STATE OF OREGON

COUNTY OF JACKSON

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LINCOLN GRAY RUCH, OREGON 97530

confirms the right to use the waters of LITTLE APPLEGATE RIVER, a tributary of ROGUE RIVER, for IRRIGATION OF 10 ACRES.

This right was perfected under Permit 2940. The date of priority is MAY 29,1916. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.125 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

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:

NE¼ SE¼ 7.0 ACRES SE¼ SE¼ 3.0 ACRES

SECTION 3

TOWNSHIP 39 SOUTH, RANGE 3 WEST. W.M.

This certificate describes that portion of the water right confirmed by Certificate 6106, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered _______, approving Transfer Application 8974.

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 _____DEC 2 9 2003

Paul R. Cleary