STATE OF OREGON

COUNTY OF MARION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

FRANK LUMBER COMPANY, INC. P.O. BOX 1467 MILL CITY, OREGON 97360

confirms the right to use the waters of WELLS 1 AND 5 in the EAST FORK LITTLE PUDDING RIVER BASIN for the purpose of IRRIGATING 281.1 ACRES AND SUPPLEMENTAL IRRIGATION OF 10.2 ACRES.

This right has been perfected under Permit G-7322. The date of priority is MARCH 17, 1977. This right is limited to 3.64 CUBIC FEET PER SECOND BEING 1.21 CFS FROM WELL 1 AND 2.43 CFS FROM WELL 5 or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

WELL 1 - SE 1/4 NE 1/4, AS PROJECTED WITHIN DLC 42, SECTION 14,; WELL 5 - LOT 2 (NW 1/4 NW 1/4), SECTION 13; BOTH T 8 S, R 2 W, W.M.; WELL 1 - 1140 FEET NORTH AND 1700 FEET WEST, WELL 5 - 3000 FEET NORTH AND 880 FEET WEST; BOTH FROM THE SE CORNER OF DLC 42.

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 ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre-feet for each acre irrigated during the irrigation season of each year. This right is limited to any deficiency in the available supply of any prior right existing for the same land.

This right shall conform to any reasonable rotation system ordered by the proper state officer.

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

			PRIMARY	SUPPLEMENTAL
				
LOT	4	(NE 1/4 SE 1/4)	3.3 ACRES	
		SE 1/4 SE 1/4	5.8 ACRES	
		SECTION 11		
LOT	6	(NE 1/4 SW 1/4)	3.5 ACRES	
LOT	7	(NW 1/4 SW 1/4)	22.7 ACRES	
		SW 1/4 SW 1/4	40.0 ACRES	
LOT	8	(SE 1/4 SW 1/4)	7.3 ACRES	
SECTION 12				
TOWNSHIP	8	SOUTH, RANGE 2 WES	ST, W.M.	

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4.2 ACRES
       LOT 1 (NE 1/4 NW 1/4)
              NE 1/4 NW 1/4
                                   3.1 ACRES
              NW 1/4 NW 1/
                                  17.0 ACRES
BOTH AS PROJECTED WITHIN DLC 42
                                  23.0 ACRES
       LOT 2 (NW 1/4 NW 1/4)
              SW 1/4 NW 1/4
                                  27.5 ACRES
                                                8.9 ACRES
              SE 1/4 NW 1/4
                                   7.3 ACRES
              NE 1/4 SW 1/4
                                   1.0 ACRE
              NW 1/4 SW 1/4
                                  19.6 ACRES
 ALL AS PROJECTED WITHIN DLC 42
                 SECTION 13
       LOT 1 (NE 1/4 NE 1/4)
NE 1/4 NE 1/4
                                  17.8 ACRES
                                  17.0 ACRES
     AS PROJECTED WITHIN DLC 42
                                   0.6 ACRE
       LOT 2 (NW 1/4 NE 1/4)
              NW 1/4 NE 1/4
                                   0.1 ACRE
                                                1.3 ACRES
              SE 1/4 NE 1/4
                                  37.1 ACRES
              NE 1/4 SE 1/4
                                  23.3 ACRES
 ALL AS PROJECTED WITHIN DLC 42
                 SECTION 14
TOWNSHIP 8 SOUTH, RANGE 2 WEST, W.M.
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The right to use 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 MAY 31, 1991.

/s/ WILLIAM H. NOUNG

William H. Young

Recorded in State Record of Water Right Certificates numbered 65869.

G-7936