



State of Oregon
Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1266
 (503) 986-0900

September 1, 2009

Application for Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

Pursuant to ORS 537.348(2) and OAR 690-077

Optional Identification by Lessor/Lessee: _____
 Lease Application Number (assigned by WRD): IL-1044

This Lease is between:

Lessor #1:

Name Back Nine Development LLC – Rick Mathews
 Mailing address P.O. Box 848
 City, State, Zip Code Winchester, OR 97495
 Telephone number 541-957-0205
 Email address rick@dcpf.com

Lessor #2, 3, etc.

The water right to be leased is located in Douglas County.

Lessee (if different than Oregon Water Resources Department):

Name _____
 Mailing address _____
 City, State, Zip Code _____
 Telephone number _____
 Email address _____

Trustee:

Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1266
 (503) 986-0900

~I~ Water Right Holder and Water Right Information

- 1.1 Lessor #1 is the water right holder, or authorized agent for water right holder of the property located at: Township 26 S, Range 6 W, Section 24 and Tax Lot number 500. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

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1.2 Lessor #2 is the (Check one):

Not applicable

Official representative of _____, 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 water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 22280

1.4 Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No

1.5 Water Rights Proposed to be Leased Instream.

The first right to be leased identified in Section 1.3 is further described as follows:

Certificate No.: 22280

Priority date: April 2, 1951 Type of use: Log Pond

Legal Season of Use: Year-Round

Is the entire water right certificate being leased? Yes No

If no, list the acres of the subject water right by legal description of township, range, section, and $\frac{1}{4}$ $\frac{1}{4}$ 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 ____, R ____, Section __, $\frac{1}{4}$ $\frac{1}{4}$ - _____ acres to be leased

Enter additional places of use here, using format above:

Page _____ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: _____

Acre-feet of storage, if applicable: 448.0 acft

Maximum rate associated with the right to be leased (cfs): _____

(Use additional lines if there is more than one rate associated with the water right.)

Maximum duty associated with the right to be leased (ac-ft): 448.0 acft

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the additional water rights form.

1.6 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 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 water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)()(include necessary supporting documentation as Attachment 3).

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~II~ Instream Water Right Information

2.1 Public use. This lease will increase streamflows that will benefit:

- 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:

North Umpqua River

Tributary to Umpqua River in the Umpqua Basin.

Describe the point of diversion (POD) and any associated reach(es) of the instream use being created. If possible list the reach by river mile. If no reach is identified, and there is only one POD listed on the certificate, the lease may be processed to be protected at the POD. (If more than one POD is listed on the certificate, then the POD and any associated reach(es) must be identified): POD at RM 5.8 to RM 0.0 (confluence with Umpqua River).

Maximum volume in acre-feet: 448.0 acft _____

Rate in cfs: _____

(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 December 31 2014.

2.4 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). As part of regulation activities the watermaster or a designee has access to the point of diversion and place of use for the water rights involved in this lease. No party is required to continuously measure the flow of the waterway described in Section 2.2.

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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 right may otherwise be subject to forfeiture for nonuse pursuant to ORS 540.610 during the period of time prior to the execution of the lease.

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- 3.2 **Lease.** Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.
- 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 a new injury review shall be required, and a prior 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 water right holder 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.
- 3.5 **Termination provision.**
- X For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or 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, unless the Director determines that enlargement would not occur. The Department may also require:
 - Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
 - For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.
- 3.6 **Modification to prevent injury.** 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.
- 3.7 **Fees.** Pursuant to ORS 536.050, the following fee is included:
- \$400 for an application with four or more landowners or four or more water rights.
 - X \$250 for all other applications.

Lessor #1: BACK NINE DEVELOPMENT, LLC Date: 03/15/10
RICHARD MATHEWS, MEMBER

For additional Lessors, type in space for signature and date

Lessee: _____ Date: _____

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 SALEM, OREGON



State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
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Additional Water Right Form Standard Application for Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

~I~ Water Right Holder and Water Right Information

Section 1.5 continued from Standard Application for Instream Lease.

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.: 79738

Priority date: April 2, 1951 Type of use: Maintenance of Log Pond

Legal Season of Use (if not listed on the certificate): Year-Round

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. Include a map (Attachment 3) showing the lands that will not receive water.

Place of use: T N, R W, Section , 1/4 1/4 - acres to be leased

Enter additional places of use here, using format above:

Page (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation:

Acre-feet of storage, if applicable:

Rate associated with leased rights (cfs): 2.304 cfs

(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF):

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any:

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~II~ Instream Water Right Information

Section 2.2 continued from Standard Application for Short-Term Instream Lease.

Instream use created by lease. The instream use to be created is described as follows:

North Umpqua River

Tributary to Umpqua River in the Umpqua Basin.

Describe the point of diversion (POD) and any associated reach(es) of the instream use being created. If possible list the reach by river mile. If no reach is identified, and there is only one POD listed on the certificate, the lease may be processed to be protected at the POD. (If more than one POD is listed on the certificate, then the POD and any associated reach(es) must be identified): POD at RM 5.8 to RM 0.0 (confluence with Umpqua River).

