

Farmers Irrigation District
1985 Country Club Road
Hood River Oregon 97031

AUTHORIZED PLACE OF USE
LEGAL DESCRIPTION

WATER RIGHT	Certificate PRIMARY	Certificate SUPP	PRIORITY DATE	USE	POD#	TWP	RNG	SEC	QQ	TAXLOT	USER NAME	OLD acre	Change	NEW acre	DINN
	74306		5/7/1906	IRR	16129	2N	10E	2	NE/SE	1900	Winans	1.50	1.50	0.00	6523
	74306		5/7/1906	IRR	16129	2N	10E	3	SE/NE	1601	* Whitaker	0.25	0.25	0.00	6746
	74306		5/7/1906	IRR	16129	2N	10E	11	NE/SE	0700	* Buchanan	0.15	0.15	0.00	6747
	74306		5/7/1906	IRR	16129	2N	10E	11	NW/SE	1600	* Nuss	0.40	0.40	0.00	6748
	74306		5/7/1906	IRR	16129	3N	10E	35	SW/NW	1200	Howard	1.10	0.15	0.95	6668
											TOTAL ACRES OFF		2.45		

* Forfeiture due to non-use and non payment

Farmers Irrigation District
1985 Country Club Road
Hood River Oregon 97031

PROPOSED PLACE OF USE
LEGAL DESCRIPTION

Certificate PRIMARY	Certificate SUPP	PRIORITY DATE	USE	POD#	TWP	RNG	SEC	QQ	TAXLOT	USER NAME	OLD acre	Change	New acre	DINN
74306		5/7/1906	IRR	16129	3N	10E	26	SW/SW	1500	Olmstead	0.40	1.00	1.40	6745
74306		5/7/1906	IRR	16129	3N	10E	27	SE/SE	2201	Olmstead	0.40	1.45	1.85	6744
										TOTAL ACRES ON		2.45		

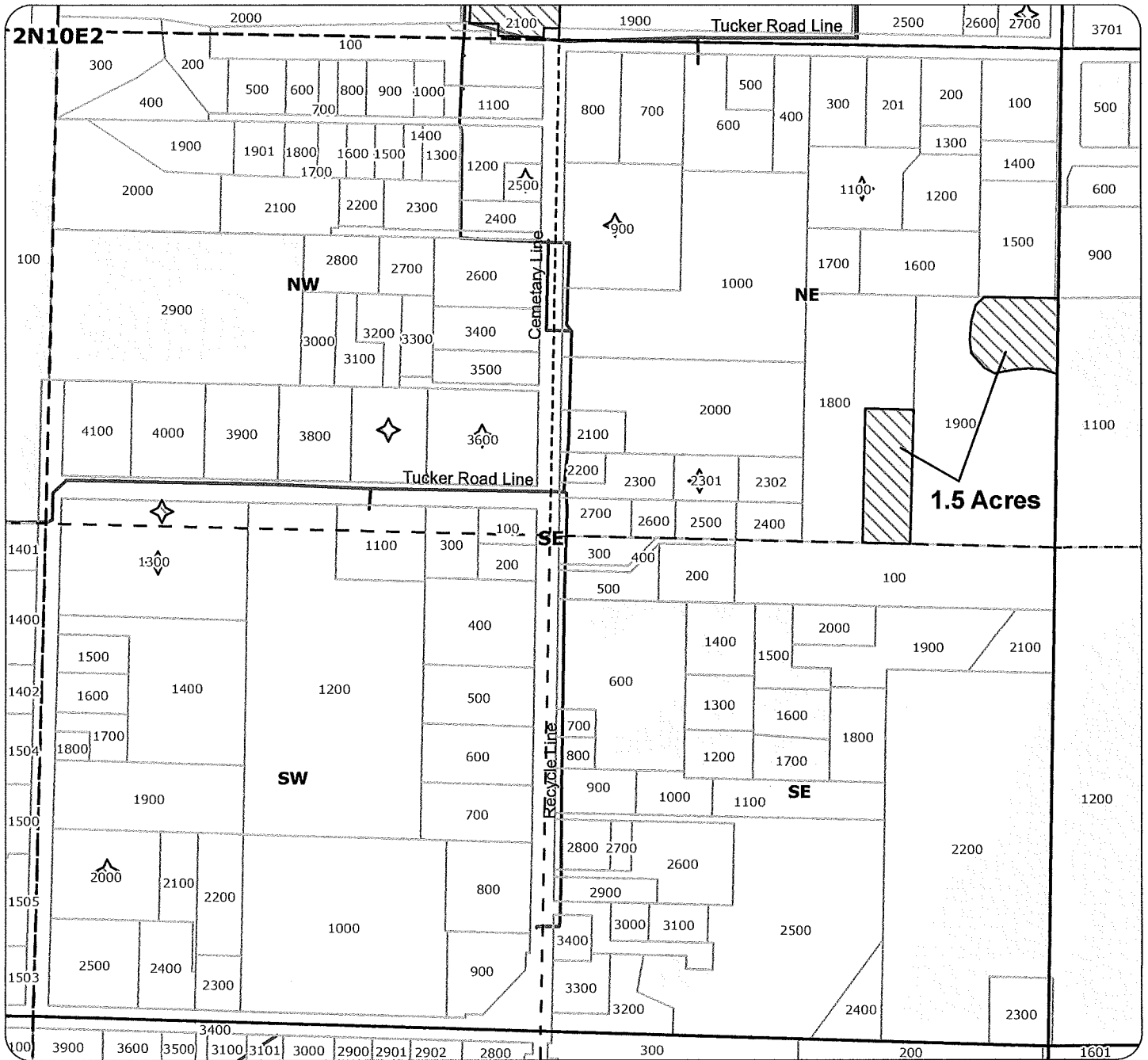
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SALEM, OREGON

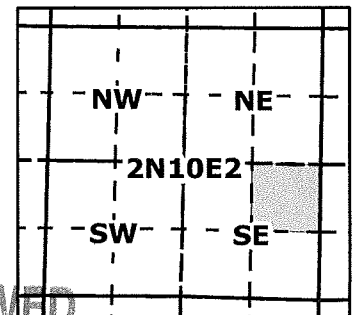
2010 Farmers Irrigation District Transfer Map



Application for Permanent District Transfer Primary: Certificate 74306

- Point of Diversion
- ~ Canals
-  Transfer ON
-  Transfer OFF
- Water Right

For:
 Alan Winans
 Taxlot 1900- 1.5 Acres OFF
 Total Proposed Water Right
 in Taxlot 1900- 0 Acres
 in 2N10E2NESE



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Date Created: December 2010

**ASSIGNMENT OF WATER RIGHT
POWER OF ATTORNEY**

WHEREAS, the undersigned **Alan Winans** is the Owner of the following described real property situated in Hood River County, Oregon, and more particularly described as:

Assessor's map and tax lot no. **2N-10E-2-NE/SE #1900**, consisting of **1.50** irrigable acres. Which property is within the boundaries of and subject to the charges and assessments of the Farmers Irrigation District (District), and

WHEREAS, there is appurtenant to the above-described real property the following described water right of record:

Primary
Certificate number: 74306
Priority Date: 05/07/1906
Source: Hood River
Purpose: Irrigation
Transferred Amount: 1.50 Water Right Acres

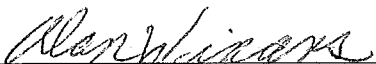
Which water right is in the name of the Farmers Irrigation District is delivered by the District, and,

WHEREAS, **Winans** desires to transfer **1.50** acres of the water rights from tax lot **2N-10E-2-NE/SE #1900** and receive and be billed for **0.00** water right acres.

Winans, hereby grants, assigns and conveys to the District all of right, title and interest in and to the above-described transferred water right of record and in and to the use of the water therefrom which is appurtenant to the above described property.

Winans, hereby makes constitutes and appoints the Chairman of Farmers Irrigation District, as their agent and attorney in fact with power and authority to assign, transfer and convey the above described transferred water right on the records of the Oregon Water Resources Department, including, but not limited to, transferring the use, place of use and point of diversion, and to execute and deliver transfer applications and any other documentation necessary or desirable to accomplish the transfer of the water right.

IN WITNESS WHEREOF, the undersigned has executed this instrument the 24 day of November, 2008.



Alan Winans, Owner


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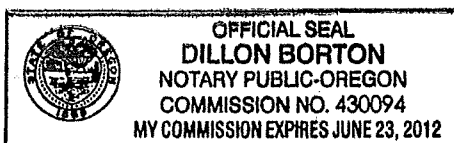
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SALEM, OREGON

STATE OF OREGON)
County of Hood River) ss.

Alan Winans, acknowledged this instrument before me on November 24, 2008.

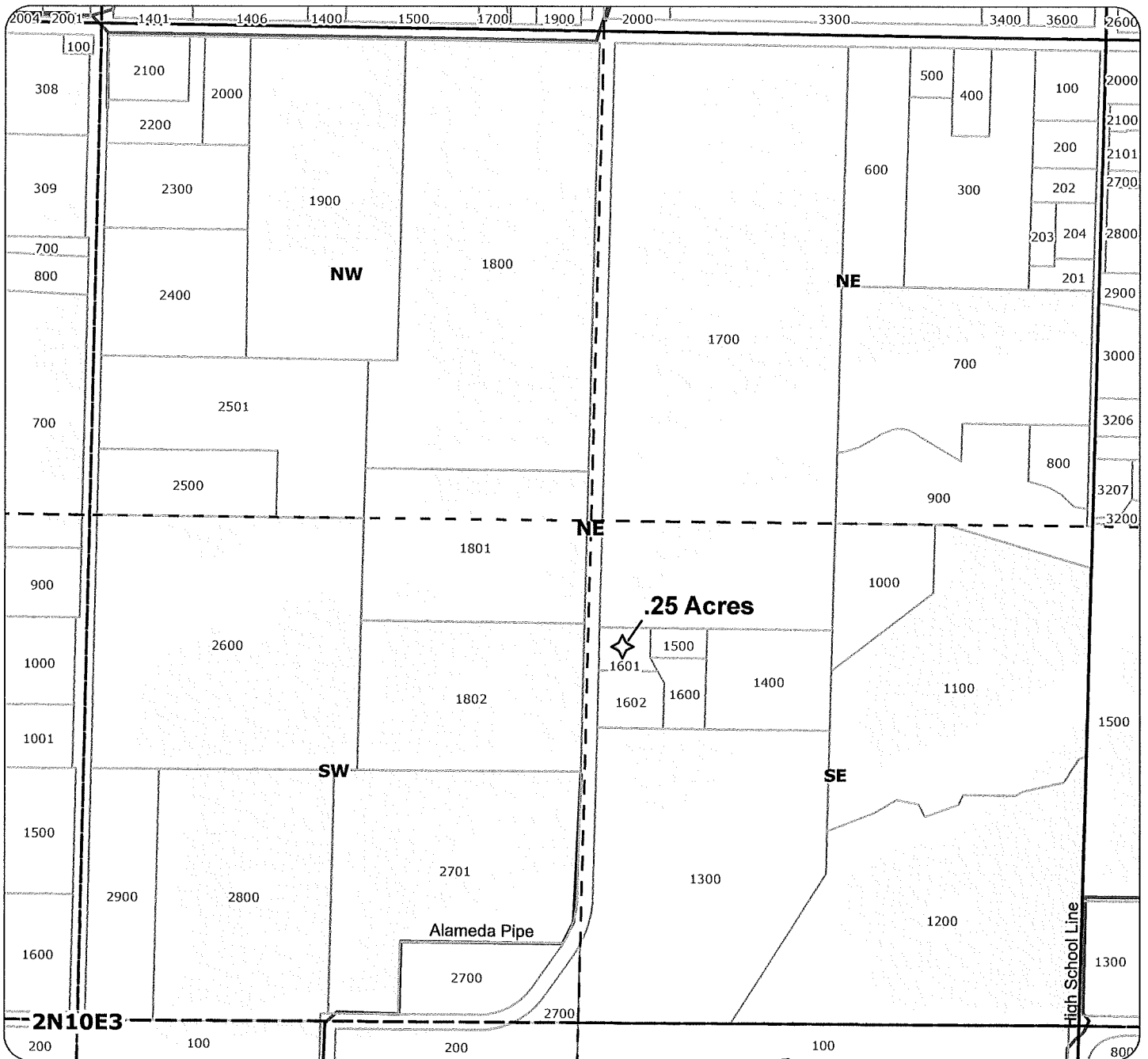


Notary Public for Oregon
My commission expires: June 23, 2012





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2010 Farmers Irrigation District Transfer Map

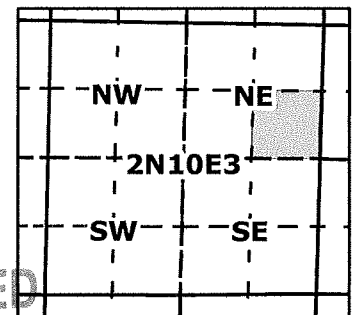


Application for Permanent District Transfer

Primary: Certificate 74306

- Point of Diversion
- ~ Canals
-  Transfer ON
-  Transfer OFF
- Water Right

For:
 Maxine & Larry Whitaker
 Taxlot 1601- .25 Acres OFF
 Total Proposed Water Right
 in Taxlot 1601- 0 Acres
 in 2N10E3SENE



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1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

1/11/2011

Oregon Water Resources Department

Dear Sir or Madam:

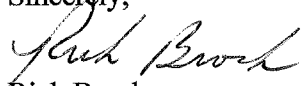
The last time the Whitaker's used irrigation water on their property was the 2005 irrigation season, The valve was closed due to non-payment in 2006.

