



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

September 27, 2011

Customer #: 2821

Jeremy & Jean Landon
63310 Johnson Ranch Rd
Bend, OR 97701

RE: Tax Map #: 171414 00 00600, 37.46 acres total Irrigation water rights
0.2 acres water rights to be confiscated in 2011

Dear Patron,

By this letter, the District is serving you notice of our intent to confiscate the water right referenced above for failure to beneficially use the water for the last 5 consecutive years (See OAR 690-385-5000 and ORS 540.572 to 540.578). A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Dept (OWRD), as required by statute.

Our records indicate that you have failed to beneficially use your full water right for the last 5 consecutive years. Multiple attempts were made by the District to inform you of the rules that you must use your full water right at least 1 year in a 5 consecutive year time period, your non-use of those water rights, and our willingness to work with you in any manner legally possible to obtain the beneficial use required by the OWRD. The District does not take this action lightly. Certified letters were sent at the end of the 2010 irrigation season, along with multiple letters sent via first class mail during the years of 2007 through 2011 informing you of your non-use and any options available to assist you in fulfilling the beneficial use requirements, and the District has received no return communication from you in regards to any action being taken to beneficially use the full water right. In addition, multiple site visits were also completed during 2011 to review any signs of beneficial use attempts with multiple years of aerial photos being used to assist in showing what may or may not have been accomplished.

Oregon Revised Statute 540.610 clearly states the requirement of beneficial use:

540.610 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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SEP 29 2011

T 11331

WATER RESOURCES DEPT
SALEM, OREGON

Failure to prove beneficial use as stated is a very serious matter and is cause for forfeiture of the unused water right. I have enclosed the District Confiscation Policy as well as a water right map indicating where your water should be used.

If you wish to dispute this action, you have 30 days from the date of mailing of this letter to notify the District in writing of your objection. If you object, a meeting will be scheduled with the District Manager to try to resolve the issue with you; and if unable to do so, a District hearing before the COID Board of Directors will be held in November to determine if a petition to transfer the water off the lands should be filed with the OWRD Director. Failure to contact the District within 30 days will cause the water to be permanently transferred off of your property.

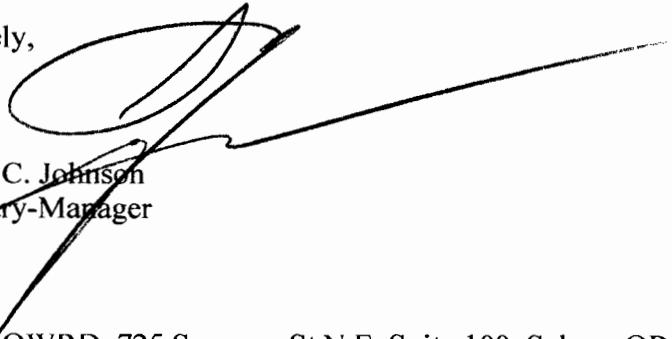
If you have any evidence that you have used all of your water right at any time during the last 5 years, please have the evidence ready to present at the time of your meeting with the District Manager and/or subsequent hearing with the Board of Directors.

Evidence accepted by OWRD (specific to the years 2007-2011):

- Dated aerial photographs of the lands (Bend Mapping & Blue Print or NRCS)

If you filed bankruptcy or your property was in foreclosure in the last 5 years, please submit copies of all recorded Court documents to the District. Bankruptcy and/or foreclosure demonstrating financial hardship may be accepted by OWRD as evidence of inability to fully use the water right (690-017-0800(3)(a-e)).

Sincerely,



Steven C. Johnson
Secretary-Manager

Enc

cc: OWRD, 725 Summer St N.E. Suite 100, Salem, OR 97301
Jeremy Giffin, District 11 Watermaster, 1128 NW Harriman St, Bend, Oregon 97701
MortgageIt, Inc; 1350 Deming Way, 3rd Floor, Middleton, WI 53562; Loan # 40490023
Washington Mutual, Attn: Group 9, Inc; 2005 Cabot Blvd W, Langhorne, PA 19047;
Loan # 0684833627

Sent by certified mail September 27, 2011
Copy sent by first class mail September 27, 2011

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DEC 1 8 2011

WATER RESOURCES DEPT
SALEM, OREGON

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DEC 1 9 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11331



