

STATE OF OREGON
COUNTY OF MORROW
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

SAGE HOLLOW RANCH, LLC
3620 INDEPENDENCE ROAD
SUNNYSIDE, WA 98944

confirms the right to use the waters of the COLUMBIA RIVER, a tributary of the PACIFIC OCEAN, for IRRIGATION of 39.1 acres and SUPPLEMENTAL IRRIGATION of 302.8 acres.

This right was perfected under Permit S-45563. The date of priority is FEBRUARY 5, 1981. The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 2.94 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion.

The point of diversion is located as follows:

LOT 7 (NE $\frac{1}{4}$ NW $\frac{1}{4}$), SECTION 2, T 4 N, R 25 E, W.M.; 150 FEET SOUTH AND 2990 FEET WEST FROM THE NE CORNER OF SECTION 2.

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-FOURTIETH 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 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year, provided further that although declared herein to be for supplemental irrigation in part the right allowed may, in the interest of conserving the ground water supplies, be exercised at times when water is available in the ground water supply provided that the total quantity diverted from all sources of supply does not exceed the limitation allowed herein.

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:

PRIMARY IRRIGATION

SW ¼ NE ¼ 3.3 ACRES
SE ¼ NW ¼ 6.0 ACRES
NE ¼ SW ¼ 6.4 ACRES
SE ¼ SW ¼ 2.0 ACRES
NW ¼ SE ¼ 21.3 ACRES
SW ¼ SE ¼ 0.1 ACRE

SUPPLEMENTAL IRRIGATION

NE ¼ NE ¼ 26.7 ACRES
NW ¼ NE ¼ 31.0 ACRES
SW ¼ NE ¼ 2.3 ACRES
SE ¼ NE ¼ 2.9 ACRES
NE ¼ NW ¼ 31.7 ACRES
SW ¼ NW ¼ 13.7 ACRES
SE ¼ NW ¼ 32.6 ACRES
NE ¼ SW ¼ 31.0 ACRES
NW ¼ SW ¼ 33.7 ACRES
SW ¼ SW ¼ 31.4 ACRES
SE ¼ SW ¼ 30.2 ACRES
NE ¼ SE ¼ 27.2 ACRES
NW ¼ SE ¼ 8.4 ACRES

SECTION 10

TOWNSHIP 3 NORTH, RANGE 26 EAST; W.M.

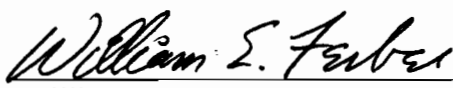
This certificate describes that portion of the water right confirmed by Certificate 81578, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered March 12, 2010, approving Transfer Application T-10044 & T-10045.

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 March 12, 2010.


for Phillip C. Ward, Director