They have received letters from Farmers Irrigation District each year, Lien notices, foreclosure and shut off notices, along with two certified letters in 2010.

I have researched their property and found Farmers Irrigation District as the sole lien holder. They will not get in touch with FID to rectify this situation.

- 1. Number of acres assessed: .25 acres
- 2. General description of tax lot to which water is assigned: 2N-10-03-SE/NE 1601 in Hood River County, Oregon
- 3. The use for these water rights: Irrigation
- 4. Farmers Irrigation District Water Right Certificate Number: 74306

Farmers Irrigation District would like to include this .25 acre water right in the 2011 transfer in change of place of use.

Sincerely,

 Rick Brock
 Water Right Specialist
 Farmers Irrigation District
 541-387-5263
rick@fidhr.org

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WATER RESOURCES DEPT
SALEM, OREGON

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Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

September 1, 2005

Larry 7 Maxine Whitaker
1103 Alameda Rd.
Hood River, OR 97031

RE: Delinquent bill: \$125.06

Dear Mr. & Mrs. Whitaker:

Due to non-payment of your 2005 irrigation bill, water delivery service to your property has now been discontinued, and further use of irrigation water is prohibited. A lien will now be filed against your property, and a **minimum** \$75.00 lien fee will be charged to your account. A reconnection fee of up to \$100.00 may also be charged to your account. To re-instate your service, please contact Cathy immediately at 541-387-5262.

Sincerely,

Cathy Roberts-Funez
Administrative Asst.

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WATER RESOURCES DEPT
SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

September 13, 2006

Maxine & Larry A. Whitaker
1103 Alameda Road
Hood River Oregon 97031

RE: Delinquent account

Dear Mr. & Mrs. Whitaker:

Due to non-payment of your irrigation assessments, a lien has been filed against your property and a \$75.00 lien fee charged to your account. Water delivery service to your property has now been discontinued, and further use of irrigation water is prohibited. Upon receipt of payment in full in the amount of \$194.73 the lien will be removed from your property. If you have any questions, please contact June at 387-5261.

Sincerely,

Cathy Funez
Director of Administration

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WATER RESOURCES DEPT
SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

May 30, 2007

Larry & Maxine Whitaker
1103 Alameda Rd.
Hood River, OR 97031

Dear Mr. & Mrs. Whitaker,

At its regular monthly meeting on May 17th, 2007, the Board of Directors of the Farmers Irrigation District directed me to make a final attempt to contact you before applying a lien against your property and placing a **minimum** \$75.00 lien fee on your account. Please be informed that if your account balances of **\$430.96** is not paid by June 15th, 2007 a property lien will be filed and the subsequent charges added to your account.

Sincerely,

June Brock
Administrative Assistant

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ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

July 5, 2007

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Maxine J. and Larry A. Whitaker
1103 Alameda Road
Hood River, OR 97031

RE: Farmers Irrigation District Services to 2N-10-03-SE/NE-1601

Dear Mr. and Mrs. Whitaker:

This firm represents Farmers Irrigation District, which provides irrigation water for the real property described above.

I have written to you on previous occasions regarding your irrigation assessment bills and you have chosen to ignore these demands. Currently, your assessments have gone unpaid for several years. Pursuant to ORS 545.496, if a charge or assessment is not paid when due, the District is required to charge interest on the unpaid amount at the rate of one and one-third percent (1 1/3%) per month. In addition, the delinquent amount is increased by the District's administrative costs of collection, including legal fees. The delinquent sum as of the date of this letter is \$441.68. Due to your continuing refusal to pay these irrigation charges, a lien was filed against your property in favor of Farmers on September 11, 2006. At this point, we are in a position to foreclose this lien by filing a lawsuit against you in Hood River County Circuit Court. In that action, Farmers will not only seek recovery of its charges and all accumulated interest, it will also seek recovery of attorney fees and title company charges associated with processing the lawsuit against you. In order to prevent this from happening, you must pay all the delinquency owed to Farmers, or make satisfactory arrangements to do so by August 8, 2007. A copy of the Irrigation District Statute that authorizes Farmers to pursue its debt is enclosed for your review.

Farmers Irrigation District does not wish to pursue a foreclosure action against you, but your continuing refusal to address this issue leaves no other option. This is the last warning you will receive from Farmers regarding this delinquency before it begins incurring additional costs associated with the foreclosure lawsuit. As a result, I urge you to take this matter seriously.

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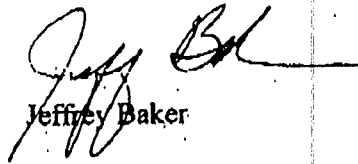
WATER RESOURCES DEPT
SALEM, OREGON

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Maxine J. and Larry A. Whitaker
July 5, 2007
Page 2

Please contact me, or have your lawyer do so, should you have any questions regarding the matters discussed herein.

Very truly yours,


Jeffrey Baker

JJB:fce
Enclosure ✓
cc: Client ✓

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WATER RESOURCES DEPT
SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River, OR 97031
(541) 386-3115

Statement of Account

Statement Date: 09/12/2007
Due Date: 10/01/2007
Account No: WH2416

Amount Paid: _____

Whitaker, Maxine & Larry A.
1103 Alameda Road
Hood River, OR 97031

Your account is severely delinquent.
Payment in full must be received by
September 30, 2007. Thank you.

Please Return This Portion With Your Payment

<u>Inv Date</u>	<u>Inv #</u>	<u>WRA</u>	<u>Code</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
				Prior Balance For 2N-10-03-SE/NE-1601:		\$459.98
2N-10-03-SE/NE-1601		0.25				
09/12/2007	140077		SVC	SERVICE FEE	\$2.00	
				Total Balance For 2N-10-03-SE/NE-1601:		\$461.98
Prior Balance Due For WH2416:						\$459.98
Statement Amount For WH2416:						\$2.00
Total Balance Due For WH2416:						\$461.98
Total WRA:		0.25				

pmt in full is due by Sept. 30. or
foreclosure proceedings will commence.
if you would like to completely
remove the water rights from
your property please contact Rick
@ 387-5263.

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SALEM, OREGON

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ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

November 19, 2008

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Larry A. and Maxine Whitaker
1103 Alameda Road
Hood River, OR 97031

RE: Foreclosure of Farmers Irrigation District Lien

Dear Mr. and Mrs. Whitaker:

As you are aware, this firm represents Farmers Irrigation District, which provides irrigation water for your real property described as 2N-10-03-SE/NE-1601.

As you may recall, I wrote to you in July of this year regarding your outstanding bill with the District. At that time, the amount owing for unpaid assessments and related costs totaled \$769.04. Since that date, additional interest has accumulated along with other costs so that the current balance you now owe to Farmers as of the date of this letter is \$981.77. As indicated in my previous correspondence to you, you were allowed 30 days in which to dispute the validity of this bill, and you did not do so. We are now justified in assuming that the amount owing is complete and accurate. More importantly, the District is now prepared to commence foreclosure proceedings to collect this debt.

In connection with that action, there will be additional expenses of title report costs, filing fees, and other costs that will quickly accumulate. Pursuant to ORS 545.502, the District will be entitled to recover at a foreclosure proceeding the expenses of the foreclosure, including recording and filing fees, as well as title search fees and foreclosure reports. Ultimately, if the District is successful in foreclosing its lien, the court judgment will order the sale of your property, and direct the sheriff to hold that sale in the same manner as other foreclosure sales. Although this is a drastic remedy, your continued refusal to address the District's outstanding bill leaves us with no other option. Given that the District's lien is entitled to priority under Oregon statute (ORS 545.494), it is also in your best interest to address this matter and not allow a foreclosure proceeding to be commenced.

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WATER RESOURCES DEPT
SALEM, OREGON

Larry A. and Maxine Whitaker
November 19, 2008
Page 2

At this juncture, we believe it is in your best interest to consult with an attorney regarding the details of this letter, and we certainly hope you will do so. **Nevertheless, unless suitable payment arrangements can be reached with the District within thirty (30) days of your receipt of this letter, the District will have no other choice but to proceed with foreclosure proceedings without further additional notice.**

Please contact the undersigned, or have your attorney do so, should you have any questions or comments regarding the matters discussed herein.

Very truly yours,



Jeffrey Baker

JJB:fce
cc: Client ✓

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WATER RESOURCES DEPT
SALEM, OREGON

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Farmers Irrigation District

1985 Country Club Road
Hood River, OR 97031
(541) 386-3115

Statement of Account

Statement Date: 09/03/2008
Due Date: 10/15/2008
Account No: WH2416

Amount Paid: _____

Whitaker, Maxine & Larry A.
1103 Alameda Road
Hood River, OR 97031

Your account is now severely delinquent.
Payment is due upon receipt.
Thank you.

Please Return This Portion With Your Payment

<u>Inv Date</u>	<u>Inv #</u>	<u>WRA</u>	<u>Code</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
				Prior Balance For 2N-10-03-SE/NE-1601:		\$764.06
2N-10-03-SE/NE-1601		0.25				
09/03/200	143341		SVC	SERVICE FEE	\$2.00	
				Total Balance For 2N-10-03-SE/NE-1601:		\$766.06
<hr/>						
				Prior Balance Due For WH2416:		\$764.06
				Statement Amount For WH2416:	\$2.00	
				Total Balance Due For WH2416:		\$766.06
				Total WRA: 0.25		

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Foreclosure pending

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SALEM, OREGON

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Larry & Maxine Whitaker
 1103 Alameda Rd.
 Hood River, OR 97031

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X Larry Whitaker

B. Received by (Printed Name) C. Date of Delivery
LARRY WHITAKER 8-22-10

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7009 2820 0003 7291 2925
(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LARRY + MAXINE
 Whitaker
 1103 ALAMEDA
 HOOD RIVER OR 97031

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X Larry Whitaker

B. Received by (Printed Name) C. Date of Delivery
LARRY WHITAKER 7-28-10

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

Restricted Delivery? (Extra Fee) Yes

2. Article Number 7008 2810 0001 0832 5825
(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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WATER RESOURCES DEPT
SALEM, OREGON

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FARMERS IRRIGATION DISTRICT

Serving the Northern Hood River Valley since 1874

1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

July 21, 2010

Via U.S. Certified and Regular U.S. Mail – Return Receipt Requested

Whitaker, Maxine & Larry A..
1103 Alameda Road
Hood River OR 97031

RE: Property # 2N-10-03-SE/NE-1601 .25 water right acres.

Dear Sir or Madam:

The 2009 irrigation season has ended and again, as in previous years, you did not pay the annual irrigation fees. You have received various water shut-off notices, lien & foreclosure notices from Farmers Irrigation District ("Farmers" or the "District") since 2005. The 2010 irrigation season fees have not been paid are now seriously delinquent. More importantly, for nearly five full years, you have failed to put your water rights to beneficial use. Oregon law provides that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right. In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Oregon Water Resources Department to transfer these water rights. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use.

Use as measure of water right; presumption of forfeiture of right for nonuse; basis for rebutting presumption; confirmation of rights of municipalities. (1) Beneficial use shall be the basis, the measure and the limit of all rights to the use of water in this state. Whenever the owner of a perfected and developed water right ceases or fails to use all or part of the water appropriated for a period of five successive years, the failure to use shall establish a rebuttable presumption of forfeiture of all or part of the water right.

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SALEM, OREGON

Failure to put these water rights to beneficial use is a very serious matter and can lead to forfeiture of the unused water right. Consequently, you must immediately bring your account with Farmers up to date and you must use the full water right on the property, all in the next thirty days. Alternatively, you may schedule a meeting with Mr. Rick Brock with Farmers to sign a document voluntarily transferring the unused water rights off of your property.

By this letter, the District is serving you notice of its intent to confiscate any water right that goes unused in the next thirty days. A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Department. As required by statute, I have enclosed a map showing where your .25 acres of water rights are located and a copy of the District Confiscation Policy.

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Oregon Water Resources Department for transfer of these water rights. **Therefore, please treat this letter as notice of the District's intent to petition for transfer of your water rights pursuant to ORS 540.572-574.** The information required of this notice is as follows:

T 11189

1. Number of acres for which you are being assessed: .25 acres
2. General description of tax lot to which water is assigned: 2N-10-03-SE/NE 1601 in Hood River County, Oregon.
3. The use for these water rights: Irrigation
4. Farmers Irrigation District Water Right Certificate Number: 74306

We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Oregon Water Resources Department for approval to transfer your water right to other lands in the District. If you disagree with the determination of the District that your land is no longer irrigated or susceptible of irrigation, or that the presumption of forfeiture under ORS 540.610 is subject to rebuttal, or if you have some other objection to the District's proposed action, you must so advise the District in writing within 30 days from the date of this letter. If any or all of the above water rights are removed, the District will make the water rights available to other property owners who have requested water rights.

