

STATE OF OREGON

COUNTY OF GRANT

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CLYDE HOLLIDAY FAMILY RANCHERS, INC.
HCR 77 Box 90
John Day, Oregon 97845

confirms the right to use the waters of the PINE CREEK, a tributary of the JOHN DAY RIVER, for IRRIGATION of 223.3 ACRES.

This right was perfected under Permit 49885. The date of priority is NOVEMBER 7, 1986. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 5.58 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the points of diversion.

The points of diversion are located as follows:

Twp	Rng	Mer	Sec	¼ - ¼	Survey Coordinates
13 S	32 E	WM	25	NW NW	DITCH #5 - 4070 FEET NORTH & 100 FEET EAST FROM THE NW CORNER, SEC. 36
13 S	32 E	WM	25	NW SW	McKENNA DITCH - 1600 FEET NORTH & 730 FEET EAST FROM THE NW CORNER, SEC. 36
13 S	32 E	WM	36	NW NW	HORSLEY DITCH - 350 FEET SOUTH & 1000 FEET EAST FROM THE NW CORNER, SEC. 36
13 S	32 E	WM	36	NW NW	HILLIS DITCH - 755 FEET SOUTH & 1130 FEET EAST FROM THE NW CORNER, SEC. 36
13 S	32 E	WM	36	NE SW	STALEY DITCH - 3050 FEET SOUTH AND 1900 FEET EAST FROM THE NW CORNER, SEC. 36
13 S	32 E	WM	36	NW NW	DITCH #6 - 920 FEET EAST FROM THE NW CORNER, SEC. 36

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-FORTIETH of one cubic foot per second, or its equivalent for each acre irrigated, and shall be further limited to a diversion of not to exceed 4.0 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.

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 stated herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

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.

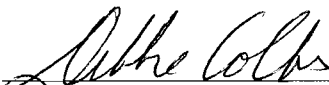
A description of the place of use to which this right is appurtenant is as follows:

Twp	Rng	Mer	Sec	Q-Q	Acres
13 S	32 E	WM	24	NE SW	10.0
13 S	32 E	WM	24	NW SW	40.0
13 S	32 E	WM	24	SW SW	40.0
13 S	32 E	WM	24	SE SW	12.0
13 S	32 E	WM	25	SW NE	4.6
13 S	32 E	WM	25	SE NE	22.5
13 S	32 E	WM	25	SE NW	1.5
13 S	32 E	WM	25	NE SW	0.6
13 S	32 E	WM	25	NW SW	11.5
13 S	32 E	WM	25	SW SW	10.6
13 S	32 E	WM	25	NE SE	4.4
13 S	32 E	WM	25	NW SE	13.8
13 S	32 E	WM	35	NE NE	13.8
13 S	32 E	WM	35	NW NE	28.9
13 S	32 E	WM	35	NE NW	2.3
13 S	32 E	WM	35	NW NW	5.3
13 S	32 E	WM	35	SW NW	0.8
13 S	32 E	WM	35	SE NW	0.7
TOTAL					223.3

This certificate describes that portion of the water right confirmed by Certificate 80463, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered April 7, 2006, approving Transfer Application 7438, and correctly describes the location of the Hillis Ditch point of diversion.

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.

WITNESS the signature of the Water Resources Director, affixed April 7, 2006.

PCW

 Phillip C. Ward, Director

Recorded in State Record of Water Right Certificates numbered 81964