Maximum volume in acre-feet:

Rate in cfs: 2.304

(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): _____

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STATE OF OREGON

COUNTY OF DOUGLAS

CERTIFICATE OF WATER RIGHT

This Is to Certify, That EVANS PRODUCTS COMPANY of Box 839, Coos Bay, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to store the waters of North Fork of Umpqua River, tributary of Umpqua River, to be appropriated under Application No. 25775, Permit No. 20855,

for the purposes of maintenance of log pond

under Reservoir Permit No. B-1278 of the State Engineer, and that said right to store said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from April 2, 1951

that the amount of water entitled to be stored each year under such right, for the purposes aforesaid, shall not exceed 448.0 acre-feet.

The reservoir is located in Section 21, NE 1/4, E8, Tp. 26 S., R. 6 W., W.M. Lot 1 (NW 1/4), NW 1/4, as projected within Walton DLC #46 SW 1/4, as projected within Walton DLC #46 Lot 5 (SW 1/4) SE 1/4, SE 1/4, NW 1/4, as projected within Walton DLC #46 NW 1/4, SE 1/4, as projected within Walton DLC #46 Lot 6 (NW 1/4 SE 1/4)

This permit is issued subject to the terms & conditions of agreement recorded on pages 620-621, Vol. 3 Miscellaneous Records of the State Engineer & by reference made a part hereof.

WITNESS the signature of the State Engineer, affixed this 10th day of April, 1957.

LEWIS A. STANLEY State Engineer.

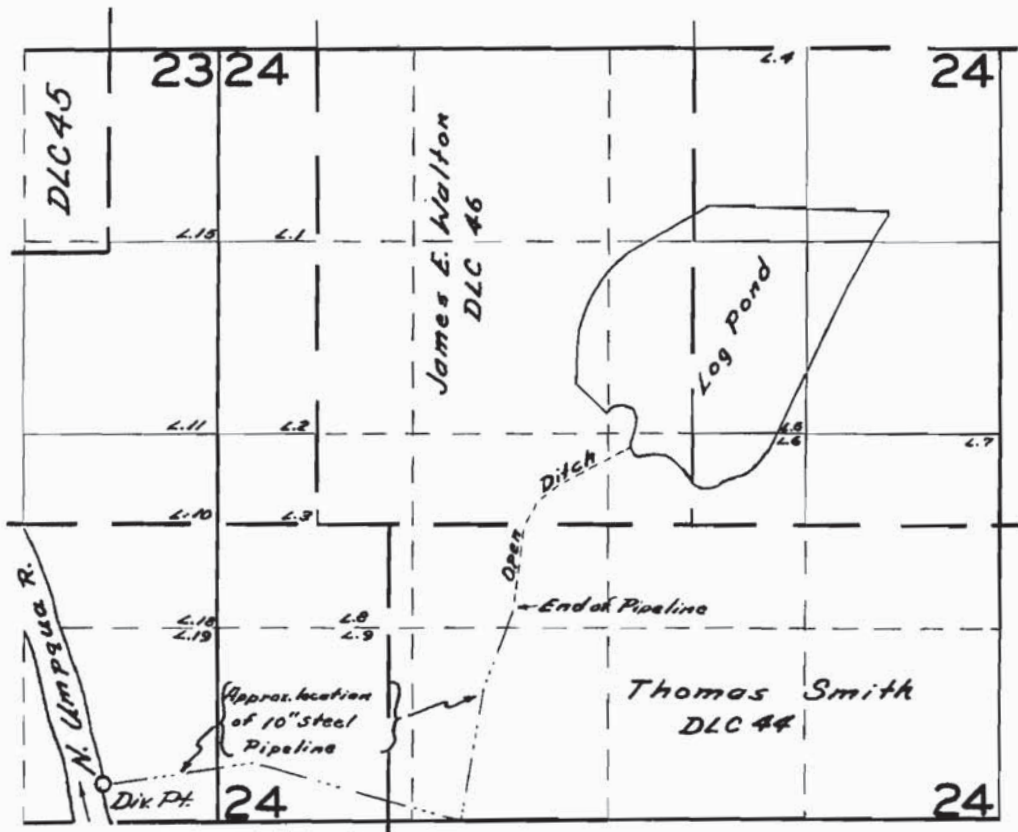
Recorded in State Record of Water Right Certificates, Volume 16, page 22280

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T.26S. R.6W.W.M.



FINAL PROOF SURVEY

UNDER

Application No. R-25774 Permit No. R-1278
25775 20855

IN NAME OF

Evans Products Co.

Surveyed June 10, 1956, by C.O. Bartels

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WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON
COUNTY OF DOUGLAS
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

EVANS PRODUCTS COMPANY
P.O. BOX 839
COOS BAY, OREGON 97420

confirms the right to use the waters of the NORTH FORK UMPQUA RIVER, a tributary of the UMPQUA RIVER, for MAINTENANCE OF LOG POND.

