

T-10497

T-10497

GR-MOD

Name Rock Ridge Farms, LLC

Address 14480 SW 97th Ave
Tualatin, OR 97062
503 692-9666 503 692-9610 Fax

Change in FOA USE

Date Filed _____

Initial notice date _____

DPD issued date _____

PD issued date _____

PD notice date _____

Date of FO 12-19-08 Vol 76 Page 933

C-Date _____

COBU due date _____

COBU Received date _____

Certificate issued _____

DESCRIPTION OF WATER RIGHT(S)

Name of Stream Well

Trib. of Willamette River (unnamed stream)

Use IRR County Marion

Quantity of water (CFS) _____ No. of Acres _____

Name of ditch _____

App # GR 3351 Per # _____ Cert # GR 3103 PR Date 1946

App # _____ Per # _____ Cert # _____ PR Date _____

App # _____ Per # _____ Cert # _____ PR Date _____

App # _____ Per # _____ Cert # _____ PR Date _____

App # _____ Per # _____ Cert # _____ PR Date _____

FEES PAID		
Date	Amount	Receipt #
<u>12-12-07</u>	<u>\$500.00</u>	<u>90910</u>

FEES REFUNDED		
Date	Amount	Receipt#

Assignments: _____

Irrigation District N/A

Agent Pacific Hydro-Geology Inc. Greg Kypillas 18487 S. Valley Vista Road Mulino
OR 97042 503 632-5016

CWRE Gregory Kypillas # 432

CC's list Marion County Planning Division PO Box 14500, Salem, OR 97309



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
FAX 503-986-0904

December 31, 2008

ROCK RIDGE FARMS, LLC
ATTN: CHARLES W EGGERT
19480 SW 97TH AVENUE
TUALATIN OR 97062

Reference: Ground Water Registration Modification 10497

Enclosed is a copy of the order approving recognition of your Ground Water Registration Modification application.

If you have any questions, please call the Transfer Section, (503)986-0900.

Sincerely,

Sarah Henderson
Executive Support

cc: Watermaster #16
Greg Kupillas, Agent

Enclosure

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of Ground Water	)	FINAL ORDER APPROVING
Registration Modification Application	)	RECOGNITION OF A MODIFICATION
T-10497, Marion County	)	IN POINT OF APPROPRIATION AND
	)	CHARACTER OF USE AND
	)	REDESCRIPTION

Authority

ORS 537.610, 537.705 and 540.505 to 540.580 establish the process in which the holder of a certificate of registration may submit a request for recognition of modifications to the place of use, character of use or point of appropriation under a ground water certificate of registration.

OAR Chapter 690, Divisions 382 and 380 implement the statutes and provide the Department's procedures and criteria for evaluating ground water registration modification applications.

Applicant

ROCK RIDGE FARMS, LLC
ATTN: CHARLES W. EGGERT
19480 SW 97TH AVENUE
TUALATIN, OR 97062

Findings of Fact

Background

1. On December 12, 2007, Rock Ridge Farms, LLC filed a ground water registration modification application to modify the point of appropriation and character of use under Registration Application GR-3351 (Certificate of Registration GR- 3103). The Department assigned the application number T-10497.
2. On February 5, 2008, Registration Application GR-3351 (Certificate of Registration GR-3103) was assigned from Roy R. Smith and Robert Hubbard to Charles Eggert of Rock Ridge Farms, LLC.

This final order is subject to judicial review by the Court of Appeals under ORS 183.482. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.482(1). Pursuant to ORS 536.075 and OAR 137-003-0675, you may petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

3. Registration Application GR-3351 (Certificate of Registration GR- 3103) was originally filed with the Department on July 31, 1958, and describes the claimed place of use as 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M., Marion County, Oregon. The ground water registration did not include any map or illustration to provide a more precise location of the acreage.
- On August 14, 1963, an application for a new permit (Application G-2683) was filed with the Department requesting irrigation of the same land as was claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103), being 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M.
 - The Department approved Application G-2683 and issued a permit (Permit G-2481) on September 20, 1963, for the irrigation of 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M.
 - On April 6, 1964, the Department performed an inspection and surveyed the irrigation project under Permit G-2481. The inspection and final proof survey revealed that the 20.0 acres of land applied for within the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., is actually bisected by a quarter-quarter section line, resulting in 0.1 acre actually being located in the SW ¼ SE ¼ with the remaining acreage located in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M.
 - Considering that the land claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103) and the land applied for and permitted under Application G-2683 (Permit G-2481) is the same, the Department concludes that 0.1 acre of the original 20.0 acres claimed in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., is and always has been located in the SW ¼ SE ¼, consistent with the final proof survey map for Permit G-2481.
 - The following table describes the place of use description in existing Registration Application GR-3351 (Certificate of Registration GR- 3103) and a proposed redescription based on the findings above:

Original Description of Place of Use under Registration Application GR-3351 (Certificate of Registration GR- 3103)						Proposed Redescription of Place of Use					
Twp	Rng	Mer	Sec	¼ ¼	Acres	Twp	Rng	Mer	Sec	¼ ¼	Estimated Acres
--	--	--	--	----	---	3 S	1 W	WM	32	SW SE	0.10
3 S	1 W	WM	32	SE SE	20.00	3 S	1 W	WM	32	SE SE	19.90
4 S	1 W	WM	5	NE NE	11.24	4 S	1 W	WM	5	NE NE	11.24
TOTAL:					31.24	TOTAL:					31.24

4. The portion of the ground water registration to be modified is as follows:

Registration: Application GR-3351 (Certificate of Registration GR-3103), in the name of Roy R. Smith and Robert Hubbard (*assigned to Charles Eggert of Rock Ridge Farms, LLC*)

Use: IRRIGATION of 20.0 ACRES

Tentative Priority Date: JUNE 1946

Rate: 112.0 GALLONS PER MINUTE (GPM), or 0.25 cubic foot per second (cfs)

Duty: 74.0 ACRE FEET (AF) PER YEAR

Source: A PUMP WELL, in the Willamette River Basin

Original Point of Appropriation:

Twp	Rng	Mer	Sec	¼ ¼	Survey Coordinates
3 S	1 W	WM	32	SE SE	350 feet North and 689 feet West from the SE corner of Section 32

Original Place of Use:

IRRIGATION						
Twp	Rng	Mer	Sec	¼ ¼	Acres	Type of Proposed Modification
3 S	1 W	WM	32	SW SE	0.1	POA
3 S	1 W	WM	32	SE SE	18.9	POA
3 S	1 W	WM	32	SE SE	1.0	POA & USE
TOTAL:					20.0	

5. Application T-10497 states that the original well claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103), as described in Finding #4, was abandoned and replaced with another well. The replacement well was also abandoned (date unknown); however, copies of well logs documenting abandonment of the wells could not be located and/or are not available.
6. Application T-10497 proposes to modify the original point of appropriation under the ground water registration. The proposed new points of appropriation for the portion of the ground water registration described in Finding #4 above are described as follows with the approximate distance from the original point of appropriation identified:

Twp	Rng	Mer	Sec	¼ ¼	Survey Coordinates	Approximate Distance from Original Point of Appropriation
3 S	1 W	WM	32	SE SE	Well 1 – 20 feet North and 900 feet West from the SE corner of Section 32	400 feet Southwest
3 S	1 W	WM	32	SE SE	Well 2 – 30 feet North and 340 feet West from the SE corner of Section 32	450 feet South
3 S	1 W	WM	32	SE SE	Well 3 – 30 feet North and 630 feet West from the SE corner of Section 32	330 feet Southeast

7. Application T-10497 also proposes to modify the character of use under the ground water registration to INDUSTRIAL USE for the 1.0 acre portion of land (identified in Finding #4) as follows:

Twp	Rng	Mer	Sec	¼ ¼	Acres	Proposed Character of Use
3 S	1 W	WM	32	SW SE	0.1	IRRIGATION <i>(No Change)</i>
3 S	1 W	WM	32	SE SE	18.9	IRRIGATION <i>(No Change)</i>
3 S	1 W	WM	32	SE SE	1.0	INDUSTRIAL
TOTAL:					20.0	

8. Notice of the application for ground water registration modification was published on December 26, 2007, pursuant to OAR 690-382-0600. No comments were filed in response to the notice.
9. On April 8, 2008, the Department mailed a copy of the draft Preliminary Determination proposing to approve Ground Water Registration Modification Application T-10497 to the applicant. The draft Preliminary Determination set forth a deadline of May 8, 2008, for the applicant to respond. The applicant requested that the Department proceed with issuance of a Preliminary Determination and provided the necessary information to demonstrate that the applicant is authorized to pursue the transfer.
10. On October 2, 2008, the Department issued a Preliminary Determination proposing to approve Transfer T-10497 and mailed a copy to the applicant. Additionally, notice of the Preliminary Determination for the transfer application was published on the Department's weekly notice on October 14, 2008, and in the *Canby Herald* newspaper on November 5, 12 and 19, 2008, pursuant to ORS 540.520 and OAR 690-380-4020. No protests were filed in response to the notice.

Review Criteria for Ground Water Registration Modification Applications [OAR 690-382-0700(2)]

11. Because of the change in character of use from irrigation to year-round industrial purposes for the 1.0 acre portion of land described in Findings #4 and #7 above, the proposed modification could result in enlargement if not limited to the maximum rate and annual volume of water claimed for that 1.0 acre of irrigation. However, the Department, has determined the proposed modifications, as conditioned, would not result in enlargement of the ground water registration.
12. The proposed modifications would not result in a state Scenic Waterway not receiving previously available water during periods in which streamflows are less than the quantities determined by the Department to be necessary to meet the requirements of ORS 390.835.
13. The proposed modifications would not result in injury to other water rights.

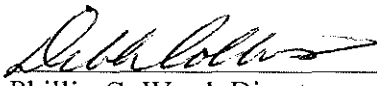
Conclusions of Law

The modifications in point of appropriation and character of use proposed in Application T-10497 are consistent with the requirements of ORS 537.610, 537.705, 540.505 to 540.580 and OAR 690-382-1000.

Now, therefore, it is **ORDERED**:

1. The modifications to Registration Application GR-3351 (Certificate of Registration GR-3103) proposed in Application T-10497 are recognized. Recognition of the modifications shall not be construed as a final determination of the right to appropriate ground water under the certificate of registration or modification. Such a determination will occur in an adjudication proceeding under ORS 537.670 to 537.695.
2. The use of the water is restricted to beneficial use at the place of use described, and is subject to all other conditions and limitations contained in Registration Application GR-3351 (Certificate of Registration GR-3103) and any related decree.
3. Water shall be acquired from the same aquifer (water source) as the original point of appropriation.
4. Water shall no longer be appropriated from the original point of appropriation, or its replacement well, as part of this ground water certificate of registration.
5. The quantity of water diverted at the new points of appropriation, shall not exceed the quantity of water lawfully available at the original point of appropriation.
6. Water shall no longer be appropriated for the former character of use (irrigation) for the 1.0 acre portion of land described in Findings #4 and #7 as part of this ground water certificate of registration.
7. Water appropriated for industrial purposes on the 1.0 acre portion of land described in Findings #4 and #7 may be exercised year round at a maximum flow rate of 5.6 gpm (0.01 cfs), provided the total annual volume of water for industrial use does not exceed 3.7 acre-feet (1,216,745 gallons).
8. Prior to diverting water at the new points of appropriation, the water user shall install and maintain an in-line flow meter or other suitable device for measuring and recording the quantity of water appropriated at each point of appropriation. The type and plans of the measuring devices must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.

Dated at Salem, Oregon this 19th day of December 2008.


R Phillip C. Ward, Director

DEC 01 2009

Mailing date: _____

Ground Water Registration Modification Completion Checklist

GR Modification No. T-10497

Transfer Specialist: Lisa Jaramillo

Ground Water Registration Affected:

Application No.	Certificate of Registration No.
GR-3351	GR-3103

Applicant: Rock Ridge Farms, LLC

Copies Needed:

Watermaster District: Mike McCord, #16

CWRE No.: same as agent

Agent Name/Address: Greg Kupillas, Pacific Hydro-Geology Inc., 18487 S. Valley Vista Rd., Mulino, OR 97042

Irrig Dist Name/Address: _____

Commentors Name/Address: _____

Draft PD

Preliminary Determination

- DPD Mailed: 4-8-08
- DPD Response:
- Workflow

- Electronic Files Uploaded
- Preliminary Determination
- PD Cover Letter
- Newspaper Notice (*if required*)
- Workflow/Date Sent to Salem

- File Folder Updated
- Fee Refund Due
- Public Notice, Salem
- Audit Sheet
- Other: _____

Comments/Special Issues:

This GR Mod is being processed concurrently with Transfer Application T-10329, which is going through the Reimbursement Authority process.

- Redescription of 0.1 acre of irrigation.
- Change in POA (moving to 3 new wells).
- Change in Character of Use for 1.0 acre irrigation to industrial use.
(Conditions added to prevent enlargement.)

DPD Review (Optional)	PD Review (Salem)	Final Order Review (Salem)
Reviewer: _____ Date: _____	Reviewer: _____ Date: _____	Reviewer: _____ Date: _____
Coordinator: _____ Date: _____	Coordinator: <i>DJP</i> Date: <i>7/31/08</i>	Coordinator: _____ Date: _____

Special Order Volume: 76, Pages 933 Final Order Signature Date: 12-19-08

WRIS clone correction needed

Lisa/dorothy

AFFIDAVIT OF PUBLICATION

RECEIVED

NOV 20 2008


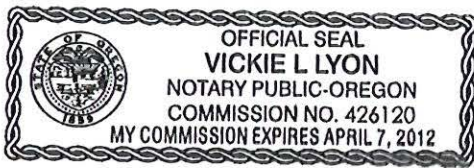
WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON)
) SS
COUNTY OF CLACKAMAS)

I, William D. Cassel, being first duly sworn, depose and say that I am the publisher of the CANBY HERALD newspaper of general circulation as defined by ORS 193.010 and 193.020; printed and published at Canby in the aforesaid county and state; that the NOTICE OF PRELIMINARY DETERMINATION FOR GROUND WATER REG. printed copy of which is hereto annexed, was published in entire issue of said newspaper for 3 successive and consecutive week(s) in the following issue(s): November 5, 12 & 19, 2008.



Subscribed and sworn to me this 19th day of November, 2008.


Notary Public of Oregon
My commission expires on April 7, 2012

Notice of Preliminary Determination for Ground Water Registration Modification T-10497
T-10497 filed by Rock Ridge Farms, LLC, 19480 SW 97th Ave., Tualatin, OR 97062, proposes to modify the point of appropriation and character or use under registration Application GR-3351 (Certificate of Registration GR-3103). The ground water registration allows the use of 112,0 gpm (tentative priority date June 1946) from a well in Sec. 32, T 3S, R 1W, W.M. (Willamette River Basin) for ir-

rigation in Sec. 32. The applicant proposes to modify the point of appropriation to three new wells located between approximately 330 and 450 feet south/southwest (Sec. 32, T 3S, R 1W, W.M.). The applicant also proposes to modify the character of use for a portion of the right to industrial use. The Water Resources Department has concluded that the proposed modification appears to be consistent with the requirements of ORS Chapter 540 and OAR 690-382-1000.

Any person may file, jointly or severally, with the Department a protest or standing statement within 30 days after the date of final publication of notice in the Department's weekly notice or of this newspaper notice, whichever is later. A protest form and additional information of filing protests may be obtained by calling (503) 986-0852. The last date of newspaper publication is November 19, 2008. If no protests are filed, the Department will issue a final order consistent with the preliminary determination.

Published in the Canby Herald November 5, November 12, and November 19, 2008.

Lisa Jaramillo

From: Lisa Jaramillo
Sent: Friday, November 21, 2008 9:14 AM
To: Kaye Barnes
Cc: Dorothy Pedersen
Subject: RE: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)
Attachments: image001.jpg

Hi Kaye,

Yes. We received the affidavits of publication yesterday. Since the last date of publication was on Nov. 19, 2008, the protest period will end on Dec. 19, 2008. Assuming we don't receive any protests, we will likely be able to issue final orders by the end of the year!

Thanks again for all of your help on this.

Have a nice Thanksgiving!
Lisa

Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266
Phone: 503-986-0880
Fax: 503-986-0903
www.wrd.state.or.us

From: Kaye Barnes [mailto:kbarnes@pacificfoods.com]
Sent: Friday, November 21, 2008 9:07 AM
To: Lisa Jaramillo
Subject: RE: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)

Hi Lisa

I just wanted to confirm that the Canby Herald has sent you the required affidavit of publication for Transfer Appls T-10329 and T-10497. If not, please let me know and I will forward to you the documentation I received yesterday.

Thanks.



Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-1508



Please consider the environment before printing this email.

11/21/2008

From: Lisa Jaramillo [mailto:jaramilj@wrд.state.or.us]
Sent: Monday, November 03, 2008 12:35 PM
To: Kaye Barnes
Subject: RE: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)

Great! Thanks Kaye. I'll look forward to receiving the affidavit of publication toward the end of November.

