

* Mitigation Project *



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

Application for Water Right Transfer

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". Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/publication/reports/index.shtml.

APPLICATION FOR:

Please check one		
<input checked="" type="checkbox"/> Water Right Transfer	<input type="checkbox"/> Temporary Transfer (number of years _____)	<input type="checkbox"/> Drought Transfer
<input type="checkbox"/> Historic Change in POD	<input type="checkbox"/> Permit Amendment	<input type="checkbox"/> Point of Diversion Change Due to Government Action
<input type="checkbox"/> To Instream Use		
<input type="checkbox"/> Other Transfer		

1. APPLICANT INFORMATION

Name: Arrowood Development, LLC

Address: C/O Agent, Creative Water Solutions, LLC 64154 Pioneer Loop

Bend, Or 97701
City State Zip

Phone: 541-617-8936 541-815-0203
Home Work Other

*Fax: _____ *E-Mail address: tammyharty@msn.com

*Optional information

2. AGENT INFORMATION

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

Name: Tammy Harty, Creative Water Solutions, LLC

Address: 64154 Pioneer Loop

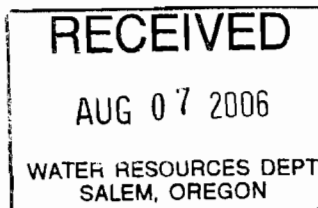
Bend, Or 97701
City State Zip

Phone: 541-617-8936 CELL 541-815-0203
Home Work Other

*Fax: _____ *E-Mail address: tammyharty@msn.com

*Optional information

T 10224 (MP-91)



3. TYPE OF CHANGE PROPOSED

Please check all that apply

Point of Diversion or Appropriation	Place of Use	Character of Use (n/a for Permit Amendments)
<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 transfer.) <input type="checkbox"/> Additional (Both the old and new points of diversion or appropriation will be used for the portion of the water right affected by the transfer.) <input type="checkbox"/> Historic Point of Diversion (Unauthorized point of diversion used for more than 10 years.) <input type="checkbox"/> Surface Water to Ground Water (A new point of appropriation will be used instead of the old point of diversion and not as an additional point of appropriation.)	<input checked="" type="checkbox"/> All, or a portion, of the right will be exercised at a different location than currently authorized. (Use of water at the current location will be discontinued.) <input type="checkbox"/> Exchange (Water from another source will be used in exchange for supplying an equal amount of replacement water to that source.)	<p style="text-align: center;">Proposed new use:</p> <input type="checkbox"/> Irrigation <input type="checkbox"/> Municipal <input type="checkbox"/> Quasi-municipal <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Instream (complete Supplemental Form B) <input type="checkbox"/> Domestic (indicate number of households) _____ <input type="checkbox"/> Other _____ <input type="checkbox"/> Substitution (A supplemental ground water right will be substituted for a primary surface water right.)

Reason for changes: Transfer water from irrigation use to permanent instream use for MITIGATION CREDITS. (Please note that this 55.55 acres was previously submitted in Transfer T-9824 and withdrawn at the PD stage.)

Describe the **current** water delivery system. Include information on the pumps, canals, pipelines and sprinklers used to divert, convey and apply the water at the authorized place of use.

The description must be sufficient to demonstrate that the full quantity of water to be transferred can be conveyed from the authorized source and applied at the authorized location and that the applicant is ready, willing, and able to exercise the right. (Not applicable to applications for Permit Amendments.)

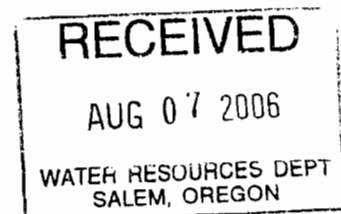
Please refer to attachments E: Affidavits of water use which describe each individual water delivery system. General information regarding flood irrigation: These systems work as follows: COID delivers water to a headgate, the user then takes that water through a series of ditches using tarps for dams to distribute water across the land. Those that utilize a pump have described their system on the affidavits.

System capacity: TOTAL capacity 2.59 cubic feet per second (cfs)

Attach one or more Evidence of Use Affidavits (Supplemental Form A) demonstrating that each of the right(s) involved in the transfer have been exercised in the last five years or that a presumption of forfeiture for non-use could be rebutted. (Not applicable to applications for Permit Amendments.)

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Transfer Application/2



4. CURRENT WATER RIGHT INFORMATION

A separate page providing the information in this section must be completed for each certificate, permit, decree, or other right involved in the proposed transfer.

Water Right Subject to Transfer (check and complete **one** of the following):

<input checked="" type="checkbox"/> Certificated Right	<u>76358</u> Certificate Number	<u>COID</u> Permit Number or Decree Name
<input type="checkbox"/> Adjudicated, Un-certificated Right	_____ Name of Decree	_____ Page Number
<input type="checkbox"/> Permit for which Proof has been Approved	_____ Permit Number	_____ Date Claim of Beneficial Use Submitted
<input type="checkbox"/> Transferred Right for which Proof has been Filed	_____ Previous Transfer Number	_____ Date Claim of Beneficial Use Submitted
<input type="checkbox"/> Permit for which an Amendment is Requested	_____ Permit Number	_____ Completion Date of Permit

Name on Permit, Certificate, or Decree: Central Oregon Irrigation District and misc landowners (see attached list in Exhibit G)

County: Deschutes Authorized Use(s): MULTIPLE USES

Are there multiple **Priority Dates** identified on the water right? Yes No
If "Yes", any information provided on Page 4 must identify which priority date is associated with each of the proposed points of diversion/appropriation and places of use. In addition, list those priority dates: October 31, 1900 and December 2, 1907

Source(s) of Water Listed on Right: Deschutes River

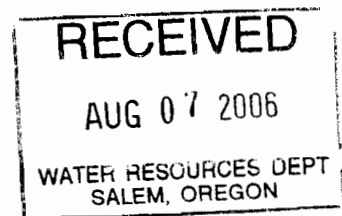
Tributary to: Columbia River

Are there other **Sources** listed on the water right? Yes No
If "Yes", any information provided on Page 4 must identify which source is associated with each of the proposed points of diversion/appropriation and proposed places of use. In addition, list those other sources: N/A

Are there **Other Water Rights** or permits associated with this land? Yes No
If "Yes", what are the Permit or Certificate Numbers? 76714 supplemental water right Pursuant to ORS 540.510, any right that is supplemental to a primary right proposed for transfer must be included in the transfer or be cancelled.

Remarks: Modification of the supplemental water right reduces by 83.9 acres the number of acres to which stored water may be applied for supplemental irrigation under the right evidenced by Certificate 76714; however, the maximum quantity of stored water that can be diverted for use under the right remains unchanged.

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4. CURRENT WATER RIGHT INFORMATION

A separate page providing the information in this section must be completed for each certificate, permit, decree, or other right involved in the proposed transfer.

Water Right Subject to Transfer (check and complete **one** of the following):

<input type="checkbox"/> Certificated Right	76714 <small>Certificate Number</small>	COID <small>Permit Number or Decree Name</small>
<input type="checkbox"/> Adjudicated, Un-certificated Right	<small>Name of Decree</small>	<small>Page Number</small>
<input type="checkbox"/> Permit for which Proof has been Approved	<small>Permit Number</small>	<small>Date Claim of Beneficial Use Submitted</small>
<input type="checkbox"/> Transferred Right for which Proof has been Filed	<small>Previous Transfer Number</small>	<small>Date Claim of Beneficial Use Submitted</small>
<input type="checkbox"/> Permit for which an Amendment is Requested	<small>Permit Number</small>	<small>Completion Date of Permit</small>

Name on Permit, Certificate, or Decree: Central Oregon Irrigation District

County: Deschutes Authorized Use(s): Multiple Uses

Are there multiple **Priority Dates** identified on the water right? Yes No
If "Yes", any information provided on Page 4 must identify which priority date is associated with each of the proposed points of diversion/appropriation and places of use. In addition, list those priority dates: February 28, 1913

Source(s) of Water Listed on Right: Crane Prairie Reservoir

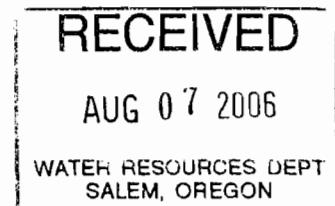
Tributary to: Deschutes River

Are there other **Sources** listed on the water right? Yes No
If "Yes", any information provided on Page 4 must identify which source is associated with each of the proposed points of diversion/appropriation and proposed places of use. In addition, list those other sources: _____

Are there **Other Water Rights** or permits associated with this land? Yes No
If "Yes", what are the Permit or Certificate Numbers? 76358 (Primary)
Pursuant to ORS 540.510, any right that is supplemental to a primary right proposed for transfer must be included in the transfer or be cancelled.

Remarks: Modification of this supplemental water right reduces by 83.90 acres the number of acres to which stored water may be applied for supplemental irrigation under the right evidenced by Certificate 76714; however, the maximum quantity of stored water that can be diverted for use under the right remains unchanged.

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Certificate Number or other identifying number from **Page 3**: 76358 / 76714 _____

A separate page providing the following information must be completed for each certificate, permit, decree, or other right involved in the proposed transfer.

Is the entire water right identified on **Page 3** affected by this transfer? Yes No

If "Yes", the remainder of this page need not be completed.

If "No", the following information must be provided only for those points of diversion/appropriation and places of use that are involved in the transfer.

Government lot and donation land claim numbers must be included in the tables below only if the information is reflected on the existing water right.

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

Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Survey Coordinates (coordinates from a recognized survey corner)
17S	12E	WM	29	SE NE		COID North Canal - 850' North & 630' West - Pilot Butte Canal
10224						

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Location of Existing Authorized Place of Use to be Changed:

Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
15S	13E	WM	17	NW NW	N/A 1300	18.0
15S	13E	WM	17	NE NW	N/A 800	16.0
15S	13E	WM	19	NW NE	N/A100	21.35
15S	13E	WM	19	NE SW	N/A1002	0.20
						Since HB 3111, lot 1002 has been partitioned into 2 tax lots now identified as 1002 and 1007. Appurtenant water right was adjusted accordingly. 15-13-19 SE NW 1007 has 0.6 acres 15-13-19 NE SW 1007 has 0.2 acres 15-13-19 NE SW 1002 has 0.2 acres (on this transfer)
15S	13E	WM	08	NE SE	N/A 8800	2.0
SEE	ATTACHED					
					TOTAL	83.9

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Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
15S	13E	WM	08	NE SE	N/A 8900	8.0
15S	13E	WM	10	NW NW	N/A 200	3.4
15S	13E	WM	10	NW NW	N/A 201	4.38
14S	13E	WM	26	NE SW	N/A 500	0.85
15S	13E	WM	10	NW NW	N/A 202	1.42
14S	13E	WM	16	SE SE	N/A 403	0.36
14S	13E	WM	16	SE SE	N/A 414	0.84
15S	13E	WM	09	SE NE	N/A 801	1.0
15S	13E	WM	09	SE NE	N/A 801	1.15
15S	13E	WM	9	SE NE	N/A 900	1.50
15S	13E	WM	30	NW SE	N/A 600	3.45
					TOTAL	83.9 Acres

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Transfer Application/5

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Remarks: WATER TO BE PERMANENTLY TRANSFERRED IN STREAM FOR
MITIGATION CREDITS.

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6. AFFECTED DISTRICTS AND LOCAL GOVERNMENTS

Are any of the water rights proposed for transfer located within or served by an irrigation or other water district? Yes No

Will any of the water rights be located within or served by an irrigation or other water district after the proposed transfer? Yes No

Is water for any of the rights 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:

Central Oregon Irrigation District 1055 SW Lake Court, Redmond, OR 97756

Bureau of Reclamation, Attn: Ruth Page #3110; 1150 N. Curtis Rd Suite 100; Boise, ID 83706-1234

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

City of Redmond - 716 SW Evergreen, Redmond, OR 97756

Deschutes County - 117 NW Lafayette Ave., Bend, Or 97701

7. LAND OWNERSHIP

Does the applicant own the lands **FROM** which the right is being transferred? Yes No

If "No", provide the following information. For Temporary Transfers, also include a notarized statement granting consent to the transfer from each of the landowners:

Names of Current Landowner(s): Not applicable - Quit Claim Deeds were signed by the landowner of record listed on the enclosed title company report.

Address: _____
City State Zip

Does the applicant own the lands **TO** which the right is being transferred? Yes No

If "No", provide the following information:

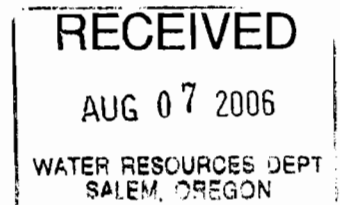
Names of Receiving Landowner(s): State Of Oregon - Permanent Instream Transfer

Address: _____
City State Zip

Check one of the following:

- The receiving landowner will be responsible for completion of the proposed changes after the final order is issued. All notices and correspondence should be sent to this landowner.
- The applicant will remain responsible for completion of changes. Notices and correspondence should continue to be sent to the applicant and applicant's agent.

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8. ATTACHMENTS

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

<p>Form A – Evidence of Use Affidavits</p> <p><input checked="" type="checkbox"/> At least one Evidence of Use Affidavit documenting that the right has been used during the last five years or that the right is not subject to forfeiture under ORS 540.610 is attached. The affidavit provided must be the original, not a copy. <i>Exhibit</i></p> <p>Form B – Instream Water Right Transfer</p> <p><input checked="" type="checkbox"/> Required for instream transfers only.</p> <p>Map - <i>x waiver attached - Exhibit</i></p> <p><input type="checkbox"/> Permanent Water Right Transfer The map must be prepared by a Certified Water Right Examiner and meet the requirements of OAR 690-380-3100 unless a waiver has been granted. The map provided must be the original, not a copy.</p> <p><input type="checkbox"/> Permit Amendment, Temporary Transfer, or Other Application A map meeting the requirements of OAR 690-380-3100 must be included but need not be prepared by a Certified Water Right Examiner.</p> <p>Evidence of Lien Holder Notification</p> <p><input checked="" type="checkbox"/> Copies of the written notification of the proposed transfer provided by the applicant to each lien holder, unless the water right has been <u>quit claimed</u>.</p> <p>Recorded Deed <i>Exhibit #</i></p> <p><input type="checkbox"/> Required for temporary transfers only.</p>	<p>Land Use Information Form:</p> <p><input checked="" type="checkbox"/> Enclosed - <i>Exhibit</i></p> <p><input type="checkbox"/> Not Required if all of the following are met:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1 In EFU zone or irrigation district, <input type="checkbox"/> 2 Change in place of use only, <input type="checkbox"/> 3 No structural changes needed, including diversion works, delivery facilities, other structures, and <input type="checkbox"/> 4 Irrigation only. <p>Water Well Reports/Well Logs:</p> <p><input type="checkbox"/> The application is for a change in point of appropriation or change from surface water to ground water and copies of all water well reports are attached.</p> <p><input type="checkbox"/> 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.</p> <p><input checked="" type="checkbox"/> The application is for a surface water transfer and water well reports are not required.</p> <p>Fees:</p> <p><input checked="" type="checkbox"/> Amount enclosed: \$1,225.00 ^{1050.00} ** Waiver pursuant to OAR 690-380-3400 See the Department's Fee Schedule at www.wrd.state.or.us or call (503) 986-0900.</p>
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9. SIGNATURES

I (we) understand that prior to approval of a permanent transfer and after issuance of a draft preliminary determination by the Department, I (we) must submit:

- (1) A report on ownership and lien information prepared by a title company within the last three months if required under OAR 690-380-3000(18), and
- (2) If I (we) are not the landowners, proof that the landowner or entity to which the water right has been quitclaimed consents to the transfer or that ownership information is not required.

I (we) affirm that the information contained in this application is true and accurate.

applicant signature

Central Oregon Irrigation District
name (print)

8-4-2006
date

applicant signature

Arrowood Development, LLC
name (print)

5-23-06
date

Before submitting your application, be sure you have:

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

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EXHIBITS

EXHIBIT A: Spreadsheet with all water rights

EXHIBIT B: Supplemental form with
in stream water right shaping information

EXHIBIT C: Deeds: Quit claim deeds, title reports or
lot book reports & lien holder information

EXHIBIT D: COID Maps and signed waiver pursuant to
OAR 690-380-3410.

EXHIBIT E: Evidence of use affidavits

EXHIBIT F: Fee Waiver – pursuant to OAR 690-380-3400

EXHIBIT G: Water right owners list and chain of title
Information.

EXHIBIT H: Land Use Information Forms

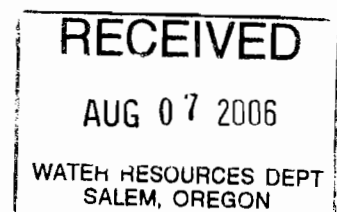


EXHIBIT A										
EX #	T	R	Mer	S	1/4 1/4 Section	Gov't lot	Tax lot #	Acres	Certificate Page #	POD #
1	14S	13E	WM	16	SE SE	N/A	403	0.36		11
1	14S	13E	WM	16	SE SE	N/A	414	0.84		11
2	14S	13E	WM	26	NE SW	N/A	500	0.85		11
3	15S	13E	WM	8	NE SE	N/A	8800	2		11
3	15S	13E	WM	8	NE SE	N/A	8900	8		11
4	15S	13E	WM	9	SE NE	N/A	801	1		11
4	15S	13E	WM	9	SE NE	N/A	804	1.15		11
4	15S	13E	WM	9	SE NE	N/A	900	1.5		11
5	15S	13E	WM	10	NW NW	N/A	202	1.42		11
5	15S	13E	WM	10	NW NW	N/A	200	3.4		11
5	15S	13E	WM	10	NW NW	N/A	201	4.38		11
6	15S	13E	WM	17	NW NW	N/A		18	37	11
6	15S	13E	WM	17	NE NW	N/A		16	37	11
7	15S	13E	WM	19	NW NE	N/A		21.35	39	11
8	15S	13E	WM	19	NE SW	N/A		0.2	39	11
9	15S	13E	WM	30	NW SE	N/A		3.45		11
							TOTAL	83.9		
**Since HB3111 lot 1002 has been partitioned into 2 tax lots now identified as 1002 and 1007.										
Appurtenant water right was adjusted accordingly.										
15-13-19 SE NW 1007 has 0.6 acres										
15-13-19 NE SW 1007 has 0.2 acres										
15-13-19 NE SW 1002 has 0.2 acres (on this transfer)										

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**Water Right Transfer Supplemental Form B
INSTREAM WATER RIGHT TRANSFER**

1. Identify the Public Use for which the instream right is desired.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Conservation, maintenance and enhancement of aquatic and fish life, wildlife, fish and wildlife habitat and any other ecological values. | <input checked="" type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Pollution Abatement | <input type="checkbox"/> Navigation |
| | <input type="checkbox"/> Other (describe) _____ |

2. List the periods and respective quantities of water to be allocated instream under the transfer.

Period	Rate (cfs)	Volume (ac-ft)*
Season 1 (1900)	0.577	
Season 2 (1900)	0.769	
Season 3 (1900)	1.424	

Period	Rate (cfs)	Volume (ac-ft)*
Total Volume		457.30

* To calculate volume, multiply the rate x the number of days in the period x 1.98.

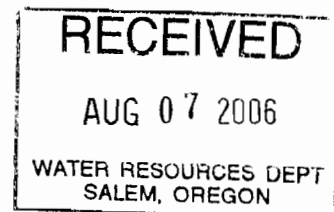
The quantity allocated during any period may not exceed the quantity that may be used under the existing right during that period. The total volume of water for the year may not exceed the total volume of water that may be used during the year under the existing right.

Additional Information: The above numbers shape the rates based on the 1900 water rights of certificate 76358. Season 3 is taken under the 1900 priority date as per COID decree. The 1907 water right provides for transmission loss per the 1933 T.E.J. Duffy decree.

3. Identify the location of the proposed instream water right. If an instream water right reach is requested, identify the upstream and downstream extent of the reach.

Water to be protected instream from COID POD # 11 to Lake Billy Chinhook

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4. If there currently is an instream water right on the same reach(es) or lake, or on a portion thereof, is the proposed transfer intended to add to the amounts of the existing instream water rights or to replace a later priority instream right, or portion thereof, with an earlier priority right?

Add to existing instream right

Replace later priority instream right

5. If the proposed conversation would add to the amounts of an existing instream water right(s) established under ORS 537.336 or 537.346, provide documentation demonstrating why additional instream flows are necessary.

This transfer shall replace a portion of instream water rights established pursuant to ORS 537.341 or 537.346 and shall be in addition to instream water rights established pursuant to ORS 537.348 or 537.470.

Supporting documentation should include information from the Department of Fish and Wildlife, Department of Environmental Quality, and/or Parks and Recreation Department.

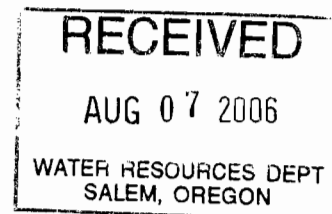
6. Please provide any recommendations for conditions on the instream water right that would avoid taking away or impairing existing permitted, certificated or decreed rights. Such conditions may include, but are not limited to, adjustments in the instream flow levels in cubic feet per second (cfs) per month or total acre-feet (ac-ft), the effective reach(es) or lake levels of the instream flow, measuring locations and the strategy for monitoring the instream flow or lake levels:

Water protected instream April 1st through October 26th.

Additional Attachments Required Pursuant to OAR Chapter 690, Division 077:

- A copy of the current recorded deed,
- If any encumbrances exist against the property to which the existing water right is appurtenant, a notarized statement of no objection from each holder of an encumbrance, and
- A map delineating the present point of diversion, the lands subject to transfer, and any lands **not** subject to the transfer. The map need not be prepared by a CWRE if a waiver is granted pursuant to OAR 690-380-3410.

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**This table will calculate flow rate factors and duty for Central Oregon Irrigation District
Instream Leases with water instream under October 31, 1900 priority date only**

Enter Total Number of Acres to be Leased Instream Here →	83.900
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Information highlighted with blue font is to be entered on to the Instream Lease Application Form

For Primary Water Right - Certificate 76358

Rate (CFS) associated with leased rights for Section 1.5 of the Lease Application Form			
Enter Rates by season and priority date on Instream Lease Form	Full Rate	October 31, 1900	December 2, 1907
Season 1	1.049	1.049	
Season 2	1.398	1.398	
Season 3	2.590	1.845	0.744
Duty (AF) associated with leased right for Section 1.5 of the Lease Application Form			
Duty (decree) AF/Acre =	9.91		
	831.45		

Rate (CFS) leased instream for Section 2.2 of the Lease Application Form		Volume (AF) leased instream for Section 2.2 of the Lease Application Form	
Enter Rates by season on Instream Lease Application Form	Full Rate if under October 31, 1900 priority date only	Enter Duty on Instream Lease Application Form	
Season 1	0.577	Duty (decree) AF/Acre = 5.45	
Season 2	0.769	Max volume =	457.30
Season 3	1.424		

Additional Conditions to Prevent Injury for Section 2.2 of the Lease Application Form				
	# days	AF/Season	9.91 AF Duty - 45% =	5.45
Season 1*	56	64.07	Total =	457.30
Season 2	30	45.76		
Season 3	123	347.46		
Season total =		457.30		
Water protected instream:	April 1 through October 26			

* Note - The number of days that water may be protected instream in Season 1 has been reduced to prevent enlargement of the right.

For Supplemental Water Right from Crane Prairie Reservoir - Certificate 76714

Duty Associated with Leased Right for Section 1.5 of the Additional Water Right Form	831.45
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Volume (AF) leased instream for Section 2.2 of the Additional Water Right Form	81.41
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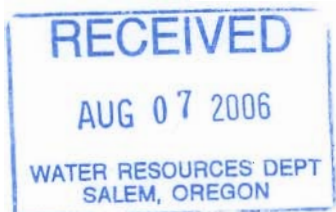


Exhibit C Deeds

Some water rights as previously included on T-9824 - Quit claim deed tracking information:

1. 14S- 13E-16 WM SE SE tax lot 403 & 414: 0.36 Acres and 0.84 Acres
Stephen Russell, Quitclaim to COID, COID to Arrowood Development
2. 14S - 13E- 26 WM NE SW tax lot 500 0.85 Acres
WT Nelson, Quitclaim to COID, COID to Arrowood Development
3. 15S-13E-08 WM NE SE tax lot 8800 & 8900 10 Acres
Community Presbyterian to COID, COID to Arrowood Development
4. 15S-13E-19 WM SE NE tax lots 801, 804, 900 3.65 Acres
Cascade Health to COID, COID to Arrowood Development
5. 15S-13E-10 WM NW NW tax lots 200, 201 & 202 9.2 Acres
Hayden Enterprises and Harold Povey to COID, COID to Arrowood Development
6. 15 S-13 E-17 NW NW tax lot 1300 18 Acres: (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Then quitclaimed to Arrowood Development, LLC
6. 15 S-13 E-17 NE NW tax lot 800 16 acres (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Then quitclaimed to Arrowood Development, LLC
7. 15 S-13 E-19 NW NE tax lot 100 21.35 acres Quitclaimed to COID (Previously on T-9824)
by James & Debra Marshall
On behalf of owners: Obsidian Group, LLC: then quit claimed to
Then quitclaimed to Arrowood Development, LLC
Notarized Lien holder consent attached.
8. 15 S-13 E -19 NE SW 1002 (0.20 acres water) (Previously on T-9824)
0.20 acres quit claimed to COID for Forked Horn, LLC
Then quitclaimed to Arrowood Development, LLC
Notarized lien holder consent attached.
9. 15S-13E-30 WM NW SE 3.45 Acres (of 11 acres) tax lot 600
Curtis to COID, COID to Arrowood Development

TOTAL 83.9 ACRES

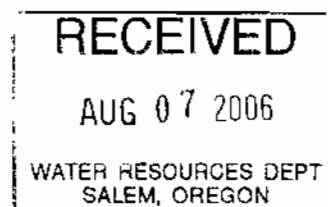


Exhibit C-1

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-61873



\$31.00

00300510200400010730020027

10/15/2004 11:22:51 AM

D-D Cnt=1 Str=4 TRACY
\$5.00 \$11.00 \$10.00 \$5.00

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



**This page must be included
if document is re-recorded.
Do Not remove from original document.**

1 10224

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

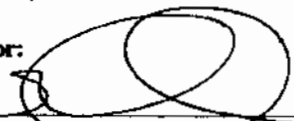
Grantor, Steven C. Russell, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands described as: That portion of Lots 8 through 12, 26 and 27 lying Northeasterly of Smith Rock Way, and all of Lots 21, 22, 23, 24 and 25 all in Block 162 of HILLMAN, Deschutes County, Oregon; release their claim and responsibility for 1.20 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands described above, to Central Oregon Irrigation District on behalf of Arrowood Development, LLC. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands described above that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application, Steven C. Russell shall no longer be liable for any district assessment or charges pertaining to the 1.20 acres of water right incurred after the date of signing and subsequent completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907 and Certificate #76714 with a priority date of February 28, 1913 located: 14-13-16 SE SE 403 (0.36 acres irrigation) and 14-13-16 SE SE 414 (0.84 acres irrigation).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: Consideration of \$ 500.00 plus COID fees paid by Arrowood Development, LLC to Grantor. COID to process future transfer of water right on behalf of water right buyer.

Grantor: 

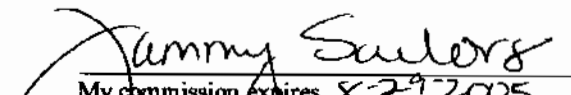
Steven C. Russell

Date 10/4/04

State of Oregon
County of Deschutes



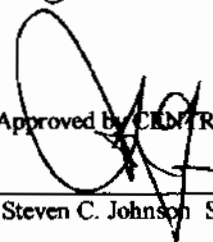
This instrument was acknowledged before me on 10-4-04 by Steven C. Russell.


My commission expires 8-29-2005

MAIL TAX STATEMENT
TO: NO CHANGE
After Recording return to:
✓ Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

T 10224

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

Approved by  CENTRAL OREGON IRRIGATION DISTRICT

Steven C. Johnson Secretary-Manager



First American

First American Title Insurance Company of Oregon

PO Box 323, Bend, OR 97709
141 NW Greenwood Ave, Bend, OR 97701
Phn - (541) 382-4201
Fax - (541) 389-5431

CASEY MAYER
TITLE OFFICER
cmayer@firstam.com

WATER TRANSFER REPORT

Central Oregon Irrigation
2598 N Hwy 97
Redmond, OR 97756

July 19, 2004
File Number: 7069-421190

Attn: Leslie

Re:
Fee \$150.00

We hereby certify that we have searched our Tract Indices as to the following described property:

That portion of Lots 8 through 12, 26 and 27 lying Northeasterly of Smith Rock Way, and all of Lots 21, 22, 23, 24, and 25 all in Block 162 of HILLMAN, Deschutes County, Oregon.

and as of July 06, 2004 at 8:00 a.m.

Vested of Record in:

Steven C. Russell

Subject to:

NOTE: Taxes for the year 2003-2004 PAID IN FULL

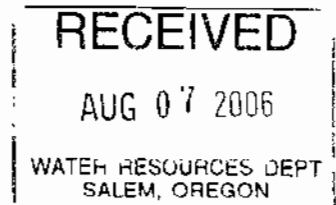
Tax Amount: \$51.71
Map No.: 14 13 16 DD 00403
Property ID: 134452
Tax Code No.: 2-012

NOTE: Taxes for the year 2003-2004 PAID IN FULL

Tax Amount: \$49.39
Map No.: 14 13 16 DD 00414
Property ID: 193749
Tax Code No.: 2-012

- 1. Taxes for the fiscal year 2004-2005 a lien due, but not yet payable.

T 10224



First American Title Insurance Company of Oregon

File No.: 7069-421190
July 19, 2004

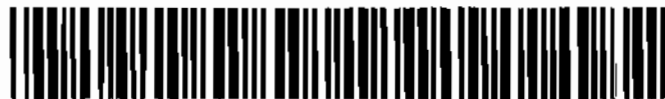
We have also searched our General Index for Judgment and State and Federal Tax Liens against the vestee and find the following:

NONE

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore. THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listings do not include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection with this Lien and Encumbrance Search and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.

T 10224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

**VOL: 2000 PAGE: 7996
RECORDED DOCUMENT**STATE OF OREGON
COUNTY OF DESCHUTES

*2000-7996 * Vol-Page

Printed: 03/01/2000 14:55:18

DO NOT REMOVE THIS CERTIFICATE

(This certificate constitutes a part of the original instrument in accordance with ORS 205.180(2). Removal of this certificate may invalidate this certificate and affect the admissibility of the original instrument into evidence in any legal proceeding.)

I hereby certify that the attached instrument was received and duly recorded in Deschutes County records:

DATE AND TIME: Mar. 1, 2000; 2:55 p.m.

RECEIPT NO: 17803

DOCUMENT TYPE: Deed

FEE PAID: \$36.00

NUMBER OF PAGES: 2

A handwritten signature in cursive script, reading "Mary Sue Penhollow".

MARY SUE PENHOLLOW
DESCHUTES COUNTY CLERK

T 10224

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

RECORDING REQUESTED BY:

2000-7996-1

WHEN RECORDED MAIL TO:

Steven Russell
19944 Birch Lane
Bend Oregon 97701

MAIL TAX STATEMENTS TO:
As Directed Above

No consideration for transfer by gift
not pursuant to sale (IRS 47.4361-2(b)(2)).

Assessor Parcel No:

GIFT TRANSFER DEED

GIFT DEED

GEORGE C. RUSSELL, Trustee of the George C. Russell 1993 Revocable Trust, dated April 9, 1993 as Grantor grants to STEVEN C. RUSSELL as grantee and to be held as his separate property all of his ownership interest in that real property situated in the County of Deschutes,, State of Oregon described as follows:

That portion of Lots 8, 9, 10, 11, 12, 26 and 27 lying Northeasterly of Smith Rock Way, and all of Lots 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, all in Block 162, HILLMAN, Deschutes County, Oregon.

ALSO all of Block 178 HILLMAN, Deschutes County Oregon.

This property is free of encumbrances, EXCEPT:

1. Regulations, including levies, liens, assessments, water and irrigation rights and easements for ditches and canals of Central Oregon Irrigation District.
2. State of Oregon Well Ownership Information Form, including the terms and provisions thereof
Dated August 27, 1996
Recorded August 28, 1996
Volume 420, Page 2896 of Official Records

This instrument will 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 departments to verify approved uses and to determine any limits on lawsuits against farming or forest practices as defined in ORS 30.930.

Dated:

2/25/2000

George C. Russell
George C. Russell

T 10224

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT SALEM, OREGON

2000-7996-2

ACKNOWLEDGEMENT

STATE OF CALIFORNIA]
COUNTY OF SHASTA]

On this 25 day of Feb, ²⁰⁰⁰0, before me _____
Misty D. Cramer, a notary public in and for the State of California, personally
appeared George C. Russell, personally known to me (or proved to me on a satisfactory
evidence) to be the person whose name are subscribed to the within instrument, and
acknowledged to me that they executed the same in their individual capacity and that
by their signature on the instrument, the person executing the instrument.

WITNESS my hand and official seal.

Signature Misty D. Cramer (SEAL)
Notary Public



RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

T 10224

Exhibit C-2

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-61872



\$41.00

00300500200400018720040047

10/15/2004 11:20:39 AM

D-D Crit#1 Str#4 TRACY
\$15.00 \$11.00 \$10.00 \$5.00

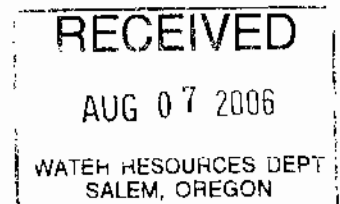
DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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if document is re-recorded.
Do Not remove from original document.

1 10224



**QUITCLAIM DEED
FOR TRANSFER OF INTEREST IN A WATER RIGHT**

Grantor, W.T. Nelson & Carol L. Nelson, as tenants by the entirety, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 0.85 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit A, to Central Oregon Irrigation District on behalf of Arrowood Development, LLC. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land will have 14.85 acres of appurtenant water right remaining.

Furthermore, upon signing of this agreement and the accompanying transfer application, W.T. Nelson & Carol L. Nelson shall no longer be liable for any district assessment or charges pertaining to the 0.85 acres of water right incurred after the date of signing and subsequent completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907 and Certificate 76714, priority date of February 28, 1913 located: 14-13-26 NE SW 500 (0.85 acres irrigation).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: Consideration \$ 450.00 to be paid to Grantor by Arrowood Development, LLC. COID to process future transfer of water right on behalf of water right buyer.

Grantor:

W. T. Nelson Date 10-4-04
W. T. Nelson

Carol L. Nelson Date 10-4-04
Carol L. Nelson

State of Oregon
County of Deschutes

This instrument was acknowledged before me on 10-4-04 by W.T. Nelson & Carol L. Nelson.



Tammy Sailors
My commission expires 8-29-2005

MAIL TAX STATEMENT
TO: NO CHANGE

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

Approved by Steven C. Johnson CENTRAL OREGON IRRIGATION DISTRICT

Steven C. Johnson Secretary-Manager

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

T 10224

Exhibit "A"

Real property in the County of Deschutes, State of Oregon, described as follows:

Commencing at the Southwest corner of Section 26, TOWNSHIP 14 SOUTH, RANGE 13 EAST, W.M., Deschutes County, Oregon, the initial point; thence North 89° 37' 51" East along the South line of the Southwest Quarter of said Section 26 – 1663.51 feet to the Southwest corner of Lot 2 of DESCHUTES COUNTY MINOR LAND PARTITION NO. MP-79-103 as per County Survey No. CS00373 and the true point of beginning; thence North 00° 05' 26" East along the West line of said Lot 2 and its prolongation – 1317.23 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc.", on the North line of the Southeast Quarter of the Southwest Quarter of said Section; thence North 89° 35' 19" East along said North line 325.00 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc."; thence North 00° 05' 26" East – 250.00 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc." on the boundary of said Lot 2; thence along said boundary as follows: North 89° 35' 19" East – 175.00 feet; thence South 00° 05' 26" West – 250.00 feet; thence North 89° 35' 19" East – 198.05 feet; thence South 11° 30' 41" West – 1346.56 feet to the South line of said Southwest Quarter; thence South 89° 37' 51" West along said South line – 431.39 feet to the true point of beginning.

Tax Parcel Number: 128361

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

L 10/24



First American

First American Title Insurance Company of Oregon

395 SW Bluff Drive, Ste 100
Bend, OR 97702
Phn - (541) 382-4201
Fax - (541) 389-5431

CASEY MAYER
TITLE OFFICER
cmayer@firstam.com

WATER TRANSFER REPORT

Central Oregon Irrigation
2598 N Hwy 97
Redmond, OR 97756

August 16, 2004
File Number: 7069-427778

Attn: Leslie

Re:
Fee \$150.00

We hereby certify that we have searched our Tract Indices as to the following described property:

The land referred to in this report is described in Exhibit A attached hereto.

and as of August 04, 2004 at 8:00 a.m.

Vested of Record in:

W.T. Nelson and Carol L. Nelson, as tenants by the entirety

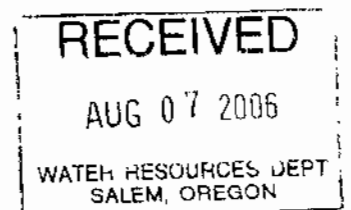
Subject to:

1. Taxes for the fiscal year 2004-2005 a lien due, but not yet payable.
2. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.
3. The premises described herein fall within the boundaries of Central Oregon Irrigation District and are subject to rules and regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals thereof.

We have also searched our General Index for Judgment and State and Federal Tax Liens against the vestee and find the following:

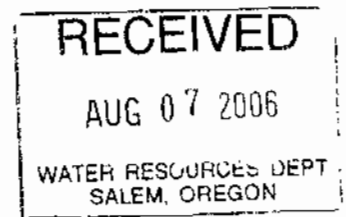
NONE

Page 1 of 3



I 10224

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore. THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listings do not include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection with this Lien and Encumbrance Search and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.



T 10224

Exhibit "A"

Real property in the County of Deschutes, State of Oregon, described as follows:

Commencing at the Southwest corner of Section 26, TOWNSHIP 14 SOUTH, RANGE 13 EAST, W.M., Deschutes County, Oregon, the initial point; thence North 89° 37' 51" East along the South line of the Southwest Quarter of said Section 26 – 1663.51 feet to the Southwest corner of Lot 2 of DESCHUTES COUNTY MINOR LAND PARTITION NO. MP-79-103 as per County Survey No. CS00373 and the true point of beginning; thence North 00° 05' 26" East along the West line of said Lot 2 and its prolongation – 1317.23 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc.", on the North line of the Southeast Quarter of the Southwest Quarter of said Section; thence North 89° 35' 19" East along said North line 325.00 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc."; thence North 00° 05' 26" East – 250.00 feet to a 1/2" pipe with a yellow cap marked "Povey & Assoc." on the boundary of said Lot 2; thence along said boundary as follows: North 89° 35' 19" East – 175.00 feet; thence South 00° 05' 26" West – 250.00 feet; thence North 89° 35' 19" East – 198.05 feet; thence South 11° 30' 41" West – 1346.56 feet to the South line of said Southwest Quarter; thence South 89° 37' 51" West along said South line – 431.39 feet to the true point of beginning.

Tax Parcel Number: 128361

I 10224

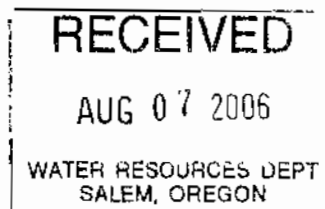


Exhibit C-3

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-62262



\$36.00

00310010200400022020030032

10/18/2004 11:29:47 AM

D-D Cnt=1 Str=4 TRACY
\$10.00 \$11.00 \$10.00 \$5.00

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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if document is re-recorded.
Do Not remove from original document.**

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

1 10224

CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED
FOR TRANSFER OF INTEREST IN A WATER RIGHT

2

Grantor, Community Presbyterian Church of the Presbytery of the Cascades, a non-profit Corp., releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands listed in Exhibit "A", release their claim and responsibility for 10.0 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit "A", to Central Oregon Irrigation District on behalf of Arrowood Development, LLC. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit "A", that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID or Arrowood, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application Community Presbyterian Church of the Presbytery of the Cascades shall no longer be liable for any district assessment or charges pertaining to the 10.0 acres of water right incurred after the date of signing and subsequent completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907 AND Certificate 76714, priority date of February 28, 1913 located: 15-13-08 NE SE 08800 (2.0 Acres irrigation) & 15-13-08 NE SE 08900 (8.0 Acres irrigation).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim is: Arrowood Development LLC paid consideration of \$9,000.00 to Grantor. COID to process transfer of water right to Arrowood Development, LLC.

Grantor:

Robert M. Vancil Date 10/6/04
Robert M. Vancil for Community Presbyterian Church of the Presbytery of the Cascades

State of Oregon
County of Deschutes

This instrument was acknowledged before me on 10 6 04 by Robert M. Vancil as Vice-President of Community Presbyterian Church of the Presbytery of the Cascades

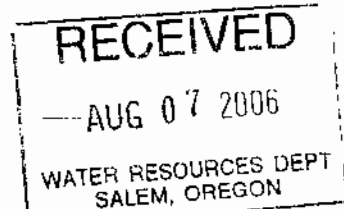


Tammy Sailors
My commission expires 8-29-2005

MAIL TAX STATEMENT
TO: NO CHANGE

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

Approved by [Signature]
CENTRAL OREGON IRRIGATION DISTRICT
Steven C. Johnson Secretary-Manager

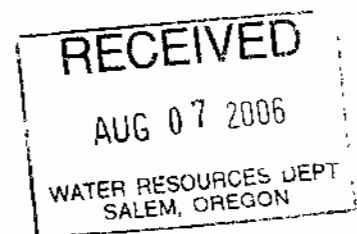


1 10224

EXHIBIT A

Commencing at the 1/4 corner of said Section 8: thence South 00° 21' 43" West a distance of 881.48 feet to the point of beginning; thence continuing South 00° 21' 43" West a distance of 440.74 feet; thence South 89° 58' 54" West a distance of 1317.21 feet; thence North 00° 20' 33" East a distance of 442.75 feet; thence South 89° 55' 52" East a distance of 1317.35 feet to the true point of beginning, in TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon

T 10224





First American Title Insurance Company of Oregon
PO Box 323, Bend, OR 97709
Street Address: 141 NW Greenwood Ave., Bend, OR 97701
(541) 382-4201 - Fax (541) 389-5431

JAN TURPIN
TITLE OFFICER
aturpin@firstam.com

WATER TRANSFER REPORT

Central Oregon Irrigation
2598 N Hwy 97
Redmond, OR 97756

April 12, 2004
File Number: 7069-353839

Attn: Leslie

Re:
Fee \$150.00

We hereby certify that we have searched our Tract Indices as to the following described property:

Commencing at the 1/4 corner of said Section 8: thence South 00° 21' 43" West a distance of 881.48 feet to the point of beginning; thence continuing South 00° 21' 43" West a distance of 440.74 feet; thence South 89° 58' 54" West a distance of 1317.21 feet; thence North 00° 20' 33" East a distance of 442.75 feet; thence South 89° 55' 52" East a distance of 1317.35 feet to the true point of beginning, in TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon

and as of April 10, 2004 at 8:00 a.m.