This right was perfected under Permit 20855. The date of priority is APRIL 2, 1951. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 2.304 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

LOT 19 (SE~~¼~~ SE~~¼~~), SECTION 23, T 26 S, R 6 W, W.M.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use to which this right is appurtenant is as follows:

NE~~¼~~ NE~~¼~~
LOT 4 (NW~~¼~~ NE~~¼~~)
NW~~¼~~ NE~~¼~~
SW~~¼~~ NE~~¼~~
BOTH AS PROJECTED WITHIN WALTON DLC #46
LOT 5 (SW~~¼~~ NE~~¼~~)
SE~~¼~~ NE~~¼~~
SE~~¼~~ NW~~¼~~
NW~~¼~~ SE~~¼~~
BOTH AS PROJECTED WITHIN WALTON DLC #46
LOT 6 (NW~~¼~~ SE~~¼~~)
SECTION 24
TOWNSHIP 26 SOUTH, RANGE 6 WEST, W.M.

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This certificate describes that portion of the water right confirmed by Certificate 22281, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered DEC 19 2002, approving Transfer Application 9146.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

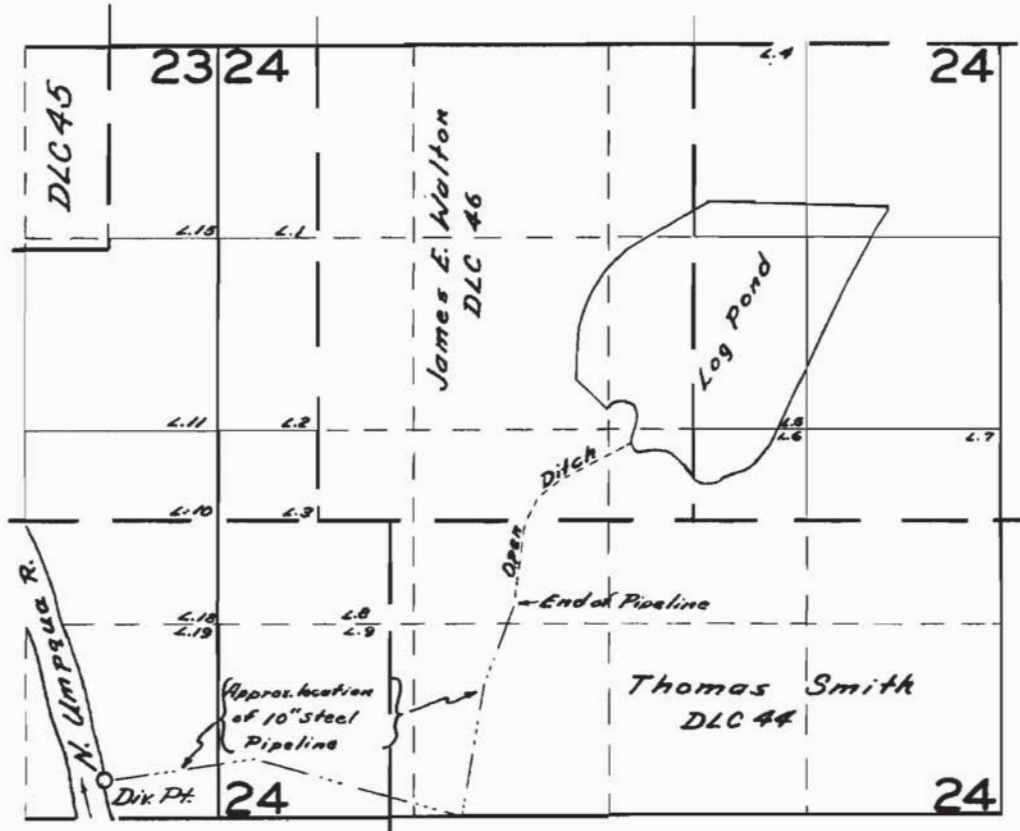
WITNESS the signature of the Water Resources Director, affixed DEC 19 2002.


for Paul Cleary, Director

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Recorded in State Record of Water Right Certificates numbered 79738.

T.26S. R.6W.W.M.



FINAL PROOF SURVEY

UNDER

R-25774

R-1278

Application No. 25775 Permit No. 20855

IN NAME OF

Evans Products Co.