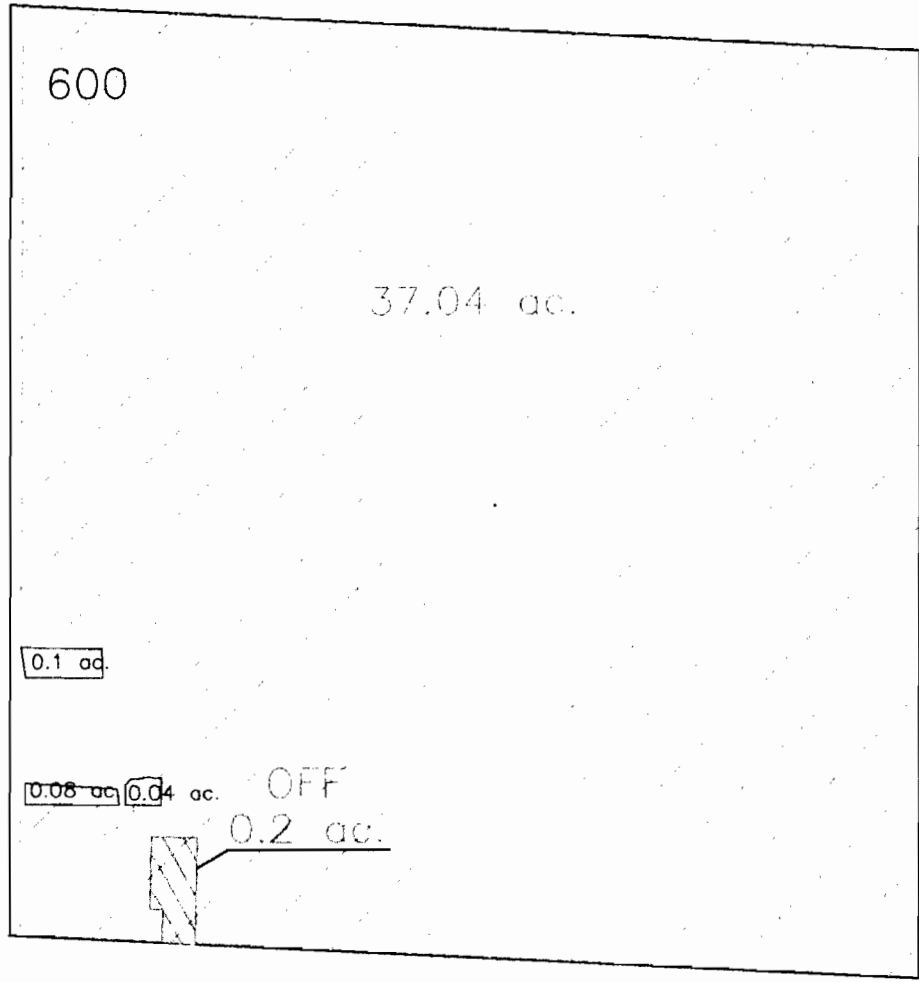
WATER RIGHTS MAP

171414
NWSW
TL: 600
LONDON

NOTICE
THIS IS NOT A CERTIFICATION
OF WATER RIGHTS NOR DOES
THIS WARRANT THE SAME BUT
SERVES ONLY TO PROVIDE
INFORMATION AVAILABLE AT
THIS OFFICE AS OF THIS DATE:
09-20-2011
GW

THIS MAP IS FOR THE PURPOSE OF IDENTIFYING
THE LOCATION OF WATER RIGHTS. IT IS NOT
INTENDED TO PROVIDE LEGAL DIMENSIONS OR
LOCATIONS OF PROPERTY OWNERSHIP LINES.

OFF: 0.2 ac



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SEP 19 2011

WATER RESOURCES DEPT
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:

JEREMY + JEAN LANDON
 4331D JOHNSON RANCH RD
 BEND, OR 97701

2. Article Number
 (Transfer from service label)

7009 1410 0000 0928 9215

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Barbara Gregory

B. Received by (Printed Name) Agent Addressee
 BARBARA GREGORY

C. Date of Delivery
 9/28/11

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

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 1410 0000 0928 9215

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	\$ 2.44	Postmark Here <i>Mailed 09/27/11</i>
Certified Fee	2.85	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.59	
Sent To: JEREMY + JEAN LANDON		
Street, Apt. No., or PO Box No.: 4331D JOHNSON RANCH RD		
City, State, Zip: BEND OR 97701		
PS Form 3800, August 2006		See Reverse for Instructions

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WATER RESOURCES DEPT
 SALEM, OREGON

1 11331

APD

CENTRAL OREGON IRRIGATION DISTRICT
1055 SW Lake Court
Redmond, Oregon 97756

Address Service Requested

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SEP 22 2011
WATER RESOURCES DEPT
SALEM, OREGON

LANSBURY - 5TH YR

BEND OR 977
28 SEP 2011 PM 1


SEABISCUIT

Mortgagelt, Inc
1350 Deming Way
3rd Flc
Middleton, V

NIXIE 530 SE 1 00 10/05/11
RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

5356234538
68601489

BC: 9775614895

*2429-17607-28-04

|||||

T 11351

File

CENTRAL OREGON IRRIGATION DISTRICT

1055 SW Lake Court
Redmond, Oregon 97756

Address Service Requested

RECEIVED

SEP 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

BEND OR 977

28 SEP 2011 PM 1 T



SEABISCUIT

T 11361

**Washington Mutual
Attn: Group 9, Inc
2005 Cabot Blvd W**

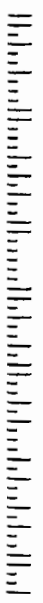
Langhorne

NIXIE 191 SE 1 00 10/04/11

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 97756146955 *2429-17617-29-34

1904791801469



LA XXXX - 5TH YR



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

January 6, 2011

Jeremy Landon
63310 Johnson Ranch Rd
Bend, OR 97701

Dear Jeremy,

Thank you for your contact regarding the beneficial use of your water rights. I have received your email confirming that you would like to exercise your right to do nothing in this 5th year of nonuse and have COID confiscate the unused portion of water in 2011. The unused portion has been identified as the barn area.