Vested of Record in:

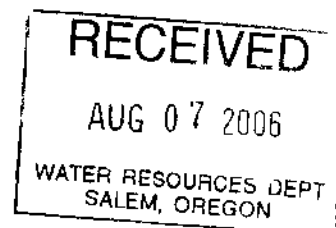
Community Presbyterian Church of the Presbytery of the Cascades, a non-profit Corp.

Subject to:

NOTE: Taxes for the year 2003-2004 Non-Assessable
Tax Amount: \$No Tax Roll Record
Map No.: 15 13 08 DA 08800
Property ID: 155042
Tax Code No.: 2-001

NOTE: Taxes for the year 2003-2004 Non-Assessable
Tax Amount: \$No Tax Roll Record
Map No.: 15 13 08 DA 08900
Property ID: 156378
Tax Code No.: 2-001

1 10224



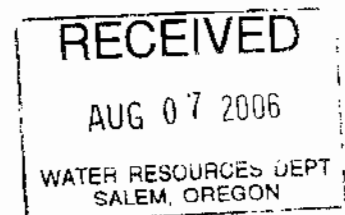
1. City liens, if any, of the City of Redmond.
2. The premises described herein fall within the boundaries of Central Oregon Irrigation District and are subject to rules and regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals thereof.

We have also searched our General Index for Judgment and State and Federal Tax Liens against the vestee and find the following:

NONE

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore. THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listings do not include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection with this Lien and Encumbrance Search and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.

I 10224

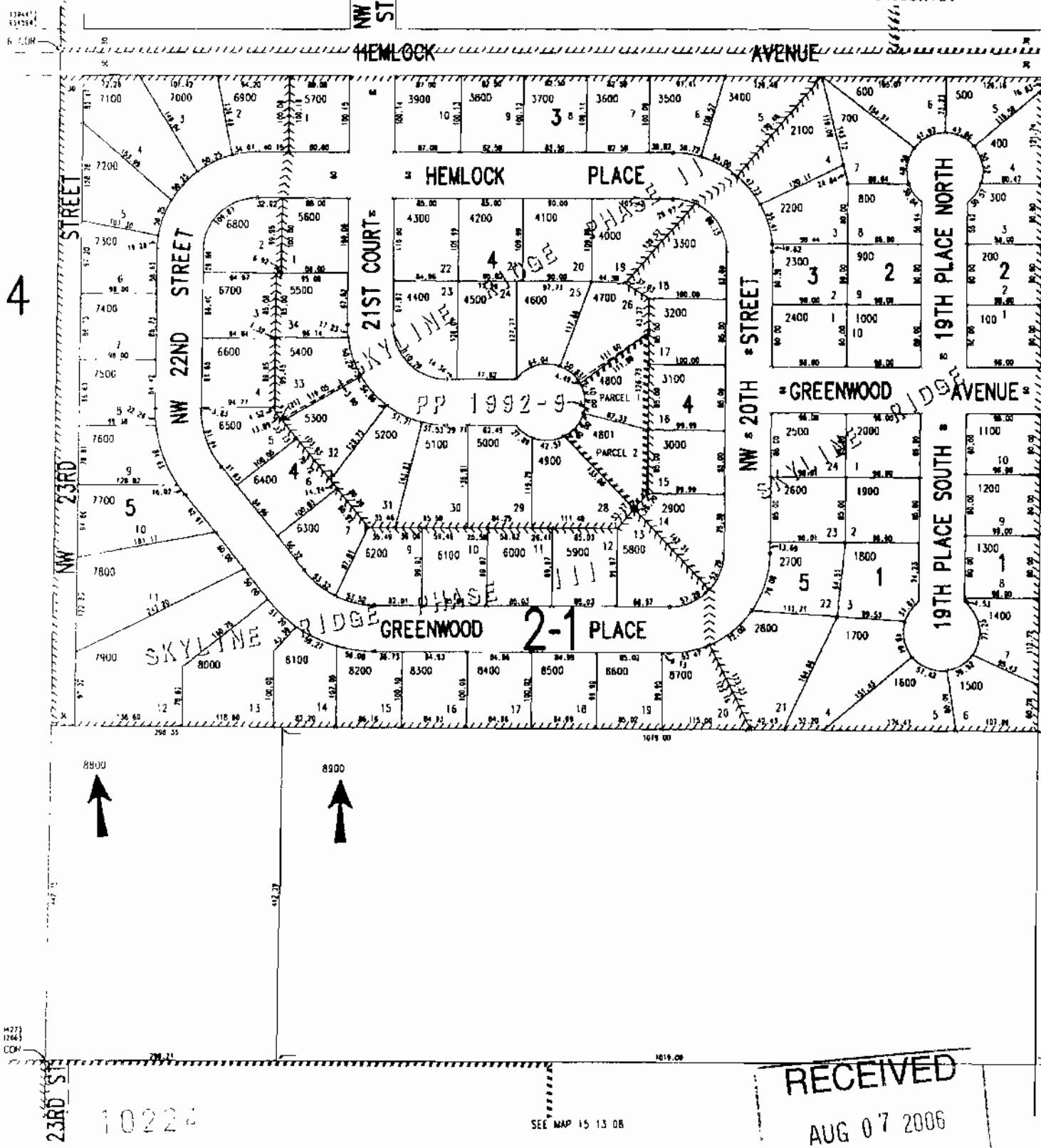
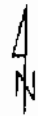


NE1/4 SE1/4 SEC. 08 T.15S. R.13E. W.M.
DESCHUTES COUNTY

1" = 100'

SEE MAP 15 13 08AD

THIS MAP IS PROVIDED AS A COURTESY
BY FIRST AMERICAN TITLE INSURANCE
COMPANY OF OREGON TO ASSIST IN
LOCATING SAID PREMISES AND THE
COMPANY ASSUMES NO LIABILITY FOR
ITS ACCURACY OR FOR MATTERS THAT
MAY BE DISCLOSED BY A SURVEY



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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON



Exhibit C-4

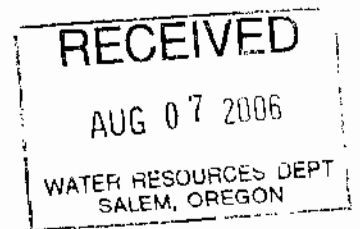
DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



This page must be included
if document is re-recorded.
Do Not remove from original document.

1 10224





MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Cascade Health Services, Inc. now known as Cascade Healthcare Community Inc., releases and quitclaims to Arrowood Development LLC, Grantee, all of Grantor's rights, title and interest in 3.65 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land listed in Exhibit A, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID except that COID's written consent shall not be withheld and shall be given to a subsequent transfer application seeking to place said water permanently instream.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will no longer have the said appurtenant water rights. If an easement is required for the delivery of water rights to the lands listed in Exhibit A, and all water rights are being removed from the lands listed in Exhibit A, Grantor and Grantee hereby release any interest in and/or to said easement.

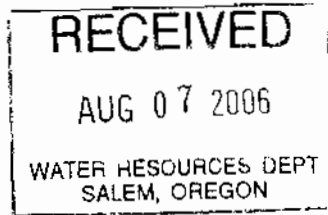
Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 3.65 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessment or charges pertaining to said 3.65 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 3.65 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-09 SE NE 801 (1.0 acres irrigation); 15-13-09 SE NE 804 (1.15 acres irrigation); 15-13-09 SE NE 900 (1.50 acres irrigation).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$ 1²²

Grantor: Thomas Saffley
Cascade Healthcare Community Inc.

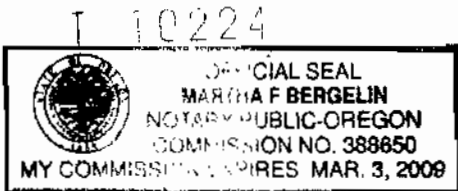
Date 5/14/05



State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on 5-14-05 by Thomas Saffley
as SEVP Finance for Cascade Healthcare Community Inc.

Martha F Bergelin
Notary Public



Grantee:

[Handwritten Signature]

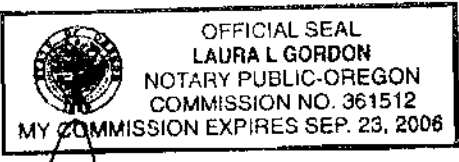
Date 3/31/05

Arrowood Development LLC

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on March 31, 2005 by [Handwritten Name]
as [Handwritten Name] for Arrowood Development LLC.

[Handwritten Signature]
Notary Public



APPROVED:

[Handwritten Signature]

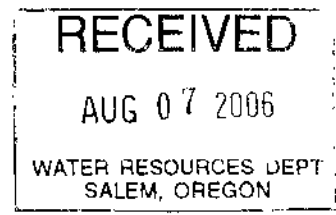
Date 5-17-2005

Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 17, 2005 by Steven C. Johnson as Secretary-Manager
for Central Oregon Irrigation District.

[Handwritten Signature]
Notary Public



1 10224

EXHIBIT "A"

Parcel I:

A parcel of land situate in the East Half of the Southeast Quarter of the Northeast Quarter (E1/2 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, Deschutes County, Oregon, bounded on the East by the West right of way of "Canal Blvd." and now to be more particularly described as follows:

Commencing at the Northeast corner of the Southeast Quarter of the Northeast Quarter of said Section 9, the initial point; thence North 89°28'15" West along the North line of the Southeast Quarter of the Northeast Quarter, 31.00 feet; thence South 03°52'04" West along the West line of said "Canal Blvd.", 150.06 feet to the true point of beginning; thence South 03°52'04" West along the said West line of "Canal Blvd.", 135.18 feet; thence North 89°28'15" West, 388.00 feet; thence North 03°52'04" East, 135.18 feet; thence South 89°28'15" East, 388.00 feet to the West line of said "canal Blvd.", the point of beginning.

Parcel II:

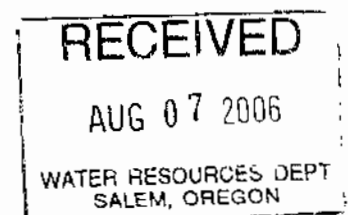
That portion of the South 45 feet of the North Half of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (N1/2 NE1/4 SE1/4 NE1/4), and that portion of the North Half of the South Half of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (N1/2 S1/2 NE1/4 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, lying and being East of the Lateral D-2 of Central Oregon Irrigation District as now located and established in Deschutes County, Oregon.

Parcel III:

A portion of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (NE1/4 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, Deschutes County, Oregon, described as follows:

Beginning at the intersection of the Westerly right of way boundary of the Old Dalles-California Highway with Southerly right of way boundary of Conlon Road; thence West along said Southerly right of way boundary of Conlon Road, a distance of 388 feet to a point; thence South along a line parallel to the West right of way boundary of the Old Dalles-California Highway, a distance of 130 feet to a point; thence East along a line parallel to the Southerly right of way boundary of Conlon Road, a distance of 388 feet to a point on the west right of way boundary of the Old Dalles-California Highway; thence Northerly along said West right of way boundary, a distance of 130 feet to the point of beginning.

T 10224




Part Of The FLD-WFN Family
IRRIGATION DISTRICT REPORT

CENTRAL OREGON IRRIGATION DISTRICT
2598 N HWY 97
REDMOND, OR 97756

December 21, 2004
Title Number : 072273
Title Officer : DEBBY DAVIDSON

Attn: LESLIE CLARK

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

See Attached Exhibit "A"

and dated as of December 13 2004 at 7:30 a.m.

We find that the last deed of record runs to:

CASCADE HEALTH SERVICES, INC., an Oregon nonprofit corporation

We also find the following apparent encumbrances within ten years prior to the effective date hereof:

NONE

We have also searched our General Index for judgments and state and federal tax liens against the above named grantees and find the following:

NONE

We also find the following unpaid taxes and city liens:

Taxes assessed under Code No. 2-039 Map and Tax Lot Number 15 13 09A0 00801
Account No. 122298

NOTE: The 2004-2005 Taxes: \$1,283.36, PAID IN FULL.

Taxes assessed under Code No. 2-039 Map and Tax Lot Number 15 13 09A0 00804
Account No. 122315

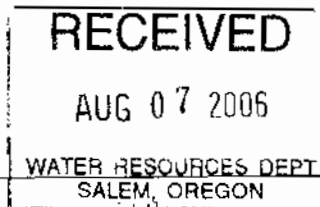
NOTE: The 2004-2005 Taxes: \$641.43, PAID IN FULL.

Taxes assessed under Code No. 2-039 Map and Tax Lot Number 15 13 09A0 00900
Account No. 122314

NOTE: The 2004-2005 Taxes: \$1,139.94, PAID IN FULL.

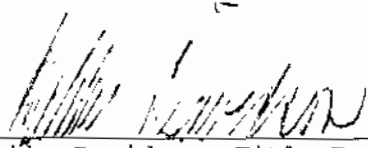
City Liens, if any, of the city of Redmond. (No inquiry has been made, and if search is requested, a charge of \$30.00 will be added.)

T 10224



NOTE: This Irrigation District Report is being made with the understanding that it does not represent any form of title insurance and is not a commitment for a policy of insurance. The information provided herein is not a full examination of the subject property. Further, if any person, corporation or entity of any kind should use this report as a basis to produce a title insurance product, it should be understood that it is clearly outside of Oregon law. Any liability hereunder is limited to the amount paid for said report.

AmeriTitle

By: 
Debby Davidson, Title Examiner
DD:kg

"Superior Service with Commitment and Respect for Customers and Employees"

T 0224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

EXHIBIT "A"

Parcel I:

A parcel of land situate in the East Half of the Southeast Quarter of the Northeast Quarter (E1/2 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, Deschutes County, Oregon, bounded on the East by the West right of way of "Canal Blvd." and now to be more particularly described as follows:

Commencing at the Northeast corner of the Southeast Quarter of the Northeast Quarter of said Section 9, the initial point; thence North 89°28'15" West along the North line of the Southeast Quarter of the Northeast Quarter, 31.00 feet; thence South 03°52'04" West along the West line of said "Canal Blvd.", 150.06 feet to the true point of beginning; thence South 03°52'04" West along the said West line of "Canal Blvd.", 135.18 feet; thence North 89°28'15" West, 388.00 feet; thence North 03°52'04" East, 135.18 feet; thence South 89°28'15" East, 388.00 feet to the West line of said "canal Blvd.", the point of beginning.

Parcel II:

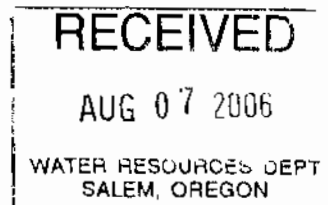
That portion of the South 45 feet of the North Half of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (N1/2 NE1/4 SE1/4 NE1/4), and that portion of the North Half of the South Half of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (N1/2 S1/2 NE1/4 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, lying and being East of the Lateral D-2 of Central Oregon Irrigation District as now located and established in Deschutes County, Oregon.

Parcel III:

A portion of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter (NE1/4 SE1/4 NE1/4) of Section Nine (9), Township Fifteen (15) South, Range Thirteen (13) East of the Willamette Meridian, Deschutes County, Oregon, described as follows:

Beginning at the intersection of the Westerly right of way boundary of the Old Dalles-California Highway with Southerly right of way boundary of Conlon Road; thence West along said Southerly right of way boundary of Conlon Road, a distance of 388 feet to a point; thence South along a line parallel to the West right of way boundary of the Old Dalles-California Highway, a distance of 130 feet to a point; thence East along a line parallel to the Southerly right of way boundary of Conlon Road, a distance of 388 feet to a point on the West right of way boundary of the Old Dalles-California Highway; thence Northerly along said West right of way boundary, a distance of 130 feet to the point of beginning.

T 10224



THE DALLES



COMPLIMENTS OF
AmeriTitle

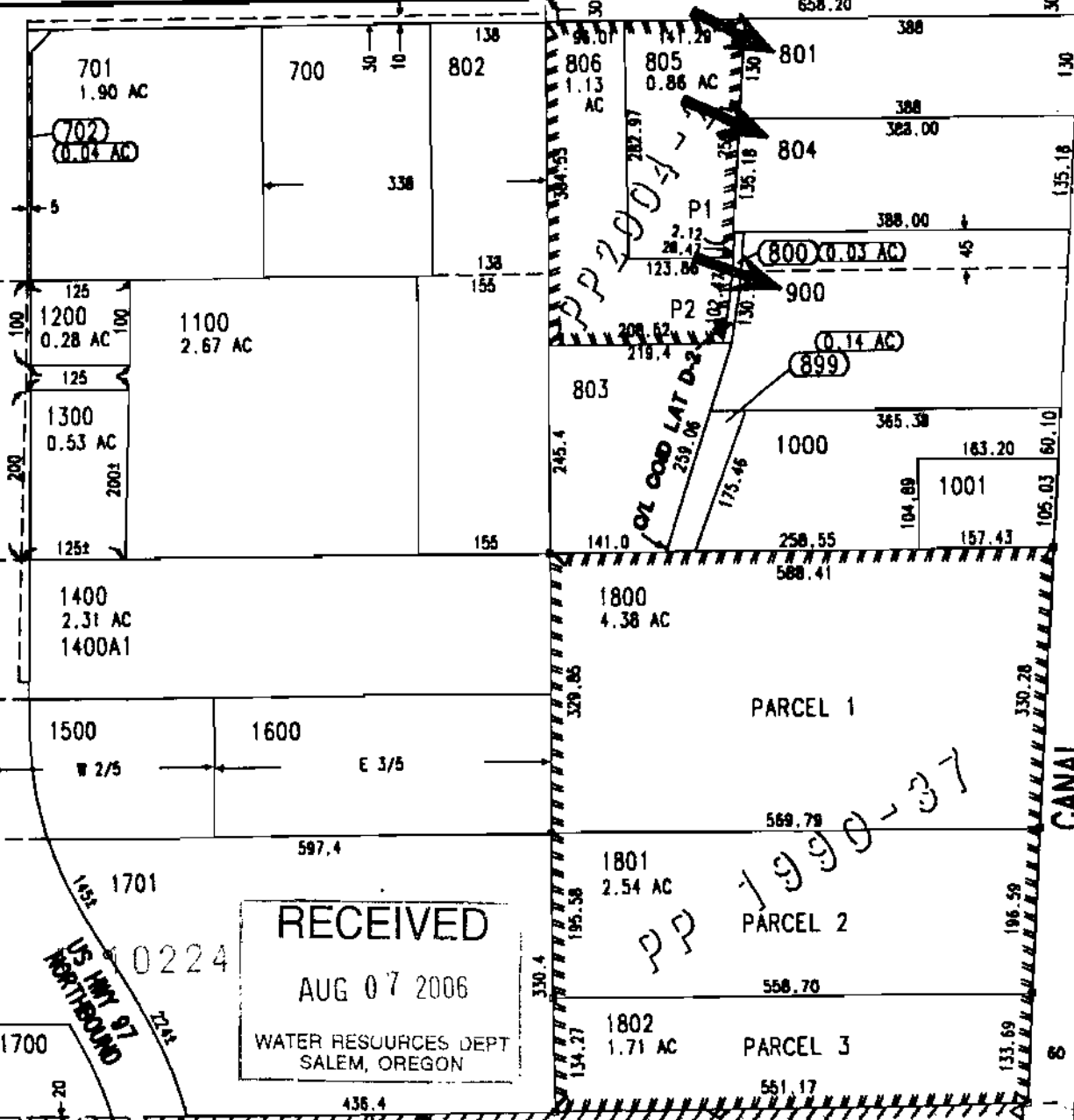
This sketch is furnished
for information purposes
only to assist in property
location with reference to
streets and other parcels.
No representation is
made as to accuracy and
the Company assumes no
liability for any loss
occurring by reason
of reliance thereon.

2-39

KINGWOOD

AVENUE

BOULEVARD



US HIGHWAY 97

6TH ST

5TH ST

4TH ST

PILOT BUTTE CANAL

CANAL

2

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WATER RESOURCES DEPT
SALEM, OREGON

SEE MAP 15 13 09DA

Exhibit C-5

HAROLD & ZELL POVEY
DESCHUTES CO. RECORDING # 2003-35022
10.22 ACRES IRRIGATION TO CENTRAL OREGON IRRIGATION DISTRICT

Beginning Balance: 10.22
T-9748 - 0.50
T-9883 -8.30

Remaining: 1.42 Sold to Arrowood Development for pending mitigation transfer

T 10224

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WATER RESOURCES DEPT
SALEM, OREGON

CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantors, Harold B. Povey & Zell Povey, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands described in Exhibit "A", release their claim and responsibility for 10.22 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands described in Exhibit "A", to Central Oregon Irrigation District. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands described in Exhibit "A", that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application, Harold B. Povey & Zell Povey shall no longer be liable for any district assessment or charges pertaining to the 10.22 acres of water right incurred after the date of signing and subsequent completion of transfer. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, located: 15-13-10 NW NW 201 (0.22 acres water right); 15-13-10 NW NW 202 (10.0 acres water right).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim is: COID to process transfer, consideration to be paid to Grantor by water right buyer.

Grantor:

Harold B. Povey Date 5-13-03
Zell Povey Date 5-13-03

State of Oregon
County of Deschutes

This instrument was acknowledged before me on May 13 2003 by Harold B. Povey & Zell Povey.

MAIL TAX STATEMENT
TO: NO CHANGE



Leslie Clark
My commission expires 2-5-2004

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2003-35022



\$36.00

00187846200300150220020022 05/27/2003 11:45:42 AM

D-D Cnt=1 Stn=2 TIFFANY
\$10.00 \$11.00 \$10.00 \$5.00

T 10224

EXHIBIT "A"

Parcel 2 & 3, Partition Plat No. 2002-8, Deschutes County, Oregon.

1 10224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON



DESCHUTES DIVISION

141 N.W. Greenwood, P. O. Box 323, Bend OR 97709

Phone: (541)382-4201

Title Fax: (541)385-9932

Escrow Fax: (541)389-5431

February 13, 2003

CENTRAL OREGON IRRIGATION DISTRICT
ATTN TAMMY
2598 N HIGHWAY 97
REDMOND OR 97756

Re: Order No. 173538-KDG

Fee: \$150.00

SUPPLEMENTAL #1
WATER RIGHTS TRANSFER REPORT

We hereby certify that we have searched our Tract Indices as to the following described property:

Parcels 1, 2 and 3 of Partition Plat No. 2002-8, filed January 25, 2002 and being located in the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 10, TOWNSHIP 15 SOUTH, RANGE 13, EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon.

And as of January 30, 2003 at 8:00 A.M.

We find that the last deed of record runs to:

HAROLD B. POVEY and ZELL POVEY
an estate in fee simple
as tenants by the entirety

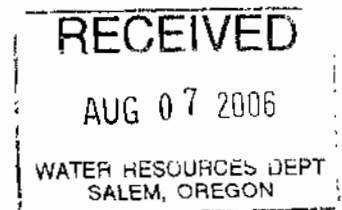
We also find the following apparent encumbrances appearing of record within ten years prior to the date of this search:

NOTE: Taxes assessed under Serial No. 129788
Account No. : 2-040 15 13 10 B0 00200
2001-2002 Taxes : \$500.54, PAID IN FULL.
(Affects portions of Parcels 1 and 2)

NOTE: Taxes assessed under Serial No. 167204
Account No. : 2-040 15 13 10 B0 00201
2001-2002 Taxes : \$224.63, PAID IN FULL.
(Affects portions of Parcels 1, 2 and 3)

NOTE: Taxes assessed under Serial No. 205349
Account No. : 2-040 15 13 10 B0 00202
2001-2002 Taxes : No Tax Roll Record
(Taxes currently assessed under Tax Lots 200 and 201.)

T 10224

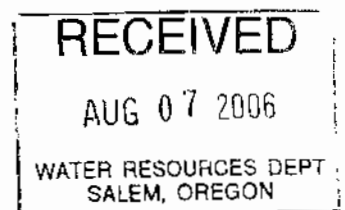


NOTE: Mobile Home taxes paid in full for the year 2001-2002

Original Amount : \$382.08
Mobile Home No. : M 2-004 234512
Serial No. : 191127
(Assessed to Judy Dillman.)

1. 2002-2003 Taxes, a lien as of July 1, 2002, but not yet payable.
2. As disclosed by the tax roll, the premises herein have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property may be subject to additional taxes and interest thereon.
3. The premises described herein fall within the boundaries of Central Oregon Irrigation District and are subject to rules and regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals thereof.
4. An easement for transmission lines and substations, including the terms and provisions thereof, as disclosed by Quitclaim Deed,
 - Dated : October 17, 1961
 - Recorded : January 26, 1962 in Book 130 Page 35
 - From : The United States of America
 - To : Pacific Power & Light Company, its successors and assigns
5. Shared Water Agreement, including the terms and provisions thereof,
 - Dated : November 14, 2001
 - Recorded : December 17, 2001 in Book 2001 Page 62164
 - By and Between : Harold B. Povey and Zell Povey
 (Affects Parcels 1 and 2)
6. Agreement to Participate in the formation of a Local Improvement District, including the terms and provisions thereof,
 - Recorded : January 9, 2002 in Book 2002 Page 01320
 - First Party : Harold B. Povey and Zell Povey
 - Second Party : City of Redmond, Oregon
7. Easements as delineated and/or dedicated on the official plat.
8. Any improvement located upon the insured property, which is described or defined as a mobile home under the provisions of Chapter 820, Oregon Revised Statutes, is subject to registration as therein provided.
9. Real Estate Contract, including the terms and provisions thereof, a memorandum of which was
 - Dated : May 29, 2002
 - Recorded : June 3, 2002 in Book 2002 Page 29939
 - Vendor : Harold B. Povey and Zell Povey aka Edna Zell Povey, husband and wife
 - Vendee : Hayden Enterprises, Inc., an Oregon corporation

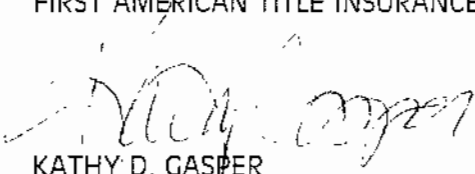
1 10224



We have also searched our General Index for judgments and State and Federal Tax Liens against the above named grantee and find the following: NONE.

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore.

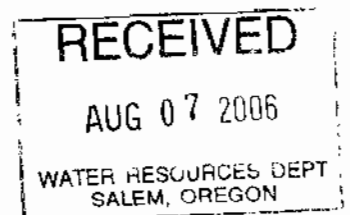
FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON

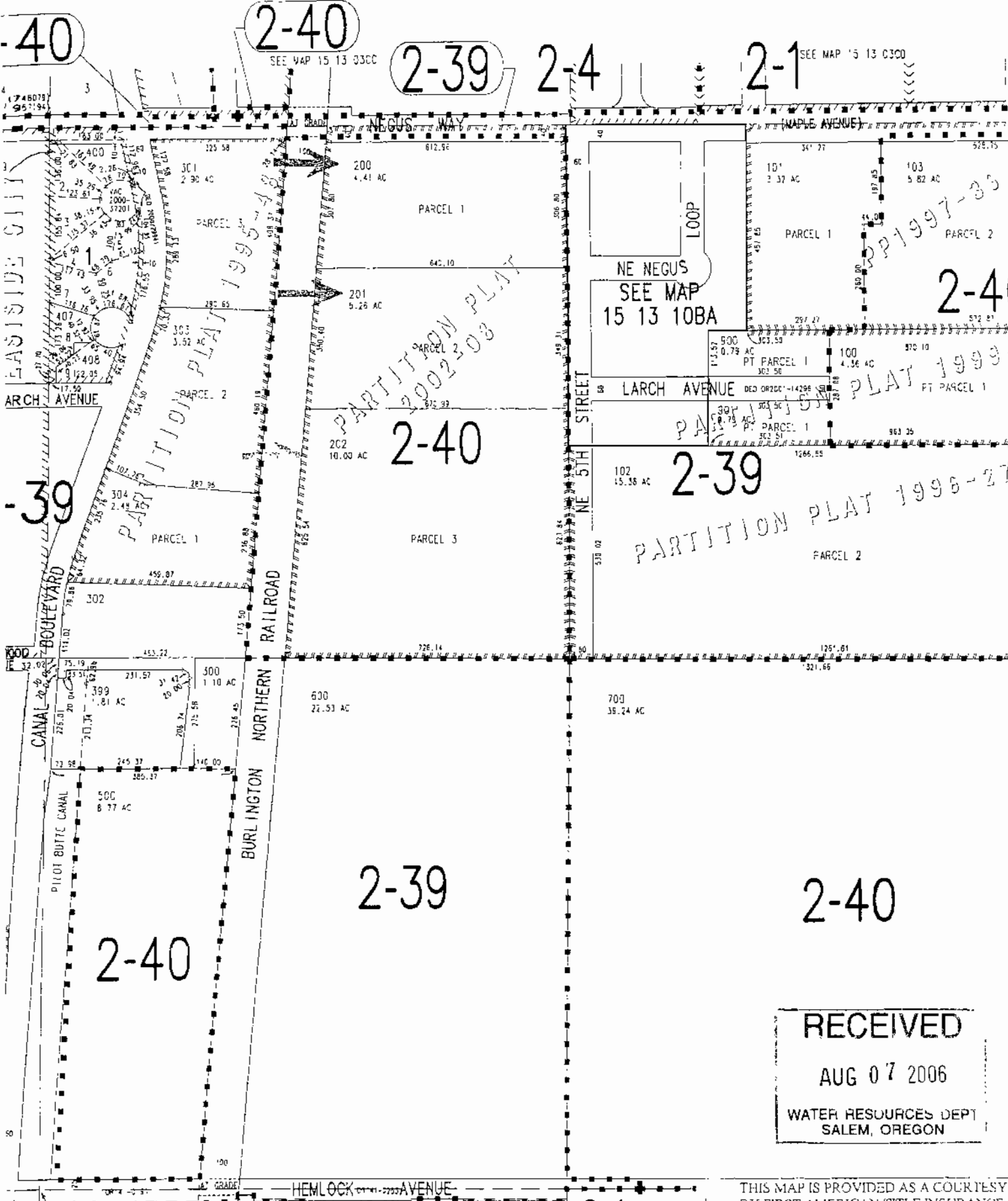


KATHY D. GASPER
Title Examiner
Bend Office
email: kgasper@firstam.com

KDG:maw

1 10224





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 AUG 07 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

THIS MAP IS PROVIDED AS A COURTESY BY FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON TO ASSIST IN LOCATING SAID PREMISES AND THE COMPANY ASSUMES NO LIABILITY FOR ITS ACCURACY OR FOR MATTERS THAT MAY BE DISCLOSED BY A SURVEY

4 CCR (4748064) 9541555
 2-39 : 2-40 : 2-39 : 2-40 : 2-1 :
 T 10224
 SEE MAP '5 13 10CB

1 10224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

MEMORANDUM OF CONTRACT

SELLERS: HAROLD B. POVEY and ZELL POVEY, aka Edna Zell Povey, husband and wife, residing at 701 NE Nickernut Place, Redmond, OR 97756
PURCHASER: HAYDEN ENTERPRISES, INC., an Oregon Corporation, whose address 2622 SW Glacier Place #10, Redmond, OR 97756.
DATED: May 29, 2002
CONSIDERATION: \$820,000.00

Notice is hereby given that the SELLERS have sold to the PURCHASER, for the consideration stated above, pursuant to the terms and conditions of a Contract of Sale executed on the 29th day of May, 2002, the following described real property.

Parcels 1, 2 and 3, Partition Plat No. 2002-8, Deschutes County, Oregon.

Until further notice, tax statements shall be sent to the following address: Hayden Enterprises, Inc., 2622 SW Glacier Place #10, Redmond, OR 97756

The tax account number for the above described property is: 15-13-10-B-200, 15-13-10-B-201 and 15-13-10-B-202.

IN WITNESS WHEREOF, the foregoing instrument was signed on the date first mentioned above.

SELLERS:

PURCHASER: HAYDEN ENTERPRISES, INC., an Oregon Corporation,

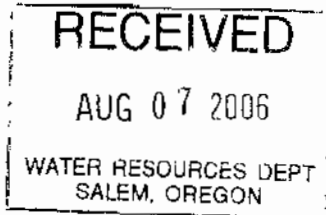
Handwritten signatures of Harold B. Povey and Zell Povey over their printed names.

By: Vickie Gibbs, Agent; Hayden Watson, President; Vickie Gibbs, Agent

STATE OF OREGON)
) ss
County of Deschutes)

On the 30 day of May, 2002, HAROLD B. POVEY and ZELL POVEY appeared before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public for Oregon
STATE OF OREGON)
) ss
County of Deschutes)



Personally appeared before me this 30 day of May, 2002, Vickie Gibbs, who, being duly sworn did say that he is the President of HAYDEN ENTERPRISES, INC., an Oregon Corporation and that said instrument was signed on behalf of said corporation by authority of its present board of directors; and he acknowledges said instrument to be its voluntary act and deed.
*Controller/Agent

Before me:

Notary Public for Oregon



AFTER RECORDING RETURN TO: Stanley E. Clark, Attorney At Law, P.O. Box 668, Redmond, OR 97756

Page 1 of 1, Memorandum Of Contract

120043802
RECORDED BY:

WESTERN TITLE & ESCROW CO.

DESCHUTES COUNTY OFFICIAL RECORDS
MARY SUE PENHOLLOW, COUNTY CLERK
2002-29939
\$31.00
06/03/2002 11:18:33 AM
D-COMM Cnt=1 Str=4 SHIRLEY
\$5.00 \$11.00 \$10.00 \$5.00

T 10224



After recording return to:
Hayden Enterprises, Inc.
2622 Glacier Place Ste. 110
Redmond, OR 97756

Until a change is requested all tax statements shall be sent to the following address:

Hayden Enterprises, Inc.
2622 Glacier Place Ste. 110
Redmond, OR 97756

212

Escrow No. 0220726 JB
 Title No. 171616 MP
 COUNTY OF DESCHUTES
 COUNTY CLERK
 1000 1/2 N. 3rd St.
 REDMOND, OR 97756

THIS SPACE RESERVED FOR RECORDER'S USE

DESCHUTES COUNTY OFFICIAL RECORDS
 NANCY BLANKENSHIP, COUNTY CLERK

2003-00221

\$36.00

01/02/2003 03:02:09 PM

D-D Cnt#1 St#4 BECKEY
 \$10.00 \$11.00 \$10.00 \$5.00

STATUTORY SPECIAL WARRANTY DEED

Harold B. Povey and Zell Povey, husband and wife, Grantor, conveys and specially warrants to Hayden Enterprises, Inc., Grantee, the following described real property free of encumbrances created or suffered by the grantor except as specifically set forth herein:

See Exhibit "A" attached hereto and made a part hereof

This Deed is being given in partial fulfillment of that Contract of Sale between the parties dated May 29, 2002, recorded June 3, 2002 in Book 2002, Page 29939/Fee No. 2002-29939 and the warranties hereof shall be construed as of the date of said Contract.

THIS INSTRUMENT WILL 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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

The true consideration for this conveyance is partial fulfillment, as referenced above.

Dated this 2 day of JANUARY, 2003.

By: Harold B. Povey
 Harold B. Povey

By: Zell Povey
 Zell Povey

RECEIVED
 AUG 07 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

STATE OF OREGON } ss.
 County of Deschutes

This instrument was acknowledged before me on this 2 day of JANUARY, 2003
 by Harold B. Povey and Zell Povey



Linda Anderson
 Notary Public for Oregon
 My commission expires: 01-22-06

T 10224

EXHIBIT A

LEGAL DESCRIPTION

Description of a parcel of land situated in the NW¼ NW¼ of SECTION 10, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, being Parcel 1 and a portion of Parcel 2 of Deschutes County Partition Plat No. 2002-08, more particularly described as follows:

Commencing at a 3/4" pipe monumenting the Northwest corner of Parcel 1 of Deschutes County Partition Plat No. 2002-08, from which a 3/4" aluminum cap monumenting the Northwest corner of Section 10, Township 15 South, Range 13 East of the Willamette Meridian bears N04°20'41"E - 40.13 feet and S89°48'02"W - 699.40 feet, said 3/4" pipe being the Initial Point as well as the POINT OF BEGINNING; thence N89°48'02"E along the South line of the North 40 feet of the NW¼ of the NW¼ of said Section 10 - 612.96 feet to the West right-of-way of NE 5th Street, being 30 feet from the centerline of said roadway; thence S00°42'48" E along said West right-of-way - 540.54 feet; thence S89°17'12" W - 240.00 feet; thence N85°04'10"W - 50.24 feet; thence S89°17'12"W - 105.06 feet; thence N85°39'19"W - 104.73 feet; thence N68°07'30"W - 52.44 feet; thence N85°39'19"W - 110.00 feet to the East right-of-way of the Burlington Northern - Santa Fe Railroad, being 50 feet from the centerline of said railway; thence N04°20'41"E along said East right-of-way - 503.99 feet to the POINT OF BEGINNING.

SUBJECT TO:

Shared Well Agreement, Including the terms and provisions thereof, Dated November 14, 2001 Recorded December 17, 2001 in Book 2001 Page 62164 By and Between Harold B. Povey and Zell Povey. (Affects Parcels 1 and 2)

Agreement to participate in the formation of a Local Improvement District, including the terms and provisions thereof, Recorded January 9, 2002 in Book 2002 Page 01320
First Party: Harold B. Povey and Zell Povey
Second Party: City of Redmond, Oregon

Easements as delineated and/or dedicated on the Official Plat.

T 10224

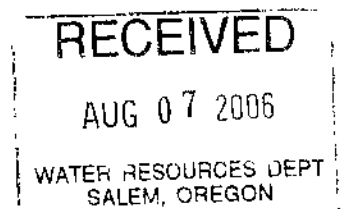


Exhibit C-5

CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantors, Hayden Enterprises, Inc., releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands described in Exhibit "A", release their claim and responsibility for 7.78 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands described in Exhibit "A", to Central Oregon Irrigation District. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

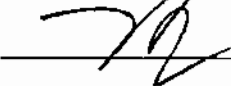
By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands described in Exhibit "A", that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application, Hayden Enterprises, Inc., shall no longer be liable for any district assessment or charges pertaining to the 7.78 acres of water right incurred after the date of signing and subsequent completion of transfer. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, located: 15-13-10 NW NW 200 (3.4 acres water right) 15-13-10 NW NW 201 (4.38 acres water right).

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim is: COID to process transfer, consideration to be paid to Grantor by water right buyer.

Grantor:



Date 4/30/03

Date _____

State of Oregon
County of Deschutes

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

This instrument was acknowledged before me on April 30, by Hayden Watson as the CEO of Hayden Enterprises, Inc.

MAIL TAX STATEMENT
TO: NO CHANGE

Kimberly Guthrie
My commission expires 7-18-2003



After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2003-29755



\$36.00

00101101200300207500020020

05/05/2003 02:46:43 PM

D-D Cnt=1 Str=2 PAM
\$10.00 \$11.00 \$10.00 \$5.00

1 10224

EXHIBIT A

LEGAL DESCRIPTION

Description of a parcel of land situated in the NW¼ NW¼ of SECTION 10, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, being Parcel 1 and a portion of Parcel 2 of Deschutes County Partition Plat No. 2002-08, more particularly described as follows:

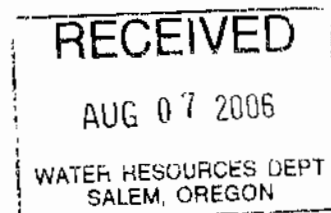
Commencing at a 3/4" pipe monumenting the Northwest corner of Parcel 1 of Deschutes County Partition Plat No. 2002-08, from which a 5/4" aluminum cap monumenting the Northwest corner of Section 10, Township 15 South, Range 13 East of the Willamette Meridian bears N04°20'41"E - 40.13 feet and S89°48'02"W - 699.40 feet, said 3/4" pipe being the Initial Point as well as the POINT OF BEGINNING; thence N89°48'02"E along the South line of the North 40 feet of the NW¼ of the NW¼ of said Section 10 - 612.96 feet to the West right-of-way of NE 5th Street, being 30 feet from the centerline of said roadway; thence S00°42'48" E along said West right-of-way - 540.54 feet; thence S89°17'12" W - 240.00 feet; thence N85°04'10"W - 50.24 feet; thence S89°17'12"W - 105.08 feet; thence N85°39'19"W - 104.73 feet; thence N68°07'30"W - 52.44 feet; thence N85°39'19"W - 110.00 feet to the East right-of-way of the Burlington Northern - Santa Fe Railroad, being 50 feet from the centerline of said railway; thence N04°20'41"E along said East right-of-way - 505.99 feet to the POINT OF BEGINNING.

SUBJECT TO:

Shared Well Agreement, Including the terms and provisions thereof, Dated November 14, 2001 Recorded December 17, 2001 in Book 2001 Page 62164 By and Between Harold B. Povey and Zell Povey. (Affects Parcels 1 and 2)

Agreement to participate in the formation of a Local Improvement District, including the terms and provisions thereof, Recorded January 9, 2002 in Book 2002 Page 01320
First Party: Harold B. Povey and Zell Povey
Second Party: City of Redmond, Oregon

Easements as delineated and/or dedicated on the Official Plat.



T 10224



First American Title Insurance Company of Oregon

An assumed business name of TITLE INSURANCE COMPANY OF OREGON

DESCHUTES DIVISION

141 N.W. Greenwood, P. O. Box 323, Bend OR 97709

Phone: (541)382-4201

Title Fax: (541)385-9932

Escrow Fax: (541)389-5431

February 13, 2003

CENTRAL OREGON IRRIGATION DISTRICT
ATTN TAMMY
2598 N HIGHWAY 97
REDMOND OR 97756

Re: Order No. 173538-KDG

Fee: \$150.00

SUPPLEMENTAL #1 WATER RIGHTS TRANSFER REPORT

We hereby certify that we have searched our Tract Indices as to the following described property:

Parcels 1, 2 and 3 of Partition Plat No. 2002-8, filed January 25, 2002 and being located in the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 10, TOWNSHIP 15 SOUTH, RANGE 13, EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon.

And as of January 30, 2003 at 8:00 A.M.

*15-13-10 NW1/4 NW1/4 (3-1)
15-13-10 NW1/4 NW1/4 (1-3)*

We find that the last deed of record runs to:

HAROLD B. POVEY and ZELL POVEY
an estate in fee simple
as tenants by the entirety

*Contract on file
with Deschutes Irrigation District*

We also find the following apparent encumbrances appearing of record within ten years prior to the date of this search:

NOTE: Taxes assessed under Serial No. 129788
Account No. : 2-040 15 13 10 B0 00200
2001-2002 Taxes : \$500.54, PAID IN FULL.
(Affects portions of Parcels 1 and 2)

NOTE: Taxes assessed under Serial No. 167204
Account No. : 2-040 15 13 10 B0 00201
2001-2002 Taxes : \$224.63, PAID IN FULL.
(Affects portions of Parcels 1, 2 and 3)

NOTE: Taxes assessed under Serial No. 205349
Account No. : 2-040 15 13 10 B0 00202
2001-2002 Taxes : No Tax Roll Record
(Taxes currently assessed under Tax Lots 200 and 201.)

