STATE OF OREGON

COUNTY OF JACKSON

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MONTY G. AND CAROL HOLST
14780 HWY 238
JACKSONVILLE, OR 97530

confirms the right to use the waters of APPLEGATE LAKE RESERVOIR CONSTRUCTED UNDER PERMIT R-7810, a tributary of APPLEGATE RIVER, for SUPPLEMENTAL IRRIGATION OF 20.0 ACRES.

This right was perfected under Permit 46515. The date of priority is AUGUST 18, 1981. This right is limited to not more than 15.0 ACRE-FEET STORED WATER ONLY, 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 NW 1/4, AS PROJECTED WITHIN DLC 38, SECTION 22, T 38 S, R 4 W, W.M.; 1220 FEET SOUTH AND 1720 FEET EAST FROM THE NW CORNER OF SECTION 22 AND APPLEGATE DAM - S 1/2 SE 1/4 OF 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 A DIVERSION OF NOT TO EXCEED 4.5 ACRE-FEET PER ACRE FOR EACH acre irrigated during the irrigation season of each year. The right shall be limited to any deficiency in the available supply of any prior right existing for the same land and shall not exceed the limitation allowed herein. The right is subject to the terms and conditions of Contract 2-07-10-W0445 between the Bureau of Reclamation and the applicant, or a satisfactory replacement, a copy of which is on file in the records of the Water Resources Director.

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 to which this right is appurtenant is as follows:

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LOT 3 (NE 1/4 NW 1/4)      3.9 ACRES
      NE 1/4 NW 1/4       16.1 ACRES
   AS PROJECTED WITHIN DLC 38
            SECTION 22
TOWNSHIP 38 SOUTH, RANGE 4 WEST, W.M.
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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 MAY 13, 1997.

/S/ Richard D. Bailey

Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 74288.

62358.DM