

Application for a Permit to Use Surface Water



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

SECTION 1: APPLICANT INFORMATION AND SIGNATURE

Applicant Information

NAME / BTG, LLC - DON MALTASE		PHONE (HM)	
2. STUART HOLDINGS, LLC - ROBERT BOBOSKY		503-780-7882	
PHONE (WK)	CELL	FAX	
ADDRESS			
525 N TOMAHAWK DRIVE			
CITY	STATE	ZIP	E-MAIL
PORTLAND	OR	97217	donmaltase@comcast.net

Organization Information

NAME		PHONE	FAX
ADDRESS		CELL	
CITY	STATE	ZIP	E-MAIL

Agent Information – The agent is authorized to represent the applicant in all matters relating to this application.

AGENT / BUSINESS NAME		PHONE	FAX
ADDRESS		CELL	
CITY	STATE	ZIP	E-MAIL

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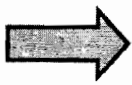
MAR 02 2011

Note: Attach multiple copies as needed

WATER RESOURCES DEPT
SALEM, OREGON

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- The Department encourages all applicants to wait for a permit to be issued before beginning construction of any proposed diversion. Acceptance of this application does not guarantee a permit will be issued.
- If I begin construction prior to the issuance of a permit, I assume all risks associated with my actions.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be cancelled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water right holders to get water to which they are entitled.



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

Don Maltase
Applicant Signature
X Robert Bobosky
Applicant Signature

Don Maltase member BTG 2-10-11^{AM}
Print Name and title if applicable Date
Robert Bobosky Manager 2/14/11
Print Name and title if applicable Stuart Holdings LLC Date

App. No. <u>S-87701</u>	For Department Use	Permit No. _____	Date _____
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SECTION 2: PROPERTY OWNERSHIP

Please indicate if you own all the lands associated with the project from which the water is to be diverted, conveyed, and used.

Yes

- There are no encumbrances.
- This land is encumbered by easements, rights of way, roads or other encumbrances.

No

- I have a recorded easement or written authorization permitting access.
- I do not currently have written authorization or easement permitting access.
- Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigation and/or domestic use only (ORS 274.040).
- Water is to be diverted, conveyed, and/or used only on federal lands.

List the names and mailing addresses of all affected landowners (*attach additional sheets if necessary*).

SECTION 3: SOURCE OF WATER

A. Proposed Source of Water

Provide the commonly used name of the water body from which water will be diverted, and the name of the stream or lake it flows into. If unnamed, say so:

Source 1: Runoff Water / Stored Water Tributary to: N. A.

Source 2: _____ Tributary to: _____

Source 3: _____ Tributary to: _____

Source 4: _____ Tributary to: _____

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If any source listed above is stored water that is authorized under a water right permit, certificate, or decree, attach a copy of the document or list the document number (for decrees, list the volume, page and/or decree name).

B. Applications to Use Stored Water

Do you, or will you, own the reservoir(s) described in item 3A above?

- Yes.
- No. (Please enclose a copy of your written notification to the operator of the reservoir of your intent to file this application, which you should have already mailed or delivered to the operator.)

If *all* sources listed in item 3A are stored water, the Department will review your application using the expedited process provided in ORS 537.147, unless you check the box below. Please see the instruction booklet for more information.

By checking this box, you are requesting that the Department process your application under the standard process outlined in ORS 537.150 and 537.153, rather than the expedited process provided by ORS 537.147. To file an application under the standard process, you must enclose the following:

- A copy of a signed non-expired contract or other agreement with the owner of the reservoir (if not you) to impound the volume of water you propose to use in this application.
- A copy of your written agreement with the party (if any) delivering the water from the reservoir to you.