1 10224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

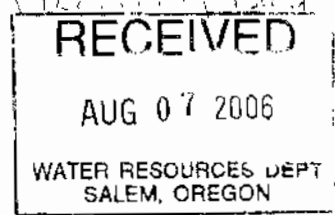
NOTE: Mobile Home taxes paid in full for the year 2001-2002

Original Amount : \$382.08
Mobile Home No. : M 2-004 234512
Serial No. : 191127
(Assessed to Judy Dillman.)

1. 2002-2003 Taxes, a lien as of July 1, 2002, but not yet payable.
2. As disclosed by the tax roll, the premises herein have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property may be subject to additional taxes and interest thereon.
3. The premises described herein fall within the boundaries of Central Oregon Irrigation District and are subject to rules and regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals thereof.
4. An easement for transmission lines and substations, including the terms and provisions thereof, as disclosed by Quitclaim Deed,
Dated : October 17, 1961
Recorded : January 26, 1962 in Book 130 Page 35
From : The United States of America
To : Pacific Power & Light Company, its successors and assigns
5. Shared Water Agreement, including the terms and provisions thereof,
Dated : November 14, 2001
Recorded : December 17, 2001 in Book 2001 Page 62164
By and Between : Harold B. Povey and Zell Povey
(Affects Parceis 1 and 2)
6. Agreement to Participate in the formation of a Local Improvement District, including the terms and provisions thereof,
Recorded : January 9, 2002 in Book 2002 Page 01320
First Party : Harold B. Povey and Zell Povey
Second Party : City of Redmond, Oregon
7. Easements as delineated and/or dedicated on the official plat.
8. Any improvement located upon the insured property, which is described or defined as a mobile home under the provisions of Chapter 820, Oregon Revised Statutes, is subject to registration as therein provided.
9. Real Estate Contract, including the terms and provisions thereof, a memorandum of which was
Dated : May 29, 2002
Recorded : June 3, 2002 in Book 2002 Page 29939
Vendor : Harold B. Povey and Zell Povey aka Edna Zell Povey, husband and wife
 Vendee : Hayden Enterprises, Inc., an Oregon corporation

See attached safekeeping agreement for details

10224



We have also searched our General Index for judgments and State and Federal Tax Liens against the above named grantee and find the following: NONE.

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore.

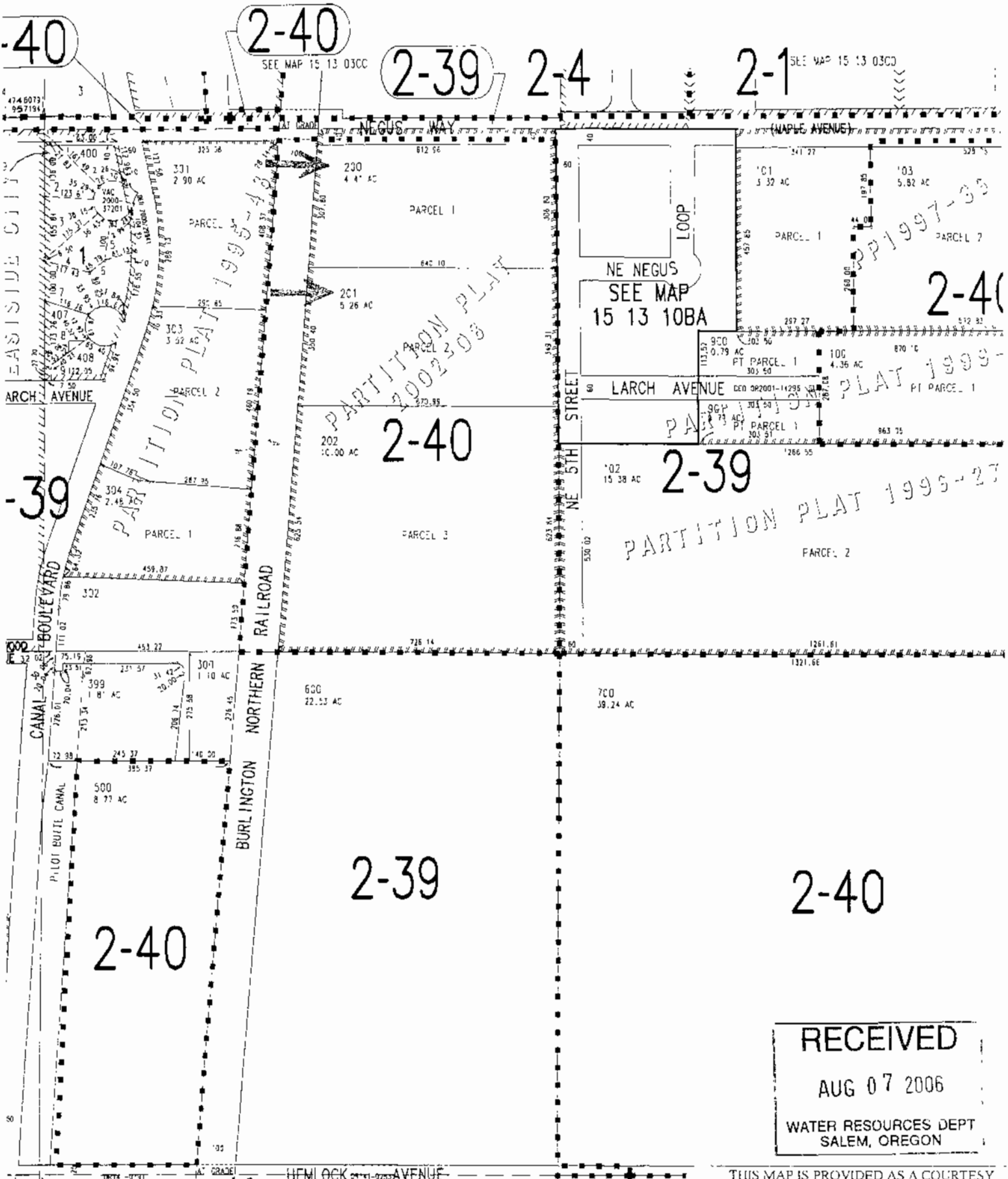
FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON


KATHY D. GASPER
Title Examiner
Bend Office
email: kgasper@firstam.com

KDG:maw

T 10224

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON



40

2-40

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2-40

RECEIVED
 AUG 07 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

2-39 : 2-40 : 2-39 : 2-40 : 2-1

THIS MAP IS PROVIDED AS A COURTESY BY FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON TO ASSIST IN LOCATING SAID PREMISES AND THE COMPANY ASSUMES NO LIABILITY FOR ITS ACCURACY OR FOR MATTERS THAT MAY BE DISCLOSED BY A SURVEY

10224

MEMORANDUM OF CONTRACT

SELLERS: HAROLD B. POVEY and ZELL POVEY, aka Edna Zell Povey, husband and wife, residing at 701 NE Nickernut Place, Redmond, OR 97756
PURCHASER: HAYDEN ENTERPRISES, INC., an Oregon Corporation, whose address 2622 SW Glacier Place #10, Redmond, OR 97756.
DATED: May 29, 2002
CONSIDERATION: \$820,000.00

Notice is hereby given that the SELLERS have sold to the PURCHASER, for the consideration stated above, pursuant to the terms and conditions of a Contract of Sale executed on the 29th day of May, 2002, the following described real property.

Parcels 1, 2 and 3, Partition Plat No. 2002-8, Deschutes County, Oregon.

Until further notice, tax statements shall be sent to the following address: Hayden Enterprises, Inc., 2622 SW Glacier Place #10, Redmond, OR 97756

The tax account number for the above described property is: 15-13-10-B-200, 15-13-10-B-201 and 15-13-10-B-202.

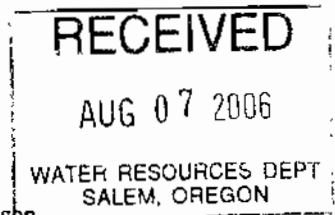
IN WITNESS WHEREOF, the foregoing instrument was signed on the date first mentioned above.

SELLERS: HAROLD B. POVEY and ZELL POVEY
PURCHASER: HAYDEN ENTERPRISES, INC., an Oregon Corporation,
By: Vickie Gibbs, Agent
HAYDEN WATSON, President
Vickie Gibbs, Agent

STATE OF OREGON)
) ss
County of Deschutes)

On the 30 day of May, 2002, HAROLD B. POVEY and ZELL POVEY appeared before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public for Oregon
STATE OF OREGON)
) ss
County of Deschutes)



Personally appeared before me this 30 day of May, 2002, Vickie Gibbs, HAYDEN WATSON, who, being duly sworn did say that he is the President of HAYDEN ENTERPRISES, INC., an Oregon Corporation and that said instrument was signed on behalf of said corporation by authority of its present board of directors; and he acknowledges said instrument to be its voluntary act and deed.
*Controller/Agent

Before me: Notary Public for Oregon



AFTER RECORDING RETURN TO: Stanley E. Clark, Attorney At Law, P.O. Box 668, Redmond, OR 97756

10224

Page 1 of 1, Memorandum Of Contract

RECORDED BY: WESTERN TITLE & ESCROW CO.

DESCHUTES COUNTY OFFICIAL RECORDS MARY SUE PENNELLON, COUNTY CLERK 2002-29939 \$31.00 06/03/2002 11:18:33 AM D-COMM Cntal Stmt SHIRLEY \$5.00 \$11.00 \$10.00 \$5.00



After recording return to:
Hayden Enterprises, Inc.
2622 Glacier Place Ste. 110
Redmond, OR 97756

Until a change is requested all tax statements
shall be sent to the following address:

Hayden Enterprises, Inc.
2622 Glacier Place Ste. 110
Redmond, OR 97756

Escrow No. 0220726 JB
Title No. 171616 MP
PROPERTY TAX
COUNTY OF DESCHUTES
171616 MP
0220726 JB

THIS SPACE RESERVED FOR RECORDER'S USE

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2003-00221

\$35.00

01/02/2003 03:02:09 PM

D-D Cnt=1 Stn=4 BECKEY
\$10.00 \$11.00 \$10.00 \$5.00

STATUTORY SPECIAL WARRANTY DEED

Harold B. Povey and Zell Povey, husband and wife, Grantor, conveys and specially warrants to Hayden Enterprises, Inc., Grantee, the following described real property free of encumbrances created or suffered by the grantor except as specifically set forth herein:

See Exhibit "A" attached hereto and made a part hereof

This Deed is being given in partial fulfillment of that Contract of Sale between the parties dated May 29, 2002, recorded June 3, 2002 in Book 2002, Page 29939/Fee No. 2002-29939 and the warranties hereof shall be construed as of the date of said Contract.

THIS INSTRUMENT WILL 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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

The true consideration for this conveyance is partial fulfillment, as referenced above.

Dated this 2 day of JANUARY, 2003.

By: Harold B. Povey
Harold B. Povey
By: Zell Povey
Zell Povey

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON }
County of Deschutes } ss.

This instrument was acknowledged before me on this 2 day of JANUARY, 2003
by Harold B. Povey and Zell Povey

T 10224



Linda Anderson
Notary Public for Oregon
My commission expires: 01-22-06

EXHIBIT A

LEGAL DESCRIPTION

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First Party: Harold B. Povey and Zell Povey
Second Party: City of Redmond, Oregon

Easements as delineated and/or dedicated on the Official Plat.

T 10224

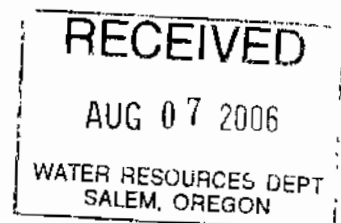


Exhibit C-6

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2005-22078



\$51.00

00385001200500220780000007

04/13/2005 10:27:01 AM

D-D Crml Strwl BECKEY
\$25.00 \$11.00 \$10.00 \$5.00

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



**This page must be included
if document is re-recorded.
Do Not remove from original document.**

T 10224

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756



MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

5
69

Grantor, Central Oregon Irrigation District and Arthur C. Piculell Jr. releases and quitclaims to Arrowood Development LLC Grantee, all of Grantor's rights, title and interest in 34.0 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land listed in Exhibit A, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will no longer have the said appurtenant water rights. If an easement is required for the delivery of water rights to the lands listed in Exhibit A, and all water rights are being removed from the lands listed in Exhibit A, Grantor and Grantee hereby release any interest in and/or to said easement.

Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 34.0 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessment or charges pertaining to said 34.0 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 34.0 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-17 NE SW 800; 15-13-17 NW NW 1300.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$ 100

Grantor: Arthur C. Piculell Jr.
Arthur C. Piculell Jr.

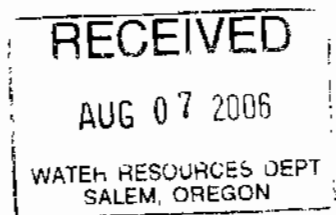
Date 3/30/05

Arizona)
State of Oregon)
Maricopa) ss.
County of Deschutes)

This instrument was acknowledged before me on 3.30.05 by Arthur C. Piculell Jr.



Notary Public Paul Balletti



T-10224

Date 4-5-2005

Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on April 5, 2005 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.

Notary Public



Grantee:

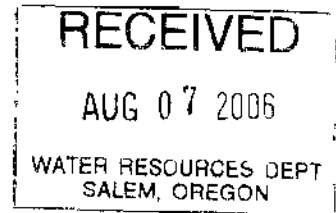
Arrowood Development LLC

Date 3/31/05

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on March 31, 2005 by John Lietz as for Arrowood Development LLC.

Notary Public



T 10224

EXHIBIT "A"

PARCEL I:

All that portion of the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, lying and being Easterly of Central Oregon Irrigation District Lateral C-5.

PARCEL II:

That portion of the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, bounded as follows:

Beginning at a point on the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of which said point is a distance of 550 feet measured Southerly along said West line from the intersection of said West line with the South line of the County Road which bounds said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) on the North; thence Easterly along a line parallel to the South line of said County Road, a distance of 350 feet; thence North along a line parallel with said West line, a distance of 80 feet; thence East along a line parallel with the South line of said County Road, a distance of 893 feet, more or less, to the centerline of Lateral "C" of Central Oregon Irrigation District, as now located and established; thence Southerly along the centerline of said lateral as so located and established to the South line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Westerly along said South line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) a distance of 902 feet, more or less, to the Southwest corner of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Northerly along the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4), a distance of 682 feet, more or less, to the point of beginning.

PARCEL III:

The West 30 feet of that portion of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, bounded as follows:

Beginning at a point on the South line of the County Road which bounds said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) on the North, which point is a distance of 350 feet measured along said South line of said County Road from the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Southerly on a line parallel with said West line, a distance of 470 feet; thence Easterly on a line parallel with the South line of said County Road, a distance of 342 feet; thence Northerly on a line parallel to said West line, a distance of 470 feet to the Southerly line of said County Road; thence Westerly along said South line of said County Road, a distance of 342 feet to the point of beginning.

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT.
SALEM, OREGON

I 10224

CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Arthur C. Piculell Jr. releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 34.0 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit A, to Central Oregon Irrigation District. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application, Arthur C. Piculell Jr. shall no longer be liable for any district assessment or charges pertaining to the 34.0 acres of water right incurred after the date of signing and subsequent completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, located: 15-13-17 NE SW 800; 15-13-17 NW NW 1300

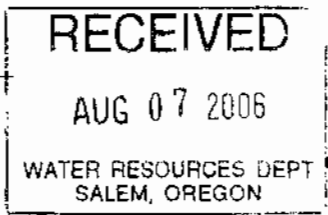
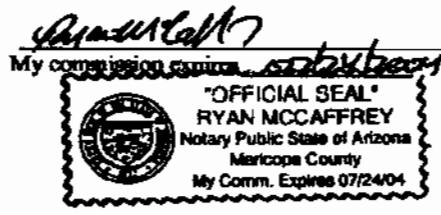
This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: COID to process transfer, consideration to be paid to Grantor by water right buyer.

Grantor: Arthur C. Piculell Jr. Date: 7/26/03

State of ~~Oregon~~ Arizona
County of ~~Deschutes~~ Maricopa

This instrument was acknowledged before me on 08/06/03 by Arthur C. Piculell Jr.



MAIL TAX STATEMENT
TO: NO CHANGE

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK
2003-13881
\$38.00
02/28/2003 04:14:40 PM
D-D Civil Stmt FRS/HA
\$10.00 \$11.00 \$10.00 \$8.00

RECORDED BY:
WESTERN TITLE & ESCROW CO.
12/06/2002

T 10224

EXHIBIT "A"

PARCEL I:

All that portion of the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, lying and being Easterly of Central Oregon Irrigation District Lateral C-5.

PARCEL II:

That portion of the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, bounded as follows:

Beginning at a point on the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of which said point is a distance of 550 feet measured Southerly along said West line from the intersection of said West line with the South line of the County Road which bounds said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) on the North; thence Easterly along a line parallel to the South line of said County Road, a distance of 350 feet; thence North along a line parallel with said West line, a distance of 80 feet; thence East along a line parallel with the South line of said County Road, a distance of 893 feet, more or less, to the centerline of Lateral "C" of Central Oregon Irrigation District, as now located and established; thence Southerly along the centerline of said lateral as so located and established to the South line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Westerly along said South line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) a distance of 902 feet, more or less, to the Southwest corner of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Northerly along the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4), a distance of 682 feet, more or less, to the point of beginning.

PARCEL III:

The West 30 feet of that portion of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, bounded as follows:

Beginning at a point on the South line of the County Road which bounds said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) on the North, which point is a distance of 350 feet measured along said South line of said County Road from the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence Southerly on a line parallel with said West line, a distance of 470 feet; thence Easterly on a line parallel with the South line of said County Road, a distance of 342 feet; thence Northerly on a line parallel to said West line, a distance of 470 feet to the Southerly line of said County Road; thence Westerly along said South line of said County Road, a distance of 342 feet to the point of beginning.

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WATER RESOURCES DEPT
SALEM, OREGON

T 10224

Exhibit C-7 & 8

WESTERN TITLE & ESCROW COMPANY

BEND OFFICE • 1345 NW Wall Street, Suite 200 • Bend, Oregon 97701 • (541) 389-5751 • FAX (541) 383-2975

5. August
11. 7. 2004
E.H.

DATE: November 22, 2002

Now
Exhibit C-1
C-2

WESTERN TITLE & ESCROW COMPANY
ATTN: VICKI L. BULKLEY, CEO
153 SW 5TH STREET
REDMOND, OR 97756

Report No: 12-0162002
Your No: 12-0162002

Title Examiner: SHERI SCHRIVER

SUPPLEMENTAL #1 PRELIMINARY TITLE REPORT

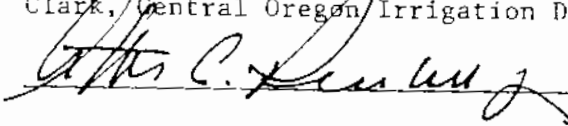
STANDARD OWNER'S POLICY

PREMIUMS:

STANDARD OWNER'S PREMIUM

BLDR/SUB

TO: Western Title & Escrow Co. / Attn: Vicki L. Bulkley
I, Arthur C. Piculell, Jr., do hereby authorize you to
deliver a copy of this Preliminary Title Report to Leslie
Clark, Central Oregon Irrigation District.



/Arthur C. Piculell, Jr.

Date: 2/26/03

We are prepared to issue a title insurance policy by a title insurance underwriter qualified in Oregon, in the form and amounts listed above. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid. The land hereinafter described is situated in the County of Deschutes, State of Oregon, and is described as follows:

SEE ATTACHED EXHIBIT "A"

VESTED IN:

ARTHUR C. PICULELL, JR.,

Dated as of November 21, 2002 at 11:27 a.m.

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SALEM, OREGON

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C-748
3/24/06

Subject to the exceptions, exclusions and stipulations, which are part of said policy, and to the exceptions as shown herein:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.

NOTE: Exceptions 1 through 5 may be modified or eliminated from the ALTA LENDERS EXTENDED POLICY, based upon receipt and review of the following:

- A) If a survey is not required for loan purposes, Western Title and Escrow Company will not require a survey.
- B) Proof that there are no parties in possession or claiming the right to be in possession other than the vestees herein and that there are no existing leases or tenancies.
- C) Proof that there are no statutory liens for labor or material, including liens for contributions due to the State of Oregon for unemployment compensation and for workmen's compensation, which have now gained or hereafter may gain priority over the insured in the forthcoming policy.
6. Regulations, including levies, liens, assessments, water and irrigation rights and easements for ditches and canals of the Central Oregon Irrigation District.
7. The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
8. The rights of the public in and to that portion of the herein described property lying within the limits of roads and highways.
9. Subject to the requirements and provisions of ORS Chapter 820, pertaining to the registration and transfer of ownership of a manufactured home and any interest of liens disclosed thereby. (PARCEL II)
10. Right of way of Lateral "C" of the Central Oregon Irrigation District, as disclosed in Warranty Deed,

Recorded: September 14, 1966
Document No.: 150-260, Deed Records. (PARCELS II & III)

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SALEM, OREGON

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WATER RESOURCES DEPT
SALEM, OREGON

C-748

- 11. Easement, reservation and restrictions, as disclosed in Bargain and Sale Deed,
Recorded: September 14, 1966
Document No.: 150-262, Deed Records. (PARCELS II & III)
- 12. An easement created by instrument, including the terms and provisions thereof,
Recorded: November 28, 1966
Document No.: 151-234, Deed Records,
In favor of: Pacific Power and Light Company. (PARCELS II & III)
- 13. An easement created by instrument, including the terms and provisions thereof,
Dated: September 20, 1990
Recorded: March 25, 1991
Document No.: 231-287, Official Records,
In favor of: Pacific Northwest Bell Telephone Company, a Washington
corporation, its successors and assigns. (PARCEL I)
- 14. An easement created by instrument, including the terms and provisions thereof,
Recorded: March 25, 1991
Document No.: 231-296, Official Records,
In favor of: Pacific Northwest Bell Telephone Company, a Washington
corporation. (PARCELS II & III)
- 15. This Preliminary Title Report for title insurance, due to the nature of the transaction, is subject to
amendments or modifications by the Regional Underwriter for Transnation Title Insurance
Company. No Final policy of title insurance will be issued until written authorization is received
Any directed changes or additions will be disclosed by a Supplemental Report.

NOTE: Taxes paid in full for the year 2002-2003
Original Amount: \$2839.00
Tax Lot No.: 15-13-17-00-1300
Serial No.: 129820, CODE 2-4 (PARCEL I)

NOTE: Taxes paid in full for the year 2002-2003
Original Amount: \$3802.38
Tax Lot No.: 15-13-17-BA-800
Serial No.: 129905, CODE 2-4 (PARCEL II)

NOTE: The property address as shown on the Assessors Printout is:
3210 W ANTLER AVENUE
REDMOND, OR 97756 (PARCEL I)

NOTE: The property address as shown on the Assessors Printout is:
2988 W ANTLER AVENUE
REDMOND, OR 97756 (PARCELS II AND III)

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SALEM, OREGON

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NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

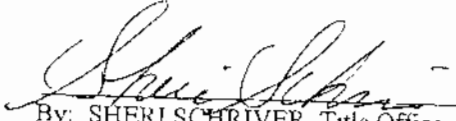
1 10224

T-9824/MP-27

C-7 #8
C-7 #8

NOTE: This Supplemental #1 is being issued to remove exceptions 6, 7 and 17, add new tax notes, and update to current plant date

Western Title & Escrow Company


By: SHERI SCHRIVER, Title Officer

Phj/Mmb

Any questions concerning the closing of this transaction should be directed to VICKI L. BULKLEY, CEO, your Escrow Officer at (541) 548-2911.

NOTE: For copies of exceptions please call our Customer Service Department, (541) 330-1230

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SALEM, OREGON

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NOV 22 2004
WATER RESOURCES DEPT
SALEM OREGON

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T-9824/MP-27

C-7 #8

EXHIBIT "A"

PARCEL I:

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PARCEL II:

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PARCEL III:

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED
NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

T 10224

T-9824/MP-27

2598 North Highway 97
Redmond, OR 97756

C-7 #8
(copy)

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Arthur C. Piculell Jr., releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 34.0 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit A, to Central Oregon Irrigation District. Central Oregon Irrigation District may elect to complete the transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right, if the transfer includes a change in the place of use.

Furthermore, upon signing of this agreement and the accompanying transfer application, Arthur C. Piculell Jr. shall no longer be liable for any district assessment or charges pertaining to the 34.0 acres of water right incurred after the date of signing and subsequent completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, located: 15-13-17 NE SW 800; 15-13-17 NW NW 1300

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: COID to process transfer, consideration to be paid to Grantor by water right buyer.

Grantor:
Arthur C. Piculell Jr.

Date 7/26/03

State of ~~Oregon~~ Arizona
County of ~~Deschutes~~ Maricopa

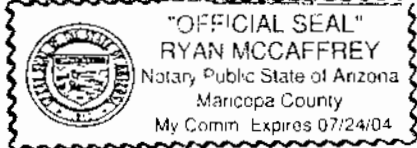
This instrument was acknowledged before me on 02/26/03 by Arthur C. Piculell Jr.

RECEIVED

NOV 22 2004

WATER RESOURCES DEPT
SALEM OREGON

Ryan McCaffrey
My commission expires 07/24/04



RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

MAIL TAX STATEMENT
TO: NO CHANGE

Recording return to:
Central Oregon Irrigation District
25 North Highway
Redmond, OR 97756

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2003-13881



\$36.00

00142151200300138810020020

02/28/2003 04:14:49 PM

D-D Cnt=1 Str=3 MARSHA
\$10.00 \$11.00 \$10.00 \$5.00

T 10224

RECORDED BY:

WESTERN TITLE & ESCROW CO.

12/16/2002

T-9824/MP-27

C-7 & 8
C-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100

EXHIBIT "A"

PARCEL I:

All that portion of the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 17, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, lying and being Easterly of Central Oregon Irrigation District Lateral C-5.

PARCEL II:

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PARCEL III:

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T 10224

RECEIVED AUG 07 2006 WATER RESOURCES DEPT SALEM, OREGON	RECEIVED NOV 22 2004 WATER RESOURCES DEPT SALEM OREGON
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T-9824 / MP-27

Exhibit C-7

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2005-22069



\$41.00

04/13/2005 10:10:50 AM

D-D Cnt=1 Str=25
\$15.00 \$11.00 \$10.00 \$5.00

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



**This page must be included
if document is re-recorded.
Do Not remove from original document.**

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756



MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

8/4y

Grantor, David & Tammy Sailors releases and quitclaims to Arrowood Development LLC Grantee, all of Grantor's rights, title and interest in 21.35 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land described as: THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (NW 1/4 NE 1/4) of SECTION NINETEEN (19) TOWNSHIP FIFTEEN (15) SOUTH, RANGE THIRTEEN (13) EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands described above, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will have 9.65 acres of appurtenant water rights remaining.

Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 21.35 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessment or charges pertaining to said 21.35 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 21.35 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-19 NW NE 100.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$ 100

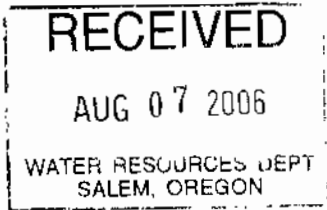
Grantor: [Signature] Date 3/29/05

David Sailors
[Signature] Date 3-29-05

Tammy Sailors
State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on 3/29/05 by David Sailors.

[Signature]
Notary Public



State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on 3/29/05 by Tammy Sailors.

Christi E. Solheim
Notary Public



Grantee: [Signature] _____ Date _____
Arrowood Development LLC

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on March 31, 2005 by John P. Lietz as Authorized Signer for Arrowood Development LLC.

[Signature]
Notary Public

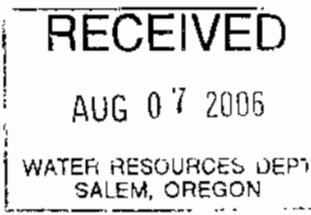


APPROVED: [Signature] _____ Date 4-4-2005
Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on April 4, 2005 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.

[Signature]
Notary Public



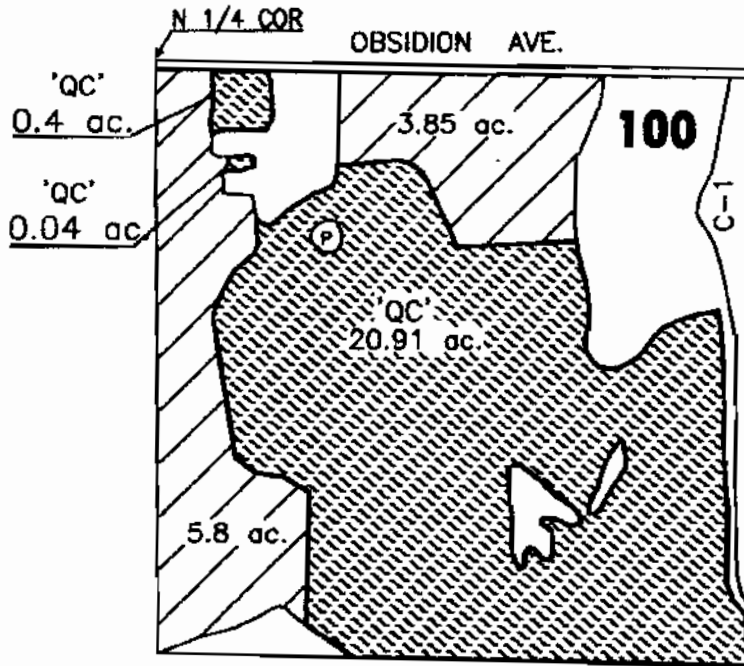
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**DESCHUTES COUNTY
SEC19 T15S. R13E. W.M.**

SCALE - 1" = 400'



NW 1/4 OF THE NE 1/4



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EXISTING WATER RIGHTS

"QUIT CLAIM" WATER RIGHTS

CENTRAL OREGON



IRRIGATION DISTRICT

QUITCLAIM DEED FOR WATER RIGHTS TRANSFER

QUITCLAIM MAP

NAME: DAVID & TAMMY SAILORS TO ARROWOOD DEVELOPMENT

TAXLOT #: 100

21.35 ACRES 'QC'

DATE: 3-23-05

FILE NO: E:\TRANSFER\WTRTRANS\SAILORS_DC

T 10224

Exhibit C-10
Original of Title Report

WESTERN TITLE & ESCROW COMPANY

BEND OFFICE • 1345 NW Wall Street, Suite 200 • Bend, Oregon 97701 • (541) 389-5751 • FAX (541) 382-9182

Now Exhibit
C-3

DATE: May 17, 2004

WESTERN TITLE & ESCROW COMPANY
ATTN: JILL JONES
572 SW BLUFF DRIVE, STE B
BEND, OR 97702

Report No: 15-0041804
Your No: 15-0041804
Seller: JAMES MARSHALL
Buyer: WHISTLER II DEVELOPMENT, LLC

PRELIMINARY TITLE REPORT

STANDARD PURCHASER'S POLICY \$1,378,650.00

FEES/CHARGES:

STANDARD PURCHASER'S PREMIUM \$2,678.50
REISSUE CREDIT \$-125.00

We are prepared to issue a title insurance policy by a title insurance underwriter qualified in Oregon, in the form and amounts listed above. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid. The land hereinafter described is situated in the County of Deschutes, State of Oregon, and is described as follows:

The Northwest Quarter of the Northeast Quarter (NW ¼ NE ¼) of Section 19, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon.

VESTED IN:

JAMES E. MARSHALL AND DEBRA E. MARSHALL, as tenants by the entirety

Dated as of May 17, 2004 at 5:00 pm

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Subject to the exceptions, exclusions and stipulations, which are part of said policy, and to the exceptions as shown herein:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.
6. Unpaid taxes for the year 2003-2004
 Original Amount: \$8,241.61
 Unpaid Balance: \$7,913.70 plus interest
 Tax Lot No.: 15-13-19-00-00100
 Serial No.: 130014, CODE 2-004
7. Regulations, including leases, liens, easements, water and irrigation rights and easements for ditches and canals of the Central Oregon Irrigation District.
8. The rights of the public in and to that portion of the herein described property lying within the limits of Obsidian Avenue.
9. The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
10. An easement created by instrument, including the terms and provisions thereof,
 Recorded: August 9, 1951
 Document No.: 98-257, Deed Records
 In favor of: United States of America
11. An easement created by instrument, including the terms and provisions thereof,
 Recorded: September 18, 1952
 Document No.: 102-86, Deed Records
 In favor of: Central Electric Cooperative, Inc.,
12. Assignment of Easement, including the terms and provisions thereof,
 Recorded: August 25, 1954
 Document No.: 108-136, Deed Records

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My name is [unclear]
[unclear]

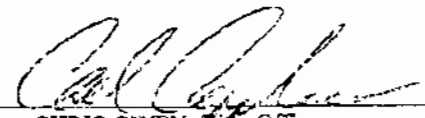
- 13. An easement created by instrument, including the terms and provisions thereof,
Recorded: September 14, 1960
Document No.: 125-698, Deed Records
In favor of: United States of America
- 14. Trust Deed, including the terms and provisions thereof,
Amount: \$207,200.00
Dated: March 1, 1999
Recorded: March 9, 1999
Document No.: 1999-11686, Official Records
Grantor: Debra E. Marshall and James E. Marshall, as tenants by the entirety
Trustee: Western Title & Escrow Company
Beneficiary: Washington Mutual Bank
Loan No.: 01-0375-0020153946
- 15. Line of Credit Trust Deed, including the terms and provisions thereof,
Amount: \$166,000.00
Dated: not disclosed
Recorded: July 21, 2003
Document No.: 2003-48913, Official Records
Grantor: James E. Marshall and Debra E. Marshall
Trustee: Group 9, Inc., a Pennsylvania corporation
Beneficiary: Washington Mutual Bank
Loan No.: 0064494636
- 16. Memorandum of Lease and Option, including the terms and provisions thereof,
Dated: July 15, 2003
Recorded: September 3, 2003
Document No.: 2003-60491, Official Records
Between: James and Debra Marshall
And: The Deschutes Resource Conservancy

NOTE: Copies of the Articles of Organization and of the Operating Agreement of WHISTLER II DEVELOPMENT, LLC, any amendments thereto, and Assignments of Members' Interests should be furnished to us prior to closing. Any conveyance or encumbrance must be executed by all the members unless otherwise provided for in the Articles of Organization

NOTE: We find no judgment liens or tax liens against WHISTLER II DEVELOPMENT, LLC.

NOTE: The property address as shown on the Assessor's Printout is:
1250 SW OBSEDIAN AVE
REDMONT, OR 97756

Western Title & Escrow Company


By: CHRIS OWEN, Title Officer

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Order No. 15-0041804

Page No. 4

Any questions concerning the closing of this transaction should be directed to TLE (OMTS) you Director
Office at (541) 330-1200.

cc: JOHN FEWSTER
WHISTLER II DEVELOPMENT, LLC
1790 SW 23RD STREET
REDMOND, OR 97756
Ph. () 515-6200 Fax () 549-0853

NOTE: For copies of exceptions please call our Customer Service Department, (541) 330-1239.

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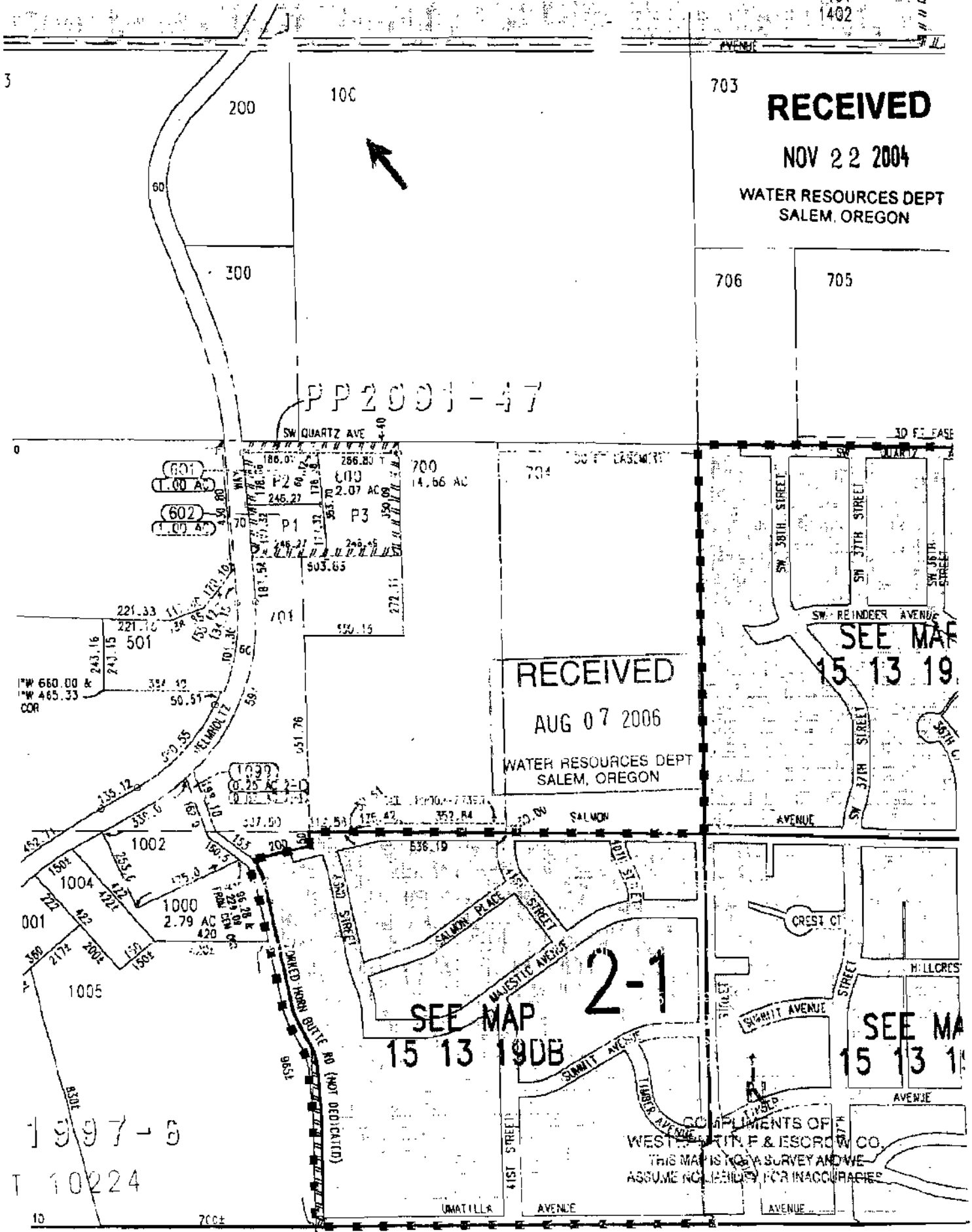
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SEE MAP
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SEE MAP
15 13 19 DB

SEE MAP
15 13 19

COMPLIMENTS OF
WEST... TITL F & ESCROW CO.
THIS MAP IS TO A SURVEY AND WE
ASSUME NO LIABILITY FOR INACCURACIES

1997-6
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Washington Mutual

99-11086-1

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Original in file

Loan No. 01-0875-002015334-6
WESTERN TITLE AND ESCROW COMPANY 104609-LW

AFTER RECORDING, MAIL TO:

Washington Mutual Bank
C/O DATA FILEX
19031 33RD AVE WEST - BELLEVUE
LYNNWOOD, WA 98004

RECORDED BY
WESTERN TITLE AND ESCROW CO.

(Stamp: Please Take This To Recording Office)

15-13-19-0-100

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on March 1, 1999. The grantor is DEBRA S MARSHALL and JAMES S MARSHALL, TENANTS BY THE ENTIRETY

("Borrower"). The trustee is WESTERN TITLE AND ESCROW COMPANY, a Oregon corporation ("Trustee"). The beneficiary is Washington Mutual Bank, which is organized and existing under the laws of Washington, and whose address is 3201 Third Avenue Seattle, WA 98101 ("Lender"). Borrower owes Lender the principal sum of Two Hundred Seven Thousand Two Hundred & 00/100

Dollars (U.S. \$207,200.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on April 1, 2029. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Deschutes County, Oregon:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (NW1/4 NE1/4) OF SECTION NINETEEN (19), TOWNSHIP ELEVEN (15) SOUTH, RANGE THIRTEEN (13) EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON.

which has the address of 4250 SW OBSIDIAN, REDMOND, Oregon 97754 ("Property Address")

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

OREGON - Uniform Real Property Security Instrument Act UNIFORM REAL PROPERTY SECURITY INSTRUMENT ACT TO BE REPEALED

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August 11, 2004
f.k.

**VOL: 1999 PAGE: 11686
RECORDED DOCUMENT**

**STATE OF OREGON
COUNTY OF DESCHUTES**

I hereby certify that the attached instrument was received and duly recorded in Deschutes County records:

DATE AND TIME: Mar. 9, 1999; 11:03 a.m.

RECEIPT NO: 3096

DOCUMENT TYPE: Deed of Trust

FEE PAID: \$35.00

NUMBER OF PAGES: 4

Mary Sue Penhollow

MARY SUE PENHOLLOW
DESCHUTES COUNTY CLERK



1999-11686 Vol-Page

03/09/1999 11:03:02

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on his debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which they accrue prior to the Security Instrument as a lien on the Property; (b) yearly household payments or ground rents on the Property, if any; (c) yearly hazard or fire insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds as an amount not to exceed the amount of the Escrow Items. Lender may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974, as amended, from time to time, 12 U.S.C. Section 2607 or 2607a, unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally or entity creating Lender, if Lender is such an institution; or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with the Funds, unless applicable law provides otherwise. Unless an agreement is made or a court order is entered, the Funds shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, at least once a year, a statement of the Funds held by Lender, including a list of the Funds and the purposes for which such Funds are held. The Funds are pledged as additional security for all debts secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall transmit to Borrower, for the excess Funds in accordance with the instructions of Borrower. If the amount of the Funds held by Lender at any time is not the amount necessary to make up the deficiencies of the Funds, Lender shall make up the deficiencies by one or more scheduled payments, at Lender's sole discretion.

Upon payment in full of all debts secured by this Security Instrument, including that priority claim, to discharge any taxes and by Lender, if under paragraph 2, Lender shall receive or end the Property, Lender, prior to the completion or date of the Payment, shall apply any Funds held by Lender to discharge any taxes and assessments or liens or claims against the Property secured by the Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under or pursuant to paragraph 2 shall be applied first to the principal of the indebtedness, then to any late charges due under the Note.