I am returning your check #1125 for \$50 that you sent with your request to lease form and have also cancelled your request to lease for 2011.

You will receive one or two more letters throughout 2011 for the unused portion of water that are standard procedure as required by Oregon Revised Statutes and Oregon Administrative Rules for the confiscation process. You will not need to respond to these letters. The confiscation process will move forward and in October 2011, COID will confiscate the unused water and permanently remove this amount from your land. Prior to the confiscation, a staff member will schedule a time with you to GPS the unused portion so that we remove the exact amount needed to be removed.

If you have any further questions or concerns, please feel free to contact me at 541-504-7577 or lauraw@coid.org. You may also contact Cary Penhollow, COID Watermaster at 541-504-7572 or caryp@coid.org.

Sincerely,

Laura Wollam
Water Use Specialist

Enc

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JAN 13 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11361



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

December 20, 2010

Patron ID: 2821

Jeremy & Jean Landon
63310 Johnson Ranch Rd
Bend, OR 97701

RE: Tax Map #: 171414 00 00600 - 37.46 acres total Irrigation Water Rights

Dear Patron,

The 2010 irrigation season has come to an end, and with that, the District has completed the required yearly review of beneficial use of all water rights within our District.

It has been brought to my attention that all or a portion of the water right on the above-noted property has not been beneficially used for 4 consecutive years. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use:

540.610 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 prove beneficial use as stated is a very serious matter and is cause for forfeiture of the unused water right. At this time, you have 3 options to protect this water right. You must use the full water right on the ground exactly as it is mapped during the 2011 irrigation season (see enclosed 2010 aerial photo for location of mapped water rights); lease at minimum, the unused portion of the water right back into the Deschutes River for the 2011 season (the District will accept requests for temporary lease applications through February 15, 2011); or transfer off the unused water. By failing to follow any of these options, the District will be forced by Oregon Statute to confiscate the water right at the end of the 2011 season by filing a petition with OWRD to transfer these water rights to other lands in the District.

By this letter, the District is serving you notice of our intent to confiscate any water right that goes unused in 2011 (see OAR 690-385-5000 and ORS 540.572 to 540.578). A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Dept (as required by statute).

If you have any evidence that you have used all of your water right at any time since 2007, please present the evidence to our office within 30 days from the date of this letter.

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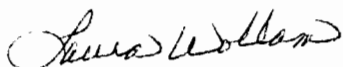
WATER RESOURCES DEPT
SALEM, OREGON

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REMINDER: Whether you choose to use, lease, or transfer your water rights, or not use them in 2011; your assessments are still due and payable to COID by the due date. If you fail to pay your assessments, COID will file a lien against your property for non-payment.

It is our hope that we can work together and maintain the water rights on your property. If you have any questions or concerns please contact Laura Wollam at 541-504-7577 or by email at lauraw@coid.org as soon as possible so you can discuss your available options.

Sincerely,



for Steven C. Johnson
Secretary-Manager

Enc

cc: OWRD Attn: Susan Douthit 725 Summer St NE, Ste 100 Salem, OR 97301
OWRD Attn: Jeremy Giffin 1340 NW Wall, Ste 100 Bend, OR 97701
Washington Mutual Bank, Loan # 0684833627 2273 N Green Valley Parkway, Ste 14,
Henderson, NV 89014
Mortgageit, Inc, Loan # 40490023 33 Maiden Ln, 6th Floor, New York, NY 10038

Sent by certified mail December 20, 2010
Copy sent by first class mail December 20, 2010

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DEC 19 2010

**WATER RESOURCES DEPT
SALEM, OREGON**

T 11331



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

September 27, 2011

Customer #: 3277

Donna Smith
1709 Boulder Springs Dr
Creve Coeur, MO 63146

RE: Tax Map #: 181202 BC 00900, 0.85 acres total Irrigation water rights
0.5 acres water rights to be confiscated in 2011

Dear Patron,

By this letter, the District is serving you notice of our intent to confiscate the water right referenced above for failure to beneficially use the water for the last 5 consecutive years (See OAR 690-385-5000 and ORS 540.572 to 540.578). A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Dept (OWRD), as required by statute.

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JUN 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11331

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Evidence accepted by OWRD (specific to the years 2007-2011):

- Dated aerial photographs of the lands (Bend Mapping & Blue Print or NRCS)

If you filed bankruptcy or your property was in foreclosure in the last 5 years, please submit copies of all recorded Court documents to the District. Bankruptcy and/or foreclosure demonstrating financial hardship may be accepted by OWRD as evidence of inability to fully use the water right (690-017-0800(3)(a-e)).

