STATE OF OREGON

COUNTY OF MARION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MALLORIES DAIRY INC. PO BOX 720 SILVERTON OR 97381

confirms the right to use the waters of SILVER CREEK, tributary to the PUDDING RIVER, and the PUDDING RIVER, tributary to the MOLALLA RIVER, tributary to the WILLAMETTE RIVER for IRRIGATION of 50.0 ACRES.

This right was perfected under Permit 14448. The date of priority is JUNE 24, 1940. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.63 CUBIC FOOT PER SECOND (CFS), BEING 0.252 CFS FROM SILVER CREEK AND 0.378 CFS FROM PUDDING RIVER, if available at the original point of diversion, or its equivalent in case of rotation, measured at the points of diversion.

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

| Тwp | Rng | Mer | Sec | Q-Q | Measured Distances | |
|-----|-----|-----|-----|------|---|--|
| 6 S | 1 W | WM | 32 | NENW | POD A: 726 FEET SOUTH & 3750 FEET WEST FROM NE CORNER, SECTION 32 | |
| 6 S | 1 W | WM | 32 | NWSW | POD B: 2666 FEET SOUTH & 3975 FEET WEST FROM NE CORNER, SECTION 32 | |

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-EIGHTIETH 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 2.5 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.

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

| Twp | Rng | Mer | Sec | Q-Q | Acres |
|-----|-----|-----|-----|-------|-------|
| 6 S | 1 W | WM | 32 | SW NE | 8.3 |
| 6 S | 1 W | WM | 32 | NE NW | 1.2 |
| 6 S | 1 W | WM | _32 | SENW | 30.0 |
| 6 S | 1 W | WM | 32 | NESW | 6.5 |
| 6 S | 1 W | WM | 32 | NW SE | 4.0 |

NOTICE OF RIGHT TO 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.

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Certificate 87119

The quantity of water diverted at the new point of diversion shall not exceed the quantity of water lawfully available at the original point of diversion described as follows:

| Тwp | Rng | Mer | Sec | Q-Q | GLot | Measured Distances |
|-----|-----|-----|-----|------|------|--------------------|
| 6 S | 1 W | WM | 32 | SWNW | 2 | NONE GIVEN |

When required by the Department, the water user shall install and maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted. The type and plans of the headgate and measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.

Water shall be acquired from the same surface water source as the original point of diversion.

Regulation for the Silver Creek portion of the water right shall be limited to Silver Creek and its tributaries.

This certificate is issued to confirm a change in POINT OF DIVERSION approved by an order of the Water Resources Director entered November 13, 1996, at Special Order Volume 50, Page 803, approving Transfer Application 6633, and supersedes Certificate 14304, State record of Water Right Certificates.

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.

JUL 1 5 2011 Issued

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