SECTION 4: WATER USE

Provide the amount of water you propose to use from each source, for each use, in cubic feet-per-second (cfs) or gallons-per-minute (gpm). If the proposed use is from storage, provide the amount in acre-feet (af):

(1 cfs equals 448.8 gpm. 1 acre-foot equals 325,851 gallons or 43,560 cubic feet)

SOURCE	USE	PERIOD OF USE	AMOUNT
Storage Water	INDUSTRIAL	All Year	40 <input type="checkbox"/> cfs <input type="checkbox"/> gpm <input checked="" type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af

For irrigation use only:

Please indicate the number of primary and supplemental acres to be irrigated.

Primary: _____ Acres Supplemental: _____ Acres

List the Permit or Certificate number of the underlying primary water right(s): _____

Indicate the maximum total number of acre-feet you expect to use in an irrigation season: _____

- If the use is **municipal or quasi-municipal**, attach **Form M**
- If the use is **domestic**, indicate the number of households: _____
- If the use is **mining**, describe what is being mined and the method(s) of extraction:

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SECTION 5: WATER MANAGEMENT

A. Diversion and Conveyance

What equipment will you use to pump water from your source?

- Pump (give horsepower and type): 15hp - Submersible
- Other means (describe): Fire Truck pumper will be used for fire protection water.

Provide a description of the proposed means of diversion, construction, and operation of the diversion works and conveyance of water.

No diversion from any stream

B. Application Method

What equipment and method of application will be used? (e.g., drip, wheel line, high-pressure sprinkler)

Water truck will be used for misting and sprinklers and drip system which will be a low pressure system

C. Conservation

Please describe why the amount of water requested is needed and measures you propose to: prevent waste; measure the amount of water diverted; prevent damage to public uses of affected surface waters.

Water taken from pond will be metered. Water will be applied to compost piles to keep Compost at correct Moisture level.

SECTION 6: RESOURCE PROTECTION

In granting permission to use water from a stream or lake, the state encourages, and in some instances requires, careful control of activities that may affect the waterway or streamside area. See instruction guide for a list of possible permit requirements from other agencies. Please indicate any of the practices you plan to undertake to protect water resources.

- Diversion will be screened to prevent uptake of fish and other aquatic life.
Describe planned actions: Pump will be screened.
- Excavation or clearing of banks will be kept to a minimum to protect riparian or streamside areas.
Describe planned actions: Pipe will be laid on top of bank. Water will be pumped to an above ground hydrant located outside the flood plain area.
- Operating equipment in a water body will be managed and timed to prevent damage to aquatic life.
Describe: N.A.
- Water quality will be protected by preventing erosion and run-off of waste or chemical products.
Describe: All runoff will flow through swales to 3 settling ponds on site. All runoff from the processing area will flow through 5 aerated ponds and reused in the compost processing.

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SECTION 7: PROJECT SCHEDULE

Date construction will begin: MAY 2011

Date construction will be completed: November 2011

Date beneficial water use will begin: MAY 2011

SECTION 8: REMARKS

Use this space to clarify any information you have provided in the application.

This is a "Change of Character" application only. Currently the permit is for a mill Pond/log Pond. We are asking for industrial use only to provide water for compost processing. water is not being diverted from McKay Creek.

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Oregon Water Resources Department

FORM Q
FOR COMMERCIAL AND INDUSTRIAL WATER USES

1. Describe the goods and services you plan to provide:

Compost Product

2. How will the water be used?

Use will be to keep Compost product moist

3. What is the maximum amount of water that will be used on any given day:

35

cfs gpm

4. Are there periods of the day, week, month, or year that the water will not be used?
(e.g. no use December-March)

No Yes If so, when? *Most likely this would occur during period of December-January*

5. Is there a particular time or period of day, week, month, or year when the use of water is absolutely essential for the project to continue? (e.g. vegetable processing, Oct. 15-Nov. 15)

