

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

Water-Use Permit Application Processing

1. Completeness Determination

The Department evaluates whether the application and accompanying map contain all of the information required under OAR 690-310-0040 and OAR 690-310-0050 (www.oregon.gov/owrd/law.owr). The Department also determines whether the proposed use is prohibited by statute. If the Department determines that the application is incomplete, all fees have not been paid, or the use is prohibited by statute, the application and all fees submitted are returned to the applicant.

2. Initial Review

The Department reviews the application to determine whether water is available during the period requested, whether the proposed use is restricted or limited by rule or statute, and whether other issues may preclude approval of or restrict the proposed use. An Initial Review (IR) containing preliminary determinations is mailed to the applicant. The applicant has 14 days from the mailing date to withdraw the application from further processing and receive a refund of all fees paid minus \$200. The applicant may put the application on hold for up to 180 days and may request additional time if necessary.

3. Public Notice

Within 7 days of the mailing of the initial review, the Department gives public notice of the application in the weekly notice published by the Department at www.oregon.gov/owrd. The public comment period is 30 days from publication in the weekly notice.

4. Proposed Final Order Issued

The Department reviews any comments received, including comments from other state agencies related to the protection of sensitive, threatened or endangered fish species. Within 60 days of completion of the IR, the Department issues a Proposed Final Order (PFO) explaining the proposed decision to deny or approve the application. A PFO proposing approval of an application will include a draft permit, and may request additional information or outstanding fees required prior to permit issuance.

5. Public Notice

Within 7 days of issuing the PFO, the Department gives public notice in the weekly notice. Notice includes information about the application and the PFO. Protest must be received by the Department within 45 days after publication of the PFO in the weekly notice. Anyone may file a protest. The protest filing fee is \$350.00 for the applicant and \$700.00 for non-applicants. Protests are filed on approximately 10% of Proposed Final Orders. If a protest is filed the Department will attempt to settle the protest but will schedule a contested case hearing if necessary.

6. Final Order Issued

If no protests are filed, the Department can issue a Final Order within 60 days of the close of the period for receiving protest. If the application is approved, a permit is issued. The permit specifies the details of the authorized use and any terms, limitations or conditions that the Department deems appropriate.

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TELEPHONE (503) 357-5717
FAX (503) 357-5698
WEBSITE: www.stuntzner.com
2137 19th Avenue
Forest Grove, OR 97116

COOS BAY - FOREST GROVE - DALLAS

February 26, 2014

Oregon Water Resources Department
725 Summer Street NE, Ste. A
Salem, OR 97301-1266

RE: Application for a Permit to Use Surface Water

To Whom It May Concern:

An Application for a Permit to Use Surface Water has been completed and signed. It is being submitted with a check in the amount of \$1,656 to cover the associated application fees. Since all sources listed in the application are stored water, we request that this application is reviewed using the expedited process provided in ORS 537.147.

The following is also included in this packet:

- Completed and signed Application for a Permit to Use Surface Water
- Attachment A – Application Explanation
- Attachment B – Application Map
- Attachment C - Permit # R-11493
- Attachment D – Permit # R-11702
- Attachment E – Proof of Ownership (Deed)

Email addresses were not provided in the application as we wish to receive all correspondence from the department by hard copy; however, it is preferred if both methods are used. The following email addresses should be included in all correspondence.

Deborah.Hunt@jfwmail.com
dylanhitner@stuntzner.com
ericurstadt@stuntzner.com
DEFILIPPI@stoel.com

If you have any questions regarding these submittals, please me at 503-357-5717 or dylanhitner@stuntzner.com.

Sincerely,
Stuntzner Engineering & Forestry LLC

Dylan Hitner

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SALEM, OR

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		PHONE (HM)	
PHONE (WK)	CELL	FAX	
ADDRESS			
CITY	STATE	ZIP	E-MAIL *

Organization Information

NAME JACKSON FAMILY INVESTMENTS III, LLC		PHONE 707-836-2057	FAX
ADDRESS 421 AVIATION BLVD			CELL
CITY SANTA ROSA	STATE CA	ZIP 95403	E-MAIL *

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

AGENT / BUSINESS NAME STUNTZNER ENGINEERING & FORESTRY, LLC		PHONE 503-357-5717	FAX 503-357-5698
ADDRESS 2137 19TH AVE			CELL
CITY FOREST GROVE	STATE OR	ZIP 97116	E-MAIL *

Note: Attach multiple copies as needed

* By providing an e-mail address, consent is given to receive all correspondence from the department electronically. (paper copies of the final order documents will also be mailed.)

