

STATE OF OREGON  
 COUNTY OF COLUMBIA  
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

R S G FOREST PRODUCTS INC.  
 69480 BANZER RD  
 MIST, OR 97016

confirms the right to store water perfected under the terms of Permit R-14492. The amount of water used to which this right is entitled is limited to the amount used beneficially, and shall not exceed the amount specified, or its equivalent in the case of rotation, measured at the point of diversion from the source. The specific limits and conditions of the use are listed below.

APPLICATION NUMBER: R-86688

SOURCE: AN UNNAMED STREAM AND NEHALEM RIVER, TRIBUTARIES TO NEHALEM BAY

STORAGE FACILITY: RSG RESERVOIR

PURPOSE or USE: MULTIPLE PURPOSE

MAXIMUM STORAGE VOLUME: 27.9 ACRE FEET

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: NOVEMBER 1 – SEPTEMBER 30

DATE OF PRIORITY: SEPTEMBER 26, 2006

DAM LOCATION / POINTS OF DIVERSION LOCATION:

	Twp	Rng	Mer	Sec	Q-Q	Measured Distances
NEHALEM RIVER	6 N	5 W	WM	15	SE NW	2860 FEET NORTH AND 1375 FEET EAST FROM SW CORNER, SECTION 15
CENTER OF DAM / UNNAMED STREAM	6 N	5 W	WM	16	NE SE	2050 FEET NORTH AND 440 FEET WEST FROM SE CORNER, SECTION 16

The area submerged by this reservoir is as follows:

Twp	Rng	Mer	Sec	Q-Q
6 N	5 W	WM	16	NE SE

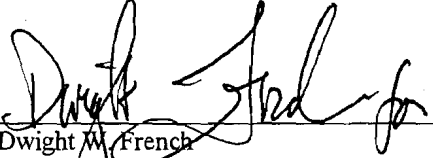
**NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW**

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

CONDITIONS OF USE

1. Measurement, recording and reporting:
  - A. The water user shall maintain the meter or measuring device in good working order.
  - B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
  - C. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.
2. The water user shall maintain the fish screen according to Oregon Department of Fish and Wildlife standards.
3. The storage of water allowed herein is subject to the maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Director to satisfy prior downstream rights.
4. The water user shall pass all live flow outside the storage season described above.
5. This right does not provide for the appropriation of water for any out-of-reservoir uses, the maintenance of the water level, or maintaining a suitable freshwater condition. If any water is used for out-of-reservoir uses, or any live flow is appropriated to maintain either the water level or a suitable freshwater condition, a secondary water right is required.
6. Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.
7. This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.
8. By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.
9. The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.
10. This right does not authorize the water user to interfere with or affect adjacent property not under the ownership of the water user.

Issued           MAY 19 2010          

  
Dwight M. French  
Administrator Water Rights and Adjudications, for  
Phillip C. Ward, Director