STATE OF OREGON

COUNTY OF YAMHILL

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LAUGHLIN-RED HILLS LLC 19143 NE LAUGHLIN RD YAMHILL OR 97148

confirms the right to use the waters of LACROUTE RESERVOIR, CONSTRUCTED UNDER PERMITS R-11400 AND R-11531, for IRRIGATION of 3.13 ACRES.

This right was perfected under Permit S-54369. The date of priority is JULY 24, 2006. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 2.60 ACRE FEET or its equivalent in case of rotation, measured at the point of diversion.

The period of use is April 1 through October 31.

The point of diversion is located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
2 S	4 W	WM	26	NW SE	1800 FEET NORTH AND 1530 FEET WEST
					FROM SE CORNER, SECTION 26

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 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

A description of the place of use is as follows:

Twp	Rng	Mer	Sec	Q-Q	DLC	Acres
2 S	4 W	WM	35	NW NE	T	0.35
2 S	4 W	WM	35	NE NW		1.19
2 S	4 W	WM	35	NE NW	63	1.59

Measurement, recording and reporting conditions:

- A. The totalizing flow meter must be maintained as identified in OAR 690-507-645. The water user shall maintain the meter in good working order.
- B. The water user shall allow the Watermaster access to the meter; where any meter or measuring device is located within a private structure, the Watermaster shall request access upon reasonable notice.

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 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and 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 within three months after issuance of the certificate.

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.

Not withstanding that Oregon Department of Fish and Wildlife has made a determination that fish screens and/or by-pass devices are not necessary at this time, the water user may be required in the future 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 passage for fish.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the Watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the Watermaster shall distribute the water according to the agreement.

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 plan.

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.

Issued APR **1 7** 2013

Dwight W. French

Administrator, Water Right Services, for

Phillip C. Ward, Director