

# 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

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**SECTION 1: APPLICANT INFORMATION AND SIGNATURE**

**Applicant Information**

NAME THOMAS L. AND JENNIFER L. SEALS		PHONE (HOME) 503 392-4224	
PHONE (WK) 541 520-0298	CELL 541 520-0298	FAX 503 392-4224	
ADDRESS 10395 MEDA LOOP RD			
CITY CLOVERDALE	STATE OR	ZIP 97112	E-MAIL JENNIE.SEALS@GMAIL.COM

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SALEM, OREGON

**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

Note: Attach multiple copies as needed

**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.
- I cannot use water legally until the Water Resources Department issues a permit.
- 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.**

*Thomas L. Seals*  
Applicant Signature

Thomas L. Seals  
Print Name and title if applicable

02/03/2012  
Date

*Jennifer L. Seals*  
Applicant Signature

JENNIFER L. SEALS  
Print Name and title if applicable

02/03/2012  
Date

App. No. <u>8-07782</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: <u>Johnson Creek Reservoir</u> | Tributary to: <u>Ochoco Creek</u> |
| Source 2: _____                          | Tributary to: _____               |
| Source 3: _____                          | Tributary to: _____               |
| Source 4: _____                          | Tributary to: _____               |

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
Johnson Creek	Primary Irrigation	February 1 to December 1	210 <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: 70 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: 210

- 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): 30 hp centrifugal

Other means (describe): \_\_\_\_\_

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

Existing ditches and some buried mainline are present. Water is carried via the ditch at the outlet of the dam to small bulge in the system ponds where it is then pumped to sprinklers.

### B. Application Method

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

Wheel lines, hand lines

### 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 adverse impact to public uses of affected surface waters.

A wier is in place at the base of the dam, we have a weir chart.

## 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: \_\_\_\_\_

Excavation or clearing of banks will be kept to a minimum to protect riparian or streamside areas.

Describe planned actions: \_\_\_\_\_

Operating equipment in a water body will be managed and timed to prevent damage to aquatic life.

Describe: \_\_\_\_\_

Water quality will be protected by preventing erosion and run-off of waste or chemical products.

Describe: Fix broken pipes, avoid excess leakage.

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**SECTION 7: PROJECT SCHEDULE**

Date construction will begin: Already begun

Date construction will be completed: 12/1/2014

Date beneficial water use will begin: 02/1/2012

**SECTION 8: REMARKS**

Use this space to clarify any information you have provided in the application (*attach additional sheets if necessary*).

This expedited secondary application puts primary water in roughly the same place of use as permit 52467 (cancelled) in the name of Central Oregon Ranches. For some reason a supplemental IR permit was issued where there was no primary irrigation right. We recently purchased the property and the weir, ponds, reservoir and buried mainline are already present.. We will likely have to add to the irrigation system.

Map was made by Assistant Watermaster, David Bates. The original certificate doesn't give exact measured distances from s a survey corner to the dam outlet. The location listed in this application is approximate.

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After Recording Return to:  
Farm Credit Services - Redmond  
3113 South Highway 97, Suite 100  
PO Box 607  
Redmond, OR 97756.

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Customer/Note No: 074466-441-999-99

## Deed of Trust

THIS DEED OF TRUST IS ALSO INTENDED TO BE A FIXTURE FILING.

On October 3, 2011, Thomas L. Seals and Jennifer L. Seals, a married couple, hereinafter called Grantors, whose address is

10395 Meda Loop Rd  
Cloverdale, OR 97112

grant, convey, warrant, transfer and assign to AmeriTitle, a corporation, hereinafter called Trustee, whose address is 150 NE Court St., Prineville, OR 97754, in trust with power of sale for the benefit of Northwest Farm Credit Services, FLCA, a corporation organized under the Farm Credit Act of 1971, as amended, hereinafter called Beneficiary, whose address is 1700 South Assembly Street, P.O. Box 2515, Spokane, Washington 99220-2515, property in Crook County(ies), State of Oregon, more particularly described as follows (the "Land"):

### TRACT 1

Parcel 1 of Partition Plat No. 1995-28, recorded October 4, 1995 in Partitions MF No. 123567, located in Sections 24 and 25, Township 14 South, Range 16 East of the Willamette Meridian, Crook County, Oregon.

