

**STATE OF OREGON
COUNTY OF HARNEY
HYDROELECTRIC LICENSE**

THIS HYDROELECTRIC LICENSE ISSUED TO:

ROARING SPRINGS RANCH, INC (Licensee)
31437 HIGHWAY 205
FRENCHGLEN, OR 97736

confirms the right to use the waters of ROARING SPRINGS, tributary to ROARING SPRINGS CREEK for the HYDROELECTRIC PRODUCTION of 84 THEORETICAL HORSEPOWER (THP).

This hydroelectric license was filed under application HE 611. The date of priority is JULY 22, 2014. The maximum amount of water to be diverted is 6.0 CUBIC FEET PER SECOND (CFS) from JANUARY through DECEMBER of each year.

The point of diversion is located: Tax Lot 200, NE¼ NW¼, SECTION 5, TOWNSHIP 34 SOUTH, RANGE 32 EAST, W.M.

The authorized place of use is located: Tax Lot 200, NW¼ NW¼, SECTION 5, TOWNSHIP 34 SOUTH, RANGE 32 EAST, W.M.

The use of water is limited to the amount that the generation facilities can utilize efficiently and shall not exceed the specifications noted in the water right. This water right is inferior in right and subsequent in time to any future appropriation of water for beneficial consumptive use.

Appeal Rights

This is a final order in other than 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.

This statement of judicial review rights does not create a right to judicial review of this order, if judicial review is otherwise precluded by law.

Project Description

The proposed project will be located entirely on the Licensee's property. Water will be collected at Roaring Springs using a pipe network constructed of four-inch diameter perforated pipes laid within four foot deep, three feet wide trenches, and covered by 3-inch drain rock. This pipe network will divert water from Roaring Springs into a spring box. This spring box will be a precast concrete structure measuring 48" by 60," and act as the spring manifold, capturing the spring water as it surfaces. The spring box will be at an approximate elevation of 4,711 feet.

The outlet from the spring box will be a ten-inch poly-vinyl chloride (PVC) pipe. This pipe will be approximately 1,000 feet in length and will drop 123 feet in elevation to a 14' by 17' powerhouse. The water will pass through a dual nozzle Pelton turbine with a 600 rpm induction generator with a capability of 37 kw. The water will discharge approximately 40 feet into in a "bulge" pond that the ranch uses for irrigation and stock use under water right Certificate 23498. The pond discharges into an unnamed stream, tributary to Roaring Springs Creek located on the Applicant's property about ¼ mile from the pond. The proposed project will connect to existing overhead transmission lines which are located near the powerhouse.

LICENSE CONDITIONS

1. The Licensee shall comply with all statutes and rules applicable to the Project.
2. This hydroelectric license is effective from the date of issuance through December 31, 2035, and is to be exercised consistent with the conditions contained in the license. This right may be reauthorized under laws existing at that time.
3. The Licensee shall construct and build the Project according to the maps, plans and specifications filed with and approved by Oregon Water Resources Department (OWRD) within two years of issuance of the license or within any lawful extension thereof. [ORS 543.300(2)]
4. The Licensee will maintain the Project, and each part thereof, in good order and repair and in efficient operation, for the development and transmission of electricity to its reasonable capacity; shall make all necessary renewals and replacements as required; and shall maintain and operate the Project, and all parts thereof, conformably to the rules of the Water Right Commission (Commission) not inconsistent with Oregon Revised Statutes (ORS) 543.010 to 543.611. [ORS 543.300(4)]
5. No voluntary transfer of the license or of any property acquired, constructed or operated pursuant to the license issued under ORS 543.010 to 543.611 shall be made without written approval of the Commission. Any successor or assignee of