Surveyed June 10, 1956, by C.O. Bartels

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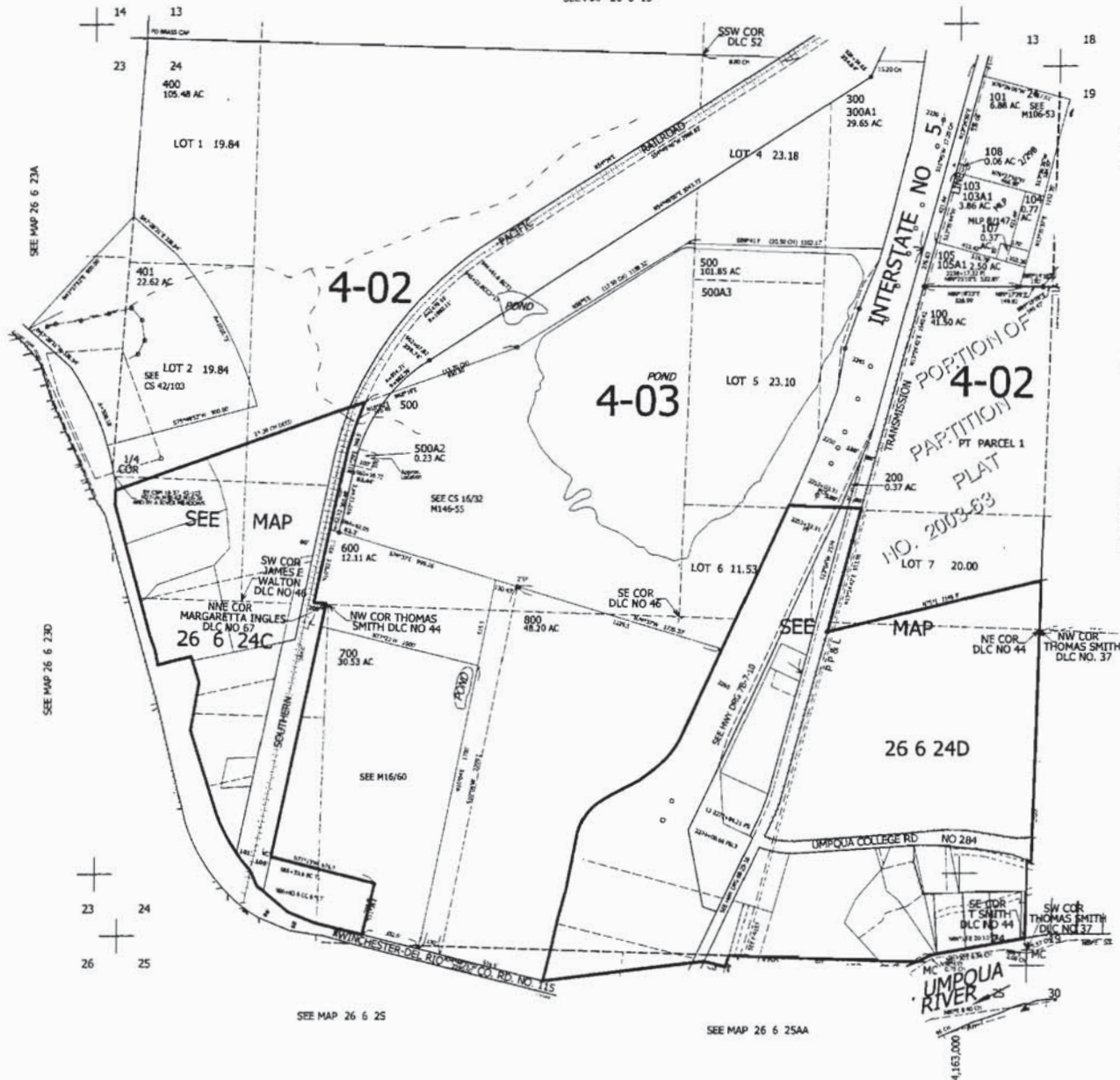
THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY.

SEC.24 T.26S. R.6W. W.M.
DOUGLAS COUNTY
1" = 400'

REVISED ON
4-9-09

26 6 24
& INDEX

SEE MAP 26 6 13



CANCELLED NO'S
102 106 700A2
700A1 500A1 800A1
501

PARCEL 108
1. S76°28'02"E S0'
2. S17°36'02"W S0'
3. N76°28'05"W S0'
4. N13°36'02"E S0'

PARCEL 200
1. L1=N33°08'01"E 307.11'
2. S15°01'47"W 186.89'

SEE MAP 26 5 19

604,000

26 6 24
& INDEX

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* - - Property Data Selection Menu - -
 Owner: BACK NINE DEVELOPMENT LLC
 Prop ID : R52576 (7447.02) (170958) PO BOX 848
 Map Tax Lot: 26-06W-24-00500 WINCHESTER, OR 97495
 Legal : TRACT PT M&B INST V192 P521; LESS
 PT SD; LESS LEASED LAND; LESS*

Situs : 425 DEL RIO RD Year Built :
 ROSEBURG, OR 97471 Living Area:

Name(s) :
 Code Area : 00403
 Sale Info : 12/08/05 \$4,125,000

Deed Type : WD
 Instrument: 2005-31301
 2009 Tax Status * No Taxes Due *
 Current Levied Taxes : 14,589.34
 Special Assessments :
 2010-11 SB125 Taxes :

2009 Roll Values
 RMV Land \$ 1,883,124 (+)
 RMV Improvements \$ 845,290 (+)
 RMV Total \$ 2,728,414 (=)
 Total Exemptions \$ 0
 M5 Net Value \$ 2,728,414
 M50 Assd Value \$ 1,432,351

(AD) Alt Disp (O)wnership	(Y) primary (H)istory	(SE)condary (W) Spec Assmt	(L)and/Impr (.) More
------------------------------	--------------------------	-------------------------------	-------------------------

Enter Option from Above or <RET> to Exit: __

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RE-RECORDING COVER SHEET

THIS WARRANTY DEED, ORIGINALLY RECORDED AS INSTRUMENT NO.