If you file a timely objection to the District's actions, the District Manager will attempt to resolve your objections to all sides' mutual satisfaction. If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission.

Please remember that whether you choose to use your water rights, transfer them, or not use them your assessments are still due and payable to Farmers. It is our hope that we can work together and maintain the water rights on your property. If you have any questions contact Rick Brock at 541-387-5263.

Sincerely,

Mike Kleinsmith
District Manager

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SALEM, OREGON

540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

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(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve

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SALEM, OREGON

the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

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WATER RESOURCES DEPT
SALEM, OREGON

690-385-5000

District Permanent Transfer Criteria

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

(1) The district employs a full-time manager;

(2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;

(3) The proposed transfer involves the use of water on lands located within the boundaries of the district;

(4) The district has determined a user has not made beneficial use of water for four successive years; and

(5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

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WATER RESOURCES DEPT
SALEM, OREGON



1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

8/26/2010

Via U.S. Certified and Regular U.S. Mail – Return Receipt Requested

RE: Irrigation Water Rights for **Whitaker, Maxine & Larry A.**
1103 Alameda Road
Hood River OR 97031

Dear Sir or Madam:

Farmers Irrigation District (the “District”) policy and Oregon law provide that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right (See ORS 540.610). In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Water Resources Commission to transfer these water rights.

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Water Resources Commission for transfer of these water rights. Therefore, please treat this letter as notice of the District’s intent to petition for transfer of your water rights pursuant to ORS 540.572-574. The information required of this notice is as follows:

- 1. Number of acres for which you are being assessed: .25 acres
- 2. General description of tax lot to which water is assigned: 2N-10-03-SE/NE 1601 in Hood River County, Oregon
- 3. The use for these water rights: Irrigation
- 4. Farmers Irrigation District Water Right Certificate Number: 74306

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We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Water Resources Commission for approval to transfer your water right to other lands in the District. The District will make the water rights available to other property owners who have requested water rights.

T 11189

Whitaker, Maxine & Larry A.
August 26, 2010
Page 2

If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission. Any unpaid balance on your account will remain on our books.

Please contact me should you have any comments.

Sincerely,

Rick Brock
Water Right Specialist
Farmers Irrigation District
541-387-5263
rick@fidhr.org

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SALEM, OREGON

T 11189

540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve

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SALEM, OREGON

the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

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WATER RESOURCES DEPT
SALEM, OREGON

690-385-5000

District Permanent Transfer Criteria

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

- (1) The district employs a full-time manager;
- (2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;
- (3) The proposed transfer involves the use of water on lands located within the boundaries of the district;
- (4) The district has determined a user has not made beneficial use of water for four successive years; and
- (5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

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WATER RESOURCES DEPT
SALEM, OREGON

FARMERS IRRIGATION DISTRICT

RESOLUTION NO. _____

**A RESOLUTION DETAILING THE DISTRICT'S PROCEDURE FOR
TRANSFERRING WATER RIGHTS DUE TO NON-USE.**

WHEREAS, FARMERS IRRIGATION DISTRICT (the "District") has an obligation by its charter and by state law to appropriately utilize water rights within the District boundaries; and

WHEREAS, pursuant to ORS Chapter 540, the District is empowered to transfer water rights off of property within the District boundaries where the owners of the property have failed to use their water rights for at least four successive years. The District's right to transfer these water rights is governed by the above-referenced statutes as well as by the administrative regulations at division 385 of Chapter 690; and

WHEREAS, the District desires to implement a consistent and predictable policy regarding the transfer of water rights in jeopardy of being forfeited as a result of non-use; and

WHEREAS, this Resolution is designed to provide a predictable policy for addressing water rights transfers where the water rights are in danger of forfeiture due to non-use;

NOW, THEREFORE, BE IT RESOLVED:

The District shall, as soon as practicable, implement a water rights transfer policy with the following components:

1. A survey of the entire District will be conducted and documented each year. Throughout the season, District staff shall document the use of all water rights as fully used, partially used, or not used. If the water rights are in partial use, an estimate will be made of the actual acres irrigated. Current aerial photos may be used when available.
2. The surveys will be submitted to the District office no later than August 15th of each year and will be kept as a permanent record.
3. The survey results will be entered into a database. The District will compile a list of all appurtenant water rights reported as partially used or not used. A letter will be sent out no later than September 30th giving water users the options available to them to beneficially use their water rights for the following year and also giving them 30 days to respond with a plan on how they intend to use their water rights the following year, or with evidence that they had used the water during the current season. If non-use has exceeded two years, the Watermaster or his appointed representative may visit the property and visually verify the report.

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SALEM, OREGON

4. All water users with a documented four years of non-use shall receive a notice from the District which shall comport with the current statutes and regulations regarding transfer of water rights, including the following items: an accurate statement of the applicable law as required by OAR 690-385-5000 – 5800; the options the water users have to protect their water rights; and the District's right to petition Oregon Water Resources Department (the "Department") to remove the water if not used in the fifth year. A copy of the notice shall be sent to any security interest holders of record in the real property at issue. The notice shall be sent by certified mail, and the District shall provide the Department with a copy of each notice sent to a water user within 30 days of the mailing date of the notice.

5. Documentation of four years non-use may be supported by: Dated aerial photographs from GeoSpatial Solutions or the NRCS, if available, District photographs, an affidavit by the Watermaster or his appointee, and/or affidavits by District staff or neighbors.

6. If, during the season of the fifth year, the water user does not take one of the following actions with regard to its water rights – lease the rights instream (application must be filed before March 1st), transfer off the water rights, or exercise the water rights on the land – the District may file a Petition with the Department to transfer the water rights off of the property. No later than September 30th, a notice that conforms with the applicable statutes and regulations will be sent by certified mail to the water user stating the District's intent to transfer the water rights off the user's property. The water user has 30 days to advise the District in writing of any objections.

7. The District Manager shall attempt to resolve the matter with the water user. If the Manager is unable to resolve the matter, a hearing will be held before the District Board of Directors. The Board shall determine whether to submit the petition to the Department Director.

8. If the District does not receive a written objection in 30 days, the District may submit the Petition to the Department Director requesting approval. The District shall attempt to submit the petition prior to December 31st of the fifth year of nonuse.

PASSED AND ADOPTED by the District Board on the _____ day of _____, 2010.

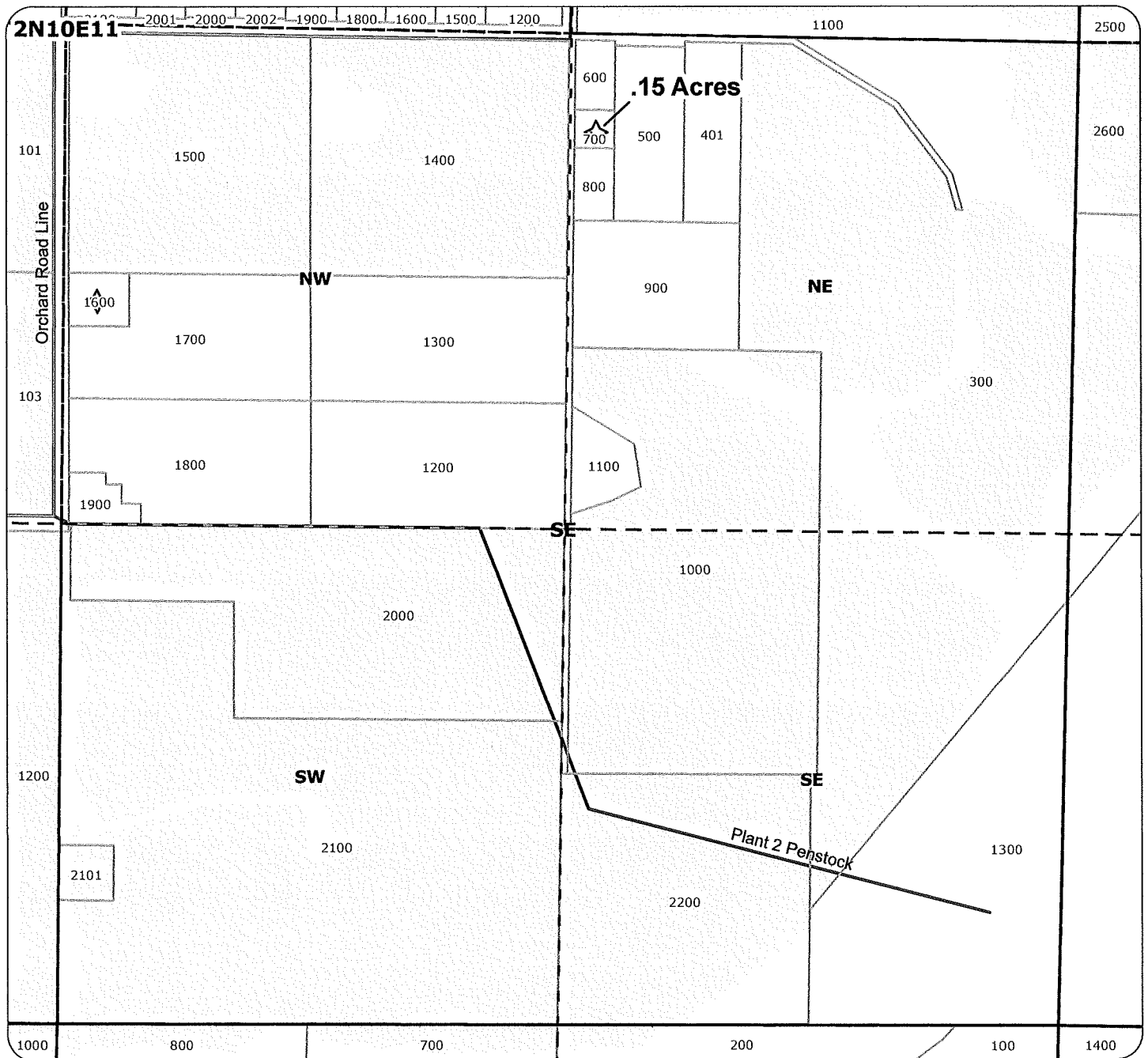
Steven Benton
Chairman, Board of Directors

Attested:

By: Secretary, Board of Directors

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SALEM, OREGON

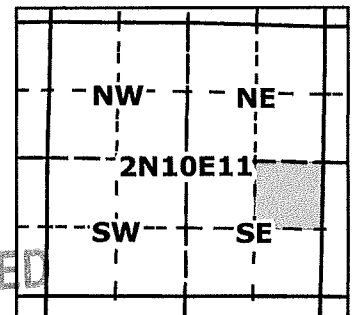
2010 Farmers Irrigation District Transfer Map



Application for Permanent District Transfer Primary: Certificate 74306

- Point of Diversion
- ~ Canals
- Transfer ON
- Transfer OFF
- Water Right

For:
 Donald & Kristi Buchanan
 Taxlot 700- .15 Acres OFF
 Total Proposed Water Right
 in Taxlot 700- 0 Acres
 in 2N10E11NESE



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1 inch = 400 feet



Geo-Spatial Solutions, Inc.
www.geospatialolutions.com

Date Created: December 2010

T 77789



1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

1/11/2011

Oregon Water Resources Department

Dear Sir or Madam:

The last time the Buchanan's used irrigation water on their property was the 2005 irrigation season, The valve was closed due to non-payment in 2006.

They have received letters from Farmers Irrigation District each year, Lien notices, foreclosure and shut off notices, along with two certified letters in 2010.

I have researched their property and found Farmers Irrigation District as the sole lien holder. They will not get in touch with FID to rectify this situation.

- 1. Number of acres assessed: .15 acres
- 2. General description of tax lot to which water is assigned: 2N-10-11-NE/SE-0700 in Hood River County, Oregon
- 3. The use for these water rights: Irrigation
- 4. Farmers Irrigation District Water Right Certificate Number: 74306

Farmers Irrigation District would like to include this .15 acre water right in the 2011 transfer in change of place of use.

