STATE OF OREGON

COUNTY OF DOUGLAS

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MORGAN AND ENGLE INC. BOX 3299, DOERNER ROAD ROSEBURG, OREGON 97470

confirms the right to use the waters of SOUTH UMPQUA RIVER, a tributary of UMPQUA RIVER, for the purpose of IRRIGATING 134.3 ACRES.

This right has been perfected under Permit 45318. The date of priority is DECEMBER 14, 1979. This right is limited to 1.68 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The points of diversion are located as follows:

NE 1/4 NW 1/4, AND SW 1/4 SE 1/4, AS PROJECTED WITHIN DLC 43, SECTION 4, T 27 S, R 6 W, W.M.; 20 FEET WEST FROM THE NW CORNER OF DLC 51; AND 1400 FEET SOUTH AND 360 FEET EAST FROM THE NW CORNER OF DLC 43.

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 per acre (or its equivalent) and 2.5 acre-feet for each acre irrigated during the irrigation season of each year.

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:

NE 1/4 NW 1/4 0.3 ACRE 8.8 ACRES 4.0 ACRES NW 1/4 NW 1/4 NE 1/4 SW 1/4 ALL AS PROJECTED WITHIN DLC 51 NE 1/4 SW 1/4 12.7 ACRES NW 1/4 SW 1/4 21.6 ACRES SW 1/4 SW 1/4 31.4 ACRES SE 1/4 SW 1/4 23.6 ACRES ALL AS PROJECTED WITHIN DLC 43 SECTION 3

NW 1/4 SE 1/4 1.4 ACRES AS PROJECTED WITHIN DLC 43 SECTION 4

NE 1/4 NW 1/4 15.5 ACRES NW 1/4 NW 1/4 15.0 ACRES BOTH AS PROJECTED WITHIN DLC 43 SECTION 10 TOWNSHIP 27 SOUTH, RANGE 6 WEST, W.M.

SEE NEXT PAGE

59561.DS

PAGE TWO

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. This right is subject to minimum flows established by the Water Resources Commission with an effective date prior to this right.

WITNESS the signature of the Water Resources Director, affixed JUNE 26, 1992.

/s/ FULLERA O. PAGEL

Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 67517.

59561.DS