Sincerely,


Steven C. Johnson
Secretary-Manager

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cc: OWRD, 725 Summer St N.E. Suite 100, Salem, OR 97301
Jeremy Giffin, District 11 Watermaster, 1128 NW Harriman St, Bend, Oregon 97701
No known Lien Holders

Sent by certified mail September 27, 2011
Copy sent by first class mail September 27, 2011

RECEIVED

SEP 29 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11331



WATER RIGHTS MAP

181202
SWNW
TL: 900
SMITH, D

NOTICE
THIS IS NOT A CERTIFICATION
OF WATER RIGHTS NOR DOES
THIS WARRANT THE SAME BUT
SERVES ONLY TO PROVIDE
INFORMATION AVAILABLE AT
THIS OFFICE AS OF THIS DATE:
09-20-2011
GW

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THE LOCATION OF WATER RIGHTS. IT IS NOT
INTENDED TO PROVIDE LEGAL DIMENSIONS OR
LOCATIONS OF PROPERTY OWNERSHIP LINES.

CHILLIWACK WAY



900

Used
0.35 ac.

0.85 ac.

Not Used
0.5 ac.

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DEC 19 2011

WATER RESOURCES DEPT
SALEM, OREGON



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

December 20, 2010

Patron ID: 3277

Donna Jeanne Smith Trust
1709 Boulder Springs Dr
Creve Coeur, MO 63146

RE: Tax Map #: 181202 BC 00800 - 1.5 acres total Irrigation Water Rights

Dear Patron,

The 2010 irrigation season has come to an end, and with that, the District has completed the required yearly review of beneficial use of all water rights within our District.

It has been brought to my attention that all or a portion of the water right on the above-noted property has not been beneficially used for 4 consecutive years. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use:

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SALEM, OREGON

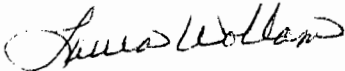
1 11351

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for Steven C. Johnson
Secretary-Manager

Enc

cc: OWRD Attn: Susan Douthit 725 Summer St NE, Ste 100 Salem, OR 97301
OWRD Attn: Jeremy Giffin 1340 NW Wall, Ste 100 Bend, OR 97701
No known lien holders

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SALEM, OREGON

T 11331



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

September 27, 2011

Customer #: 2753

Jerry & Susan Inman
61750 Cougar Trail
Bend, OR 97701

RE: Tax Map #: 181302 D0 00200, 6.5 acres total Irrigation water rights
4.5 acres water rights to be confiscated in 2011

Dear Patron,

By this letter, the District is serving you notice of our intent to confiscate the water right referenced above for failure to beneficially use the water for the last 5 consecutive years (See OAR 690-385-5000 and ORS 540.572 to 540.578). A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Dept (OWRD), as required by statute.

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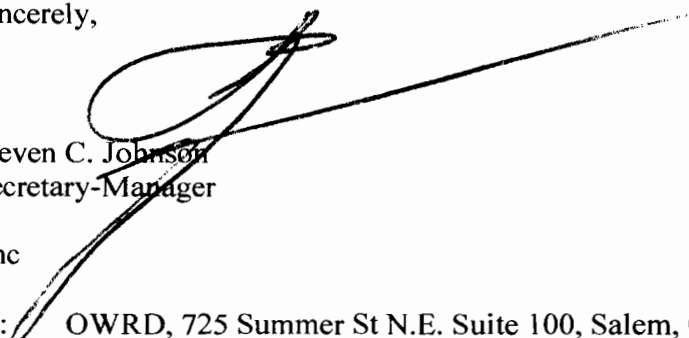
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Steven C. Johnson
Secretary-Manager

Enc

cc: OWRD, 725 Summer St N.E. Suite 100, Salem, OR 97301
Jeremy Giffin, District 11 Watermaster, 1128 NW Harriman St, Bend, Oregon 97701
MortgageIt, Inc; 1350 Deming Way, 3rd Floor, Middleton, WI 53562; Loan # 40404156
Bank of the Cascades; 2630 NE Hwy 20, Bend, OR 97701
FISERV; PO Box 2590, Chicago, IL 60690; Tax Acct # 173906

Sent by certified mail September 27, 2011
Copy sent by first class mail September 27, 2011

RECEIVED

SEP 29 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11351



WATER RIGHTS MAP

181302
NWSE
TL: 200
INMAN

NOTICE
THIS IS NOT A CERTIFICATION
OF WATER RIGHTS NOR DOES
THIS WARRANT THE SAME BUT
SERVES ONLY TO PROVIDE
INFORMATION AVAILABLE AT
THIS OFFICE AS OF THIS DATE:
09-20-2011
GW

THIS MAP IS FOR THE PURPOSE OF IDENTIFYING
THE LOCATION OF WATER RIGHTS. IT IS NOT
INTENDED TO PROVIDE LEGAL DIMENSIONS OR
LOCATIONS OF PROPERTY OWNERSHIP LINES.