TOGETHER WITH that portion of Parcel 2 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the NW corner of Section 25, Township 14 South, Range 16 East of the Willamette Meridian, thence South 89°32'22" East along the North line of said Section 25 a distance of 1320.07 feet to the Northeast corner of the Northwest one-quarter Northwest one-quarter (NW1/4NW1/4) of said Section 25, said point also being on the Westerly line of said Parcel 2; thence South 00°08'06" West along said Westerly line a distance of 721.23 feet to the True Point of Beginning No. 2. Thence North 00°08'06" East along said Westerly line a distance of 721.23 feet to said NE corner of said NW1/4NW1/4; thence South 89°32'22" East along said Westerly line a distance of 306.00 feet; thence South 00°50'59" West a distance 93.92 feet; thence South 37°10'05" East a distance of 157.31 feet; thence South 38°46'52" West a distance of 640.76 feet to the True Point of Beginning No. 2.

EXCEPTING THEREFROM that portion of Parcel 1 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the East quarter corner of Section 24, Township 14 South, Range 16 East of the Willamette Meridian, thence North 89°30'51" West along the North line of the Northeast one-quarter Southeast one-quarter (NE1/4SE1/4) of said Section 24 a distance of 1336.54 feet to the NW corner of said NE1/4SE1/4, said point also being on the Westerly line of said Parcel 2; thence North 00°11'03" East along said Westerly line a distance of 656.54 feet to the True Point of Beginning No. 1, thence North 00°11'03" East along said Westerly line a distance of 656.54 feet; thence South 89°23'11" East along the Northerly line of said

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Parcel 2 a distance of 666.31 feet; thence South 45°49'30" West a distance of 931.91 feet to the True Point of Beginning No. 1.

EXCEPTING THEREFROM that portion of Parcel 1 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the East quarter corner of Section 24, Township 14 South, Range 16 East of the Willamette Meridian, thence North 89°30'51" West along the North line of the Northeast one-quarter Southeast one-quarter (NE1/4SE1/4) of said Section 24 a distance of 1336.54 feet to the NW corner of said NE1/4SE1/4, said point also being on the Westerly line of said Parcel 2; thence North 00°11'03" East along said Westerly line a distance of 656.54 feet to the True Point of Beginning No. 1, thence South 00°11'03" West along said Westerly line a distance of 656.54 feet to the NW corner of said NE1/4SE1/4; thence South 00°42'45" West along said Westerly line a distance of 662.01 feet; thence North 89°31'13" West along said Westerly line a distance of 1332.42 feet; thence North 45°45'53" East a distance of 1874.04 feet to the True Point of Beginning No. 1.

EXCEPTING THEREFROM that portion of Parcel 1 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the Northwest corner of Section 25, Township 14 South, Range 16 East of the Willamette Meridian, thence South 89°32'22" East along the North line of said Section 25 a distance of 1320.07 feet to the NE corner of the Northwest one-quarter Northwest one-quarter (NW1/4NW1/4) of said Section 25, said point also being on the Easterly line of said Parcel 1; thence South 00°08'06" West along said Easterly line a distance of 721.23 feet to the True Point of Beginning No. 2, thence South 00°08'06" West along said Easterly line a distance of 567.32 feet to the North line of Meadow Ridge Road as per the Plat of Meadow Ridge Subdivision, Records of Crook County, Oregon; thence North 89°23'11" West along said North line a distance of 282.02 feet; thence North 21°01'28" East a distance of 225.05 feet; thence North 17°32'24" East a distance of 107.41 feet; thence North 32°50'46" East a distance of 257.94 feet; thence North 42°04'55" East a distance of 28.67 feet; thence North 38°46'52" East a distance of 17.75 feet to the True Point of Beginning No. 2.

Also including all that portion conveyed by Quit Claim Deed from Crook County, a Political Subdivision of the State of Oregon to Azur Tile, Inc., recorded October 9, 1997, MF# 136738, (Records of Crook County, Oregon).