No Yes If so, when? *All year long*

6. Are there periods of the day week, month, or year where the amount of water used will be less than at peak times?

No Yes If so, when? *December-January*

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Last revision: April, 1996

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S-877d

on map
Abstract of Permit No. R-1917

Application No. R-29415

Certificate No. 26960

Name **Glenn F. Koennecke**
 Address **North Plains, Oregon 97131**
 Source of water supply **McKay Creek, trib. of Dairy Creek, appropriated under Appl. No. 30364, Per. No. 24434**
 Use **Store water for mill pond**
 Point of diversion **DAM LOCATED: 1500' S. and 1660' E. from the NW cor. Sec. 7, being within Lot 3 (SE NW 1/4), Sec. 7, T. 1 N., R. 2 W., W.M., in the county of Washington.**
 Number of acres

DESCRIPTION OF LAND TO BE IRRIGATED OR PLACE OF USE

Twp.	Range	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
1N	2W	7					X	X		X									

Priority date **October 13, 1955**
 Amount of water **40.0 acre feet**
 Time limit to begin construction **November 20, 1957**
 Time limit to complete construction **10/1/58 extended to extended to**
 Time limit to completely apply water **extended to extended to**
 Remarks:

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S-877a

Basin 2 Vol. 42

STATE OF OREGON
COUNTY OF WASHINGTON
CERTIFICATE OF WATER RIGHT

This Is to Certify, That **GLENN F. KOENNECKE**
of North Plains, State of Oregon, has made proof
to the satisfaction of the STATE ENGINEER of Oregon, of a right to store the waters of
McKay Creek, tributary of Dairy Creek, appropriated under Application No.
30364, Permit No. 24434,

for the purposes of
mill pond,
under Reservoir Permit No. F-1917 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 October 13, 1955,

that the amount of water entitled to be stored each year under such right, for the purposes afore-
said, shall not exceed 40.0 acre feet.

The reservoir is located in NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 7, Township 1
North, Range 2 West, W.M.

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WITNESS the signature of the State Engineer, affixed

this date. MAY 6 1960

LEWIS A. STANLEY
State Engineer

Recorded in State Record of Water Right Certificates, Volume 19, page 26960

S-877a

IN 2070000200

For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form. This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

Please check the appropriate box below and provide the requested information

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

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

Type of Land-Use Approval Needed (e.g., plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
08-150-RC Compost Facility		<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
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued

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

Name: _____ Title: Ass
 Signature: [Signature] Phone: 503-846-3836 Date: 3-15-10
 Government Entity: Washington County

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

10728-5

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Land Use Information Form



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

Applicant(s): Stuart Holdings, LLC an OREGON Limited Company

Mailing Address: 525 N. Tomahawk Island Drive

City: PORTLAND, OR State: OR Zip Code: 97217 Daytime Phone: _____

A. Land and Location

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

Township	Range	Section	1/4 1/4	Tax Lot #	Plan Designation (e.g., Rural Residential/RR-5)	Water to be:			Proposed Land Use:
<u>1N</u>	<u>2W</u>	<u>7</u>	<u>SE 1/4 NW 1/4</u>	<u>3</u>		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input checked="" 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 all counties and cities where water is proposed to be diverted, conveyed, and/or used or developed:

B. Description of Proposed Use

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

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

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

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

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

Briefly describe:

WATER TO BE USED in composting process to keep compost piles at proper moisture content.