-Lisa

From: Kaye Barnes [mailto:kbarnes@pacificfoods.com]
Sent: Monday, November 03, 2008 11:59 AM
To: Lisa Jaramillo
Cc: Dorothy Pedersen
Subject: RE: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)

We did initiate the filing – please see attached.

Thanks for the helpful reminder.

Kaye

From: Lisa Jaramillo [mailto:jaramilj@wrд.state.or.us]
Sent: Friday, October 31, 2008 10:14 AM
To: Kaye Barnes
Cc: Dorothy Pedersen
Subject: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)

Hello Kaye,

I hope all is going well with you. I just wanted to check in with you on whether the newspaper notice for Rock Ridge Farms' Transfer Appls T-10329 and T-10497 has been completed yet. (The notice is to be published once a week for three consecutive weeks.) Upon completion of the notice, the Department needs to receive an affidavit of publication from the newspaper.

Since I haven't received the affidavit of publication yet, I thought it would be a good idea to check.

Thanks in advance for the update.

Sincerely,
Lisa Jaramillo

Disclaimer: This message is from Pacific Foods of Oregon, Inc. and contains information which may be confidential and legally privileged. If you have received this message in error, you are strictly prohibited from reading it and from disclosing or using its contents in any manner, and you should immediately delete it. The unauthorized disclosure or use of confidential or privileged information inadvertently transmitted to you may result in criminal and/or civil liability.

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11/21/2008

Lisa Jaramillo

From: Lisa Jaramillo
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Cc: Dorothy Pedersen
Subject: Status of newspaper notice for Transfer Appls T-10329 and T-10497 (Rock Ridge Farms)

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Since I haven't received the affidavit of publication yet, I thought it would be a good idea to check.

Thanks in advance for the update.

Sincerely,
Lisa Jaramillo



Oregon

Theodore R. Kulongoski, Governor

October 6, 2008

ROCK RIDGE FARMS, LLC
ATTN: CHARLES W. EGGERT
19480 SW 97TH AVENUE
TUALATIN, OR 97062

Pd Noticed
10-14-08

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
FAX 503-986-0904

SUBJECT: Ground Water Registration Modification T-10497

Please find enclosed the Preliminary Determination indicating that, based on the information available, the Department intends to approve application T-10497. This document is an intermediate step in the approval process; water may not be used legally as proposed in the ground water registration modification application until a Final Order has been issued by the Department. Please read this entire letter carefully to determine your responsibility for additional action.

A public notice is being published in the Department's weekly publication simultaneously with issuance of the Preliminary Determination. The notice initiates a 30-day period in which any person may file either a protest opposing the decision proposed by the Department in the Preliminary Determination or a standing statement supporting the Department's decision.

Because of the proposed character of use modification, the applicant is responsible for giving public notice of the ground water registration modification in a local newspaper having a general circulation in the area of the water right. The notice must be published at least once a week for three consecutive weeks. We have prepared the notice for you (enclosed). The deadline for individuals to file protests or standing statements is 30 days after the date of last publication. Please have the newspaper insert the date of last publication in the proper place.

After publication, the Department needs to receive an affidavit specifying the dates the notice was published. Please ask the newspaper to prepare an original *affidavit of publication* and mail it to me in care of the Department at the address above by **Friday, November 21, 2008.**

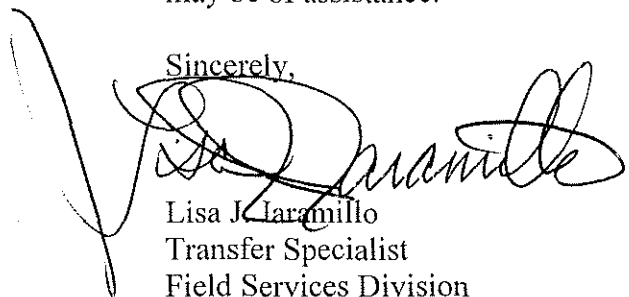
If no protest is filed, the Department will issue a Final Order consistent with the Preliminary Determination. You should receive a copy of the Final Order about 30 days after the close of the protest period.

If a protest is filed, the application may be referred to a contested case proceeding. A contested case provides an opportunity for the proponents and opponents of the decision proposed in the Preliminary Determination to present information and arguments supporting their position in a quasi-judicial proceeding.



Please do not hesitate to contact me at 503-986-0880 or Lisa.J.Jaramillo@wrd.state.or.us if I may be of assistance.

Sincerely,



Lisa J. Jaramillo
Transfer Specialist
Field Services Division

cc: GR Modification T-10497
Mike McCord, Watermaster District #16
Pacific Hydro-Geology Inc., Attn: Greg Kupillas, 18487 S. Valley Vista Rd., Mulino, OR 97042

encs

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of Ground Water	)	PRELIMINARY DETERMINATION
Registration Modification Application	)	PROPOSING TO APPROVE
T-10497, Marion County	)	RECOGNITION OF A MODIFICATION
	)	IN POINT OF APPROPRIATION AND
	)	CHARACTER OF USE AND
	)	REDESCRIPTION

Authority

ORS 537.610, 537.705 and 540.505 to 540.580 establish the process in which the holder of a certificate of registration may submit a request for recognition of modifications to the place of use, character of use or point of appropriation under a ground water certificate of registration.

OAR Chapter 690, Divisions 382 and 380 implement the statutes and provide the Department's procedures and criteria for evaluating ground water registration modification applications.

Applicant

ROCK RIDGE FARMS, LLC
ATTN: CHARLES W. EGGERT
19480 SW 97TH AVENUE
TUALATIN, OR 97062

Findings of Fact

Background

1. On December 12, 2007, Rock Ridge Farms, LLC filed a ground water registration modification application to modify the point of appropriation and character of use under Registration Application GR-3351 (Certificate of Registration GR- 3103). The Department assigned the application number T-10497.
2. On February 5, 2008, Registration Application GR-3351 (Certificate of Registration GR-3103) was assigned from Roy R. Smith and Robert Hubbard to Charles Eggert of Rock Ridge Farms, LLC.
3. Registration Application GR-3351 (Certificate of Registration GR- 3103) was originally filed with the Department on July 31, 1958, and describes the claimed place of use as 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M., Marion County, Oregon. The ground water registration did not include any map or illustration to provide a more precise location of the acreage.

Pursuant to OAR 690-380-4030, any person may file a protest or standing statement within 30 days after the last date of publication of notice of this preliminary determination.

- a) On August 14, 1963, an application for a new permit (Application G-2683) was filed with the Department requesting irrigation of the same land as was claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103), being 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M.
- b) The Department approved Application G-2683 and issued a permit (Permit G-2481) on September 20, 1963, for the irrigation of 20.0 acres in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., and 11.24 acres in the NE ¼ NE ¼ of Section 5, T. 4 South, R. 1 West, W.M.
- c) On April 6, 1964, the Department performed an inspection and surveyed the irrigation project under Permit G-2481. The inspection and final proof survey revealed that the 20.0 acres of land applied for within the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., is actually bisected by a quarter-quarter section line, resulting in 0.1 acre actually being located in the SW ¼ SE ¼ with the remaining acreage located in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M.
- d) Considering that the land claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103) and the land applied for and permitted under Application G-2683 (Permit G-2481) is the same, the Department concludes that 0.1 acre of the original 20.0 acres claimed in the SE ¼ SE ¼ of Section 32, T. 3 South, R. 1 West, W.M., is and always has been located in the SW ¼ SE ¼, consistent with the final proof survey map for Permit G-2481.
- e) The following table describes the place of use description in existing Registration Application GR-3351 (Certificate of Registration GR- 3103) and a proposed redescription based on the findings above:

Original Description of Place of Use under Registration Application GR-3351 (Certificate of Registration GR- 3103)						Proposed Redescription of Place of Use					
Twp	Rng	Mer	Sec	¼ ¼	Acres	Twp	Rng	Mer	Sec	¼ ¼	Estimated Acres
--	--	--	--	----	---	3 S	1 W	WM	32	SW SE	0.10
3 S	1 W	WM	32	SE SE	20.00	3 S	1 W	WM	32	SE SE	19.90
4 S	1 W	WM	5	NE NE	11.24	4 S	1 W	WM	5	NE NE	11.24
TOTAL:					31.24	TOTAL:					31.24

4. The portion of the ground water registration to be modified is as follows:

Registration: Application GR-3351 (Certificate of Registration GR-3103), in the name of Roy R. Smith and Robert Hubbard (*assigned to Charles Eggert of Rock Ridge Farms, LLC*)

Use: IRRIGATION of 20.0 ACRES

Tentative Priority Date: JUNE 1946

Rate: 112.0 GALLONS PER MINUTE (GPM), or 0.25 cubic foot per second (cfs)

Duty: 74.0 ACRE FEET (AF) PER YEAR

Source: A PUMP WELL, in the Willamette River Basin

Original Point of Appropriation:

Twp	Rng	Mer	Sec	¼ ¼	Survey Coordinates
3 S	1 W	WM	32	SE SE	350 feet North and 689 feet West from the SE corner of Section 32

Original Place of Use:

IRRIGATION						
Twp	Rng	Mer	Sec	¼ ¼	Acres	Type of Proposed Modification
3 S	1 W	WM	32	SW SE	0.1	POA
3 S	1 W	WM	32	SE SE	18.9	POA
3 S	1 W	WM	32	SE SE	1.0	POA & USE
TOTAL:					20.0	

5. Application T-10497 states that the original well claimed under Registration Application GR-3351 (Certificate of Registration GR- 3103), as described in Finding #4, was abandoned and replaced with another well. The replacement well was also abandoned (date unknown); however, copies of well logs documenting abandonment of the wells could not be located and/or are not available.
6. Application T-10497 proposes to modify the original point of appropriation under the ground water registration. The proposed new points of appropriation for the portion of the ground water registration described in Finding #4 above are described as follows with the approximate distance from the original point of appropriation identified:

Twp	Rng	Mer	Sec	¼ ¼	Survey Coordinates	Approximate Distance from Original Point of Appropriation
3 S	1 W	WM	32	SE SE	Well 1 – 20 feet North and 900 feet West from the SE corner of Section 32	400 feet Southwest
3 S	1 W	WM	32	SE SE	Well 2 – 30 feet North and 340 feet West from the SE corner of Section 32	450 feet South
3 S	1 W	WM	32	SE SE	Well 3 – 30 feet North and 630 feet West from the SE corner of Section 32	330 feet Southeast

7. Application T-10497 also proposes to modify the character of use under the ground water registration to INDUSTRIAL USE for the 1.0 acre portion of land (identified in Finding #4) as follows:

Twp	Rng	Mer	Sec	¼ ¼	Acres	Proposed Character of Use
3 S	1 W	WM	32	SW SE	0.1	IRRIGATION <i>(No Change)</i>
3 S	1 W	WM	32	SE SE	18.9	IRRIGATION <i>(No Change)</i>
3 S	1 W	WM	32	SE SE	1.0	INDUSTRIAL
TOTAL:					20.0	

8. Notice of the application for ground water registration modification was published on December 26, 2007, pursuant to OAR 690-382-0600. No comments were filed in response to the notice.
9. On April 8, 2008, the Department mailed a copy of the draft Preliminary Determination proposing to approve Ground Water Registration Modification Application T-10497 to the applicant. The draft Preliminary Determination set forth a deadline of May 8, 2008, for the applicant to respond. The applicant requested that the Department proceed with issuance of a Preliminary Determination and provided the necessary information to demonstrate that the applicant is authorized to pursue the transfer.

Review Criteria for Ground Water Registration Modification Applications [OAR 690-382-0700(2)]

10. Because of the change in character of use from irrigation to year-round industrial purposes for the 1.0 acre portion of land described in Findings #4 and #7 above, the proposed modification could result in enlargement if not limited to the maximum rate and annual volume of water claimed for that 1.0 acre of irrigation. However, the Department, has determined the proposed modifications, as conditioned, would not result in enlargement of the ground water registration.
11. The proposed modifications would not result in a state Scenic Waterway not receiving previously available water during periods in which streamflows are less than the quantities determined by the Department to be necessary to meet the requirements of ORS 390.835.
12. The proposed modifications would not result in injury to other water rights.

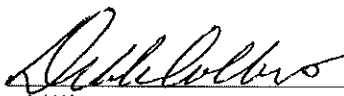
Determination and Proposed Action

The modifications in point of appropriation and character of use proposed in Application T-10497 appear to be consistent with the requirements of ORS 537.610, 537.705, 540.505 to 540.580 and OAR 690-382-1000, and will be recognized provided that protests are not filed pursuant to OAR 690-382-0900.

If Ground Water Registration Modification Application T-10497 is recognized, the final order will include the following:

1. *The modifications to Registration Application GR-3351 (Certificate of Registration GR-3103) proposed in Application T-10497 are recognized. Recognition of the modifications shall not be construed as a final determination of the right to appropriate ground water under the certificate of registration or modification. Such a determination will occur in an adjudication proceeding under ORS 537.670 to 537.695.*
2. *The use of the water is restricted to beneficial use at the place of use described, and is subject to all other conditions and limitations contained in Registration Application GR-3351 (Certificate of Registration GR-3103) and any related decree.*
3. *Water shall be acquired from the same aquifer (water source) as the original point of appropriation.*
4. *Water shall no longer be appropriated from the original point of appropriation, or its replacement well, as part of this ground water certificate of registration.*
5. *The quantity of water diverted at the new points of appropriation, shall not exceed the quantity of water lawfully available at the original point of appropriation.*
6. *Water shall no longer be appropriated for the former character of use (irrigation) for the 1.0 acre portion of land described in Findings #4 and #7 as part of this ground water certificate of registration.*
7. *Water appropriated for industrial purposes on the 1.0 acre portion of land described in Findings #4 and #7 may be exercised year round at a maximum flow rate of 5.6 gpm (0.01 cfs), provided the total annual volume of water for industrial use does not exceed 3.7 acre-feet (1,216,745 gallons).*
8. *Prior to diverting water at the new points of appropriation, the water user shall install and maintain an in-line flow meter or other suitable device for measuring and recording the quantity of water appropriated at each point of appropriation. The type and plans of the measuring devices must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.*

Dated at Salem, Oregon this 2nd day of October 2008.


Phillip C. Ward, Director

This Preliminary Determination was prepared by Lisa Jaramillo. If you have any questions about the information in this draft preliminary determination, you may reach me at (503) 986-0880 or Lisa.J.Jaramillo@wrdd.state.or.us.

Protests should be addressed to the attention of Field Services Division, Water Resources Department, 725 Summer Street NE, Suite A, Salem, OR 97301-1266.

**Notice of Preliminary Determination for
Ground Water Registration Modification T-10497**

T-10497 filed by Rock Ridge Farms, LLC, 19480 SW 97th Ave., Tualatin, OR 97062, proposes to modify the point of appropriation and character or use under Registration Application GR-3351 (Certificate of Registration GR-3103). The ground water registration allows the use of 112.0 gpm (tentative priority date June 1946) from a well in Sec. 32, T 3S, R 1W, W.M. (Willamette River Basin) for irrigation in Sec. 32. The applicant proposes to modify the point of appropriation to three new wells located between approximately 330 and 450 feet south/southwest (Sec. 32, T 3S, R 1W, W.M.). The applicant also proposes to modify the character of use for a portion of the right to industrial use. The Water Resources Department has concluded that the proposed modification appears to be consistent with the requirements of ORS Chapter 540 and OAR 690-382-1000.

Any person may file, jointly or severally, with the Department a protest or standing statement within 30 days after the date of final publication of notice in the Department's weekly notice or of this newspaper notice, whichever is later. A protest form and additional information on filing protests may be obtained by calling (503) 986-0852. The last date of newspaper publication is ***[DATE OF LAST PUBLICATION]***. If no protests are filed, the Department will issue a final order consistent with the preliminary determination.

September 26, 2008

RECEIVED

SEP 30 2008

WATER RESOURCES DEPT.
SALEM, OREGON

RECEIVED

WATER RESOURCES DEPT.
SALEM, OREGON

Kaye N. Barnes
Pacific Natural Foods
c/o Deana Freauff
Sr. Commercial Escrow Office
Pacific Northwest Title
111 S.W. Columbia, Suite 200
Portland, OR 97201

RE: Applications T-

Dear Kaye:

I am writing to confirm
the water rights or any other
March 1, 2007, fee number 2

ROLI
Materials
- Complete
- Submitted
9-30-08

interest in
recorded

Very truly yours,

TICOR TITLE INSURANCE COMPANY

Steve Brown

Steve Brown
Regional Underwriter and Counsel

SB:jt

H:\Users\Thompson\JST\Letter8

Lisa Jaramillo

RECEIVED
SEP 30 2008
WATER RESOURCES DEPT.
SALEM, OREGON

From: Kaye Barnes [kbarnes@pacificfoods.com]
Sent: Tuesday, September 30, 2008 8:57 AM
To: Lisa Jaramillo
Cc: Greg Kupillas; Dorothy Pedersen
Subject: RE: Applications T-10329 & T-10497
Attachments: image001.jpg; ticor letter to Kaye.tif

Finally, here is the letter you requested. Let me know what else you may need. Thank you for your patience.