EXCEPTING THEREFROM the above described property all that portion conveyed by Bargain and Sale Deed from Azur Title, Inc., to Crook County, a Political Subdivision of the State of Oregon, recorded October 9, 1997, MF# 136739, (Records of Crook County, Oregon).

TRACT II

That portion of Parcel 1 of Partition Plat No. 1995-28, recorded October 4, 1995 in Partitions MF No. 123567, Located in Sections 24 and 25, Township 14 South, Range 16 East of the Willamette Meridian, Crook County, Oregon, described as follows:

Beginning at the East quarter corner of Section 24, Township 14 South, Range 16 East of the Willamette Meridian, thence North 89°30'51" West along the North line of the Northeast one-quarter Southeast one-quarter (NE1/4SE1/4) of said Section 24 a distance of 1336.54 feet to the NW corner of said NE1/4SE1/4, said point also being on the Westerly line of said Parcel 2; thence North 00°11'03" East along said Westerly line a distance of 656.54 feet to the True Point of Beginning No. 1, thence North 00°11'03" East along said Westerly line a distance of 656.54 feet; thence South 89°23'11" East along the Northerly line of said Parcel 2 a distance of 666.31 feet; thence South 45°49'30" West a distance of 931.91 feet to the True Point of Beginning No. 1.

ALSO that portion of Parcel 1 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the East quarter corner of Section 24, Township 14 South, Range 16 East of the Willamette Meridian, thence North 89°30'51" West along the North line of the Northeast one-quarter Southeast one-quarter (NE1/4SE1/4) of said Section 24 a distance of 1336.54 feet to the NW corner of said NE1/4SE1/4, said point also being on the Westerly line of said Parcel 2; thence North 00°11'03" East along said Westerly line a distance of 656.54 feet to the True Point of Beginning No. 1, thence South 00°11'03" West along said Westerly line a distance of 656.54 feet to the NW corner of said NE1/4SE1/4; thence South 00°42'45" West along said Westerly line a

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distance of 662.01 feet; thence North 89°31'13" West along said Westerly line a distance of 1332.42 feet; thence North 45°45'53" East a distance of 1874.04 feet to the True Point of Beginning No. 1.

ALSO that portion of Parcel 1 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the Northwest corner of Section 25, Township 14 South, Range 16 East of the Willamette Meridian, thence South 89°32'22" East along the North line of said Section 25 a distance of 1320.07 feet to the NE corner of the Northwest one-quarter Northwest one-quarter (NW1/4NW1/4) of said Section 25, said point also being on the Easterly line of said Parcel 1: thence South 00°08'06" West along said Easterly line a distance of 721.23 feet to the True Point of Beginning No. 2, thence South 00°08'06" West along said Easterly line a distance of 567.32 feet to the North line of Meadow Ridge Road as per the Plat of Meadow Ridge Subdivision, Records of Crook County, Oregon; thence North 89°23'11" West along said North line a distance of 282.02 feet; thence North 21°01'28" East a distance of 225.05 feet; thence North 17°32'24" East a distance of 107.41 feet; thence North 32°50'46" East a distance of 257.94 feet; thence North 42°04'55" East a distance of 28.67 feet; thence North 38°46'52" East a distance of 17.75 feet to the True Point of Beginning No. 2.