OFF: 4.5 ac

201

200

OFF
2.1 ac

OFF
2.4 ac

RECEIVED

SEP 13 2011

WATER RESOURCES DEPT
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:

JERRY + SUSAN INMAN
6175D COLGAR TRAIL
BEND, OR 97701

2. Article Number

(Transfer from service label)

7009 1410 0000 0928 9208

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Susan Inman* Agent Addressee

B. Received by (Printed Name)

SUSAN INMAN 9/29/11

C. Date of Delivery

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

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

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CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)**

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

7009 1410 0000 0928 9208

Postage	\$ 2.44
Certified Fee	2.85
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.59

Postmark Here

*Tracked
09/27/11*

Sent To: JERRY + SUSAN INMAN
or PO Box No. 6175D COLGAR TRAIL
City, State, ZIP+4: BEND OR 97701 5TH FR

PS Form 3811, August 2006

See Reverse for Instructions

RECEIVED

SEP 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11351

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- 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:

DANNA SMITH
 1709 BOULDER SPRINGS DR
 CREVE COEUR, MO 63146

2. Article Number
 (Transfer from service label)

7009 1410 0000 0928 9192

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* Recipient Addressee
 B. Received by (Printed Name) *[Signature]* Date of Delivery *10-3-09*

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

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	\$ 0.44	Postmark Here <i>Mailed 10/27/11</i>
Certified Fee	2.85	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.59	

Sent to: DANNA SMITH
 Street Apt. No.:
 ZIP Code: 1709 BOULDER SPRINGS DR
 City State ZIP+4: CREVE COEUR MO 63146-5149

PS Form 3800, August 2006 See Reverse for Instructions

7009 1410 0000 0928 9192

RECEIVED

OCT 29 2011

WATER RESOURCES DEPT
 SALEM, OREGON

7 331

AP

CENTRAL OREGON IRRIGATION DISTRICT
1055 SW Lake Court
Redmond, Oregon 97756

Address Service Requested

RECEIVED

JUL 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED

WATER RESOURCES DEPT
SALEM, OREGON

Mortgagelt, Inc
1350 Deming Way
3rd F
Middleton,

BEND OR 977

28 SEP 2011 PM 1 T



NIXIE 530 SE 1 00 10/05/11
RETURN TO SENDER
NOT DELIVERABLE
UNABLE TO FORWARD

BC: 97756146955 *2429-17595-29-34

5356284638@1463

LEARNED - 5th yr

T 11331



CENTRAL OREGON IRRIGATION DISTRICT

1055 SW LAKE COURT, REDMOND, OR 97756

PHONE: 541.548.6047 FAX: 541.548.0243

www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

December 20, 2010

Patron ID: 2753

Jerry & Susan Inman
61750 Cougar Trail
Bend, OR 97701

RE: Tax Map #: 181302 D0 00200 - 6.5 acres total Irrigation Water Rights

Dear Patron,

The 2010 irrigation season has come to an end, and with that, the District has completed the required yearly review of beneficial use of all water rights within our District.

It has been brought to my attention that all or a portion of the water right on the above-noted property has not been beneficially used for 4 consecutive years. Oregon Revised Statute 540.610 clearly states the requirement of beneficial use:

540.610 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 prove beneficial use as stated is a very serious matter and is cause for forfeiture of the unused water right. At this time, you have 3 options to protect this water right. You must use the full water right on the ground exactly as it is mapped during the 2011 irrigation season (see enclosed 2010 aerial photo for location of mapped water rights); lease at minimum, the unused portion of the water right back into the Deschutes River for the 2011 season (the District will accept requests for temporary lease applications through February 15, 2011); or transfer off the unused water. By failing to follow any of these options, the District will be forced by Oregon Statute to confiscate the water right at the end of the 2011 season by filing a petition with OWRD to transfer these water rights to other lands in the District.

By this letter, the District is serving you notice of our intent to confiscate any water right that goes unused in 2011 (see OAR 690-385-5000 and ORS 540.572 to 540.578). A copy of this letter is being sent to any security interest holders listed against your property as well as the Oregon Water Resources Dept (as required by statute).

If you have any evidence that you have used all of your water right at any time since 2007, please present the evidence to our office within 30 days from the date of this letter.

RECEIVED

DEC 19 2010

WATER RESOURCES DEPT
SALEM, OREGON

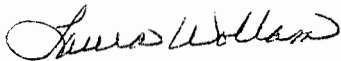
T 11331

I have enclosed a 2010 aerial photo showing where your mapped water rights are located and a copy of the District Confiscation Policy. If your water rights are unmapped, the aerial photo will indicate the number of acres of water right and the number of acres of land to assist you in determining how much area should be irrigated. Please note that the aerial photo was taken in July 8, 2010, and may not fully represent your irrigation habits for the season or new structures, arenas, dry lots, etc. that may have been added to your property since then.

