STATE OF OREGON

COUNTY OF GRANT

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

JOHN DAY LUMBER COMPANY P.O. BOX 38 JOHN DAY, OREGON 97845

confirms the right to use the waters of the JOHN DAY RIVER, a tributary of the COLUMBIA RIVER, for LUMBER MANUFACTURING PURPOSES.

The right has been confirmed by decree of the Circuit Court of the State of Oregon for GRANT County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 10, at page 581. The date of priority is 1866 FOR 0.39 CUBIC FOOT PER SECOND (CFS) NOT TO EXCEED 77.0 ACRE-FEET PER YEAR; AND 1889 FOR 0.57 CFS.

The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.96 CUBIC FOOT PER SECOND FROM APRIL 1 TO SEPTEMBER 30; FURTHER LIMITED TO 38.2 ACRE-FEET (AF) PER CALENDAR MONTH TO JULY 1 AND 28.7 AF PER CALENDAR MONTH THEREAFTER, PROVIDED FURTHER THE TOTAL QUANTITY OF WATER DIVERTED EACH YEAR SHALL NOT EXCEED 191.0 AF EACH YEAR DURING THE IRRIGATION SEASON, IF AVAILABLE AT THE ORIGINAL POINT OF DIVERSION.

The point of diversion is located as follows:

NE 1/4 SE 1/4, SECTION 21, T 13 S, R 31 E, W.M.; 870 FEET SOUTH AND 900 FEET WEST FROM THE EAST 1/4 CORNER OF SECTION 21.

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

NE 1/4 SE 1/4 SECTION 21

NW 1/4 SW 1/4 SECTION 22 TOWNSHIP 13 SOUTH, RANGE 31 EAST, W.M.

When in the judgment of the Watermaster it becomes necessary to install headgates and measuring devices:

the diversion works shall include an in-line flow meter, a weir, or other suitable device for measuring the water to which the wateruser is entitled;

the type and plans of the measuring device be approved by the Watermaster before the beginning of construction work and that the weir or measuring device be installed under the general supervision of said Watermaster.

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T-4486.KDD

This certificate is issued to confirm a change in USE, PLACE OF USE AND POINT OF DIVERSION approved by an order of the Water Resources Director entered AUGUST 11, 1980 and together with certificates 74420, 50137, and special order of the Water Resources Director recorded in Volume 51, page 324 approving Transfer Application T-6671, supersedes certificates 25694 and 37364, State Record of Water Right Certificates.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

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 and shall be subject to all other conditions and limitations contained in said decree.

WITNESS the signature of the Water Resources Director, affixed JUNE 18, 1998.

Rufum Do Smley Martha O. Pagel