STATE OF OREGON

COUNTY OF BAKER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

PHILLIPS RANCH, INC. HCR 88 BOX 127 BAKER CITY, OREGON 97814

CANCELED

confirms the right to use the waters of the POWDER RIVER, a tributary of the SNAKE RIVER, for IRRIGATION of 327.5 acres, and of TUCKER CREEK, a tributary of the POWDER RIVER, for IRRIGATION of 125 acres.

This right was confirmed by decree of the Circuit Court of the State of Oregon for BAKER County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 6, at Page 291. The date of priority is 1888 FOR POWDER RIVER AND 1876 FOR TUCKER CREEK.

The use is limited to 8.188 CUBIC FEET PER SECOND from POWDER RIVER AND 3.125 CUBIC FEET PER SECOND FROM TUCKER CREEK, or its equivalent in case of rotation, measured at the point of diversion from the source.

The points of diversion are located as follows:

POWDER RIVER - POWDER RIVER DAM DITCH AND CONSTRUCTION CO. DITCH TUCKER CREEK -

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-FORTIETH of one cubic foot per second (or its equivalent) for each acre irrigated during the irrigation season of each year.

A description of the place of use to which this right is appurtenant is as follows:

POWDER RIVER

 SW_4^1 SW_4^1 39.5 ACRES

 SE_4^1 SW_4^1 19.0 ACRES

SECTION 8

 SW_4^1 NE_4^1 40.0 ACRES

 $NW_4^1 NE_4^1 29.0 ACRES$

NE¹₄ NW¹₄ 40.0 ACRES

 NW_{4}^{1} NW_{4}^{1} 40.0 ACRES

 $SE_{4}^{1} NW_{4}^{1}$ 40.0 ACRES

 NE_4^1 SE_4^1 40.0 ACRES

 NW_4^1 SE_4^1 40.0 ACRES SECTION 17

TUCKER CREEK

SW¹ NE¹ 40.0 ACRES

 $SE_4^1 NW_4^1$ 40.0 ACRES

 NE_{4}^{1} SE_{4}^{1} 15.0 ACRES

 NW_4^1 SE $_4^1$ 30.0 ACRES

SECTION 17

(NOTE: THIS LAND IS ALSO IRRIGATED FROM POWDER RIVER AND INCLUDED ABOVE FOR SUPPLEMENTARY SUPPLY.)

TOWNSHIP 8 SOUTH, RANGE 42 EAST, W.M.

CANCELED

This certificate describes that portion of the water right confirmed by the prior certificate 4381, issued in the name of Arthur Oliver, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on January 27, 1995 The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment. The right to the use of the water for the above purposes is restricted to beneficial use on the lands or place of use described and is subject to all other conditions and limitations contained in said decree. WITNESS the signature of the Water Resources Director, affixed among 27, 1995............ Murfall Chille Martha O. Pagel Recorded in State Record of Water Right Certificates numbered 68438. RR4381.VC Canceled Sp. Or. Vol. 51 P. 579 Supersected by 37-7-1041 Cert. No. Canceled Sp.Or.Vol. 51 P. 1406

CANCELED