STATE OF OREGON

COUNTY OF JACKSON

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DAVID H. HOLMES 2909 NORTH PHOENIX ROAD MEDFORD, OREGON 97501

confirms the right to use the waters of HOLMES RESERVOIR CONSTRUCTED UNDER PERMIT R-8397, a tributary of BEAR CREEK, for SUPPLEMENTAL IRRIGATION OF 53.2 ACRES.

This right was perfected under Permit 46644. The date of priority is AUGUST 7, 1981. This right is limited to 4.0 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:

LOT 3 (NW 1/4 NE 1/4), SECTION 10, T 38 S, R 1 W, W.M.; 400 FEET SOUTH AND 2000 FEET WEST FROM THE NORTHEAST CORNER OF SECTION 10.

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 4.5 acre-feet for each acre irrigated during the irrigation season of each year.

The use 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 8 (SE 1/4 SW 1/4)
                           12.6 ACRES
        SE 1/4 SW 1/4
                            7.6 ACRES
        SW 1/4 SE 1/4
                            2.3 ACRES
   BOTH AS PROJECTED WITHIN DLC 83
 LOT 5 (SW 1/4 SE 1/4)
                            0.5 ACRE
              SECTION 3
 LOT 2
       (NE 1/4 NW 1/4)
                           24.0 ACRES
 LOT 1 (NW 1/4 NW 1/4)
                            6.2 ACRES
              SECTION 10
TOWNSHIP 38 SOUTH, RANGE 1 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 OCTOBER 31, 1997.

/S/ Richard D. Bailey

Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 75249.

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