Sincerely,

Rick Brock
Water Right Specialist
Farmers Irrigation District
541-387-5263
rick@fidhr.org

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

LEGAL DESC 2N-10-11-NE/SE-0700

ALT DESC: 1632

MORT CO.:

LOAN #:

OWNER: Buchanan, Donald P. & Kristi
1765 Winston Road
Hood River, OR 97031
(541)386-1700

BILLTO: Buchanan, Donald P. & Kristi
1765 Winston Road
Hood River, OR 97031
(541)386-1700

ADDRESS1:
ADDRESS2:
ADDRESS3:

BK-VOL-PAGE: 0- 0- 0
RECORDED: 03/07/1989
COUNTY: Hood River

LAND ACRES	IRRIGABLE	WATER RIGHT	SEC WATER RIGHT	FLAT PERCENT
0.28	0.15	0.00	0.00	0.00

* * * * * RATE CODES ASSIGNED * * * * *

RATE CODE DESCRIPTION

O&M OPERATION & MAINTENANCE
SRA SYSTEM RESERVE ACCOUNT

* * * * * ACCOUNTS RECEIVABLE OPEN ITEMS * * * * *
Interest calculated through 08/30/2010

INVOICE	INV DATE	ORIG BAL	BAL OWE	DISC AMT	INT OWE	GROSS AMT
136394	10/23/2006	208.85	202.07	0.00	592.60	794.67
139377	05/08/2007	2.00	2.00	0.00	1.04	3.04
139806	05/30/2007	2.00	2.00	0.00	1.04	3.04
139928	07/17/2007	75.00	75.00	0.00	38.00	113.00
140028	07/31/2007	2.00	2.00	0.00	0.99	2.99
140106	09/12/2007	2.00	2.00	0.00	0.93	2.93
141221	10/22/2007	208.85	208.85	0.00	80.76	289.61
142831	05/07/2008	2.00	2.00	0.00	0.75	2.75
143123	06/03/2008	2.00	2.00	0.00	0.72	2.72
143289	07/02/2008	25.00	25.00	0.00	8.67	33.67
143410	10/20/2008	200.00	200.00	0.00	58.67	258.67
144483	10/21/2008	208.85	208.85	0.00	47.34	256.19
146950	05/04/2009	2.00	2.00	0.00	0.43	2.43
147152	06/03/2009	2.00	2.00	0.00	0.40	2.40
148360	10/27/2009	208.85	208.85	0.00	13.92	222.77
151042	05/03/2010	2.00	2.00	0.00	0.11	2.11
151251	06/01/2010	2.00	2.00	0.00	0.08	2.08
151370	07/27/2010	2.00	2.00	0.00	0.03	2.03
***TOTAL AMOUNTS ***			1150.62	0.00	846.48	1997.10

Value Closed
↓

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WATER RESOURCES DEPT
SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

July 17, 2007

Donald P. & Kristi Buchanan
1765 Winston Road
Hood River OR 97031

RE: Delinquent account

Dear Mr. & Mrs. Buchanan:

Due to non-payment of your irrigation assessments a lien has been filed against your property and a \$75.00 lien fee charged to your account. A \$100.00 disconnect/reconnect fee has also been charged to your account. Water delivery service to your property has now been discontinued, and further use of irrigation water is prohibited. As you will see on the attached fee schedule adopted on April 18, 2007, unauthorized use of irrigation water or tampering of the system is subject to a fine of **\$1000.00**. Upon receipt of payment in full in the amount of **\$399.09** the lien will be removed from your property. If you have any questions, please contact me at 387-5261.

Sincerely,

June Brock
Administrative Assistant

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SALEM, OREGON

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FARMERS IRRIGATION DISTRICT

Serving the Northern Hood River Valley since 1874

1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

July 31, 2007

Donald & Kristi Buchanan
1765 Winston Rd.
Hood River OR 97031

RE: Disconnect fee

Dear Mr. & Mrs Buchanan,

On April 18, 2007, the Board of Directors of the Farmers Irrigation District adopted policy establishing a \$100.00 disconnect fee for accounts with severely delinquent balances. For this year only, an administrative decision was made to remove the \$100.00 disconnect fee from your account. The enclosed statement for your account reflects your new balance. Upon receipt of payment in full the lien will be removed from your property. If you are unable to

August 15, 2007 \$100.00

Please be advised that in the future this disconnect policy will be strictly administered, and prompt payment of your

Jane Brock
Administrative Fees

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Farmers Irrigation District

1985 Country Club Road
Hood River, OR 97031
(541) 386-3115

Statement of Account

Statement Date: 09/12/2007
Due Date: 10/01/2007
Account No: BU1372

Amount Paid: _____

Buchanan, Donald P. & Kristi
1765 Winston Road
Hood River, OR 97031

Your account is severely delinquent.
Payment in full must be received by
September 30, 2007. Thank you.

Please Return This Portion With Your Payment

<u>Inv Date</u>	<u>Inv #</u>	<u>WRA</u>	<u>Code</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
2N-10-11-NE/SE-0700		0.15		Prior Balance For 2N-10-11-NE/SE-0700:		\$305.99
09/12/2007	140106		SVC	SERVICE FEE	\$2.00	
				Total Balance For 2N-10-11-NE/SE-0700:		\$307.99
<hr/>						
				Prior Balance Due For BU1372:		\$305.99
				Statement Amount For BU1372:	\$2.00	
				Total Balance Due For BU1372:		\$307.99
				Total WRA:	0.15	

Payment must be received in our
office by Sept. 30 to avoid
foreclosure proceedings. If you
wish to remove your water right
completely please contact Rick @
387-5263.

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

July 28th, 2008

1:22 p.m. 386-1700, Kristi Buchanan called to say that she had mailed a check for \$50.00. I explained to her that her balance as of today was \$598.00 and it would take 12 payments to pay off this account in full. I also let her know that at the end of October we would be billing for the 2009 irrigation season. I asked her if she could make higher payments to pay off the 2007/2008 season. Kristi's response was that \$50 was all they could afford at this time.

I mentioned the option of giving up their water rights and that our Manager had given permission to write off the \$598.00 outstanding bill. She said she would talk to her husband and get back to us.

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SALEM, OREGON

COPY

ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

July 8, 2008

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Donald P. and Kristi Buchanan
1765 Winston Road
Hood River, OR 97031

RE: Farmers Irrigation District Services to 2N-10-11-NE/SE-0700

Dear Mr. and Mrs. Buchanan:

This firm represents Farmers Irrigation District, which provides irrigation water for the real property described above.

I have written to you on previous occasions regarding your irrigation assessment bills and you have chosen to ignore these demands. Currently, your assessments have gone unpaid for several years. Pursuant to ORS 545.496, if a charge or assessment is not paid when due, the District is required to charge interest on the unpaid amount at the rate of one and one-third percent (1 1/3%) per month. In addition, the delinquent amount is increased by the District's administrative costs of collection, including legal fees. The delinquent sum as of the date of this letter is \$593.16. I enclose a printout of your account herewith. Due to your continuing refusal to pay these irrigation charges, a lien was filed against your property in favor of Farmers on July 17, 2007, a copy of which is also enclosed. At this point, we are in a position to foreclose this lien by filing a lawsuit against you in Hood River County Circuit Court. In that action, Farmers will not only seek recovery of its charges and all accumulated interest, it will also seek recovery of attorney fees and title company charges associated with processing the lawsuit against you. In order to prevent this from happening, **you must pay all the delinquency owed to Farmers, or make satisfactory arrangements to do so by July 23, 2008.**

Farmers Irrigation District does not wish to pursue a foreclosure action against you, but your continuing refusal to address this issue leaves no other option. This is the last warning you will receive from Farmers regarding this delinquency before it begins incurring additional costs associated with the foreclosure lawsuit. As a result, I urge you to take this matter seriously.

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Donald P. and Kristi Buchanan
July 8, 2008
Page 2

Under law, you have 30 days after you receive this letter to dispute the validity of the debt, or any part of it. If you do not dispute the debt, or any part of it, within that period, I will assume that it is valid. If you do dispute the debt, by notifying me in writing to that effect, I will, as required by law, obtain and mail to you proof of the debt.

Please contact me, or have your lawyer do so, should you have any questions regarding the matters discussed herein.

Very truly yours,

157 
Jeffrey Baker

JJB:fce
Enclosures
cc: Client ✓

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

COPY

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

November 19, 2008

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Donald P. and Kristi Buchanan
1765 Winston Road
Hood River, OR 97031

RE: Foreclosure of Farmers Irrigation District Lien

Dear Mr. and Mrs. Buchanan:

As you are aware, this firm represents Farmers Irrigation District, which provides irrigation water for your real property described as 2N-10-11-NE/SE-0700.

As you may recall, I wrote to you in July of this year regarding your outstanding bill with the District. At that time, the amount owing for unpaid assessments and related costs totaled \$593.16. Since that date, additional interest has accumulated along with other costs so that the current balance you now owe to Farmers as of the date of this letter is \$822.07. As indicated in my previous correspondence to you, you were allowed 30 days in which to dispute the validity of this bill, and you did not do so. We are now justified in assuming that the amount owing is complete and accurate. More importantly, the District is now prepared to commence foreclosure proceedings to collect this debt.

In connection with that action, there will be additional expenses of title report costs, filing fees, and other costs that will quickly accumulate. Pursuant to ORS 545.502, the District will be entitled to recover at a foreclosure proceeding the expenses of the foreclosure, including recording and filing fees, as well as title search fees and foreclosure reports. Ultimately, if the District is successful in foreclosing its lien, the court judgment will order the sale of your property, and direct the sheriff to hold that sale in the same manner as other foreclosure sales. Although this is a drastic remedy, your continued refusal to address the District's outstanding bill leaves us with no other option. Given that the District's lien is entitled to priority under Oregon statute (ORS 545.494), it is also in your best interest to address this matter and not allow a foreclosure proceeding to be commenced.

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

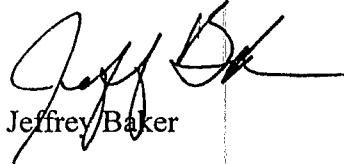
T 11189

Donald P. and Kristi Buchanan
November 19, 2008
Page 2

At this juncture, we believe it is in your best interest to consult with an attorney regarding the details of this letter, and we certainly hope you will do so. **Nevertheless, unless suitable payment arrangements can be reached with the District within thirty (30) days of your receipt of this letter, the District will have no other choice but to proceed with foreclosure proceedings without further additional notice.**

Please contact the undersigned, or have your attorney do so, should you have any questions or comments regarding the matters discussed herein.

Very truly yours,



Jeffrey Baker

JJB:fce
cc: Client ✓

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SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River, OR 97031
(541) 386-3115

Statement of Account

Statement Date: 09/03/2008
Due Date: 10/15/2008
Account No: BU1372

Amount Paid: _____

Buchanan, Donald P. & Kristi
1765 Winston Road
Hood River, OR 97031

Your account is now severely delinquent.
Payment is due upon receipt.
Thank you.

Please Return This Portion With Your Payment

<u>Inv Date</u>	<u>Inv #</u>	<u>WRA</u>	<u>Code</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
2N-10-11-NE/SE-0700		0.15		Prior Balance For 2N-10-11-NE/SE-0700:		\$607.29
09/03/200	143379		SVC	SERVICE FEE	\$2.00	
				Total Balance For 2N-10-11-NE/SE-0700:		\$609.29
Prior Balance Due For BU1372:						\$607.29
Statement Amount For BU1372:						\$2.00
Total Balance Due For BU1372:						\$609.29
Total WRA:		0.15				

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WATER RESOURCES DEPT
SALEM, OREGON

non-compliance w/ pmt plan

Foreclosure pending
Lien filed against property

T 11189

FARMERS IRRIGATION DISTRICT

RESOLUTION NO. _____

**A RESOLUTION DETAILING THE DISTRICT'S PROCEDURE FOR
TRANSFERRING WATER RIGHTS DUE TO NON-USE.**

WHEREAS, FARMERS IRRIGATION DISTRICT (the "District") has an obligation by its charter and by state law to appropriately utilize water rights within the District boundaries; and

WHEREAS, pursuant to ORS Chapter 540, the District is empowered to transfer water rights off of property within the District boundaries where the owners of the property have failed to use their water rights for at least four successive years. The District's right to transfer these water rights is governed by the above-referenced statutes as well as by the administrative regulations at division 385 of Chapter 690; and

WHEREAS, the District desires to implement a consistent and predictable policy regarding the transfer of water rights in jeopardy of being forfeited as a result of non-use; and

WHEREAS, this Resolution is designed to provide a predictable policy for addressing water rights transfers where the water rights are in danger of forfeiture due to non-use;

NOW, THEREFORE, BE IT RESOLVED:

The District shall, as soon as practicable, implement a water rights transfer policy with the following components:

1. A survey of the entire District will be conducted and documented each year. Throughout the season, District staff shall document the use of all water rights as fully used, partially used, or not used. If the water rights are in partial use, an estimate will be made of the actual acres irrigated. Current aerial photos may be used when available.
2. The surveys will be submitted to the District office no later than August 15th of each year and will be kept as a permanent record.
3. The survey results will be entered into a database. The District will compile a list of all appurtenant water rights reported as partially used or not used. A letter will be sent out no later than September 30th giving water users the options available to them to beneficially use their water rights for the following year and also giving them 30 days to respond with a plan on how they intend to use their water rights the following year, or with evidence that they had used the water during the current season. If non-use has exceeded two years, the Watermaster or his appointed representative may visit the property and visually verify the report.

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SALEM, OREGON

4. All water users with a documented four years of non-use shall receive a notice from the District which shall comport with the current statutes and regulations regarding transfer of water rights, including the following items: an accurate statement of the applicable law as required by OAR 690-385-5000 – 5800; the options the water users have to protect their water rights; and the District's right to petition Oregon Water Resources Department (the "Department") to remove the water if not used in the fifth year. A copy of the notice shall be sent to any security interest holders of record in the real property at issue. The notice shall be sent by certified mail, and the District shall provide the Department with a copy of each notice sent to a water user within 30 days of the mailing date of the notice.

5. Documentation of four years non-use may be supported by: Dated aerial photographs from GeoSpatial Solutions or the NRCS, if available, District photographs, an affidavit by the Watermaster or his appointee, and/or affidavits by District staff or neighbors.