Kaye

From: Lisa Jaramillo [mailto:jaramilj@wrđ.state.or.us]
Sent: Monday, August 25, 2008 11:50 AM
To: Kaye Barnes
Cc: Greg Kupillas; Dorothy Pedersen
Subject: RE: Applications T-10329 & T-10497

Hello Ms. Barnes,

I just wanted to check in with you to see how you are progressing in acquiring a statement from the Trustee (Ticor Title Company of Oregon) that either expresses their lack of interest in the proposed transfer or their consent to the proposed transfer (see my attached e-mail dated June 24, 2008 dealing with this request related to the Deed of Trust dated March 1, 2007 – recorded March 29, 2006).

The Department cannot move forward with the transfer and GR modification applications (T-10329 and T-10497) until we receive such a statement from the Trustee.

If you have any questions, please feel free to call me at (503) 986-0880.

Thank you,
Lisa Jaramillo

From: Lisa Jaramillo
Sent: Tuesday, June 24, 2008 1:29 PM
To: Kaye Barnes
Cc: Greg Kupillas; Dorothy Pedersen
Subject: RE: Applications T-10329 & T-10497

Hello Ms. Barnes,

Thank you for submitting the Deeds of Trust. After reviewing the two Trust Deeds, it appears that one of them has language that specifically conveys the Grantor's "...right, title, and interest in and to..... all water, water rights, and ditch rights....." to the Trustee.

In order for the Department to ensure that all parties that have an interest in the water right being transferred are properly notified, the Department must receive a statement that either expresses consent to the transfer **or** a lack of interest in the transfer from the Trustee to which the Grantor has conveyed (through a Deed of Trust) its right, title and interest to all water, water rights and ditch rights on land to which the water right is appurtenant.

Therefore, please provide the following requested item for the Deed of Trust indicated below:

Deed of Trust dated March 1, 2007 (recorded March 29, 1996)

9/30/2008

Grantor = Rock Ridge Farms, LLC
Trustee = Ticor Title Company of Oregon

→ **Please provide:** a statement on the Trustee's letterhead that expresses either Ticor Title Company of Oregon's lack of interest in the proposed transfer or their consent to the proposed transfer.

Once we receive this information, the Department can be assured that all interest holders in the water have been properly notified of the proposed transfer.

Thank you for all of your assistance in this matter. It is greatly appreciated. Please feel free to contact me at (503) 986-0880 if you have any questions.

Sincerely,
Lisa Jaramillo

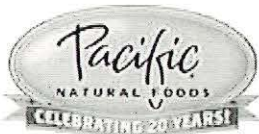
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RECEIVED
SEP 30 2008
WATER RESOURCES DEPT.
SALEM, OREGON

Good Morning,

Attached please find the Deeds requested. If I can provide anything else, please don't hesitate to contact me.

Thanks.



Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

From: Lisa Jaramillo [mailto:jaramilj@wrd.state.or.us]
Sent: Friday, May 30, 2008 4:33 PM
To: Kaye Barnes; Dorothy Pedersen
Cc: Greg Kupillas
Subject: RE: Applications T-10329 & T-10497

Hello Ms. Barnes,

Thank you for providing the Report of Ownership and Lien Information for Rock Ridge Farms, LLC's Transfer Application T-10329 and Ground Water Registration Modification Application T-10497. I am also in receipt of copies of the written notification to ShoreBank Pacific and Chaffey & Sons, Inc. (lien holders).

9/30/2008

My review of the Report of Ownership and Lien Information indicates there are two Deeds of Trust associated with the subject property (See Items #6 and #7 of the lien report). When Deeds of Trust exist, the Department's current policy is that we must receive a copy of the Deeds of Trust in order to determine whether any of the Trustees listed in the report have an interest in the water right or ground water registration claim that needs to be considered.

Therefore, before the Department can continue processing Transfer T-10329 and GR Modification T-10497, we need to receive a copy of each of the two Deeds of Trust indicated in the Report of Ownership and Lien Information. Please submit this information by Friday, June 13, 2008, to: Water Resources Department, Attn: Lisa Jaramillo, 725 Summer Street NE, Suite A, Salem, OR 97301-1266.

If you have any questions or would like to discuss this request, please free to contact me at (503) 986-0880.

Thank you,
Lisa Jaramillo

RECEIVED
SEP 30 2008
WATER RESOURCES DEPT.
SALEM, OREGON

From: Kaye Barnes [mailto:kbarnes@pacificfoods.com]
Sent: Thursday, May 15, 2008 4:50 PM
To: Dorothy Pedersen; Lisa Jaramillo
Cc: Greg Kupillas
Subject: Applications T-10329 & T-10497

Good Afternoon,

Please find attached two letters that Rock Ridge Farms has sent to the two lienholders of the property under review for changing the ownership of the water rights. Also included is a copy of the "Sort Report" prepared by Ticor Title showing current ownership of the property.

If you need additional information or have questions please feel free to contact me. Thank you for your patience in allowing us to provide these documents after your requested date of May 8, 2008.



Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

Disclaimer: This message is from Pacific Foods of Oregon, Inc. and contains information which may be confidential and legally privileged. If you have received this message in error, you are strictly prohibited from reading it and from disclosing or using its contents in any manner, and you should immediately delete it. The unauthorized disclosure or use of confidential or privileged information inadvertently transmitted to you may result in criminal and/or civil liability.

Kaye Barnes

9-16-08

Ph# 503-692-9666

Statement from Ticon
Title Co. of Oregon
(Trustee) that expresses
either their
- lack of interest

①

OR

- consent to proposed
transfer.

Spoke w/ Kaye Barnes
on 9-16-08.

- She has already
spoken w/ Title Co
again. She expects
to get their letter
stating they don't
care in the next
couple of weeks.

9-30-08
Rcvd

9-16-08

Lisa Jaramillo

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Attachments: image001.jpg

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8/25/2008

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6/24/2008



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6/24/2008

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Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

RECORDATION REQUESTED BY:

ShoreBank Pacific
203 Howerton Way SE; PO Box 400
Ilwaco, WA 98624

WHEN RECORDED MAIL TO:

ShoreBank Pacific
203 Howerton Way SE; PO Box 400
Ilwaco, WA 98624

SEND TAX NOTICES TO:

ShoreBank Pacific
203 Howerton Way SE; PO Box 400
Ilwaco, WA 98624

CERTIFIED AS A TRUE COPY
TICOR TITLE INSURANCE COMPANY
[Signature]

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST is dated March 1, 2007, among Rock Ridge Farms, LLC, whose address is 19480 SW 97th Avenue, Tualatin, OR 97062 ("Grantor"); ShoreBank Pacific, whose address is 203 Howerton Way SE; PO Box 400, Ilwaco, WA 98624 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Ticor Title Insurance Company, whose address is 1000 SW Broadway, Suite 1555, Portland, OR 97205 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, represented in the Note dated March 1, 2007, in the original principal amount of \$2,541,027.00, from Borrower to Lender, Grantor conveys to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Marion County, State of Oregon:

See Exhibit A, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to the future leases of the Property and all Rents from the Property. In addition, Grantor assigns to Lender all of Grantor's right, title, and interest in and to the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND INTEREST IN THE REAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS OF BORROWER UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED BY BORROWER.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that (a) the execution of this Deed of Trust is in accordance with the request of Lender; (b) Grantor has the full power, right, and authority to execute this Deed of Trust; and (c) the provisions of this Deed of Trust do not conflict with, or result in a default under, any law, regulation, court decree or order applicable to Grantor. Grantor also warrants that Borrower on a continuing basis Information about Borrower's financial condition (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of the provisions of this Deed of Trust which may prevent Lender from bringing any action against Grantor, including a claim of deficiency, before or after Lender's commencement or completion of any foreclosure sale of the Property.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower shall pay to Lender the amount of the indebtedness described in this Deed of Trust as it becomes due, and Borrower and Grantor shall perform all the obligations of Borrower under the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor shall retain possession of the Property until the indebtedness described in this Deed of Trust is paid in full. Possession of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor shall (1) use, occupy, operate or manage the Property; (2) use, occupy, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (MEASURE 37 (2004)).

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous

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Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy

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limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of

this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-In-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Borrower fails to make any payment when due under the indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower, or Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Borrower's or any Grantor's ability to repay the indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or

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other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. If this Deed of Trust is foreclosed by judicial foreclosure, Lender will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for the amount of the unpaid balance of the judgment.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least fifteen (15) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

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Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Marion County, State of Oregon. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oregon without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Oregon.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Marion County, State of Oregon.

Joint and Several Liability. All obligations of Borrower and Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Deed of Trust. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Deed of Trust.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time Is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oregon as to all indebtedness secured by this Deed of Trust.

Commercial Deed of Trust. Grantor agrees with Lender that this Deed of Trust is a commercial deed of trust and that Grantor will not change the use of the Property without Lender's prior written consent.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this

**DEED OF TRUST
(Continued)**

Loan No: 200162001

Page 7

Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means ShoreBank Pacific, and its successors and assigns.

Borrower. The word "Borrower" means Rock Ridge Farms, LLC; and Charles W. Eggert and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto or intended to protect human health or the environment.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means Rock Ridge Farms, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum, including crude oil and any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means ShoreBank Pacific, its successors and assigns.

Note. The word "Note" means the promissory note dated March 1, 2007, in the original principal amount of \$2,541,027.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is March 1, 2017.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing; executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Tlor Title Insurance Company, whose address is 1000 SW Broadway, Suite 1555, Portland, OR 97205 and any substitute or successor trustees.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

ROCK RIDGE FARMS, LLC

By: 

Charles W. Eggert, Manager of Rock Ridge Farms, LLC

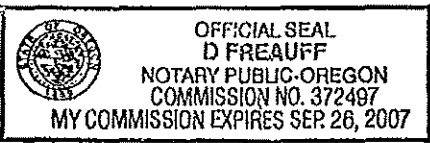
DEED OF TRUST
(Continued)

Loan No: 200162001

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF OR)
)
COUNTY OF multnomah) SS
)



On this 2 day of March, 2007, before me, the undersigned Notary Public, personally appeared Charles W. Eggert, Manager of Rock Ridge Farms, LLC, and known to me to be a member or designated agent of the limited liability company that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the limited liability company.

By D. Freauff Residing at Portland, OR
Notary Public in and for the State of OR My commission expires 9/26/07

REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid in full)

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____ Beneficiary: _____
By: _____
Its: _____

EXHIBIT A

That portion of Lot 9, Fractional Southeast quarter of the Southeast quarter of Section 32, Township 32, Township 3 South, Range I West of the Willamette Meridian, Marion County, Oregon, described as follows: Beginning at a point in the South line of said Lot, 5.24 chains West of the Southeast corner thereof; thence West on said South line 11.28 chains; thence North 19° West 12.60 chains; thence North 69° East 16.39 chains; thence South 18.13 chains to the place of beginning.

Save and except all that portion conveyed in Reel 2608, Page 46 and 47, Microfilm Records, Marion County, Oregon.

20060743 TICOR TITLE

TRUST DEED

Reel Page

2840 164

County of _____ } ss.

I certify that the within instrument was received for record on the _____ day of _____ 19____ at _____ o'clock _____ M., and recorded in book / reel / volume No. _____ on page _____ and/or as fee / file / instrument / microfilm / reception No. _____, Records of said County.

Witness my hand and seal of County affixed.

Name Title

By _____, Deputy

Rock Ridge Farms, LLC
 19480 SW 97th Avenue
 Tualatin, OR 97062
 Grantor's Name and Address

Chaffey & Sons, Inc.
 23512 Schultz Road NE
 Aurora, OR 97002
 Beneficiary's Name and Address

After recording, return to (Name and Address, Zip):
 Ticor Title
 1000 SW Broadway, Suite 1555
 Portland, OR 97205
 Attn: Deana Freauff

SPACE RESERVED FOR RECORDER'S USE

THIS TRUST DEED, made this 21 day of April, 2006, by Rock Ridge Farms, LLC, an Oregon limited liability company, Grantor, Ticor Title Insurance Company, as Trustee, and Chaffey & Sons, Inc., a corporation, Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Marion County, Oregon, described as:

LEGAL DESCRIPTION attached

See legal description attached hereto and by reference made a part hereof.

together with all and singular the tenements, hereditaments, and appurtenances and all other rights thereunto belonging hereafter appertaining, and the rents, issues, and profits thereof and all fixtures now or hereafter attached to or used in property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and \$375,000.00 (Three Hundred SeventyFive Thousand and no/100) with interest thereon according to the terms of a date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if no and payable April 21, 2021. The date of maturity of the debt secured by this instrument is the date, stated above, on which the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or a or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, the option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become payable. The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

- To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any improvement thereon; not to commit or permit any waste of the property.
- To complete or restore promptly and in good and habitable condition any building or improvement which is damaged or destroyed thereon, and pay when due all costs incurred therefor.
- To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the property, and to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may request, as well as the cost of all lien searches made by filing officers or searching title companies deemed desirable by the beneficiary.
- To provide and continuously maintain insurance on the buildings now or hereafter erected on the property, damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than \$ full insurance in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary; if the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary at least 30 days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereunder as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to the beneficiary or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such insurance policy.
- To keep the property free from construction liens and to pay all taxes, assessments, and other charges that may be levied or assessed upon or against the property before any part of such taxes, assessments, and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.
- To pay all costs, fees, and expenses of this trust including the cost of title search as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.
- To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum at the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

- In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

Recorded by Ticor Title as an Accommodation only. No liability is accepted for the correctness of title or for the validity, sufficiency or effect of this document.

At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plot of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other

No specific Water right language. - OK.

agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name sue or otherwise collect the rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. If any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority, and (4) the surplus, if any, to the grantor or to any successor in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seised in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in an addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:

- (a) primarily for grantor's personal, family or household purposes (See Important Notice below);
- (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors, and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed, and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.

*IMPORTANT NOTICE: Delete by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Rock Ridge Farms, LLC, an Oregon limited liability company
By: Charles W. Eggert, Manager

STATE OF OREGON, County of WASHINGTON ss. 4/20/06
This instrument was acknowledged before me on
By Charles W. Eggert, Manager of Rock Ridge Farms, LLC, an Oregon limited liability company.



Kaye N Barnes 8/11/06
Notary Public for Oregon My commission expires:

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

TO: _____ Trustee
The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made. _____ Beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

That portion of Lot 9, Fractional Southeast quarter of the Southeast quarter of Section 32, Township 32, Township 3 South, Range 1 West of the Willamette Meridian, Marion County, Oregon, described as follows: Beginning at a point in the South line of said Lot, 5.24 chains West of the Southeast corner thereof; thence West on said South line 11.28 chains; thence North 19° West 12.60 chains; thence North 69° East 16.39 chains; thence South 18.13 chains to the place of beginning.

END OF LEGAL DESCRIPTION

Title No: 200607743

REEL:2640

PAGE: 164

April 28, 2006, 11:54 am.

CONTROL #: 166111

State of Oregon
County of Marion

I hereby certify that the attached
Instrument was received and duly
recorded by me in Marion County
records:

FEE: \$ 36.00

BILL BURGESS
COUNTY CLERK

THIS IS NOT AN INVOICE.

Lisa Jaramillo

From: Kaye Barnes [kbarnes@pacificfoods.com]
Sent: Tuesday, June 24, 2008 11:00 AM
To: Lisa Jaramillo
Cc: Greg Kupillas
Subject: RE: Applications T-10329 & T-10497
Attachments: image001.jpg; 20080624100642294.pdf; 20080624105158299.pdf

Good Morning,

Attached please find the Deeds requested. If I can provide anything else, please don't hesitate to contact me.

Thanks.



Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

From: Lisa Jaramillo [mailto:jaramilj@wrdd.state.or.us]
Sent: Friday, May 30, 2008 4:33 PM
To: Kaye Barnes; Dorothy Pedersen
Cc: Greg Kupillas
Subject: RE: Applications T-10329 & T-10497

Hello Ms. Barnes,

Thank you for providing the Report of Ownership and Lien Information for Rock Ridge Farms, LLC's Transfer Application T-10329 and Ground Water Registration Modification Application T-10497. I am also in receipt of copies of the written notification to ShoreBank Pacific and Chaffey & Sons, Inc. (lien holders).

My review of the Report of Ownership and Lien Information indicates there are two Deeds of Trust associated with the subject property (See Items #6 and #7 of the lien report). When Deeds of Trust exist, the Department's current policy is that we must receive a copy of the Deeds of Trust in order to determine whether any of the Trustees listed in the report have an interest in the water right or ground water registration claim that needs to be considered.

Therefore, before the Department can continue processing Transfer T-10329 and GR Modification T-10497, we need to receive a copy of each of the two Deeds of Trust indicated in the Report of Ownership and Lien Information. Please submit this information by Friday, June 13, 2008, to: Water Resources Department, Attn: Lisa Jaramillo, 725 Summer Street NE, Suite A, Salem, OR 97301-1266.