AND that portion of Parcel 2 of Partition Plat No. 1995-28, Records of Crook County, Oregon, more particularly described as follows: Beginning at the one-quarter corner common to Sections 24 and 25, Township 14 South, Range 16 East of the Willamette Meridian, thence South 49°47'02" East a distance of 832.29 feet; thence South 47°53'09" East a distance of 301.92 feet; thence around a 942.97 foot radius curve right a distance of 106.31 feet, long chord bears South 44°39'23" East 106.25 feet; thence South 41°25'36" East a distance of 637.13 feet to the North line of Meadow Ridge Road of Meadow Ridge Subdivision, Records of Crook County, Oregon; thence North 89°31'16" West along said line a distance of 740.80 feet; thence North 89°44'42" West along said line a distance of 1872.34 feet; thence North 89°23'11" West along said line a distance of 65.73 feet; thence leaving said North line of Meadow Ridge Road, North 00°08'06" East along the Westerly line of said Parcel 2 a distance of 567.32 feet; thence North 38°46'52" East a distance of 640.76 feet; thence North 37°10'05" West a distance of 157.31 feet; thence North 00°50'59" East a distance of 93.92 feet to the Westerly line of Parcel 2; thence South 89°32'22" East along said line a distance of 354.03 feet; thence North 00°24'39" East along said line a distance of 1324.46 feet; thence North 45°16'02" East along said line a distance of 933.08 feet; thence South 89°31'13" East a distance of 1332.42 feet to the Northeast corner of the South one-half of the Northwest one-quarter Southeast one-quarter (S1/2NW1/4SE1/4) of said Section 24; thence South 64°01'47" West a distance of 1486.60 feet to the Southwest corner of said S1/2NW1/4SE1/4; thence South 00°21'22" West along the East line of the Southeast one-quarter Southwest one-quarter (SE1/4SW1/4) of said Section 24 a distance of 1324.31 feet to the point of beginning;

Code No.:	Map and Tax Lot No.:	Account No.
21	1416-24 00100	14988
21	1416-25 00100	14989
21	1416-24 00102	14679
21	1416-24 00103	14678
21	1416-25 00104	14680;

All irrigation equipment, now owned and used, in whole or in part, to irrigate the mortgaged property, together with all similar goods which may be acquired at any time, any additions, replacements, substitutions and accessions;

and including all buildings, structures, wells and other improvements now or hereafter located on the Land, including, but not limited to the fixtures (as described below), and all other equipment, machinery, appliances, goods and other articles attached to such buildings and other improvements; all fixtures (including without limitation, goods that are or become so related to the Land that an interest in them arises under the real estate law) and any additions or replacements now or hereafter located on, attached to, installed in or used in connection with the Land; all personal property, appliances, equipment and goods now or hereafter owned or possessed by Grantors located upon, in, or about or used in connection with the Land or improvements; all rights, rights-of-way, easements, licenses, profits, claims, demands, privileges, grazing privileges, leases, rents, issues, tenements, hereditaments, and appurtenances now owned or hereafter acquired by Grantors and used in connection with the Land and the improvements or as a means of access to either or both, (including without limitation all rights over the property of third persons which are related thereto, private roads, water rights and entitlements, other rights to water and other

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rights to receive water or water rights of every kind or nature whatsoever and howsoever evidenced, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating and irrigating apparatus, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called the "Property."

The following described Note(s), Membership Agreements, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments thereto are collectively called the "Loan Documents." "Advances" shall include any amounts provided to Grantors under the terms of the Loan Documents and any amounts expended by Beneficiary to protect the Property or enforce its rights under the Loan Documents. This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any Loan Documents, and payment of the indebtedness under the terms of the Note(s) made by Grantors to the order of Beneficiary, with interest and charges as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
October 3, 2011	\$591,500.00	October 1, 2036

The terms of the Note(s) and Loan Documents, described above, provide that the interest rate, payment terms or amounts due may be indexed, adjusted, renewed or renegotiated.

Grantors and each of them REPRESENT, WARRANT, COVENANT and AGREE:

1. That they have title to the Property free from encumbrances, except as otherwise previously disclosed, they have good right and lawful authority to convey and encumber the same; they will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever; and they agree this covenant shall not be extinguished by foreclosure or other transfers. Grantors authorize Beneficiary to file a financing statement and any continuations thereof, describing any personal property or fixtures described herein, without further signature by Grantor.
2. That this deed of trust also constitutes a Security Agreement granting Beneficiary a security interest in any and all personal property described above.
3. To keep all buildings and other improvements, now or hereafter existing, in good repair; not to remove or demolish or permit the removal or demolition of any building or other improvement; to restore promptly in a good and workmanlike manner, any building or improvement, which may be damaged or destroyed; to maintain and cultivate the Property in a good and husbandlike manner; not to change or permit change in the use of the Property; and not to do anything which would reduce the value of the Property; and Beneficiary shall have the right to enter upon the Property to make full inspection of the Property.
4. To maintain casualty insurance, naming Beneficiary as loss payee, on all buildings and improvements, against loss or damage by fire or other risks; to maintain liability insurance; to obtain flood insurance at any time it is determined that any building or improvement is located, in whole or in part, within a special flood hazard area; to pay all premiums and charges on all such insurance when due; and to provide Beneficiary satisfactory evidence of such insurance upon request. All such insurance shall be in such form(s), with such company(ies) and in such amount(s) as shall be satisfactory to Beneficiary.
5. To pay all debts and money, secured hereby, when due; to pay, when due, all taxes, assessments, rents and other charges upon the Property and to suffer no other encumbrance, charge or lien on the Property, which would be superior to this deed of trust, except as stated above.
6. To specifically assign and deliver to Beneficiary all rents, royalties, damages and payments of every kind, including without limitation insurance reimbursements and condemnation awards, at any time accruing, for any

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transfer, loss or seizure of the Property, any portion thereof or any rights therein; Beneficiary may, at its option, apply such amounts in any proportion to any of the indebtedness hereby secured; and application or release of such amounts shall not cure or waive any default or notice of default or invalidate any act done pursuant to such notice.

7. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and its use, including without limitation all environmental laws; not to use or permit the use of the Property for any unlawful or objectionable purpose or for any purpose that poses an unreasonable risk of harm, or that impairs or may impair the value of the Property, or any part thereof; not to apply residue from waste water treatment facilities to the Property without prior written notice to Beneficiary; to remedy any environmental contamination or violation of environmental laws that may occur or be discovered in the future; to allow Beneficiary access to the Property to inspect its condition and to test and monitor for compliance with applicable laws (any inspections or tests made by Beneficiary shall be for Beneficiary's purposes only and shall not be construed to create any responsibility or liability on the part of Beneficiary to Grantors or to any other person); to forward copies of any notices received from any environmental agencies to Beneficiary; to provide Beneficiary copies of any independent test or inspection reports on the environmental status of the Property; and to indemnify and hold Beneficiary, its directors, employees, agents and its successors and assigns, harmless from and against any environmental claims of any kind, and all costs and expenses incurred in connection therewith, including, without limitation, attorney's fees.
8. That neither Grantors nor, to the best of Grantors' knowledge, any prior owner has created or permitted conditions on the Property, which may give rise to environmental liability; no enforcement actions are pending or threatened; no underground tanks are located on the Property except as already disclosed; any such underground tanks currently or previously located on the Property do not now and never have leaked and no contaminated soil is located on the Property; and Grantor's representations, warranties, covenants and indemnities herein and in the Loan Documents shall survive satisfaction of the Note(s) and Loan Documents, foreclosure of this deed of trust, acceptance of a deed in lieu of foreclosure or any transfer or abandonment of the Property.
9. To perform all terms and conditions of each water or other contract, described above, if any, and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); not to apply or enter into any federal, state or local program which limits or restricts the use of the Property, in any way without prior written consent of Beneficiary; to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the real property described above; any assignment of any such interest during the term of this deed of trust, naming Beneficiary as an assignee shall be for security purposes and shall not alter Grantors' obligations hereunder; and any failure of Grantors to perform any such obligation shall constitute an event of default.
10. That the term "Grazing Rights," as hereinafter used refers to that portion of the Property, if any, consisting of grazing leases, permits, licenses, privileges, and preferences, or any of them, which have or will be assigned, conveyed or waived to Trustee or Beneficiary, together with any additions, renewals, replacements or substitutions thereof; if any portion of the Grazing Rights is a leasehold interest in state lands, such leasehold shall be considered to be real property; such leasehold and all other real property portions of the Property constitute a single operating unit; and in the event of foreclosure, Beneficiary shall have the right to have such leasehold and the other real property sold as a unit and not in parcels; any statements and representations in any applications for Grazing Rights are true and correct; Grantors have received no notice that the Grazing Rights have or are to be terminated, cancelled or modified; and any termination or cancellation of any of the Grazing Rights shall constitute an event of default under this deed of trust.
11. To execute any instrument deemed necessary by the Beneficiary to assign, convey or waive such Grazing Rights to the Trustee; to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing the Grazing Rights; to take no action which would adversely affect the Grazing Rights; to procure renewals of the Grazing Rights upon or prior to their expiration date; to operate the lands covered by