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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.

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


 Applicant Signature _____ Print Name and title if applicable Barbara R. Banke _____ Date 3-5-14

N/A
 Applicant Signature _____ Print Name and title if applicable _____ Date _____

Revised

App. No. <u>5-87967</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*).

NA

You must provide the legal description of: 1. The property from which the water is to be diverted, 2. Any property crossed by the proposed ditch, canal or other work, and 3. Any property on which the water is to be used as depicted on the map.

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SECTION 3: SOURCE OF WATER

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A. Proposed Source of Water

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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: Wilson Res. (Permits R-11493, R-11702)

Tributary to: Luckiamute River

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
Wilson Reservoir	Irrigation	Irrigation Season	150 <input type="checkbox"/> cfs <input type="checkbox"/> gpm <input checked="" type="checkbox"/> af
Wilson Reservoir	Supplemental Irrigation	Irrigation Season	26 <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

For irrigation use only:
Please indicate the number of primary and supplemental acres to be irrigated.
Primary: 634.3 Acres Supplemental: 634.3 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: 176

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

NA

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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): Estimated 25 hp submersible, will be determined during final design.

Other means (describe): _____

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

Final design of the irrigation system has not yet been completed. It is anticipated that water will be pumped from the reservoir into a system of buried mainlines and out to the individual vineyard blocks.

B. Application Method

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

Mostly drip irrigation will be used in the vineyards, while overhead sprinklers and wheel lines will likely be used in the annual field crop areas.

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.

See Attachment A

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: Although no fish are present in the reservoir, the pump will likely be screened to prevent the intake of any debris or plant material.
- Excavation or clearing of banks will be kept to a minimum to protect riparian or streamside areas.
Describe planned actions: The reservoir is already constructed. No significant clearing is expected to be needed.
- Operating equipment in a water body will be managed and timed to prevent damage to aquatic life.
Describe: It is not anticipated that equipment will be operated in a water body.
- Water quality will be protected by preventing erosion and run-off of waste or chemical products.
Describe: The dam of the existing reservoir is planted in grass to minimize any erosion. It is not expected that the diversion will expose a significant amount of soil; however, any exposed soil during construction will be seeded to prevent erosion.

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SECTION 7: PROJECT SCHEDULE

Date construction will begin: Spring 2014

Date construction will be completed: Summer 2017

Date beneficial water use will begin: May 2014

SECTION 8: WITHIN A DISTRICT

Check here if the point of diversion or place of use are located within or served by an irrigation or other water district.

Irrigation District Name NA	Address	
City	State	Zip

SECTION 9: REMARKS

Use this space to clarify any information you have provided in the application.
Subject to approval of this application, it is being requested that OWRD cancel permit #'s S-51528 and S-52023. See Attachment A for full explanation.

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SALEM, OR

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

NOTE TO APPLICANTS

In order for your application to be processed by the Water Resources Department (WRD), this Land Use Information Form must be completed by a local government planning official in the jurisdiction(s) where your water right will be used and developed. The planning official may choose to complete the form while you wait, or return the receipt stub to you. Applications received by WRD without the Land Use Form or the receipt stub will be returned to you. Please be aware that your application will not be approved without land use approval.

This form is NOT required if:

- 1) Water is to be diverted, conveyed, and/or used only on federal lands; **OR**
- 2) The application is for a water right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and **all** of the following apply:
 - a) The existing and proposed water use is located entirely within lands zoned for exclusive farm-use or within an irrigation district;
 - b) The application involves a change in place of use only;
 - c) The change does not involve the placement or modification of structures, including but not limited to water diversion, impoundment, distribution facilities, water wells and well houses; **and**
 - d) The application involves irrigation water uses only.

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NOTE TO LOCAL GOVERNMENTS

SALEM, OR

The person presenting the attached Land Use Information Form is applying for or modifying a water right. The Water Resources Department (WRD) requires its applicants to obtain land-use information to be sure the water rights do not result in land uses that are incompatible with your comprehensive plan. Please complete the form or detach the receipt stub and return it to the applicant for inclusion in their water right application. You will receive notice once the applicant formally submits his or her request to the WRD. The notice will give more information about WRD's water rights process and provide additional comment opportunities. You will have 30 days from the date of the notice to complete the land-use form and return it to the WRD. If no land-use information is received from you within that 30-day period, the WRD may presume the land use associated with the proposed water right is compatible with your comprehensive plan. Your attention to this request for information is greatly

appreciated by the Water Resources Department. If you have any questions concerning this form, please contact the WRD's Customer Service Group at 503-986-0801.

