

STATE OF OREGON
COUNTY OF DOUGLAS
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

INTERNATIONAL PAPER COMPANY
KELLOGG FOREST TREE NURSERY
1940 MADISON ROAD
OAKLAND, OREGON 97462

confirms the right to use the waters of the UMPQUA RIVER AND GALESVILLE RESERVOIR CONSTRUCTED UNDER PERMIT R-9964, for THE PURPOSE OF COMMERCIAL NURSERY USE TO INCLUDE IRRIGATION OF 121.2 ACRES. DURING THE PERIOD OCTOBER 1 THROUGH MARCH 31 OF EACH YEAR WHEN WATER CAN BE PUT TO BENEFICIAL USE FOR IMMEDIATE CROP GROWTH OR TO RAISE THE SOIL MOISTURE CONTENT TO BE UTILIZED BY PLANT GROWTH AND TO INCLUDE USE FOR REDUCING PLANT MOISTURE STRESS, REMOVE FERTILIZER FROM FOLIAGE AND TEMPERATURE CONTROL.

This right was perfected under Permit 50226. The date of priority is OCTOBER 9, 1987. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 9.81 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:

POD 1 - SE 1/4 SE 1/4, SECTION 30, T 23 S, R 7 W, W.M.; 60 FEET NORTH AND 410 FEET WEST FROM THE SE CORNER OF SECTION 30.

POD 2 - NW 1/4 SW 1/4, SECTION 20, T 23 S, R 7 W, W.M.; 2080 FEET NORTH AND 700 FEET WEST FROM THE NE CORNER OF DLC 42.

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

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

| | |
|---------------------------------------|------------|
| NE 1/4 SE 1/4 | 4.9 ACRES |
| SE 1/4 SE 1/4 | 18.5 ACRES |
| BOTH AS PROJECTED WITHIN DLC 43 | |
| SECTION 19 | |
| NE 1/4 SW 1/4 | 2.0 ACRES |
| NW 1/4 SW 1/4 | 18.6 ACRES |
| SW 1/4 SW 1/4 | 7.7 ACRES |
| ALL AS PROJECTED WITHIN DLC 43 | |
| SECTION 20 | |
| NW 1/4 SW 1/4 | 4.6 ACRES |
| SW 1/4 SW 1/4 | 31.0 ACRES |
| BOTH AS PROJECTED WITHIN DLC 41 | |
| SECTION 29 | |
| NE 1/4 SE 1/4 | 0.6 ACRE |
| SE 1/4 SE 1/4 | 3.8 ACRES |
| BOTH AS PROJECTED WITHIN DLC 41 | |
| SECTION 30 | |
| TOWNSHIP 23 SOUTH, RANGE 7 WEST, W.M. | |

SEE NEXT PAGE

NE 1/4 SE 1/4 1.7 ACRES
SE 1/4 SE 1/4 9.0 ACRES
BOTH AS PROJECTED WITHIN DLC 42
SECTION 30

NE 1/4 NE 1/4 0.3 ACRE
AS PROJECTED WITHIN DLC 41
SECTION 31

NW 1/4 NW 1/4 18.5 ACRES
AS PROJECTED WITHIN DLC 41
SECTION 32
TOWNSHIP 23 SOUTH, RANGE 7 W, 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. The use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

WITNESS the signature of the Water Resources Director, affixed JUNE 17, 1996.

 Steven P. Applegate
Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 72382.