6/24/2008

If you have any questions or would like to discuss this request, please free to contact me at (503) 986-0880.

Thank you,
Lisa Jaramillo

From: Kaye Barnes [mailto:kbarnes@pacificfoods.com]
Sent: Thursday, May 15, 2008 4:50 PM
To: Dorothy Pedersen; Lisa Jaramillo
Cc: Greg Kupillas
Subject: Applications T-10329 & T-10497

Good Afternoon,

Please find attached two letters that Rock Ridge Farms has sent to the two lienholders of the property under review for changing the ownership of the water rights. Also included is a copy of the "Sort Report" prepared by Ticor Title showing current ownership of the property.

If you need additional information or have questions please feel free to contact me. Thank you for your patience in allowing us to provide these documents after your requested date of May 8, 2008.



Kaye N. Barnes
Executive Assistant | Pacific Natural Foods
19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

Lisa Jaramillo

From: Lisa Jaramillo
Sent: Wednesday, June 11, 2008 1:01 PM
To: Kaye Barnes; Greg Kupillas
Cc: 'Dorothy.I.PEDERSEN@wrd.state.or.us'
Subject: Request for additional information pertaining to Applications T-10329 & T-10497
Attachments: image003.jpg; image001.jpg

Hello Ms. Barnes,

I haven't received a response to my earlier message on May 30, 2008, (attached below) in which I requested a copy of two Deeds of Trust identified in the Report of Ownership and Lien Information you submitted. So, I wanted to check in and see how you are progressing with the request. If you have any questions or need any assistance, please feel free to contact me at 503-986-0880. Otherwise, just let me know when we might expect to see a copy of those Deeds of Trust.

Thank you,
Lisa Jaramillo

From: Lisa Jaramillo
Sent: Friday, May 30, 2008 4:33 PM
To: Kaye Barnes; Dorothy Pedersen
Cc: Greg Kupillas
Subject: RE: Applications T-10329 & T-10497

Hello Ms. Barnes,

Thank you for providing the Report of Ownership and Lien Information for Rock Ridge Farms, LLC's Transfer Application T-10329 and Ground Water Registration Modification Application T-10497. I am also in receipt of copies of the written notification to ShoreBank Pacific and Chaffey & Sons, Inc. (lien holders).

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Cc: Greg Kupillas
Subject: Applications T-10329 & T-10497

6/11/2008

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19480 SW 97th Ave. | Tualatin, OR 97062
Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

Lisa Jaramillo

T-10497

From: Lisa Jaramillo
Sent: Friday, May 30, 2008 4:33 PM
To: Kaye Barnes; Dorothy Pedersen
Cc: Greg Kupillas
Subject: RE: Applications T-10329 & T-10497
Attachments: image001.jpg

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Kaye N. Barnes
 Executive Assistant | Pacific Natural Foods
 19480 SW 97th Ave. | Tualatin, OR 97062
 Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

5/30/2008

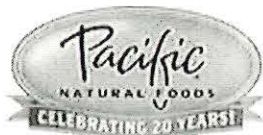
Lisa Jaramillo

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Sent: Thursday, May 15, 2008 4:50 PM
To: Dorothy Pedersen; Lisa Jaramillo
Cc: Greg Kupillas
Subject: Applications T-10329 & T-10497
Attachments: image001.jpg; 20080515164028256.pdf

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If you need additional information or have questions please feel free to contact me. Thank you for your patience in allowing us to provide these documents after your requested date of May 8, 2008.



Kaye N. Barnes
 Executive Assistant | Pacific Natural Foods
 19480 SW 97th Ave. | Tualatin, OR 97062
 Phone (503)692-9666 | fax (503) 692-9610



Please consider the environment before printing this email.

ASK for Trust Deeds 5-16-08
 Dorothy —
 Trust Deeds
 exist (Trustee = Ticor
 Title). No response
 from Ticor Title yet
 on this issue, so we
 need to get copies
 of the trust deeds
 to see if Ticor
 Title needs to
 consent.
 Lisa
 -Everything else
 is O.K.



222 High Street SE
Salem OR 97301
(503) 585-1881
(800) 826-6128
(503) 364-2114

May 12, 2008

Pacific Natural Foods
Kaye Barnes
19480 SW 97th Avenue
Tualatin, OR 97062

Buyer/Borrower: Rock Ridge Farms,
LLC

Re: 23512 Schultz Rd

Report No: 200827718

SERVICE FOR:
Sort Report: \$200.00

We have searched our Tract Indices as to the following described real property:

See 'Legal Description' attached hereto and by reference made a part hereof.

Real Property Tax Account No.: R10012 3-1W-32D TL 1700, R338951 3-1W-32D TL 1701,
R338952 3-1W-32D TL 1702

Situs Address as disclosed by Marion County Tax Roll:

23512 Schultz Road NE, Aurora, OR 97002

Dated as of May 8, 2008 at 8:00 a.m.

VESTED IN:

Rock Ridge Farms, LLC, a Oregon corporation

Subject to the following on record matters:

1. Taxes for the fiscal year 2007-2008,
Total amount: \$1,958.85
Total unpaid balance: \$661.55, plus interest
Account No.: R10012 3-1W-32D TL 1700

2. Taxes for the fiscal year 2007-2008,
 Total amount: \$958.60
 Total unpaid balance: \$323.73, plus interest
 Account No.: R338951 3-1W-32D TL 1701

3. Taxes for the fiscal year 2007-2008,
 Total amount: \$1,387.08
 Total unpaid balance: \$468.45, plus interest
 Account No.: R338952 3-1W-32D TL 1702

4. The assessment and tax rolls disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied for previous years in which the farm use assessment was in effect for the land. In addition thereto, a penalty may be levied if notice of disqualification is not timely given.

5. The rights of the public in and to that portion of the premises herein described lying within the limits of public roads, streets and highways.

6. Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein,
 Grantor: Rock Ridge Farms, LLC
 Trustee: Ticor Title Company of Oregon
 Beneficiary: ShoreBank Pacific
 Amount: \$2,541,027.00
 Dated: March 1, 2007
 Recorded: March 5, 2007
 Reel: 2781 Page: 1
 in Marion County, Oregon.
 Affects: does not cover entire property

7. Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein,
 Grantor: Rock Ridge Farms, LLC
 Trustee: Ticor Title Company of Oregon
 Beneficiary: Chaffey & Sons, Inc.
 Amount: \$375,000.00
 Dated: April 21, 2006
 Recorded: April 28, 2006
 Reel: 2640 Page: 164
 in Marion County, Oregon.


The lien of the above Deed of Trust was subordinated to the lien of the Deed of Trust, shown as Exception No. 6 above, by instrument,
 Dated: March 1, 2007
 Recorded: March 21, 2007
 Reel: 2788 Page: 132
 in Marion County, Oregon.

8. Financing Statement,
Debtor: Rock Ridge Farms, LLC
Secured Party: ShoreBank Pacific
Recorded: March 5, 2007
Reel: 2781 Page: 2
In Marion County, Oregon.

This report is to be utilized for information only. Any use of this report as a basis for transferring, encumbering or foreclosing the real property described will require payment in an amount equivalent to applicable title insurance premium as required by the rating schedule on file with the Oregon Insurance Division.

THE LIABILITY OF TICOR TITLE IS LIMITED TO THE ADDRESSEE AND SHALL NOT EXCEED THE PREMIUM PAID HEREUNDER.

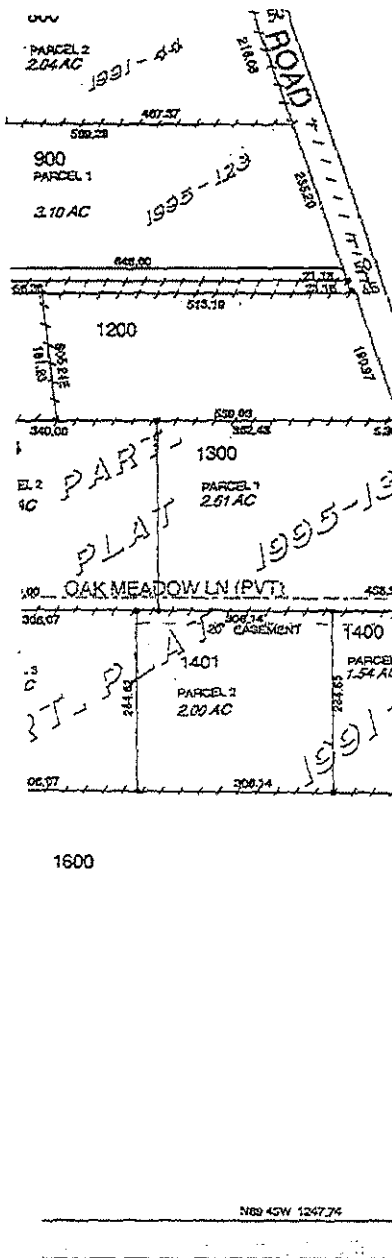
TICOR TITLE


Patty Smith
Sr. Title Officer

cc: Pacific Natural Foods (2) Kaye Barnes

LEGAL DESCRIPTION

That portion of Lot 9, Fractional Southeast quarter of the Southeast quarter of Section 32, Township 32, Township 3 South, Range 1 West of the Willamette Meridian, Marion County, Oregon, described as follows: Beginning at a point in the South line of said Lot, 5.24 chains West of the Southeast corner thereof; thence West on said South line 11.28 chains; thence North 19° West 12.60 chains; thence North 69° East 16.39 chains; thence South 18.13 chains to the place of beginning.



TICOR TITLE

015 00 06 0

This map and the accompanying legal description are provided solely to assist in locating the subject property. Ticor Title assumes no liability for discrepancies

SW COR.
F. M. CONE
LAND CLAIM

NW COR.
G. A. CONE
LAND CLAIM

SEE MAP 03

SEE MAP 03 1W 33CC

SEE M

ARNDT ROAD

SEE MAP 04 1W 05

50

5 4

Rock Ridge Farms, LLC

19480 SW 97th Avenue

Tualatin, OR 97062

503/692-9666 & 503/692-1508 fax

May 15, 2008

Mr. Lowell Chaffey
Chaffey & Sons
23522 Chaffey Lane NE
Aurora, OR 97002

Re: Notification of a water right transfer and ground water registration modification.

Dear Lowell:

Rock Ridge Farms, LLC is proposing to complete a water right transfer and ground water registration modification on property located in Township 3 South, Range 1 West, Section 32, W.M., (Tax Lot 3 1W 32D 00100) in Marion County, Oregon. In accordance with Oregon law, Rock Ridge Farms, LLC is required to provide notification of the proposed transfer and ground water registration modification to all identified lien holders on the affected properties.

Chaffey & Sons has been identified as a lien holder in a Lien and Encumbrance Report provided by Ticor Title. Therefore, the purpose of this letter is to notify you of this proposed water right transfer and ground water registration modification. The proposed transfer and ground water registration both involve the addition of three proposed new wells and a change in character of use from irrigation to industrial use for a portion of the affected property.

A copy of the Lien and Encumbrance Report is attached with this letter for your reference. Please call me at 503/692-9666 if you have any questions.

Sincerely,



Kaye N. Barnes
Administrator

/dmo

Enclosure: Lien and Encumbrance Report

Rock Ridge Farms, LLC

19480 SW 97th Avenue
Tualatin, OR 97062
503/692-9666 & 503/692-1508 fax

May 15, 2008

Mr. Bruce Hamilton
ShoreBank Pacific
721 NW 9th Ave, Suite 195
Portland, OR 97209

Re: Notification of a water right transfer and ground water registration modification.

Dear Bruce:

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Sincerely,



Kaye N. Barnes
Administrator

/dmo

Enclosure: Lien and Encumbrance Report

SE1/4 SEC.32 T3S R1W WM, MARION COUNTY

3 1W 32D

Cancelled
1000
1302

LEGEND

LINE TYPES

- TAX LOT BOUNDARY OLD PROPERTY LINE
- ROAD RIGHT-OF-WAY VACATED RIGHT-OF-WAY
- RAILROAD RAILROAD RIGHT-OF-WAY
- STREAM, LAKE, ETC. TAX LOT BOUNDARY STREAM, LAKE, ETC. NON-BOUNDARY
- SUBDIVISION BOUNDARY PARTITION PLAT BODY.
- TAX CODE BOUNDARY EASEMENT

SYMBOL TYPES

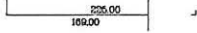
- D.L.C.
- CONTROL POINTS
- SURVEY MONUMENTS
- C.L.O. CORNERS
- SECTION 1/4 SEC 1/16 SEC

NUMBERS

TAX CODE NO.
000 00 00 0

ACREAGE - ALL ACREAGES EXCLUDE ANY PORTION THAT MAY LIE WITHIN THE INDICATED PUBLIC RIGHT OF WAYS.

TICK MARKS - WHEN A TICK MARK IS INDICATED ON THE EXTENSION OF A LINE, THEN THE DIMENSION GOES TO THE TICK MARK. GENERALLY THIS IS USED WHEN DIMENSIONS GO INTO PUBLIC RIGHT OF WAYS.



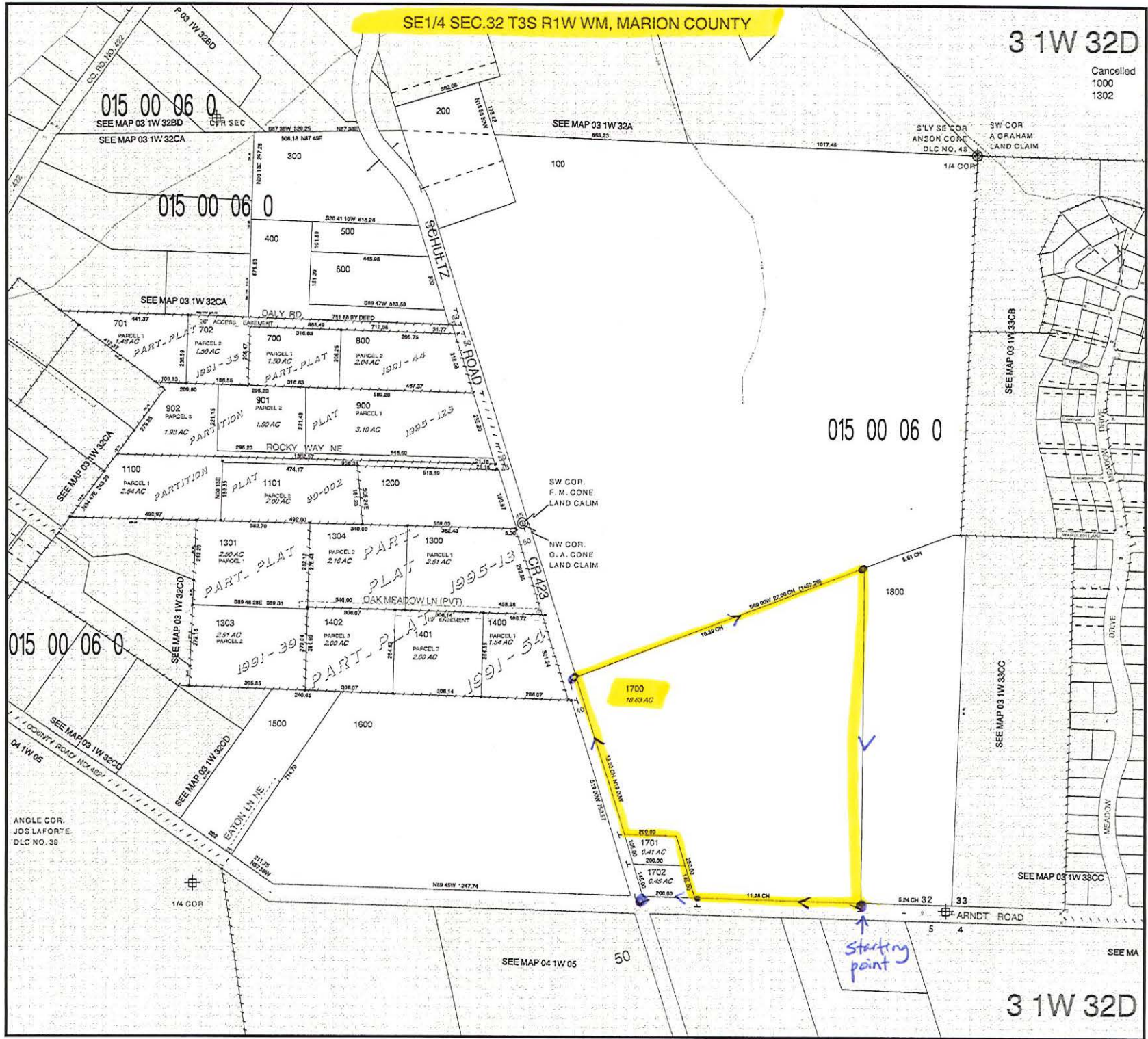
ARROWS ARE USED WITH DIMENSIONS IN AREAS OF GREATER COMPLEXITY.