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SALEM, OR

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: Jackson Family Investments III, LLC
First Last

Mailing Address: 421 Aviation Blvd

Santa Rosa OR 95403 Daytime Phone: 707-836-2057
City State Zip

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	¼ ¼	Tax Lot #	Plan Designation (e.g., Rural Residential/RR-5)	Water to be:			Proposed Land Use:
9S	6W	13	All	100	EFU	<input checked="" type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Vineyard
9S	6W	1	SE-SE	100	EFU	<input type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Vineyard
9S	6W	2	SW-SW, SE-SW SW-SE, SE-SE	100	EFU	<input type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Vineyard
9S	6W	12	NE-NE, SE-NE NE-SE, SE-SE	100	EFU	<input type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Vineyard

List all counties and cities where water is proposed to be diverted, conveyed, and/or used or developed:

Polk County

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: 176
 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:

A surface water application to use an existing reservoir is being made to provide water for irrigation of a vineyard.

Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt at the bottom of the next page and include it with the application filed with the Water Resources Department.

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See bottom of Page 3. →

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For Local Government Use Only

SALEM, OR

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): PCZO 136.030(A)

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:	
		<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
		<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.

Farm use, including vineyard use, is outright permitted. Vegetation removal or other development within 100 feet of a wetland may require land use permits. The subject property is identified as T93, R6W, section 13, Tax Lot 100.

Name: Jerry Sorte Title: Planning Manager
Signature: [Signature] Phone: 503-623-9237 Date: 10/14/13
Government Entity: Polk 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.

Receipt for Request for Land Use Information

Applicant name: _____

City or County: _____ Staff contact: _____

Signature: _____ Phone: _____ Date: _____

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Date _____

(For staff use only)



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

WE ARE RETURNING YOUR APPLICATION FOR THE FOLLOWING REASON(S):

- SECTION 1: _____
- SECTION 2: _____
- SECTION 3: _____
- SECTION 4: _____
- SECTION 5: _____
- SECTION 6: _____
- SECTION 7: _____
- SECTION 8: _____
- SECTION 9: _____
- Land Use Information Form _____
- Provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map.
- Fees _____

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MAP

- Permanent quality and drawn in ink
- Even map scale not less than 4" = 1 mile (example: 1" = 400 ft, 1" = 1320 ft, etc.)
- North Directional Symbol
- Township, Range, Section, Quarter/Quarter, Tax Lots
- Reference corner on map
- Location of each well, and/or dam if applicable, by reference to a recognized public land survey corner (distances north/south and east/west)
- Indicate the area of use by Quarter/Quarter and tax lot clearly identified
- Number of acres per Quarter/Quarter and hatching to indicate area of use if for primary irrigation, supplemental irrigation, or nursery
- Location of main canals, ditches, pipelines or flumes (if well is outside of the area of use)
- Other _____

Attachment A – Application Explanation

The permit holder currently has two surface water permits (S-51528 & S-52023) to allow primary and supplemental irrigation of 180 acres from the two Wilson Reservoirs (Permits R-11493 & R-11702) which combine to total 176 acre-feet (AF) of storage. Note that the total amount of storage authorized under permits R-11493 and R-11702 is 210 AF; however, the Claims of Beneficial Use for these permits indicate that the reservoir stores only 176 AF. These storage permits allow for appropriation of water for storage from November 1 through April 30, while the irrigation season is from March 1 through October 31. Because Oregon Water Resources Department (OWRD) has been contacted about this type of application being a new use of stored water, and OWRD has stated that this method of applying for use of stored water be done to get the best chance of approval of an application to use stored water for a beneficial use, the owner is requesting that the existing surface water permits (S-51528 & S-52023) be cancelled contingent on approval of this new surface water application.

The property has recently been sold, and the new owner would like to use the stored water from the existing reservoir to both irrigate proposed vineyards in the upper elevations of the property as well as irrigate the lower fields that are the current 180 acres being irrigated. The owner wants the ability to irrigate as much land as possible on the entire property minus the reservoir and dam (634.3 acres). The owner realizes that not all of the land can and will be irrigated due to soils, aspect, farm roads, etc. Their most recent estimates indicate that they believe about 300 acres of vineyard will be eventually developed, but realize that this estimate comes before any vines have been established on the site. However, since they cannot know the final locations of those vineyards at this time and so they are applying for the entire farmable area on the property.