4. **Change of Law.** If any law, ordinance, regulation, order, rule, or judicial decision, or any combination thereof, is enacted or issued which would require the change of the terms of this Security Instrument, and household payments or ground rents, if any, Borrower shall pay under this Security Instrument as a lien on the Property, if any, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly advise Lender in writing of the amounts so paid.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower, (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) consents in good faith to the lien by, or defends against enforcement of the lien in, legal proceedings which, in Lender's opinion, equitably prevent the enforcement of the lien; or (c) consents from the holder of the lien to an agreement satisfactory to Lender subordinating the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter created on the Property insured against loss by fire, natural inclusion within the term "earthquake coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods the Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard non-assignment clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security would be lessened, and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the debt secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not proceed within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30 day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not waive or postpone the due time of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 2 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the debt secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property.** Borrower's Loan Application Leasehold. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extraordinary circumstances exist which are beyond Borrower's control. Borrower shall not alter, damage or impair the Property, unless the Property is determined, or deemed to be in Lender's good faith judgment could result in a forfeiture of the Property or otherwise materially impede the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 15, by causing the notice of proceeding to be disbursed with a filing that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall not be in default if Borrower, during the loan application process, gave materially false or incomplete information or statements to Lender for failed to provide Lender with any material information in connection with the loan evidenced by the Note, including, but not limited to representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall merge unless Lender agrees in writing to the opposite.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and obligations contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, or condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying or causing to be paid by a lien which has priority over this Security Instrument, stopping in court, paying reasonable attorney's fees and seeking on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note's rate and shall be payable, with interest, upon notice from Lender to Borrower following payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage in the amount and for the period that Lender requires is provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premium for the mortgage insurance until the mortgage insurance is obtained, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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If Lender exercises the power of sale, Lender shall execute or cause Trustee to execute a power of sale deed in accordance with the provisions of all laws of default and of Lender's obligation to insure the property in 1999 and that a copy shall be recorded in each county in which any part of the property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons interested in the property. Lender or Trustee shall receive the proceeds of the sale, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms set forth in the notice of sale in one or more parcels and by whatever means the Trustee deems proper. Proceeds may be paid to any part of the property by public announcement of the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any reservation or exception, and shall be implied. The trustee in the Trustee's deed shall be given such assistance as is herein provided. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any balance to the person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and Lender shall charge Borrower's expense for the recording of the deed.

23. Substitution of Trustee. Lender may from time to time remove Trustee and appoint a successor trustee. Trustee shall be relieved hereunder, without assignment of the Property, the mortgage interest and all the duties, powers and duties conferred upon Trustee hereunder by applicable law.

24. Attorneys' fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (Check applicable box(es))

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Other(s) (specify) | | |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Debra E. Marshall
DEBRA E. MARSHALL

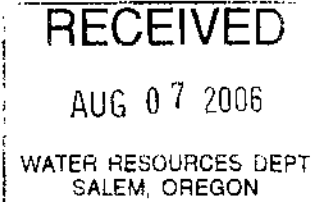
James E. Marshall
JAMES E. MARSHALL

STATE OF OREGON,
Deschutes County ss:

On this 4th day of March, 1999, personally appeared the above named DEBRA E. MARSHALL and JAMES E. MARSHALL, and acknowledged the foregoing instrument to be his/hers/theirs voluntary act and deed.



Before me:
Laurie A. Witty
Notary Public for Oregon

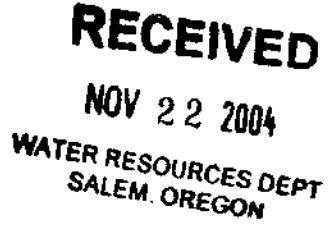


REQUEST FOR RECONVEYANCE

TO TRUSTEE:
The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereto, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

DATED _____
By _____

Mail reconveyance to _____



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9. Inspections. Lender or its agent may make reasonable inspections and appraisals of the Property. Lender shall give Borrower notice of the time of or prior to an inspection specifying reasonable cause for such inspection.

10. Condemnation. The proceeds of any award or other payment of insurance, condemnation or other taking of all or part of the Property, or its consequences in law of condemnation, by lawfully assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any interest paid to Borrower. In the event of a partial taking of the Property, in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds of the taking, divided by (a) the fair market value of the Property immediately before the taking, and (b) the fair market value of the Property immediately before the taking, divided by the sum of the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condone offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 90 days after the date the notice is given, Lender is authorized to accept and apply the proceeds of any award or other payment of insurance or other consequences in law of condemnation or the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or preclude the due date of the monthly payments referred to in paragraphs 1 and 2 of this Security Instrument.

11. Borrower Not Released. Forfeiture by Lender of a Security Instrument, at the time for payment or modification or amendment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to consent to any modification or amendment of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any foreclosure by Lender in exercising any right or remedy shall not be a release or satisfaction or constitute the waiver of any right or remedy.

12. Borrowers and Multiple Parties Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the borrower and co-signers, and all other persons who assign the Security Instrument but shall not bind the Note; (a) in signing the Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by the Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations will happen to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan is not repaid in full by the date specified in the Note, there shall be added to the sums secured by this Security Instrument, and that sum is hereby interpreted as that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then, if any such loan charge shall be reduced by the amount necessary to reduce the sums secured by the Security Instrument to the permitted limits; and if any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by crediting the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment with the same prepayment charge as the Note.

14. Notices. Any notice to Borrower provided by this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and this Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conforming copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred to a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of the Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Redeem. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued or any time prior to the earlier of: (a) 90 days for each other period as applicable here may specify by contract; or (b) the date the sums secured by this Security Instrument are paid in full, or the date of maturity of the Security Instrument, or the date the Security Instrument and the Note as to no acceleration has occurred; (c) any other period of any other covenants or agreements; (d) any all payments required in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (e) any action as Lender may reasonably require to ensure that the law of the Security Instrument. Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reimbursement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to restate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note together with this Security Instrument may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity known as the "Loan Servicer" that collects monthly payments due under the Note and this Security Instrument. There may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and in maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: asbestos, asbestos, asbestos, other flammable or toxic petroleum products, toxic petroleum products, volatile solvents, volatile solvents, volatile solvents, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument with prior notice to Borrower prior to acceleration under paragraph 17 unless applicable law provides otherwise. The notice shall specify (a) the default; (b) the action required to cure the default, if a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured and (c) the failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration, and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

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SALEM, OREGON

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NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

T-9824/MP-27

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Consent
Original is T-9824 file.

CONSENT FOR TRANSFER

TO: CENTRAL OREGON IRRIGATION DISTRICT

We, Washington Mutual Bank, the undersigned Trust Deed holder, do hereby give our consent to James & Debra Marshall, for the transfer, of 31.0 acres of appurtenant water rights from the following described lands:

TO WIT:

15-13-19 NW NE tax lot 100

DATED 10-22-04

SIGNED Jackie Westover

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SALEM, OREGON

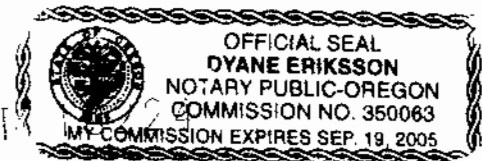
STATE OF Oregon
County of Deschutes ss.

Personally appeared this 22nd day of October, 2004, the above named JACKIE WESTOVER as Officer / AVP for Washington Mutual Bank, and acknowledge the foregoing to be their voluntary act and deed.

Dyane Eriksson
Notary Public for OREGON

My Commission Expires: 9/19/2005

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SALEM, OREGON



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NANCY BLANKENSHIP, COUNTY CLERK

2004-64727



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DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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SALEM, OREGON

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10-15-04

QUITCLAIM DEED
FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantors, **James E. & Debra E. Marshall**, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantors, the owner of the lands at THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (NW ¼ NE ¼) of SECTION NINETEEN (19) TOWNSHIP FIFTEEN (15) SOUTH, RANGE THIRTEEN (13) EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON, release their legal title for 31.0 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed above, to Central Oregon Irrigation District. These water rights are to be held at Central Oregon Irrigation District on behalf of Obsidian Group, LLC. Central Oregon Irrigation District and Creative Water Solutions, LLC has prepared a transfer application for some of the water rights and will submit the transfer to the Water Resources Department. Central Oregon Irrigation District will attach this agreement to the Oregon Water Resources Department's transfer and/or lease application.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed ABOVE that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, the subject land no longer will have an appurtenant water right for those water rights transferred. Some water rights will remain appurtenant to the land and will be used upon the land until transferred. The legal ownership of all 31 acres is being quit claimed to Obsidian Group, LLC. Upon the signing and recording of this quit claim deed, the land does not have a legal right to the water rights.

Furthermore, upon signing of this agreement and the accompanying transfer application, Obsidian Group, LLC shall be liable for any district assessment or charges pertaining to the 31.0 acres of water right incurred until the completion of the transfer of some of the water rights and for those water rights that continue to be used upon the land. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, and supplemental right 76714 with a priority date of 1913 located: (15-13-19 NW NE tax lot 100) This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim is: \$1.00

Grantors:

James E. Marshall
James E. Marshall

Date 10-15-04

Debra E. Marshall
Debra E. Marshall

Date 10-15-04

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SALEM, OREGON

State of Oregon
County of Deschutes

Personally appeared the above named and acknowledged the forgoing instrument to be their voluntary act and deed.



Tammy Sailors
My commission expires 8-29-2005

MAIL TAX STATEMENT TO: No Change

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

Approved by CENTRAL OREGON IRRIGATION DISTRICT

Steven C. Johnson
Steven C. Johnson Secretary-Manager

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WATER RESOURCES DEPT
SALEM, OREGON

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T-9824/MP-27



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*Original T-9824
S.D.*

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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SALEM, OREGON

T 10224

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Original in T-9824
file

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Central Oregon Irrigation District, and Obsidian Group, LLC releases and quitclaims to David & Tammy Sailors all rights, title and interest in the following: By this agreement, Grantor, the vested owner (per quitclaim deed recorded October 28, 2004 recording #2004-64727) of the water rights appurtenant to lands described as THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (NW ¼ NE ¼) of SECTION NINETEEN (19) TOWNSHIP FIFTEEN (15) SOUTH, RANGE THIRTEEN (13) EAST OF THE WILLAMETTE MERIDIAN, DESCHUTES COUNTY, OREGON, and release their claim and responsibility for 31.0 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands described above to David & Tammy Sailors. Central Oregon Irrigation District may elect to complete a transfer application and submit it to the Water Resources Department on behalf of David & Tammy Sailors for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands described above, that grantor, as owner of the vested water right and on behalf of Obsidian Group LLC, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right.

Furthermore, upon signing of this agreement, David and Tammy Sailors shall be liable for any district assessment and charges pertaining to the 31.0 acres of water right incurred after the date of signing and subsequent completion of a transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907 and Certificate # 76714, priority date of Feb. 28, 1913 located: 15-13-19 NW NE 100.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: \$0.00. COID to process transfer application on behalf of David and Tammy Sailors.

Grantor:

Date 11-8-04

Steven C. Johnson, Secretary-Manager for Central Oregon Irrigation District

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WATER RESOURCES DEPT
SALEM, OREGON

State of Oregon
County of Deschutes

This instrument was acknowledged before me on November 8, 2004 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.



Leslie Clark

Mail Tax Statement to: No change

After recording return to:
Central Oregon Irrigation District
2598 N Hwy 97
Redmond, OR 97756

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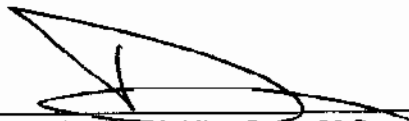
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SALEM, OREGON

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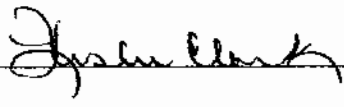


Date 11/09/04
David Sailors for Obsidian Group, LLC

State of Oregon
County of Deschutes

This instrument was acknowledged before me on November 9, 2004 by David Sailors by resolution on behalf of Obsidian Group, LLC.



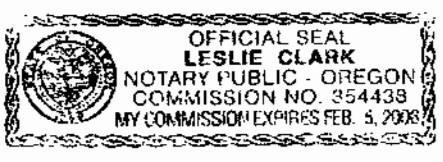


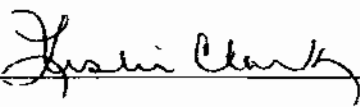


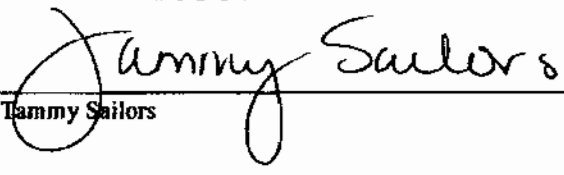
Date 11/09/04
David Sailors

State of Oregon
County of Deschutes

This instrument was acknowledged before me on November 9, 2004 by David Sailors.



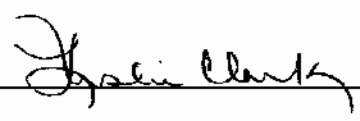




Date 11-9-04
Tammy Sailors

State of Oregon
County of Deschutes

This instrument was acknowledged before me on November 9, 2004 by Tammy Sailors.



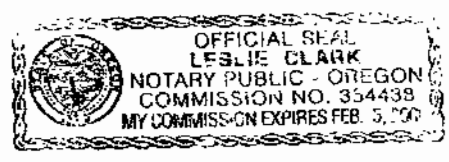
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SALEM, OREGON

MAIL TAX STATEMENT
TO: NO CHANGE

After Recording return to:
Central Oregon Irrigation District
2598 North Highway 97
Redmond, OR 97756



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Registered 7/2004
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OPERATING AGREEMENT
of
OBSIDIAN GROUP, LLC

The undersigned members, form a limited liability company under the Authority of the State of Oregon, and agree as follows:

ARTICLE 1
Formation

1.1 Name. The name of the limited liability company (the "LLC") is The Obsidian Group, L.L.C.

1.2 Formation. The LLC shall file the Articles of Formation upon execution of this Operating Agreement with the Secretary of the State of Oregon and before the LLC begins conducting business.

1.3 Nature of Business. The LLC shall engage in buying, selling, developing and generally dealing with the certain real property in Deschutes County, Oregon, described on Exhibit "A" attached. The LLC shall have the authority to do all things necessary or convenient to accomplish its real estate development purpose.

1.4 Duration. The LLC shall exist for a period of ten (10) years, commencing as of the date of filing of the Certificate of Formation and ending on December 31, 2012, unless earlier terminated.

1.5 Principal Place of Business. The principal office of the LLC shall initially be 1790 SW 23rd Street, Redmond, OR 97756. The managing member may relocate the principal office or establish additional offices from time to time.

1.6 Registered Office and Registered Agent. The LLC's initial registered office shall be in the State of Oregon and the name of its initial registered agent at such address shall be Myles Conway, c/o the Law Firm of Schwabe, Williamson, Wyatt; 354 SW Upper Terr #101, Bend, OR 97702

1.7 Defects as to Formalities. A failure to observe any formalities or requirements of this Operating Agreement, the Certificate of Formation, shall not be grounds for imposing personal liability on the members for liabilities of the LLC.

T 10224

1 - OPERATING AGREEMENT

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July 22 2004

file

1.8 **No Partnership Intended.** The members have formed the LLC under the Act, and expressly do intend hereby neither to form a partnership nor a corporation. The members do not intend to be partners one to another, or partners as to any third party. To the extent any member, by word or action, represents to another person that any other member is a partner or that the LLC is a partnership, the member making such wrongful representation shall be liable to any other member who incurs personal liability by reason of such wrongful representation.

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SALEM, OREGON

**ARTICLE 2
Members, Contributions and Interests**

2.1 **Names and Addresses.** The names and addresses of the members of the LLC, the agreed value of their initial capital contributions, and their initial percentage ownership interests are:

Name and Address	Percentage
Managing Member Whistler Dev, LLC 1790 SW 23 rd St Redmond, OR	60.00%
Member Partners (See Exhibit "B," attached)	40.00%

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WATER RESOURCES DEPT
SALEM, OREGON

2.2 **Other Business of Members.** Any member may engage independently or with others in other business and investment ventures of every nature and description and shall have no obligation to account to the LLC for such business or investments or for business or investment opportunities.

2.3 **Additional Members.** Additional members may be admitted with the written consent of the Members of the L.L.C.

2.4 **Additional Contributions.** Additional capital contributions shall be accepted from existing members only as required to fulfill the intent of the L.L.C. and shall be called for by the Managing Member. Members shall remit promptly but in no case later than 30 days following notification.

2.5 **Interest on Capital contributions.** Interest at the rate of 6% per annum shall be paid on member's capital contributions upon disbursement of proceeds.

2.6 **Capital Accounts.** An individual capital account shall be maintained for each member. Each member's capital account shall be (i) credited with all capital contributions by such member and the member's distributive share of all income and gain (including any income exempt from federal income tax); and (ii) charged with the amount of all distributions to such member and the member's

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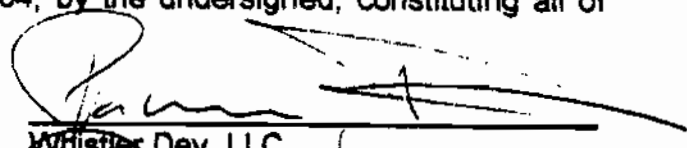
Operating Agreement, or by reason of any breach of this Operating Agreement, the prevailing party shall be entitled to recover reasonable attorney fees as fixed by the trial court and all appellate courts.

10.4 Binding Effect. All rights, remedies and liabilities herein given to or imposed upon the parties shall extend to, ensure the benefit of, and bind, as the circumstances may require, the parties and, to the extent permitted by this Operating Agreement, their respective heirs, executors, trustees, administrators, successors, and assigns.

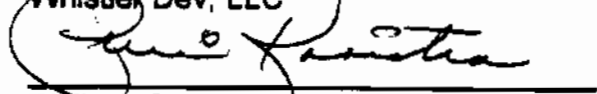
10.5 Waiver. No waiver of any provision of this Operating Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.6 Governing Law. This Operating Agreement shall be governed in accordance with the laws of the State of Oregon

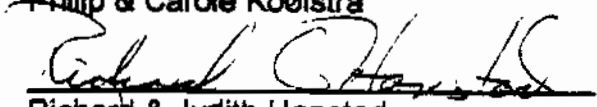
ADOPTED as of July 16, 2004, by the undersigned, constituting all of the members.



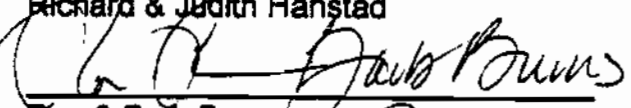
Whistler Dev, LLC



Phillip & Carole Kooistra




Richard & Judith Hanstad



Ron & Barb Burns



Franz Heffenstein



Len and Linda Schultz



Tom and Mary Ratcliffe

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8 - OPERATING AGREEMENT

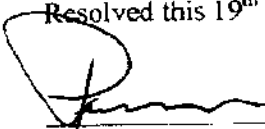
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**RESOLUTION FOR WATER DISPOSITION
OBSIDIAN GROUP, LLC**

By resolution, David Sailors shall have the authority to execute, on behalf of Obsidian Group, LLC, any and all documents necessary to transfer water, and/or water rights to any party so stipulated.

Resolved this 19th day of October, 2004.



Whistler Dev, LLC, Managing Member
John Pewther, Managing Member of Whistler Dev, LLC

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Exhibit C-8

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2005-22325



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DESCHUTES COUNTY CLERK

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SALEM, OREGON

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Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756



MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

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Grantor, Central Oregon Irrigation District and Forked Horn LLC releases and quitclaims to Arrowood Development LLC, Grantee, all of Grantor's rights, title and interest in 0.20 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land listed in Exhibit A, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will no longer have the said appurtenant water rights. If an easement is required for the delivery of water rights to the lands listed in Exhibit A, and all water rights are being removed from the lands listed in Exhibit A, Grantor and Grantee hereby release any interest in and/or to said easement.

Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 0.20 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessment or charges pertaining to said 0.20 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 0.20 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-19 NE SW 1002.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$ 1⁰⁰

Grantor:

Date 4-4-2005

Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on April 4, 2005 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.

Leslie Clark
Notary Public

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SALEM, OREGON



© Central Oregon Irrigation District 2005

T 10224

[Signature]

Date 3/23/05

John Pewther for Forked Horn LLC

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on 3-23-05 by John Pewther as managing member for Forked Horn LLC.



[Signature: Tammy Sailors]
Notary Public

Grantee: [Signature]
Arrowood Development LLC

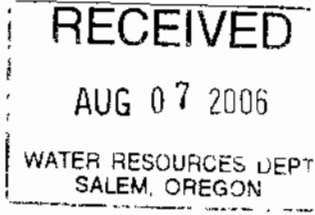
Date 3/31/05

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on March 31, 2005 by John P. Lietz as Authorized Signer for Arrowood Development



[Signature: Laura L. Gordon]
Notary Public



1 10224

EXHIBIT A

A parcel located in the Northeast Quarter of the Southwest Quarter of Section 19, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, more particularly described as follows:

Commencing at a 1" iron rod at the Northeast corner of said Northeast Quarter of the Southwest Quarter of Section 19; thence along the North boundary of said Northeast Quarter of the Southwest Quarter, North 89° 47' 55" West, 232.49 feet; thence leaving said North boundary, South 00° 12' 05" West, 85.86 feet to a ½" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66° 30' 36" West, 31.47 feet to the point of beginning; thence continuing South 66° 30' 36" West, 201.20 feet; thence leaving said Southerly boundary, North 31° 40' 55" West, 162.63 feet; thence North 68° 07' 29" East, 102.21 feet; thence South 81° 40' 15" East, 105.71 feet; thence South 41° 02' 46" East, 107.36 feet to the point of beginning.

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CENTRAL OREGON IRRIGATION DISTRICT
2598 North Highway 97
Redmond, OR 97756

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Jeffrey D. Vallie, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 0.20 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit A, to Central Oregon Irrigation District to be held on behalf of Forked Horn, LLC. Central Oregon Irrigation District may elect to complete a transfer application and submit it to the Water Resources Department for approval of use of the water right at a new location and/or use. Central Oregon Irrigation District may attach this agreement to the Oregon Water Resources Department's lease form and file with the District's annual Short Term Water Right Lease Agreement.

By entry of this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that Grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have an appurtenant water right.

Furthermore, upon signing of this agreement, Jeffrey D. Vallie shall no longer be liable for any district assessment or charges pertaining to the 0.20 acres of water right incurred after the date of signing and subsequent recording of this agreement. Forked Horn LLC shall be liable for the assessments until the transfer is completed. Any future District assessment or other charges shall be the responsibility of Forked Horn LLC. The water right in question is further described as a portion of Certificate # 76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-19 NE SW 1002

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: \$1.00 - Agreement between Grantor and Forked Horn, LLC.

Grantor: [Signature] Date 10/27/04
Jeffrey D. Vallie

State of Oregon
County of Deschutes

This instrument was acknowledged before me on 10/27/04 by Jeffrey D. Vallie.



[Signature]
My commission expires March 2, 2007



MAIL TAX STATEMENT
TO: NO CHANGE

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

[Signature]
Approved by CENTRAL OREGON IRRIGATION DISTRICT
Steven C. Johnson Secretary-Manager

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SALEM, OREGON

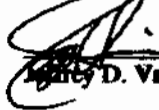
T 10224

AGREEMENT TO HOLD HARMLESS

I Jeffrey D. Vallie, understand that Central Oregon Irrigation District has attempted to secure consent to remove 0.20 acres of water rights appurtenant to my land legally described as: 15-13-19 NE SW 1002.

I hereby agree to hold Central Oregon Irrigation District harmless from any claims or damages resulting from the transfer of water right without consent, and request C.O.I.D. to proceed with the transfer of the water right.

Dated: 10-28-04


Jeffrey D. Vallie

State of OREGON:

ss

County of Deschutes:

Personally appeared before me this 28th day of Oct, 2004, before me, the above named Jeffrey D. Vallie and acknowledge the foregoing instrument to be his voluntary act and deed.



Before me: Kate Hammer
Notary public

My Commission Expires: March 2, 2007

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SALEM, OREGON

T 10224



DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



**This page must be included
if document is re-recorded.
Do Not remove from original document.**

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SALEM, OREGON

T 10224

EXHIBIT A

A parcel located in the Northeast Quarter of the Southwest Quarter of Section 19, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, more particularly described as follows:

Commencing at a 1" iron rod at the Northeast corner of said Northeast Quarter of the Southwest Quarter of Section 19; thence along the North boundary of said Northeast Quarter of the Southwest Quarter, North 89° 47' 55" West, 232.49 feet; thence leaving said North boundary, South 00° 12' 05" West, 85.86 feet to a ½" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66° 30' 36" West, 31.47 feet to the point of beginning; thence continuing South 66° 30' 36" West, 201.20 feet; thence leaving said Southerly boundary, North 31° 40' 55" West, 162.63 feet; thence North 68° 07' 29" East, 102.21 feet; thence South 81° 40' 15" East, 105.71 feet; thence South 41° 02' 46" East, 107.36 feet to the point of beginning.

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First American

Exhibit C-11/12
First American Title Insurance Company of Oregon

395 SW Bluff Drive, Ste 100
Bend, OR 97702
Phn - (541) 382-4201
Fax - (541) 389-5431

CASEY MAYER
TITLE OFFICER
cmayer@firstam.com

Original in T-2577 file

Now Exhibit C-4

WATER TRANSFER REPORT

Central Oregon Irrigation
2598 N Hwy 97
Redmond, OR 97756

October 07, 2004
File Number: 7069-462128

Attn: Leslie

Re:
Fee \$150.00

We hereby certify that we have searched our Tract Indices as to the following described property:

The land referred to in this report is described in Exhibit A attached hereto.

and as of September 27, 2004 at 8:00 a.m.

Vested of Record in:

Forked Horn LLC, an Oregon limited liability company

Subject to:

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SALEM, OREGON**

Taxes for 2003-2004 paid prior to lot line adjustment. Taxes for 2004-2005 will be assessed under Account Number 243688, Map and Tax Lot 151319 00 01007.

1. Taxes for the fiscal year 2004-2005 a lien due, but not yet payable.
2. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor:	Forked Horn LLC, a Oregon Limited Liability Company
Grantee/Beneficiary:	Norma L. Graves, Trustee u/t/d August 23, 1994 f-b-o The Norma L. Graves Family Trust
Trustee:	Amerititle, an Oregon corporation
Amount:	\$50,000.00
Recorded:	June 30, 2004
Recording Information:	2004-38802

We have also searched our General Index for Judgment and State and Federal Tax Liens against the vestee and find the following:

T 10224

T-9824/MP-27

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**WATER RESOURCES DEPT
SALEM, OREGON**

C-11/12

Approx 7-9824 file

NONE

This report is made for the purpose herein specified and for this reason liability hereunder is expressly limited to the sum paid therefore. THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listings do not include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection with this Lien and Encumbrance Search and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.

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SALEM, OREGON

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9/24/04
Sic.

**EXHIBIT A
LEGAL DESCRIPTION**

A tract of land lying partly in the Southeast Quarter of the Northwest Quarter and partly in the Northeast Quarter of the Southwest Quarter of Section 19, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutse County, Oregon, and described as follows:

Beginning at a point 96.28 feet South and 229.09 feet West from the steel pin at the center of Section 19, Township 15 South, Range 13, E.W.M., D.C.O., and running thence South 63° 49' 47" West, 375.0 feet; thence North 23° 06' 38" West, 253.6 feet to the East right of way line of Helmholtz Road; thence along the East right of way line of Helmholtz Road North 55° 09' 06" East, 339.0 feet to the center of Forked Horn Butte Road; thence South 19° 32' 23" East, 162.0 feet along the center of Forked Horn Butte Road; thence South 43° 42' 28" East, 150.5 feet along the center of Forked Horn Butte Road to the point of beginning.

EXCEPTING THEREFROM the right of way of Helmholtz Road and Forked Horn Butte Road.

ALSO EXCEPTING THEREFROM:

Commencing at a 1" iron rod at the Northeast corner of said Northeast Quarter of the Southwest Quarter of Section 19; thence along the North boundary of said Northeast Quarter of the Southwest Quarter, North 89° 47' 55" West, 232.49 feet; thence leaving said North boundary, South 00° 12' 05" West, 85.86 feet to a 1/2" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66° 30' 36" West, 31.47 feet to the point of beginning; thence continuing South 66° 30' 36" West, 201.20 feet; thence leaving said Southerly boundary, North 31° 40' 55" West, 162.63 feet; thence North 68° 07' 29" East, 102.21 feet; thence South 81° 40' 15" East, 105.71 feet; thence South 41° 02' 46" East, 107.36 feet to the point of beginning.

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SALEM, OREGON

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T-9824 / MP-27

66089 46

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-38802

C-11/12



\$45.00

Original in
T-9824 file

06/30/2004 01:29:36 PM

M-DT Cental Strm7 JEFF
\$20.00 \$11.00 \$10.00 \$5.00

AFTER RECORDING RETURN TO:
AMERITITLE
735 SW Sixth Street
Redmond, OR 97756

ESCROW NO. RD066089RR

Grantor: Forked Horn, LLC
1790 SW 23rd Street
Redmond, OR 97756

Beneficiary: Norma L. Graves, Trustee U/T/D
August 23, 1994 F-B-O The Norma L. Graves
Family Trust
2571 SW Helmholtz Way
Redmond, OR 97756

TRUST DEED

THIS TRUST DEED, made on June 28, 2004, between Forked Horn LLC, an Oregon Limited Liability Company, as Grantor, AMERITITLE, an Oregon Corporation, as Trustee, and Norma L. Graves, Trustee U/T/D August 23, 1994 F-B-O The Norma L. Graves Family Trust, as Beneficiary.

WITNESSETH:

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

SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

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WATER RESOURCES DEPT
SALEM, OREGON

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of ****FIFTY THOUSAND AND NO/100ths** Dollars, with interest thereon** according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made payable by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable 07/01/2005.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned, or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein or herein, shall become immediately due and payable.

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

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.
4. To provide and continuously maintain insurance on the buildings now or hereafter erected on said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than the **\$50,000.00**, written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent.

NOTE: The Trust Deed Act provides that the Trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company, or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

T 10224

After recording, return to
Amerititle
15 OREGON AVENUE, BEND

T-9824 / MP-27

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SALEM, OREGON

C-11/1

Trustee in
1984 file

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 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.

6. To pay all costs, fees and expenses of this trust deed 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

7. 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, 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 decrees of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said 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 such 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.

9. 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 plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other 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 said 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 said 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 his 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 at his election may 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 his written notice of default and his election to sell the said described real 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. In 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 said sale may be postponed as provided by law. The trustee may sell said 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 his 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 seized in fee simple of the real property and has a valid, unencumbered title thereto and that the grantor will warrant and forever defend the same against all persons whomsoever.

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SALEM, OREGON

1 10224

T-9824/MP-27

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.

C-11/1
Jr 11/1/04
7-1021-511

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are primarily for grantor's personal, family, or household 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 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, said grantor has hereunto set his hand the day and year first above written.

Forked Horn, LLC

BY: [Signature]
John Pewther, Member



State of Oregon
County of Deschutes

This instrument was acknowledged before me on 6-29, 2004 by John Pewther as member of Forked Horn, LLC.

[Signature]
(Notary Public)
My commission expires 7/1/04

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: _____

Beneficiary

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.

RECEIVED

NOV 22 2004

WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

T 0224

T-9824/MP-27

EXHIBIT A

C-11/12

RE LAND

EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land lying partly in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) and partly in the Northeast Quarter of the Southwest Quarter (NE1/4SW1/4) of Section Nineteen (19), Township Fifteen (15) South, Range Thirteen (13), East of the Willamette Meridian, Deschutes County, Oregon, and described as follows: Beginning at a point 96.28 feet South and 229.09 feet West from the steel pin at the center of Section 19, Township 15 South, Range 13, E.W.M., D.C.O., and running thence South 63°49'47" West, 375.0 feet; thence North 23°06'38" West, 253.6 feet to the East right of way line of Helmholtz Road; thence along the East right of way line of Helmholtz Road North 55°09'06" East, 339.0 feet to the center of Forked Horn Butte Road; thence South 19°32'23" East, 162.0 feet along the center of Forked Horn Butte Road; thence South 43°42'28" East, 150.5 feet along the center of Forked Horn Butte Road to the point of beginning.

EXCEPTING THEREFROM the right of way of Helmholtz Road and Forked Horn Butte Road.

ALSO EXCEPTING:

Commencing at a 1" iron rod at the Northeast corner of said NE1/4SW1/4 of Section 19; thence along the North boundary of said NE1/4SW1/4, North 89°47'55" West, 232.49 feet; thence leaving said North boundary, South 00°12'05" West, 85.86 feet to a 1/2" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66°30'36" West, 31.47 feet to the point of beginning; thence continuing South 66°30'36" West, 201.20 feet; thence leaving said Southerly boundary, North 31°40'55" West, 162.63 feet; thence North 68°07'29" East, 102.21 feet; thence South 81°40'15" East, 105.71 feet; thence South 41°02'46" East, 107.36 feet to the point of beginning.

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SALEM, OREGON

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T-9824/MP-27

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DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2003-69002



\$35.00

062031426838800820820822

10/03/2003 03:54:48 PM

D-D Critel Slnwll JEFF
\$10.00 \$11.00 \$10.00 \$5.00

Recorded By:
Western Title & Escrow Co.
12-01173D3

After recording return to:
FORKED HORN LLC
1790 SW 23RD STREET
REDMOND, OR 97756

Until a change is requested all tax statements
shall be sent to the following address:
FORKED HORN LLC
1790 SW 23RD STREET
REDMOND, OR 97756

WARRANTY DEED -- STATUTORY FORM

WESLEY A. RUTLEDGE and JUDY L. RUTLEDGE, husband and wife, Grantor,

conveys and warrants to

FORKED HORN LLC, an Oregon Limited Liability Company, Grantee,

the following described real property, free of encumbrances except as
specifically set forth herein, to wit:

A tract of land lying partly in the Southeast Quarter of the Northwest Quarter
(SE 1/4 NW 1/4) and partly in the Northeast Quarter of the Southwest Quarter
(NE 1/4 SW 1/4) of Section 19, Township 15 South, Range 13 East of the
Willamette Meridian, Deschutes County, Oregon, and described as follows:
Beginning at a point 96.28 feet South and 229.09 feet West from the steel pin
at the center of Section 19, and running thence South 63°49'47" West, 375.0
feet; thence North 23°06'38" West, 253.6 feet to the Easterly right of way line
of Helmholtz Road; thence along the East right of way line of Helmholtz Road
North 55°09'06" East, 339.0 feet to the center of Forked Horn Butte Road;
thence South 19°32'23" East, 162.0 feet along the center of Forked Horn Butte
Road; thence South 43°42'28" East, 150.5 feet along the center of Forked Horn
Butte Road to the point of beginning. EXCEPTING THEREFROM the right of way of
Helmholtz Road and Forked Horn Butte Road.

Tax Account No(s): 130032
Map/Tax Lot No(s): 15-13-19-00-1002

This property is free from encumbrances, EXCEPT: All those items of record, if
any, as of the date of this deed, including any real property taxes due, but
not yet payable.

The true consideration for this conveyance is \$220,000.00 .

THIS INSTRUMENT WILL 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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST
PRACTICES AS DEFINED IN ORS 30.930.

Dated this 2 day of ^{October} ~~September~~, 2001.

Wesley A. Rutledge
WESLEY A. RUTLEDGE
Judy L. Rutledge
JUDY L. RUTLEDGE

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AUG 07 2006
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SALEM, OREGON

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NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

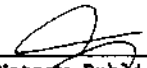
T 10224

T-9824/MP-27

C-11/12

STATE OF OREGON, COUNTY OF DESCHUTES) SS.

This instrument was acknowledged before me on October 2, 2003 by WESLEY A. RUTLEDGE AND JUDY L. RUTLEDGE.


(Notary Public for Oregon)
My commission expires 12/9/2005



TITLE NO. 12-0117303
ESCROW NO. 12-0117303

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SALEM, OREGON

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NOV 22 2004
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SALEM, OREGON

T 10224

T-9824/MP-27

66089 46

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-38802

AFTER RECORDING RETURN TO:

AMERITITLE
735 SW Sixth Street
Redmond, OR 97756



\$46.00

C-11/12
6/30/2004 01:29:36 PM

M-DT Cnt=1 Stns=7 JEFF
\$20.00 \$11.00 \$10.00 \$5.00

ESCROW NO. RD066089RR

Grantor: Forked Horn, LLC
1790 SW 23rd Street
Redmond, OR 97756

Beneficiary: Norma L. Graves, Trustee U/T/D
August 23, 1994 F-B-O The Norma L. Graves
Family Trust
2571 SW Helmholtz Way
Redmond, OR 97756

TRUST DEED

THIS TRUST DEED, made on June 28, 2004, between Forked Horn LLC, an Oregon Limited Liability Company, as Grantor, AMERITITLE, an Oregon Corporation, as Trustee, and Norma L. Graves, Trustee U/T/D August 23, 1994 F-B-O The Norma L. Graves Family Trust, as Beneficiary,

WITNESSETH:

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

SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

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NOV 22 2004

WATER RESOURCES DEPT
SALEM OREGON

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of ****FIFTY THOUSAND AND NO/100ths** Dollars**, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made payable by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable 07/01/2005.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned, or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein or herein, shall become immediately due and payable.

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

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.
4. To provide and continuously maintain insurance on the buildings now or hereafter erected on said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than the \$50,000.00, written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent

NOTE: The Trust Deed Act provides that the Trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company, or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

After recording, return to
Amerititle
15 OREGON AVENUE, BEND

T-9824/MP-27

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WATER RESOURCES DEPT
SALEM, OREGON

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C-11/12

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 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

6. To pay all costs, fees and expenses of this trust deed 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.

7. 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, 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 decrees of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said 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 such 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.

9. 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 plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other 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 said 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 said 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 his 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 at his election may 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 his written notice of default and his election to sell the said described real 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. In 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 said sale may be postponed as provided by law. The trustee may sell said 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 his 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 seized in fee simple of the real property and has a valid, unencumbered title thereto and that the grantor will warrant and forever defend the same against all persons whomsoever.

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SALEM, OREGON

T 10224

T-9824/MIP-27

C-11/12

Original
7-21-04

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.

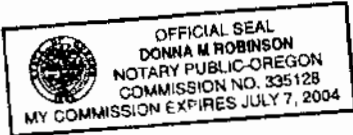
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
primarily for grantor's personal, family, or household purposes

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 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, said grantor has hereunto set his hand the day and year first above written.

Forked Horn, LLC
BY [Signature]
John Pewther, Member



State of Oregon
County of Deschutes

This instrument was acknowledged before me on 6-29, 2004 by John Pewther as member of Forked Horn, LLC.

[Signature]
(Notary Public)
My commission expires 7/7/04

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

TO: _____, Trustee

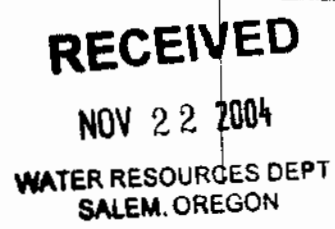
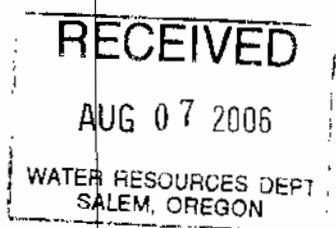
The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to 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: _____

Beneficiary

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.



T 10224

T-9824/MP-27

EXHIBIT A

C/11-12

Amended
- 2002-11-12

RE LAND

EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land lying partly in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) and partly in the Northeast Quarter of the Southwest Quarter (NE1/4SW1/4) of Section Nineteen (19), Township Fifteen (15) South, Range Thirteen (13), East of the Willamette Meridian, Deschutes County, Oregon, and described as follows: Beginning at a point 96.28 feet South and 229.09 feet West from the steel pin at the center of Section 19, Township 15 South, Range 13, E.W.M., D.C.O., and running thence South 63°49'47" West, 375.0 feet; thence North 23°06'38" West, 253.6 feet to the East right of way line of Helmholtz Road; thence along the East right of way line of Helmholtz Road North 55°09'06" East, 339.0 feet to the center of Forked Horn Butte Road; thence South 19°32'23" East, 162.0 feet along the center of Forked Horn Butte Road; thence South 43°42'28" East, 150.5 feet along the center of Forked Horn Butte Road to the point of beginning.

EXCEPTING THEREFROM the right of way of Helmholtz Road and Forked Horn Butte Road.

ALSO EXCEPTING:

Commencing at a 1" iron rod at the Northeast corner of said NE1/4SW1/4 of Section 19, thence along the North boundary of said NE1/4SW1/4, North 89°47'55" West, 232.49 feet; thence leaving said North boundary, South 00°12'05" West, 85.86 feet to a 1/2" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66°30'36" West, 31.47 feet to the point of beginning; thence continuing South 66°30'36" West, 201.20 feet; thence leaving said Southerly boundary, North 31°40'55" West, 162.63 feet; thence North 68°07'29" East, 102.21 feet; thence South 81°40'15" East, 105.71 feet; thence South 41°02'46" East, 107.36 feet to the point of beginning.

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AUG 07 2006
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SALEM, OREGON

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NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

T 10224

T-9824/MP-27

C-11/12

Original is T-9824
L/L

CONSENT FOR TRANSFER

TO: CENTRAL OREGON IRRIGATION DISTRICT

I, Norma L. Graves, Trustee U/T/D August 23, 2994 F-B-O The Norma L. Graves Family Trust, the undersigned as beneficiary of a Trust Deed with Forked Horn LLC, do hereby give my consent to Forked Horn LLC, for the transfer, of 0.8 acres of appurtenant water rights from the following described lands:

TO WIT:

15-13-~~09~~¹⁹ NE SW 1007 (0.20 acres water right)
15-13-~~09~~¹⁹ SE NW 1007 (0.60 acres water right)

DATED

10/18/04

SIGNED

Norma L. Graves
Norma L. Graves

STATE OF OREGON,

County of Deschutes ss.

Personally appeared this 18th day of October, 2004, the above named Norma L. Graves, Trustee U/T/D August 23, 2994 F-B-O The Norma L. Graves Family Trust, and acknowledge the foregoing to be her voluntary act and deed.

Laurie A. Jarvis
Notary Public for State of Oregon

My Commission Expires: 7-26-06



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AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

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NOV 22 2004

WATER RESOURCES DEPT
SALEM, OREGON

T 10224

T-9824/MRP-27

C-11/12
SIGNED 10/24/04
1/12

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, *Forked Horn, LLC*, releases and quitclaims to Central Oregon Irrigation District all rights, title and interest in the following: By this agreement and signed transfer application form, Grantors, the owner of the lands listed in Exhibit A, release their legal title for 0.8 acres of Central Oregon Irrigation District water rights that are appurtenant to the lands listed in Exhibit A, to Central Oregon Irrigation District. These water rights are to be held at Central Oregon Irrigation District on behalf of grantor while the transfer application is pending. Central Oregon Irrigation District and Creative Water Solutions, LLC has prepared a transfer application and will submit it to the Water Resources Department for approval to transfer water rights permanently in stream for mitigation credits. Central Oregon Irrigation District will attach this agreement to the Oregon Water Resources Department's transfer document.

By entry of this deed, grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, the subject land no longer will have an appurtenant water right. Upon the date of this recorded quit claim deed, the lands no longer have a legal right to water rights.

Furthermore, upon signing of this agreement and the accompanying transfer application, grantor shall be liable for any district assessment or charges pertaining to the 0.8 acres of water right incurred until the completion of the transfer of water. The water right in question is further described as a portion of certificate # 76358, priority of 1900 and 1907, and supplemental right 76714 with a priority date of 1913 located: (15-13-19 tax lot 1007) This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim is: \$1.00

Grantor:

[Signature] Date 10/24/04
Forked Horn, LLC

By John Peuther Its Managing member

State of Oregon
County of Deschutes

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NOV 22 2004
WATER RESOURCES DEPT
SALEM, OREGON

Personally appeared the above named and acknowledged the forgoing instrument to be his voluntary act and deed.



