STATE OF OREGON

COUNTY OF HOOD RIVER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

FARMERS IRRIGATION DISTRICT 1985 COUNTRY CLUB ROAD HOOD RIVER, OREGON 97031

confirms the right to use the waters of GATE CREEK, CABIN CREEK AND NORTH FORK GREEN POINT CREEK, tributaries of WEST FORK HOOD RIVER, for DEVELOPMENT OF 2097 THEORETICAL HORSEPOWER AT FARMERS IRRIGATION GENERATION PLANTS NO. 2 AND 3.

This right was perfected under Permit 51421. The date of priority is FEBRUARY 11, 1981. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 25.0 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the point of diversion from the source. Water shall be diverted in the following order of priority:

Cabin/Gate Creek - 5.0 cfs from Gate Creek and Cabin Creek with no more than a total of 5.0 cfs at any one time from, both sources;

North Fork Green Point Creek - No more than a total of 20.0 cfs will be diverted from North Fork Green Point Creek;

No more than a total of 25.0 cfs at any one time from Gate Creek, Cabin Creek and North Fork Green Point Creek, water will be diverted from Gate Creek and Cabin Creek but not when the flow in Green Point Creek falls below the minimum defined herein and then from North Fork Green Point Creek until the balance of the 25.0 cfs is diverted or until the minimum flow is reached in Green Point Creek; and

No more than 35.0 cfs will be diverted from all Plant No. 3 sources at any one time. Water will first be diverted from Ditch Creek, then North and South Pine Creeks, and finally from Dead Point Creek as allowed under Certificate No. 67267. Gate Creek, Cabin Creek and North Fork Green Point Creek will then be used in the manner described herein until flows of the sources are reached.

The points of diversion are located as follows:

GATE CREEK - NE 1/4 SW 1/4, SECTION 30, TOWNSHIP 2 NORTH, RANGE 9 EAST, W.M.; 940 FEET SOUTH AND 600 FEET WEST FROM THE CENTER 1/4 CORNER, SECTION 30;

CABIN CREEK - NW 1/4 NE 1/4, SECTION 32, TOWNSHIP 2 NORTH, RANGE 9 EAST, W.M.; 170 FEET SOUTH AND 800 FEET EAST FROM THE NORTH 1/4 CORNER, SECTION 32; AND

NORTH FORK GREEN POINT CREEK - SE 1/4 SW 1/4, SECTION 3, TOWNSHIP 1 NORTH, RANGE 9 EAST, W.M.; 900 FEET NORTH AND 1600 FEET EAST FROM THE SW CORNER, SECTION 3.

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

SE 1/4 SE 1/4 PLANT NO. 3
SECTION 10
SE 1/4 SE 1/4 PLANT NO. 2
SECTION 11
TOWNSHIP 2 NORTH, RANGE 10 EAST, W.M.

The District shall continue to implement and maintain its Green Point Creek restoration project in such a manner as will further the goals achieved to date, which are:

- 1. Providing access to Green Point Creek for anadromous fish;
- 2. Adding habitat complexity and structure;
- 3. Retaining gravel in the stream channel; and
- 4. Converting open canals to pipe.

The above goals shall be accomplished though the continued implementation of the District's Water Conservation and Management Plan (WCMP) dated March 17, 1995, and the District, in so doing, shall continue its long-term efforts to provide improved fish access and improved habitat conditions for fish which are able to access Green Point Creek, shall continue to provide habitat complexity and structure in a manner which is ecologically sound and which provides a natural, quality environment for anadromous and resident fish, and shall continue to pursue methods of retaining adequate gravel within the stream channel. The district shall continue to implement its program of converting open canals into pipe. The District shall monitor the restoration project sufficiently to further the goals expressed herein and in the District's WCMP and shall operate the project to assure the following minimum bypass flows as measured at the original United States Geological Survey gauging site on Green Point Creek:

20 cfs from October 16 through December 31; and 40 cfs from January 1 through April 14.

In order to assure compliance with the goals set forth herein and in the Oregon Water Resources Commission Order for Hydro-electric Application 61243 (PC882) dated December 3, 1990, during the operation lifetime of the project, the District shall perform any tests or studies required by the Oregon Water Resources Department or the Oregon Department of Fish and Wildlife (ODFW) to evaluate the effectiveness of measures for the protection and enhancement of fish. The District will allow ODFW access to district facilities and projects for inspection or other activities needed to assure project compliance. Restoration, enhancement, and protection strategies determined to be ineffective will be revised in consultation and cooperation ODFW, US Fish and Wildlife Service, National Marine Fisheries Service, and US Forest Service as required to achieve the Goals identified herein.

The right granted herein is expressly made inferior in right and subsequent in time to any appropriation of water from these sources which may hereafter be made for domestic, municipal, irrigation or any other beneficial consumptive use, or for storage for such purposes: provided further that the water user shall comply with the provisions of the final order of the Water Resources Commission dated December 3, 1990, and be reference herein made part of this right, provided further that the water user shall, during the operational lifetime of the project, perform or allow the Water Resources Department to perform any tests or studies required by the Department to evaluate the effectiveness of measures for the protection of fish; provided further that this right may not be assigned to any non-municipal entity so as to result in a loss of ownership of the right by a municipal corporation or district and that the holder of this right must remain qualified as a municipal applicant under ORS 537.285 and 573.287. If the municipal corporation or district proposes to alter any

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existing agreement or enter into any new agreement with a non-municipal entity that would provide for change in management of the generation of hydroelectric power as allowed under this right, the proposed agreement between the municipal corporation or district and the non-municipal entity must be reviewed by the Water Resources Commission to determine whether or not the permittee remains qualified as a municipal applicant.

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

Failure to comply with any of the provisions of this right may result in action including, but not limited to restrictions on the use, civil penalties, or cancellation of the right.

The right to the use of the water for the above purpose is restricted to beneficial use, without waste, on the lands or place of use described. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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 SEPTEMBER 25, 1998.

Rufau Robuley

Martha O. Pagel