NOTICE: This map was created for Assessor's Office use ONLY.



SCALE 1" = 200'
or 1:2400

Plot file created: March 31, 2016
/s:/image/031w32d.tif cmckone



3 1W 32D

T-10497

L. Jaramillo
2-14-08

Water Rights Platcard Report

No Conflicts

Meridian: WILLAMETTE Township: 3 South Range: 1 West Section: 32 Records per Page: 10

Search

Water Right	Changing Xfers	Priority	Use	Use Status	DLC	Gov't Lot	QQ(40):	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Unkown	
							Q(160):	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	QQ	
Select Cert:11983 OR *		7/6/1935	DOMESTIC		39				*					*																			
Additional Info: MRS ALMA CAMPBELL App: S15920 Permit: S11752 Cert: 11983																																	
Select Cert:17422 OR *		9/4/1941	DOMESTIC		41										*																		
Additional Info: DR. GUY L BOYDEN App: S19500 Permit: S15075 Cert: 17422																																	
Select Cert:20459 OR *		3/10/1948	DOMESTIC		41										*																		
Additional Info: DR HERBERT V THATCHER App: S23074 Permit: S18553 Cert: 20459																																	
Select Cert:30929 OR *		12/4/1958	DOMESTIC		41								*																				
Additional Info: J A STONE App: S32795 Permit: S25872 Cert: 30929																																	
Select Claim:GR 3351 *	T10497	6/30/1946	IRRIGATION																														20
Additional Info: ROY SMITH Claim: GR3351																																	
Select Cert:11476 OR *		12/21/1932	IRRIGATION											8																			
Additional Info: BRUNO STRUVE App: S14723 Permit: S10783 Cert: 11476																																	

* - Subject GR

Select Cert:11637 OR * Additional Info: BERTHA SCHOLZ App: S15618 Permit: S11502 Cert: 11637	11/13/1934	IRRIGATION		4		7													
Select Cert:11983 OR * Additional Info: MRS ALMA CAMPBELL App: S15920 Permit: S11752 Cert: 11983	7/6/1935	IRRIGATION	39		7.6			4											
Select Cert:12355 OR * Additional Info: F D SHANK App: S15914 Permit: S11749 Cert: 12355	7/2/1935	IRRIGATION	37						0.2										
Select Cert:14510 OR * Additional Info: GRACE N WILLIAMS App: S19099 Permit: S14706 Cert: 14510	12/5/1940	IRRIGATION	41			3.6													
				1 2 3 4															

Acreage Legend: 12.25 Regular acreage ~~12.25~~ Acreage is on a canceled right (12.25) Acreage is part of a transfer and has not been proven up on yet (inchoate) [12.25] Acreage has been suspended * Acreage is not specified

Water Rights Platcard Report

Meridian: WILLAMETTE Township: 3 South Range: 1 West Section: 32 Records per Page: 10

Search

NCR

Water Right	Changing Xfers	Priority	Use	Use Status	DLC	Gov't Lot	QQ(40): Q(160):	NE NE	NW NE	SW NE	SE NE	NE NW	NW NW	SW NW	SE NW	NE SW	NW SW	SW SW	SE SW	NE SE	NW SE	SW SE	SE SE	Unkown QQ
Select Cert:33549 OR * Additional Info: EDWARD KRUPICHA App: G1919 Permit: G1774 Cert: 33549		1/23/1961	IRRIGATION			39																	0.1	
<i>- Different lands located to the South & West.</i>																								
Select Cert:34116 OR * Additional Info: JAMES MCDONALD App: S40300 Permit: S30058 Cert: 34116		9/22/1964	IRRIGATION			41						3.4												
Select Cert:43918 OR * Additional Info: VICTOR HAMILTON App: S47390 Permit: S35492 Cert: 43918		8/12/1971	IRRIGATION			39				0.15														
Select Cert:47940 OR * Additional Info: SOLOMON W MESERVE App: S53181 Permit: S39465 Cert: 47940		5/29/1975	IRRIGATION			39								0.15										
Select Cert:51175 RR * Additional Info: HENRY O/BERNICE ENNEN App: S29916 Permit: S23550 Cert: 51175		4/19/1955	IRRIGATION			41					7.2	11.6	0.2	0.8										
Select Cert:56193 OR * Additional Info: GAYLE P MOLANDER App: G10583 Permit: G9779 Cert: 56193		10/27/1981	IRRIGATION			41						3.2												
Select App:G 16890 * Additional Info: CHARLIE EGGERT		6/29/2007	IRRIGATION				29.4	18.7	13.7	22.2														

Water Rights Platcard Report

Meridian: WILLAMETTE - Township: 3 - South - Range: 1 - West - Section: 32 - Records per Page: 10

Water Right	Changing Xfers	Priority	Use	Use Status	DLC	Gov't Lot	QQ(40):	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Unkown QQ
Select Cert:20460 OR * Additional Info: DR HERBERT V THATCHER App: S23831 Permit: S18889 Cert: 20460		6/7/1949	SUPPLEMENTAL IRRIGATION (Suppl'mtl)		41									1.6																		
Select Permit:R 11575 * Additional Info: ROBERT MCCALL App: R72632 Permit: R11575		8/26/1992	WILDLIFE											*																		
Select Permit:S 51687 * Additional Info: ROBERT MCCALL App: S72633 Permit: S51687		8/26/1992	WILDLIFE											*																		

1 2 3 4

Acreage Legend: 12.25 Regular acreage ~~12.25~~ Acreage is on a canceled right (12.25) Acreage is part of a transfer and has not been proven up on yet (inchoate) [12.25] Acreage has been suspended * Acreage is not specified



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
FAX 503-986-0904

February 5, 2008

Pacific Hydro-Geology, Inc.
17487 S. Valley Vista Rd.
Mulino, Oregon 97043

Reference: Registration GR-3351, Certificate of Registration GR-3103

The Partial assignment by proof from Roy R. Smith and Robert Hubbard to Charles Eggert of Rock Ridge Farms has been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original request is enclosed. Receipt number 90911 covering the recording fee of \$50 is also enclosed.

Sincerely,

Jerry Sauter
Water Rights Program Analyst

Enclosure: Receipt 90911

cc: Watermaster 16
Charles Eggert
Roy R. Smith and Robert Hubbard
Data Center, OWRD (Complete Copy of Assignment Request)
Sarah Henderson - for Transfers
File



Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem Oregon 97301-1266
 (503) 986-0900
 www.wrd.state.or.us

Request for Assignment

By Proof of Ownership
 (If Permit/Transfer Holder is Not Available)

If for multiple rights, a separate form and fee for each right will be required.

I, Charles Eggert of Rock Ridge Farms LLC
 (Name of Party Requesting Assignment)

19480 SW 97th Avenue Tualatin OR 97062 (503) 692-9666
 (Mailing address) (City) (State) (Zip) (Phone #)

- ...hereby request assignment in and to application/permit/transfer;
- ...hereby request assignment in and to a portion of application/permit/transfer;
 (You must include a map showing the portion of the application/permit/transfer to be assigned.)
- ...I have attached proof of ownership that may include but not be limited to: a copy of the deed to the land, a copy of a land sales contract, a court order or decree, documentation of survivorship of property held jointly;
 (Remember to include \$5 for each additional page.)

Application # _____, Permit # _____; Transfer # _____

-OR-

GR Statement # 3351, GR Certificate of Registration # ~~3351~~ 3103

Roy R. Smith and Robert Hubbard
 (Name of Permit/Transfer Holder of Record)

Rt. 2 Box 188 Aurora OR Not Available Not Available
 (Mailing address) (City) (State) (Zip) (Phone #)

NOTE: If there are other owners of the property described in this Application, Permit, Transfer or Certificate of Ground Water Registration, you must provide a list of all other owners' names and mailing addresses and attach it to this form.

I hereby certify that I have notified all other owners of the property described in this Application, Permit or Certificate of Registration of this request for assignment.

Witness my hand this 26 day of November, 2007
 Party Requesting Assignment Charles Eggert
 Party Requesting Assignment _____

O.K. ASSIGN PERMITAL BY AROOF
 2.5.2008

DO NOT WRITE IN THIS BOX

This certifies assignment and record change at Oregon Water Resources Department effective 8:00 a.m. on date of receipt at Salem, Oregon.
 Fee receipt # 40911
 For Director by Jerry Sauter, Program Analyst in Water Rights Division

Last updated: Oct 3, 2006

The completed "Request for Assignment" form *must* be submitted to the Department along with the appropriate recording fees:

- \$25 for the first page, and
- \$5 for each additional page.
 [as required by ORS 536.050(1)(d)]



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

INTEROFFICE MEMO

FORWARD TO:



Dorothy Pederson
FIELD PROCESSOR WORKING ON THIS TRANSFER

DATE:

12-18-07

FROM:

_____ WATERMASTER, DISTRICT # _____
X _____ GROUNDWATER SECTION

(SIGNATURE)

[Signature]
signed by injury reviewer

date signed January 3, 2008

SUBJECT:

WATER RIGHT TRANSFER # 10497

A change in: **POU** **POD** **POA** **USE** of water.

In the name(s) of Rock Ridge Farms LLC

In my opinion (assuming the right is valid), the proposed change

MAY BE MADE WITHOUT INJURY

WOULD RESULT IN INJURY* to an existing water right.

*The approval of this transfer application would result in injury to other water rights because

The existing right may not be valid because see attached memo.

Headgate notices HAVE HAVE NOT Been issued for diversion from the source(s) which serve(s) this right.

If for change in point of diversion, is there any intervening point(s) for diversion between the authorized and proposed points of diversion? (Yes or No) No

In my opinion, the order approving the subject transfer application should include the following in regard to the appropriator installing suitable measuring devices in the diversion works:

_____ (1) PRIOR to the diverting of water at the new point of diversion . . .

_____ (2) WHEN IN the judgement of the watermaster it becomes necessary . . .

The enclosed copy of the transfer application and map(s) is for your records.

Interoffice Memorandum

January 3, 2008

To: Water Rights
From: Karl Wozniak
Subject: Ground Water Review of Transfer T-10497 for Modification of Ground Water Registration GR-3351, Rock Ridge Farms

Findings

The new wells, if constructed as proposed, will produce from the same aquifer as the authorized point of appropriation.

The transfer is unlikely to result in injury to existing rights.

The authorized and proposed points of appropriation do not fall within or above a state Scenic Waterway.

Discussion

Information in file GR-3351 indicates that the authorized point of appropriation is the well described by OWRD well log MARI 132. The transfer application indicates that MARI 117 is a replacement well for MARI 132. Our records indicate that MARI 117 is a deepening of MARI 131 which is also the authorized POA listed on certificate 33546. The applicant is requesting a transfer to change the point of appropriation to 3 new wells (not yet drilled). The authorized POA is 203 feet deep and produces ground water from sands and gravels within the alluvial aquifer system. The proposed wells will also be completed in the alluvial aquifer system.

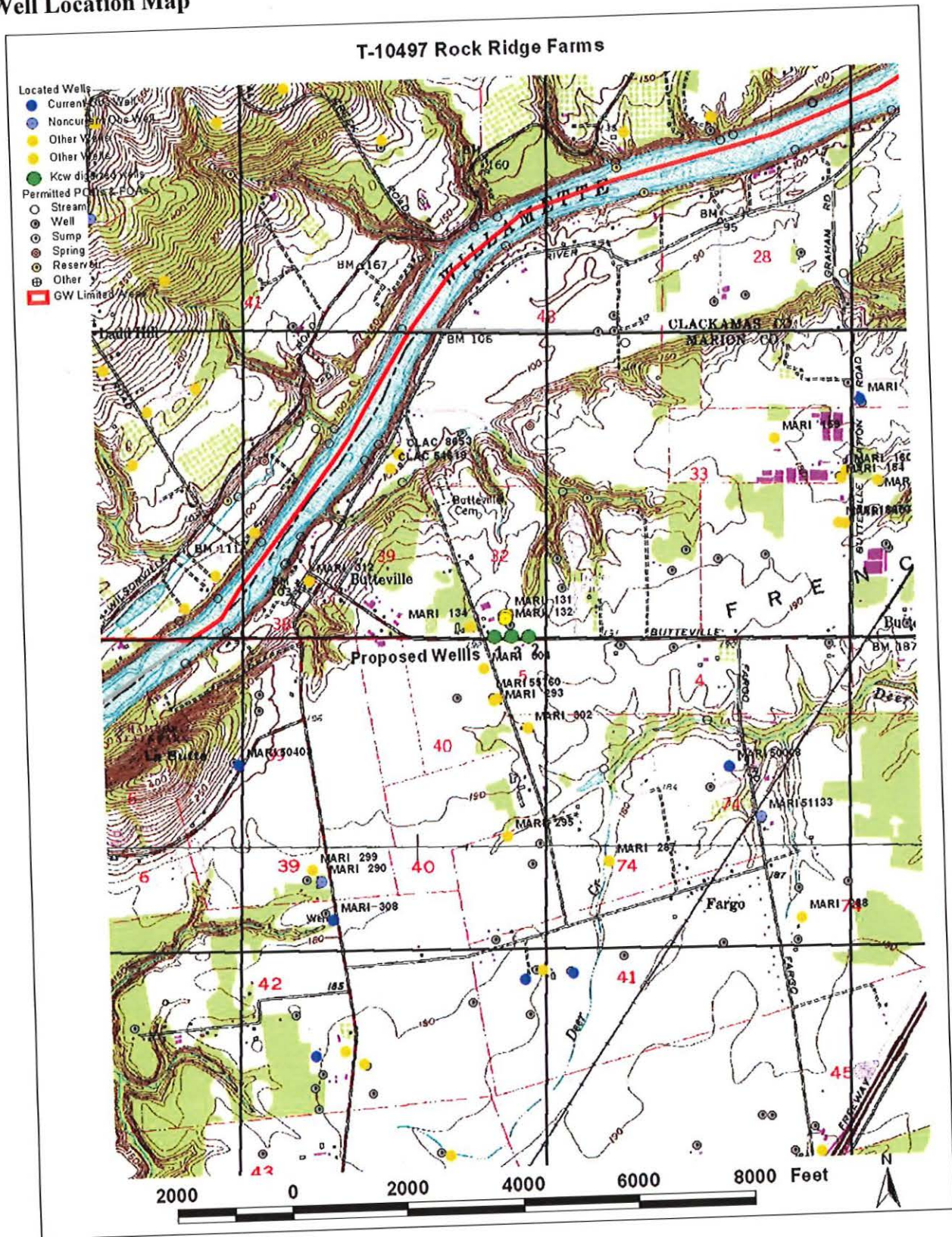
The proposed wells are located within 300-500 feet of the authorized well. None of the proposed wells is substantially closer to other nearby permitted wells (see attached map). Because the alluvial aquifer is confined in this area and because the new wells are relatively close to the old well, pumping impacts from the new wells should be very similar to those of the old well. Therefore, use of the new wells is unlikely to result in injury to existing rights.

A statement on the Amendment Application indicates that "...the original, authorized well (MARI 132) was abandoned and subsequently replaced by another well at a different location (MARI 117), as shown on the accompanying application map. The replacement well has reportedly not been used for many years and no sign of the well remains visible, suggesting that it has also been abandoned." This statement seems to indicate that the authorized POAs for GR-3351 and certificate 33546 have not been used some period of time.

No abandonment logs could be found in the Department's records for either of these wells.

T-10497

Well Location Map



Lisa?



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900
www.wrd.state.or.us

Watermaster Review Form: Water Right Transfer

Transfer Application: T-10497

Review Due Date: 1/16/08

Applicant Name: Rock Ridge Farms

Proposed Changes: POU POD POA USE OTHER

Reviewer(s): Mlm

Date of Review: Jan. 3, 2008

1. Do you have information suggesting that the water rights may be subject to forfeiture?
 Yes No If "Yes", describe the information and indicate if you intend to file a cancellation affidavit or if you need additional time to determine if a cancellation affidavit should be filed: _____
2. Is there a history of regulation on the source that serves the right proposed for transfer that has involved the right and downstream water rights? Yes No Generally characterize the frequency of any regulation or explain why regulation has not occurred: _____
3. Check here if it appears that downstream water rights benefit from return flows resulting from the current use of the right? If you check the box, generally characterize the locations where the return flows likely occur and list the water rights that benefit most: _____
4. Are there upstream water rights that would be affected by the proposed change?
 Yes No If "Yes", describe how the rights would be affected and list the rights most affected: _____
5. For POD changes and instream transfers, check here if there are channel losses between the old and new PODs or within the proposed instream reach? If you check the box, describe and, if possible, estimate the losses: _____
6. Would distribution of water for the right after the proposed change result in regulation of other water rights that would not have occurred if use of the existing right was maximized?
 Yes No If "Yes", explain: _____
7. For POU changes, would the original place of use continue to receive water from the same source? Yes No N/A If "Yes", explain: _____
8. For POU or USE changes, would use of the existing right at "full face value," result in the diversion of more water than can be used beneficially and without waste? Yes No If "Yes", explain: _____
9. Are there other issues not identified through the above questions? Yes No If "Yes", explain: _____
10. What alternatives may be available for addressing any issues identified above: _____

11. Have headgate notices been issued for the source that serves the right? Yes No
12. What water control and measurement conditions should be included in the transfer:

Measurement Devices	<input type="checkbox"/> Present and should be maintained.	<input checked="" type="checkbox"/> Should be required prior to diverting water.	<input type="checkbox"/> May be required in the future.
Headgates	<input type="checkbox"/> Present and should be maintained.	<input type="checkbox"/> Should be required prior to diverting water.	<input type="checkbox"/> May be required in the future.

