

STATE OF OREGON

COUNTY OF JACKSON

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

K BAR RANCHES CORP.
2371 NE STEPHENS ST SUITE 100
ROSEBURG OR 97470

NORTHWEST FARM CREDIT SERVICES
1515 S TECHNOLOGY BLVD, SUITE B
SPOKANE WA 99224

confirms the right to the use of water perfected under the terms of Permit S-53911. 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 FILE NUMBER: S-85184

SOURCE OF WATER: LOST CREEK RESERVOIR, A TRIBUTARY OF ROGUE RIVER

PURPOSE or USE: IRRIGATION OF 240.2 ACRES

MAXIMUM VOLUME: 990.0 ACRE-FEET EACH YEAR

PERIOD OF USE: APRIL 1 THROUGH OCTOBER 31 OF EACH YEAR

DATE OF PRIORITY: OCTOBER 11, 2002

The points of diversion are located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	Measured Distances
36 S	1 W	WM	6	NE NW	7	POD #1 - 333 FEET SOUTH AND 1987 FEET EAST FROM NW CORNER, SECTION 6
36 S	2 W	WM	15	SE NW		POD #2 - 2044 FEET SOUTH AND 2216 FEET EAST FROM NW CORNER, SECTION 15

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of 990.0 acre-feet during the irrigation season of each year.

A description of the place of use is as follows:

Twp	Rng	Mer	Sec	Q-Q	Acres
35 S	2 W	WM	33	NE NE	28.5
35 S	2 W	WM	33	NW NE	36.1
35 S	2 W	WM	33	SE NE	18.4
35 S	2 W	WM	33	NE SW	1.1
35 S	2 W	WM	33	SE SW	1.2

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.

Twp	Rng	Mer	Sec	Q-Q	Acres
35 S	2 W	WM	33	NE SE	6.6
35 S	2 W	WM	33	NW SE	33.3
35 S	2 W	WM	33	SW SE	31.0
35 S	2 W	WM	33	SE SE	2.7
36 S	2 W	WM	4	NW NE	21.6
36 S	2 W	WM	15	NE NW	1.3
36 S	2 W	WM	15	NW NW	3.9
36 S	2 W	WM	15	SW NW	3.8
36 S	2 W	WM	15	SE NW	2.7
36 S	2 W	WM	16	NE NE	6.9
36 S	2 W	WM	16	NW NE	6.7
36 S	2 W	WM	16	SW NE	20.7
36 S	2 W	WM	16	SE NE	13.7

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meter or other suitable measuring device 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 meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

The water user shall maintain and operate fish screening and by-pass device as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the diversion.

Return flows from the diversion shall not be allowed to enter the Rogue River.

The water user shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish. The water user is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

The use of water under this right is subject to the terms and conditions of Lost Creek Water Service Contract No. 039E101364 or a satisfactory replacement, between the Bureau of Reclamation and the water user, a copy of which is on file in the records of the Water Resources Department.

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.

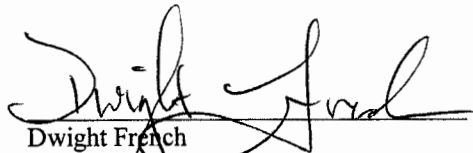
This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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.

The right to the use of the water for the above purpose is restricted to beneficial use on the place of use described.

Issued OCT 21 2016.



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