

STATE OF OREGON
 COUNTY OF UNION AND BAKER
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

PB FARMS INCORPORATED
 P.O. BOX 69
 NORTH POWDER, OR 97867

confirms the right to use the waters of NORTH POWDER RIVER, a tributary of POWDER RIVER, for IRRIGATION of 117.0 acres, DOMESTIC AND STOCK USE.

This right was confirmed by decree of the Circuit Court of the State of Oregon for UNION COUNTY County. The decree is of record at Salem, in the Order Record of the Water Resources Director in Volume 3, at Page 252. The date of priority is 1884 for irrigation of 37.0 acres and 1870 for irrigation of 80.0 acres.

The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 2.93 CUBIC FEET PER SECOND (cfs) from March 1 to June 30 and 1.46 cfs from July 1 to October 1 of each year; the total quantity diverted during each irrigation season not to exceed 292.5 acre-feet.

The point of diversion is located as follows:

NE¼ SE¼, Section 28, Township 6 South, Range 39 East, W.M.; Lun Ditch - 2,600 feet North and 440 feet West from the SE Corner of Section 28.

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

1870 - Union County

IRRIGATION, LIVESTOCK AND DOMESTIC							
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
6 S	39 E	WM	27	NE NW			22.00
6 S	39 E	WM	27	NW NW			21.00
6 S	39 E	WM	27	SW NW			37.00

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

1884 - Baker County

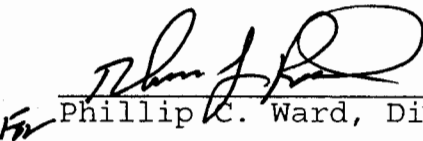
IRRIGATION, LIVESTOCK AND DOMESTIC							
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
6 S	39 E	WM	27	SE NW			37.00

This certificate is issued in accordance with OAR 690-380-6010 to describe the water right for a non-completed change in point of diversion approved by an order of the Water Resources Director entered May 24, 2002, at Special Order Volume 56, Page 410-412, approving Transfer 8235. This certificate, together with Certificate 79534, supersedes Certificate 76967, State Record of Water Right Certificates.

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.

WITNESS the signature of the Water Resources Director,
affixed April 1, 2005.



For Phillip C. Ward, Director

Recorded in State Record of Water Right Certificates numbered 81321.