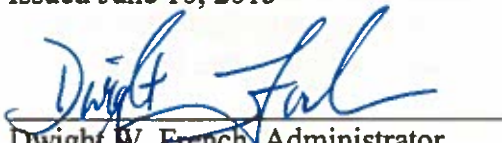
any license under any Project acquired, constructed or operated by the Licensee, whether by voluntary transfer approved by the Commission or sale upon foreclosure, execution or otherwise, shall be subject to all the terms and conditions of the license and of the provisions of ORS 543.010 to 543.611 to the same extent as though the successor or assignee was the original Licensee thereunder. Any mortgage, deed of trust, or other lien suffered or created upon any such Project shall be subject and subordinate to all the terms and conditions of ORS 543.010 to 543.611. However, the provisions of this section shall not apply to any transfer, voluntary or involuntary, to the state or any municipal corporation thereof, and upon such transfer the license shall terminate. (ORS 543.440)

6. The Project must meet the water quality standards stated in OAR Chapter 340, Division 41, ORS 468B.048, and Section 303 of the Clean Water Act. The Project must meet water quality requirements including numeric and narrative standards, protect beneficial use, and not degrade existing water quality.
7. The Project shall be designed to minimize visual, aesthetic, and noise impacts.
8. If any cultural material is discovered during Project construction, all activities should stop and an archaeologist contacted to assess the discovery. It is a Class B misdemeanor to impact an archaeological site (ORS 358.905-955) and a Class C felony to impact Indian Burials (ORS 97-740-990).
9. If at any time an unanticipated situation arises in which the Licensee or operator observes or suspects that fish, wildlife, or their habitat may be harmed by any of the project facilities, or as the result of project operation, the operator shall immediately take appropriate action to prevent further loss. The operator shall, within 84 hours, notify the nearest office of the Oregon Department of Fish and Wildlife (ODFW) and comply with the measures required by ODFW to prevent additional injury or mortality. The Licensee shall subsequently restore any damaged fish and wildlife protection features of the project consistent with direction provided by ODFW.
10. The Licensee shall allow the OWRD Director and authorized agents and employees of the Oregon Department of Environmental Quality, ODFW, and OWRD free and unrestricted access upon reasonable notice, in, through, and across the Project in the performance of their official duties, and shall allow free access to all reports, accounts, records, and other data relating to said Project.
11. Issuance of the license does not absolve the Licensee from compliance with the requirements and enforcement of the requirements under other applicable local, state, and federal laws. The Licensee is made aware that permits may be required from the United State Army Corps of Engineers under Section 404 of the Clean Water Act, or from the Division of State Lands for removal and fill of material.

12. The Licensee shall be liable for all damages occasioned to the persons or property of others by the construction, operation, or maintenance of the Project facilities, and in no event will the State of Oregon be liable therefore.
13. Use of water is governed by this license. However, the operations of the Project by the Licensee, so far as those operations affect the use, storage and discharge from storage of waters affected by the Licensee, shall be at all times be controlled by such reasonable rules as the Commission may prescribe for the protection of life, health and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses. [ORS 543.300(3)]
14. The Licensee shall pay, upon receiving an invoice from OWRD, an annual fee to OWRD in the amount of \$36.80 (OAR 690-051-0400(6) and ORS 543A.415 or subsequent statute). This amount shall be due by the date specified on the invoice.
15. Consistent with ORS 540.610, if after completing construction of the Project, the Licensee fails to use or operate the Project facilities for more than five consecutive years, the license shall be subject to termination by the OWRD. The Licensee shall comply with the decommissioning standards under OAR 690-52.
16. Upon a decision to terminate the hydroelectric use, the Applicant shall comply with any decommissioning statutes and rules in effect at that time. (OAR 690-052).

Upon review of the application and input received from state and federal agencies and private citizens, OWRD finds that the Project, with the conditions set forth above, will not violate the standards expressed in Oregon Administrative Rules (OAR) 690-051-0160 through -0270, and is consistent with the public interest. The Project is well adapted to the development and utilization of the water power involved.

Issued June 10, 2015


Dwight W. French, Administrator
Water Right Services Division, for
Thomas M. Byler, Director
Oregon Water Resources Department