

STATE OF OREGON
COUNTY OF JACKSON
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LLOYD HAINES
96 N MAIN SUITE 202
ASHLAND OR 97520

confirms the right to store water perfected under the terms of Permit R-14809. 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-87358

SOURCE: MULE CREEK, TRIBUTARY TO APPLGATE RIVER AND APPLGATE RIVER, TRIBUTARY TO ROGUE RIVER

STORAGE FACILITY: DOUBLE OAK FARM POND

PURPOSE or USE: MULTIPLE PURPOSE

MAXIMUM STORAGE VOLUME: 4.5 ACRE FEET

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: JANUARY 1 THROUGH MAY 30

DATE OF PRIORITY: DECEMBER 3, 2008

DAM LOCATION / POINT OF DIVERSION

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
40 S	3 W	WM	18	SW SE	2210 FEET SOUTH AND 1540 FEET WEST FROM E1/4 CORNER, SECTION 18

Authorized Point of Diversion 1, Applegate River:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
40 S	3 W	WM	18	SW SE	2350 FEET SOUTH AND 2150 FEET WEST FROM E1/4 CORNER, SECTION 18

Authorized Point of Diversion 2, Mule Creek:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
40 S	3 W	WM	18	SE SE	2314 FEET SOUTH AND 765 FEET WEST FROM E1/4 CORNER, SECTION 18

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.

The area submerged by this reservoir is as follows:

Twp	Rng	Mer	Sec	Q-Q
40 S	3 W	WM	18	SW SE

CONDITIONS OF USE

1. Measurement, recording and reporting:

A. The Director may require the water user to install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. If the Director notifies the water user to install a totalizing flow meter or other measuring device, the water user shall install such device within the period stated in the notice. Such installation period shall not be less than 90 days unless special circumstances warrant a shorter installation period. Once installed, the water user shall maintain the meter or measuring device in good working order, and shall allow the watermaster access to the meter or measuring device.

B. 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 submit that report on a periodic schedule as established by the Director.

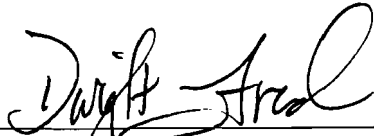
Use of water under this permit is contingent on designated scenic waterway flows being met downstream. The user is required to monitor streamflow at Rogue River near Agness, OR, gage 14372300, and discontinue diversion when the flows specified below are unmet. At the discretion of the Director, the location and nature of streamflow monitoring required to protect scenic waterway flows is subject to change. In addition, the Watermaster may regulate diversion under this right if it is determined by the Department that the flows listed below are unmet.

Rogue Scenic Waterway	
Month	Minimum Bypass Flow (cfs)
January	3500
February	3500
March	3500
April	3500
May	3000

2. The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe (with a minimum diameter of 8" for any in-channel reservoir). This requirement may be waived if the Department determines other means have been provided to evacuate water when necessary.
3. The water user shall pass all live flow outside the storage season described above.
4. This permit allows an annual appropriation (not to exceed the specified volume). This permit does not provide for the appropriation of water for out-of-reservoir uses, the maintenance of the water level or maintaining a suitable freshwater condition. If any water is to be used for out-of-reservoir purposes, a secondary water right is required. If any additional live flow is to be appropriated to maintain either the water level or a suitable freshwater condition, an additional water right is required.

4. 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.
5. 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.
6. 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 plan.
7. The use 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.
8. The use may be restricted if the quality of downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

Issued JUL 28 2010



Dwight W. French
Administrator Water Rights and Adjudications, for
Phillip C. Ward, Director
Water Resources Department