

STATE OF OREGON

COUNTY OF POLK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

HIGHLAND TREE FARMS, INC.
P.O. BOX 112
MONMOUTH, OREGON 97361

confirms the right to use the waters of LITTLE LUCKIAMUTE RIVER, a tributary of LUCKIAMUTE RIVER, for IRRIGATION OF 16.1 ACRES.

This right was perfected under Permit 50082. The date of priority is JUNE 29, 1987. This right is limited to 0.2 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

NW 1/4 SW 1/4, SECTION 31, T 8 S, R 5 W, W.M.; 2320 FEET NORTH AND 300 FEET EAST FROM THE SOUTHWEST CORNER OF SECTION 31.

The amount of water used for irrigation 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.

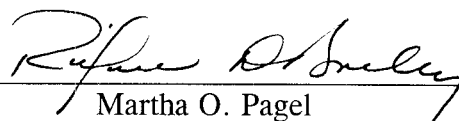
The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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

NE 1/4 NE 1/4 2.5 ACRES
SE 1/4 NE 1/4 13.6 ACRES
BOTH AS PROJECTED WITHIN DLC 54
SECTION 31
TOWNSHIP 8 SOUTH, RANGE 5 WEST, 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 APRIL 22, 1999.


Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 76140.