In our experience, the Oregon Water Resources Department (OWRD) has had concerns regarding various water right applications based on a “thin water” policy. We are not clear on the intent or rules involving the “thin water” policy; however, in the past OWRD has recommended providing proof that there is enough water to provide beneficial use on the Place of Use (POU) before approving a permit to do so. The following is submitted as proof that volume of water in the reservoir can provide beneficial use on the full POU.

The owner wants to use the 176 AF of stored water in Wilson Reservoir for irrigation of 180 acres of crops that have been comprised of crops such as clover, wheat, and grass-seed in the lower elevations of the property and establish and irrigate vineyards on the higher elevations being about 450 acres including roads, etc.

In our several years of experience in doing water use consulting for vineyards in the Northern Willamette Valley, we have found that the irrigation of vineyards is highly variable and depends on items including: type of grape, age of vine (use generally decreases over time), slope of ground, aspect of slope, type of soil, type of soil preparations, weather conditions in the summer and in the preceding Spring and Winter, and groundwater conditions at the depth of the roots. Furthermore, we have found that winemakers vary in style from not allowing any water to using water aggressively to both establish and “fine tune” the grapes prior to harvest.

We have seen in reports that vineyards sometime use up to 3-6” per acre to establish vines, but this typically happens only during the first 1-3 years after planting the vine, and only in very dry years. We

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have also had reports of using from zero to 2" per acre after establishment. The industry is highly variable in irrigation use.

Nevertheless, some of the more experienced vineyard managers that we work with have stated that in the normal driest conditions, the aggressive vineyards will irrigate using ½ GPH (gallon per hour) drip emitters, for one hour - twice a week, for the 3.5 month dry season. This equates to 14 gallons per plant in a dry year on dry soils. Using 1400 plants per acre (which is a median spacing), one gets a use of 0.06 feet per acre (or 0.06 AF/ac). This is less than an inch per acre and this number represents a normal worst case scenario for the volume of water needed after establishment.

For this project, the owner plans to establish about 450 acres of vines, over the next several years. Skipping the initial higher watering rate to establish the vines, water use can be expected to be 0.06 feet per acre in a dry year = 27 AF/year.

Since the Claims of Beneficial Use for the Wilson Reservoir indicate 176 AF of storage, approximately 150 AF remains to irrigate the lower fields of row crops. At the same time, we would note that OWRD has already determined this amount to be reasonable, given that when OWRD first issued permit S-51528 it authorized the irrigation of 180 acres with 150 AF of stored water. As per the previous application and permits, that area is 180 acres. This means if the water is used every year on every acre, then less than 1 AF/acre would be available for irrigation of the row crops.

The owner currently has that land leased to a farmer that used much less than this amount of water in 2012. We know this because we drained the reservoir down to allow for some dam repairs. The farmer rotates crops that need anywhere from no water to around 12 inches of water per acre. Grains and alfalfa in the Willamette region use between 11 and 15 inches five of ten years according to "Oregon Crop Water Use and Irrigation Requirements", 1999. Using 15 inches (=1.25feet) on irrigated fields (thus allowing for inefficiency in the application method), the following situation can work with water to spare. The farmer and owner plan to rotate these "grain type" crops on the lower fields. If they irrigate 3/5 of the 180 acres every year that would equate to $180 \times 3/5 \times 1.25 = 135$ AF/yr - leaving $150 - 135 = 15$ AF of more left in the reservoir.

This project will work. The establishment of the vineyards will also be staggered over the developmental period allowed under the permit, depending on available cash flow, availability of vines, etc. Also, in the past, the farmer leasing the lower fields with grain crops, hay and/or alfalfa, has irrigated less than ½ of the 180 acres per year. The priority of the owner will likely be to establish the vines over watering the lower fields, since the vine crop has more value and vines may die if not watered in the first years, whereas and the crops in the lower fields have less value and will not die if not watered, but will just yield less product per acre. There is plenty of flexibility built into the irrigation plan to handle for unusual conditions.