2005-31284, IS BEING RE - RECORDED TO SEPARATE THE WARRANTY DEED FROM THE TRUST DEED.

**DOUGLAS COUNTY OFFICIAL RECORDS
BARBARA E. NIELSEN, COUNTY CLERK**

2005-031301



\$66.00

00133201200500313010110113

12/15/2005 02:29:18 PM

**DEED-WD Cnt=1 Stn=18 RECORDINGDESK
\$55.00 \$11.00**

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**WATER RESOURCES DEPT
SALEM, OREGON**

AmeriTitle 64268

AFTER RECORDING RETURN TO:
BACK NINE DEVELOPMENT, LLC
PO BOX 848
WINCHESTER, OR 97495

UNTIL A CHANGE IS REQUESTED,
ALL TAX STATEMENTS SHALL BE SENT TO:
BACK NINE DEVELOPMENT, LLC
PO BOX 848
WINCHESTER, OR 97495

DOUGLAS COUNTY OFFICIAL RECORDS
BARBARA E. NIELSEN, COUNTY CLERK

2005-031284



\$216.00

00133182200500312840390393

12/15/2005 01:18:06 PM

DEED-WD Cnt=2 Str=13 MAILDESK
\$195.00 \$5.00 \$11.00 \$5.00

STATUTORY SPECIAL WARRANTY DEED
(With Restrictive Covenant)

ROSEBURG RESOURCES CO., an Oregon corporation ("Grantor"), conveys and specially warrants to, BACK NINE DEVELOPMENT, LLC, an Oregon limited liability company ("Grantee"), the real property situated in DOUGLAS COUNTY, OREGON, described on EXHIBIT A attached hereto and by this reference made a part hereof (the "Property"), free of encumbrances created or suffered by Grantor, except as specifically set forth herein.

This conveyance is expressly subject to the matters listed in EXHIBIT B, and the covenants, conditions, and restrictions set forth in EXHIBIT C, each attached hereto and made a part hereof.

The true consideration for this conveyance is \$4,125,000.00 paid to an accommodator pursuant to an IRC Section 1031 exchange on behalf of Grantor.

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 8 day of December, 2005

GRANTOR:

ROSEBURG RESOURCES CO.,
an Oregon corporation

By: [Signature]
Its: President

**ACCEPTED BY
GRANTEE:**

BACK NINE DEVELOPMENT, LLC,
an Oregon limited liability company

By: [Signature]
Its: MEMBER

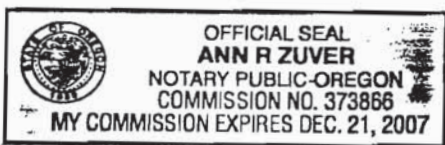
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SALEM, OREGON

STATE OF OREGON)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me December 8, 2005, by
Allyn C. Ford, as President of Roseburg Resources Co., an
Oregon corporation.



Ann R Zuver
Notary Public of Oregon
My commission expires: Dec. 21, 2007

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EXHIBIT A

Legal Description

BEGINNING on the West right of way line of the United States Highway No. 99 at a point which is South 13° 04' West 1146.42 feet and South 89° 41' East 1589.51 feet from the most Southerly Southwest corner of the J.L. Clinkinbeard Donation Land Claim No. 52, Township 26 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, said point being on the line of the land sold to B.R. Shoemaker and Anna E. Shoemaker by deed recorded in Volume 105, Page 41, Deed Records of Douglas County, Oregon; thence South 13° 04' West along West right of way line of the aforesaid Highway No. 99, 2574 feet to an iron pipe; thence North 74° 37' West 1735.37 feet to a pipe; thence South 10° 04' West 2209.2 feet; thence North 77° 23' West along the right of way line of a County Road, 130 feet to an iron rod on the Easterly line of the lands deeded by B.R. Shoemaker, et ux, to Quaker Industries, as recorded in Volume 134, Page 466, Deed Records of Douglas County, Oregon; thence North 10° 04' East 1700 feet to a ½ inch iron rod at the Northeast corner of said Quaker Industries property; thence North 77° 23' West 999.26 feet to a pipe on the East right of way line of the Southern Pacific Railroad; thence following said right of way line, North 10° 02' East 831.1 feet; thence North 11° 39' East 346.5 feet; thence North 18° 02' East 170.45 feet to a point on the line of the lands heretofore mentioned, sold to B.R. Shoemaker, et ux, as recorded in Volume 105, Page 41, Deed Records, Douglas County, Oregon; thence following said line, North 68° 18' East 930.30 feet, North 56° 5' East 1158.32 feet and South 89° 41' East 1352.17 feet to the place of beginning.

