

December 8, 1999

Blue Lake Properties LLC
C/O: Wieden & Kennedy
1227 NW Davis
Portland, OR. 97209

With regard to the Water Right Ownership Update and the associated water rights:

<u>Application #</u>	<u>Permit #</u>	<u>Certificate #</u>
S - 63240	S - 46332	63755

The Water Resources Department has reviewed and accepted the Water Right Ownership letter/form you submitted. A copy of this confirmation letter has been placed in the corresponding application, permit, certificate file in the Water Rights section of our department, along with a copy of the Water Right Ownership letter/form you submitted.

We appreciate your cooperation with this program. If you have any questions, please contact me at (503) 378-8455 ext.289. The Department's toll free number is 1-800-624-3199.

Sincerely,



R. Craig Kohanek
Technical Services Division

c: Water Rights Section



Commerce Building
158 12th Street NE
Salem, OR 97310-0210
(503) 378-3739
FAX (503) 378-8130

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OREGON WATER RESOURCES DEPARTMENT
WATER RIGHT OWNERSHIP UPDATE FORM

WATER RESOURCES DEPT.
SALEM, OREGON

NOTICE TO SELLERS & BUYERS:

BY LAW ALL WATER BELONGS TO THE PUBLIC (ORS 537.110). IN ALMOST EVERY INSTANCE, A PERMIT ("WATER RIGHT") FROM THE WATER RESOURCES DEPARTMENT IS NEEDED BEFORE USING, DIVERTING, OR STORING ANY WATER (ORS 537.310). HOWEVER, MOST DOMESTIC WELLS DO NOT REQUIRE WATER RIGHTS. A WATER RIGHT STAYS WITH THE LAND. IN ORDER TO KEEP TRACK OF WATER RIGHT OWNERSHIP, ORS 537.330 REQUIRES PERSONS SELLING PROPERTY THAT HAS A WATER RIGHT TO: 1) PROVIDE EVIDENCE OF THE WATER RIGHT TO THE BUYER AND 2) NOTIFY THE WATER RESOURCES DEPARTMENT OF THE WATER RIGHT INVOLVED WITH THE REAL ESTATE TRANSACTION. SELLERS ARE EXEMPTED FROM THIS REQUIREMENT IF THE WATER USES ARE SERVED BY A WATER DISTRICT OR A CITY.

WATER THAT HAS BEEN USED FOR A LONG TIME IN ONE PLACE OR THAT INVOLVES A WATER STRUCTURE (LIKE A DAM) THAT ALREADY EXISTS IS NO GUARANTEE THAT THERE IS A WATER RIGHT WHICH WOULD ALLOW THE WATER USE TO CONTINUE.

IF YOU HAVE ANY QUESTIONS ABOUT THIS FORM OR WATER RIGHT REQUIREMENTS, PLEASE CONTACT YOUR LOCAL WATERMASTER OR CALL THE WATER RESOURCES DEPARTMENT AT: (503) 378-8455.

--- NOTE: PLEASE TYPE OR PRINT LEGIBLE WHEN FILLING IN THE FOLLOWING INFORMATION.
USE ADDITIONAL PAPER IF NECESSARY.

PROPERTY SELLER INFORMATION:

NAME: LAKE SHORE DEVELOPMENT CO. DBA BLUE LAKE RESORT
STREET ADDRESS: STAR ROUTE
CITY: SISTERS STATE: OREGON ZIP: 97759
PHONE:

PROPERTY BUYER INFORMATION:

NAME: BLUE LAKE PROPERTIES LLC
STREET ADDRESS: C/O WIEDEN & KENNEDY, 1227 NW DAVIS
CITY: PORTLAND STATE: OREGON ZIP: 97209
PHONE: (503) 228-4381

PROPERTY DESCRIPTION (ATTACH ADDITIONAL PAGES IF NECESSARY):

COUNTY: JEFFERSON TOWNSHIP: 13 SOUTH RANGE: 8 EAST SECTION: 27

TAX LOT NUMBER(S):
MEETS & BOUNDS DESCRIPTION (OR ATTACH COPY OF PROPERTY DEED & TAX LOT MAP WITH THE PARCELS HIGHLIGHTED):

WATER RIGHT INFORMATION (ATTACH COPY OF WATER RIGHT CERTIFICATE OR PERMIT & FINAL PROOF MAP IF AVAILABLE):

APPLICATION No.: 63240 PERMIT No.: 46332 CERTIFICATE No.: 63755
WILL ALL LANDS ASSOCIATED WITH THE WATER RIGHT BE OWNED BY THE BUYER? YES No

NAME OF INDIVIDUAL COMPLETING THIS FORM: DEBORA E. COLLARD PHONE:(503) 228-2525

SIGNATURE: _____ DATE: _____