In summary, approval of this application would greatly improve the potential for improved beneficial use of the stored water by applying it over as many acres as possible and irrigating as many crops as possible. This application is in line with OWRD's policy stated in OAR 690-502-0020(5)(b) to "*improve the efficiency of water use through implementation of voluntary conservation measures.*" Additionally, the positive economic impact that the proposed project would have aligns with OWRD's objective stated in OAR 690-502-0030(10) to "*protect and encourage use of water which sustains economic development.*"

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On their other properties managed throughout the Willamette Valley they generally consider 0.3-0.6 acre-feet as the ideal amount of water needed to establish grapes, although lesser amounts can be used. Once established, the required volume would likely become less. This will reduce the initial water needs since they won't be establishing the entire vineyard at the same time. It is therefore expected that there will be a sufficient volume of water to meet the requirements of the proposed vineyard. The intent of the vineyard managers is to use the minimum water needed to achieve the optimum beneficial use. This application is in line with that goal since only the amount of water that is anticipated to be needed is being applied for.

The reservoir's storage volume of 176 AF is appropriated for storage during the designated storage season. As required, all live flow outside the storage season is passed. The use of water from the reservoir is therefore limited to its legally stored volume. As stated in OAR 690-502-0040:

"Water legally stored may be released or used at any time for any beneficial purpose, such as domestic, livestock, irrigation (during the irrigation season as specified in section (6) of this rule), agricultural, commercial, municipal, industrial, power, mining, recreation, fish life, wildlife, pollution abatement, wetland enhancement, public instream uses and uses allowed under a limited license.

Based on this provision of the Willamette Basin Plan it is anticipated that the applied for surface water right will be approved. The water is legally stored and it is being requested that the applicant be allowed to use it for irrigation (one of the beneficial purposes listed.) Furthermore, the reservoir shouldn't be constrained by the over-appropriation restrictions that would be applied to using live flow. As stated in OAR 690-410-0070(1), *"A determination that a stream is over-appropriated does not affect the allocation of legally stored water from existing or future facilities."*

In summary, approval of this application would greatly improve the beneficial use of the stored water by applying it over as many acres as possible. This application is in line with OWRD's policy stated in OAR 690-502-0020(5)(b) to *"improve the efficiency of water use through implementation of voluntary conservation measures."* Additionally, the enormous positive economic impact that the proposed project would have aligns with OWRD's objective stated in OAR 690-502-0030(10) to *"protect and encourage use of water which sustains economic development."*

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MAR 13 2014

SALEM, OR

S-87967

STATE OF OREGON

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COUNTY OF POLK

MAR 13 2014

PERMIT TO CONSTRUCT A RESERVOIR AND TO
STORE FOR BENEFICIAL USE THE PUBLIC WATERS

SALEM, OR

THIS PERMIT IS HEREBY ISSUED TO:

PETER DINSDALE
7240 SOUTH RIVER ROAD
SALEM, OREGON 97306

503-838-3779

to construct WILSON RESERVOIR and to store the waters of SURFACE RUNOFF, a tributary of LUCKIAMUTE RIVER, to be appropriated under Application 73433, Permit 51528, for IRRIGATION, RECREATION AND WILDLIFE HABITAT.

This permit is issued approving Reservoir Application R-73432. The date of priority is DECEMBER 10, 1993. The amount of water entitled to be stored each year is not more than 150 ACRE-FEET. Water may be appropriated for storage during the period November 1 through April 30.

The dam will be located as follows:

SW 1/4 NE 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4, SECTION 13, T 9 S, R 6 W, W.M.; 2800 FEET NORTH AND 1500 FEET WEST FROM THE SE CORNER OF ANDREW J. WELCH DLC 41.

The total area proposed to be submerged by the reservoir, when full, is 16.0 acre; the proposed maximum depth of water is 32.5 feet. The maximum height of the dam shall not exceed 33.0 feet.

The area to be submerged by the reservoir is located within:

SW 1/4 NE 1/4
SE 1/4 NW 1/4
NE 1/4 SW 1/4
NW 1/4 SE 1/4
SECTION 13

TOWNSHIP 9 SOUTH, RANGE 6 WEST, W.M.

The storage of water allowed herein is subject to the installation and maintenance of a fully functional conduit/gate assembly having a minimum diameter of 8 inches.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water use information, including the place and nature of use of water under the permit.
- B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

Use under this permit is limited to the reservoir area. This permit does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition between May 1 and October 31.

Application R-73432 Water Resources Department

PERMIT R-11493

S-87967

The embankment and reservoir shall be constructed and maintained according to the approved plans and specifications on file with the Oregon Water Resources Department, stamped and dated on April 11, 1994. Any changes in the approved design shall be documented in letter to the Water Resources Dam Safety Engineer and/or illustrated on a final set of asbuilt drawings clearly marked as such and stamped by a licensed engineer.

