STATE OF OREGON

COUNTY OF YAMHILL

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

SHAD-O-HILL FARMS, INC.
958 WEST 11TH STREET
MCMINNVILLE, OREGON 97128

confirms the right to use the waters of AN UNNAMED STREAM AND A RESERVOIR constructed under permit R-8461, tributary of PALMER CREEK, for the purpose of IRRIGATING 128.0 ACRES.

The right has been perfected under Permit 46838. The date of priority is OCTOBER 29, 1980, FOR 1.46 CUBIC FEET PER SECOND AND JULY 30, 1982, FOR 0.14 CFS. The right is limited to not more than 1.6 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

NE 1/4 SW 1/4, AS PROJECTED WITHIN DLC 47, SECTION 19, T 5 S, R 3 W, W.M.; 1670 FEET NORTH AND 1540 FEET EAST FROM THE SW CORNER OF SECTION 19.

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 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage.

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:

SW 1/4 NE 1/4	12.4 ACRES
NE 1/4 NW 1/4	12.9 ACRES
SW 1/4 NW 1/4	8.6 ACRES
SE 1/4 NW 1/4	31.7 ACRES
NE 1/4 SW 1/4	23.9 ACRES
NW 1/4 SW 1/4	30.3 ACRES
NW 1/4 SE 1/4	8.2 ACRES

ALL AS PROJECTED WITHIN DLC 47
SECTION 19
TOWNSHIP 5 SOUTH, RANGE 3 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 29, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 63737

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