STATE OF OREGON

COUNTY OF CROOK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

QUAIL VALLEY RANCH II LLC PO BOX 14111 SALEM OR 97309

confirms the right to the use of waters as limited and conditioned below. 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(s) of diversion from the source.

This right was confirmed by decree of the Circuit Court of the State of Oregon for Crook County. The decree is of record at Salem, in the Order Record of the Water Resources Director in Volume 1, at Page 449.

SOURCE OF WATER: CROOKED RIVER, A TRIBUTARY OF DESCHUTES RIVER

PURPOSE OR USE: IRRIGATION OF 84.1 ACRES AND STOCK USE

DATE OF PRIORITY: 1893

The amount of water to which such right is entitled, for the purpose aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed a reasonable amount for stock use, and 1.05 cubic feet per second for irrigation from July 1st to September 15th of each year.

The points of diversion are located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
16 S	16 E	WM	18	NE SE	POD 4A – SEE MAP
16 S	16 E	WM	18	SE NW	POD 5A – SEE MAP

A description of the place of use is as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres	Points of Diversion
16 S	16 E	WM	17	NW SW		3.1	POD 4A
16 S	16 E	WM	17	SW SW		0.7	POD 4A
16 S	16 E	WM	18	SW NE		3.0	POD 5A
16 S	16 E	WM	18	SW NW	2	18.8	POD 5A
16 S	16 E	WM	18	SE NW		17.0	POD 5A
16 S	16 E	WM	18	NE SW		0.1	POD 5A
16 S	16 E	WM	18	NE SE		21.5	POD 4A
16 S	16 E	WM	18	NW SE		0.6	POD 4A
16 S	16 E	WM	18	NW SE		10.4	POD 5A
16 S	16 E	WM	18	SE SE		8.9	POD 4A

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 183.482. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.482. Pursuant to ORS 183.482, ORS 536.075 and OAR 137-003-0675, 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.

Use under this right does not include domestic use. The domestic portion of the right was cancelled by an order of the Water Resources Director entered FEBRUARY 28, 2005, at Special Order Volume 63, Page 326, approving Transfer Application 6969.

The quantity of water diverted at the new points of diversion shall not exceed the quantity of water lawfully available to the

transferred rights at the original points of diversion described as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances	
16 S	16 E	WM	18	NE SE	POD 4 – 2360 FEET NORTH AND 450 FEET	
					WEST FROM SE CORNER, SECTION 18	
16 S	16 E	WM	18	SE NW	POD 5 – 1880 FEET SOUTH AND 1610 FEET	
					EAST FROM NW CORNER, SECTION 18	

The water user shall maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted.

The right is subject to all other conditions and limitations contained in said decree.

The right to the use of water for the above purposes aforesaid is restricted to the lands or place of use described.

This certificate is issued to confirm changes in POINTS OF DIVERSION and PLACE OF USE approved by an order of the Water Resources Director entered FEBRUARY 28, 2005, at Special Order Volume 63, Page 326, approving Transfer Application 6969, and together with Certificate 80793, supersedes Certificate 52182, State Record of Water Right Certificates.

Issued

Dwight French

Water Right Services Division Administrator, for

Thomas M. Byler, Director

Oregon Water Resources Department