All construction shall be performed under the supervision of a professional engineer licensed in Oregon; no fill shall be placed until excavation of the cutoff trench has been completed and examined in its entirety and approved by the engineer of record and/or the Water Resources Dam Safety Engineer.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that 1) construction has been completed in accordance with the approved plans and specifications, or 2) construction has been completed as shown on a final set of asbuilt drawings stamped by a licensed engineer.

If borrow material is removed from the reservoir area during construction of the dam, a revised topographical map and area-capacity curve shall be submitted with the asbuilt drawings to confirm the estimated storage capacity of the impoundment.

The outlet gate shall be cycled at least once each year and shall be fully operational at all times. Routine maintenance of the embankment and spillway shall be performed as determined necessary to remove trees, brush, debris, and/or burrowing animals, or repair areas of erosion.

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

Actual construction work shall begin on or before July 29, 1995 and shall be completed on or before October 1, 1996. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 1997.

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

The permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The storage of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

The Commission found the proposed use(s) of water described by this permit, as conditioned, would not impair or be detrimental to the public interest at its July 22, 1994 Commission meeting.

Issued this date July 29, 1994.

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/s/ MARTHA O. PAGEL

MAR 13 2014

Water Resources Department
Martha O. Pagel
Director

SALEM, OR

Application R-73432 Water Resources Department PERMIT R-11493
Basin 2 Volume 9 Luckiamute River & Misc. District 16
MGMT. CODES 2AD, 2AW, 2BD, 2BW, 2CD, 2CW, 2ED, 2EW, 2FD, 2FW, 2GD, 2GW

S-87767

STATE OF OREGON

COUNTY OF POLK

PERMIT TO STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PETER DINSDALE
7240 S RIVER RD
SALEM, OREGON 97306

(503) 838-3779

The specific limits for the use are listed below along with conditions of use.

APPLICATION FILE NUMBER: R-74221

SOURCE OF WATER: SURFACE RUN-OFF, A TRIBUTARY OF LUCKIAMUTE RIVER

STORAGE FACILITY: ENLARGEMENT OF WILSON RESERVOIR, CONSTRUCTED UNDER PERMIT R-11493

PURPOSE OR USE OF THE STORED WATER: TO BE APPROPRIATED UNDER APPLICATION S-74220, PERMIT 52023, FOR SUPPLEMENTAL IRRIGATION

QUANTITY OF USE: 60.0 ACRE-FEET EACH YEAR

WATER MAY BE APPROPRIATED FOR STORAGE FROM NOVEMBER 1 THROUGH APRIL 30 OF EACH YEAR

DATE OF PRIORITY: JUNE 21, 1994

The total area proposed to be submerged by the reservoir, when full, is 16.0 acres; the proposed maximum depth of water is 32.5 feet. The maximum height of the dam shall not exceed 38.0 feet.

DAM LOCATION: SW 1/4 NE 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4, SECTION 13, T9S, R6W, W.M.; 2800 FEET NORTH & 1500 FEET WEST FROM THE SE CORNER OF ANDREW J WELCH DLC 41

THE AREA TO BE SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

SW 1/4 NE 1/4
SE 1/4 NW 1/4
NE 1/4 SW 1/4
NW 1/4 SE 1/4

SECTION 13

TOWNSHIP 9 SOUTH, RANGE 6 WEST, W.M.

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SALEM, OR

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SALEM, OR

PAGE 2

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order.
- B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

The permittee may be required in the future to install, maintain and operate fish screening and by-pass devices as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the proposed diversion.

Use under this permit is limited to the reservoir area. This permit does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition from May 1 through October 31.

All construction shall be performed under the supervision of a registered engineer licensed in Oregon; no fill shall be placed until excavation of the cutoff trench has been completed and examined in its entirety and approved by the engineer of record and/or the Water Resources Dam Safety Engineer.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that 1) construction has been completed in accordance with the approved plans and specifications, or 2) construction has been completed as shown on a final set of asbuilt drawings stamped by a licensed engineer.

The embankment and reservoir shall be constructed and maintained according to the approved plans and specifications on file with the Oregon Water Resources Department, in Application R-73432, stamped and dated April 11, 1994. Any changes in the approved design shall be documented in letter to the Water Resources Dam Safety Engineer and/or illustrated on a final set of asbuilt drawings clearly marked as such and stamped by a licensed engineer.