- per Mike McCord on 1-11-08:
 A measuring device at each POA is required... unless they can demonstrate that a single meter will suffice.
 [Signature] 1-11-08

Water Right Transfer Checklist

Transfer T-10497

Transfer Specialist: Dorothy Pederson

Transfer Type: GR-Mod

Applicant Name/Address: Rock Ridge Farms LLC, 19480 SW 97th Avenue, Tualatin, OR 97062

Agent Name/Address: Pacific Hydro-Geology Inc, Greg Kupillas, 18487 S. Valley Vista Road, Mulino, OR 97042

CWRE Name/Number: Same as Agent

Rec Landowner Name/Address: NONE

Irr. District Name/Address: NONE

Affected Gov'ts Name/Address: NONE

Commentors: Name/Address: NONE

Water Rights Affected

Records Marked	Records Copied	App File No. or Decree Name	Permit No.	Certificate No.	RR/CR Needed	RR/CR Nos.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	GR 3351		GR 3103	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/> Yes <input type="checkbox"/> No	

Key Dates & Initial Actions

Rec'd: <u>12/12/07</u>	Proposed Action(s): POU POD HST APOD USE OTHER: <u>USE/POA</u>	
Fees Pd: <u>500</u>	WM District: <u>16</u>	ODFW District: <u>NONE</u>
Initial Notice: <u>12/26/07</u>	WM Review sent: <u>12/18/07</u>	ODFW Review sent: <u>NONE</u>
Acknowledgement Letter Sent <input checked="" type="checkbox"/>	GW Review sent: <u>12/18/07</u>	

Processing Dates & Actions

Deficiency Contacts: _____

Newspaper Pub Affid Due: _____

not required

DPD Mailed: _____

Affid of Pub Rec'd: _____

ODFW contact sheet sent with DPD, or N/A

Last Day Published: _____

PD Mailed: _____

Affidavit Reminder Sent: _____

PD Weekly Notice: _____

Reminder Deadline: _____

Preliminary Determination

Electronic Files uploaded

Preliminary Determination

PD Cover letter

Fee Refund Due

PD Notice

Remaining Rights

File Assigned/ ModPod updated

DPD Review (Optional)	PD Review (Salem)	Final Order Review (Salem)
Reviewer: _____	Reviewer: _____	Reviewer: _____
Date: _____	Date: _____	Date: _____
Coordinator: _____	Coordinator: _____	Coordinator: _____
Date: _____	Date: _____	Date: _____

Comments/Special Issues: This transfer is being done with T-10329

Special Order Volume: Vol _____ Pages _____ Final Order Signature Date: _____

Notice of FO email'd to processors _____

Application

- The type of change is clearly indicated.
- The application is appropriately signed.
- Appropriate fees were paid. If overpayment, Refund Request to be sent with FO
- Land use form matches affected tax lots and is signed by proper official. *(from ALL affected Govt's)*
- Ditch company, district and/or BOR, sent a copy of the application and map, if appropriate.
- All required attachments received.

Water right subject to transfer

- Certificated right or Proof accepted "to the satisfaction..."
- The right been exercised according to terms & conditions of certificate.
- Delivery system has the capacity to fully divert the rate/duty of the right.
- No information in record that suggests forfeiture.
- No conflicts identified on the plat cards and plat card reports printed.
- Affidavits prepared for rights that need to be canceled or diminished.

Application Map

- The map has an original CWRE signature.
- The map size and scale accurate and appropriate per OAR 690-380-3100(1)(b)(c)&(d).
- All authorized and proposed POD's/POA's and POU's shown and clearly labeled.
- Metes and bounds for the POD's/POA's are properly described on the map.
- The POD/POA dimensions & ¼ ¼ on map match the transfer application and certificate descriptions.
- Map acres match the tabulation on the certificate.
- Have final proof maps/decree maps for the rights. Application map matches certificate FPS.
- Have necessary aerial photos.

Determining the "From" and "To" Lands (make working copy of application and certificates to mark on)

- Only the authorized POD's/POA's and POU's to be transferred are listed.
- Application & certificate tabulations match. *(Mark on appl. and cert. copies and note corrections needed)*
- Marked on certificate the acreage being transferred, cancelled and remaining by ¼ ¼.

Ownership

- The deed/ROLI matches the "from" lands. (Don't need to check "to" lands.)
- Have current tax lot map. *(If transfer application is several years old, contact assessor's office)*
- The applicant is the owner of the "from" lands.
- All owners on the deed/ROLI have signed the application.
- If necessary, there is a notarized, signed statement of consent from landowners other than applicant.
- If necessary, there is a copy of written notification to each lien holder identified on ROLI.
- Agent has authorization to make decisions.

Evaluation (materials needed for peer reviewer in bold)

- | | | | | |
|---|--------------------------------------|------------------------------------|--|--|
| <input type="checkbox"/> application complete | <input type="checkbox"/> map | <input type="checkbox"/> FPS | <input type="checkbox"/> evidence of use | <input type="checkbox"/> land-use form |
| <input type="checkbox"/> deed/ROLI | <input type="checkbox"/> certificate | <input type="checkbox"/> fees paid | <input type="checkbox"/> well logs | <input type="checkbox"/> plat card |
| <input type="checkbox"/> audit | <input type="checkbox"/> dpd | | | |

- Reviews/comments/conditions received? Watermaster ODFW GW
- | | | | |
|---------------------|---|---|--|
| Headgate | <input type="checkbox"/> When in the judgment | <input type="checkbox"/> Prior to diverting | <input type="checkbox"/> Existing and maintain |
| Measuring Devices | <input type="checkbox"/> When in the judgment | <input type="checkbox"/> Prior to diverting | <input type="checkbox"/> Existing and maintain |
| Fish Screen Devices | <input type="checkbox"/> | | |

Injury: Y N Enlargement: Y N

Conditions to avoid enlargement/injury –



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
FAX 503-986-0904

December 18, 2007

ROCK RIDGE FARMS, LLC
19480 SW 97TH AVENUE
TUALATIN, OR 97062

Reference: Ground Water Registration Modification 10497

On December 12, 2007 we received your application for recognition of a Ground Water Registration modification. The application was accompanied by \$500.00. A copy of receipt 90910 is enclosed.

By copy of this letter, we are asking the Watermaster for a report regarding the potential for injury to existing water rights which may be caused by the change.

We will notify you if additional information or corrections to the application or map are required.

If you have any questions, please call the Transfer Section, (503)986-0900.

cc: Watermaster #16
Gregory Kupillas, Agent
Groundwater

enclosure



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

725 Summer Street NE, Suite A

Salem, OR 97301-1271

503-986-0900

FAX 503-986-0904

**Notice of Application for
Water Right Transfer, Temporary Transfer, or Permit Amendment
12/26/07**

The Department seeks comment on the recently-filed application listed below. Any person may comment on the application. Comments must be received by the Department within 30 days of the date of this notice. The Director may presume that the transfer would be allowed by, and compatible with comprehensive plans unless an affected local government informs the Director otherwise within 30 days of this notice.

County: MARION
Transfer: 10497
Water Right: GR-3351
Priority Date: 1946
Name: ROCK RIDGE FARMS LLC
Address: 19480 SW 97TH AVENUE TUALATIN OR 97062
Change: USE/POA
Source: WELL
Authorized POA: T3S R1W 32
Proposed POA: T3S R1W 32
Authorized USE: IRRIGATION
Proposed USE: INDUSTRIAL

The holder of a water right may apply to permanently change an existing water use subject to transfer. A transfer application may involve any of the following changes: Point of diversion or appropriation (POD; POA); Additional point of diversion or appropriation (APOD; APOA); Historic POD (HIST); Place of use (POU); Character of use (USE); Instream (ISWR); Substitution (SUB); or Exchange (EXCH).

The holder of a water right subject to transfer may request to temporarily change the place of use of the water for up to 5 years and, if necessary to convey the water, to temporarily change the point of diversion or appropriation.

The holder of a water right permit may apply to change a point of diversion (POD) or appropriation (POA) or to change the place of use (POU).

Any person who provides comments within the comment period will receive a copy of the Department's preliminary determination of whether the application should be approved or rejected after the Department has completed a review of the application and will be provided an opportunity to protest the application and preliminary determination at that time. Comments should be sent to the Transfers Section at the Department's Salem office.

ORIGINALS

Transfer Application and Map

Amendments/Revisions to Appl & Map

Receipt

Deed or Lot Book Report

Notarized Consent

Evidence of Use Affidavit

Land Use Information Form

Lien Holder Notification *(if applicable)*

Report of Ownership and Lien Info *(if applicable)*

&

Other Supporting Documentation

STATE OF OREGON
WATER RESOURCES DEPARTMENT

725 Summer St. N.E. Ste. A
 SALEM, OR 97301-4172
 (503) 986-0900 / (503) 986-0904 (fax)

RECEIPT # **90910**

INVOICE # _____

RECEIVED FROM: Rock Ridge Farms APPLICATION _____
 BY: _____ PERMIT _____
 TRANSFER _____

CASH: CHECK:# 2140 OTHER: (IDENTIFY) _____
 TOTAL REC'D \$ 850.00

1083 TREASURY 4170 WRD MISC CASH ACCT

0407 COPIES \$ _____
 OTHER: (IDENTIFY) \$ _____
 0243 I/S Lease _____ 0244 Muni Water Mgmt. Plan _____ 0245 Cons. Water _____

4270 WRD OPERATING ACCT

MISCELLANEOUS
 0407 COPY & TAPE FEES T-10329-350.00 \$ _____
 0410 RESEARCH FEES T-10497-500.00 \$ _____
 0408 MISC REVENUE: (IDENTIFY) **RECEIVED** \$ _____
 TC162 DEPOSIT LIAB. (IDENTIFY) **OVER THE COUNTER** \$ _____
 0240 EXTENSION OF TIME \$ _____

WATER RIGHTS:		EXAM FEE	RECORD FEE
0201	SURFACE WATER	\$ _____	0202 \$ _____
0203	GROUND WATER	\$ _____	0204 \$ _____
0205	TRANSFER	\$ <u>850.00</u>	

WELL CONSTRUCTION		EXAM FEE	LICENSE FEE
0218	WELL DRILL CONSTRUCTOR	\$ _____	0219 \$ _____
	LANDOWNER'S PERMIT		0220 \$ _____

OTHER (IDENTIFY) _____

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE \$ _____ CARD # _____
 0210 MONITORING WELLS \$ _____ CARD # _____
 OTHER (IDENTIFY) _____

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FWWRD) \$ _____
 0231 HYDRO LICENSE FEE (FWWRD) \$ _____
 HYDRO APPLICATION \$ _____

TREASURY OTHER / RDX

FUND _____ TITLE _____
 OBJ. CODE _____ VENDOR # _____
 DESCRIPTION _____ \$ _____

RECEIPT: **90910** DATED: 12/12/07 BY: L. Paschke



Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem Oregon 97301-1266
 (503) 986-0900
 www.wrd.state.or.us

Application for Permit Amendment or Ground Water Registration Modification

Please type or print legibly in dark ink. If your application is incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "N/A" to indicate Not Applicable. As you complete this form, please refer to notes and guidance included on the application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

1. TYPE OF APPLICATION

Please check **one** of the following:

Permit Amendment Ground Water Registration Modification

2. APPLICANT INFORMATION

RECEIVED
 DEC 12 2007
 WATER RESOURCES DEPT
 SALEM, OREGON

Name: Rock Ridge Farms, LLC
First Last

Address: 19480 SW 97th Avenue
Tualatin OR 97062
City State Zip

Phone: (503) 692-9666
Home Work Other

Fax: (503) 692-9610 E-Mail address: _____

3. AGENT INFORMATION

(The agent listed is authorized to represent the applicant in all matters relating to this application.)

Name: Pacific Hydro-Geology Inc., Greg or Malia Kupillas
First Last

Address: 18487 S. Valley Vista Road
Mulino OR 97042
City State Zip

Phone: (503) 632-5016 (503) 632-5016
Home Work Other

Fax: (503) 632-5983 E-Mail address: phggek@bctonline.com

- If an agent is listed above, please check **one** of the following:
 - Please send all correspondence to Agent. Send *copies* of correspondence to Applicant; **or**
 - Please send all correspondence to Applicant. Send *copies* of correspondence to Agent.

RECEIVED
 OVER THE COUNTER

Permit Amendments

- If you propose to amend multiple permits under this application, a separate set of pages 3 through 7 must be provided for each permit. (**NOTE: Concurrent changes to a water right must be filed separately on a transfer application.**)

Ground Water Registration Modifications

- You may propose modification of only one ground water registration per application, unless in accordance with OAR 690-382-0300(2), the ground water registrations to be modified are layered. (**NOTE: Concurrent changes to a water right must be filed separately on a transfer application.**)

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4. TYPE OF AMENDMENT OR MODIFICATION PROPOSED

Please check **all** of the following that apply:

Point of Diversion or Appropriation	Place of Use	Character of Use
<p><input checked="" type="checkbox"/> Change (The old point of diversion or appropriation will not be used for the portion of the water right affected by the amendment or modification.)</p> <p><input type="checkbox"/> Additional (Both the old <u>and</u> new points of diversion or appropriation will be used for the portion of the water right affected by the amendment or modification.)</p> <p style="text-align: center;"><i>Not Available for <u>Ground Water Registrations</u></i></p> <p><input type="checkbox"/> Surface Water to Ground Water (A new point of appropriation will be used instead of the old point of diversion. The old point of diversion will not be used.)</p>	<p><input type="checkbox"/> All of the Permit or Registration will be exercised at a different location than currently authorized (Use of water at the current authorized location will be discontinued.)</p> <p><input type="checkbox"/> Only a portion of the Permit or Registration will be exercised at a different location than currently authorized (Use of water at a <u>portion</u> of the current authorized location will be discontinued.)</p>	<p style="text-align: center;"><i>Not Available for <u>Permit Amendments</u></i></p> <p>Change existing authorized use to the following proposed <u>new</u> use:</p> <p><input type="checkbox"/> Irrigation</p> <p><input type="checkbox"/> Municipal</p> <p><input type="checkbox"/> Quasi-municipal</p> <p><input type="checkbox"/> Commercial</p> <p><input checked="" type="checkbox"/> Industrial</p> <p><input type="checkbox"/> Domestic (indicate number of households): _____</p> <p><input type="checkbox"/> Other _____</p>

- Reason(s) for amendment/modification(s): The authorized well and replacement well have both been abandoned. In addition, a new barn and milking parlor have been constructed in the footprint of the place of use for GR 3351, and we wish to transfer the rights covered by those new buildings to industrial use.

1 10497

5. CURRENT PERMIT OR REGISTRATION INFORMATION

Permit or Registration to be Amended/Modified (*check and complete one of the following*):

<input type="checkbox"/> Permit to be Amended:	Permit Number	Current Completion Date of Permit
<input checked="" type="checkbox"/> Ground Water Registration to be Modified:	GR 3351 Ground Water Registration Number	<i>NOTE: Concurrent changes to a water right must be filed separately on a transfer application.</i>

- Name on Permit or Registration: Roy R. Smith and Robert Hubbard
- County: Marion
- Authorized Use(s) to be affected by this Amendment/Modification: Irrigation of 31.24 acres.

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SALEM, OREGON

- Priority Date(s): June 30, 1946
*If there are **multiple Priority Dates** identified on the Permit or Registration, any information provided on pages 4 through 7 must identify which priority date is associated with each of the authorized and proposed points of diversion or appropriation and places of use.*

- All Source(s) of Water to be affected by this Amendment/Modification: A well

Tributary to: Willamette River

*If there are **multiple Sources** listed on the Permit or Registration, any information provided on pages 4 through 7 must identify which source is associated with each of the authorized and proposed points of diversion or appropriation and places of use.*

For an application proposing a Change in Place of Use or Character of Use:

- Are there any other “Layered” Water Rights, Permits, or Ground Water Registrations issued for **Irrigation** purposes that are appurtenant to the same place of use as the Permit or Registration being Amended/Modified? Yes No N/A -No Change in Use or Place of Use

If “Yes”, pursuant to ORS 540.510, OAR 690-380-2240 and OAR 690-382-0200, the other “layered” water uses subject to transfer **must either change concurrently or be cancelled**, except as provided in OAR 690-380-2240(5).