ALSO, BEGINNING on the South line of and South 89° 41' East 580.80 feet from the most Southerly Southwest corner of the J.L. Clinkinbeard Donation Land Claim No. 52, Township 26 South, Range 6 West, Willamette Meridian, Douglas County, Oregon; thence South 89° 41' East along the South line of said claim 1008.71 feet to the West right of way of United States Highway No. 99; thence North 13° 04' East along said West right of way 879.33 feet to the Southeast right of way of the Southern Pacific Railroad; thence South 54° 49' West along said right of way 1478.13 feet to the place of beginning.

ALSO, BEGINNING at a point on the Southeasterly right of way line of the Southern Pacific Railroad Company, East 8.80 chains from the Southwest corner of J.L. Clinkinbeard Donation Land Claim No. 52, Township 26 South, Range 6 West, Willamette Meridian, Douglas County, Oregon; thence East 15.20 chains; thence South 11 ¾° West 17.20 chains to a bolt 1 inch by 24 inches; thence West 20.50 chains; thence South 54 ½° West 17.50 chains; thence South 68 ½° West 13.70 chains to the Southeasterly right of way line of the Southern Pacific Railroad Company; thence Northerly along said Southeasterly right of way line to the place of beginning.

ALSO, a tract conveyed to Evans Products Company, a Delaware corporation by the State of Oregon, by and through its State Highway Commission as described in Bargain and Sale Deed, recorded September 4, 1964, Book 338, Page 270, Instrument No. 344446, Deed Records, Douglas County, Oregon.

LESS AND EXCEPTING the following: BEGINNING at an iron rod at the Northeast corner of the property conveyed to Winchester Lumber Company, by deed recorded in Volume 154, Page 238, Deed Records of Douglas County, Oregon, which rod is North 6° 36' West 2724.2 feet, North 10° 04'

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East 1386.5 feet and South 77° 23' East 1000 feet from the Southwest corner of the Thomas Smith Donation Land Claim No. 44 in Township 26 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, and said rod also having been set by County Survey 39-16; thence North 77° 23' West along the Northerly line of said Winchester Lumber Company property 1000 feet to an iron rod at the Northwest corner of said property; thence North 10° 02' East 564.0 feet to a 1 ½ inch iron pipe; thence South 74° 37' East 999.26 feet to a 1 ¼ inch iron pipe; thence South 10° 04' West 515.5 feet to the point of beginning.

ALSO, LESS AND EXCEPTING that portion conveyed to the State of Oregon, by and through its State Highway Commission, recorded October 6, 1951 in Book 199, Page 113, Instrument No. 129290 and recorded November 29, 1956 in Book 262, Page 177, Instrument No. 226726 and recorded March 11, 1964 in Book 332, Page 677, Instrument No. 344446, Deed Records, Douglas County, Oregon.

T26S, R06W, S13DD, TL 800
T26S, R06W, S24, TL'S 300, 500 & 500A2

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EXHIBIT B

Exceptions

1. REGULATIONS, INCLUDING THE POWER TO ACQUIRE RIGHTS OF WAY AND EASEMENTS, AND TO LEVY ASSESSMENTS OF THE UMPQUA BASIN WATER ASSOCIATION.

2. RIGHTS OF THE PUBLIC IN AND TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN THE LIMITS OF ROADS AND HIGHWAYS.

3. SUCH RIGHTS AND EASEMENTS FOR NAVIGATION, FISHERY, COMMERCE AND RECREATION WHICH MAY EXIST OVER THAT PORTION OF SAID LAND LYING BENEATH THE WATERS OF PONDS.

4. RIGHTS OF THE PUBLIC, RIPARIAN OWNERS AND OF GOVERNMENTAL BODIES IN THAT PORTION OF THE ABOVE DESCRIBED PROPERTY LYING BELOW THE HIGH WATER MARK OF AN UNNAMED STREAM AS TO THE USE OF THE WATERS AND THE NATURAL FLOW THEREOF.

5. EASEMENTS CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
Recorded: December 5, 1925 Book: 87 Page: 492
Instrument No. 63307
Recorded: December 5, 1925 Book: 87 Page: 492
Instrument No. 63308
In favor of: The Pacific Telephone and Telegraph Company, its successors and assigns
For: Right of way

6. EASEMENTS CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
Recorded: October 7, 1948 Book: 160 Page: 229
Instrument No. 83290
Recorded: February 23, 1951 Book: 189 Page: 614
Instrument No. 118249
In favor of: The California Oregon Power Company, a California corporation
For: Right of way

7. TERMS, PROVISIONS AND CONDITIONS INCLUDING, BUT NOT LIMITED TO, MAINTENANCE PROVISIONS, CONTAINED IN APPURTENANT EASEMENT,
Dated: April 12, 1951
Recorded: April 14, 1951

Book: 192 Page: 48
Instrument No. 120696

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8. AN EASEMENT CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
Dated: June 8, 1951
Recorded: June 26, 1951 Book: 195 Page: 125
Instrument No. 124183
In favor of: Engle & Worth Lumber Co.
For: Right of way