If borrow material is removed from the reservoir area during construction of the dam, a revised topographical map and area-capacity curve shall be submitted with the asbuilt drawings to confirm the estimated storage capacity of the impoundment.

STANDARD CONDITIONS

The storage of water allowed herein is subject to the installation and maintenance of an fully functional conduit/gate assembly having a minimum diameter of 8 inches.

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

The Director finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Actual construction work shall begin within one year from permit issuance and shall be completed on or before October 1, 1998. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 1999.

Issued March 29, 1996

Martha O. Pagel
for Martha O. Pagel, Director
Water Resources Department

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SALEM, OR

Application R-74221 Water Resources Department PERMIT R-11702
Basin 02 Volume 9A, Little Luckiamute R. (Also Misc.) District 16
MGMT CODES 2BD, 2BW, 2CD, 2CW, 2ED, 2EW, 2FD, 2FW, 2GD, 2GW, 6EW

S-87967

After Recording, Return To:
Jackson Family Investments
Attn: Michael Maher
421 Aviation Blvd.
Santa Rosa, CA 95403

RECORDED IN POLK COUNTY Valerie Unger, County Clerk	2013-005211 05/13/2013 02:28:56 PM
REC-COR Cnt=1 Stn=1 K. WILLIAMS \$35.00 \$11.00 \$10.00 \$5.00 \$15.00	\$76.00

Re-recording Cover Sheet
ORS 205.244

THE ORIGINAL DOCUMENT PREVIOUSLY RECORDED AS FEE NUMBER 2013-002900 ON MARCH 15, 2013 IS BEING RE-RECORDED AT THE REQUEST OF JACKSON FAMILY INVESTMENTS III, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO IMPROVE LEGIBILITY OF DECIMAL POINTS AND TO CORRECT AN ERRONEOUS BEARING IN THE LEGAL DESCRIPTION (SEE EXHIBIT A).

CERTIFIED: *lan kyle* Ian Kyle, First American Title

This cover sheet has been prepared by the person presenting the attached instrument for rerecording. Any errors in this cover sheet do not affect the transaction(s) contained in the instrument.

1) Titles of Transaction(s) ORS 205.234(a)

STATUTORY SPECIAL WARRANTY DEED

2) Grantor(s) ORS 205.160

CFRI-HWKD MAPLE GROVE, L.L.C. a Delaware limited liability company

3) Grantee(s) ORS 205.160

JACKSON FAMILY INVESTMENTS III, LLC, a Delaware limited liability company

4) For Instruments That Convey or Contract to Convey Fee Title to Real Estate:

Consideration: [Redacted] Amount of consideration has been redacted.

Send Tax Statements to:

Jackson Family Investments
Attn: Michael Maher
421 Aviation Blvd.
Santa Rosa, CA 95403

5) Attachments Evidencing Correction: Exhibit A, Legal Description to Special Warranty Deed (Attached to Deed)

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MAR 13 2014

S-87967

SALEM, OR

NCS 586234
AFTER RECORDING, RETURN TO:

UNTIL A CHANGE IS REQUESTED,
SEND ALL TAX STATEMENTS TO:

Jackson Family Investments
Attn: Michael Maher
421 Aviation Blvd.
Santa Rosa, CA 95403

SPACE ABOVE THIS LINE FOR RECORDER'S USE

STATUTORY SPECIAL WARRANTY DEED

CFRI-HWKD MAPLE GROVE, L.L.C., a Delaware limited liability company, Grantor, hereby conveys and specially warrants to JACKSON FAMILY INVESTMENTS III, LLC, a Delaware limited liability company, Grantee, the real property described on Exhibit A attached hereto (the "Land"), free of all liens and encumbrances created or suffered by Grantor, along with Grantor's right title and interest in and to the following: all improvements, structures, fixtures, vineyards, trellises, and endposts, all enclosures of the Land or any part thereof (including, without limitation, fences, gates, posts, wires, and poles) (if any), all electric, gas and water lines located on the Land (if any), all the tenements, hereditaments, easements, rights of way, all water rights (if any) appurtenant to the Land, including all water rights evidenced by certificate or by permit, and appurtenances belonging or in anywise appertaining to the Land, including, to the extent transferable without the consent of third parties, all mineral, oil and gas rights underlying the Land.

This conveyance is made and accepted subject to the "Permitted Exceptions", as more particularly set forth on Exhibit B attached hereto.