- Remarks: None

1 10497

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SALEM, OREGON

- The following information **must be provided only** for those points of diversion or appropriation that are involved in the permit amendment or ground water registration modification (i.e., list only the portion of the permit/registration you propose to amend/modify). Attach additional pages as necessary.

Government lot and donation land claim numbers must be included in the tables below **only** if the information is reflected on the existing permit or ground water registration.

Location of Existing Authorized Point(s) of Diversion or Appropriation to be Changed:

(i.e., the allowed point(s) of diversion/appropriation that will be affected by the proposed amendment/modification, the "FROM" point(s) of diversion/appropriation)

If Ground Water, OWRD Well Log ID No. (or Well ID Tag No. L-___)	Source and Priority Date	Township	Range	Mer	Sec	¼ ¼	Tax Lot, DLC or Gov't Lot	Survey Coordinates (coordinates from a recognized survey corner)
MARI 132	Authorized Well 6/30/1946	3S	1W	W	32	SE SE	Gov't Lot 9	350 feet north and 680 feet west from the SE corner, Section 32.
MARI 117	Replacement Well 6/30/1946	3S	1W	W	32	SE SE	Gov't Lot 9	240 feet north and 700 feet west from the SE corner, Section 32.

- Does the permit/registration being amended/modified involve a ground water source(s)?
 Yes No (Surface water source only.)

If "Yes", for each authorized point of appropriation (well) involved, you must either:

A. Supply a copy of the well log(s) for each point of appropriation that is clearly labeled and associated with the corresponding well in the table above and on the accompanying application map.

(NOTE: You may search for well logs on the Department's website at: www.wrd.state.or.us)

or

B. If a well log is **not** available, you must describe the construction of the authorized point of appropriation by completing the table below. Attach additional copies as necessary.

Construction of Existing Authorized Point(s) of Appropriation – (Only needed if no well log is available.)

Wells in this listing must be clearly tied to corresponding well location(s) described in the table above and shown on the accompanying application map.

OWRD Well No. as identified in table above	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth
MARI 132									
MARI 117									

10497

6. PROPOSED PERMIT AMENDMENT OR REGISTRATION MODIFICATION

- Describe proposed changes to the permit or registration involving point(s) of diversion and/or appropriation. Survey coordinates described below should accurately correspond to the points shown on the accompanying application map. Attach additional pages as necessary.

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SALEM, OREGON

Location of Proposed Point(s) of Diversion or Appropriation: (i.e., the "TO" point(s) of diversion/appropriation)

(NOTE: Complete this table only if a Change in Point of Diversion or Appropriation is being proposed.)

Source	Township	Range	Mer	Sec	¼ ¼ Section	Tax Lot, DLC or Gov't Lot	Survey Coordinates (coordinates from a recognized survey corner)
Well 1	3S	1W	W	32	SE SE	Gov't Lot 9	20 feet north and 900 feet west from the SE corner, Section 32
Well 2	3S	1W	W	32	SE SE	Gov't Lot 9	30 feet north and 340 feet west from the SE corner, Section 32
Well 3	3S	1W	W	32	SE SE	Gov't Lot 9	30 feet north and 630 feet west from the SE corner, Section 32

- If there are proposed point(s) of appropriation (wells) listed in the table above, are the well(s) already constructed? Yes No N/A - No proposed well(s) listed above.

If "Yes", attach and clearly label the corresponding well log(s) for each proposed well, or if well log(s) are not available, describe the construction of the well(s) using the table below.

(NOTE: You may search for well logs on the Department's website at: www.wrd.state.or.us)

If "No", describe the anticipated construction for the proposed well(s) in the following table:

Construction of Proposed Point(s) of Appropriation or Well(s):

Well numbers in this listing must be clearly tied to corresponding well location(s) described in the table above and shown on the accompanying application map.

Well already built? (Yes/No)	If an existing well, OWRD Well Log ID No. (or Well ID Tag No. L-)	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth
Wells 1, 2, & 3	Not Applicable	8-10 inches	8 or 10-inch steel	~250	120'-130' 140'-175'	50'	60'	120'	Per OARs	~250'

1 10497

7. AFFECTED DISTRICTS AND LOCAL GOVERNMENTS

- Are any of the Permit(s) or Registration(s) proposed for amendment/modification located within or served by an irrigation or other water district? Yes No
- Will any of the Permit(s) or Registration(s) be located within or served by an irrigation or other water district after the proposed amendment/modification? Yes No
- Is water for any of the Permit(s) or Registration(s) supplied under a water service agreement or other contract for stored water with a federal agency? Yes No

If "Yes", for any of the above, list the name and mailing address of the district and/or agency:

None

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SALEM, OREGON

- List the name and mailing address of all affected local governments (e.g., county, city, municipal corporation, and tribal governments within whose jurisdiction the right(s) are located).

Marion County Planning Division, P.O. Box 14500, Salem, OR 97309

8. PERMIT HOLDER OF RECORD

This section is to be completed only for Permit Amendment applications.

N/A – This is a Ground Water Registration Modification application.

- Is the applicant the permit holder of record? Yes No

If "No", the applicant must either:

A. *Be assigned as a permit holder of record by submitting a completed **Request for Assignment** form and the required statutory fee for an assignment;*

or

B. *Submit an **Affidavit of Consent** from the permit holder of record that gives permission for the applicant to amend the permit.*

1 10497

10. ATTACHMENTS

Check each of the following attachments included with this application.
The application will be returned if all required attachments are not included.

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WATER RESOURCES DEPT
SALEM, OREGON

Map:

- A map meeting the requirements of OAR 690-380-3100 must be included but need **not** be prepared by a Certified Water Right Examiner.

Land Use Information Form:

- Enclosed; *or*
- Not required if **all** of the following are met:
 - ① In EFU zone or irrigation district;
 - ② Change in place of use only;
 - ③ No structural changes needed, including diversion works, delivery facilities, other structures; *and*
 - ④ Irrigation only.

Water Well Reports/Well Logs:

- The application involves a change in point of appropriation or change from surface water to ground water and copies of all water well reports are attached.
- Water well reports are not available and a description of construction details including well depth, static water level, and information necessary to establish the ground water body developed or proposed to be developed is attached.
- N/A. The application does **not** involve a change in point of appropriation or a change from surface water to ground water, so water well reports are **not** required.

Fees:

- Amount enclosed: \$500.00
See the Department's Fee Schedule at www.wrd.state.or.us/OWRD/PUBS/forms.shtml or call (503) 986-0900.

For Permit Amendments Only...

Request for Assignment:

- Enclosed. The applicant is **NOT** the permit holder of record and needs to be assigned to the permit; **OR** the landowner of the proposed place of use is **NOT** the permit holder of record and needs to be assigned to the permit.
*The Request for Assignment form is available online at: www.wrd.state.or.us/OWRD/PUBS/forms.shtml ; *or**
- N/A. The applicant is the permit holder of record and owns or controls the proposed place of use; **OR** the applicant is *not* the permit holder of record but **is** supplying an Affidavit of Consent from the permit holder.

Affidavit of Consent:

- Enclosed. Because the applicant is **NOT** the permit holder of record, an Affidavit of Consent is being supplied that gives permission for the applicant to amend the permit; *or*
- N/A. Not required because the applicant is the permit holder of record.

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Before submitting your application to the Department, be sure you have:

- Answered each question completely.
- Included all the required attachments.
- Provided original signatures for all named deed holders, or other parties, with an interest in the water right.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount.

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11. SIGNATURES

- **For Ground Water Registration Modification Applications only, check the appropriate one and sign the application in the signature box below:**


In accordance with OAR 690-382-0400(16)(a), I (we) understand that prior to Department approval of a permanent modification and upon my receipt of a draft Preliminary Determination for the proposed modification, I (we) will be required [pursuant to OAR 690-382-0700(5)] to provide the following landownership information and evidence demonstrating that I (we) are authorized to pursue the modification:

- (a) A report of ownership and lien information that has been prepared by a title company *within the last three months;*
- (b) A copy of written notification of the proposed modification provided by the applicant to all lien holders on the subject lands unless the report of ownership and lien information shows that a water right conveyance agreement has been recorded for the subject lands. *If a water right conveyance agreement has been recorded for the subject lands, a copy of the recorded agreement and a listing of the owner(s) of the lands at the time the agreement was recorded must be submitted; and*
- (c) If the applicant is not both the person named on the ground water registration or the assignee *and* the owner of the lands to which the registration is appurtenant, as identified in the report of ownership and lien information, then either of the following must be provided:
 - A) Notarized statements consenting to the modification by all persons, other than the applicant, who are named on the ground water registration or identified as landowners in the report of ownership and lien information or who are authorized representatives of an entity to whom the interest in the water right has been conveyed as identified in a water right conveyance agreement; or
 - B) Documentation demonstrating that the applicant is authorized to pursue the modification in the absence of consent of the persons named on the ground water registration or the assignee and the owner of the lands to which the registration is appurtenant.

I (we) affirm that the applicant is a municipality, as defined in ORS 540.510(3)(b), and that the right is in the name of the municipality or a predecessor. Therefore, pursuant to OAR 690-382-0400(16)(b), the applicant is NOT required to provide the above described report of ownership and lien information.

I (we) affirm that the applicant is an entity with the authority to condemn property and is acquiring the property to which the ground water registration proposed for modification is appurtenant by condemnation. Documentation is provided with this application supporting this statement. Therefore, pursuant to OAR 690-382-0400(16)(c), the applicant is NOT required to provide the above described report of ownership and lien information. (NOTE: Such an entity may only apply for recognition of a modification under this subsection if it has filed a condemnation action to acquire the property and deposited the funds with the court as required by ORS 35.265.)

- **For both Permit Amendment and Ground Water Registration Modification Applications, I (we) affirm that the information contained in this application is true and accurate.**

 applicant signature	Charles W Eggert name (print)	11/26/07 date
 applicant signature	 name (print)	 date

STATE ENGINEER
Salem, Oregon

MAR 1 1946

Well Record

STATE WELL NO. 3/1W-32R
COUNTY Marion
APPLICATION NO. GR-3351

OWNER: Roy R. Smith & Robert Hubbard

MAILING ADDRESS: Route 2, Box 188

LOCATION OF WELL: Owner's No.

CITY AND STATE: Aurora, Oregon

SE 1/4 SE 1/4 Sec. 32 T. 3 N. S, R. 1 W., W.M.

Bearing and distance from section or subdivision corner 350' N. and 680' W

Altitude at well

TYPE OF WELL: drilled Date Constructed 1946

Depth drilled 203' Depth cased

Section

CASING RECORD:

6"

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FINISH:

AQUIFERS:

WATER LEVEL:

70'

PUMPING EQUIPMENT: Type Peerless Turbine H.P. 10
Capacity 175 G.P.M.

WELL TESTS:

Drawdown ft. after hours G.P.M.

Drawdown ft. after hours G.P.M.

USE OF WATER Irrigation Temp. °F., 19

SOURCE OF INFORMATION GR-3103

DRILLER or DIGGER Miller of Aurora, Oregon

ADDITIONAL DATA:

Log Water Level Measurements Chemical Analysis Aquifer Test

REMARKS:

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NOTICE TO WATER WELL CONTRACTOR
 The original and first copy of this report are to be filed with the STATE ENGINEER, SALEM 10, OREGON within 30 days from the date of well completion.

WATER WELL REPORT
 STATE OF OREGON
 (Please type or print)

MARI...117

State Well No. 3/1111-32

State Permit No. _____

(1) OWNER:

Name Smith & Hubbard
 Address Aurora, Oregon

(2) LOCATION OF WELL:

County Marian Driller's well number _____
 1/4 Section 32 T. 38 R. 1W W.M.
 Bearing and distance from section or subdivision corner _____

(3) TYPE OF WORK (check):

New Well Deepening Reconditioning Abandon
 Abandonment, describe material and procedure in Item 12.

(4) PROPOSED USE (check):

Domestic Industrial Municipal
 Irrigation Test Well Other

(5) TYPE OF WELL:

Rotary Driven
 Cable Jetted
 Dug Bored

(6) CASING INSTALLED:

Threaded Welded
 8" diam. from 120 ft. to 219 ft. Gage 1/4"
 " diam. from _____ ft. to _____ ft. Gage _____
 " diam. from _____ ft. to _____ ft. Gage _____

(7) PERFORATIONS:

Perforated? Yes No
 Type of perforator used Millknife
 Size of perforations 3/8 in. by 2 in.
 80 perforations from 158 ft. to 163 ft.
 80 perforations from 172 ft. to 175 ft.
 _____ perforations from _____ ft. to _____ ft.
 _____ perforations from _____ ft. to _____ ft.
 _____ perforations from _____ ft. to _____ ft.

(8) SCREENS:

Well screen installed Yes No
 Manufacturer's Name _____ Model No. _____
 Diam. Slot size Set from _____ ft. to _____ ft.
 Diam. Slot size Set from _____ ft. to _____ ft.

(9) CONSTRUCTION:

Well seal—Material used in seal B
 Depth of seal _____ ft. Was a packer used? NO
 Diameter of well bore to bottom of seal _____ in.
 Were any loose strata cemented off? Yes No Depth _____
 Was a drive shoe used? Yes No
 Was well gravel packed? Yes No Size of gravel: _____
 Gravel placed from _____ ft. to _____ ft.
 Did any strata contain unusable water? Yes No
 Type of water? _____ Depth of strata _____
 Method of sealing strata off _____

(10) WATER LEVELS:

Static level 57 ft. below land surface Date 7/12/63
 Artesian pressure _____ lbs. per square inch Date _____

(11) WELL TESTS:

Drawdown is amount water level is lowered below static level
 Was a pump test made? Yes No If yes, by whom? driller
 Yield: 160 gal./min. with 51 ft. drawdown after 4 hrs.
 " " " " " "
 " " " " " "
 " " " " " "
 Baller test gal./min. with _____ ft. drawdown after _____ hrs.
 Artesian flow g.p.m. Date _____
 Temperature of water _____ Was a chemical analysis made? Yes No

(12) WELL LOG:

Diameter of well below casing 8
 Depth drilled 120 ft. Depth of completed well 250 ft.
 Formation: Describe by color, character, size of material and structure, and show thickness of aquifers and the kind and nature of the material in each stratum penetrated, with at least one entry for each change of formation.

MATERIAL	FROM	TO
Blue clay	130	140
Sand	140	158
Gravel	158	163
Sand	163	172
Gravel	172	175
Brown clay	175	240
Blue clay	240	250

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Work started July 9 19 63 Completed July 12 19 63
 Date well drilling machine moved off of well _____ 19 _____

(13) PUMP:

Manufacturer's Name _____
 Type: _____ H.P. _____

Water Well Contractor's Certification:

This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.

NAME John Truman Miller
 (Person, firm or corporation) (Type or print)

Address P O Box 42 Hubbard, Oregon

Drilling Machine Operator's License No. 277

[Signed] John T. Miller
 (Water Well Contractor)

Contractor's License No. 26 Date July 20, 19 63

Registration No. GR 2351

Certificate No. GR 3103

Registration Statement

OF CLAIMANT OF RIGHT TO APPROPRIATE GROUND WATER



TO THE STATE ENGINEER OF OREGON:

I, ROY R. SMITH & ROBERT HUBBARD
of RT. 2 BOX 188 AURORA County of MARION
(Mailing address)

State of OREGON, do hereby make application for a certificate of registration as evidence of a right to appropriate ground water.

- Source from which water is withdrawn is A PUMP WELL
(Flowing well, pump well, infiltration trench, or tunnel)
- Location is: 1 MILE NORTH OF BUTTEVILLE
(Approximate distance and direction from nearest city or town)

and is more particularly described as follows:

(a) 350 FEET NORTH 4680 FEET WEST FROM SE CORNER SECTION 32
(Give distance and bearing to corner of section or other legal subdivision)

being within SE 1/4 OF SE 1/4 of Sec. 32, Twp. 3 S, Rge. 1 W
(Smallest legal subdivision) (N. or S.) (E. or W.)

or (b) within limits of recorded platted property, town or city:

in Lot _____, Block _____ of _____
(Name of plat or addition)

County of _____
(If within city or town, give name)

3. Construction Work was begun on JUNE 1946, was completed on JUNE 1946
(Date) (Date)

and the ground water claimed was first used for the purposes set out below on JUNE 1946
(Date)

since which time the water has been used DURING IRRIGATION SEASON
(Continuously or intermittently)

from 1946 to PRESENT 1958
(Date) (Date)

4. Quantity of water claimed and used is 175 gallons per minute; 115 acre feet per year.

5. Purpose or Purposes for which water is used IRRIGATION
(Domestic, irrigation, municipal, manufacturing, industrial, etc.)

6. Description of Well: Depth 203 feet. Type DRILLED WELL
(Dug or drilled)

diameter 6 inches. Elevation of ground at well site _____ feet, mean sea level.
(As near as known)

Depth to water table 70 feet.

