STATE OF OREGON

COUNTY OF JACKSON

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MODOC ORCHARD COMPANY P.O. BOX 56 MEDFORD, OREGON 97501

confirms the right to store the waters of TWO UNNAMED STREAMS AND THE ROGUE RIVER, tributaries of the PACIFIC OCEAN, in RESERVOIRS 2 AND 3, appropriated under Permit 38079, for the purpose of TEMPERATURE CONTROL.

The right to store these waters was perfected under Reservoir Permit R-6160. The date of priority is DECEMBER 13, 1972. The amount of water entitled to be stored each year under this right is not more than 14.9 ACRE FEET BEING 6.8 AC-FT IN RESERVOIR 2 AND 8.1 AC-FT IN RESERVOIR 3.

The reservoirs are located as follows:

RESERVOIR 2 NW 1/4 NW 1/4

RESERVOIR 3 N 1/2 NW 1/4 SECTION 12 TOWNSHIP 36 SOUTH, RANGE 2 WEST, W.M.

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

WITNESS the signature of the Water Resources Director, affixed JANUARY 3, 1991.

/s/ WILLIAM H. YOUNG

William H. Young

Recorded in State Record of Water Right Certificates numbered 65101.

R-49915.TES