

STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BLACK BUTTE RANCH PROPERTY MANAGEMENT CORPORATION
P.O. BOX 8000
BLACK BUTTE RANCH, OREGON 97759

confirms the right to use the waters of CINNAMON AND PHALAROPE RESERVOIRS CONSTRUCTED UNDER PERMIT R-7836, TRIBUTARIES of INDIAN FORD CREEK, for SUPPLEMENTAL IRRIGATION OF 124.5 ACRES.

This right was perfected under Permit 44270. The date of priority is OCTOBER 9, 1978 FOR 13.4 ACRE-FEET (AF) AND JULY 25, 1979 FOR 8.8 AF. This right is limited to 22.2 AF OF STORED WATER ONLY, measured at the point of diversion from the source.

The points of diversion are located as follows:

CINNAMON LAKE DAM - SE 1/4 NE 1/4, SECTION 9, TOWNSHIP 14 SOUTH, RANGE 9 EAST, W.M.; 1640 FEET SOUTH AND 1430 FEET EAST FROM THE N 1/4 CORNER OF SECTION 9; AND

PHALAROPE LAKE DAM - SW 1/4 NW 1/4, SECTION 10, TOWNSHIP 14 SOUTH, RANGE 9 EAST, W.M.; 1400 FEET SOUTH AND 3150 FEET EAST FROM THE N 1/4 CORNER OF SECTION 9.

The amount of water used for irrigation together with the amount secured under any other right existing for the same lands, is limited to 4.5 acre-feet for each acre irrigated during the irrigation season of each year from direct flow and storage. This right is limited to any deficiency in the available supply of any prior right existing for the same land.

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:

NE 1/4 NE 1/4	9.6 ACRES
NW 1/4 NE 1/4	17.1 ACRES
SW 1/4 NE 1/4	16.3 ACRES
NE 1/4 NW 1/4	13.4 ACRES
NW 1/4 NW 1/4	12.0 ACRES
SW 1/4 NW 1/4	12.8 ACRES
SE 1/4 NW 1/4	8.6 ACRES
NE 1/4 SW 1/4	6.2 ACRES
NW 1/4 SW 1/4	9.3 ACRES
SW 1/4 SW 1/4	6.2 ACRES
SE 1/4 SW 1/4	3.2 ACRES

SECTION 9

NW 1/4 NW 1/4	9.2 ACRES
SW 1/4 NW 1/4	0.6 ACRE

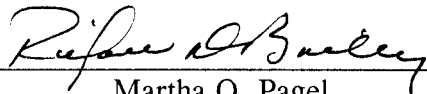
SECTION 10

TOWNSHIP 14 SOUTH RANGE 9 EAST W.M.

SEE NEXT PAGE

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 FEBRUARY 24, 1999.



Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 76004.