9. CONTROLLED ACCESS AS SET OUT IN DEED TO/FROM STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, HIGHWAY DEPARTMENT, WHICH PROVIDES THAT NO RIGHT OR EASEMENT OF RIGHT OF ACCESS TO, FROM OR ACROSS THE STATE HIGHWAY, OTHER THAN EXPRESSLY THEREIN PROVIDED FOR, SHALL ATTACH TO THE ABUTTING PROPERTY,

Recorded: October 6, 1951 Book: 199 Page: 113
Instrument No. 129290
Recorded: November 29, 1956 Book: 262 Page: 177
Instrument No. 226726
Recorded: March 11, 1964 Book: 332 Page: 677
Instrument No. 336151
Recorded: September 4, 1964 Book: 338 Page: 270
Instrument No. 344446

10. TERMS, PROVISIONS AND CONDITIONS INCLUDING, BUT NOT LIMITED TO, MAINTENANCE PROVISIONS, CONTAINED IN APPURTENANT EASEMENT,

Dated: March 6, 1964
Recorded: March 11, 1964 Book: 332 Page: 677
Instrument No. 336151

11. AN EASEMENT CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,

Dated: May 5, 1964
Recorded: September 3, 1964 Book: 338 Page: 258
Instrument No. 344439
In favor of: Pacific Power and Light Company, a Maine corporation
For: Right of way

12. TERMS, PROVISIONS AND CONDITIONS INCLUDING, BUT NOT LIMITED TO, MAINTENANCE PROVISIONS, CONTAINED IN APPURTENANT EASEMENT,

Dated: November 26, 1965
Recorded: November 29, 1965 Book: 361 Page: 963
Instrument No. 65-14738

13. LEASE, INCLUDING THE TERMS AND PROVISIONS THEREOF,

Dated: April 15, 1968
Recorded: May 17, 1968 Book: 408 Page: 898
Instrument No. 68-5428
Lessor: Winchester Plywood Co.
Lessee: National Advertising Company

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14. LEASE, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Dated: April 15, 1968
 Recorded: May 17, 1968 Book: 408 Page: 900
 Instrument No. 68-5429
 Lessor: Winchester Plywood Co.
 Lessee: National Advertising Company
15. AN EASEMENT CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Dated: January 29, 1975
 Recorded: June 5, 1975 Book: 571 Page: 943
 Instrument No. 75-7264
 In favor of: Pacific Power and Light Company, a corporation, its successors and
 assigns
 For: Right of way
16. AN EASEMENT CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Dated: August 18, 1999
 Recorded: September 1, 1999 Book: 1642 Page: 184
 Instrument No. 99-22346
 In favor of: Douglas County, Inc., an Oregon corporation, dba Douglas County
 Forest Products
 For: Septic tank and drainfield
17. EASEMENT AGREEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Dated: September 9, 1999
 Recorded: September 15, 1999 Book: 1644 Page: 535
 Instrument No. 99-23320
 By and Between: Roseburg Resources Company and Douglas County Forest Products
18. EASEMENTS CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Recorded: October 6, 1999 Book: 1648 Page: 673
 Instrument No. 99-24786
 Recorded: October 27, 1999 Book: 1652 Page: 689
 Instrument No. 99-26324
 Recorded: June 2, 2000 Book: 1691 Page: 971
 Instrument No. 2000-11754
 In favor of: PacifiCorp, an Oregon corporation, its successors and assigns
 For: Right of way
19. MEMORANDUM OF LEASE, INCLUDING THE TERMS AND PROVISIONS THEREOF,
 Dated: October 21, 1999
 Recorded: February 28, 2000 Book: 1674 Page: 794
 Instrument No. 2000-4718
 Lessor: Roseburg Resource Co., a corporation
 Lessee: American Tower L.P., a Delaware limited partnership

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20. MEMORANDUM OF LEASE, INCLUDING THE TERMS AND PROVISIONS THEREOF,
Dated: October 21, 1999
Recorded: September 20, 2000 Book: 1711 Page: 752
Instrument No. 2000-19255
Lessor: Roseburg Resources Co., a corporation
Lessee: American Tower, L.P., a Delaware limited partnership
21. AN EASEMENT CREATED BY INSTRUMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF,
Dated: October 17, 2002
Recorded: October 20, 2003 Instrument No. 2003-28527
In favor of: Avista Corporation, a Washington corporation
For: Right of way
22. Leases, Licenses, and other rental agreements assigned by Grantor to Grantee contemporaneously with this Deed.