REMINDER: Whether you choose to use, lease, or transfer your water rights, or not use them in 2011; your assessments are still due and payable to COID by the due date. If you fail to pay your assessments, COID will file a lien against your property for non-payment.

It is our hope that we can work together and maintain the water rights on your property. If you have any questions or concerns please contact Laura Wollam at 541-504-7577 or by email at lauraw@coid.org as soon as possible so you can discuss your available options.

Sincerely,



for Steven C. Johnson
Secretary-Manager

Enc

cc: OWRD Attn: Susan Douthit 725 Summer St NE, Ste 100 Salem, OR 97301
OWRD Attn: Jeremy Giffin 1340 NW Wall, Ste 100 Bend, OR 97701
USAA Federal Savings Bank, Tax Acct # 173906 10750 McDermott Freeway, San Antonio, TX 78288-0558
Mortgageit, Inc, Loan # 40404156 33 Maiden Ln, 6th Floor, New York, NY 10038

Sent by certified mail December 20, 2010
Copy sent by first class mail December 20, 2010

RECEIVED

DEC 19 2011

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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:

*Jerry + Susan Inman
6175D Cougar Trail
Bend, OR 97701*

2. Article Number
(Transfer from service label)

7007 3020 0003 0426 4891

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Addressee Agent
[Signature]
 B. Received by (Printed Name) C. Date of Delivery
SUSAN ERINS LAMKIN 12/22/10
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

7007 3020 0003 0426 4891

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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 For delivery information visit our website at www.usps.com

Postage	\$ 2.41	Postmark Here <i>Mailed 12/20/10</i>
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	—	
Total Postage & Fees	\$ 5.71	

Sent to *Jerry + Susan Inman*
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4
4th in Bill - 2010

PS Form 3890, August 2006 See Reverse for Instructions

RECEIVED
 DEC 19 2011
 WATER RESOURCES DEPT
 SALEM, OREGON

T 11331

CENTRAL OREGON IRRIGATION DISTRICT

1055 SW Lake Court
Redmond, Oregon 97756

Address Service Requested

Spencer

December 20, 2010

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DEC 19 2010

WATER RESOURCES DEPT
SALEM, OREGON

Morgageit, Inc
33 Maiden Ln, 6th Floor
New York, NY 10038

100333456789459

BEND OR 977

21 DEC 2010 PM 11

Happy

Holidays



SEABISCUIT

NIXIE 100 SE 1 00 12/30/10

NOT DELIVERABLE TO SENDER
UNABLE TO AS ADDRESS
FORWARD

BC: 97756146955 *2429-14044-21-33

|||||

T 11331

Attn: Steven C. Johnson
Secretary-Manager

October 4, 2011

Dear Sir,

With regard to your letter dated September 27, 2011, please see the attached memorandum from Leslie Clark and the annotated copy of the water right map you enclosed.

We have been working cooperatively with Laura Wollam, Cary Penhollow and Leslie Clark. As noted on the map and the attached photos, we have installed and placed in operation an irrigation system and have planted a quick-germinating ground cover for the 2.1 acreage noted.

We are in compliance with Leslie's first paragraph and look forward to their review "just prior to the water going off in mid October".

We have found our working relationship with the COI team listed to be most amicable and helpful, in sharp contrast with the tone of your letter. In my over 30 years as a US diplomat, I was always very careful about language even in dealings with our most difficult adversaries. I strongly recommend that you get some competent professional help in reviewing your letter!

I hope that this will satisfy your request for a quick reply and that we will not have to take any further immediate steps to satisfy COI requirements.

Sincerely yours,

Jerry L. Inman,
Counselor
Senior Foreign Service of The United States (retired)

Cc: Laura Wollam, Cary Penhollow, Leslie Clark

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OCT 13 2011
WATER RESOURCES DEPT
SALEM OREGON

T 11351



**WATER RIGHTS
MAP**
181302
NWSE
TL: 200
INMAN

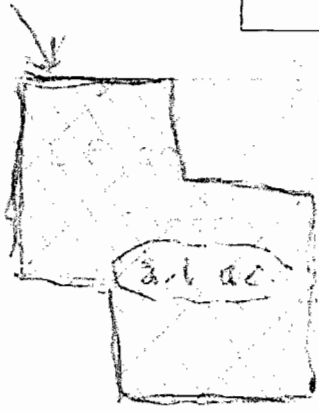
NOTICE
THIS IS NOT A CERTIFICATION
OF WATER RIGHTS NOR DOES
THIS WARRANT THE SAME BUT
SERVES ONLY TO PROVIDE
INFORMATION AVAILABLE AT
THIS OFFICE AS OF THIS DATE:
09-20-2011
GW

THIS MAP IS FOR THE PURPOSE OF IDENTIFYING
THE LOCATION OF WATER RIGHTS. IT IS NOT
INTENDED TO PROVIDE LEGAL DIMENSIONS OR
LOCATIONS OF PROPERTY OWNERSHIP LINES.

