STATE OF OREGON

COUNTY OF BAKER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

PETER W. SCHOENINGH JR. P.O. BOX 2677 FLORENCE, OREGON 97439

confirms the right to use the waters of NORTH POWDER RIVER, a tributary of POWDER RIVER, for IRRIGATION of 174.0 ACRES, DOMESTIC, AND STOCK USE.

This right was confirmed by decree of the Circuit Court of the State of Oregon for UNION County. The decree is of record at Salem, in the Order Record of the Water Resources Director in Volume 31, at Page 252. The date of priority is 1881.

The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 4.38 CUBIC FEET PER SECOND from March 1st to July 1st and 2.19 CUBIC FEET PER SECOND from July 1st to October 1st of each year; the total quantity diverted during each season not to exceed 435.0 acre-feet.

The points of diversion are located as follows:

HUTCHINSON/GARDNER MILL RACE - NW% NE%, SECTION 5, TOWNSHIP 7 SOUTH, RANGE 38 EAST, W.M.; 2760 FEET SOUTH AND 2380 FEET WEST FROM THE EAST % CORNER, SECTION 32.

POWERS COMPANY DITCH - SW% SE%, SECTION 32, TOWNSHIP 6 SOUTH, RANGE 38 EAST, W.M.; 585 FEET NORTH AND 2154 FEET WEST FROM THE SOUTHEAST CORNER, SECTION 32.

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

SW¼ SE¼ 15.0 ACRES

SE¼ SE¼ 8.0 ACRES

SECTION 28

NE¼ NE¼ 39.0 ACRES

NW¼ NE¼ 40.0 ACRES

SW1/4 NE1/4 40.0 ACRES

SE¼ NE¼ 32.0 ACRES SECTION 33

TOWNSHIP 6 SOUTH, RANGE 38 EAST, W.M.

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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 and is subject to all other conditions and limitations contained in said decree.

WITNESS the signature of the Water Resources

Director, affixed Jawas 21, 2005.

Phillip C. Ward, Director

Recorded in State Record of Water Right Certificates numbered 81146

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