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EXHIBIT C

Restrictive Covenant

THE DEED IS EXPRESSLY SUBJECT TO THE FOLLOWING COVENANTS, CONDITIONS AND RESTRICTIONS WHICH SHALL RUN WITH THE LAND AND BE BINDING UPON GRANTEE AND ITS RESPECTIVE SUCCESSORS AND ASSIGNS FOR THE BENEFIT OF GRANTOR AND ITS SUCCESSORS AND ASSIGNS:

1. **Restrictive Covenant.** Grantor hereby reserves and declares, and Grantee covenants and agrees, for itself and for its successors and assigns, that so long as Grantor, its affiliates, or any person or entity controlling, controlled by or under common control with Grantor (specifically including Roseburg Forest Products Co., an Oregon corporation) (collectively "Roseburg Entities," each, a "Roseburg Entity"), operates a primary or secondary wood products facility, including, without limitation, any dimensional lumber, veneer, softwood or hardwood plywood, panel, particle board, oriented strand board, engineered wood product, melamine, siding, pulp or paper, finished wood product (e.g. molding, windows and doors, furniture, finger joint products), or wood products distribution facility ("Wood Products Operation") or similar facility on any current or future Mill Property, as defined below, Grantee, and its successors and assigns, shall NOT use or allow the use of the Property or any portion thereof for any Wood Products Operation, or a similar facility. For the purposes of these Restrictive Covenants, a Roseburg Entity shall be deemed to be operating a Wood Products Operation or similar facility unless no portion of any Mill Property is used to conduct a Wood Products Operation or similar facility for a period of twenty-four (24) consecutive months or more for reasons other than casualty loss, partial condemnation, remodeling, reconstruction or force majeure.

2. **Mill Properties.** The term "Mill Properties" means all real property in Douglas County, Oregon, now or hereafter acquired or occupied by any Roseburg Entity, and now or hereafter operated by any Roseburg Entity as a Wood Products Operation, including, without limitation, the Dillard Mill Complex generally located in Sections 32, 33, and 34 of Township 28 South, Range 6 West, Willamette Meridian, and Sections 3 and 4 of Township 29 South, Range 6 West, Willamette Meridian, all in Douglas County, Oregon.

"Mill Property" means any one or more of the Mill Properties or interests therein. Without limiting the self-executing nature of the foregoing inclusion of additional Mill Properties and without requiring Grantor or any Roseburg Entity to execute or record further instruments referring to these Restrictive Covenants to include future properties acquired or operated as Mill Properties by any Roseburg Entity (which shall occur automatically), Grantor and/or the applicable Roseburg Entity may from time to time record a supplement to these Restrictive Covenants adding specific, additional Mill Properties to these Restrictive Covenants.

3. **Intent and Purpose.** The parties hereby agree that these Restrictive Covenants are a freely negotiated agreement among equally situated parties, each with the benefit of counsel, and intend that the provisions of these Restrictive Covenants shall be liberally construed in favor of Grantor, notwithstanding any contrary rule of construction or interpretation, and any rule of construction that would otherwise be applied to construe these Restrictive Covenants against the drafter or to narrow the scope of the restrictions on the Property imposed hereby shall not apply, except only to the extent required to save these Restrictive Covenants from invalidation by a court.

4. **Enforcement.** The parties agree that damages alone would not be a sufficient remedy for breach of these Restrictive Covenants by Grantee or its successors or assigns and that Grantor and the Roseburg Entities then owning or having an interest in any Mill Property shall have the right to all

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legal and equitable remedies for breach, including, without limitation, specific performance, injunctive relief and other relief.

5. **Successors and Assigns.** Every obligation under these Restrictive Covenants shall run with the land and shall be binding upon Grantee, its successors and assigns, with respect to the Property for the benefit of the Mill Properties and the Roseburg Entities with respect to the ownership of the respective Mill Properties. Acceptance of this Deed by Grantee, as evidenced by its signature and recordation, constitutes Grantee's acceptance and approval of all of its terms, for itself and its successors and assigns. Any transferee of the Property or any portion thereof or any interest therein shall automatically be deemed, by acceptance of title to such property or such interest, to have taken subject to these Restrictive Covenants and to have assumed all of the obligations set forth in these Restrictive Covenant relating to such Property or such interest.

6. **Waiver.** No provision of these Restrictive Covenants shall be deemed to have been waived unless such waiver is in writing signed by the waiving party. Failure at any time to require performance of any provision of these Restrictive Covenants shall not limit any Roseburg Entity's right to enforce the provision. Any waiver of any breach of the covenant and restriction shall not be a waiver of any succeeding breach or a waiver of any provision of these Restrictive Covenants.

7. **Attorney's Fees.** If suit or action is instituted to interpret or enforce the terms of these Restrictive Covenants or to seek recession, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as costs of litigation, and as attorney's fees in preparation for and at trial, on appeal of such suit or action and on any petition for review, or in connection with any action for recession, in addition to all other sums provided by law.

8. **Amendment.** These Restrictive Covenants may be amended only by an instrument in writing executed by all of the parties whose interests are affected by the purported amendment, referring to these Restrictive Covenants and recorded in the records of Douglas County, Oregon.

9. **Entire Agreement.** These Restrictive Covenants supersede and replace all written and oral agreements previously made or existing between Grantor and Grantee with respect to the matters set forth herein.

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END OF DOCUMENT