10110-5

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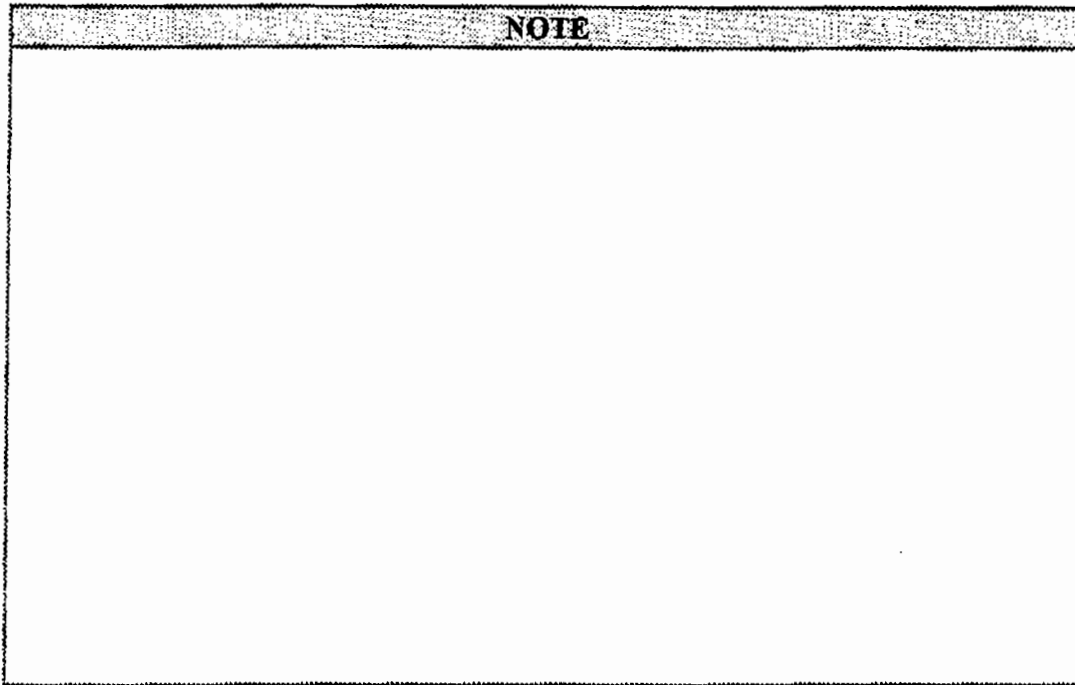
First American Title Insurance Company of Oregon

An assumed business name of TITLE INSURANCE COMPANY OF OREGON

222 SW Columbia St, Suite 400 * Portland, OR 97201-5515

Phone: (503) 219-8746 * Fax: (503) 790-7872

TOM WALKER



We appreciate this opportunity to be of service to you. If you have any questions regarding this report, please call:

Anthony Falkner

Phone No: 503-219-8746

Fax No: 503-790-7872

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SALEM, OREGON

This title information has been furnished, without charge, in conformance with the guidelines approved by the State of Oregon Insurance Commissioner. The Insurance Division cautions intermediaries that this service is designed to benefit the ultimate insureds, indiscriminate use only benefiting intermediaries will not be permitted. Said services may be discontinued. No liability is assumed for any errors in this report.

S-87701



First American Title Insurance Company of Oregon

Washington (OR)