OFF: 4.5 ac



*Irrigation installed
and planted*



201

200

MAP PREPARED BY: GW
09-20-2011

RECEIVED

SCALE: 1" = 200'

OCT 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11351



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OCT 19 2011

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SALEM, OREGON

T 11331

Leslie

From: Laura Wollam [lauraw@coid.org]
Sent: Tuesday, October 25, 2011 9:15 AM
To: jerrylinman@netscape.net
Cc: "cary p"@coid.org; leslic@coid.org
Subject: RE: water right transfer

RECEIVED

OCT 23 2011

WATER RESOURCES DEPT
SALEM, OREGON

Good morning Jerry,

I am attaching an updated map of the areas that COID will be confiscating this year. The numbers in red indicate the water rights that will be confiscated for 5 years of non-use. The total for confiscation has been reduced to 2.63 acres.

If you have any questions regarding this adjusted map or the confiscation process, please feel free to contact Leslie, Cary, or me. You may call the general office number (541-548-6047) and ask for any of us or email us directly.

Laura

Laura Wollam

*Water Use Specialist / Grant Specialist
 Central Oregon Irrigation District
 1055 SW Lake Ct
 Redmond, OR 97756
 Phone: 541-504-7577
 Email: lauraw@coid.org*

From: jerrylinman@netscape.net [mailto:jerrylinman@netscape.net]
Sent: Tuesday, October 04, 2011 12:54 PM
To: leslic@coid.org
Cc: "cary p"@coid.org; lauraw@coid.org
Subject: Re: water right transfer

Please see attached reply to Steven Johnson's "confiscation" letter.

-----Original Message-----

From: Leslie <leslic@coid.org>
To: jerrylinman <jerrylinman@netscape.net>
Cc: caryp <caryp@coid.org>; 'Laura Wollam' <lauraw@coid.org>
Sent: Fri, Sep 23, 2011 8:25 am
Subject: RE: water right transfer

Good Morning Jerry,

I spoke with Cary Penhollow yesterday and we agreed to wait to review your water until just prior to the water going off in mid-October. This will allow you time to get the portion of the 5th year non-use water right you want to keep on the current location applied to the ground and growing a crop, and then we can clearly see what is not getting irrigated for transfer to the proposed area. Remember, any area not being irrigated, or, if the non-irrigated area exceeds the proposed new area, that water will be confiscated by the District for 5 years of non-use per

T 11331

Oregon Revised Statute.

It is very important that you are committed financially and physically to apply water to the new, transferred on area during the entire 2012 irrigation season and each year thereafter for a minimum of 4 years or until the Oregon Water Resources Department issues a Final Order on a claim of use report (last step in transfer process) that is prepared and submitted by COID on the transferred water. Failure to apply the transferred water as stated in a transfer application will cause the Oregon Water Resources Dept to cancel the water right, a loss of water for you and COID. If this occurs there will be a substantial fee you will be required to pay COID for the loss of water.

You should hear from Cary by October 15th. If you have any questions please contact me.

Leslie

Leslie Clark

Water Transfer Specialist
Central Oregon Irrigation District
1055 SW Lake Court
Redmond, OR 97736
541 504-7576

From: Leslie [mailto:lesliec@coid.org]
Sent: Monday, September 19, 2011 8:51 AM
To: 'jerrylinman@netscape.net'
Cc: 'caryp@coid.org'; 'Laura Wollam'
Subject: RE: water right transfer

Yes there will be a contract to sign but I will not prepare that until after Cary Penhollow determines how much water is being moved in the transfer. He should be contacting you in the next couple of days to meet on the property. Please be certain of how much you want to move; any amount of water that is not beneficially used (growing non-native vegetation) by October 10th or included in this transfer will be confiscated at our November 8th Board meeting.

Leslie Clark

Water Transfer Specialist
Central Oregon Irrigation District
1055 SW Lake Court
Redmond, OR 97736
541 504-7576

From: jerrylinman@netscape.net [mailto:jerrylinman@netscape.net]
Sent: Saturday, September 17, 2011 2:45 PM
To: lesliec@coid.org
Subject: Re: water right transfer

I'd like to start this process ASAP. Aren't there some forms to fill out? What is my first step to get started?

Jerry Inman
Flights of Fancy Farm, LLC

-----Original Message-----

From: Leslie <lesliec@coid.org>
To: jerrylinman <jerrylinman@netscape.net>
Sent: Fri, Sep 16, 2011 11:57 am

RECEIVED

SEP 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

1 1 3 3 1

Subject: water right transfer

Hello Mr. Inman,

Attached is an information sheet to transfer water within your own land. It is critical we submit a transfer application to our Board of Directors for approval by November 9th to avoid loss of the water. If you have any questions on the process please don't hesitate to contact me.