[Signature: Tammy Sailors]
My commission expires 8-29-2005

MAIL TAX STATEMENT TO: No Change

After Recording return to:
Central Oregon Irrigation District
2598 North Highway
Redmond, OR 97756

Approved by CENTRAL OREGON IRRIGATION DISTRICT
[Signature]
Steven C. Johnson Secretary-Manager

RECEIVED
AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

T 10224

T-9824/MP-27

C-11/12

7/11/12 10:52 AM
212

**EXHIBIT A
LEGAL DESCRIPTION**

A tract of land lying partly in the Southeast Quarter of the Northwest Quarter and partly in the Northeast Quarter of the Southwest Quarter of Section 19, TOWNSHIP 15 SOUTH, RANGE 13 EAST OF THE WILLAMETTE MERIDIAN, Deschutse County, Oregon, and described as follows:

Beginning at a point 96.28 feet South and 229.09 feet West from the steel pin at the center of Section 19, Township 15 South, Range 13, E.W.M., D.C.O., and running thence South 63° 49' 47" West, 375.0 feet; thence North 23° 06' 38" West, 253.6 feet to the East right of way line of Helmholtz Road; thence along the East right of way line of Helmholtz Road North 55° 09' 06" East, 339.0 feet to the center of Forked Horn Butte Road; thence South 19° 32' 23" East, 162.0 feet along the center of Forked Horn Butte Road; thence South 43° 42' 28" East, 150.5 feet along the center of Forked Horn Butte Road to the point of beginning.

EXCEPTING THEREFROM the right of way of Helmholtz Road and Forked Horn Butte Road.

ALSO EXCEPTING THEREFROM:

Commencing at a 1" iron rod at the Northeast corner of said Northeast Quarter of the Southwest Quarter of Section 19; thence along the North boundary of said Northeast Quarter of the Southwest Quarter, North 89° 47' 55" West, 232.49 feet; thence leaving said North boundary, South 00° 12' 05" West, 85.86 feet to a 1/2" iron rod at the Easterly most corner of the property described in Volume 176, Page 518, Deschutes County Deed Records; thence along the Southerly boundary of said 176-D-518 property, South 66° 30' 36" West, 31.47 feet to the point of beginning; thence continuing South 66° 30' 36" West, 201.20 feet; thence leaving said Southerly boundary, North 31° 40' 55" West, 162.63 feet; thence North 68° 07' 29" East, 102.21 feet; thence South 81° 40' 15" East, 105.71 feet; thence South 41° 02' 46" East, 107.36 feet to the point of beginning.

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NOV 22 2004

WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED

AUG 07 2006

WATER RESOURCES DEPT
SALEM, OREGON

T 10224

T-9824/MP-27

Exhibit C-9

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2005-22070



\$61.00

00355083200500220700080088

04/13/2005 10:13:21 AM

D-D Cnt=1 Stn=3 PAM
\$35.00 \$11.00 \$10.00 \$5.00

DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



This page must be included
if document is re-recorded.
Do Not remove from original document.

T 10224

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON



MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, William B. Curtis, as to an undivided 1/3 interest and Stanley Rice as to an undivided 1/3 interest and Kenneth Krieger and Dorothy Krieger, co-trustees of the Krieger Revocable Trust dated Aug. 29, 2000 as to an undivided 1/3 interest, as tenants in common releases and quitclaims to Arrowood Development LLC, Grantee, all of Grantor's rights, title and interest in 11.0 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land listed in Exhibit A, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will no longer have the said appurtenant water rights. If an easement is required for the delivery of water rights to the lands listed in Exhibit A, and all water rights are being removed from the lands listed in Exhibit A, Grantor and Grantee hereby release any interest in and/or to said easement.

Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 11.0 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessment or charges pertaining to said 11.0 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 11.0 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-30 NW SE 600.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$9,900.00

Grantor:

SEE ATTACHED SIGNATURE PAGES

William B. Curtis

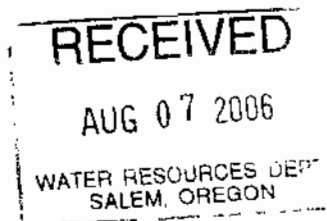
Date

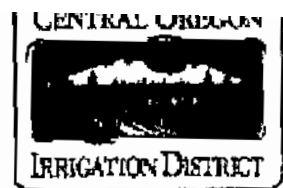
State of _____, County of _____) ss

This instrument was acknowledged before me on _____ by William B. Curtis

T 00224

Notary Public





MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, William B. Curtis, as to an undivided 1/3 interest and Stanley Rice as to an undivided 1/3 interest and Kenneth Krieger and Dorothy Krejper co-trustees of the Krieger Revocable Trust dated Aug. 29, 2000 as to an undivided 1/3 interest, as tenants in common releases and quitclaims to Arrowood Development, LLC, Grantee, all of Grantor's rights, title and interest in 11.0 acres of Central Oregon Irrigation District ("COID") water rights that are appurtenant to Grantor's land listed in Exhibit A, attached hereto and incorporated hereto by reference. Grantee shall forthwith file a Temporary Instream Lease Application with Oregon Water Resources Department (OWRD), for said water and water rights. Said water and water rights shall remain leased instream until such time as Grantee elects to complete and submit to OWRD a transfer application for use of said water and water rights at a new location and/or use. No such transfer or sale of said water and water rights shall be allowed without the written consent of COID. Such consent shall be at the sole discretion of COID.

By this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A, that Grantor, as the current owner of the subject land, has approved the removal (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, with the consent of COID and Grantee, the subject land will no longer have the said appurtenant water rights. If an easement is required for the delivery of water rights to the lands listed in Exhibit A, and all water rights are being removed from the lands listed in Exhibit A, Grantor and Grantee hereby release any interest in and/or to said easement.

Grantee shall hereafter pay to COID, the District assessment and all other charges pertaining to the said 11.0 acres of water and water rights. Until such time as a transfer is approved by COID and OWRD, Grantor shall remain liable for any unpaid District assessments or charges pertaining to said 11.0 acres of water rights. Grantor and Grantee acknowledge the failure to pay District assessments or other charges pertaining to the 11.0 acres of water rights may result in the forfeiture of said water rights. Said water rights are further described as that portion of Certificate #76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located: 15-13-30 NW SE 600.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this quitclaim deed.

Consideration for this Quitclaim: \$9,900.00. *As per agreement, the Arjo 285 family company has paid \$9,900.00 to Arrowood Development, LLC for the 11.0 acres of water rights.*

Grantor:

William B. Curtis
William B. Curtis

Date: March 25, 2005

State of Oregon, County of Washington ss:

This instrument was acknowledged before me on March 25, 2005 by William B. Curtis.

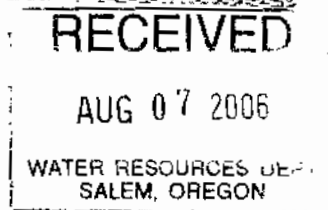
SIGNATURE PAGE TO BE ATTACHED TO ORIGINAL DOCUMENT

Sarah Sook
Notary Public

© Central Oregon Irrigation District 2005



T 10224



Stanley D Rice
Stanley Rice

Date 25 May 05

State of ALASKA, County of SUNNAM) ss:

This instrument was acknowledged before me on MARCH 25, 2005 by Stanley Rice.



Mary E Smith
Notary Public

Kenneth Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000 Date _____

Dorothy Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000 Date _____

State of _____, County of _____) ss:

This instrument was acknowledged before me on _____ by Kenneth Krieger,
co-trustee of the Krieger Revocable Trust dated August 29, 2000

Notary Public

State of _____, County of _____) ss:

This instrument was acknowledged before me on _____ by Dorothy Krieger,
co-trustee of the Krieger Revocable Trust dated August 29, 2000

Notary Public

SIGNATURE PAGE TO BE ATTACHED TO ORIGINAL DOCUMENT

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AUG 07 2006
WATER RESOURCES DEPT
SALEM, OREGON

T-10224

EXHIBIT D

MAP WAIVER
AND MAPS

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AUG 21 2006
WATER RESOURCES DEPT
SALEM, OREGON



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

Water Right Transfer Supplemental Form Map Waiver

The Director may waive or assist a transfer applicant in satisfying the map requirement (OAR 690-380-3100) for certain transfers if the criteria described in this form are met pursuant to OAR 690-380-3410.

This form must be prepared by the transfer applicant and the appropriate Regional Manager for the Oregon Water Resources Department. To prepare the form, a copy of the complete transfer application, including a description of the water rights to be transferred, must be provided to the Regional Manager.

This map waiver form must be signed by the Regional Manager and submitted with the transfer application.

Transfer Applicant: COID & Arrowood Development, LLC.

Water Right(s) to be transferred: COIA Certificate: 76358

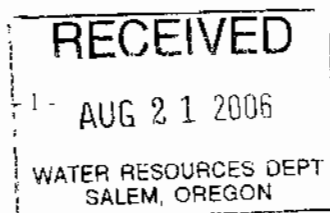
1. The transfer **must** be one of the following. Please check the appropriate box.

- An instream transfer application filed pursuant to ORS 537.348.
- A transfer application necessary to complete a project funded by the Oregon Watershed Enhancement Board (OWEB) under ORS 541.375; or
- The transfer application is determined and endorsed in writing by ODFW as a change that will result in a net benefit to fish and wildlife habitat.

2. For an **instream transfer application filed pursuant to ORS 537.348**, a map waiver shall only be approved if the application meets one of the following additional criteria. Please check the appropriate box.

- The entirety of the right is being transferred to an instream water right and the location of the instream water right can be clearly delineated through reference to the existing point of diversion for the transferred right and other points of diversion or geographic reference points such as the mouth of the stream; or
- A map meeting the requirements of the transfer rules (OAR 690-380-3100) is available showing the lands not included in the transfer and the location of the instream water right can be clearly delineated through reference to the existing point of diversion for the transferred right and other points of diversion or geographic reference points such as the mouth of the stream. (Please include copy of map(s) with transfer application.)

Transfer Application Map Waiver Form



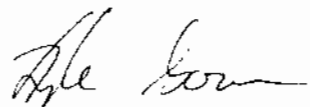
FSI Last Revised 3/6/2006

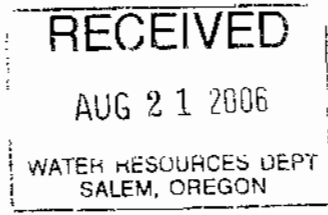
3. For a transfer application meeting any one of the criteria identified in #1 (including an instream transfer application), a map waiver may also be approved if other circumstances are present that make an application map unnecessary. If #2 does not apply, but circumstances are present that make an application map unnecessary, describe those circumstances below:

COID has sufficient maps to show
the water rights being transferred and
what water rights will remain per
"forty" acre tracts.

4. For any transfer application meeting one or more of the criteria identified in #1 that does not meet the criteria for a map waiver as described in #2 or #3, the Department may assist the applicant in development of the application map. The Department (through the regional office) may provide this assistance at the discretion of the appropriate Regional Manager. Please check the appropriate box below if the Department has provided assistance in development of the transfer application map:

- A map meeting the requirements of OAR 690-380-3100 has been prepared by Department staff and is included with the transfer application.
- The map provided with the transfer application has been developed with assistance from Department staff and meets the requirements of OAR 690-380-3100.

Signature:  Date: 6-12-06
OWRD Regional Manager, SC Region



EX
#

EXHIBIT A D

T	R	Mer	S	1/4 1/4 Section	Gov't lot	Tax lot #	Acres	Certificate Page #	POD #
1	14S	13E	WM	16 SE SE	N/A	403	0.36		11
1	14S	13E	WM	16 SE SE	N/A	414	0.84		11
2	14S	13E	WM	26 NE SW	N/A	500	0.85		11
3	15S	13E	WM	8 NE SE	N/A	8800	2		11
3	15S	13E	WM	8 NE SE	N/A	8900	8		11
4	15S	13E	WM	9 SE NE	N/A	801	1		11
4	15S	13E	WM	9 SE NE	N/A	804	1.15		11
4	15S	13E	WM	9 SE NE	N/A	900	1.5		11
5	15S	13E	WM	10 NW NW	N/A	202	1.42		11
5	15S	13E	WM	10 NW NW	N/A	200	3.4		11
5	15S	13E	WM	10 NW NW	N/A	201	4.38		11
6	15S	13E	WM	17 NW NW	N/A		18	37	11
6	15S	13E	WM	17 NE NW	N/A		16	37	11
7	15S	13E	WM	19 NW NE	N/A		21.35	39	11
8	15S	13E	WM	19 NE SW	N/A		0.2	39	11
9	15S	13E	WM	30 NW SE	N/A		3.45		11
TOTAL							83.9		

**Since HB3111 lot 1002 has been partitioned into 2 tax lots now identified as 1002 and 1007.
Appurtenant water right was adjusted accordingly.
15-13-19 SE NW 1007 has 0.6 acres
15-13-19 NE SW 1007 has 0.2 acres
15-13-19 NE SW 1002 has 0.2 acres (on this transfer)

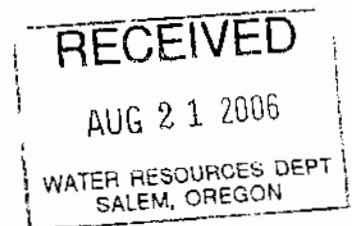


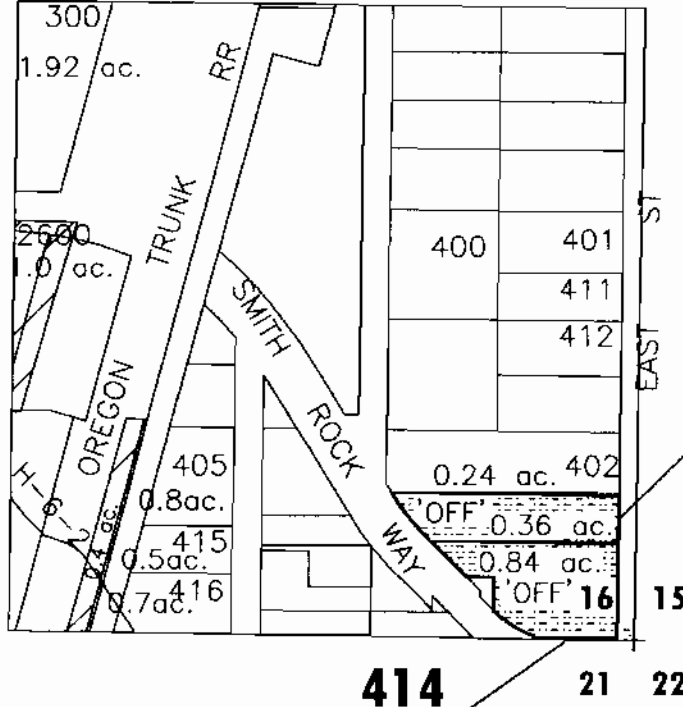
Exhibit D-1

DESCHUTES COUNTY SEC.16 T14S. R13E. W.M.

SCALE - 1" = 400'



SE 1/4 OF THE SE 1/4



403

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WATER RESOURCES DEPT
SALEM, OREGON

	EXISTING WATER RIGHTS
	"OFF" LAND PARCELS
	PARCELS W/ WATER RIGHTS



MITIGATION PROJECT APPLICATION

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 403, 414

1.2 ACRES INSTREAM

DATE: 05-04-05

FILE NO: E:\TRANSFER\WRTRAN05\MITIGATION\ARROWOOD\RUSSELL

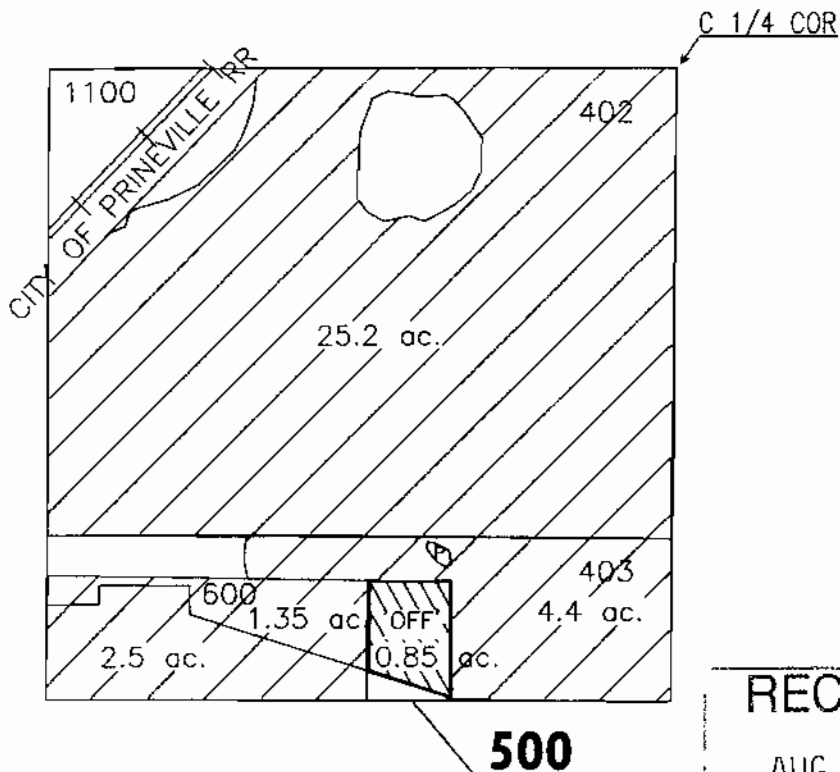
Exhibit D-2

DESCHUTES COUNTY SEC. 26 T114S. R13E. W.M.

SCALE - 1" = 400'



NE 1/4 OF THE SW 1/4



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WATER RESOURCES DEPT
SALEM, OREGON

	'OFF' LANDS
	EXISTING WATER RIGHTS



MITIGATION PROJECT APPLICATION
NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 500

0.85 ACRES INSTREAM

DATE: 05-04-05

FILE NO: E:\TRANSFER\WRTRAN05\MITIGATION\ARROWOOD\NELSON

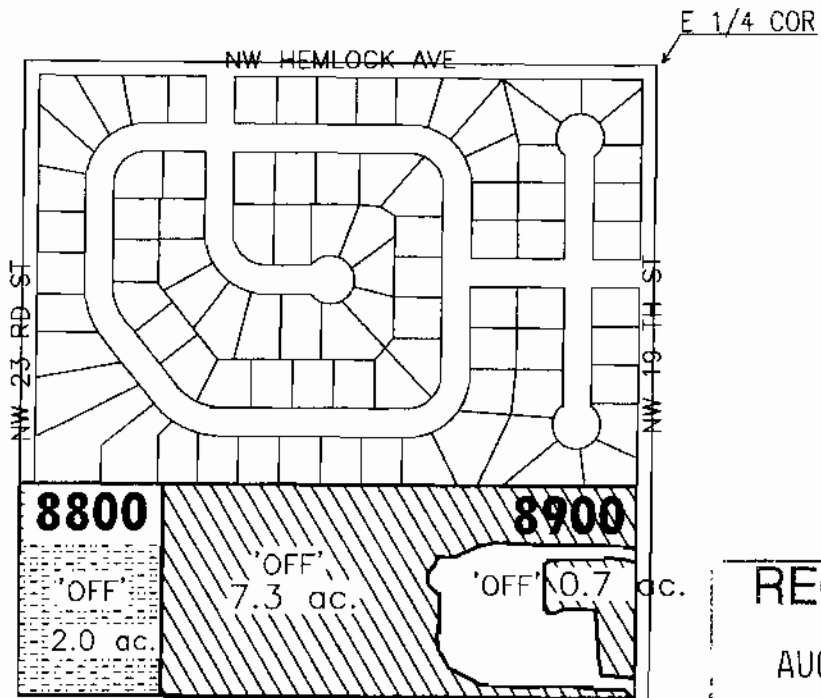
Exhibit D-3

DESCHUTES COUNTY SEC.08 T15S. R13E. W.M.




SCALE - 1" = 400'



NE 1/4 OF THE SE 1/4



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 WATER RESOURCES DEPT
 SALEM, OREGON

-  "OFF" LANDS
-  EXISTING WATER RIGHTS
-  "OFF" LAND PARCELS



MITIGATION PROJECT APPLICATION
 NAME: ARROWOOD DEVELOPMENT
 TAXLOT #: 8800, 8900 10.0 ACRES 'OFF'

DATE: 05-04-05

FILE NO: E:\TRANSFER\WRTRAN05\MITIGATION\ARROWOOD\COM_PRES.CH

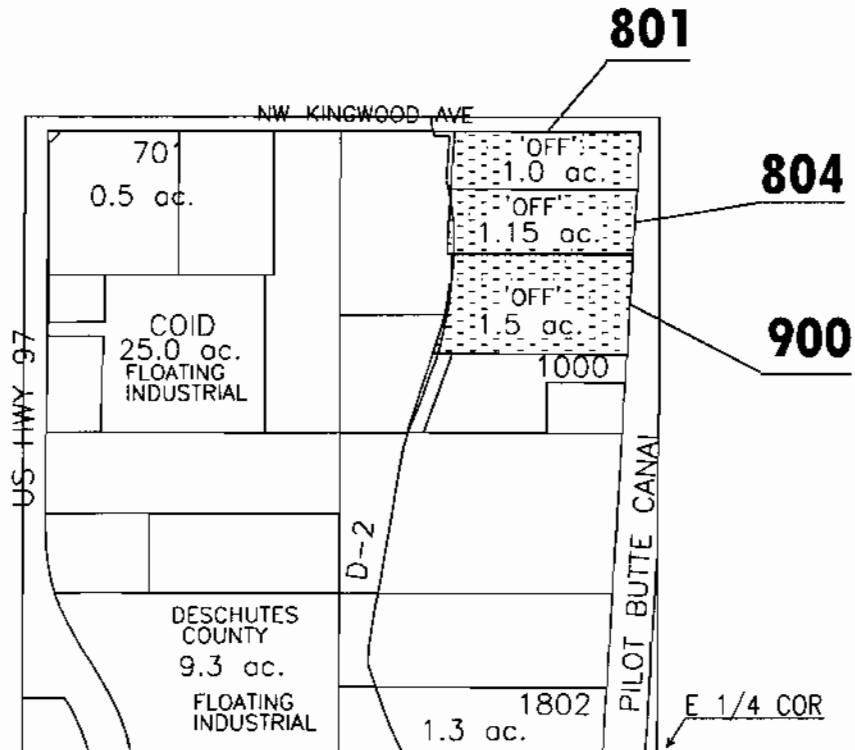
Exhibit D-4

DESCHUTES COUNTY SEC.09 T15S. R13E. W.M.

SCALE - 1" = 400'



SE 1/4 OF THE NE 1/4



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 AUG 21 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

ac. PARCELS W/ WATER RIGHTS
 "OFF" LAND PARCELS



MITIGATION PROJECT APPLICATION

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 801, 804, 900

3.65 ACRES OFF

DATE: 05-05-05

FILE NO: E:\TRANSFER\WRTRAN05\MITIGATION\ARROWOOD\CAS_HEALTH

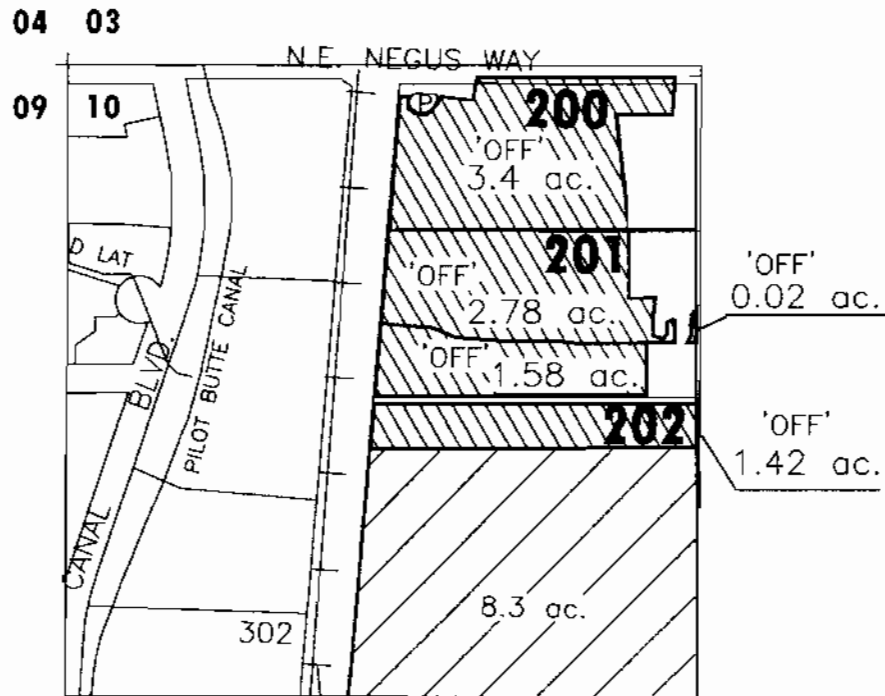
Exhibit D-5

DESCHUTES COUNTY SEC. 10 T15S. R13E. W.M.

SCALE - 1" = 400'



NW 1/4 OF THE NW 1/4



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 WATER RESOURCES DEPT
 SALEM, OREGON

	"OFF" LANDS
	EXISTING WATER RIGHTS



MITIGATION PROJECT APPLICATION

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 200, 201, 202

9.2 ACRES INSTREAM

DATE: 05-04-05

FILE NO: E:\TRANSFER\WRTRANS5\MITIGATION\ARROWOOD\HAYDEN_POVEY

Exhibit D-6

DESCHUTES COUNTY SEC. 17 T15S. R13E. W.M.

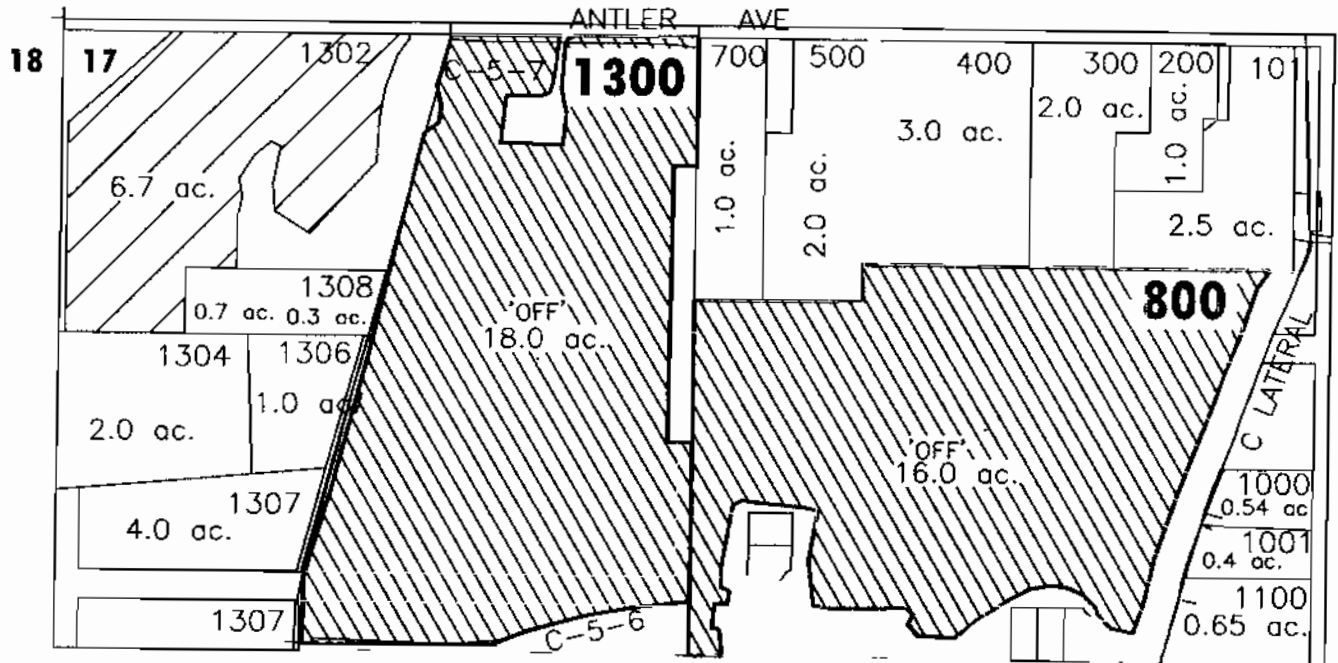
SCALE - 1" = 400'




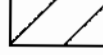
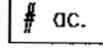
NW 1/4 OF THE NW 1/4; NE 1/4 OF THE NW 1/4

DISTRICT INTERNAL
PROJECT #: MP-2006-003

07 08



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 AUG 21 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

-  "OFF" LANDS
-  EXISTING WATER RIGHTS
-  # ac. PARCELS W/ WATER RIGHTS



MITIGATION PROJECT APPLICATION
NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 800, 1300

34.0 ACRES 'OFF'

DATE: 01-17-06

FILE NO: E:\TRANSFER\WRTRAN06\MITIGATION\ARROWOOD\151317

Exhibit D-7

DESCHUTES COUNTY SEC. 19 T15S. R13E. W.M.

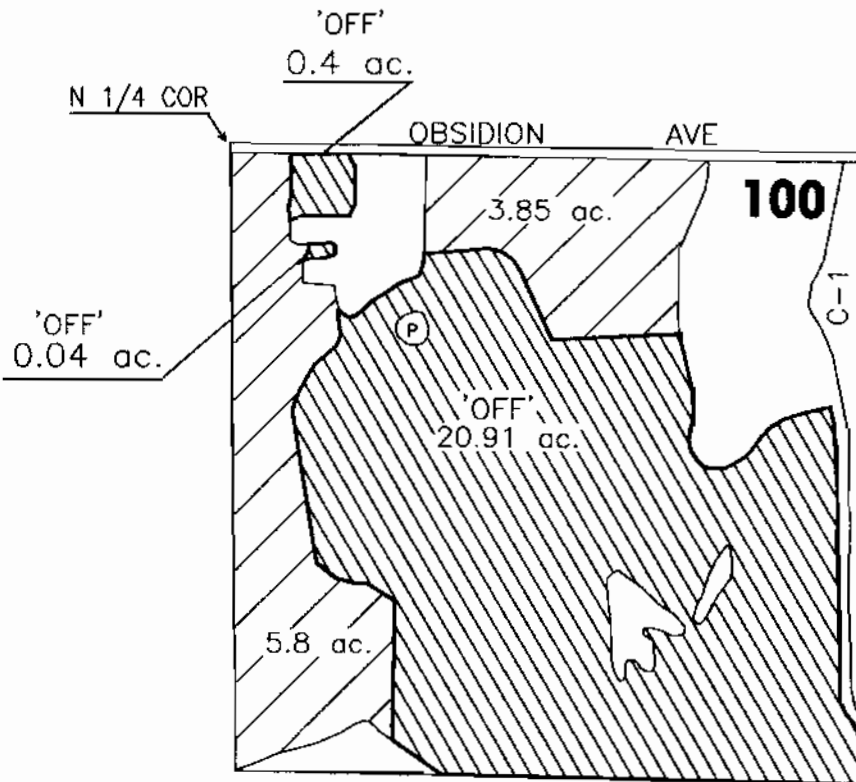
SCALE - 1" = 400'




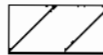
NW 1/4 OF THE NE 1/4

DISTRICT INTERNAL

PROJECT #: MP-2006-003



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 AUG 21 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

 "OFF" LANDS
 EXISTING WATER RIGHTS



MITIGATION PROJECT APPLICATION

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 100

21.35 ACRES 'OFF'

DATE: 01-18-06

FILE NO: E:\TRANSFER\WRTRANS\MITIGATION\ARROWOOD\151319NE

Exhibit D-8

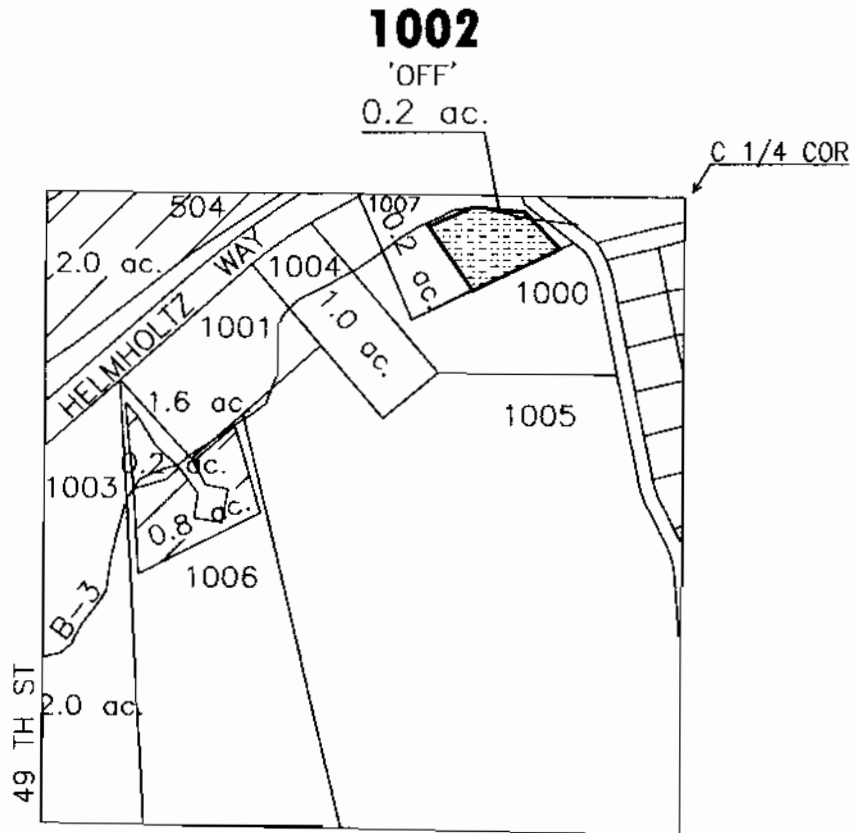
DESCHUTES COUNTY SEC. 19 T15S. R13E. W.M.

SCALE - 1" = 400'






NE 1/4 OF THE SW 1/4

DISTRICT INTERNAL
PROJECT #: MP-2006-003



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WATER RESOURCES DEPT
SALEM, OREGON

-  EXISTING WATER RIGHTS
-  "OFF" LAND PARCELS
-  PARCELS W/ WATER RIGHTS



MITIGATION PROJECT APPLICATION
NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 1002

0.2 ACRES 'OFF'

DATE: 01-18-06

FILE NO: E:\TRANSFER\WRTRAN06\MITIGATION\ARROWOOD\151319SW

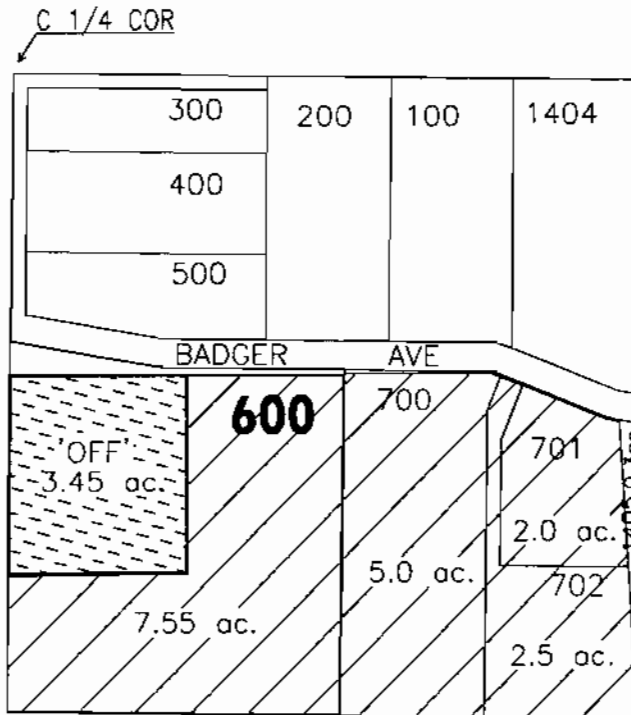
Exhibit D 9

DESCHUTES COUNTY SEC. 30 T15S. R13E. W.M.

SCALE - 1" = 400'



NW 1/4 OF THE SE 1/4



RECEIVED

AUG 21 2006

WATER RESOURCES DEPT
SALEM, OREGON

	"OFF" LANDS
	EXISTING WATER RIGHTS



MITIGATION PROJECT APPLICATION
 NAME: ARROWOOD DEVELOPMENT
 TAXLOT #: 600 3.45 ACRES 'OFF'
 DATE: 05-04-05 FILE NO: E:\TRANSFER\WRTRANS\MITIGATION\ARROWOOD\CURTIS

Exhibit E Water Rights

Some water rights as previously included on T-9824 - Quit claim deed tracking information:

- E-1. 14S- 13E-16 WM SE SE tax lot 403 & 414: 0.36 Acres and 0.84 Acres
Stephen Russell, Quitclaim to COID, COID to Arrowood Development
- E-2. 14S – 13E- 26 WM NE SW tax lot 500 0.85 Acres
WT Nelson, Quitclaim to COID, COID to Arrowood Development
- E-3. 15S-13E-08 WM NE SE tax lot 8800 & 8900 10 Acres
Community Presbyterian to COID, COID to Arrowood Development
- E-4. 15S-13E-19 WM SE NE tax lots 801, 804, 900 3.65 Acres
Cascade Health to COID, COID to Arrowood Development
- E-5. 15S-13E-10 WM NW NW tax lots 200, 201 & 202 9.2 Acres
Hayden Enterprises and Harold Povey to COID, COID to Arrowood Development
- E-6. 15 S-13 E-17 NW NW tax lot 1300 18 Acres: (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
- E-6. 15 S-13 E-17 NE NW tax lot 800 16 acres (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or 9
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
- E-7. 15 S-13 E-19 NW NE tax lot 100 21.35 acres Quitclaimed to COID (Previously on T-9824)
by James & Debra Marshall
On behalf of owners: Obsidian Group, LLC: then quit claimed to
Current owners: David & Tammy Sailors 64154 Pioneer Loop, Bend, Or 97701
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (31 acres on 3111 – 9.65 acres remain on property)
Notarized Lien holder consent attached.
- E-8. 15 S-13 E -19 NE SW 1002 (0.20 acres water) (Previously on T-9824)
0.20 acres quit claimed to COID for
Owner: Forked Horn, LLC c/o John Pewther 1790 SW 23rd Street, Redmond, OR 97756
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (on 3111 - tax lots split and reconfigured)
Notarized lien holder consent attached.
- E-9. 15S-13E-30 WM NW SE 3.45 Acres (of 11 acres) tax lot 600
Curtis to COID, COID to Arrowood Development

TOTAL 83.9 ACRES

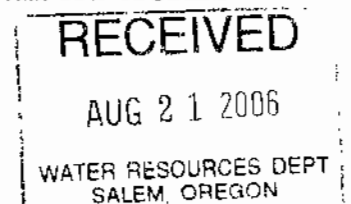


Exhibit E

**Water Right Transfer Supplemental Form A
AFFIDAVIT ATTESTING TO THE USE OF WATER**

State of Oregon)
) ss
County of Deschutes)

I, Cary D. Penhollow, in my capacity as District Watermaster,
mailing address 1055 SW Lake Court Redmond OR 97756
telephone number (541) 548-6047, being first duly sworn depose and say:

1. I attest that:

- Water was used during the previous five years on the entire authorized place of use of the water right proposed for transfer as described on the accompanying transfer application, or
- The water right is not subject to forfeiture and documentation that a presumption of forfeiture for non-use would be rebutted under ORS 540.610(2) is attached.

2. My knowledge of the exercise or status of the water right is based on (check one)

- Personal observation
- Professional expertise

3. My knowledge is specific to the use of water at the following locations:

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Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
14 S	13 E	WM	16	SE SE	TL403	0.36
14 S	13 E	WM	16	SE SE	TL414	0.84
14 S	13 E	WM	26	NE SW	TL500	0.85
15 S	13 E	WM	08	NE SE	TL8900	8.0
15 S	13 E	WM	08	NE SE	TL8800	2.0
15 S	13 E	WM	09	SE NE	TL801	1.0
15 S	13 E	WM	09	SE NE	TL804	1.15
15 S	13 E	WM	09	SE NE	TL900	1.50
15 S	13 E	WM	10	NW NW	TL200	3.40
15 S	13 E	WM	10	NW NW	TL201	4.38
15 S	13 E	WM	10	NW NW	TL202	1.42
15 S	13 E	WM	17	NE NW	TL800	16.0

(continues on reverse side)

Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

**Water Right Transfer Supplemental Form A
AFFIDAVIT ATTESTING TO THE USE OF WATER**

State of Oregon)
) ss
 County of Deschutes)

I, Cary D. Penhollow, in my capacity as District Watermaster,
 mailing address 1055 SW Lake Court Redmond OR 97756
 telephone number (541) 548-6047, being first duly sworn depose and say:

1. I attest that:

- Water was used during the previous five years on the entire authorized place of use of the water right proposed for transfer as described on the accompanying transfer application, or
- The water right is not subject to forfeiture and documentation that a presumption of forfeiture for non-use would be rebutted under ORS 540.610(2) is attached.

2. My knowledge of the exercise or status of the water right is based on (check one):

- Personal observation
- Professional expertise

3. My knowledge is specific to the use of water at the following locations:

Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
15 S	13 E	WM	17	NW NW	TL1300	18.0
15 S	13 E	WM	19	NE SW	TL1002	0.20
15 S	13 E	WM	19	NW NE	TL100	21.35
15 S	13 E	WM	30	NW SE	TL 600	3.45

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 WATER RESOURCES DEPT
 SALEM, OREGON

(continues on reverse side)

Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

4. The water right was exercised for the authorized purpose described below (e.g., crops grown):

See Attached

5. The water delivery system used to apply water as authorized by the right is described below:

See Attached

6. One or more of the following documentation supporting the above statements is attached:

- Copy of a water right certificate that was issued within the last five years (not a remaining right certificate),
- Copies of receipts from sales of irrigated crops or for expenditures relating to the use of water,
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts,
- Other: L-640

Cory D. Ruckelshaus
Signature of Affiant

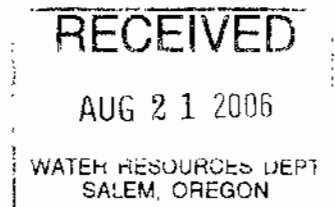
6-5-06
Date

Signed and sworn to (or affirmed) before me this 5th day of June, 2006.