Prepared For:		Prepared By: Customer Service Department 1700 SW Fourth Avenue - Portland, Oregon 97201-5512 Phone: (503) 222-3651 Fax: (503) 790-7872	
OWNERSHIP INFORMATION			
Owner	: Btg LLC	Ref Parcel Number	: 1N20700 00200
CoOwner	: Smart Holdings LLC	T: 01N	R: 02W S: 07 Q:
Site Address	: 9570 NW 307th	Parcel Number	: R0654367
Mail Address	: 1440 SW Taylor St Portland Or 97205	Map Number	:
Telephone	: Owner: Tenant:	County	: Washington (OR)
SALES AND LOAN INFORMATION			
Transferred	: 09/19/2003	Loan Amount	:
Document #	: 160007	Lender	:
Sale Price	: \$1,220,000	Loan Type	:
Deed Type	: Warranty	Interest Rate	:
% Owned	: 100	Vesting Type	: Corporation
PROPERTY DESCRIPTION		ASSESSMENT AND TAX INFORMATION	
Map Page & Grid	:	MktLand	: \$612,910
Census	: Tract: Block:	MktStructure	: \$100,000
Subdivision/Plat	:	MktOther	: \$37,810
Neighborhood Cd	: YRIN	MktTotal	: \$750,720
Land Use	: 2415 Com,Unzoned Farmland,Improved	M50 Assd Total	: \$292,980
Legal	: ACRES 66.48, FORESTLAND -POTENTIAL	% Improved	: 14
	: ADDITIONAL TAX LIABILITY	08-09 Taxes	: \$3,663.57
	:	Exempt Amount	:
	:	Exempt Type	:
	:	Levy Code	: 00124
	:	Millage Rate	: 13.5121
PROPERTY CHARACTERISTICS			
Bedrooms	:	Lot Acres	: 66.48
Bathrooms	:	Lot SqFt	: 2,895,868
Heat Method	:	Bsm Fin SqFt	:
Pool	:	Bsm Unfin SqFt	:
Appliances	:	Bsm Low SqFt	:
Dishwasher	:	Bldg SqFt	:
Hood Fan	:	1st Flr SqFt	:
Deck	:	Upper Flr SqFt	:
Garage Type	:	Porch SqFt	:
Garage SF	:	Attic SqFt	:
	:	Deck SqFt	:
	:	Year Built	:
	:	EffYearBlt	:
	:	Floor Cover	:
	:	Foundation	:
	:	Roof Shape	:
	:	Roof Matl	:
	:	InteriorMat	:
	:	Paving Matl	:
	:	Const Type	:
	:	Ext Finish	:

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This title information has been furnished, without charge, in conformance with the guidelines approved by the State of Oregon Insurance Commissioner. The Insurance Division cautions intermediaries that this service is designed to benefit the ultimate insureds. Indiscriminate use only benefiting intermediaries will not be permitted. Said services may be discontinued. No liability is assumed for any errors in this report.

Washington County, Oregon

2003-160007

09/19/2003 02:57:25 PM

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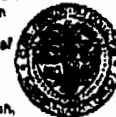
Check #00018 C PFEIFER

\$45.00 \$6.00 \$11.00 \$1,220.00 - Total = \$1,282.00



00445396200301000070090094

I, Jerry Hansen, Director of Assessments and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.



Jerry Hansen
Jerry R. Hansen, Director of Assessment and Taxation, Ex-Officio County Clerk

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AFTER RECORDING RETURN TO:

UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO:

Terry C. Hauck
Schwabe Williamson & Wyatt PC
1211 S.W. Fifth Ave., Suites 1600-1900
Portland, OR 97204

BTG, LLC
Attn: Bob Bobosky
6770 SW Canyon Drive
Portland, Oregon 97225

STATUTORY WARRANTY DEED

JOHN L. JERSEY II and MICHAEL P. WILKINS (collectively "Grantor"), convey and warrant to BTG, LLC, an Oregon limited liability company, as to an undivided one-half (1/2) interest, and STUART HOLDINGS, LLC, an Oregon limited liability company, as to an undivided one-half (1/2) interest (collectively "Grantee") the following described real property situated in Washington County, Oregon free of encumbrances except as specifically set forth herein:

The real property described in Exhibit "A" attached hereto.

This conveyance is made by Grantor and accepted by Grantee subject to the exceptions to title set forth in Exhibit "B" attached hereto.

The consideration paid for this conveyance is \$1,220,000, of said amount \$610,000.00 is paid by Stuart Holdings, LLC, a portion of which is paid by a Qualified Intermediary as part of a 1031 deferred exchange.

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 LIMITES ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

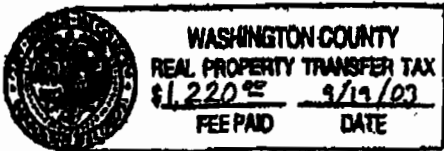
Executed this 18 day of September, 2003.

GRANTOR:

SIGNED IN COUNTERPART

John L. Jersey II

Michael P. Wilkins
Michael P. Wilkins



(ACKNOWLEDGEMENTS CONTAINED ON FOLLOWING PAGE.)

