STATE OF OREGON

COUNTY OF UNION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF LAGRANDE PARKS AND LEISURE SERVICES DEPARTMENT 808 ADAMS AVENUE LAGRANDE, OREGON 97850

confirms the right to store the waters of SHEEP CREEK, a tributary of ROCK CREEK, in MORGAN LAKE RESERVOIR, appropriated under Permit 40992, for the purpose of RECREATION.

The right to store these waters was perfected under Reservoir Permit R-6533. The date of priority is JUNE 15, 1976. The amount of water entitled to be stored each year under this right is not more than 780.0 acre feet.

The reservoir is located as follows:

SW 1/4 NW 1/4 W 1/2 SW 1/4 SECTION 13

E 1/2 SE 1/4 SECTION 14 TOWNSHIP 3 SOUTH, RANGE 37 EAST, W.M.

The point of diversion is within the NE 1/4 NW 1/4, Section 25, T 3 S, R 37 E, W.M.; South 34 degrees 30 minutes West, 1220 feet from the North 1/4 corner of Section 25.

The dam is to be operated and maintained in accordance to the approved plans and specifications.

The right to store and use the water for the above purpose is restricted to beneficial use at the place of use described.

WITNESS the signature of the Water Resources Director, affixed this date AUGUST 13, 1990.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 64461.

R-54388.TES