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the Grazing Rights in conjunction with the other real estate portion of the Property and not to convey or attempt to convey either separately; to forward to Beneficiary copies of any notices received by Grantors regarding the Grazing Rights; and in the event of foreclosure of this deed of trust, to waive all claims for preference in the Grazing Rights upon demand from the purchaser of the Property at Trustee's or foreclosure sale, or from any successor to such purchaser.

12. That if the Property is within an irrigation block and/or subject to water service contract(s) governed by the provisions of "Federal reclamation law," and the regulations issued thereunder, Grantors shall comply with the terms and provisions of said laws, regulations and contracts; Grantors, and each of them, for themselves, their heirs, successors and assigns, hereby appoint Beneficiary their attorney-in-fact to select and designate the portion of the property to be subject to a recordable contract, in the event Grantors become subject to the excess land limitation; if Grantors fail to comply with the terms of said law, regulations or contracts, or if the delivery of water for the irrigation of the Property is discontinued in whole or in part, Grantors shall be in default; in the event the Bureau of Reclamation determines that continued drainage maintenance on the Property is no longer feasible, and Grantors purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Grantors shall execute a supplemental deed of trust on such lands in favor of the Beneficiary; and failure to execute such deed of trust on demand, shall constitute an event of default.
13. That in the event of default in any of the covenants or agreements herein, or in any of the Loan Documents, Beneficiary may, at its option, perform the same, in whole or in part; any advances, attorney fees or costs, paid or incurred by Beneficiary to protect or enforce its rights under the Loan Documents, in bankruptcy, appellate proceedings or otherwise, shall be payable on demand and shall become a part of the obligation secured by this deed of trust.
14. That the indebtedness and obligations secured by this deed of trust are personal to the Grantors and are not assignable by Grantors; Beneficiary relied upon the credit of Grantors, the interest of Grantors in the Property and the financial market conditions then existing when making this loan; if Grantors sell, transfer or convey or contract to sell, transfer or convey the Property, or any portion thereof, or if the ownership of any corporation or partnership, owning all or any portion of the Property shall be changed either by voluntary or involuntary sale or transfer or by operation of law, without prior written consent of Beneficiary, or if Grantors default in the payment of the indebtedness, or with respect to any warranty, covenant or agreement in the Loan Documents or if a receiver or trustee for any part of the Property is appointed, or if any proceedings under the bankruptcy or insolvency laws is commenced by or against Grantors, or if Grantors become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Grantors shall be in default hereunder.
15. That time is of the essence and in the event of default, at Beneficiary's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set forth in the Loan Documents for delinquent payments; Beneficiary shall have the right to foreclose the lien of this deed of trust or to direct Trustee, in writing, to foreclose this deed of trust by notice and sale, to have a receiver appointed in any court proceeding, to collect any rents, issues and profits from the Property and to deliver them to Beneficiary to be applied as provided above and to exercise any rights and remedies available under the Uniform Commercial Code for the state in which the property is located; and reasonable notice if required by such Code shall be five (5) days.
16. That Beneficiary may from time to time, in writing and without further notice or consent, release any person from liability for payment of any of the indebtedness or extend the time or otherwise alter the terms of payment of any of the indebtedness; and Trustee may, with written consent of Beneficiary, at any time and from time to time, and without affecting the liability of any person:
  - a. Join in any subordination or other agreement affecting this deed of trust or lien or charge thereof.
  - b. Reconvey, without warranty, any or all of the Property.

Deed of Trust (074466-441-999-99)

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**RECEIVED**

FEB 06 2012

WATER RESOURCES DEPT  
SALEM, OREGON