Leslie

Leslie Clark

Water Transfer Specialist
Central Oregon Irrigation District
1085 SW Lake Court
Redmond, OR 97730
541 504 7336

RECEIVED

OCT 19 2011

WATER RESOURCES DEPT
SALEM, OREGON

T 11331



WATER RIGHTS MAP

18-13-02

NW $\frac{1}{4}$ SE $\frac{1}{4}$

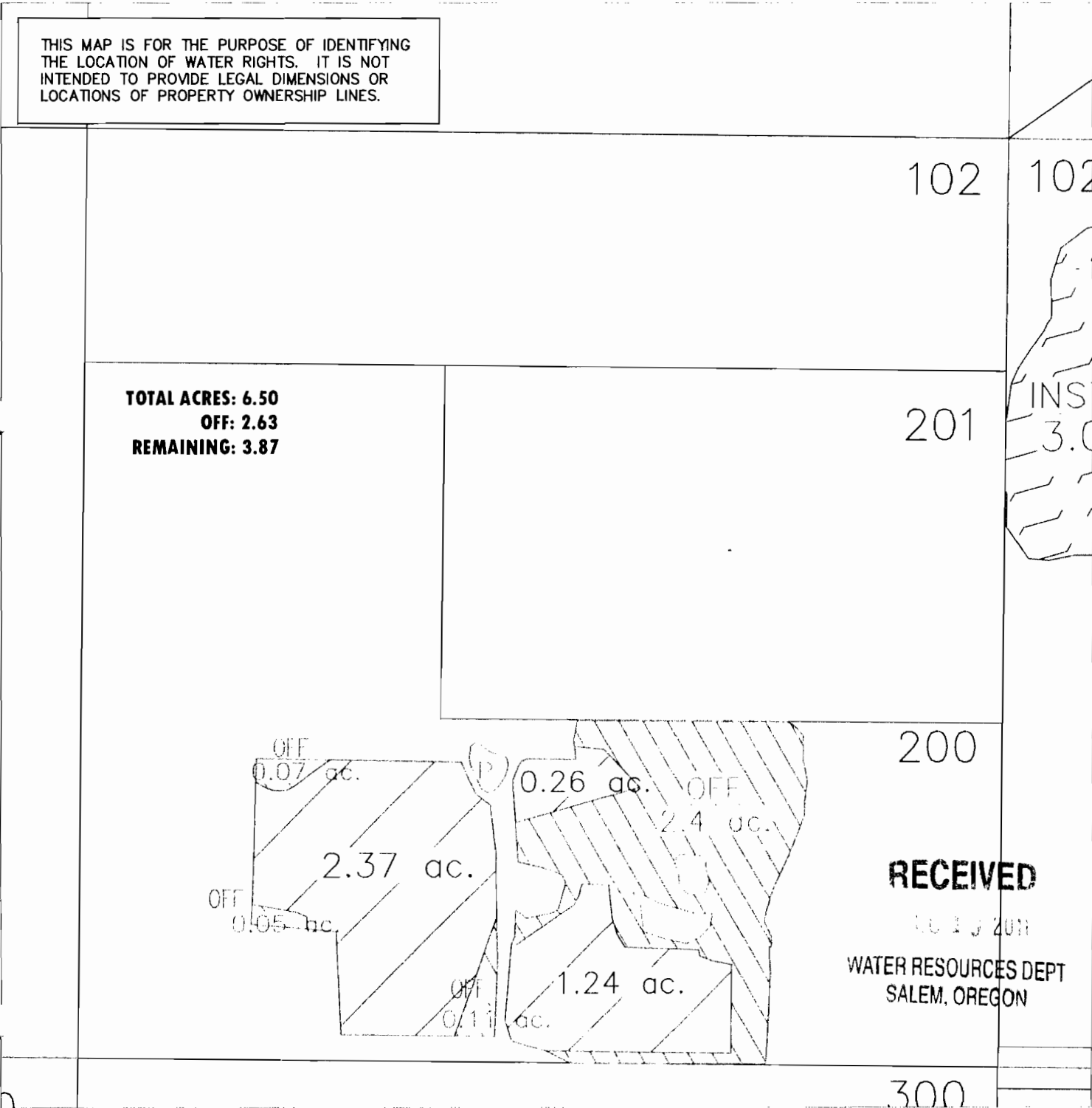
TL: 200

INMAN

NOTICE
THIS IS NOT A CERTIFICATION
OF WATER RIGHTS NOR DOES
THIS WARRANT THE SAME BUT
SERVES ONLY TO PROVIDE
INFORMATION AVAILABLE AT
THIS OFFICE AS OF THIS DATE.
DATE _____
BY _____



THIS MAP IS FOR THE PURPOSE OF IDENTIFYING
THE LOCATION OF WATER RIGHTS. IT IS NOT
INTENDED TO PROVIDE LEGAL DIMENSIONS OR
LOCATIONS OF PROPERTY OWNERSHIP LINES.



RECEIVED
10 13 2011
WATER RESOURCES DEPT
SALEM, OREGON

MAP PREPARED BY:
LISA LEE
10-25-11

1 11331

SCALE: 1" = 200'