7. Capacity of Well: NOT KNOWN g.p.m. with _____ feet drawdown.

_____ g.p.m. with _____ feet drawdown.

Date of test _____

If Flowing Well; Measured discharge _____ g.p.m. on _____
(Date)

Shut-in pressure at ground surface _____ lbs. per sq. in. on _____
(Date)

Water is controlled by _____
(Cap, valve, etc.)

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Township 35 Range 10 W.M.
North

Locate well and acreage of irrigated land on plat.
Scale: 2" = 1 Mile

STATE OF OREGON

County of Clackamas
We, Roy R. Smith and Robert Hubbard, each

I, _____, being first duly sworn, do hereby certify that I have read the foregoing Registration Statement and that all of the items therein contained are true to the best of my knowledge and belief.

Roy R. Smith
Robert Hubbard
(Signature of Registrant)

Subscribed and sworn to before me this 30th day of July, 1958

My commission expires 11/22/61

Walter P. Bittis, Sr.
(Notary Public)

(SEAL)

CERTIFICATE OF REGISTRATION

STATE OF OREGON }
County of Marion } ss.

This is to certify that the foregoing Registration Statement was received in the office of the State Engineer on the 31st day of July, 1958, at 2:00 o'clock A.M. and has been duly recorded in said office in Book No. 13 of Registration Statements on page GR-3103

Witness my hand this 16th day of June, 1959

Lawrence A. Stanley
(State Engineer)

By _____
(Deputy)

GR-3103

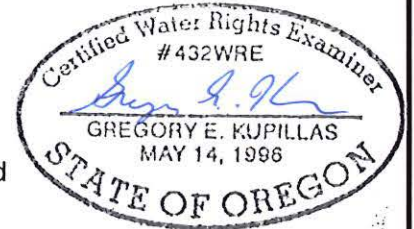
\$15.30
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T.3S. R.1W. Section 32, W.M.

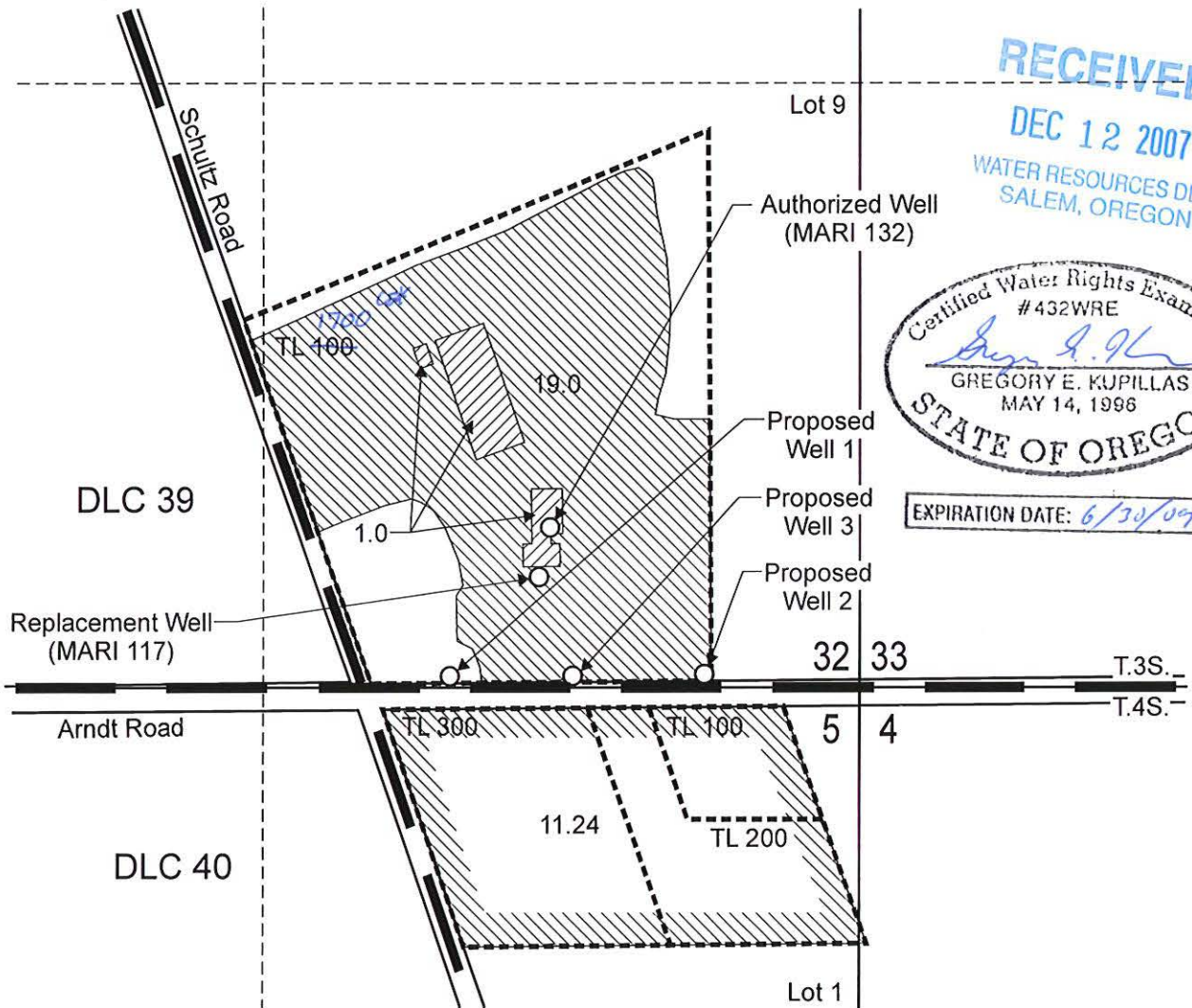
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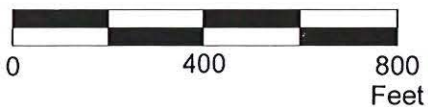
EXPIRATION DATE: 6/30/09



Authorized well (MARI 132) is located 350 feet north and 680 feet west from the SE corner, Section 32.
 Replacement well (MARI 117) is located 240 feet north and 700 feet west from the SE corner, Section 32.
 Proposed Well 1 is located 20 feet north and 900 feet west from the SE corner, Section 32.
 Proposed Well 2 is located 30 feet north and 340 feet west from the SE corner, Section 32.
 Proposed Well 3 is located 30 feet north and 630 feet west from the SE corner, Section 32.

- Area (19.0 Acres) under GR 3351 affected by change in POA.
- Area (1.0 Acres) under GR 3351 affected by change in character of use.
- Area (11.24 acres) remaining under GR 3351.
- Tax lot boundary

Scale: 1" = 400'



This map was prepared for the purpose of identifying the location of a water right only and is not intended to provide legal dimensions or location of property ownership lines.



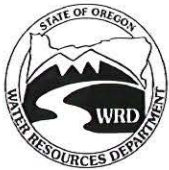
Ground Water Registration Modification Application Map

Rock Ridge Farms, LLC
Tax Lot 3 1W 32D 400-1700

Pacific Hydro-Geology Inc.

10/2007

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Oregon Water Resources Department Land Use Information Form

THIS FORM IS NOT REQUIRED IF: 1) water is to be diverted, conveyed, and/or used only on federal lands; or 2) the application is for a water-right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and all of the following apply: a) only the place of use is proposed for change, b) there are no structural changes, c) the use of water is for irrigation, and d) the use is located in an irrigation district or exclusive farm-use zone.

Applicant Name: Rock Ridge Farms, LLC
Mailing Address: 19480 SW 97th Avenue
City: Tualatin State: OR Zip: 97062 Day Phone: (503) 692-9666

This application is related to a Measure 37 claim. Yes No

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A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), or used. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	¼ ¼	Tax Lot #	Plan Designation (e.g. Rural Residential/RR-5)	Water to be:	Proposed Land Use:
3S	1W	32	SE SE	01700 3 1W 32D-00100	Primarily/EFU	<input checked="" type="checkbox"/> Diverted <input checked="" type="checkbox"/> Conveyed <input checked="" type="checkbox"/> Used	Irrigation
						<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, or used. Marion County

B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- Permit to Use or Store Water
- Water-Right Transfer
- Exchange of Water
- Allocation of Conserved Water
- Limited Water Use License
- Permit Amendment or Ground Water Registration Modification

Source of water: Reservoir/Pond Ground Water Surface Water (name) _____

Estimated quantity of water needed: 0.39 cubic feet per second gallons per minute acre-feet

Intended use of water: Irrigation Commercial Industrial Domestic for _____ household(s)
 Municipal Quasi-municipal Instream Other _____

Briefly describe: The modifications to the ground water registration involve a change to the original point of appropriation to include up to three new wells, and a change in character of use from irrigation to industrial use for one acre of the original irrigation rights.

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Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt below and include it with the application filed with the Water Resources Department.

For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form.

This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

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Please check the appropriate box below and provide the requested information

Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): 136.020.

Land uses to be served by proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.)
If approvals have been obtained but all appeal periods have not ended, check "Being pursued".

Type of Land-Use Approval Needed (e.g. plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

Name: David Epling Title: Senior Planner
 Signature: [Signature] Phone: 503-588-5038 Date: 12/12/07
 Government Entity: Marion County

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Note to local government representative: Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

Ground Water Registration Modification Application – OAR 690-382

Completeness Checklist

Indicate in this column whether or not the item is satisfied.

Applicant's Name: Rock Ridge Farms, LLC (Last revised: April 27, 2007)

GR to be Modified: Application No. GR- 3351 Certificate No. GR- 3103

Name on GR File: Roy R. Smith & Robert Hubbard

Section A – Who may Submit a GR Modification?

As of 12-12-07, GR file is in process of being assigned

A GR Modification may only be filed by one of the following persons: [OAR 690-382-0300]

- 1) the person named on the GR file;
- 2) the person to whom the GR file has been assigned;
- 3) the owner of the land to which the GR is appurtenant provided the application is accompanied by a Request for Assignment application; or
- 4) any other person or entity who can demonstrate they are authorized to request the GR Modification (e.g., legal representative, power of attorney, agent, etc. for one of the above.)

Does the applicant fall into one of the above criteria? YES NO

If "NO", the GR Modification cannot be accepted. RETURN the application and, if necessary, include a Request for Assignment application.

Section B – Type of Change

✓

Is the proposed change(s) allowed under the Ground Water Registration Modification process? YES NO --- Type of Change Proposed: POA ~~POU~~ USE [OAR 690-382-0010]

NOTE: Only POA, POU or USE changes are allowed on GR Modifications.

If the application proposes a change other than those listed above, RETURN the application & fee to the applicant.

Section C - Fees

✓ OK

Have the appropriate fees been paid? (Stat. Authority: ORS 537.610)

Total Required Fees: 500.⁰⁰

Fee Schedule – OAR 690-382-0400(18)

Total Fees Paid: 500.⁰⁰

\$350 Examination of an application to ONLY change the POU under a Ground Water Registration

Fees Due (if any): _____

-OR-

\$500 - Examination of all other applications to modify a Ground Water Registration

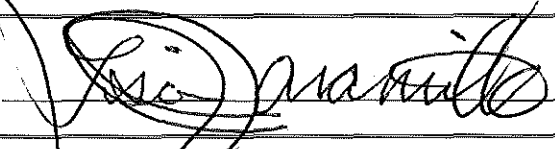
Refund Due (if any): _____

NOTE: For a POA modification...if the applicant abandons the original well identified in the claim according to well construction standards within one year of the Department's recognition of the modification, the application may request a refund of \$100 of the fee paid under OAR 690-382-0400(18)(b).

If the applicant has NOT submitted the total fees required, RETURN the application & deficient fee to the applicant.

Section D – Completeness

<p>Indicate in this column whether an item is incomplete, and if so, identify the deficiency.</p>	<p>Is the Ground Water Registration Modification application complete? [OAR 690-382-0400]</p> <p>All required elements necessary for a complete GR Modification application are listed below. Indicate whether or not the applicant has answered and/or supplied attachments to adequately address each of the following items. If any one of the items is deficient, then the application is incomplete.</p> <p><i>NOTE: For reference, the application page number upon which each item is requested is identified.</i></p> <p><i>If the application is NOT complete, RETURN the application & fee to the applicant.</i></p>
✓	<ul style="list-style-type: none"> Applicant's name, mailing address and contact information. (Page 1)
✓	<ul style="list-style-type: none"> Agent's name, mailing address and contact information, if applicable. (Page 1)
✓	<ul style="list-style-type: none"> Are multiple Ground Water Registrations being amended? YES NO (Pages 2 & 3) <p>If YES..... a separate application must be submitted for <u>each</u> Ground Water Registration, <u>unless</u> the Ground Water Registrations to be modified are <u>layered</u> [refer to OAR 690-382-0300(2)].</p>
✓	<ul style="list-style-type: none"> The type of change (modification) being proposed: POA POU USE (Page 2)
✓	<ul style="list-style-type: none"> Reason for the Ground Water Registration modification. (Page 2)
✓	<ul style="list-style-type: none"> Current Ground Water Registration information – registration number, use, priority date, source(s), etc. (Page 3)
N/A	<ul style="list-style-type: none"> If for a change in POU, are there any other “layered” irrigation rights, permits, or Ground Water Registrations appurtenant to the same place of use as the Ground Water Registration proposed to be modified? YES NO (Page 3) <p>If YES..... the other “layered” water uses subject to transfer, permits or other ground water registrations must either change concurrently or be cancelled, except as provided in OAR 690-382-0200(5).</p>
✓	<ul style="list-style-type: none"> Location description of the authorized POA to be modified. (Page 4) <p><i>NOTE:</i> Ensure that the location coordinates listed in the application match the point and location coordinates illustrated on the application map.</p>
✓	<ul style="list-style-type: none"> For the authorized POA, the applicant must either: (Page 4) <p><input checked="" type="checkbox"/> 1) supply a copy of the well log(s), <u>or</u></p> <p>2) if well logs are not available, describe the construction of the well(s) in the table provided on page 4 of the application.</p>
✓	<ul style="list-style-type: none"> Location description of the existing authorized POU and associated acres (if applicable). (Page 5) <p><i>NOTE:</i> Ensure that the location and number of acres listed per ¼ ¼ in the application match those illustrated on the application map.</p>
✓	<ul style="list-style-type: none"> Location description of the proposed POA. (Page 6) <p><i>NOTE:</i> Ensure that the proposed location coordinates listed in the application match the proposed point and location coordinates illustrated on the application map.</p>
✓	<ul style="list-style-type: none"> For the proposed POA, the applicant must either: (Page 6) <p>1) supply a copy of the well log(s), <u>or</u></p> <p><input checked="" type="checkbox"/> 2) if well logs are not available <u>or</u> the well is not yet constructed, describe the construction of the well(s) in the table provided on page 6 of the application. - Not yet constr.</p>

N/A	<ul style="list-style-type: none"> Location description of the <i>proposed</i> POU and associated acres (if applicable). (Page 7) <p><i>NOTE:</i> Ensure that the location and number of acres listed per ¼ ¼ in the application match those illustrated on the application map.</p>
✓	<ul style="list-style-type: none"> Affected districts and local governments. (Page 8) <p>If within a district/local government jurisdiction, ensure that name & mailing address is provided.</p>
✓	<ul style="list-style-type: none"> Is the applicant the owner of the land "FROM" which the Ground Water Registration is being moved? YES NO (Page 9) <p>If <i>NO</i>..... the applicant must provide the name and mailing address of the current landowner.</p>
✓	<ul style="list-style-type: none"> Is the applicant the owner of the land "TO" which the Ground Water Registration is being moved? YES NO (Page 9) <p>If <i>NO</i>..... the applicant must provide the name and mailing address of the "receiving" landowner and indicate who (applicant or receiving landowner) will be responsible for completing the change(s).</p>
✓	<ul style="list-style-type: none"> Map..... (OAR 690-380-3100, except NOT required to be prepared by a CWRE). (Page 10) <p> <input checked="" type="checkbox"/> north arrow <input checked="" type="checkbox"/> size & scale <input type="checkbox"/> other: _____ <input checked="" type="checkbox"/> authorized acreage per ¼ ¼ matches the ground water registration <input checked="" type="checkbox"/> authorized POA and POU (clearly shown, labeled & matches application listing) <input checked="" type="checkbox"/> point plotted for the authorized POA agrees with location coordinates <input checked="" type="checkbox"/> proposed POA and/or POU (clearly shown, labeled & matches application "proposed" listing) <input checked="" type="checkbox"/> location coordinates accurately describe the point identified as the proposed POA </p>
✓	<ul style="list-style-type: none"> Land Use form, if applicable. (Page 10) <p><i>NOTE:</i> May not be needed if the modification meets all four requirements outlined in OAR 690-382-0400(12).</p>
✓	<ul style="list-style-type: none"> Signature(s) of applicant(s): (Page 11) <p><i>All</i> applicants listed on page 1 of the application must sign the application.</p>
WRD Completeness Reviewer's Name:  Date: 12-12-07	

NOTE: A Report of Ownership and Lien Information will be requested from the applicant at the time a Draft Preliminary Determination is mailed, unless applicant is an entity meeting OAR 690-382-0400(16)(b) or (c).