Leslie Clark
Notary Public for Oregon



My Commission Expires: Feb. 5 2010



Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

State of Oregon)
) ss
 County of _____)

I _____, in my capacity as _____,
 mailing address _____,
 telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NW 1/4 NW 1/4 T. 15. N. R. 13. E.
 _____ 1/4 _____ 1/4
 _____ 1/4 _____ 1/4
 Section 10
 Township 15 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

Type of crop: Apple & Pistachio

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: Flood system / 1.5 ips

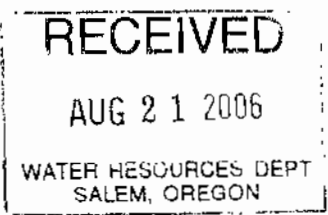
Pump size: _____

Pump capacity: _____

Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED.
 June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
 County of _____)

I _____, in my capacity as _____,
 mailing address _____,
 telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NW 1/4 SE 1/4
 _____ 1/4 _____ 1/4 T L 600
 _____ 1/4 _____ 1/4
 Section 30
 Township 15 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

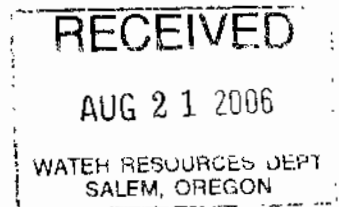
Type of crop: 1.27 acres of corn

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: DUMP out of pond.
 Pump size: 5 HP
 Pump capacity: _____
 Pipe size: 6 inch

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED
 June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
County of _____)

I _____, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
- Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NE ¼ SW ¼
_____ ¼ _____ ¼ T 2 S R 3
_____ ¼ _____ ¼
Section 26

Township 14 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

Type of crop: peaches

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: Flood irrigation system of 2000 ft

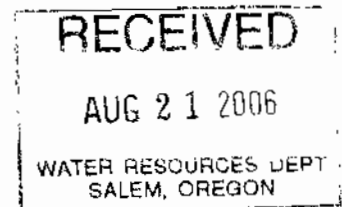
Pump size: _____

Pump capacity: _____

Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED
June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
County of _____)

I _____, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):

- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

SE ¼ SE ¼ T.L. 403 + 414
 ¼ ¼
 ¼ ¼
Section 16e
Township 4 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

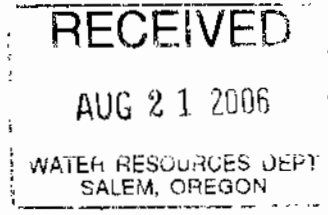
Yard irrigation

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Flow irrigation w/dumps

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED.
June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
County of _____)

I _____, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
- Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NE ¼ SE ¼
_____ ¼ _____ ¼
_____ ¼ _____ ¼

Section 28

Township 15 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

irrigation

4. The water delivery system used to apply water as authorized by the water right is described as follows:

lined & high capacity ditches & pumps

(continues on reverse side)

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June 2003

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WATER RESOURCES DEPT
SALEM, OREGON

**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
County of _____) ss

I Cary Pinkerton, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):

- Personal observation 3/2/11 to 1/11/12
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s).

SE $\frac{1}{4}$ NE $\frac{1}{4}$ TL S01, S04, S05
 $\frac{1}{4}$ $\frac{1}{4}$
 $\frac{1}{4}$ $\frac{1}{4}$
Section 59
Township 15 N/S Range 13 EW

3. The water right was exercised for the authorized purposes and is described as follows:

Type of crop: grain + pastures

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: floor irrigation in pastures
Pump size: _____
Pump capacity: _____
Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE SUPPORTING DOCUMENTATION MUST BE ATTACHED
June 2003

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WATER RESOURCES DEPT
SALEM, OREGON



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

Thank You

August 15, 2005

Danielle MacBain
Deschutes Water Exchange Mitigation Bank
P.O. Box 1560
Bend, OR 97701

Dear Danielle:

Thank you for participating in the Short-Term Instream Leasing Program and Deschutes Mitigation Credit program. I want to express appreciation for your participation in these programs and cooperation in helping to improve streamflows for fish and aquatic life and to provide mitigation water to ground water users in the Deschutes Ground Water Study Area.

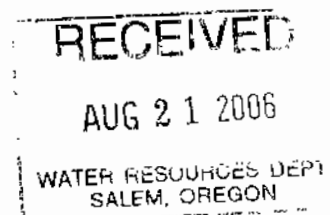
This Instream Lease has been approved and has been awarded mitigation credits.

Enclosed is a copy of the final order approving the lease and mitigation credit project. If you have any questions regarding either, please call me at (503) 986-0884.

Sincerely,

Laura Snedaker
Field Services Division

c: Jeremy Giffin, Watermaster District 11
Arrowood Development, Lessor
Leslie Clark, COID, Lessor
files L-640 & MP-44



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

In the Matter of the Proposed Short-Term)	DETERMINATION and
Lease of Existing Water Rights for Instream)	FINAL ORDER ON PROPOSED
Use and Preliminary and Final Award of)	INSTREAM LEASE and MITIGATION
Mitigation Credits, Certificates 76358 and)	CREDIT PROJECT
76714, Deschutes County)	

ORS 537.348 establishes the process in which a water right holder may submit a request to lease an existing water right for instream purposes. OAR Chapter 690, Division 077 implements the statutes and provides the Department's procedures and criteria for evaluating short-term instream lease applications.

OAR 690-521-0100 to 690-521-0600 establishes the process in which anyone may submit a ground water mitigation project to the Department for the purpose of establishing mitigation credits in the Deschutes Ground Water Study Area.

Lessor #1

Arrowood Development
250 NW Franklin Ave., Suite 203
Bend, OR 97701

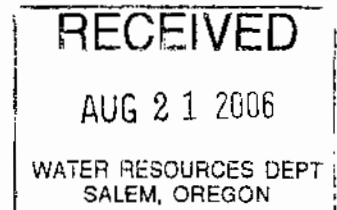
Lessor #2

Central Oregon Irrigation District (COID)
2598 N Hwy. 97
Redmond, OR 97756
transfers@coid.org

Central Oregon Irrigation District (COID)
2598 N Hwy. 97
Redmond, OR 97756
transfers@coid.org

Lessee

Deschutes Water Exchange (DWE) Mitigation Bank
PO Box 1560
Bend, OR 97709
danielle@deschutesrc.org



Findings of Fact

1. Arrowood Development, COID and the DWE Mitigation Bank filed an application to lease a portion of Certificates 76358 and 76714 to instream use. The Department assigned the application number L-640.
2. Interest in the portion of the water rights to be leased instream has been quit claimed from the original land owners. The lease application form identifies Arrowood as the interest holder in the water rights. However, individual quit claim deeds submitted with the application

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

identify Arrowood as interest holder in a portion of the rights to be leased. Interests in the remaining portion of the rights to be leased are held by COID and COID on behalf of Arrowood. The Department has determined that Arrowood and COID are both interest holders and are authorized to lease the water rights instream.

3. The rights to be leased are as follows:

Certificate: 76358

Season of Use: April 1 to November 1, further limited as follows:

April 1 to May 1 and Oct. 1 to Nov. 1 described herein as Season 1

May 1 to May 15 and Sept. 15 to Oct. 1 described herein as Season 2

May 15 to Sept. 15 described herein as Season 3

Priority Date: October 31, 1900 and December 2, 1907

Quantity: Season 1: 1.143 Cubic Foot per Second (CFS) under the 10/31/1900 priority date

Season 2: 1.524 CFS under the 10/31/1900 priority date

Season 3: 2.823 CFS, being 2.011 CFS under the 10/31/1900 priority date and 0.811 CFS under the 12/2/1907 priority date

Duty: 606.27 Acre-Feet (AF)

The quantities listed reflect allowance of a 45% transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933

Source: Deschutes River, tributary to the Columbia River

Place of Use:

IRRIGATION OF 91.45 ACRES							
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor #1 (water right interest holder)
14 S	13 E	WM	16	SE SE	403	0.36	COID & Arrowood
14 S	13 E	WM	16	SE SE	414	0.84	COID & Arrowood
14 S	13 E	WM	26	NE SW	500	0.85	COID & Arrowood
15 S	13 E	WM	8	NE SE	8800	2.0	COID & Arrowood
15 S	13 E	WM	9	NE SE	8900	8.0	COID & Arrowood
15 S	13 E	WM	9	SE NE	801	1.0	Arrowood
15 S	13 E	WM	9	SE NE	804	1.15	Arrowood
15 S	13 E	WM	9	SE NE	900	1.5	Arrowood
15 S	13 E	WM	10	NW NW	200	3.4	COID
15 S	13 E	WM	10	NW NW	201	4.38	COID
15 S	13 E	WM	10	NW NW	202	1.42	COID
15 S	13 E	WM	17	NE NW	800	16.0	Arrowood
15 S	13 E	WM	17	NW NW	1300	18.0	Arrowood
15 S	13 E	WM	19	NW NE	100	21.35	Arrowood
15 S	13 E	WM	19	NE SW	1002	0.2	Arrowood
15 S	13 E	WM	30	NW SE	600	11.0	Arrowood

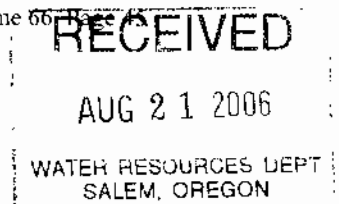
Point of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
17 S	12 E	WM	29	SE NE	COID North Canal POD #11 - 850 feet North & 630 feet West from the E 1/4 corner of Section 29

Certificate: 76714

Season of Use: April 1 to November 1

Priority Date: February 28, 1913



Quantity: 906.27 AF. This right does not have a rate limitation.
Source: Crane Prairie Reservoir, tributary to the Deschutes River
Place of Use: Same as described for certificate 76358

Point of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
17 S	12 E	WM	29	SE NE	COID North Canal ~ 850 feet North & 630 feet West from the E ¼ corner of Section 29
21 S	8 E	WM	17	NE NE	Crane Prairie Reservoir Dam

4. The lease application includes the information required under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6). No comments were received.
5. The instream use has been modified from the lease application to prevent injury and enlargement and is as follows:
 Deschutes River
 Tributary to the Columbia River in the Deschutes Basin

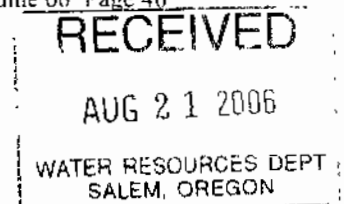
Instream Reach: From COID North Canal POD (as described in Finding of Fact #2) to Lake Billy Chinook

Certificate	Source	Priority Date	Instream Rate (cfs)	Period Protected Instream
76358 primary	Deschutes R	10/31/1900	Season 1: 0.629 CFS Season 2: 0.838 CFS Season 3: 1.106 CFS	April 1 – Oct. 26
		12/2/1907	Season 3: 0.446 CFS	
76714 supplemental	Crane Prairie Reservoir	2/28/1913	Up to 88.74 AF (Sufficient quantities may be protected instream to make up any deficiency of the primary right)	April 1 – Oct. 26

6. Other conditions to prevent injury and enlargement are:

The amount of water to be leased instream under certificate 76358 does not include a 45% transmission loss associated with this right when used for its originally authorized purpose. The transmission loss may not be leased and protected instream.

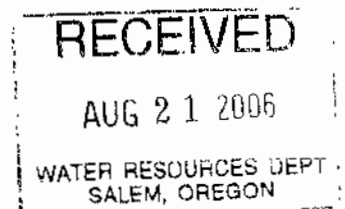
7. Certificate 76714 is supplemental to certificate 76358. The portion of certificate 76714 being leased instream shall only be protected instream if the full rate and duty under certificate 76358 are not available during the period for which water is being leased instream.
8. Based upon review of the application, comments received, information provided by the Department's Watermaster, and other available information, the Department finds that the lease will not result in injury or enlargement. This finding is made through an abbreviated review recognizing that the lease may be modified or revoked under OAR 690-077-0077 if the Department later finds that the lease is causing injury to any existing water right or enlargement of the original right.



9. If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required. Transfers will be subject to a full and complete review to determine consistency with the requirements of OAR Chapter 690, Division 380 and Division 077. Approval of this lease does not establish a precedent for approval of future leases or transfers.
10. The lease will terminate on October 31, 2009.
11. The lessor and lessee have requested to have the option of terminating the lease with written notice provided to the Department. In order to assure adequate notice of any termination of the lease, the Department will require that written notice be provided by all parties on the lease and be submitted to both the Salem office and the Watermaster's office.

Preliminary Award of Deschutes Basin Mitigation Credits

12. The Lessee, a mitigation bank chartered by the Water Resources Commission, has requested that the portion of the right to be protected instream be used to generate mitigation credits.
13. The Department assigned this mitigation credit project number MP-44.
14. The Department provided notice of the mitigation credit project pursuant to OAR 690-521-0300 (6). The Department also provided notice of the mitigation credit project to the Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, Oregon State Parks and Recreation Department, Oregon Division of State Lands, the Oregon Department of Agriculture, and the Department's Watermaster pursuant to OAR 690-521-0300 (7) and OAR 690-505-0630 (2). Comments were received from the Oregon Department of Fish and Wildlife (ODFW). ODFW identified that this project will provide effective instream protection of flows during the irrigation season and also identified, along with general comments on the mitigation program, that instream flow protection is needed during the months outside of the irrigation season. Comments were also received from the Oregon Parks and Recreation Department (OPRD). These comments identified a need for additional instream flow protections from June 1 through mid September for water contact sports. OPRD's comments also identified that instream flows may be necessary during the early spring and later fall. To provide flows during period otherwise not affected by higher spring runoff, OPRD suggested that flows should be protected as evenly as possible.
15. The Department is unable to expand the period during which instream flows may be protected outside of the irrigation season, as recommended by ODFW, without causing injury. The shaping proposed by the instream lease application protects water instream over almost the entire irrigation season at the maximum rate possible and appears to meet the recommendations made by OPRD. Therefore, no modifications were made to the lease based upon comments received.
16. The Department finds that **164.6** mitigation credits may be awarded to this mitigation credit project and assigned to the Deschutes Water Exchange Mitigation Bank. The mitigation credits may be used to mitigate for ground water permit applications and existing conditioned ground water permits and certificates, providing mitigation pursuant to the Deschutes Ground



Water Mitigation Rules, OAR Chapter 690, Division 505, within the **General and Middle Deschutes River** zones of impact.

17. The mitigation credits expire on December 31, 2009, unless the lease agreement is terminated earlier by the Lessors and the Lessee.
18. The use and maintenance of the mitigation credits is subject to the terms and conditions of the Deschutes Water Exchange Mitigation Bank Charter.
19. The Department shall award final mitigation credits upon completion of the approved project by the applicant and verification by the Department that the project is complete. The issuance of the Final Order approving the proposed instream lease shall result in completion of the project and verification that the project is complete.
20. No precedent is set by this Final Order as to the amount of mitigation credits that may be generated by a subsequent mitigation credit project.

CONCLUSIONS OF LAW

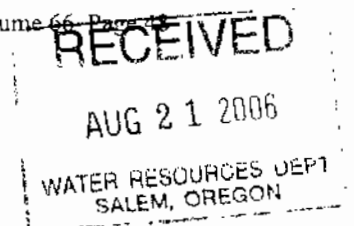
The Department concludes that the lease will not result in injury or enlargement, OAR 690-077-0077. The lease agreement conforms to the applicable provisions of OAR 690-077-0015.

This mitigation project results in mitigation credits pursuant to ORS 537.746 and OAR 690-521-0300 and 690-521-0400.

ORDER

Therefore, it is ORDERED:

1. That the Short-Term Lease as described herein is APPROVED.
2. The former place of use shall no longer receive water as part of these rights during the term of the lease.
3. The lease shall terminate on October 31, 2009. The lessor shall have the option of terminating the lease with written notice to the Department provided to both the Salem office and Watermaster office. Written notice of termination of a lease must be provided by all lessors and the lessee. The written notice to Salem office must include original signatures. The notice to the Watermaster office may be made by fax or e-mail. The lease may be terminated at any time during a calendar year. However, if the termination request is received after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year.
4. **Final Award of Deschutes Basin Mitigation Credits:** Issuance of this Final Order results in completion of the project and verification by the Department that the project is complete. The Department concludes that the mitigation credit project is awarded mitigation credits, as described above, pursuant to OAR 690-521-0400 and ORS 537.746. Mitigation Credits, in the amount of **164.6** credits, as described herein, are awarded to this mitigation project and assigned to the Deschutes Water Exchange Mitigation Bank. Mitigation Credits may be used



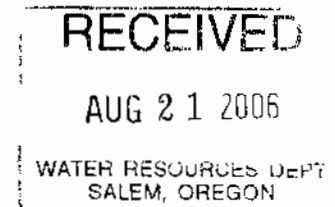
to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder in the General and Middle Deschutes River zones of impact.

5. Mitigation credits are valid until used (or expire) to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder within the Deschutes Ground Water Study Area pursuant to the Deschutes Ground Water Mitigation Rules. Mitigation credits are used when a person submits to the Department documentary evidence that valid credits have been obtained and assigned to satisfy a mitigation obligation.
6. The mitigation credits shall expire on December 31, 2009, unless the lease agreement is terminated earlier by the Lessor and the Lessee.
7. The use and maintenance of the mitigation credits shall be subject to the terms and conditions of the Deschutes Water Exchange Mitigation Bank Charter.

Dated at Salem, Oregon this 15th day of August 2005.

For Phillip C. Ward
Phillip C. Ward, Director

Mailing date: AUG 17 2005



Now Exhibit E-1 #2

Exhibit E 7/8
COURT FILE # 2006-00000000

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

State of Oregon)
)
County of Multnomah)

I Arthur C. Piculell, Jr., in my capacity as landowner

Mailing address 12600 SW 72nd Ave. Suite 200. Portland, OR 97223.

Telephone number 503-292-8678, being first duly sworn depose and say:

- I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
 Personal observation
 Professional expertise

- My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 17 $\frac{1}{4}$ $\frac{1}{4}$ NWNW tax lot 1300

T. 15 R. 13 S. 17 $\frac{1}{4}$ $\frac{1}{4}$ NE NW tax lot 800

- The water right was exercised for the authorized purposes and is described as follows:
Pasture

- The water delivery system used to apply water as authorized by the water right is described as follows:

Flood Irrigation

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SALEM, OREGON

(continues on next page)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
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SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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So. 30 01 11 7924
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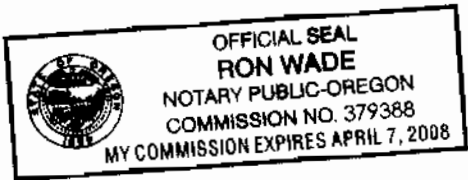
5. One or more of the following documentation supporting the above statements is attached:

- Copy of water right certificate which has been issued within the last five years (not a remaining certificate), Certificate 76358 : 3111 dated 12/1999
- Copies of receipts from sales of irrigated crops or for expenditures relating to use of water.
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers.
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts.
- IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
- Other: In stream Lease L-571 copy attached
- Other: _____

Arthur C. Piculell, Jr.
Signature of Affiant: Arthur C. Piculell, Jr.

11-2-04
Date

Subscribed and Sworn to Before Me this 2 day of Nov., 2004



Ron Wade
Notary Public for Oregon

My commission expires 4-7-08

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E-7/8

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Short-Term) DETERMINATION and
Lease of Existing Water Rights for Instream) FINAL ORDER ON
Use, Certificate(s) 76358 & 76714, Deschutes) PROPOSED INSTREAM
County, Oregon) LEASE

FINDINGS OF FACT

- 1. A Short-Term Lease Application, which proposed to lease all or a portion of certificates 76358 & 76714 for instream purposes was submitted to the Department by:

Lessor #1
Arthur C. Piculell, Jr.
4820 SW Scholls Ferry Rd.
Portland, OR 97225

Lessor #2
Central Oregon Irrigation District (COID)
2598 N Hwy 97
Redmond, OR 97756

Lessee
Deschutes Resources Conservancy
PO Box 1560
Bend, OR 97709

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SALEM, OREGON

- 2. The instream lease application included the required fees. The Department assigned this lease agreement number L-571.
- 3. The lease application includes the information required under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6). No comments were received.
- 4. The rights to be leased, as requested by the applicant, are as follows:

Certificate: 76358
Use: Irrigation
Acres: 34.0 acres
Priority Date: October 31, 1900 & December 2, 1907
Season of Use: April 1 through October 31, further limited as follows:
April 1 to May 1 and October 1 to November 1 described herein as Season 1
May 1 to May 15 and September 15 to October 1 described herein as Season 2
May 15 to September 15 described herein as Season 3

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This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

T-9824/MP-27

Quantity: Season 1 (limited to 1/80th Cubic Foot per Second (CFS) per acre): 0.43 CFS
 Season 2 (limited to 1/60th cfs per acre): 0.57 CFS
 Season 3 (limited to 1/32.4th cfs per acre): 1.05 CFS
 Duty (limited to 9.91 acre-feet per acre): 336.9 Acre-Feet (AF)
 The quantities listed reflect allowance of a 45% transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933.

Source: Deschutes River, tributary to the Columbia River

Authorized Point of Diversion (POD) - COID North Canal POD #11:

Township		Range		Meridian	Sec	¼ ¼		Location
17	S	12	E	W.M.	29	SE	NE	850 Feet North and 630 Feet West from the E 1/4 Corner, Section 29

Authorized Place of Use:

Township		Range		Meridian	Sec	1/4 1/4		Lot	Priority Date	Acres
15	S	13	E	W.M.	17	NE	NW	800	10/31/1900 12/2/1907	16.0
15	S	13	E	W.M.	17	NW	NW	1300	10/31/1900 12/2/1907	18.0
									Total acres	34.0

Certificate: 76714
Use: Supplemental Irrigation
Acres: 34.0 acres
Priority Date: February 28, 1913
Season of Use: April 1 through October 31
Quantity: 336.9 AF. This right does not have a rate limitation.
Source: Crane Prairie Reservoir, tributary to the Columbia River

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Authorized Point of Diversion (POD):

Township		Range		Meridian	Sec	¼ ¼		Location
17	S	12	E	W.M.	29	SE	NE	COID North Canal POD (11) - 850 Feet North and 630 Feet West from the E 1/4 Corner, Section 29
21	S	8	E	W.M.	17	NE	NE	Crane Prairie Reservoir Dam

Authorized Place of Use: Same as described for certificate 76358.

- The Department finds that the lease application requires modification in order to clarify the amount of water allowed under each priority date associated with the primary right, certificate 76358. In addition, the supplemental right requires clarification to identify the amount of water that may be leased and to clarify the source of water. The rights are clarified as follows (changes are shown in bold text):

Now Exhibit E-3

Exhibit E-10
C... ..

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

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State of Oregon)
County of Deschutes)

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I Cary Penhollow, in my capacity as CO ID Watermaster,

Mailing address CO ID 2548 N Hwy 97 Redmond, OR,

Telephone number 541-548-6247, being first duly sworn depose and say:

- 1. I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one);
 Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ NWNE tax lot 100

T. _____ R. _____ S. _____ $\frac{1}{4}$ $\frac{1}{4}$ _____ tax lot _____

3. The water right was exercised for the authorized purposes and is described as follows:

irrigated pasture & hay

4. The water delivery system used to apply water as authorized by the water right is described as follows:

sprinkler irrigated - 25hp pump from
pond to handline

(continues on next page)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
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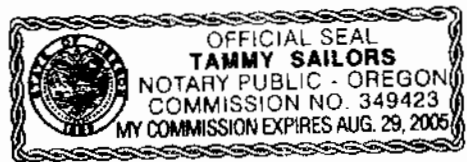
5. One or more of the following documentation supporting the above statements is attached:

- Copy of water right certificate which has been issued within the last five years
(not a remaining certificate), Certificate 76358: 3111 dated 12 / 1999
- Copies of receipts from sales of irrigated crops or for expenditures relating to use of water,
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts,
- IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
- Other: In stream Lease 1-380
- Other: _____

Cary D. Parkheller
Signature of Affiant

10/22/04
Date

Subscribed and Sworn to Before Me this 22nd day of October, 2004



Tammy Sailors
Notary Public for Oregon

My commission expires 8-29-2006

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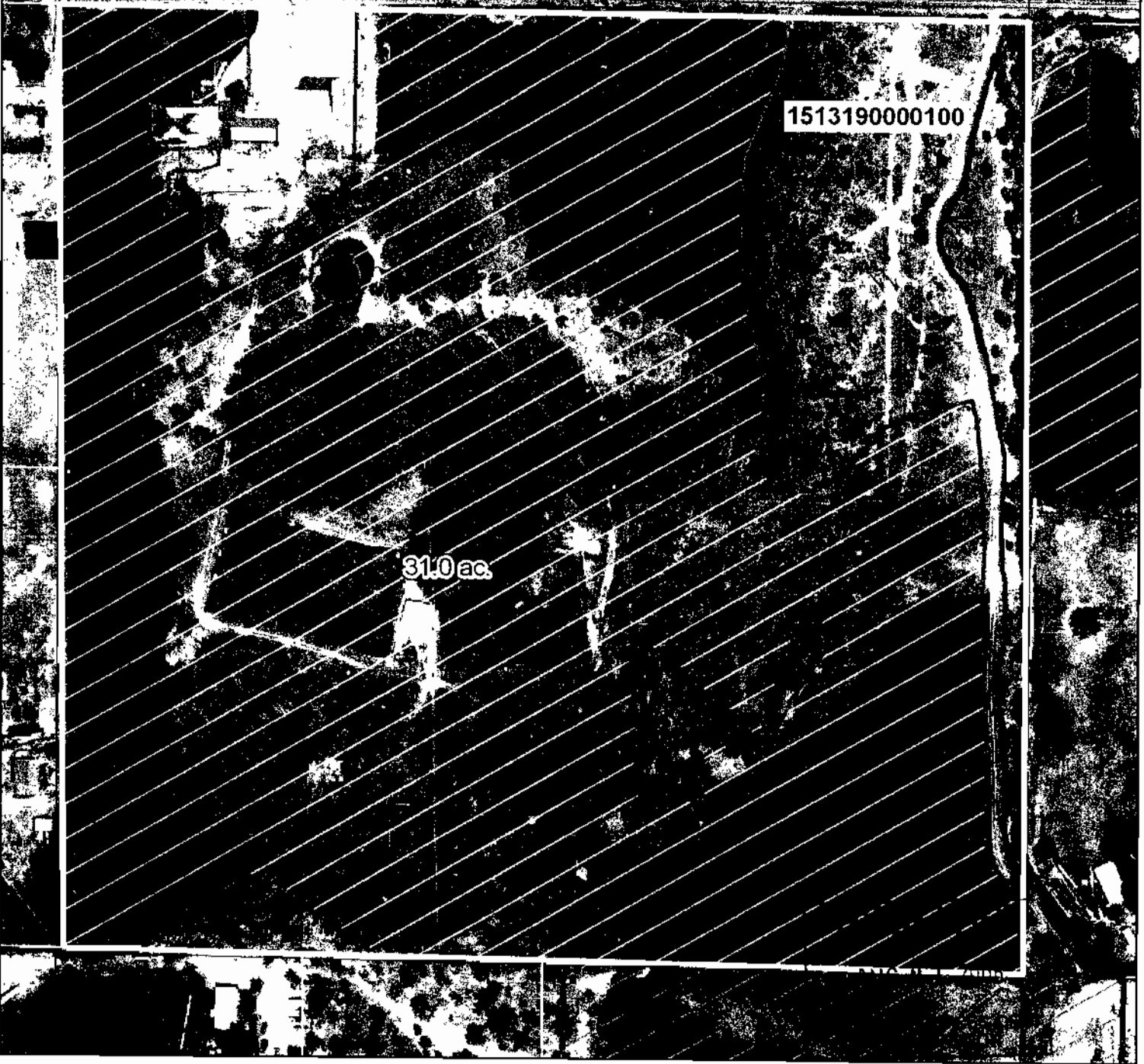
PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
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15-13-19
NWNE
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1 inch equals 200 feet
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City of Redmond 2000 Aerial Mapping Updates
Orthophoto Mapping by: David C. Smith & Associates, Inc.
Portland, Oregon
DSA Job #: 1564
Pixel Resolution: 0.5 Feet
Map Scale/Accuracies: 1"=100' horizontal
Datum: NAD '83 / '91 Oregon State Plane South Zone
Date of Photography: June 4, 2000

PRINTED: 09-23-04

T-9824 / MAP-27



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

Commerce Building
158 12th Street NE
Salem, OR 97301-4172
503-378-3739
FAX 503-378-8130

Thank You

June 5, 2003

James & Deborah Marshall
4250 Obsidian Avenue
Redmond, Oregon 97756

Central Oregon Irrigation District
2598 North Highway 97
Redmond, Oregon 97756

RE: Instream Lease #380

Thank you for participating in the Short-Term Instream Leasing Program. I want to express appreciation for your cooperation in helping to improve streamflows for fish and aquatic life.

Enclosed is a copy of the final order and the signed lease. If you have any questions regarding either, please call me at (503) 378-8455, ext. 238.

Sincerely,

Sarah Henderson

for Bob Rice
Field Services Division

cc: Jeremy Giffin, Watermaster
Deschutes Resources Conservancy
file

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BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Short-Term) DETERMINATION and
Lease of Existing Water Rights for Instream) FINAL ORDER ON
Use, Certificate(s) 76358 and 76714.) PROPOSED INSTREAM
Deschutes County, Oregon) LEASE

FINDINGS OF FACT

1. A Short-Term Lease Application, which proposed to lease all or a portion of certificate(s) 76358, primary from the Deschutes River, tributary to the Columbia River, and 76714, supplemental from Crane Prairie Reservoir, tributary to the Deschutes River, for instream purposes was submitted to the Department by:

Lessor #1
James E. & Deborah E. Marshall
4250 Obsidian Avenue
Redmond, OR 97756

Lessor #2
Central Oregon Irrigation District
2598 N. Hwy 97
Redmond, OR 97756

Lessee
Deschutes Resources Conservancy
700 NW Hill Street
Bend, OR 97701

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- 2. The Department assigned this lease agreement number L-380.
- 3. The lease application includes the required information under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6).
- 4. Certificate 76714 is supplemental to certificate 76358. The portion of Certificate 76714 being leased instream will only be protected instream if the full rate and duty under certificate 76358 are not available instream during the period in which water is being leased instream.
- 5. Water leased instream shall be protected from the Central Oregon Canal to Lake Billy Chinook.
- 6. Section 2.6 of the application was amended on May 9, 2003 so that the lessors shall not have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

T-9824/MP-27

SALEM, OREGON, SEP 27 2004

7. The lease will terminate on October 31, 2007.

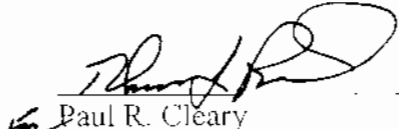
CONCLUSIONS OF LAW

The Department concludes that the lease, as modified above, will not result in injury or enlargement, OAR 690-077-0077.

ORDER

Therefore, it is ORDERED that the Short-Term Lease described herein is APPROVED

Dated at Salem, Oregon this 29th day of May, 2003.



For Paul R. Cleary
Director

RESTORING
STREAMFLOW
AND IMPROVING
WATER QUALITY
IN THE
DESCHUTES
BASIN



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April 29th, 2003

Laura Snedaker
Senior Water Resources Coordinator
Oregon Water Resources Department
58 12th Street NE, Salem, OR 97301-4172
(and Via Fax: 503 378 8130)

Dear Laura

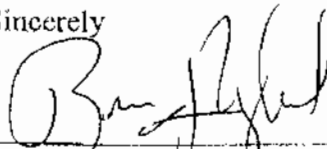
This letter is to inform you of a change we are requesting in the Short-Term Water Right Lease Agreement submitted by James E. and Deborah E. Marshall.

The intent of the lease between the DRC and the Marshalls was for a multiyear lease with the lessor *not* having the option of terminating the lease each year. We understand, however, that the lease was mistakenly submitted with the opt out clause selected on the leasing form. As a result we are requesting that Section 2.6 of the lease be amended. The no opt out clause (the second box) should be selected and not the opt out clause (first box).

As Lessor #2 on the lease the Central Oregon Irrigation District representative's signature below is their consent to this change. As the DRC is acting on Marshall's behalf as their agent for this lease the DRC representative's signature below serves as approval by Lessor #1 and Lessee on the lease.

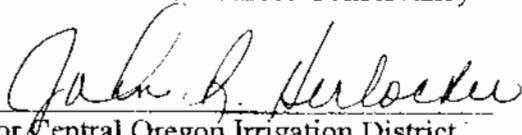
Should you have any questions please contact Bruce Aylward at 541 382-5186

Sincerely



for Deschutes Resources Conservancy

Date: 4-29-03



for Central Oregon Irrigation District

Date: 4.28.03

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700 NW Hill Street - Bend, Oregon 97701
(P.O. Box 1560 - 97709)
541 382.4077 - Fax 541.382.4078
www.deschutesrc.org / info@deschutesrc.org

T-9824/MP-27

- BOARD OF DIRECTORS
- Rick Allen
Recreation & Tourism
- Robert A. Brunoe
Consolidated Tribes of Warm Springs
- Senator Beverly Clarno
Grazing
- Ron Eggers
U. S. Department of the Interior
- Mike Golden
Oregon Department of Fish and Wildlife
- Kyle Gorman
Oregon Water Resources Department
- Mike Hollem
Deschutes County
- Bob Mann
Irrigation Districts
- Jim Marion, Chair
Consolidated Tribes of Warm Springs
- Gregory McClarron
Environment
- Ron McDermid
Wasco & Sherman County
- Tom Norton
Jefferson County
- Jim Notelboom, Secretary
(non-board officer)
- Ilan Roberts
Crook County
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- Joanne Palmer
Operations Manager
- Joan Livaday
Office Manager

Lease Agreement Number (assigned by WRD): L-380

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

**Short-Term Water Right Lease Agreement
Pursuant to ORS 537.348(2) and OAR 690-077-0077
for
Leases of Existing Water Rights for Instream Use**

This Lease Agreement is between:

Lessor #1:

(Name) James E. & Deborah E. Marshall
(Mailing address) 4250 Obsidian Ave
(City, State, Zip Code) Redmond, Or 97756
(Telephone number) 541-548-6624

Lessor#2, 3, etc.

Central Oregon Irrigation District
2598 N. Hwy 97
Redmond, Or 97756

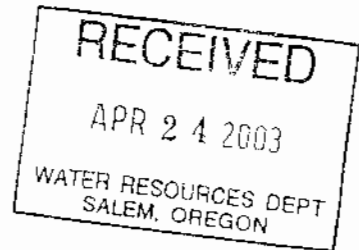
The water right to be leased is located in Deschutes County

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes Resources Conservancy
(Mailing address) 700 NW Hill Street
(City, State, Zip Code) Bend, Or 97701
(Telephone number) 541-382-5186

Trustee:

Oregon Water Resources Department
158 12th Street NE
Salem OR 97301
(503) 378-8455



~I~

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15 N., Range 13 W., Section 19 and Tax Lot number 100. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1. (tax lot map of lessor's property) needs to be included.
- 1.2 Lessor #2 is the (Check one):
 - Not applicable
 - Official representative of Central Oregon Irrigation District, the irrigation district which conveys water to the subject water rights.

Another party with an interest in the subject water rights representing _____.

1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 76358, 76711 - Supplemental

Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No

1.4 **Subject Water Rights.** Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76358
Priority date: October 31, 1900 & December 2, 1907 Type of use: Irrigation
Legal Season of Use: April 1 to November 1

Is the entire water right certificate being leased? Yes No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

Place of use: T 15, R 13, Section 19, NW 1/4 NE 1/4 - 31.00 acres to be leased
Enter additional places of use here, using format above:
Tax Lot 100

Page 39 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: 31.00
Acre-feet of storage, if applicable: 0
Total rate associated with leased rights (cfs): Season 1: 0.39 Season 2: 0.52 Season 3: 0.96
(Use additional lines if there is more than one rate associated with the water right.)
Total duty associated with leased rights (AF): 307.2
(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the additional water rights form.

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1.5 **Validity of Rights.** Lessor(s) attests (mark one) that:

- the water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or
- the water has not been used over the past five years according to the terms and conditions of the owner's water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)() (include necessary supporting documentation as Attachment 3).

~II~

2.1 **Public Use.** This lease will increase streamflows which will benefit:

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SALEM, OREGON

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- Conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat
- Pollution abatement
- Recreation and scenic attraction

2.2 Instream use created by lease. The instream use to be created is described as follows:

Deschutes River
Tributary to Columbia River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): Point of Diversion to Lake Billy Chinook

Total volume in acre-feet: 172.69

Rate in cfs: Season 1: 0.21 Season 2: 0.28 Season 3: 0.53

(Use the section below to indicate a more restrictive period of use than allowed by the water right.)

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____.
- Other (describe): _____

If you need to enter more instream uses, please use the additional water rights form.

2.3 Term of lease. This lease shall terminate on October 31, 2007.

2.4 Compensation. The Lessor has agreed to lease subject water right for the sum of \$1.00, or other valuable considerations and for the benefit of the state of Oregon.

2.5 Flow protection. The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see section 2.2). No party is required to continuously measure the flow of the waterway described in Section 2.2.

2.6 Termination provision.

- For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised, with 30 day written notice to the Department.
- For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

See amendment BR

~III~

3.1 Accuracy. The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This lease only exercises the water rights being leased; for the term of the lease; it shall not be construed to overcome any claim that the water

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 SALEM, OREGON

3.2 **Lease.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.

3.3 **Precedent.** If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.

3.4 **Suspension of original use.** During the period of the lease, the owner agrees to suspend use of water allowed under the subject water rights and under any water right that is supplemental to the subject water rights. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

Lessor #1: John H. Herlock Date: 3-24-03

For additional Lessors, type in space for signature and date

Lessee: King (Hartwell) DRC Date: 3-10-03

3.5 Allocation of water to the instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.

Other Attachments As Needed:

- Attachment 1: Tax Lot Map of Lessor's Property (required if landowner is not the sole landowner to lands for which the subject water rights are appurtenant)
- Attachment 2: Detailed map illustrating lands under subject rights to be leased (required if only part of a right is being leased instream).
- Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.5 is checked)
- Attachment 4: Split Season Instream Use Form

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T-9824/MP-27

Marshall

Additional Information

Section 1.4, (Standard Leasing Form) cont.

Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76714
Priority date: February 28, 1913 Type of use: Supplemental Irrigation
Legal Season of Use (if not listed on the certificate): April 1 to November 1
Is the entire water right certificate being leased? Yes No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 3) showing the lands which will not receive water.

Place of use: T 15, R 13, Section 19, NW 1/4 NE 1/4 - 31.00 acres to be leased
Enter additional places of use here, using format above:
Tax Lot 100

Page 40 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: 31.00
Acre-feet of storage, if applicable: _____
Rate associated with leased rights (cfs): Season 1: 0.39 Season 2: 0.52 Season 3: 0.96
(Use additional lines if there is more than one rate associated with the water right.)
Duty associated with leased rights (AF): 307.2
(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: _____

Section 2.2, cont.

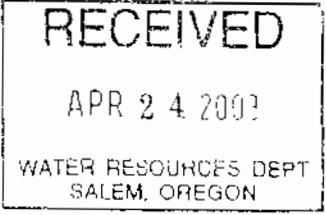
Instream use created by lease. The instream use to be created is described as follows:

Deschutes River
Tributary to Columbia River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): _____
Total volume in acre-feet: _____
Rate in cfs: _____

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____
- Other (describe): _____

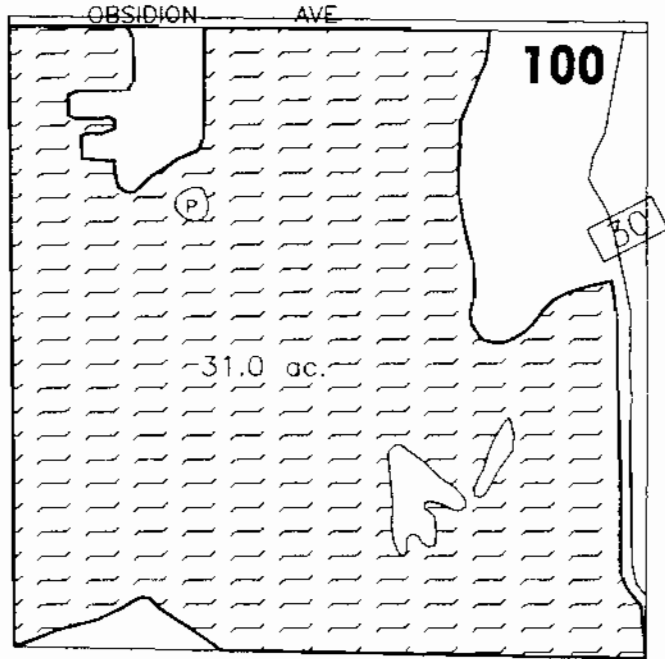


DESCHUTES COUNTY
SEC.19 T15S. R13E. W.M.

SCALE - 1" = 400'



NW 1/4 OF THE NE 1/4



APPLICATION FOR IN STREAM LEASE

NAME: JAMES & DEBRA MARSHALL

TAXLOT #: 100

31.0 ACRES

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DATE: 04-01-03
FILE NO: E:\TRANSFER\INSTREAM\INSTRM03\MARSHALL

T-9824/MP-27

541-382-4078

ATTN: TAMMY SAILORS

3-5-03

TO Central Oregon Irrigation
DRC

I intend to lease 31 acres
of COI water, instream to COI
I would like DRC to act
as my Agent and DRC
will pay any fees associated
with this.