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1 - STATUTORY WARRANTY DEED

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45
6
11

Recorded By TICOR TITLE

W 795759



AFTER RECORDING RETURN TO:

UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO:

Terry C. Hauck
Schwabe Williamson & Wyatt PC
1211 S.W. Fifth Ave., Suites 1600-1900
Portland, OR 97204

BTG, LLC
Attn: Bob Bobosky
6770 SW Canyon Drive
Portland, Oregon 97225

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Executed this 18 day of September, 2003.

GRANTOR:



John L. Jersey II

SIGNED IN COUNTERPART



Michael P. Wilkins

(ACKNOWLEDGEMENTS CONTAINED ON FOLLOWING PAGE)

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STATE OF OREGON)
County of _____) ss.

This instrument was acknowledged before me this ___ day of September, 2003, by John L. Jersey II, in his individual capacity.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

STATE OF OREGON)
County of WASHINGTON) ss.

This instrument was acknowledged before me this 18 day of September, 2003, Michael P. Wilkins, in his individual capacity.



Gretchen S Barnes

NOTARY PUBLIC FOR OREGON
My Commission Expires: 5-11-06



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STATE OF OREGON)
)
County of MULTNOMAH) ss.

This instrument was acknowledged before me this 10^{*} day of September, 2003, by John L. Jersey II, in his individual capacity.



Kathleen G Lauer

NOTARY PUBLIC FOR OREGON
My Commission Expires: 12/15/03

STATE OF OREGON)
)
County of _____) ss.

This instrument was acknowledged before me this ___ day of September, 2003, Michael P. Wilkins, in his individual capacity.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

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**Exhibit "A"**

PARCEL 1: Beginning at the intersection of the Northerly line of the John Dobbins Donation Land Claim No. 47 in Township 1 North, Range 2 West of the Willamette Meridian, in the County of Washington and State of Oregon, with the West line of Section 7, said Township and Range; thence Southeasterly on the North line of said Dobbins claim to its intersection with the center line of McKay Creek; thence in a Northerly direction following the center line of said McKay Creek to its intersection with the South line of that certain tract conveyed to Lena VanDomelen by Deed Book 139 page 319; thence West on the South line of said VanDomelen tract to the Southwest corner thereof on the East line of the Charles McKay Claim No. 68, said Township and Range; thence South on the West line of said Section 7 to the place of beginning.

EXCEPT THEREFROM that portion described in Deed to the State of Oregon, by and through its State Highway Commission, recorded December 20, 1941 in Book 204 page 549, Records of Washington County.

ALSO EXCEPT THEREFROM that portion described in Deed to the State of Oregon, by and through its State Highway Commission, recorded April 3, 1959 in Book 416 page 51, Records of Washington County.

PARCEL 2: A tract of land in Section 7, Township 1 North, Range 2 West of the Willamette Meridian, in the County of Washington and State of Oregon, described as follows:

Commencing at a point in the center of McKay Creek, which said point is 1045 feet East from the Northwest corner of A. Burston Donation Land Claim; thence North 88° East along fence 519 feet to an iron pipe at corner of fence; thence South 10° East 421 feet along fence to iron pipe at jog in fence; thence South 89° 30' East 407 feet to iron pipe at fence corner; thence at right angles 54 feet to center of McKay Creek; thence up the center of McKay Creek with all the meanderings thereof to the point of beginning.

