

STATE OF OREGON
COUNTY OF JOSEPHINE
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

SPALDING AND SON, INC.
P.O. BOX 438
GRANTS PASS, OREGON 97526

confirms the right to use the waters of THREE WELLS in the ROGUE BASIN for the purpose of USE IN A SAWMILL INCLUDING LOG DECK SPRINKLING.

The right has been perfected under Permit G-8104. The date of priority is JANUARY 18, 1978. The right is limited to not more than 0.30 CUBIC FOOT PER SECOND, BEING 0.08 CFS FROM WELL 1, 0.04 CFS FROM WELL 2, AND 0.18 CFS FROM WELL 3 or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

SE 1/4 NE 1/4, NW 1/4 NE 1/4, SECTION 21, NW 1/4 NW 1/4, SECTION 22, T 36 S, R 5 W, W.M.; WELL 1 - SOUTH 8 DEGREES WEST, 140 FEET FROM NE CORNER SE 1/4 NE 1/4, SECTION 21; WELL 2 - SOUTH 45 DEGREES EAST, 340 FEET FROM N 1/4 CORNER SECTION 21; WELL 3 - SOUTH 66 DEGREES EAST, 210 FEET FROM NW CORNER SECTION 22.

The right shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right, and to which such right is appurtenant, is as follows:

NE 1/4 NE 1/4
NW 1/4 NE 1/4
SE 1/4 NE 1/4
SECTION 21

NW 1/4 NW 1/4
SECTION 22
TOWNSHIP 36 SOUTH, RANGE 5 WEST, W.M.

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.

WITNESS the signature of the Water Resources Director, affixed this date FEBRUARY 24, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 60338

G-8605.JCL