STATE OF OREGON

COUNTY OF DOUGLAS

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LAZY "C" CORPORATION IDLEYLD ROUTE, BOX 435 ROSEBURG, OREGON 97470

confirms the right to use the waters of NORTH FORK DEER CREEK, a tributary of DEER CREEK, for IRRIGATION of 26.9 acres.

This right was perfected under Permit 462. The date of priority is SEPTEMBER 26, 1910. The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 0.341 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The points of diversion are located as follows:

SE¼ SE¼, SECTION 15, T 27 S, R 4 W, W.M.; 920 FEET NORTH & 10 FEET WEST, AND 170 FEET NORTH & 570 FEET WEST, BOTH FROM SE CORNER, SECTION 15.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second, or its equivalent 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:

SW4 SW4 8.0 ACRES

SECTION 14

SE¼ SE¼ 9.5 ACRES

SECTION 15

NE¼ NE¼ 1.7 ACRES

NW4 NE4 7.7 ACRES

SECTION 22

TOWNSHIP 27 SOUTH, RANGE 4 WEST, W.M.

| This certificate describes that portion of the water right con | irmed |
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| by Certificate 59984, State Record of Water Right Certificates | TOM |
| modified by the provisions of an order of the Water Resources | Director |
| entered MAY 2 5 2005 , approving Transfer Application | 9578. |

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 right is subject to minimum flows established by the Water Resources Commission with an effective date prior to this right.

WITNESS the signature of the Water Resources Director,

affixed May 25, 2005

Phillip C. Ward, Director