6. If, during the season of the fifth year, the water user does not take one of the following actions with regard to its water rights – lease the rights instream (application must be filed before March 1st), transfer off the water rights, or exercise the water rights on the land – the District may file a Petition with the Department to transfer the water rights off of the property. No later than September 30th, a notice that conforms with the applicable statutes and regulations will be sent by certified mail to the water user stating the District's intent to transfer the water rights off the user's property. The water user has 30 days to advise the District in writing of any objections.

7. The District Manager shall attempt to resolve the matter with the water user. If the Manager is unable to resolve the matter, a hearing will be held before the District Board of Directors. The Board shall determine whether to submit the petition to the Department Director.

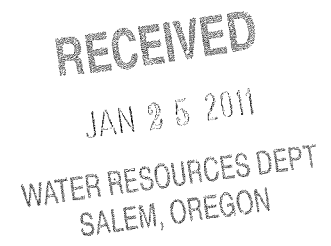
8. If the District does not receive a written objection in 30 days, the District may submit the Petition to the Department Director requesting approval. The District shall attempt to submit the petition prior to December 31st of the fifth year of nonuse.

PASSED AND ADOPTED by the District Board on the _____ day of _____, 2010.

Steven Benton
Chairman, Board of Directors

Attested:

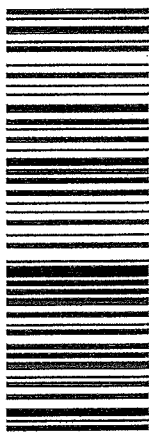
By: Secretary, Board of Directors



Farmers Irrigation District
 1985 Country Club Road
 Hood River, Oregon 97031

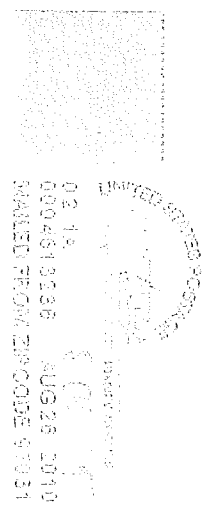
Nonprofit Organization

RETURN SERVICE REQUESTED



7009 2820 0003 7291 2932

CERTIFIED MAIL



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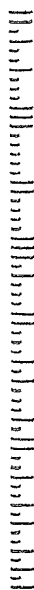
JAN 25 2011

WATER RESOURCES DEPT
 SALEM, OREGON

Use Only Certified with Registered U.S. First-Class Return Receipt

RE: Irrigation Water Rights for Buchanan, Donald P. &
 1765 Winston Road
 Hood River OR 97031

97031@9552



NAME: Donald P. Buchanan
 1st Class
 0-4 Digits

NIXIE 970 DE 1 00 09/12/10
 RETURN TO SENDER
 INSUFFICIENT ADDRESS
 UNABLE TO FORWARD
 *2929-02643-12-13

**U.S. Postal Service™
 CERTIFIED MAIL™ RECEIPT**
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

Postage	\$	Postmark	Here
Certified Fee			
Insurance (if applicable)			
Postage and Insurance (if applicable)			
Total	\$		

Send to:
 Street, Apt. No.,
 or P.O. Box No.
 City, State, ZIP+4®
 D + K BUCHANAN
 1765 WINSTON RD
 HR, OR 97031

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

D + K BUCHANAN
 1765 WINSTON RD
 HOOD RIVER OR
 97031

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Donald P. Buchanan Addressee
- B. Received by (Printed Name) Date of Delivery
Donald P. Buchanan 7/28
- D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7008 2810 0001 0832 5856
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

7009 2820 0003 7291 2932

1 11189

FARMERS IRRIGATION DISTRICT

Serving the Northern Hood River Valley since 1874

1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

July 21, 2010

Via U.S. Certified and Regular U.S. Mail – Return Receipt Requested

Buchanan, Donald P. & Kristi
1765 Winston Road
Hood River OR 97031

RE: Property # 2N-10-11-NE/SE-0700 .15 water right acres.

Dear Sir or Madam:

The 2009 irrigation season has ended and again, as in previous years, you did not pay the annual irrigation fees. You have received various water shut-off notices, lien & foreclosure notices from Farmers Irrigation District ("Farmers" or the "District") since 2005. The 2010 irrigation season fees have not been paid are now seriously delinquent. More importantly, for nearly five full years, you have failed to put your water rights to beneficial use. Oregon law provides that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right. In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Oregon Water Resources Department to transfer these water rights. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use.

*Use as measure of water right; presumption of forfeiture of right for nonuse; basis for rebutting presumption; confirmation of rights of municipalities. (1)
Beneficial use shall be the basis, the measure and the limit of all rights to the use of water in this state. Whenever the owner of a perfected and developed water right ceases or fails to use all or part of the water appropriated for a period of five successive years, the failure to use shall establish a rebuttable presumption of forfeiture of all or part of the water right.*

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WATER RESOURCES DEPT
SALEM, OREGON

Failure to put these water rights to beneficial use is a very serious matter and can lead to forfeiture of the unused water right. Consequently, you must immediately bring your account with Farmers up to date and you must use the full water right on the property, all in the next thirty days. Alternatively, you may schedule a meeting with Mr. Rick Brock with Farmers to sign a document voluntarily transferring the unused water rights off of your property.

By this letter, the District is serving you notice of its intent to confiscate any water right that goes unused in the next thirty days. A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Department. As required by statute, I have enclosed a map showing where your .25 acres of water rights are located and a copy of the District Confiscation Policy.

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Oregon Water Resources Department for transfer of these water rights. **Therefore, please treat this letter as notice of the District's intent to petition for transfer of your water rights pursuant to ORS 540.572-574.** The information required of this notice is as follows:

T 11189

1. Number of acres for which you are being assessed: .15 acres
2. General description of tax lot to which water is assigned: 2N-10-11-NE/SE 0700 in Hood River County, Oregon.
3. The use for these water rights: Irrigation
4. Farmers Irrigation District Water Right Certificate Number: 74306

We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Oregon Water Resources Department for approval to transfer your water right to other lands in the District. If you disagree with the determination of the District that your land is no longer irrigated or susceptible of irrigation, or that the presumption of forfeiture under ORS 540.610 is subject to rebuttal, or if you have some other objection to the District's proposed action, you must so advise the District in writing within 30 days from the date of this letter. If any or all of the above water rights are removed, the District will make the water rights available to other property owners who have requested water rights.

If you file a timely objection to the District's actions, the District Manager will attempt to resolve your objections to all sides' mutual satisfaction. If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission.

Please remember that whether you choose to use your water rights, transfer them, or not use them your assessments are still due and payable to Farmers. It is our hope that we can work together and maintain the water rights on your property. If you have any questions contact Rick Brock at 541-387-5263.

Sincerely,

Mike Kleinsmith
District Manager

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WATER RESOURCES DEPT
SALEM, OREGON

540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve

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WATER RESOURCES DEPT
SALEM, OREGON

the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

690-385-5000

District Permanent Transfer Criteria

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

(1) The district employs a full-time manager;

(2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;

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WATER RESOURCES DEPT
SALEM, OREGON

- (3) The proposed transfer involves the use of water on lands located within the boundaries of the district;
- (4) The district has determined a user has not made beneficial use of water for four successive years; and
- (5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

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T 11189



1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

8/26/2010

Via U.S. Certified and Regular U.S. Mail – Return Receipt Requested

RE: Irrigation Water Rights for **Buchanan, Donald P. & Kristi**
1765 Winston Road
Hood River OR 97031

Dear Sir or Madam:

Farmers Irrigation District (the “District”) policy and Oregon law provide that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right (See ORS 540.610). In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Water Resources Commission to transfer these water rights.

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Water Resources Commission for transfer of these water rights. Therefore, please treat this letter as notice of the District’s intent to petition for transfer of your water rights pursuant to ORS 540.572-574. The information required of this notice is as follows:

- 1. Number of acres for which you are being assessed: .15 acres
- 2. General description of tax lot to which water is assigned: 2N-10-11-NE/SE-0700 in Hood River County, Oregon
- 3. The use for these water rights: Irrigation
- 4. Farmers Irrigation District Water Right Certificate Number: 74306.

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SALEM, OREGON

We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Water Resources Commission for approval to transfer your water right to other lands in the District. The District will make the water rights available to other property owners who have requested water rights.

Buchanan, Donald P. & Kristi
August 26, 2010
Page 2

If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission. Any unpaid balance on your account will remain on our books.

Please contact me should you have any comments.

Sincerely,

Rick Brock
Water Right Specialist
Farmers Irrigation District
541-387-5263
rick@fidhr.org

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WATER RESOURCES DEPT
SALEM, OREGON

540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve

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SALEM, OREGON

T 11189

the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

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T 11189

690-385-5000

District Permanent Transfer Criteria

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

- (1) The district employs a full-time manager;
- (2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;
- (3) The proposed transfer involves the use of water on lands located within the boundaries of the district;
- (4) The district has determined a user has not made beneficial use of water for four successive years; and
- (5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

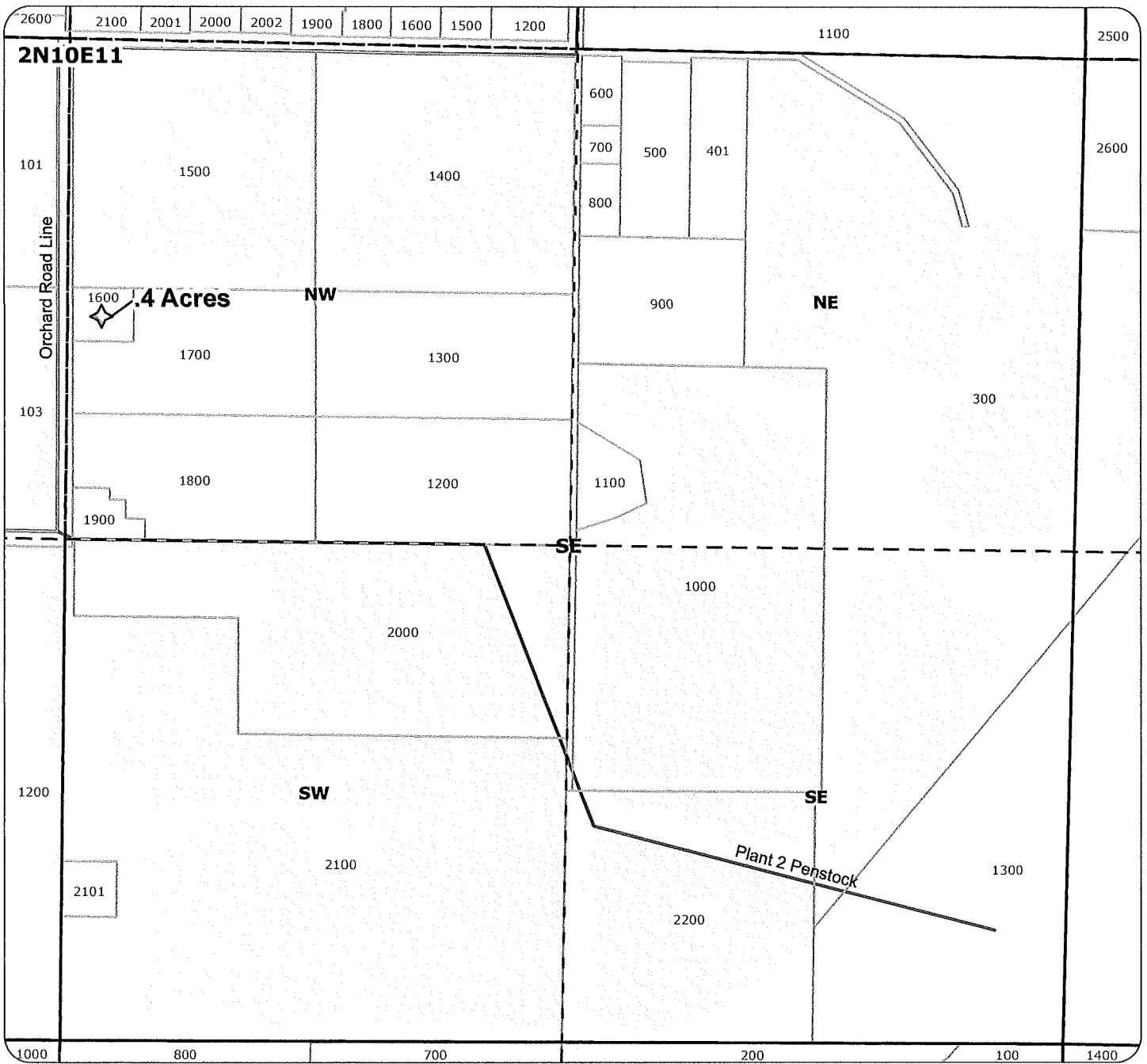
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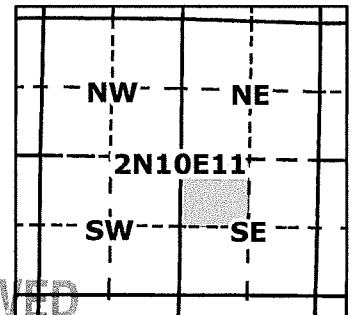
2010 Farmers Irrigation District Transfer Map



Application for Permanent District Transfer Primary: Certificate 74306

- Point of Diversion
- ~ Canals
- Transfer ON
- Transfer OFF
- Water Right

For:
Jerry & Kristin Nuss
Taxlot 1600- .4 Acres OFF
Total Proposed Water Right
in Taxlot 1600- 0 Acres
in 2N10E11NWSE



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GSS
Geo-Spatial Solutions, Inc.
www.geospatialolutions.com

T 11189
Date Created: December 2010

WATER RESOURCES DEPT
SALEM, OREGON 1 inch = 400 feet



1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

1/11/2011

Oregon Water Resources Department

Dear Sir or Madam:

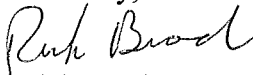
The last time the Nuss's used irrigation water on their property was the 2005 irrigation season, The valve was closed due to non-payment in 2006.

