APPLGATE ROAD
GRANTS PASS, OREGON 97526

confirms the right to use the waters of APPLGATE RIVER AND APPLGATE LAKE RESERVOIR, tributaries of ROGUE RIVER, for the purpose of IRRIGATING 12.0 ACRES AND SUPPLEMENTAL IRRIGATION OF 50.0 ACRES.

The right has been perfected under Permit 46304. The date of priority is JULY 29, 1981. The right is limited to not more than 0.15 CUBIC FOOT PER SECOND FROM STREAM AND 42.0 ACRE FEET FROM RESERVOIR or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

RIVER - NE 1/4 SE 1/4, SECTION 7, T 38 S, R 4 W,
W.M.; 1310 FEET SOUTH & 880 FEET WEST FROM E1/4 CORNER SECTION 7;
RESERVOIR - S 1/2 SE 1/4, SECTION 25, T 40 S, R 4 W, 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 ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated from direct flow and shall be further limited to a diversion of not to exceed 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage, and is subject to the terms and conditions of Contract No. 1-07-10-W0285, or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department.

The right 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, and to which such right is appurtenant, is as follows:

| | PRIMARY | SUPPLEMENTAL |
|---------------|---------------------------------------|--------------|
| SW 1/4 NE 1/4 | 10.0 ACRES | 13.8 ACRES |
| SE 1/4 NE 1/4 | 2.0 ACRES | 17.0 ACRES |
| NE 1/4 SE 1/4 | | 12.2 ACRES |
| | SECTION 7 | |
| SW 1/4 NW 1/4 | | 7.0 ACRES |
| | SECTION 8 | |
| | TOWNSHIP 38 SOUTH, RANGE 4 WEST, W.M. | |

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described. The right is subject to minimum flows established by the Water Resources Commission with an effective date prior to this right.

WITNESS the signature of the Water Resources Director, affixed this date DECEMBER 22, 1988.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 58913
61968