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Exhibit "B"

1. Property taxes
Lien due but not yet payable.
Tax Year: 2003-04
2. As disclosed by the tax rolls, the premises herein described have been zoned or classified for Forest. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest.
3. Any adverse claim based upon the assertion that:
 - A) Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the McKay Creek and unnamed log pond or has been formed by accretion to any such portion.
 - B) Some portion of said property has been created by deposit of artificial fill.
And Excepting;
 - C) The rights of the public and governmental bodies for fishing, navigation and commerce in and to any portion of the premises herein described, lying below the high water line of the McKay Creek and unnamed log pond.
4. Access restrictions in Deed, including the terms and provisions thereof.
From: John Ray Jackson and Irene Jackson, husband and wife
To: State of Oregon, by and through its State Highway Commission
Dated: December 20, 1941
Recorded Date: December 12, 1941
Recording Number: 10423 in Book 204 page 549
For: Relinquish all rights of access and as corrected by deed recorded February 19, 1951 in Book 317 page 314
County: Washington
5. Easement, including the terms and provisions thereof.
From: John Ray Jackson and Irene Jackson, husband and wife
To: State of Oregon, by and through its State Highway Commission
Recorded Date: December 20, 1941
Recording Number: 10423 in Book 204 page 549, as corrected by Deed recorded February 19, 1951 in Book 317 page 314
For: Reserved access easement at engineers centerline station 2979+50
6. Easement, including the terms and provisions thereof.
From: Glenn F. Koennecke
To: Portland General Electric Company, an Oregon corporation
Recorded Date: June 3, 1953
Recording Number: 7689 in Book 345 page 365
For: Power line 10 feet in width
Affects: Exact location cannot be determined
7. Access restrictions in Deed, including the terms and provisions thereof.
From: Glenn F. Koennecke, et al
To: State of Oregon, by and through its State Highway Commission
Recorded Date: April 3, 1959

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Recording Number: Book 416 page 51
County: Washington

8. Covenants, Conditions and Restrictions, including the terms and provisions thereof, contained in document.

Executed By: Glenn F. Koennecke, et al
Recorded Date: April 3, 1959
Recording Number: Book 416 page 51
As Follows: Grantee shall construct or otherwise provide a frontage road within the boundaries of any present or hereafter acquired right of way on the Northerly side of the highway, and the Grantors, their heirs and assigns shall have access to the frontage road or roads for any purposes.

But omitting any covenant or restriction based upon race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons and omitting restrictions, if any, based on limitations on facilities authorized under the provisions of ORS 442.400 to 443.455 (Residential Facilities and Homes) or 443.705 to 443.825 (Adult Foster Homes.)

9. Agreement for Easement, including the terms and provisions thereof,

Between: John L. Jersey, II and Michael P. Wilkins
And: Darinda Chambers, Successor Trustee of the Koennecke Family Trust
w/a/d June 4, 1992

Dated: July 24, 2001
Recorded Date: July 25, 2001
Recording Number: 2001073794
For: 30.00 foot wide easement for ingress, egress and utilities
Affects: Along the Southerly 30 feet

10. Unrecorded Lease, including the terms and provisions thereof,

From: Michael P. Wilkins and John L. Jersey, II, Lessor
To: John L. Jersey & Son, Inc., Lessee
Dated: April 1, 2000

Disclosed By: Subordination, Nondisturbance and Attornment Agreement and Estoppel Certificate
Recorded Date: July 25, 2001
Recording Number: 2001073796

11. Unrecorded Lease, including the terms and provisions thereof,

From: Michael P. Wilkins and John L. Jersey, II, Lessor
To: Wilkins Trucking Company, Lessee
Dated: April 1, 2000

Disclosed By: Subordination, Nondisturbance and Attornment Agreement and Estoppel Certificate
Recorded Date: July 25, 2001
Recording Number: 2001073797

12. Unrecorded Lease, including the terms and provisions thereof,

From: Michael P. Wilkins and John L. Jersey, II, Lessor
To: Ralph Gilbert and Vince Gilbert, Lessee
Dated: October 8, 1999

Legal Description
TICOR TITLE INSURANCE COMPANY
1829 SW Salmon
Portland, OR 97205

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Disclosed By: Subordination, Nondisturbance and Attornment Agreement and Estoppel Certificate
Recorded Date: August 21, 2001
Recording Number: 2001084482

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Legal Description
TICOR TITLE INSURANCE COMPANY
1620 SW Salmon
Portland, OR 97205

