STATE OF OREGON

COUNTY OF WHEELER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

WILLIAM SMITH PROPERTIES, INC. 15 SW COLORADO AVENUE BEND, OREGON 97702

confirms the right to use the waters of MITCHELL RANCH RESERVOIR ENLARGEMENT (PAINTED HILLS RESERVOIR) CONSTRUCTED UNDER PERMIT R-9896, a tributary of THE JOHN DAY RIVER, for SUPPLEMENTAL IRRIGATION OF 407.9 ACRES.

This right was perfected under Permit 48540. The date of priority is OCTOBER 17, 1983. This right is limited to 407.9 ACRE-FEET OF STORED WATER ONLY.

The point of diversion is located as follows:

NE 1/4 SW 1/4, SECTION 25, T 10 S, R 20 E, W.M.; 1620 FEET NORTH AND 240 FEET WEST FROM THE S 1/4 CORNER OF SECTION 25.

The amount of water used for irrigation together with the amount secured under any other right existing for the same lands, is limited to 4.0 acre-feet for each acre irrigated FROM STORAGE FROM RESERVOIR ENLARGEMENT CONSTRUCTED UNDER PERMIT R-9896.

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

9.0 ACRES

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

SW 1/4 SW 1/4

```
SE 1/4 SW 1/4
                        29.0 ACRES
              SECTION 24
     NW 1/4 NE 1/4
                         5.1 ACRES
     SW 1/4 NE 1/4
                        28.9 ACRES
     SE 1/4 NE 1/4
                        8.6 ACRES
     NE 1/4 NW 1/4
                        30.7 ACRES
     NW 1/4 NW 1/4
                       26.3 ACRES
               1/4
     SW 1/4 NW
                        11.6 ACRES
               1/4
                        21.2 ACRES
     SE 1/4 NW
     NE 1/4 SW 1/4
                        5.2 ACRES
     NE 1/4 SE 1/4
                        35.4 ACRES
     NW 1/4 SE 1/4
                       29.6 ACRES
               1/4
     SW 1/4
            SE
                         3.8 ACRES
     SE 1/4 SE 1/4
                        28.2 ACRES
              SECTION 25
     NE 1/4 NE 1/4
                         0.3 ACRE
              SECTION 36
TOWNSHIP 10 SOUTH, RANGE 20 EAST, W.M.
     NW 1/4 SW 1/4
                         4.4 ACRES
     SW 1/4
            SW 1/4
                        14.4 ACRES
     SE 1/4 SW 1/4
                        0.3 ACRE
              SECTION 30
TOWNSHIP 10 SOUTH, RANGE 21 EAST, W.M.
```

SEE NEXT PAGE

67961.DSM

```
NW 1/4 NE 1/4
                         1.3 ACRES
     SW 1/4 NE 1/4
                        17.1 ACRES
                        17.0 ACRES
     NE 1/4 NW 1/4
     NW 1/4 NW 1/4
                        16.6 ACRES
        1/4 NW 1/4
                        15.0 ACRES
     SE
     NE 1/4 SW 1/4
                         0.4 ACRE
     NW 1/4 SE 1/4
                        23.8 ACRES
                        0.9 ACRE
     SW 1/4 SE 1/4
     SE 1/4 SE 1/4
                        15.8 ACRES
              SECTION 31
TOWNSHIP 10 SOUTH, RANGE 21 EAST, W.M.
     NE 1/4 NE 1/4
                         8.0 ACRES
               SECTION 6
TOWNSHIP 11 SOUTH, RANGE 21 EAST, 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 use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

WITNESS the signature of the Water Resources Director, affixed AUGUST 14, 1995.

ys/ Balla A.C. FAGEL

Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 68554.

67961.DSM