

STATE OF OREGON
 COUNTY OF JEFFERSON
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

COLUMBIA EMPIRE FARMS
 P.O. BOX 1
 DUNDEE, OR 97115

confirms the right to store water perfected under the terms of Permit R-14625. 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-86962

SOURCE: PONY CREEK, TRIBUTARY OF TROUT CREEK, AND TROUT CREEK, TRIBUTARY OF DESCHUTES RIVER.

STORAGE FACILITY: R-2 RANCH LAKE

PURPOSE or USE: FISH CULTURE AND WILDLIFE

MAXIMUM STORAGE VOLUME: 52.4 ACRE FEET EACH YEAR (ENLARGEMENT OF RESERVOIR CONSTRUCTED UNDER PERMIT R-12964)

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: FEBRUARY 1 THROUGH APRIL 14

DATE OF PRIORITY: AUGUST 20, 2007

DAM LOCATION: SW ¼ NW 14, SECTION 10, T9S, R15E, W.M.; 970 FEET NORTH AND 565 FEET EAST FROM THE W ¼ CORNER SECTION 10.

The points of diversion (POD) are located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
9 S	15 E	WM	3	SW NW	POD 1: 100 FEET NORTH & 300 FEET EAST FROM W 1/4 CORNER, SECTION 3
9 S	15 E	WM	4	SE SE	POD 2: 1310 FEET NORTH & 610 FEET WEST FROM SE CORNER, SECTION 4
9 S	15 E	WM	9	SE NW	POD 3: 1700 FEET SOUTH & 760 FEET WEST FROM N 1/4 CORNER, SECTION 9
9 S	15 E	WM	10	NW NE	PONY CREEK POD: 1020 FEET SOUTH & 2570 FEET WEST FROM NE CORNER, SECTION 10

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
9 S	15 E	WM	10	SW NW
9 S	15 E	WM	10	SE NW
9 S	15 E	WM	10	NE SW
9 S	15 E	WM	10	NW SW

CONDITIONS OF USE

Measurement, recording and reporting conditions:

- A. The water user shall maintain totalizing flow meters or other suitable measuring devices as approved by the Director at each point of diversion. The water user shall maintain the totalizing flow meters or other suitable measuring devices as approved by the Director in good working order, shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water-use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the totalizing flow meters or measuring devices; provided however, where the totalizing flow meters or measuring devices are located within a private structure, the watermaster shall request access upon reasonable notice.

The Oregon Department of Fish and Wildlife has determined that fish screens and/or by-pass devices are not required as long as the water user uses infiltration galleries to withdraw water at the points of diversion. If the water user changes the method of withdrawal from an infiltration gallery to another method at any given point of diversion, then the water user may be required to install, maintain, and operate fish screening and/ or by-pass devices to prevent fish from entering the diversion, and to provide adequate upstream and downstream fish passage.

In order to ensure protection of instream uses, water user shall only divert water under this right when stream flow in Trout Creek is sufficient to meet the established Instream Water Right, being 25 CFS during January, and 73 CFS during February, March and April of each year. Compliance with this right condition shall be demonstrated by water user by a schedule of monitoring of the Trout Creek at Clemens Drive near Gateway, Oregon (station number 14095255) stream gaging station once each day during the period of use. If said flows are not met, the water user shall discontinue diversion.

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

Routine maintenance of the dam, it's spillway and all appurtenant structures shall be performed as necessary to remove trees, brush and debris, and to repair slumps, areas of erosion, or defective equipment. All structures shall be maintained according to the approved plans and specifications on file with the Oregon Water Resources Dam Safety program.

The completed structure shall not be enlarged, modified, altered or otherwise changed without the prior written approval of the Director of Water Resources Department or the Director's authorized representative. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed engineer are required for any significant modification, alteration, or rehabilitation of the dam, spillway or appurtenant structures.

The storage of water allowed herein is subject to the installation and 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 downstream rights.

The water user shall pass all live flow outside the storage season described above.

This right does not provide for the appropriation of water for any out-of-reservoir uses, the maintenance of the water level, or maintaining a suitable freshwater condition. If any water is used for out-of-reservoir uses, or any live flow is appropriated to maintain either the water level or a suitable freshwater condition, a secondary water right is required.

Use of water under authority of this right may be regulated if analysis of data available after the right is issued discloses that the right is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The use may be restricted if the quality of the source stream or downstream waters decrease to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

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.

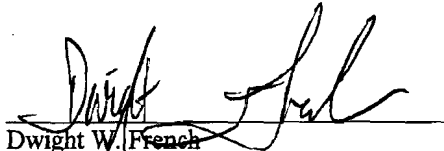
Use under this water right is limited to the reservoir area. This right does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

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 plan.

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.

Issued JUN 17 2011



Dwight W. French
Water Right Services Division Administrator, for
Phillip C. Ward, Director
Water Resources Department