Thank you -

Jim & Debra
Marshall

4250 SW Obsidian
Redmond, OR

97756
548-6624

Debra Marshall
Jim Marshall

Now Exhibit E-4

Exhibit E 11/12/13
Suzanne M. Penhallow

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

State of Oregon)
County of Douglas)

I Suzanne Penhallow, in my capacity as (OW) Watermaster,

Mailing address 2012 2598 N Hwy 97, Redmond, OR 97756,

Telephone number 541-548-6047, being first duly sworn depose and say:

- 1. I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one);
 - Personal observation
 - Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ NE SW tax lot 1007
 T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ SE NW tax lot 1001
15 13 19 1/4 SW 111

3. The water right was exercised for the authorized purposes and is described as follows:

pasture and yard

4. The water delivery system used to apply water as authorized by the water right is described as follows:

flood & in ground sprinklers

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(continues on next page)
PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
 ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE.
 SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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T-9824/MP-27

E - 11/12/13

5. One or more of the following documentation supporting the above statements is attached:
- Copy of water right certificate which has been issued within the last five years (not a remaining certificate), Certificate 76358: 3111 dated 12 / 1999
 - Copies of receipts from sales of irrigated crops or for expenditures relating to use of water,
 - Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
 - Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
 - Dedicated power usage records or receipts,
 - IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
 - Other: In stream Lease
 - Other: _____

Craig E Penhallow
Signature of Affiant

10/22/04
Date

Subscribed and Sworn to Before Me this 22nd day of October, 2004



Tammy Sailors
Notary Public for Oregon

My commission expires 8-29-2005

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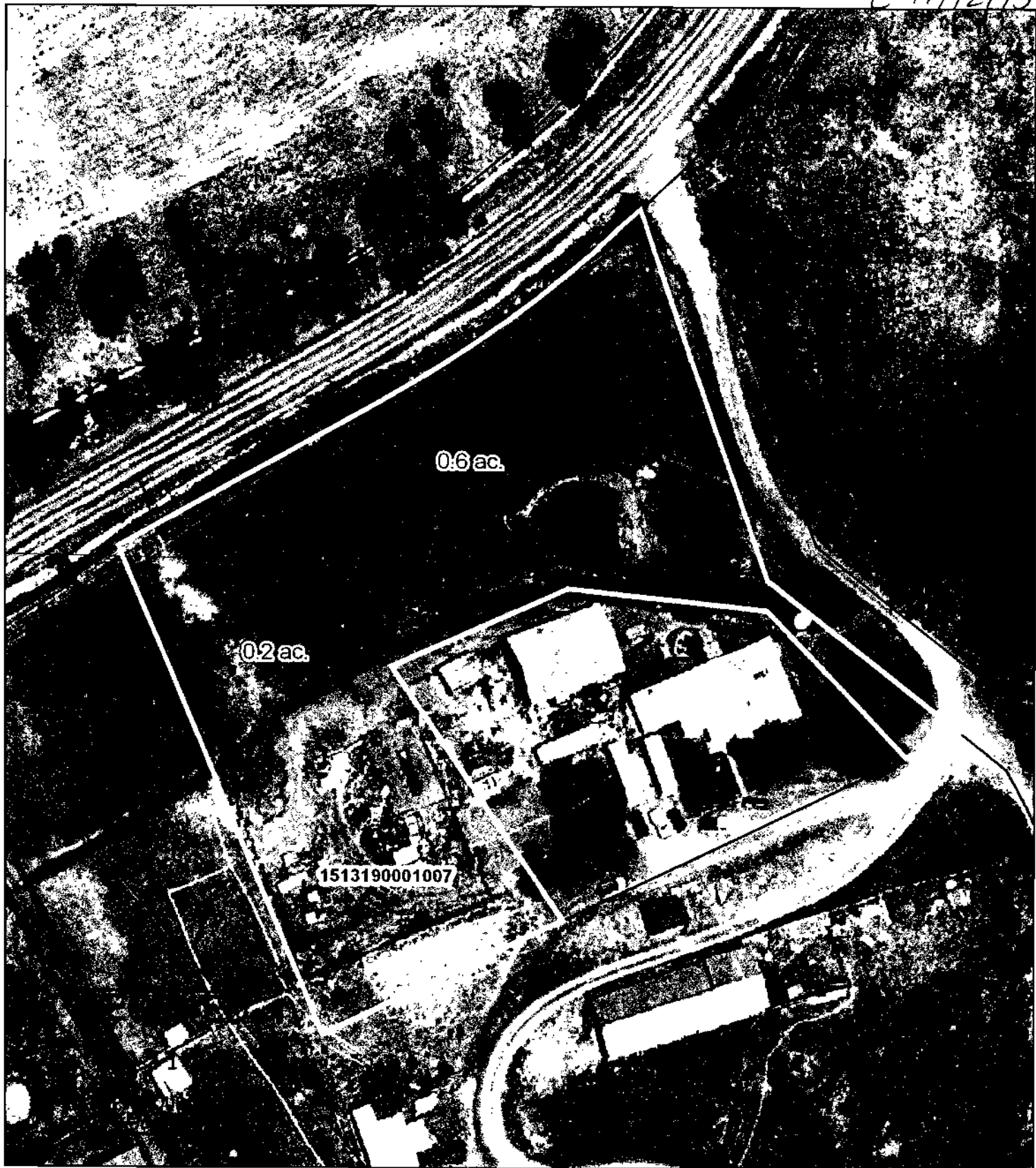
WATER RESOURCES DEPT
SALEM, OREGON

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE.
SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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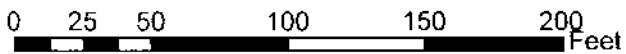
051112113



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15-13-19
NESW/SESW NOV 22 2004
TL 1007

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PRINTED: 09-23-04

City of Redmond 2000 Aerial Mapping Updates
Orthophoto Mapping by: David C. Smith & Associates, Inc.
Portland, Oregon
DSA Job #: 1564
Pixel Resolution: 0.5 Feet
Map Scale/Accuracies: 1"=100' horizontal
Datum: NAD '83 / '91 Oregon State Plane South Zone
Date of Photography: June 4, 2000

T-9824/MP-27

Exhibit E Water Rights

Some water rights as previously included on T-9824 - Quit claim deed tracking information:

- E-1. 14S- 13E-16 WM SE SE tax lot 403 & 414: 0.36 Acres and 0.84 Acres
Stephen Russell, Quitclaim to COID, COID to Arrowood Development
- E-2. 14S – 13E- 26 WM NE SW tax lot 500 0.85 Acres
WT Nelson, Quitclaim to COID, COID to Arrowood Development
- E-3. 15S-13E-08 WM NE SE tax lot 8800 & 8900 10 Acres
Community Presbyterian to COID, COID to Arrowood Development
- E-4. 15S-13E-19 WM SE NE tax lots 801, 804, 900 3.65 Acres
Cascade Health to COID, COID to Arrowood Development
- E-5. 15S-13E-10 WM NW NW tax lots 200, 201 & 202 9.2 Acres
Hayden Enterprises and Harold Povey to COID, COID to Arrowood Development
- E-6. 15 S-13 E-17 NW NW tax lot 1300 18 Acres: (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
- E-6. 15 S-13 E-17 NE NW tax lot 800 16 acres (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or 9
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
- E-7. 15 S-13 E-19 NW NE tax lot 100 21.35 acres Quitclaimed to COID (Previously on T-9824)
by James & Debra Marshall
On behalf of owners: Obsidian Group, LLC: then quit claimed to
Current owners: David & Tammy Sailors 64154 Pioneer Loop, Bend, Or 97701
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (31 acres on 3111 – 9.65 acres remain on property)
Notarized Lien holder consent attached.
- E-8. 15 S-13 E -19 NE SW 1002 (0.20 acres water) (Previously on T-9824)
0.20 acres quit claimed to COID for
Owner: Forked Horn, LLC c/o John Pewther 1790 SW 23rd Street, Redmond, OR 97756
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (on 3111 - tax lots split and reconfigured)
Notarized lien holder consent attached.
- E-9. 15S-13E-30 WM NW SE 3.45 Acres (of 11 acres) tax lot 600
Curtis to COID, COID to Arrowood Development

TOTAL 83.9 ACRES

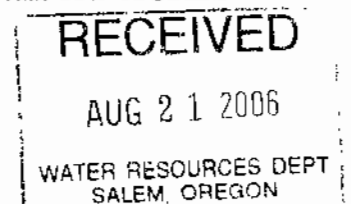


Exhibit E

**Water Right Transfer Supplemental Form A
AFFIDAVIT ATTESTING TO THE USE OF WATER**

State of Oregon)
) ss
County of Deschutes)

I, Cary D. Penhollow, in my capacity as District Watermaster,
mailing address 1055 SW Lake Court Redmond OR 97756
telephone number (541) 548-6047, being first duly sworn depose and say:

1. I attest that:

- Water was used during the previous five years on the entire authorized place of use of the water right proposed for transfer as described on the accompanying transfer application, or
- The water right is not subject to forfeiture and documentation that a presumption of forfeiture for non-use would be rebutted under ORS 540.610(2) is attached.

2. My knowledge of the exercise or status of the water right is based on (check one)

- Personal observation
- Professional expertise

3. My knowledge is specific to the use of water at the following locations:

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Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
14 S	13 E	WM	16	SE SE	TL403	0.36
14 S	13 E	WM	16	SE SE	TL414	0.84
14 S	13 E	WM	26	NE SW	TL500	0.85
15 S	13 E	WM	08	NE SE	TL8900	8.0
15 S	13 E	WM	08	NE SE	TL8800	2.0
15 S	13 E	WM	09	SE NE	TL801	1.0
15 S	13 E	WM	09	SE NE	TL804	1.15
15 S	13 E	WM	09	SE NE	TL900	1.50
15 S	13 E	WM	10	NW NW	TL200	3.40
15 S	13 E	WM	10	NW NW	TL201	4.38
15 S	13 E	WM	10	NW NW	TL202	1.42
15 S	13 E	WM	17	NE NW	TL800	16.0

(continues on reverse side)

Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

**Water Right Transfer Supplemental Form A
AFFIDAVIT ATTESTING TO THE USE OF WATER**

State of Oregon)
) ss
 County of Deschutes)

I, Cary D. Penhollow, in my capacity as District Watermaster,
 mailing address 1055 SW Lake Court Redmond OR 97756
 telephone number (541) 548-6047, being first duly sworn depose and say:

1. I attest that:

- Water was used during the previous five years on the entire authorized place of use of the water right proposed for transfer as described on the accompanying transfer application, or
- The water right is not subject to forfeiture and documentation that a presumption of forfeiture for non-use would be rebutted under ORS 540.610(2) is attached.

2. My knowledge of the exercise or status of the water right is based on (check one):

- Personal observation
- Professional expertise

3. My knowledge is specific to the use of water at the following locations:

Township	Range	Mer	Sec	¼ ¼ Section	Gov't Lot or DLC	Acres (if applicable)
15 S	13 E	WM	17	NW NW	TL1300	18.0
15 S	13 E	WM	19	NE SW	TL1002	0.20
15 S	13 E	WM	19	NW NE	TL100	21.35
15 S	13 E	WM	30	NW SE	TL 600	3.45

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 WATER RESOURCES DEPT
 SALEM, OREGON

(continues on reverse side)

Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

4. The water right was exercised for the authorized purpose described below (e.g., crops grown):

See Attached

5. The water delivery system used to apply water as authorized by the right is described below:

See Attached

6. One or more of the following documentation supporting the above statements is attached:

- Copy of a water right certificate that was issued within the last five years (not a remaining right certificate),
- Copies of receipts from sales of irrigated crops or for expenditures relating to the use of water,
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts,
- Other: L-640

Cory D. Ruckelshaus
Signature of Affiant

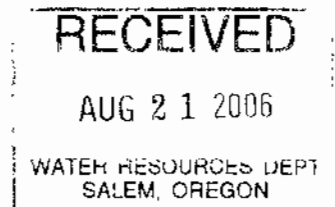
6-5-06
Date

Signed and sworn to (or affirmed) before me this 5th day of June, 2006.

Leslie Clark
Notary Public for Oregon



My Commission Expires: Feb. 5 2010



Please print legibly or type. Be as specific as possible. Attach additional pages if you need more space. Supporting documentation must be attached.

**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
 County of _____)

I _____, in my capacity as _____,
 mailing address _____,
 telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NW ¼ NW ¼ T. 15. N. 13. E. 13. S. 10. 202
 _____ ¼ _____ ¼
 _____ ¼ _____ ¼
 Section 10
 Township 15 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

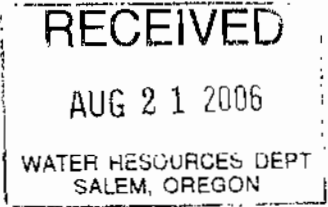
Type of crop: Apple & Strawberry

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: Flood system / 12 IPS
 Pump size: _____
 Pump capacity: _____
 Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED.
 June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
 County of _____)

I _____, in my capacity as _____,
 mailing address _____,
 telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NW 1/4 SE 1/4
 _____ 1/4 _____ 1/4 T L 600
 _____ 1/4 _____ 1/4
 Section 30
 Township 15 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

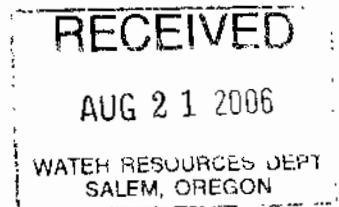
Type of crop: 1.27 acres of corn

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: DUMP out of pond.
 Pump size: 5 HP
 Pump capacity: _____
 Pipe size: 6 inch

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED
 June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
County of _____)

I _____, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

NE ¼ SW ¼
_____ ¼ _____ ¼ T L 5 3 3
_____ ¼ _____ ¼

Section 26

Township 14 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

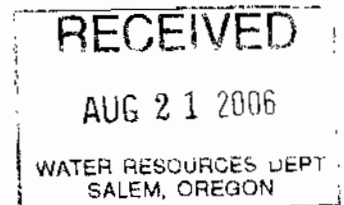
Type of crop: potatoes

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Complete description of delivery: Flood irrigation of 2000 ft² plot
Pump size: _____
Pump capacity: _____
Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED
June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
 County of _____) ss
)

I _____, in my capacity as _____,
 mailing address _____,
 telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):

- Personal observation
 Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

SE 1/4 SE 1/4 T.L. 403 & 414
 _____ 1/4 _____ 1/4
 _____ 1/4 _____ 1/4
 Section 16e
 Township 4 N/S Range 13 E/W

3. The water right was exercised for the authorized purposes and is described as follows:

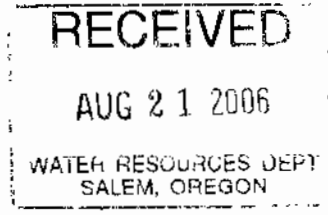
Irrigation of pasture

4. The water delivery system used to apply water as authorized by the water right is described as follows:

Flow regulation w/dumps

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED.
 June 2003



**WATER RIGHT TRANSFER
AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS**

State of Oregon)
) ss
County of _____)

I Cary Pinkerton, in my capacity as _____,
mailing address _____,
telephone number _____, being first duly sworn depose and say:

1. I attest that water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
 Personal observation *2/16/04*
 Professional expertise

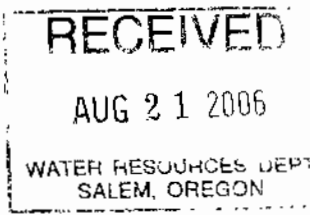
2. My knowledge is specific to the use of water at the following location(s):
SE $\frac{1}{4}$ NE $\frac{1}{4}$ TL S01, S04, S05
 $\frac{1}{4}$ $\frac{1}{4}$
 $\frac{1}{4}$ $\frac{1}{4}$
Section 51
Township 15 N/S Range 13 EW

3. The water right was exercised for the authorized purposes and is described as follows:
Type of crop: *grain & potatoes*

4. The water delivery system used to apply water as authorized by the water right is described as follows:
Complete description of delivery: *floor irrigation system with pump*
Pump size: _____
Pump capacity: _____
Pipe size: _____

(continues on reverse side)

PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE. ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE. SUPPORTING DOCUMENTATION MUST BE ATTACHED.
June 2003





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

Thank You

August 15, 2005

Danielle MacBain
Deschutes Water Exchange Mitigation Bank
P.O. Box 1560
Bend, OR 97701

Dear Danielle:

Thank you for participating in the Short-Term Instream Leasing Program and Deschutes Mitigation Credit program. I want to express appreciation for your participation in these programs and cooperation in helping to improve streamflows for fish and aquatic life and to provide mitigation water to ground water users in the Deschutes Ground Water Study Area.

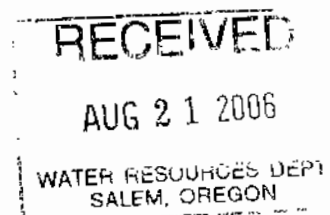
This Instream Lease has been approved and has been awarded mitigation credits.

Enclosed is a copy of the final order approving the lease and mitigation credit project. If you have any questions regarding either, please call me at (503) 986-0884.

Sincerely,

Laura Snedaker
Field Services Division

c: Jeremy Giffin, Watermaster District 11
Arrowood Development, Lessor
Leslie Clark, COID, Lessor
files L-640 & MP-44



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

In the Matter of the Proposed Short-Term)	DETERMINATION and
Lease of Existing Water Rights for Instream)	FINAL ORDER ON PROPOSED
Use and Preliminary and Final Award of)	INSTREAM LEASE and MITIGATION
Mitigation Credits, Certificates 76358 and)	CREDIT PROJECT
76714, Deschutes County)	

ORS 537.348 establishes the process in which a water right holder may submit a request to lease an existing water right for instream purposes. OAR Chapter 690, Division 077 implements the statutes and provides the Department's procedures and criteria for evaluating short-term instream lease applications.

OAR 690-521-0100 to 690-521-0600 establishes the process in which anyone may submit a ground water mitigation project to the Department for the purpose of establishing mitigation credits in the Deschutes Ground Water Study Area.

Lessor #1

Arrowood Development
250 NW Franklin Ave., Suite 203
Bend, OR 97701

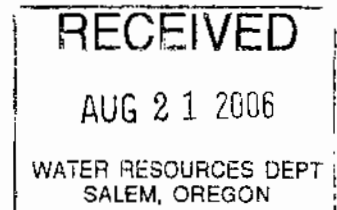
Lessor #2

Central Oregon Irrigation District (COID)
2598 N Hwy. 97
Redmond, OR 97756
transfers@coid.org

Central Oregon Irrigation District (COID)
2598 N Hwy. 97
Redmond, OR 97756
transfers@coid.org

Lessee

Deschutes Water Exchange (DWE) Mitigation Bank
PO Box 1560
Bend, OR 97709
danielle@deschutesrc.org



Findings of Fact

1. Arrowood Development, COID and the DWE Mitigation Bank filed an application to lease a portion of Certificates 76358 and 76714 to instream use. The Department assigned the application number L-640.
2. Interest in the portion of the water rights to be leased instream has been quit claimed from the original land owners. The lease application form identifies Arrowood as the interest holder in the water rights. However, individual quit claim deeds submitted with the application

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

identify Arrowood as interest holder in a portion of the rights to be leased. Interests in the remaining portion of the rights to be leased are held by COID and COID on behalf of Arrowood. The Department has determined that Arrowood and COID are both interest holders and are authorized to lease the water rights instream.

3. The rights to be leased are as follows:

Certificate: 76358

Season of Use: April 1 to November 1, further limited as follows:

April 1 to May 1 and Oct. 1 to Nov. 1 described herein as Season 1

May 1 to May 15 and Sept. 15 to Oct. 1 described herein as Season 2

May 15 to Sept. 15 described herein as Season 3

Priority Date: October 31, 1900 and December 2, 1907

Quantity: Season 1: 1.143 Cubic Foot per Second (CFS) under the 10/31/1900 priority date

Season 2: 1.524 CFS under the 10/31/1900 priority date

Season 3: 2.823 CFS, being 2.011 CFS under the 10/31/1900 priority date and 0.811 CFS under the 12/2/1907 priority date

Duty: 606.27 Acre-Feet (AF)

The quantities listed reflect allowance of a 45% transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933

Source: Deschutes River, tributary to the Columbia River

Place of Use:

IRRIGATION OF 91.45 ACRES							
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor #1 (water right interest holder)
14 S	13 E	WM	16	SE SE	403	0.36	COID & Arrowood
14 S	13 E	WM	16	SE SE	414	0.84	COID & Arrowood
14 S	13 E	WM	26	NE SW	500	0.85	COID & Arrowood
15 S	13 E	WM	8	NE SE	8800	2.0	COID & Arrowood
15 S	13 E	WM	9	NE SE	8900	8.0	COID & Arrowood
15 S	13 E	WM	9	SE NE	801	1.0	Arrowood
15 S	13 E	WM	9	SE NE	804	1.15	Arrowood
15 S	13 E	WM	9	SE NE	900	1.5	Arrowood
15 S	13 E	WM	10	NW NW	200	3.4	COID
15 S	13 E	WM	10	NW NW	201	4.38	COID
15 S	13 E	WM	10	NW NW	202	1.42	COID
15 S	13 E	WM	17	NE NW	800	16.0	Arrowood
15 S	13 E	WM	17	NW NW	1300	18.0	Arrowood
15 S	13 E	WM	19	NW NE	100	21.35	Arrowood
15 S	13 E	WM	19	NE SW	1002	0.2	Arrowood
15 S	13 E	WM	30	NW SE	600	11.0	Arrowood

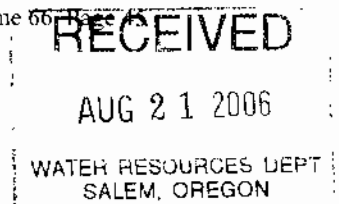
Point of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
17 S	12 E	WM	29	SE NE	COID North Canal POD #11 - 850 feet North & 630 feet West from the E 1/4 corner of Section 29

Certificate: 76714

Season of Use: April 1 to November 1

Priority Date: February 28, 1913



Quantity: 906.27 AF. This right does not have a rate limitation.
Source: Crane Prairie Reservoir, tributary to the Deschutes River
Place of Use: Same as described for certificate 76358

Point of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
17 S	12 E	WM	29	SE NE	COID North Canal ~ 850 feet North & 630 feet West from the E ¼ corner of Section 29
21 S	8 E	WM	17	NE NE	Crane Prairie Reservoir Dam

4. The lease application includes the information required under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6). No comments were received.
5. The instream use has been modified from the lease application to prevent injury and enlargement and is as follows:
 Deschutes River
 Tributary to the Columbia River in the Deschutes Basin

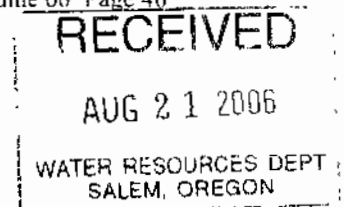
Instream Reach: From COID North Canal POD (as described in Finding of Fact #2) to Lake Billy Chinook

Certificate	Source	Priority Date	Instream Rate (cfs)	Period Protected Instream
76358 primary	Deschutes R	10/31/1900	Season 1: 0.629 CFS Season 2: 0.838 CFS Season 3: 1.106 CFS	April 1 – Oct. 26
		12/2/1907	Season 3: 0.446 CFS	
76714 supplemental	Crane Prairie Reservoir	2/28/1913	Up to 88.74 AF (Sufficient quantities may be protected instream to make up any deficiency of the primary right)	April 1 – Oct. 26

6. Other conditions to prevent injury and enlargement are:

The amount of water to be leased instream under certificate 76358 does not include a 45% transmission loss associated with this right when used for its originally authorized purpose. The transmission loss may not be leased and protected instream.

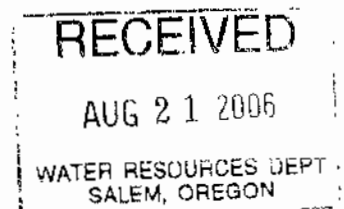
7. Certificate 76714 is supplemental to certificate 76358. The portion of certificate 76714 being leased instream shall only be protected instream if the full rate and duty under certificate 76358 are not available during the period for which water is being leased instream.
8. Based upon review of the application, comments received, information provided by the Department's Watermaster, and other available information, the Department finds that the lease will not result in injury or enlargement. This finding is made through an abbreviated review recognizing that the lease may be modified or revoked under OAR 690-077-0077 if the Department later finds that the lease is causing injury to any existing water right or enlargement of the original right.



9. If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required. Transfers will be subject to a full and complete review to determine consistency with the requirements of OAR Chapter 690, Division 380 and Division 077. Approval of this lease does not establish a precedent for approval of future leases or transfers.
10. The lease will terminate on October 31, 2009.
11. The lessor and lessee have requested to have the option of terminating the lease with written notice provided to the Department. In order to assure adequate notice of any termination of the lease, the Department will require that written notice be provided by all parties on the lease and be submitted to both the Salem office and the Watermaster's office.

Preliminary Award of Deschutes Basin Mitigation Credits

12. The Lessee, a mitigation bank chartered by the Water Resources Commission, has requested that the portion of the right to be protected instream be used to generate mitigation credits.
13. The Department assigned this mitigation credit project number MP-44.
14. The Department provided notice of the mitigation credit project pursuant to OAR 690-521-0300 (6). The Department also provided notice of the mitigation credit project to the Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, Oregon State Parks and Recreation Department, Oregon Division of State Lands, the Oregon Department of Agriculture, and the Department's Watermaster pursuant to OAR 690-521-0300 (7) and OAR 690-505-0630 (2). Comments were received from the Oregon Department of Fish and Wildlife (ODFW). ODFW identified that this project will provide effective instream protection of flows during the irrigation season and also identified, along with general comments on the mitigation program, that instream flow protection is needed during the months outside of the irrigation season. Comments were also received from the Oregon Parks and Recreation Department (OPRD). These comments identified a need for additional instream flow protections from June 1 through mid September for water contact sports. OPRD's comments also identified that instream flows may be necessary during the early spring and later fall. To provide flows during period otherwise not affected by higher spring runoff, OPRD suggested that flows should be protected as evenly as possible.
15. The Department is unable to expand the period during which instream flows may be protected outside of the irrigation season, as recommended by ODFW, without causing injury. The shaping proposed by the instream lease application protects water instream over almost the entire irrigation season at the maximum rate possible and appears to meet the recommendations made by OPRD. Therefore, no modifications were made to the lease based upon comments received.
16. The Department finds that **164.6** mitigation credits may be awarded to this mitigation credit project and assigned to the Deschutes Water Exchange Mitigation Bank. The mitigation credits may be used to mitigate for ground water permit applications and existing conditioned ground water permits and certificates, providing mitigation pursuant to the Deschutes Ground



Water Mitigation Rules, OAR Chapter 690, Division 505, within the **General and Middle Deschutes River** zones of impact.

17. The mitigation credits expire on December 31, 2009, unless the lease agreement is terminated earlier by the Lessors and the Lessee.
18. The use and maintenance of the mitigation credits is subject to the terms and conditions of the Deschutes Water Exchange Mitigation Bank Charter.
19. The Department shall award final mitigation credits upon completion of the approved project by the applicant and verification by the Department that the project is complete. The issuance of the Final Order approving the proposed instream lease shall result in completion of the project and verification that the project is complete.
20. No precedent is set by this Final Order as to the amount of mitigation credits that may be generated by a subsequent mitigation credit project.

CONCLUSIONS OF LAW

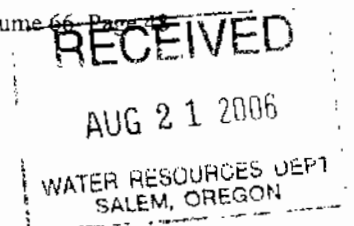
The Department concludes that the lease will not result in injury or enlargement, OAR 690-077-0077. The lease agreement conforms to the applicable provisions of OAR 690-077-0015.

This mitigation project results in mitigation credits pursuant to ORS 537.746 and OAR 690-521-0300 and 690-521-0400.

ORDER

Therefore, it is ORDERED:

1. That the Short-Term Lease as described herein is APPROVED.
2. The former place of use shall no longer receive water as part of these rights during the term of the lease.
3. The lease shall terminate on October 31, 2009. The lessor shall have the option of terminating the lease with written notice to the Department provided to both the Salem office and Watermaster office. Written notice of termination of a lease must be provided by all lessors and the lessee. The written notice to Salem office must include original signatures. The notice to the Watermaster office may be made by fax or e-mail. The lease may be terminated at any time during a calendar year. However, if the termination request is received after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year.
4. **Final Award of Deschutes Basin Mitigation Credits:** Issuance of this Final Order results in completion of the project and verification by the Department that the project is complete. The Department concludes that the mitigation credit project is awarded mitigation credits, as described above, pursuant to OAR 690-521-0400 and ORS 537.746. Mitigation Credits, in the amount of **164.6** credits, as described herein, are awarded to this mitigation project and assigned to the Deschutes Water Exchange Mitigation Bank. Mitigation Credits may be used



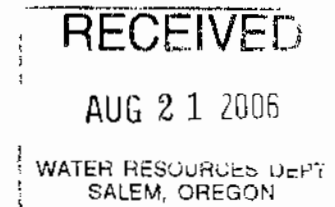
to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder in the General and Middle Deschutes River zones of impact.

5. Mitigation credits are valid until used (or expire) to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder within the Deschutes Ground Water Study Area pursuant to the Deschutes Ground Water Mitigation Rules. Mitigation credits are used when a person submits to the Department documentary evidence that valid credits have been obtained and assigned to satisfy a mitigation obligation.
6. The mitigation credits shall expire on December 31, 2009, unless the lease agreement is terminated earlier by the Lessor and the Lessee.
7. The use and maintenance of the mitigation credits shall be subject to the terms and conditions of the Deschutes Water Exchange Mitigation Bank Charter.

Dated at Salem, Oregon this 15th day of August 2005.

For Phillip C. Ward
Phillip C. Ward, Director

Mailing date: AUG 17 2005



Now Exhibit E-1 #2

Exhibit E 7/8
COURT FILED

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

State of Oregon)
)
County of Multnomah)

I Arthur C. Piculell, Jr., in my capacity as landowner

Mailing address 12600 SW 72nd Ave. Suite 200. Portland, OR 97223.

Telephone number 503-292-8678, being first duly sworn depose and say:

- 1. I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one):
 Personal observation
 Professional expertise

- 2. My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 17 $\frac{1}{4}$ $\frac{1}{4}$ NWNW tax lot 1300

T. 15 R. 13 S. 17 $\frac{1}{4}$ $\frac{1}{4}$ NE NW tax lot 800

- 3. The water right was exercised for the authorized purposes and is described as follows:
Pasture

- 4. The water delivery system used to apply water as authorized by the water right is described as follows:

Flood Irrigation

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SALEM, OREGON

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PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE.
SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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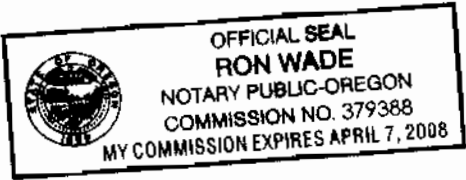
5. One or more of the following documentation supporting the above statements is attached:

- Copy of water right certificate which has been issued within the last five years (not a remaining certificate), Certificate 76358 : 3111 dated 12/1999
- Copies of receipts from sales of irrigated crops or for expenditures relating to use of water.
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers.
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts.
- IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
- Other: In stream Lease L-571 copy attached
- Other: _____

Arthur C. Piculell, Jr.
Signature of Affiant: Arthur C. Piculell, Jr.

11-2-04
Date

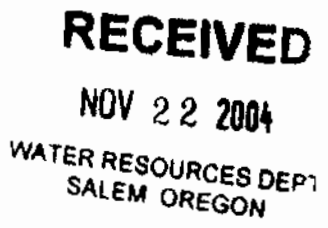
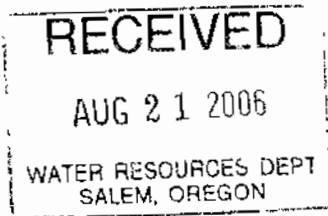
Subscribed and Sworn to Before Me this 2 day of Nov., 2004



Ron Wade
Notary Public for Oregon

My commission expires 4-7-08

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SUPPORTING DOCUMENTATION MUST BE ATTACHED



T-9824/MP-27

E-7/8

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Short-Term) DETERMINATION and
Lease of Existing Water Rights for Instream) FINAL ORDER ON
Use, Certificate(s) 76358 & 76714, Deschutes) PROPOSED INSTREAM
County, Oregon) LEASE

FINDINGS OF FACT

- 1. A Short-Term Lease Application, which proposed to lease all or a portion of certificates 76358 & 76714 for instream purposes was submitted to the Department by:

Lessor #1
Arthur C. Piculell, Jr.
4820 SW Scholls Ferry Rd.
Portland, OR 97225

Lessor #2
Central Oregon Irrigation District (COID)
2598 N Hwy 97
Redmond, OR 97756

Lessee
Deschutes Resources Conservancy
PO Box 1560
Bend, OR 97709

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- 2. The instream lease application included the required fees. The Department assigned this lease agreement number L-571.
- 3. The lease application includes the information required under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6). No comments were received.
- 4. The rights to be leased, as requested by the applicant, are as follows:

Certificate: 76358
Use: Irrigation
Acres: 34.0 acres
Priority Date: October 31, 1900 & December 2, 1907
Season of Use: April 1 through October 31, further limited as follows:
April 1 to May 1 and October 1 to November 1 described herein as Season 1
May 1 to May 15 and September 15 to October 1 described herein as Season 2
May 15 to September 15 described herein as Season 3

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This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

T-9824/MP-27

Quantity: Season 1 (limited to 1/80th Cubic Foot per Second (CFS) per acre): 0.43 CFS
 Season 2 (limited to 1/60th cfs per acre): 0.57 CFS
 Season 3 (limited to 1/32.4th cfs per acre): 1.05 CFS
 Duty (limited to 9.91 acre-feet per acre): 336.9 Acre-Feet (AF)
 The quantities listed reflect allowance of a 45% transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933.

Source: Deschutes River, tributary to the Columbia River

Authorized Point of Diversion (POD) - COID North Canal POD #11:

Township		Range		Meridian	Sec	¼ ¼		Location
17	S	12	E	W.M.	29	SE	NE	850 Feet North and 630 Feet West from the E 1/4 Corner, Section 29

Authorized Place of Use:

Township		Range		Meridian	Sec	1/4 1/4		Lot	Priority Date	Acres
15	S	13	E	W.M.	17	NE	NW	800	10/31/1900 12/2/1907	16.0
15	S	13	E	W.M.	17	NW	NW	1300	10/31/1900 12/2/1907	18.0
									Total acres	34.0

Certificate: 76714
Use: Supplemental Irrigation
Acres: 34.0 acres
Priority Date: February 28, 1913
Season of Use: April 1 through October 31
Quantity: 336.9 AF. This right does not have a rate limitation.
Source: Crane Prairie Reservoir, tributary to the Columbia River

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Authorized Point of Diversion (POD):

Township		Range		Meridian	Sec	¼ ¼		Location
17	S	12	E	W.M.	29	SE	NE	COID North Canal POD (11) - 850 Feet North and 630 Feet West from the E 1/4 Corner, Section 29
21	S	8	E	W.M.	17	NE	NE	Crane Prairie Reservoir Dam

Authorized Place of Use: Same as described for certificate 76358.

- The Department finds that the lease application requires modification in order to clarify the amount of water allowed under each priority date associated with the primary right, certificate 76358. In addition, the supplemental right requires clarification to identify the amount of water that may be leased and to clarify the source of water. The rights are clarified as follows (changes are shown in bold text):

Now Exhibit E-3

Exhibit E-10
C... ..

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

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State of Oregon)
County of Deschutes)

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I Cary Penhollow, in my capacity as CO ID Watermaster,

Mailing address CO ID 2548 N Hwy 97 Redmond, OR,

Telephone number 541-548-6247, being first duly sworn depose and say:

- I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one);
 Personal observation
 Professional expertise

- My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ NWNE tax lot 100

T. _____ R. _____ S. _____ $\frac{1}{4}$ $\frac{1}{4}$ _____ tax lot _____

- The water right was exercised for the authorized purposes and is described as follows:

irrigated pasture & hay

- The water delivery system used to apply water as authorized by the water right is described as follows:

sprinkler irrigated - 25hp pump from
pond to handline

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5. One or more of the following documentation supporting the above statements is attached:

- Copy of water right certificate which has been issued within the last five years
(not a remaining certificate), Certificate 76358: 3111 dated 12 / 1999
- Copies of receipts from sales of irrigated crops or for expenditures relating to use of water,
- Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
- Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
- Dedicated power usage records or receipts,
- IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
- Other: In stream Lease 1-380
- Other: _____

Cary D. Parkheller
Signature of Affiant

10/22/04
Date

Subscribed and Sworn to Before Me this 22nd day of October, 2004



Tammy Sailors
Notary Public for Oregon

My commission expires 8-29-2006

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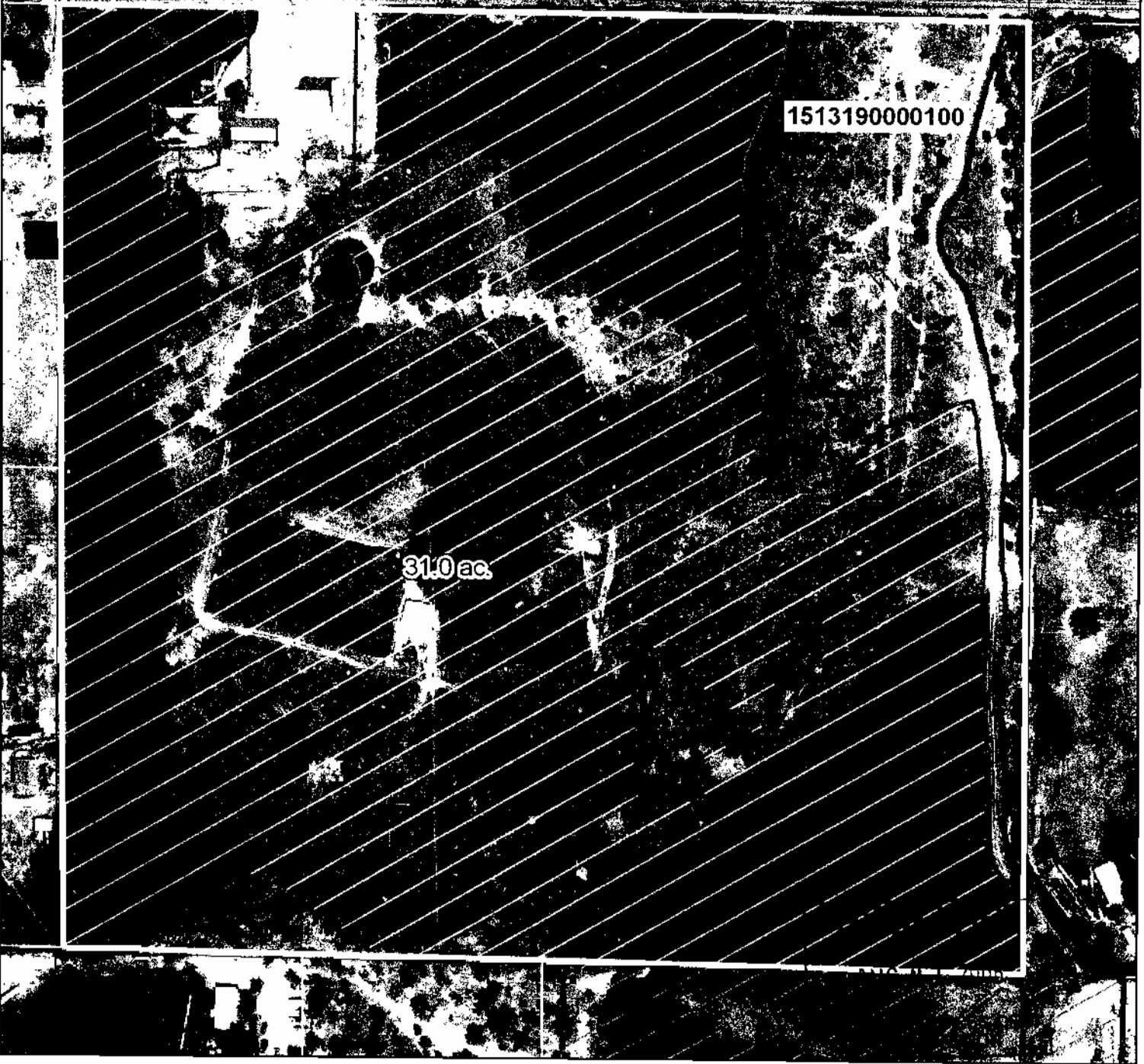
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1 inch equals 200 feet
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City of Redmond 2000 Aerial Mapping Updates
Orthophoto Mapping by: David C. Smith & Associates, Inc.
Portland, Oregon
DSA Job #: 1564
Pixel Resolution: 0.5 Feet
Map Scale/Accuracies: 1"=100' horizontal
Datum: NAD '83 / '91 Oregon State Plane South Zone
Date of Photography: June 4, 2000

PRINTED: 09-23-04

T-9824 / MAP-27



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

Commerce Building
158 12th Street NE
Salem, OR 97301-4172
503-378-3739
FAX 503-378-8130

Thank You

June 5, 2003

James & Deborah Marshall
4250 Obsidian Avenue
Redmond, Oregon 97756

Central Oregon Irrigation District
2598 North Highway 97
Redmond, Oregon 97756

RE: Instream Lease #380

Thank you for participating in the Short-Term Instream Leasing Program. I want to express appreciation for your cooperation in helping to improve streamflows for fish and aquatic life.

Enclosed is a copy of the final order and the signed lease. If you have any questions regarding either, please call me at (503) 378-8455, ext. 238.

Sincerely,

Sarah Henderson

for Bob Rice
Field Services Division

cc: Jeremy Giffin, Watermaster
Deschutes Resources Conservancy
file

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SALEM, OREGON

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SALEM, OREGON

T-9824/MP-27

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Short-Term) DETERMINATION and
Lease of Existing Water Rights for Instream) FINAL ORDER ON
Use, Certificate(s) 76358 and 76714.) PROPOSED INSTREAM
Deschutes County, Oregon) LEASE

FINDINGS OF FACT

1. A Short-Term Lease Application, which proposed to lease all or a portion of certificate(s) 76358, primary from the Deschutes River, tributary to the Columbia River, and 76714, supplemental from Crane Prairie Reservoir, tributary to the Deschutes River, for instream purposes was submitted to the Department by:

Lessor #1
James E. & Deborah E. Marshall
4250 Obsidian Avenue
Redmond, OR 97756

Lessor #2
Central Oregon Irrigation District
2598 N. Hwy 97
Redmond, OR 97756

Lessee
Deschutes Resources Conservancy
700 NW Hill Street
Bend, OR 97701

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RECEIVED
NOV 22 2004

WATER RESOURCES DEPT
SALEM, OREGON

2. The Department assigned this lease agreement number L-380.
3. The lease application includes the required information under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6).
4. Certificate 76714 is supplemental to certificate 76358. The portion of Certificate 76714 being leased instream will only be protected instream if the full rate and duty under certificate 76358 are not available instream during the period in which water is being leased instream.
5. Water leased instream shall be protected from the Central Oregon Canal to Lake Billy Chinook.
6. Section 2.6 of the application was amended on May 9, 2003 so that the lessors shall not have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

T-9824/MP-27

SALEM, OREGON, 11/22/04

7. The lease will terminate on October 31, 2007.

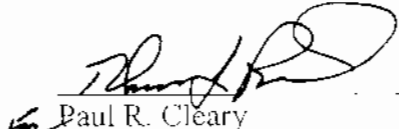
CONCLUSIONS OF LAW

The Department concludes that the lease, as modified above, will not result in injury or enlargement, OAR 690-077-0077.

ORDER

Therefore, it is ORDERED that the Short-Term Lease described herein is APPROVED

Dated at Salem, Oregon this 29th day of May, 2003.



For Paul R. Cleary
Director

RESTORING
STREAMFLOW
AND IMPROVING
WATER QUALITY
IN THE
DESCHUTES
BASIN



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WATER RESOURCES DEPT
SALEM, OREGON

April 29th, 2003

BOARD OF
DIRECTORS

Laura Snedaker
Senior Water Resources Coordinator
Oregon Water Resources Department
58 12th Street NE, Salem, OR 97301-4172
(and Via Fax: 503 378 8130)

Rick Allen
Recreation & Tourism
Robert A. Brunoe
Consolidated Tribes
of Warm Springs
Senator Beverly Clarno
Grazing

Dear Laura

Ron Eggers
U. S. Department
of the Interior
Mike Golden
Oregon Department of
Fish and Wildlife
Kyle Gorman
Oregon Water
Resources Department
Mike Hollern
Deschutes County
Bob Mann
Irrigation Districts
Jim Marion, Chair
Consolidated Tribes
of Warm Springs
Gregory McClarron
Environment

This letter is to inform you of a change we are requesting in the Short-Term Water Right Lease Agreement submitted by James E. and Deborah E. Marshall.

Ron McDermid
Wood & Sherman County
Tom Norton
Jefferson County

The intent of the lease between the DRC and the Marshalls was for a multiyear lease with the lessor *not* having the option of terminating the lease each year. We understand, however, that the lease was mistakenly submitted with the opt out clause selected on the leasing form. As a result we are requesting that Section 2.6 of the lease be amended. The no opt out clause (the second box) should be selected and not the opt out clause (first box).