They have received letters from Farmers Irrigation District each year, Lien notices, foreclosure and shut off notices, along with two certified letters in 2010.

I have researched their property and found Farmers Irrigation District as the sole lien holder. They will not get in touch with FID to rectify this situation.

- | | | |
|----|---|--|
| 1. | Number of acres assessed: | .40 acres |
| 2. | General description of tax lot to which water is assigned: | 2N-10-11-NW/SE-1600 in Hood River County, Oregon |
| 3. | The use for these water rights: | Irrigation |
| 4. | Farmers Irrigation District Water Right Certificate Number: | 74306 |

Farmers Irrigation District would like to include this .40 acre water right in the 2011 transfer in change of place of use.

Sincerely,

 Rick Brock
 Water Right Specialist
 Farmers Irrigation District
 541-387-5263
rick@fidhr.org

RECEIVED

JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11189

LEGAL DESC 2N-10-11-NW/SE-1600

ALT DESC: 430

MORT CO.:

LOAN #:

OWNER: Nuss, Jerry S. and Kristin E.
PO Box 1163
The Dalles, OR 97058

BILLTO: Nuss, Jerry S. and Kristin E.
PO Box 1163
The Dalles, OR 97058

ADDRESS1:
ADDRESS2:
ADDRESS3:

BK-VOL-PAGE: 0- 0- 0
RECORDED: 03/07/1989
COUNTY: Hood River

LAND ACRES	IRRIGABLE	WATER RIGHT	SEC WATER RIGHT	FLAT	PERCENT
0.51	0.40	0.40	0.00		0.00

* * * * * WATER RIGHTS ASSIGNED * * * * *

CERT	CANAL	GATE	RDR	W.RGTS	BILL AC	TRN DATE
29.I	Plant 2 Penstock			0.40	0.00	937 03/07/1989

* * * * * RATE CODES ASSIGNED * * * * *

RATE CODE DESCRIPTION

O&M OPERATION & MAINTENANCE
SRA SYSTEM RESERVE ACCOUNT

* * * * * ACCOUNTS RECEIVABLE OPEN ITEMS * * * * *
Interest calculated through 06/02/2010

INVOICE	INV DATE	ORIG BAL	BAL OWE	DISC AMT	INT OWE	GROSS AMT
136437	10/23/2006	223.60	190.26	0.00	96.40	286.66
140029	07/31/2007	2.00	1.89	0.00	0.86	2.75
140107	09/12/2007	2.00	2.00	0.00	0.88	2.88
141264	10/22/2007	223.60	223.60	0.00	77.51	301.11
142837	05/07/2008	2.00	2.00	0.00	0.67	2.67
143126	06/03/2008	2.00	2.00	0.00	0.64	2.64
143291	07/02/2008	25.00	25.00	0.00	7.67	32.67
143412	10/20/2008	200.00	200.00	0.00	53.33	253.33
144526	10/21/2008	223.60	223.60	0.00	41.74	265.34
146952	05/04/2009	2.00	2.00	0.00	0.35	2.35
147153	06/03/2009	2.00	2.00	0.00	0.32	2.32
148404	10/27/2009	223.60	223.60	0.00	5.96	229.56
151049	05/03/2010	2.00	2.00	0.00	0.03	2.03
151252	06/01/2010	2.00	2.00	0.00	0.00	2.00

Valve Shut
↓

***TOTAL AMOUNTS *** 1101.95 0.00 286.36 1388.31

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

May 30, 2007

Jerry & Kristin Nuss
1765 Orchard Rd.
Hood River, OR 97031

Dear Mr. & Mrs. Nuss,

At its regular monthly meeting on May 17th, 2007, the Board of Directors of the Farmers Irrigation District directed me to make a final attempt to contact you before applying a lien against your property and placing a **minimum** \$75.00 lien fee on your account. Please be informed that if your account balances of **\$227.60** is not paid by June 15th, 2007 a property lien will be filed and the subsequent charges added to your account.

Sincerely,

June Brock
Administrative Assistant

T 11189

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WATER RESOURCES DEPT
SALEM, OREGON

Farmers Irrigation District

1985 Country Club Road
Hood River Oregon 97031
541-386-3115

July 17, 2007

Jerry S. & Kristin E. Nuss
1765 Orchard Road
Hood River Oregon 97031

RE: Delinquent account

Dear Mr. & Mrs. Nuss:

Due to non-payment of your irrigation assessments a lien has been filed against your property and a \$75.00 lien fee charged to your account. A \$100.00 disconnect/reconnect fee has also been charged to your account. Water delivery service to your property has now been discontinued, and further use of irrigation water is prohibited. As you will see on the attached fee schedule adopted on April 18, 2007, unauthorized use of irrigation water or tampering of the system is subject to a fine of **\$1000.00**. Upon receipt of payment in full in the amount of **\$414.63** the lien will be removed from your property. If you have any questions, please contact me at 387-5261.

Sincerely,

June Brock
Administrative Assistant

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11189

FARMERS IRRIGATION DISTRICT

Serving the Northern Hood River Valley since 1874

1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

August 1, 2007

Jerry & Kris Nuss
1765 Orchard Rd.
Hood River, OR 97031

RE: Disconnect fee

Dear Mr. & Mrs. Nuss,

On April 18, 2007, the Board of Directors of the Farmers Irrigation District adopted policy establishing a \$100.00 disconnect fee for accounts with severely delinquent balances. An administrative decision was made to remove the \$100.00 disconnect fee from your account. The enclosed statement for your account reflects your new balance of \$316.63. Upon receipt of payment in full the lien will be removed from your property. If you are unable to make payment in full at this time, the board has authorized a 3-payment plan for your account as follows:

August 15, 2007	\$105.00
August 31, 2007	\$105.00
Sept 15, 2007	remaining balance

Please be advised that in the future this disconnect policy will be strictly administered, and prompt payment of your account is recommended. If you have any questions, please contact me at 541-387-5261.

Respectfully,

June Brock
Administrative Asst.

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Farmers Irrigation District

1985 Country Club Road
Hood River, OR 97031
(541) 386-3115

Statement of Account

Statement Date: 09/12/2007
Due Date: 10/01/2007
Account No: NU1840

Amount Paid: _____

Nuss, Jerry S. and Kristin E.
1765 Orchard Road
Hood River, OR 97031-9628

Your account is severely delinquent.
Payment in full must be received by
September 30, 2007. Thank you.

Please Return This Portion With Your Payment

<u>Inv Date</u>	<u>Inv #</u>	<u>WRA</u>	<u>Code</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>	
2N-10-11-NW/SE-1600		0.40		Prior Balance For 2N-10-11-NW/SE-1600:		\$321.73	
09/12/2007	140107		SVC	SERVICE FEE	\$2.00		
Total Balance For 2N-10-11-NW/SE-1600:						\$323.73	
Prior Balance Due For NU1840:						\$321.73	
Statement Amount For NU1840:					\$2.00		
Total Balance Due For NU1840:						\$323.73	
Total WRA:		0.40					

Payment in full must be paid by Sept. 30.
If you would like to discuss the complete
Removal of water rights from your property
please contact Rick @ 387-5263.

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

305 Cascade Street
P.O. Box 325
Hood River, OR 97031
(541) 386-1811

October 23, 2008

Invoice submitted to:

Farmers Irrigation District
1985 Country Club Road
Hood River OR 97031

Invoice #43298

Professional Services

Hours Amount

Foreclosures/Liens

Foreclosures/Liens

10/21/2008	Advance paid to Amerititle for Foreclosure Guarantee Premium to include: Donald P & Kristi Buchanan, Jesse & Michelle Coefield, Jerry & Kristin Nuss , and Larry & Maxine Whitaker	800.00
------------	---	--------

SUBTOTAL:

[800.00]

Total additional charges

\$800.00

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

COPY

ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

July 8, 2008

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Jerry S. and Kristin E. Nuss
1765 Orchard Road
Hood River, OR 97031

RE: Farmers Irrigation District Services to 2N-10-11-NW/SE-1600

Dear Mr. and Mrs. Nuss:

This firm represents Farmers Irrigation District, which provides irrigation water for the real property described above.

I have written to you on previous occasions regarding your irrigation assessment bills and you have chosen to ignore these demands. Currently, your assessments have gone unpaid for several years. Pursuant to ORS 545.496, if a charge or assessment is not paid when due, the District is required to charge interest on the unpaid amount at the rate of one and one-third percent (1⅓%) per month. In addition, the delinquent amount is increased by the District's administrative costs of collection, including legal fees. The delinquent sum as of the date of this letter is \$494.37. I enclose a printout of your account herewith. Due to your continuing refusal to pay these irrigation charges, a lien was filed against your property in favor of Farmers on July 17, 2007, a copy of which is also enclosed. At this point, we are in a position to foreclose this lien by filing a lawsuit against you in Hood River County Circuit Court. In that action, Farmers will not only seek recovery of its charges and all accumulated interest, it will also seek recovery of attorney fees and title company charges associated with processing the lawsuit against you. In order to prevent this from happening, **you must pay all the delinquency owed to Farmers, or make satisfactory arrangements to do so by July 23, 2008.**

Farmers Irrigation District does not wish to pursue a foreclosure action against you, but your continuing refusal to address this issue leaves no other option. This is the last warning you will receive from Farmers regarding this delinquency before it begins incurring additional costs associated with the foreclosure lawsuit. As a result, I urge you to take this matter seriously.

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Jerry S. and Kristin E. Nuss
July 8, 2008
Page 2

Under law, you have 30 days after you receive this letter to dispute the validity of the debt, or any part of it. If you do not dispute the debt, or any part of it, within that period, I will assume that it is valid. If you do dispute the debt, by notifying me in writing to that effect, I will, as required by law, obtain and mail to you proof of the debt.

Please contact me, or have your lawyer do so, should you have any questions regarding the matters discussed herein.

Very truly yours,



Jeffrey Baker

JJB:fce
Enclosures
cc: Client ✓

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JAN 25 2011
WATER RESOURCES DEPT
SALEM, OREGON

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ANNALA, CAREY, BAKER, THOMPSON & VANKOTEN, P.C.

COPY

Wayne C. Annala
Wilford K. Carey
Jeffrey J. Baker*
Michael J. Thompson*
Victor W. VanKoten

Attorneys at Law
305 Cascade Street
P.O. Box 325
Hood River, Oregon 97031

Telephone 541-386-1811
Facsimile 541-386-6242

*Also Admitted to
Practice in Washington

November 19, 2008

**THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION
OBTAINED WILL BE USED FOR THAT PURPOSE.**

Via Certified and Regular U.S. Mail

Jerry S. and Kristin E. Nuss
1765 Orchard Road
Hood River, OR 97031

RE: Foreclosure of Farmers Irrigation District Lien

Dear Mr. and Mrs. Nuss:

As you are aware, this firm represents Farmers Irrigation District, which provides irrigation water for your real property described as 2N-10-11-NW/SE-1600.

As you may recall, I wrote to you in July of this year regarding your outstanding bill with the District. At that time, the amount owing for unpaid assessments and related costs totaled \$494.37. Since that date, additional interest has accumulated along with other costs so that the current balance you now owe to Farmers as of the date of this letter is \$719.87. As indicated in my previous correspondence to you, you were allowed 30 days in which to dispute the validity of this bill, and you did not do so. We are now justified in assuming that the amount owing is complete and accurate. More importantly, the District is now prepared to commence foreclosure proceedings to collect this debt.

In connection with that action, there will be additional expenses of title report costs, filing fees, and other costs that will quickly accumulate. Pursuant to ORS 545.502, the District will be entitled to recover at a foreclosure proceeding the expenses of the foreclosure, including recording and filing fees, as well as title search fees and foreclosure reports. Ultimately, if the District is successful in foreclosing its lien, the court judgment will order the sale of your property, and direct the sheriff to hold that sale in the same manner as other foreclosure sales. Although this is a drastic remedy, your continued refusal to address the District's outstanding bill leaves us with no other option. Given that the District's lien is entitled to priority under Oregon statute (ORS 545.494), it is also in your best interest to address this matter and not allow a foreclosure proceeding to be commenced.

