STATE OF OREGON

COUNTY OF JOSEPHINE

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

GALICE SUBDIVISION WATER COMPANY 12143 GALICE ROAD MERLIN, OREGON 97532

confirms the right to use the waters of SOUTH FORK ROCKY GULCH, a tributary of the ROGUE RIVER, for DOMESTIC USE FOR 18 FAMILIES, DOMESTIC USE AT 2 CAMP TRAILER SITES AND IRRIGATION OF 3.7 ACRES.

This right was perfected under Permit 40733. The date of priority is JUNE 4, 1976. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.073 CUBIC FOOT PER SECOND, being 0.029 cfs for domestic and 0.044 for irrigation, 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% NE%, AS PROJECTED WITHIN J. STEEL MINE CLAIM 40, SECTION 35, T 34 S, R 8 W, W.M.; 800 FEET SOUTH AND 90 FEET WEST FROM NE CORNER OF SECTION 35..

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 4½ 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:

CAMP TRAILER & DOMESTIC LOT 13 (SW1/4 NW1/4) 1.7 ACRES CAMP TRAILER & DOMESTIC LOT 14 (SE1/4 NW1/4) 1.3 ACRES DOMESTIC LOT 8 (NE1/4 SW1/4) 0.7 ACRE SECTION 36

TOWNSHIP 34 SOUTH, RANGE 8 WEST, W.M.

LAND UPON WHICH THE WATER IS USED MORE EXPLICITLY DESCRIBED AS:

DOMESTIC & BLOCK 1 - LOTS 7,8,10, AND 11

IRRIGATION BLOCK 2 - LOTS 3,5,6,7,8,10, AND 14
BLOCK 3 - LOTS 3,4,5,6,8,10, AND 11

CAMP TRAILER & BLOCK 2 - LOTS 4 AND 11

IRRIGATION
ALL WITHIN GALICE SUBDIVISION.

This certificate describes that portion of the water right confirmed by Certificate 55278, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered _________, approving Transfer Application 7121.

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 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 APR 1 4 1999

| S | Tom Paul (for)
Martha O. Pagel, Director

Recorded in State Record of Water Right Certificates numbered 75461.