Jim Notelboom, Secretary
(non-board officer)

As Lessor #2 on the lease the Central Oregon Irrigation District representative's signature below is their consent to this change. As the DRC is acting on Marshall's behalf as their agent for this lease the DRC representative's signature below serves as approval by Lessor #1 and Lessee on the lease.

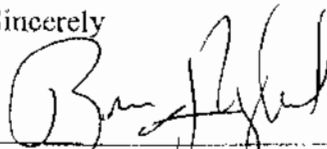
Ilan Roberts
Crook County

Should you have any questions please contact Bruce Aylward at 541 382-5186

Chuck Schoninger
Irrigation Districts

Sincerely

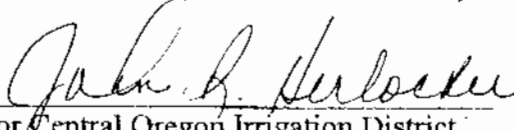
John Shelk
Timber



for Deschutes Resources Conservancy

Date: 4-29-03

William Smith
Land Development



for Central Oregon Irrigation District

Date: 4.28.03

Leslie Weldon
U.S. Department
of Agriculture

Zach Willey, Treasurer
Environment

Jim Wyatt
Hydroelectric

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STAFF
Gail Achterman
Executive Director

Lisa Nye
Communications Director

Bruce Aylward
DWE Manager

Scott McCaulou
Project Manager

Ray Hartwell
Special Projects Manager

Joanne Palmer
Operations Manager

Jean Livaday
Office Manager

700 NW Hill Street - Bend, Oregon 97701
(P.O. Box 1560 - 97709)
541 382.4077 - Fax 541.382.4078
www.deschutesrc.org / info@deschutesrc.org

T-9824/MP-27

Lease Agreement Number (assigned by WRD): L-380

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

**Short-Term Water Right Lease Agreement
Pursuant to ORS 537.348(2) and OAR 690-077-0077
for
Leases of Existing Water Rights for Instream Use**

This Lease Agreement is between:

Lessor #1:

(Name) James E. & Deborah E. Marshall
(Mailing address) 4250 Obsidian Ave
(City, State, Zip Code) Redmond, Or 97756
(Telephone number) 541-548-6624

Lessor#2, 3, etc.

Central Oregon Irrigation District
2598 N. Hwy 97
Redmond, Or 97756

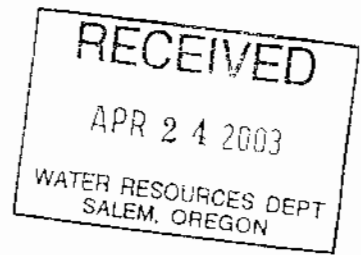
The water right to be leased is located in Deschutes County

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes Resources Conservancy
(Mailing address) 700 NW Hill Street
(City, State, Zip Code) Bend, Or 97701
(Telephone number) 541-382-5186

Trustee:

Oregon Water Resources Department
158 12th Street NE
Salem OR 97301
(503) 378-8455



~I~

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15 N., Range 13 W., Section 19 and Tax Lot number 100. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1. (tax lot map of lessor's property) needs to be included.
- 1.2 Lessor #2 is the (Check one):
 - Not applicable
 - Official representative of Central Oregon Irrigation District, the irrigation district which conveys water to the subject water rights.

Another party with an interest in the subject water rights representing _____.

1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 76358, 76711 - Supplemental

Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No

1.4 **Subject Water Rights.** Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76358
Priority date: October 31, 1900 & December 2, 1907 Type of use: Irrigation
Legal Season of Use: April 1 to November 1

Is the entire water right certificate being leased? Yes No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

Place of use: T 15, R 13, Section 19, NW 1/4 NE 1/4 - 31.00 acres to be leased
Enter additional places of use here, using format above:
Tax Lot 100

Page 39 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: 31.00
Acre-feet of storage, if applicable: 0
Total rate associated with leased rights (cfs): Season 1: 0.39 Season 2: 0.52 Season 3: 0.96
(Use additional lines if there is more than one rate associated with the water right.)
Total duty associated with leased rights (AF): 307.2
(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the additional water rights form.

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1.5 **Validity of Rights.** Lessor(s) attests (mark one) that:

- the water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or
- the water has not been used over the past five years according to the terms and conditions of the owner's water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)() (include necessary supporting documentation as Attachment 3).

~II~

2.1 **Public Use.** This lease will increase streamflows which will benefit:

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- Conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat
- Pollution abatement
- Recreation and scenic attraction

2.2 Instream use created by lease. The instream use to be created is described as follows:

Deschutes River
Tributary to Columbia River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): Point of Diversion to Lake Billy Chinook

Total volume in acre-feet: 172.69

Rate in cfs: Season 1: 0.21 Season 2: 0.28 Season 3: 0.53

(Use the section below to indicate a more restrictive period of use than allowed by the water right.)

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____.
- Other (describe): _____

If you need to enter more instream uses, please use the additional water rights form.

2.3 Term of lease. This lease shall terminate on October 31, 2007.

2.4 Compensation. The Lessor has agreed to lease subject water right for the sum of \$1.00, or other valuable considerations and for the benefit of the state of Oregon.

2.5 Flow protection. The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see section 2.2). No party is required to continuously measure the flow of the waterway described in Section 2.2.

2.6 Termination provision.

- For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised, with 30 day written notice to the Department.
- For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

See amendment BR

~III~

3.1 Accuracy. The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This lease only exercises the water rights being leased; for the term of the lease; it shall not be construed to overcome any claim that the water

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3.2 **Lease.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.

3.3 **Precedent.** If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.

3.4 **Suspension of original use.** During the period of the lease, the owner agrees to suspend use of water allowed under the subject water rights and under any water right that is supplemental to the subject water rights. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

Lessor #1: John H. Herlock Date: 3-28-03

For additional Lessors, type in space for signature and date

Lessee: King (Hartwell) DRC Date: 3-10-03

3.5 Allocation of water to the instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.

Other Attachments As Needed:

- Attachment 1: Tax Lot Map of Lessor's Property (required if landowner is not the sole landowner to lands for which the subject water rights are appurtenant)
- Attachment 2: Detailed map illustrating lands under subject rights to be leased (required if only part of a right is being leased instream).
- Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.5 is checked)
- Attachment 4: Split Season Instream Use Form

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Marshall

Additional Information

Section 1.4, (Standard Leasing Form) cont.

Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76714

Priority date: February 28, 1913 Type of use: Supplemental Irrigation

Legal Season of Use (if not listed on the certificate): April 1 to November 1

Is the entire water right certificate being leased? Yes No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 3) showing the lands which will not receive water.

Place of use: T 15, R 13, Section 19, NW 1/4 NE 1/4 - 31.00 acres to be leased
Enter additional places of use here, using format above:

Tax Lot 100

Page 40 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: 31.00

Acre-feet of storage, if applicable: _____

Rate associated with leased rights (cfs): Season 1: 0.39 Season 2: 0.52 Season 3: 0.96
(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF): 307.2
(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: _____

Section 2.2, cont.

Instream use created by lease. The instream use to be created is described as follows:

Deschutes River

Tributary to Columbia River in the Deschutes Basin.

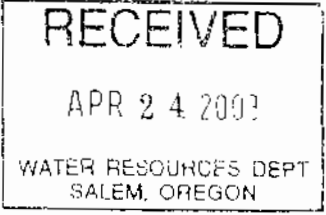
Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): _____

Total volume in acre-feet: _____

Rate in cfs: _____

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____
- Other (describe): _____

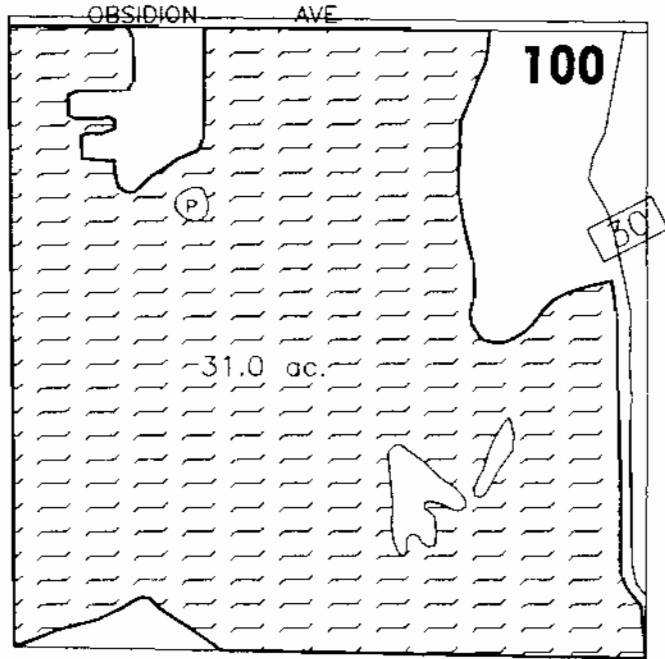


DESCHUTES COUNTY
SEC.19 T15S. R13E. W.M.

SCALE - 1" = 400'



NW 1/4 OF THE NE 1/4



APPLICATION FOR IN STREAM LEASE

NAME: JAMES & DEBRA MARSHALL

TAXLOT #: 100

31.0 ACRES

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DATE: 04-01-03
FILE NO: E:\TRANSFER\INSTREAM\INSTRM03\MARSHALL

T-9824/MP-27

541-382-4078

ATTN: TAMMY SAILORS

3-5-03

TO Central Oregon Irrigation
DRC

I intend to lease 31 acres
of COI water, instream to COI
I would like DRC to act
as my Agent and DRC
will pay any fees associated
with this.

THANK YOU —

Jim & Debra
Marshall

4250 SW Obsidian
Redmond, OR

97756
548-6624

Debra Marshall
Jim Marshall

Now Exhibit E-4

Exhibit E 11/12/13
Suzanne Penhallow

WATER RIGHT TRANSFER

AFFIDAVIT ATTESTING TO THE USE OF WATER DURING THE PREVIOUS FIVE YEARS

State of Oregon)
County of Douglas)

I Suzanne Penhallow, in my capacity as (OW) Watermaster,

Mailing address 2012 2598 N Hwy 97, Redmond, OR 97756,

Telephone number 541-548-6047, being first duly sworn depose and say:

- 1. I attest that the water was used during the previous five years on the entire authorized place of use of the water right subject to transfer as described by the accompanying transfer application. My knowledge of the exercise of the water right is based on (check one);
 - Personal observation
 - Professional expertise

2. My knowledge is specific to the use of water at the following location(s):

T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ NE SW tax lot 1007
 T. 15 R. 13 S. 19 $\frac{1}{4}$ $\frac{1}{4}$ SE NW tax lot 1001
15 13 19 1/4 SW 111

3. The water right was exercised for the authorized purposes and is described as follows:

pasture and yard

4. The water delivery system used to apply water as authorized by the water right is described as follows:

flood & in ground sprinklers

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(continues on next page)
PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
 ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE.
 SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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E - 11/12/13

5. One or more of the following documentation supporting the above statements is attached:
- Copy of water right certificate which has been issued within the last five years (not a remaining certificate), Certificate 76358: 3111 dated 12 / 1999
 - Copies of receipts from sales of irrigated crops or for expenditures relating to use of water,
 - Records such as Farm Service Agency crop reports, irrigation district records, an NRCS farm management plan, or records of other water suppliers,
 - Dated aerial photographs of the lands or other photographs containing sufficient detail to establish the location and date of the photograph,
 - Dedicated power usage records or receipts,
 - IF the right has not been used during the past five years, documentation that the presumption of forfeiture would be rebutted under ORS 540.610(2), or
 - Other: In stream Lease
 - Other: _____

Craig E Penhallow
Signature of Affiant

10/22/04
Date

Subscribed and Sworn to Before Me this 22nd day of October, 2004



Tammy Sailors
Notary Public for Oregon

My commission expires 8-29-2005

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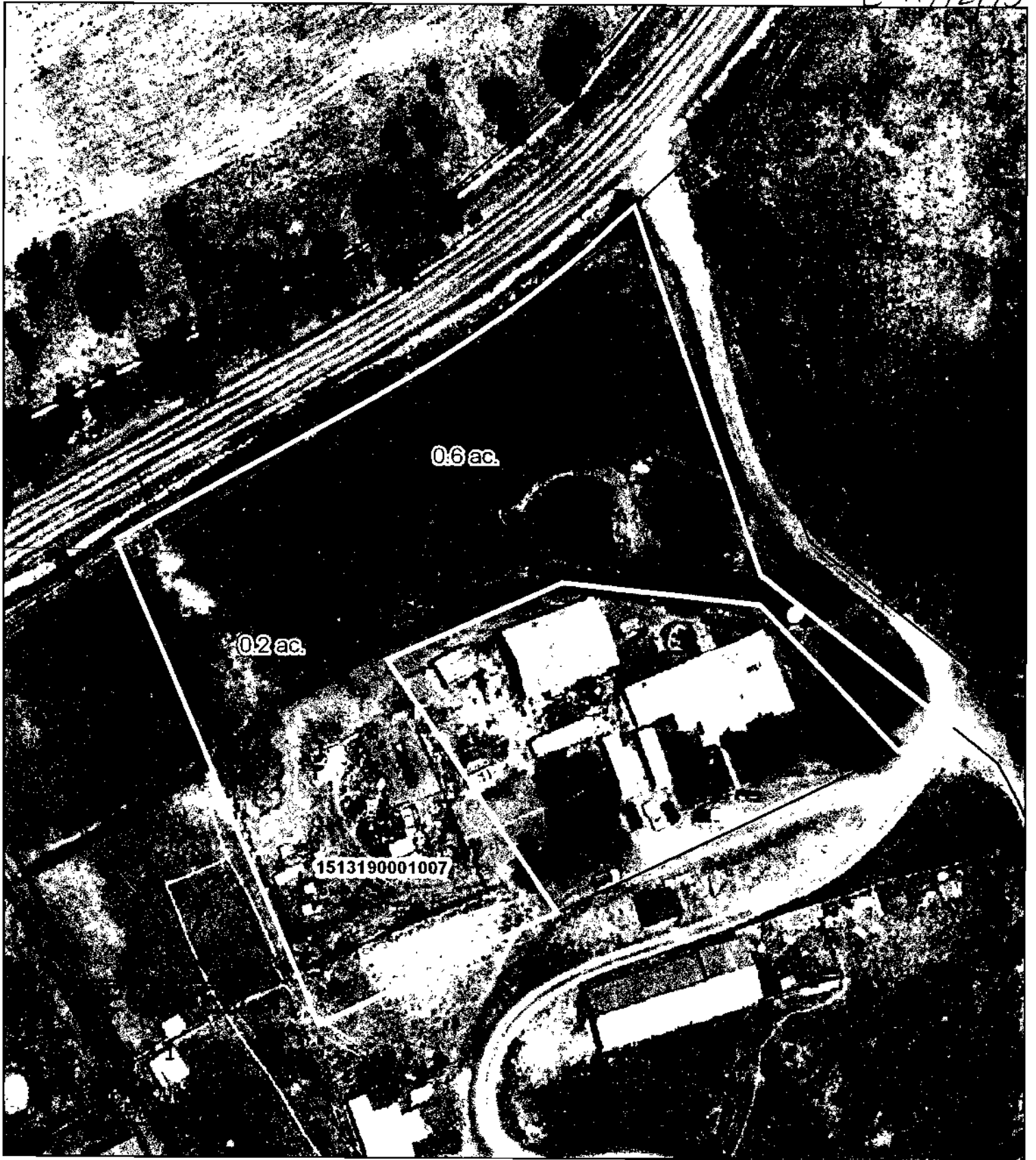
WATER RESOURCES DEPT
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PLEASE PRINT LEGIBLY OR TYPE. PLEASE BE AS SPECIFIC AS POSSIBLE.
ATTACH ADDITIONAL PAGES IF YOU NEED MORE SPACE.
SUPPORTING DOCUMENTATION MUST BE ATTACHED.

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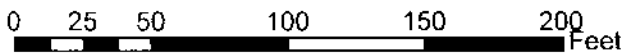
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15-13-19
NESW/SESW NOV 22 2004

TL 1007 WATER RESOURCES DEPT
SALEM, OREGON



PRINTED: 09-23-04

City of Redmond 2000 Aerial Mapping Updates
 Orthophoto Mapping by: David C. Smith & Associates, Inc.
 Portland, Oregon
 DSA Job #: 1564
 Pixel Resolution: 0.5 Feet
 Map Scale/Accuracies: 1"=100' horizontal
 Datum: NAD '83 / '91 Oregon State Plane South Zone
 Date of Photography: June 4, 2000

T-9824/MP-27

Exhibit F

Tammy Harty

From: "Tammy Harty" <tammyharty@hughes.net>
To: "Laura Snedaker" <Laura.K.SNEDAKER@wrdd.state.or.us>
Sent: Tuesday, June 06, 2006 12:53 PM
Subject: Re:

Thanks for the info. Always good to hear it will cost less than expected.

Any news on the groundwater cancellation ?

Tammy

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

From: Laura Snedaker
To: 'Tammy Harty'
Sent: Tuesday, June 06, 2006 12:37 PM
Subject: RE:

Tammy:

If the proposal is to transfer 83.9 acres of COID water right to instream use, then the max rate allowed (peak) is 2.59 CFS.

The fee breaks out as follows for an instream transfer:

\$350.00 for the first change
 \$350.00 for the second change
 \$350.00, being \$175 for each CFS (or fraction thereof) beyond the first CFS (the first CFS is not counted).
 Total Fee: \$1050.00

A \$100 or 50% reduction in the fees, whichever is greater, is outright allowed by rule (no request necessary) for certain transfers, including instream transfers. The 50% reduction is greater in this instance and reduces the fee to \$525.00. If you're sending in the transfer with a check for \$612.50, you're a smidge high unless the transfer is larger than described above.

Have a good one.

Laura

Laura Snedaker
 Senior Water Resources Coordinator
 Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1271
 Phone: (503) 986-0884
 Web: www.oregon.gov/OWRD

From: Tammy Harty [mailto:tammyharty@hughes.net]
Sent: Thursday, June 01, 2006 9:12 AM
To: Laura K Snedaker
Subject: Fw:

Laura, Just a follow up regarding the fee waiver. I am ready to submit the application. Tammy

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7/24/2006

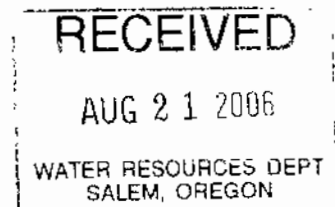
Exhibit G Water Rights

Some water rights as previously included on T-9824 - Quit claim deed tracking information:

1. 14S- 13E-16 WM SE SE tax lot 403 & 414: 0.36 Acres and 0.84 Acres
Stephen Russell, Quitclaim to COID, COID to Arrowood Development
HB3111 lists tax lot 403 with .06 acres; tax lot 402 with 0.84 acres. A partition has been completed. Current tax lots/water rights; tax lot 402 with 0.24 acres; tax lot 403 with 0.36 acres; tax lot 414 with 0.84 acres . upon completion of this transfer, 0.24 acres will remain on tax lot 402.
Certificate page 12.
2. 14S – 13E- 26 WM NE SW tax lot 500 0.85 Acres
WT Nelson, Quitclaim to COID, COID to Arrowood Development
HB3111 lists tax lot 500 with 2.2 acres. Partition has been completed. Current tax lot/water rights; tax lot 600 with 1.35 acres; tax lot 500 with 0.85 acres. Certificate page 16.
3. 15S-13E-08 WM NE SE tax lot 8800 & 8900 10 Acres
Community Presbyterian to COID, COID to Arrowood Development
Certificate page 35.
4. 15S-13E-09 WM SE NE tax lots 801, 804, 900 3.65 Acres
Cascade Health to COID, COID to Arrowood Development
Certificate page 35.
5. 15S-13E-10 WM NW NW tax lots 200, 201 7.78 Acres
Hayden Enterprises , COID to Arrowood Development

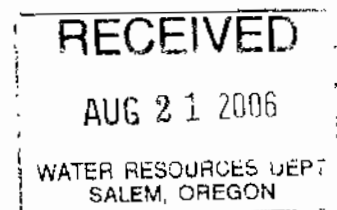
15S-13E-10 WM NW NW tax lots 202 1.42 Acres
Harold Povey to COID, COID to Arrowood Development

HB3111 lists tax lot 200 with 3.7 acres and tax lot 201 with 1.43 acres. These 2 lots were partitioned as follows; tax lot 200 with 3.4 acres, tax lot 201 with 4.6 acres, tax lot 202 with 10.0 acres. HB3111 listed owner as Mrs. Ted Povey. Tax lot 200 with 3.4 acres and 201 with 4.38 acres was sold to hayden enterprises (7.78 acres total) while the remaining portion of tax lot 201 with 0.22 acres and tax lot 202 with 10.0 acres were retained by the poveys. Since the quitclaim deed granting water right from povey to COID 2003-35022, 2 transfers have been filed; T-9748 with 0.50 acres off and T-9883 with 8.3 acres off, leaving 1.42 acres of appurtenant water right eligible for transfer.
Certificate page 36
6. 15 S-13 E-17 NW NW tax lot 1300 18 Acres: (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37



6. 15 S-13 E-17 NE NW tax lot 800 16 acres (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or 9
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
7. 15 S-13 E-19 NW NE tax lot 100 21.35 acres Quitclaimed to COID (Previously on T-9824)
by James & Debra Marshall
On behalf of owners: Obsidian Group, LLC: then quit claimed to
Current owners: David & Tammy Sailors 64154 Pioneer Loop, Bend, Or 97701
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (31 acres on 3111 – 9.65 acres remain on property)
Notarized Lien holder consent attached.
8. 15 S-13 E -19 NE SW 1002 (0.20 acres water) (Previously on T-9824)
0.20 acres quit claimed to COID for
Owner: Forked Horn, LLC c/o John Pewther 1790 SW 23rd Street, Redmond, OR 97756
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (on 3111 - tax lots split and reconfigured)
Notarized lien holder consent attached.
9. 15S-13E-30 WM NW SE 3.45 Acres (of 11 acres) tax lot 600
Curtis to COID, COID to Arrowood Development
HB3111 lists as tax lot 1412. since that time, the tax lot number has been changed to 600.
water configuration remains the same.
Certificate page 42.

TOTAL 83.9 ACRES





Oregon Water Resources Department
Land Use Information Form

Redmond, OR

Exhibit H-

This information is needed to determine compatibility with local comprehensive plans as required by ORS 197.180. WRD will use this and other information to evaluate the water use application. 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, or exchange 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.

To Be Completed By Applicant

This section must be completed by the individual or group that is filing an application with the Water Resources Department. Attach a copy of the map from the application to this form.

A. Applicant

Name: COID and Arrowood Development, LLC.
Address: 2548 N. Hwy 97
City: Redmond State: OR Zip: 97756 Day Phone: 548-6047

B. Land and Location

Please provide information as requested below for all tax lots on or through which water will be diverted, conveyed, or used. Check "diverted" if water is diverted (taken) from its source on tax lot, "conveyed" if water is conveyed (transported) on tax lot, and "used" if water will be put to beneficial use on tax lot. More than one box may be checked. (Attach extra sheets as necessary.) 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.

Table with 4 columns: Tax Lot ID, Plan Designation (e.g. Rural Residential/RR-5), Water to be (check all that apply), Proposed Land Use. Rows include 'See Exhibit "G"', 'All Residential', and 'Commercial'.

List counties and cities where water is proposed to be diverted, conveyed, or used. Deschutes County & Redmond, OR

C. Description of Proposed Use

Indicate the type of application to be filed with the Water Resources Department.

Water Use Permit [] Water Right Transfer [x] Allocation of Conserved Water [] Exchange []

Indicate the intended use of water and describe the key characteristics of the project.

Commercial [] Industrial [] Instream [] Irrigation []
Municipal [] Quasi-municipal [] Domestic (indicate number of households) []
Other [x] Mitigation

Briefly describe: Water rights to be permanently transferred in-stream in exchange for mitigation credits.

Indicate the source of the water to be used.

Reservoir/Pond [] Ground Water [] Surface Water [x] Deschutes River (source)

Indicate the estimated quantity of water the use will require: 2.58 [x] CFS [] GPM [] Acre-Feet

Last revised: 04/06/04

Receipt for Request for Land Use Information

State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
(503) 986-0900

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WATER RESOURCES DEPT.
SALEM, OREGON

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 this case, only the city planning agency must complete this form. Please request additional forms as needed or feel free to copy.

A. Allowed Use

Check the appropriate box below and provide 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): _____ Go to section B "Approval" below.
- Land uses to be served by proposed water uses (including proposed construction) involve discretionary land use approvals as listed in the table below

Type of Land Use Approval Needed (e.g. plan amendments, rezones conditional use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Check the item that applies Land Use Approval	
<i>Item # 7 & 8</i>	<i>Site Design</i>	<input checked="" type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
<i>Residential</i>	<i>Subdivision</i>	<input checked="" 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

Note: Please attach documentation of applicable local land use approvals which have already been obtained. (Record of Action/land use decision and accompanying findings are sufficient.)

B. Approval

Please provide printed name and written signature.

Name: Laura C. Sorensen Date: April 20, 2005
 Title: Associate Planner Phone: (541) 923-7724
 Signature: Laura C. Sorensen

C. Additional Comments

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

Water Rights must be removed and/or transferred prior to development.

Note: If this form cannot be completed while the applicant waits, sign and detach the receipt stub as instructed below. 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.

Receipt for Request for Land Use Information

Name of applicant: _____

This receipt must be signed by a local government representative and returned to the applicant at the time they present this form. This receipt must be included with the application filed with the Water Resources Department if the local government cannot provide the requested land use information while the applicant waits

City or County: _____

Staff contact: _____ Phone: _____

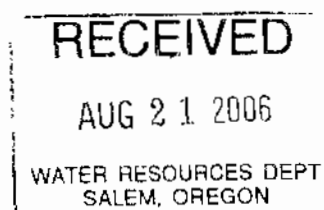
Signature: _____ Date: _____

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 AUG 21 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

Exhibit G Water Rights

Some water rights as previously included on T-9824 - Quit claim deed tracking information:

1. 14S- 13E-16 WM SE SE tax lot 403 & 414: 0.36 Acres and 0.84 Acres
Stephen Russell, Quitclaim to COID, COID to Arrowood Development
2. 14S - 13E- 26 WM NE SW tax lot 500 0.85 Acres
WT Nelson, Quitclaim to COID, COID to Arrowood Development
3. 15S-13E-08 WM NE SE tax lot 8800 & 8900 10 Acres
Community Presbyterian to COID, COID to Arrowood Development
4. 15S-13E-19 WM SE NE tax lots 801, 804, 900 3.65 Acres
Cascade Health to COID, COID to Arrowood Development
5. 15S-13E-10 WM NW NW tax lots 200, 201 & 202 9.2 Acres
Hayden Enterprises and Harold Povey to COID, COID to Arrowood Development
6. 15 S-13 E-17 NW NW tax lot 1300 18 Acres: (Previously on T-9824)
Arthur C. Piculell, Jr. Quitclaim to COID
Owner: Arthur Piculell : The Mayberry Group 10801 SW Riverside Drive, Portland, Or
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 37
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7. 15 S-13 E-19 NW NE tax lot 100 21.35 acres Quitclaimed to COID (Previously on T-9824)
by James & Debra Marshall
On behalf of owners: Obsidian Group, LLC: then quit claimed to
Current owners: David & Tammy Sailors 64154 Pioneer Loop, Bend, Or 97701
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (31 acres on 3111 - 9.65 acres remain on property)
Notarized Lien holder consent attached.
8. 15 S-13 E -19 NE SW 1002 (0.20 acres water) (Previously on T-9824)
0.20 acres quit claimed to COID for
Owner: Forked Horn, LLC c/o John Pewther 1790 SW 23rd Street, Redmond, OR 97756
Then quitclaimed to Arrowood Development, LLC
COID Certificate, Page # 39 (on 3111 - tax lots split and reconfigured)
Notarized lien holder consent attached.



9. 15S-13E-30 WM NW SE 3.45 Acres (of 11 acres) tax lot 600
Curtis to COID, COID to Arrowood Development

TOTAL 83.9 ACRES

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AUG 21 2006
WATER RESOURCES DEPT
SALEM, OREGON



**Oregon Water Resources Department
Land Use Information Form**

Exhibit H-2
Deschutes County, OR

This information is needed to determine compatibility with local comprehensive plans as required by ORS 197.180. WRD will use this and other information to evaluate the water use application. 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, or exchange 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.

To Be Completed By Applicant

This section must be completed by the individual or group that is filing an application with the Water Resources Department. Attach a copy of the map from the application to this form.

A. Applicant

Name: COID and Arrowood Development, LLC
 Address: 2598 N. Hwy 97
 City: Redmond State: OR Zip: 97756 Day Phone: 548-6047

B. Land and Location

Please provide information as requested below for all tax lots on or through which water will be diverted, conveyed, or used. Check "diverted" if water is diverted (taken) from its source on tax lot, "conveyed" if water is conveyed (transported) on tax lot, and "used" if water will be put to beneficial use on tax lot. More than one box may be checked. (Attach extra sheets as necessary.) 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.

Tax Lot ID	Plan Designation (e.g. Rural Residential/RR-5)	Water to be (check all that apply)			Proposed Land Use
<u>See</u>		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
<u>Exhibit</u>		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
<u>G</u>		<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	
		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	

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

C. Description of Proposed Use

Indicate the type of application to be filed with the Water Resources Department.
 Water Use Permit Water Right Transfer Allocation of Conserved Water Exchange

Indicate the intended use of water and describe the key characteristics of the project.
 Commercial Industrial Instream Irrigation
 Municipal Quasi-municipal Domestic (indicate number of households) _____
 Other Mitigation

Briefly describe: Water rights to be permanently transferred in-stream in exchange for mitigation credits.

Indicate the source of the water to be used.
 Reservoir/Pond Ground Water Surface Water Deschutes River
(source)

Indicate the estimated quantity of water the use will require: 2.48 CFS GPM Acre-Feet

Last revised: 04/06/04

Receipt for Request for Land Use Information

State of Oregon
 Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1271
 (503) 986-0900

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 SALEM, OREGON

For Local Government Use Only

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A. Allowed Use

Check the appropriate box below and provide 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): 7.11.1.15 Go to section B "Approval" below.
- Land uses to be served by proposed water uses (including proposed construction) involve discretionary land use approvals as listed in the table below.

Type of Land Use Approval Needed (e.g. plan amendments, rezones, conditional use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Check the item that applies 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

Note: Please attach documentation of applicable local land use approvals which have already been obtained. (Record of Action/land use decision and accompanying findings are sufficient.)

B. Approval

Please provide printed name and written signature.

Name: [Signature] Date: 7/16/05
 Title: [Signature] Phone: (503) 583-4719
 Signature: [Signature]

C. Additional Comments

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

Note: If this form cannot be completed while the applicant waits, sign and detach the receipt stub as instructed below. 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.

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City or County: _____

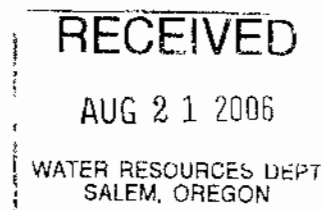
Staff contact: _____ Phone: _____

Signature: _____ Date: _____

Exhibit G Water Rights

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Notarized lien holder consent attached.



Timeframe for Consortium Committee Meetings

August 10th

Project Overview and discussion of operational framework
Questions identified to be answered

September 14th

Overview of available resources
Initial operational framework outlined for review
Preliminary discussion of governance

October 19th

Adopt operational framework
Finalize governance structure
Discuss Implementation

November 2nd (if necessary)

Finalize implementation
Approve "findings" report
Public Discussion of findings

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SALEM, OREGON

Timeframe for Consortium Committee Meetings

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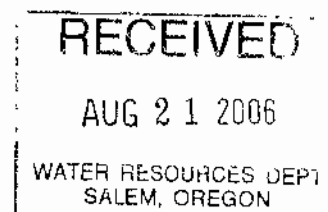
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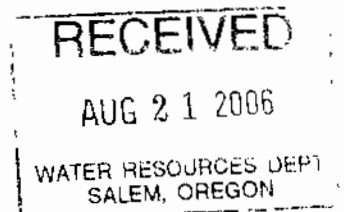
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October 19th

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Finalize governance structure
Discuss Implementation

November 2nd (if necessary)

Finalize implementation
Approve "findings" report
Public Discussion of findings



Date _____

Stanley Rice

State of _____, County of _____) ss:

This instrument was acknowledged before me on _____ by Stanley Rice.

Notary Public

Date _____

Kenneth Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000

Dorothy Krieger
Dorothy Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000

Date March 29, 2005

State of _____, County of _____) ss:

This instrument was acknowledged before me on _____ by Kenneth Krieger,
co-trustee of the Krieger Revocable Trust dated August 29, 2000

Notary Public

State of Alaska, County of First Judicial District) ss:

This instrument was acknowledged before me on March 29, 2005 by Dorothy Krieger,
co-trustee of the Krieger Revocable Trust dated August 29, 2000

Joni Weasen
Notary Public
My Commission Expires 4/15/08



SIGNATURE PAGE TO BE ATTACHED TO ORIGINAL DOCUMENT

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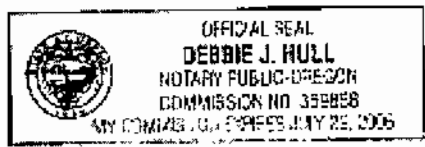
7/20/05
Kenneth Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000

Date 7/20/05

State of Oregon
County of Multnomah

This instrument was acknowledged before me on Kenneth J. Krieger by Kenneth Krieger as Co-Trustee of The Krieger Revocable Trust dated August 29, 2000.

Debbie J. Hull
Notary Public



Dorothy Krieger, co-trustee of the Krieger Revocable Trust dated August 29, 2000 Date _____

State of _____

County of _____

This instrument was acknowledged before me on _____ by Dorothy Krieger as Co-Trustee of The Krieger Revocable Trust dated August 29, 2000.

SIGNATURE PAGE TO BE ATTACHED TO ORIGINAL DOCUMENT

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SALEM, OREGON

Grantee:

John P. [Signature]
Arrowood Development, LLC

Date 3/31/05

State of Oregon, County of Deschutes) ss:

This instrument was acknowledged before me on March 31, 2005 by John P. [Signature]
as Arrowood Development, LLC for Arrowood Development.



[Signature]
Notary Public

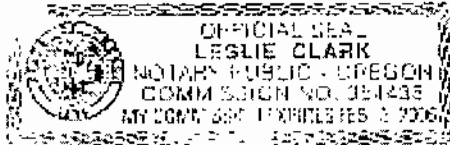
APPROVED:

[Signature]
Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

Date 4-5-2005

State of Oregon, County of Deschutes) ss:

This instrument was acknowledged before me on April 5, 2005 by Steven C. Johnson
as Secretary-Manager for Central Oregon Irrigation District.



[Signature]
Notary Public

SIGNATURE PAGE TO BE ATTACHED TO ORIGINAL DOCUMENT

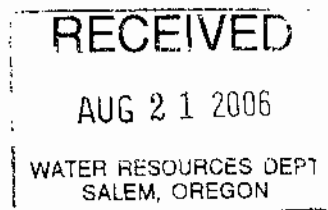


EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land situated in a portion of the Southeast Quarter (SE1/4) of Section Thirty (30), Township Fifteen (15) South, Range Thirteen (13), East of the Willamette Meridian, Deschutes County, Oregon, more particularly described as follows:

Commencing at a 1/2" rod monumenting the East 1/4 corner of Section 30, Township 15 South, Range 13 East of the Willamette Meridian, Deschutes County, Oregon, the initial point: thence North 89°48'55" West along the North line of the Southeast Quarter (SE1/4) of said Section 30, 2641.06 feet to the West line of the Northwest Quarter of said Southeast Quarter (NW1/4SE1/4); thence South 00°00'18" West along said West line, 528.41 feet to the centerline of SW Badger Avenue, a 60.00 foot wide road, 30.00 feet each side of centerline and the true point of beginning; thence South 89°23'01" East along said centerline, 106.39 feet to the beginning of a curve; thence 24.31 feet along the arc of a 150.00 foot radius curve left of said centerline forming a deflection angle of 09°17'09" and a long chord bearing South 85°11'35" East, 24.28 feet to the end of said curve; thence South 89°50'10" East along said centerline, 370.56 feet to a 1/2" pipe; thence South 00°10'01" West, 746.40 feet to a 1/2" pipe on the South line of said NW1/4SE1/4; thence North 89°49'59" West along said South line, 694.89 feet to the West line of said NW1/4SE1/4; thence North 00°00'15" East along said West line, 797.77 feet to the point of beginning.

EXCEPTING THEREFROM the right of Badger Avenue as shown on the official plat of said land.

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WATER RESOURCES DEPT
SALEM, OREGON


Part Of The JFID-WEN Family
IRRIGATION DISTRICT REPORT

CENTRAL OREGON IRRIGATION DISTRICT
2598 N HWY 97
REDMOND, OR 97756

December 8, 2004
Title Number : 071891
Title Officer : DEBBY DAVIDSON
Fee : \$150.00

Attn: LESLIE CLARK

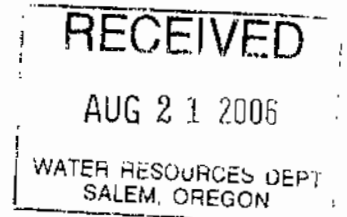
We have searched our Tract Indices as to the following described property:

See Attached Exhibit "A"

and dated as of November 30, 2004 at 7:30 a.m.

We find that the last deed of record runs to:

*WILLIAM B. CURTIS, as to an undivided one-third (1/3) interest,
and
STANLEY RICE, as to an undivided one-third (1/3) interest
and
KENNETH KRIEGER and DOROTHY KRIEGER, CO-TRUSTEES OF THE
KRIEGER REVOCABLE TRUST DATED AUGUST 29, 2000,
as to an undivided one-third (1/3) interest,
as tenants in common*



We also find the following apparent encumbrances within ten years prior to the effective date hereof:

NONE

We have also searched our General Index for judgments and state and federal tax liens against the above named grantees and find the following:

NONE

We also find the following unpaid taxes and city liens:

Taxes assessed under Code No. 2-004 Map and Tax Lot Number 15 13 30DB 00600
Account No. 162701


NOTE: The 2004-2005 Taxes: \$1,081.42, Paid in full.

1. City Liens, if any, of the City of Bend. (No inquiry has been made, and if search is requested, a charge of \$30.00 will be added).



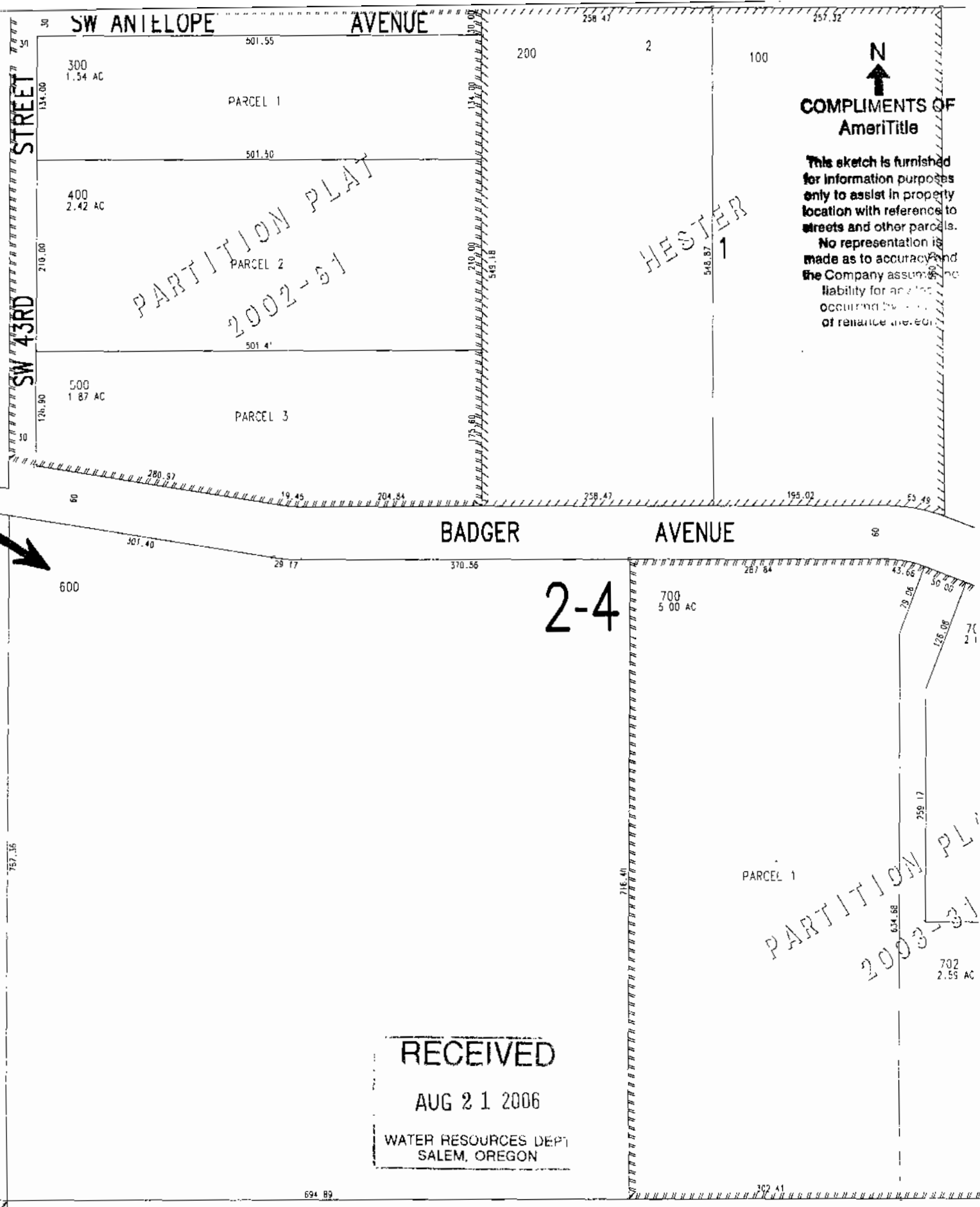
NOTE: This Irrigation District Report is being made with the understanding that it does not represent any form of title insurance and is not a commitment for a policy of insurance. The information provided herein is not a full examination of the subject property. Further, if any person, corporation or entity of any kind should use this report as a basis to produce a title insurance product, it should be understood that it is clearly outside of Oregon law. Any liability hereunder is limited to the amount paid for said report.

AmeriTitle

By: 
Debby Davidson, Title Examiner
DD:kw

"Superior Service with Commitment and Respect for Customers and Employees"

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WATER RESOURCES DEPT
SALEM, OREGON



N
↑
COMPLIMENTS OF AmeriTitle

This sketch is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the Company assumes no liability for any loss occurring by reason of reliance thereon.

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AUG 21 2006
WATER RESOURCES DEPT
SALEM, OREGON

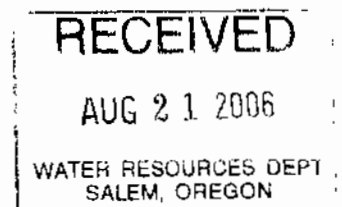
SEE MAP 15 13 30

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EXCEPTING THEREFROM the right of Badger Avenue as shown on the official plat of said land.



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Curtis to COID, COID to Arrowood Development

TOTAL 83.9 ACRES

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