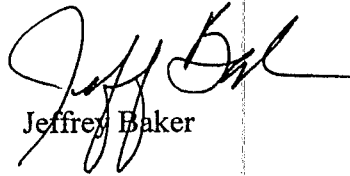
1 11189

Jerry S. and Kristin E. Nuss
November 19, 2008
Page 2

At this juncture, we believe it is in your best interest to consult with an attorney regarding the details of this letter, and we certainly hope you will do so. **Nevertheless, unless suitable payment arrangements can be reached with the District within thirty (30) days of your receipt of this letter, the District will have no other choice but to proceed with foreclosure proceedings without further additional notice.**

Please contact the undersigned, or have your attorney do so, should you have any questions or comments regarding the matters discussed herein.

Very truly yours,



Jeffrey Baker

JJB:fce
cc: Client ✓

RECEIVED

JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

FARMERS IRRIGATION DISTRICT

RESOLUTION NO. _____

**A RESOLUTION DETAILING THE DISTRICT'S PROCEDURE FOR
TRANSFERRING WATER RIGHTS DUE TO NON-USE.**

WHEREAS, FARMERS IRRIGATION DISTRICT (the "District") has an obligation by its charter and by state law to appropriately utilize water rights within the District boundaries; and

WHEREAS, pursuant to ORS Chapter 540, the District is empowered to transfer water rights off of property within the District boundaries where the owners of the property have failed to use their water rights for at least four successive years. The District's right to transfer these water rights is governed by the above-referenced statutes as well as by the administrative regulations at division 385 of Chapter 690; and

WHEREAS, the District desires to implement a consistent and predictable policy regarding the transfer of water rights in jeopardy of being forfeited as a result of non-use; and

WHEREAS, this Resolution is designed to provide a predictable policy for addressing water rights transfers where the water rights are in danger of forfeiture due to non-use;

NOW, THEREFORE, BE IT RESOLVED:

The District shall, as soon as practicable, implement a water rights transfer policy with the following components:

1. A survey of the entire District will be conducted and documented each year. Throughout the season, District staff shall document the use of all water rights as fully used, partially used, or not used. If the water rights are in partial use, an estimate will be made of the actual acres irrigated. Current aerial photos may be used when available.
2. The surveys will be submitted to the District office no later than August 15th of each year and will be kept as a permanent record.
3. The survey results will be entered into a database. The District will compile a list of all appurtenant water rights reported as partially used or not used. A letter will be sent out no later than September 30th giving water users the options available to them to beneficially use their water rights for the following year and also giving them 30 days to respond with a plan on how they intend to use their water rights the following year, or with evidence that they had used the water during the current season. If non-use has exceeded two years, the Watermaster or his appointed representative may visit the property and visually verify the report.

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SALEM, OREGON

4. All water users with a documented four years of non-use shall receive a notice from the District which shall comport with the current statutes and regulations regarding transfer of water rights, including the following items: an accurate statement of the applicable law as required by OAR 690-385-5000 – 5800; the options the water users have to protect their water rights; and the District's right to petition Oregon Water Resources Department (the "Department") to remove the water if not used in the fifth year. A copy of the notice shall be sent to any security interest holders of record in the real property at issue. The notice shall be sent by certified mail, and the District shall provide the Department with a copy of each notice sent to a water user within 30 days of the mailing date of the notice.

5. Documentation of four years non-use may be supported by: Dated aerial photographs from GeoSpatial Solutions or the NRCS, if available, District photographs, an affidavit by the Watermaster or his appointee, and/or affidavits by District staff or neighbors.

6. If, during the season of the fifth year, the water user does not take one of the following actions with regard to its water rights – lease the rights instream (application must be filed before March 1st), transfer off the water rights, or exercise the water rights on the land – the District may file a Petition with the Department to transfer the water rights off of the property. No later than September 30th, a notice that conforms with the applicable statutes and regulations will be sent by certified mail to the water user stating the District's intent to transfer the water rights off the user's property. The water user has 30 days to advise the District in writing of any objections.

7. The District Manager shall attempt to resolve the matter with the water user. If the Manager is unable to resolve the matter, a hearing will be held before the District Board of Directors. The Board shall determine whether to submit the petition to the Department Director.

8. If the District does not receive a written objection in 30 days, the District may submit the Petition to the Department Director requesting approval. The District shall attempt to submit the petition prior to December 31st of the fifth year of nonuse.

PASSED AND ADOPTED by the District Board on the _____ day of _____, 2010.

Steven Benton
Chairman, Board of Directors

Attested:

By: Secretary, Board of Directors

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

7009 2820 0003 7291 2949

POSTAGE \$ 5.71

Postmark
 Hboro
 7/27/10

Return Receipt Fee
 (Information Required)
 Restricted Delivery Fee
 (Information Required)
 Total Postage & Fees
 \$ 5.71

Count to:
 Street, Apt. No.
 or PO Box No.
 City, State, ZIP+4
 J.K. NUSS
 PO Box 1163
 The Dalles OR 97058

PS Form 3811, August 2005

1. Article Addressed to:
 JERRY + KRISTIN NUSS
 PO Box 1163
 THE DALLES
 OR 97058

2. Article Number
 (Transfer from service label)
 7009 2820 0001 0832 5832

3. Service Type
 Certified Mail
 Registered
 Insured Mail
 Express Mail
 Return Receipt for Merchandise
 C.O.D.

4. Restricted Delivery? (Extra Fee)
 Yes
 No

5. Is delivery address different from item 1?
 Yes
 No

6. Signature
 Agent
 Addressee

102595-02-M-154c

Domestic Return Receipt

PS Form 3811, February 2004

RE: Irrigation Water Rights for Nuss, Jerry S. & Kristin]
 P.O. Box 1163
 The Dalles, OR 97058

Via U.S. Certified and Regular U.S. Mail - Return Receipt

7009 2820 0003 7291 2949

02 1A
 0004613336 AUG 26 2010
 MAILED FROM ZIP CODE 97021

75811189

Farmer's Irrigation District
 1985 Country Club Road
 Hood River, Oregon 97031

Nonprofit Organization

RETURN SERVICE REQUESTED

7009 2820 0003 7291 2949

RECEIVED
 JAN 25 2011
 WATER RESOURCES DEPT
 SALEM, OREGON

11189

102595-02-M-154c



July 21, 2010

Via U.S. Certified and Regular U.S. Mail -- Return Receipt Requested

Nuss, Jerry S. & Kristin E.
P.O. Box 1163
The Dalles OR 97058

RE: Property # 2N-10-11-NW/SE-1600 .40 water right acres.

Dear Sir or Madam:

The 2009 irrigation season has ended and again, as in previous years, you did not pay the annual irrigation fees. You have received various water shut-off notices, lien & foreclosure notices from Farmers Irrigation District ("Farmers" or the "District") since 2005. The 2010 irrigation season fees have not been paid are now seriously delinquent. More importantly, for nearly five full years, you have failed to put your water rights to beneficial use. Oregon law provides that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right. In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Oregon Water Resources Department to transfer these water rights. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use.

Use as measure of water right; presumption of forfeiture of right for nonuse; basis for rebutting presumption; confirmation of rights of municipalities. (1) Beneficial use shall be the basis, the measure and the limit of all rights to the use of water in this state. Whenever the owner of a perfected and developed water right ceases or fails to use all or part of the water appropriated for a period of five successive years, the failure to use shall establish a rebuttable presumption of forfeiture of all or part of the water right.

Failure to put these water rights to beneficial use is a very serious matter and can lead to forfeiture of the unused water right. Consequently, you must immediately bring your account with Farmers up to date and you must use the full water right on the property, all in the next thirty days. Alternatively, you may schedule a meeting with Mr. Rick Brock with Farmers to sign a document voluntarily transferring the unused water rights off of your property.

By this letter, the District is serving you notice of its intent to confiscate any water right that goes unused in the next thirty days. A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Department. As required by statute, I have enclosed a map showing where your .25 acres of water rights are located and a copy of the District Confiscation Policy.

RECEIVED

JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Oregon Water Resources Department for transfer of these water rights. **Therefore, please treat this letter as notice of the District's intent to petition for transfer of your water rights pursuant to ORS 540.572-574.** The information required of this notice is as follows:

1. Number of acres for which you are being assessed: .40 acres
2. General description of tax lot to which water is assigned: 2N-10-11-NW/SE 1600 in Hood River County, Oregon.
3. The use for these water rights: Irrigation
4. Farmers Irrigation District Water Right Certificate Number: 74306

We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Oregon Water Resources Department for approval to transfer your water right to other lands in the District. If you disagree with the determination of the District that your land is no longer irrigated or susceptible of irrigation, or that the presumption of forfeiture under ORS 540.610 is subject to rebuttal, or if you have some other objection to the District's proposed action, you must so advise the District in writing within 30 days from the date of this letter. If any or all of the above water rights are removed, the District will make the water rights available to other property owners who have requested water rights.

If you file a timely objection to the District's actions, the District Manager will attempt to resolve your objections to all sides' mutual satisfaction. If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission.

Please remember that whether you choose to use your water rights, transfer them, or not use them your assessments are still due and payable to Farmers. It is our hope that we can work together and maintain the water rights on your property. If you have any questions contact Rick Brock at 541-387-5263.

Sincerely,

Mike Kleinsmith
District Manager

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JAN 25 2011
WATER RESOURCES DEPT
SALEM, OREGON

T 11189

540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

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WATER RESOURCES DEPT
SALEM, OREGON

T 11189

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

690-385-5000

District Permanent Transfer Criteria

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JAN 25 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11189

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

- (1) The district employs a full-time manager;
- (2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;
- (3) The proposed transfer involves the use of water on lands located within the boundaries of the district;
- (4) The district has determined a user has not made beneficial use of water for four successive years; and
- (5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

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WATER RESOURCES DEPT
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1985 Country Club Road, Hood River, OR 97031, 541-386-3115, fax 541-386-9103, email www.fidhr.org

8/26/2010

Via U.S. Certified and Regular U.S. Mail – Return Receipt Requested

RE: Irrigation Water Rights for **Nuss, Jerry S. & Kristin E.**
P.O. Box 1163
The Dalles OR 97058

Dear Sir or Madam:

Farmers Irrigation District (the “District”) policy and Oregon law provide that whenever the owner of a perfected and developed water right ceases or fails to use all or part of the irrigation water appropriated for a period of five successive years, the failure to use this water shall establish a rebuttable presumption that the owner has forfeited all or part of the water right (See ORS 540.610). In situations where a water user has not made beneficial use of the water to which they are entitled for a period of four successive years, the District may petition the Water Resources Commission to transfer these water rights.

Prior to transfer of the aforementioned water rights, the District is obligated to provide you with notice of its intent to petition the Water Resources Commission for transfer of these water rights. Therefore, please treat this letter as notice of the District’s intent to petition for transfer of your water rights pursuant to ORS 540.572-574. The information required of this notice is as follows:

- 1. Number of acres for which you are being assessed: .40 acres
- 2. General description of tax lot to which water is assigned: 2N-10-11-NW/SE- 1600 in Hood River County, Oregon
- 3. The use for these water rights: Irrigation
- 4. Farmers Irrigation District Water Right Certificate Number: 74306.

We hereby request that you confirm that the foregoing information is correct.

The District has determined that your land is no longer irrigated or susceptible of irrigation and the District intends to petition the Water Resources Commission for approval to transfer your water right to other lands in the District. The District will make the water rights available to other property owners who have requested water rights.

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Nuss, Jerry S. & Kristin E.
August 26, 2010
Page 2

If you are not content with that resolution you may request that a hearing be held before the District's Board of Directors, and they will decide whether to proceed with the petition for transfer to the Water Resources Commission. Any unpaid balance on your account will remain on our books.

Please contact me should you have any comments.

Sincerely,

Rick Brock
Water Right Specialist
Farmers Irrigation District
541-387-5263
rick@fidhr.org

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540.572 Application of certificated water to other irrigable land within district; notice of intent to transfer.

(1) Upon compliance with this section and ORS 540.574 and 540.576, whenever land within the legal boundaries of a district is no longer irrigated or susceptible of irrigation, the district may apply the certificated water to which such land is entitled to other irrigable lands within the legal boundaries of the district if the district:

(a) Is managed by a full-time manager; and

(b) Is implementing a conservation plan approved by the Water Resources Commission, and meets all other management responsibility criteria for districts and conservation and efficiency criteria required by the Water Resources Commission.

(2) If a water user of a district has not made beneficial use of the water to which the user is entitled for a period of four successive years, the district shall advise the user and any security interest holder of record that if the user does not use the water for a fifth successive year, the district may petition the Water Resources Commission for a transfer of the water right under ORS 540.574.

(3) When a district wishes to transfer the use of water under this section, the district shall provide notice of its intent to petition for a transfer to the user and any security interest holder of record of the land whose right of record would be transferred. The notice shall be sent to the last-known address for the user with a return receipt requested.

(4) The notice required under subsection (3) of this section shall:

(a) Include:

(A) The number of acres for which the user is being charged or assessed;

(B) A general description or tax lot of the land to which the water is assigned;

(C) A description of the use; and

(D) A request for confirmation that the information in the notice is correct.

(b) Advise the user that:

(A) The district has determined that the user's land is no longer irrigated or susceptible of irrigation and that the district intends to petition the Water Resources Commission for approval to transfer the user's water right to other lands in the district.

