

STATE OF OREGON  
COUNTY OF KLAMATH  
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

GLENN LORENZ  
BAR C-L INC. 2626 SWAN LAKE ROAD  
KLAMATH FALLS, OREGON 97603

confirms the right to use the waters of A WELL in the LOST RIVER BASIN for IRRIGATION OF 197.8 ACRES.

This right was perfected under Permit G-12787. The date of priority is JUNE 8, 1993. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 2.47 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SE 1/4, SECTION 35, TOWNSHIP 38 SOUTH, RANGE 10 EAST, W.M.; 342 FEET NORTH AND 59 FEET WEST FROM THE SE 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 3.0 acre-feet per acre 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:

|  |            |
|--|------------|
| SE 1/4 SW 1/4                          | 29.8 ACRES |
| NE 1/4 SE 1/4                          | 7.4 ACRES  |
| NW 1/4 SE 1/4                          | 7.3 ACRES  |
| SW 1/4 SE 1/4                          | 24.5 ACRES |
| SE 1/4 SE 1/4                          | 21.4 ACRES |
| SECTION 35                             |            |
| TOWNSHIP 38 SOUTH, RANGE 10 EAST, W.M. |            |

|                       |            |
|-----------------------|------------|
| LOT 1 (NE 1/4 NE 1/4) | 30.9 ACRES |
| LOT 2 (NW 1/4 NE 1/4) | 42.1 ACRES |
| LOT 3 (NE 1/4 NW 1/4) | 34.4 ACRES |

SECTION 2  
TOWNSHIP 39 SOUTH, RANGE 10 EAST, W.M.

Measurement, recording and reporting conditions:

- A. The water user shall install a meter or other suitable measuring device as approved by the Director. The water user shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the wells at all times.

The Director may require water level or pump test results every ten years.

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

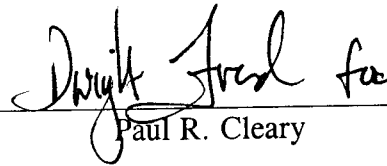
The right to use water for the above purpose is restricted to beneficial use, without waste, on the lands or place of use described. The water user is advised that new regulations may require use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

The Director of the Water Resources Department finds the use of water described by this right, as conditioned, will not impair or be detrimental to the public interest.

WITNESS the signature of the Water Resources Director, affixed JULY 31, 2001.

  
Paul R. Cleary

Recorded in State Record of Water Right Certificates numbered 77017.