STATE OF OREGON

COUNTY OF BAKER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

PINE VALLEY LAND, LLC PO BOX 876 HALFWAY OR 97834

confirms the right to store water perfected under the terms of Permit R-11769. The amount of water used to which this right is entitled is limited to the amount used beneficially, and shall not exceed the amount specified, or its equivalent in the case of rotation, measured at the point of diversion from the source. The specific limits and conditions of the use are listed below.

APPLICATION NUMBER: R-72487 SOURCE: SAG CREEK, TRIBUTARY OF PINE CREEK STORAGE FACILITY: LAIRD RESERVOIR PURPOSE or USE: LIVESTOCK AND WILDLIFE MAXIMUM STORAGE VOLUME: 67.0 ACRE FEET PERIOD OF USE: WATER MAY BE APPROPRIATED FOR STORAGE FROM OCTOBER 1 THROUGH JUNE 30 DATE OF PRIORITY: JUNE 24, 1992

Dam Location:

| Тwp | Rng | Mer | Sec | Q-Q | Measured Distances | |
|-----|------|-----|-----|-------|--|--|
| 8 S | 46 E | WM | 28 | NW SE | 1787 FEET NORTH AND 300 FEET EAST FROM S 1/4 CORNER, SECTION 28 | |

The area submerged by this reservoir is as follows:

| LIVESTOCK AND WILDLIFE | | | | | | | | |
|------------------------|------|-----|-----|-------|--|--|--|--|
| Twp | Rng | Mer | Sec | Q-Q | | | | |
| 8 S | 46 E | WM | 28 | NW SE | | | | |
| 8 S | 46 E | WM | 28 | SW SE | | | | |

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a 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. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

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Measurement, recording and reporting conditions:

- A. The water user shall maintain the meter or measuring device in good working order.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

Use under this right is limited to the reservoir area. This right does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

The outlet gate shall be cycled at least once each year and shall be fully operational.

The embankment and spillway shall be kept clear of brush, debris, and burrowing animals.

The dam shall be operated and maintained according to the plans and specifications on file with the Water Resources Department.

CONDITIONS OF USE

The right to store and use the water for the above purpose is restricted to beneficial use at the place of use described.

The storage of water allowed herein is subject to the maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior to downstream rights.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plans.

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

FEB 2 3 2010 Issued Phillip C/ Ward Director Water Reso rces Department

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Recorded in State Record of Water Right Certificates numbered 86086.