(B) If the user disagrees with the determination of the district that the user's land is no longer irrigated or susceptible of irrigation or if the user has some other objection to the proposed action of the district, the user shall so advise the district in writing within 30 days after the notice is mailed.

(C) The user shall advise the district in writing within the foregoing time period if the user believes the presumption of forfeiture under ORS 540.610 is rebuttable for a reason provided under ORS 540.610.

(5) If the district receives a written objection within 30 days after the mailing of the notice under subsection (3) of this section, the district manager shall attempt to resolve

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the matter with the user. If the user's objections cannot be resolved by the manager, a hearing shall be held before the board of directors who shall make a determination whether to proceed with the petition to the Water Resources Commission.

(6) If no written objections are received by the district within 30 days after the mailing of the notice under subsection (3) of this section, or following resolution or hearing under subsection (5) of this section, the district may petition the Water Resources Commission for approval of the transfer under ORS 540.574.

(7) As used in this section:

(a) "Irrigable land" means land that is currently under irrigation or susceptible of irrigation for agricultural, horticultural, viticultural or grazing purposes.

(b) "No longer irrigated or susceptible of irrigation" means:

(A) Land on which water for irrigation has not been applied for a period of five successive irrigation seasons; or

(B) Land that does not have reasonable access to the system of irrigation works of the district, or that cannot be irrigated from or that is not susceptible to or would not, by reason of being permanently devoted to uses other than agricultural, horticultural, viticultural or grazing, be directly benefited by actual irrigation from the district.

(c) "Owned" or "controlled" means ownership in fee, purchase on a land sale contract, option to purchase or lease.

(d) "User" means an owner of land with an appurtenant water right who is subject to the charges or assessments of a district and from whose land the water right would be transferred by the petition and map filed under ORS 540.574 and an owner of land to which the water right would be transferred. [1991 c.957 §3]

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690-385-5000

District Permanent Transfer Criteria

Pursuant to ORS 540.572, the Department may approve a district permanent transfer application to permanently change the place of use of the water right appurtenant to land no longer irrigated or susceptible to irrigation provided:

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- (2) The district is implementing an approved water management and conservation plan consistent with the requirements of OAR 690, division 086;
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- (5) The district provides notice to the user of intent to transfer the right and provides the user an opportunity to resolve the matter in the manner described by ORS 540.572 and OAR 690-385-5400 and 690-385-5600.

Stat. Auth.: ORS 536.025 & 536.027

Stats. Implemented: ORS 540.572

Hist.: WRD 1-1993, f. & cert. ef. 2-3-93; Renumbered from 690-021-0090, WRD 9-2004, f. & cert. ef. 11-16-04

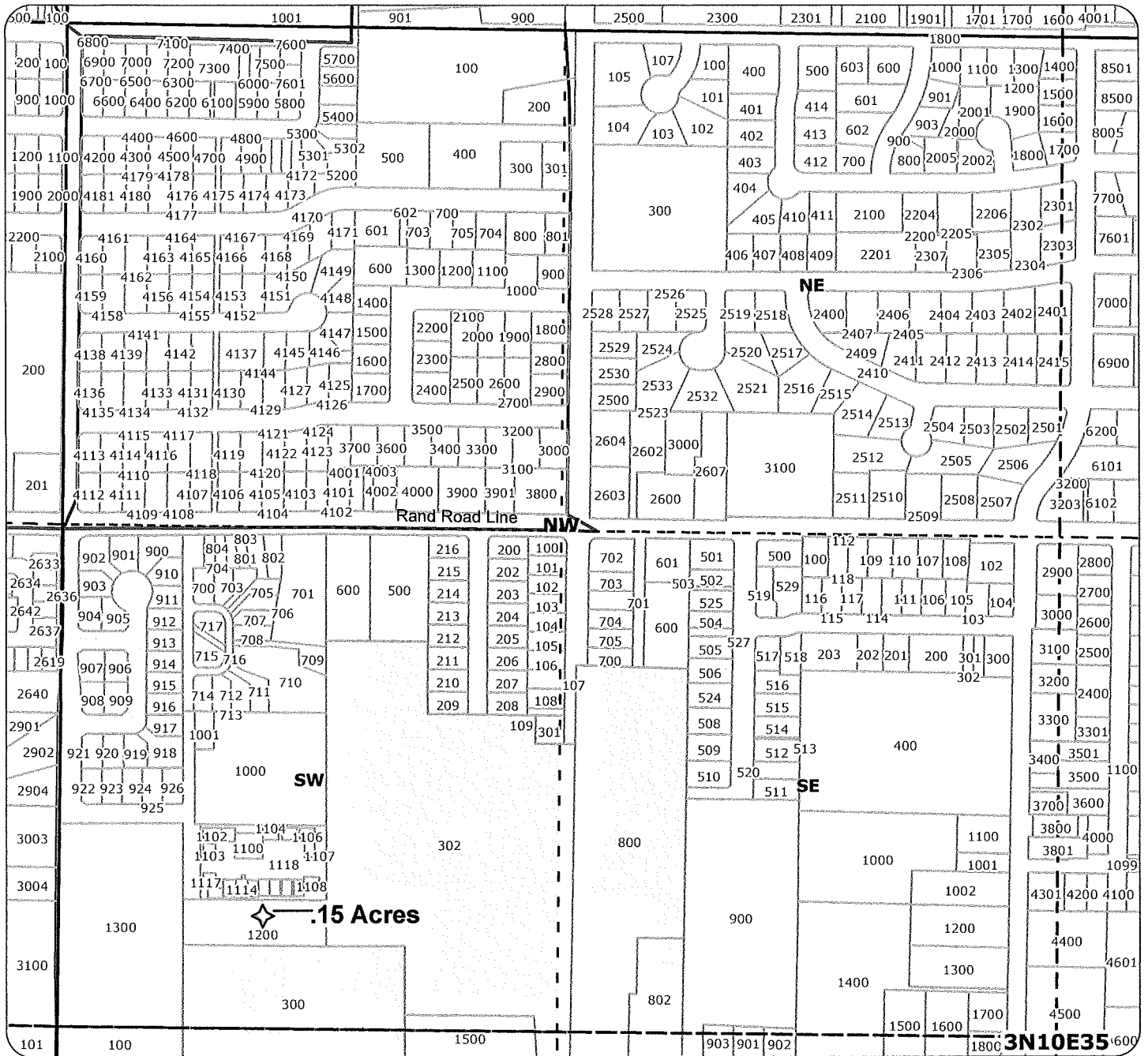
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2010 Farmers Irrigation District Transfer Map

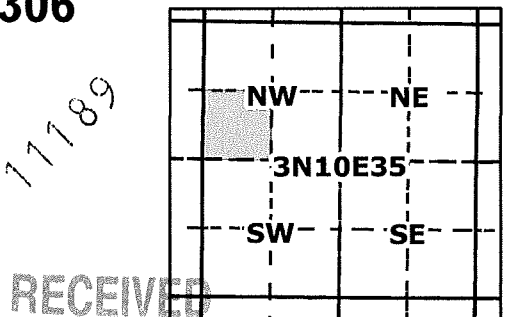


Application for Permanent District Transfer

Primary: Certificate 74306

- Point of Diversion
- ~ Canals
- Transfer ON
- Transfer OFF
- Water Right

For:
 Frances Howard
 Taxlot 1200- .15 Acres OFF
 Total Proposed Water Right
 in Taxlot 1200- .95 Acres
 in 3N10E35SWNW



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1 inch = 400 feet

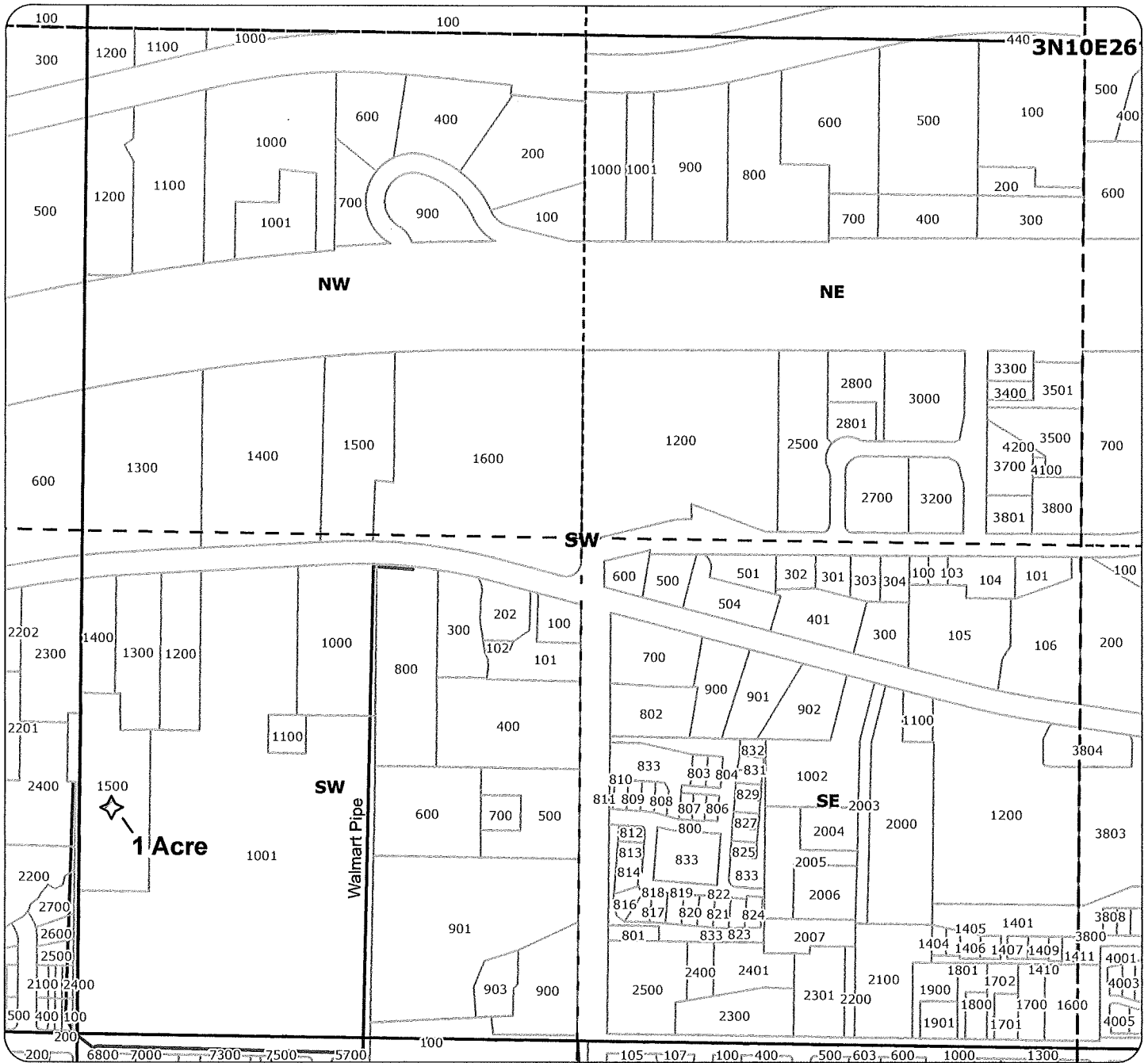


Geo-Spatial Solutions, Inc.

www.geospatialsolutions.com

Date Created: December 2010

2010 Farmers Irrigation District Transfer Map

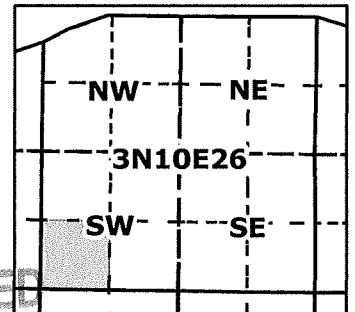


Application for Permanent District Transfer Primary: Certificate 74306

- Point of Diversion
- ~ Canals
- Transfer ON
- Transfer OFF
- Water Right

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For:
Randy & Billie Jean Olmstead
Taxlot 1500- 1 Acre ON
Total Proposed Water Right
in Taxlot 1500- 1.4 Acres
in 3N10E26SWSW



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Farmers Irrigation District

1985 Country Club Road
Hood River, Oregon 97031
(541) 386-3115 Phone
(541) 386-9103 Fax

WATER RIGHT REQUEST FORM

Legal Description of Property

Range 3 North T. 10 East Section 27 Qtr/Qtr SE/SE Tax Lot # 2201

Property Address (if any) 3345 Cascade Avenue

Owner Name Pathfinder Development Group

Address P.O. Box 224

Hood River OR 97031

Telephone number of Owner / Applicant (541) 490-5883

Current water rights on the property? Y or N If so how much? 0.40

Amount of water rights requested 1.45 acres. 1.45

Land base of the property referenced 2.00 acres.

Water is to be used for IRRIGATION.

Request date (today's date) 7-22-10.

Map of property showing irrigated land is required to complete this request.

Map attached? Y or N

Please confirm the information presented above is correct by signing below.

X [Signature]
Owners Signature

X 7-22-2010
Date

District use only

Application accepted by Rick

Date 7-22-10

FID Board of Directors acceptance date 6-18-2010

Allocation Notification Date (s)

Allocation Date _____ Mapping Date _____

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