Amount of consideration has been redacted.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[SIGNATURES ON FOLLOWING PAGE]

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REGISTERED
CLERK
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S-87967

SALEM, OR

IN WITNESS WHEREOF, Grantor has executed this Statutory Special Warranty Deed this ____ day of March, 2013.

GRANTOR:

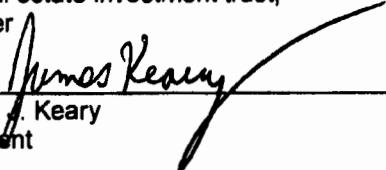
CFRI-HWKD MAPLE GROVE, L.L.C.,
a Delaware limited liability company

By: 2008 VD Holding, LLC,
a Delaware limited liability company,
its sole member

By: 2008 Vineyard Development, LLC,
a Delaware limited liability company,
its sole member

By: CFRI Vineyard Venture, L.L.C.,
a Delaware limited liability company,
its co-managing member

By: CRI Property Trust,
a Maryland real estate investment trust,
its sole member

By: 
Name: James J. Keary
Title: President

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MAR 13 2014

STATE OF FLORIDA)
) SS.
COUNTY OF BROWARD)

On 11th March, 2013, before me, the undersigned, Notary Public personally appeared James J. Keary, President of CRI Property Trust, a Maryland real estate investment trust, sole member of CFRI Vineyard Venture, L.L.C., a Delaware limited liability company, co-managing member of 2008 Vineyard Development, LLC, a Delaware limited liability company, sole member of 2008 VD Holding, LLC, a Delaware limited liability company, sole member of Grantor, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of FLORIDA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public



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EXHIBIT A

TO

STATUTORY SPECIAL WARRANTY DEED

Legal Description of Maple Grove Vineyard

**Real property in the City of Monmouth, County of Polk, State of Oregon,
described as follows:**

PARCEL I:

**BEGINNING AT THE NORTHEAST CORNER OF THE ANDREW J.
WELCH DLC NO. 41, IN TOWNSHIP 9 SOUTH, RANGE 6 WEST OF THE
WILLAMETTE MERIDIAN, POLK COUNTY, OREGON;**

**THENCE SOUTH 1° 24' WEST 80.951 CHAINS ALONG THE EAST LINE
OF SAID DLC TO THE SE CORNER THEREOF;**

**THENCE NORTH 88° WEST 40.488 CHAINS ALONG THE SOUTH LINE
OF SAID DLC TO A STONE AT AN ANGLE IN SAID DLC;**

**THENCE NORTH 51° 30' WEST 68.9 LINKS ALONG SAID DLC TO AN
IRON ROD;**

**THENCE NORTH 1° 24' EAST 80.401 CHAINS TO THE NORTH LINE OF
SAID DLC;**

**THENCE SOUTH 88° 11' EAST 41.038 CHAINS ALONG THE NORTH
LINE OF SAID DLC TO THE PLACE OF BEGINNING.**

PARCEL II:

**BEGINNING AT A POINT ON THE NORTH LINE OF THE ANDREW J.
WELCH DLC NO. 41, IN TOWNSHIP 9 SOUTH, RANGE 6 WEST OF THE
WILLAMETTE MERIDIAN IN POLK COUNTY, OREGON, 41.038
CHAINS NORTH 88° 11' WEST FROM THE NORTHEAST CORNER OF
SAID CLAIM (SAID POINT BEING THE NORTHWEST CORNER OF A
CERTAIN TRACT OF LAND CONVEYED BY FRANK M. BROWN AND
EMMA M. BROWN, HIS WIFE, TO S.A. MANNING AND LILLIAN M.
MANNING, HUSBAND AND WIFE, BY DEED DATED NOVEMBER 5,**

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1921; AND RECORDED AT PAGE 227, VOLUME 75, RECORD OF DEEDS, FOR POLK COUNTY, OREGON) AND RUNNING THENCE SOUTH 1° 24' WEST 80.401 CHAINS ALONG THE WEST LINE OF SAID MANNING TRACT TO THE SOUTH LINE OF SAID DLC; THENCE NORTH 51° 31' WEST 15.771 CHAINS ALONG THE SOUTH LINE OF SAID DLC TO AN ANGLE IN SAID CLAIM;

THENCE SOUTH 12° 45' WEST 9.84 CHAINS TO AN ANGLE IN SAID SOUTH LINE OF SAID CLAIM; THENCE NORTH 88° WEST 26.00 CHAINS TO THE SOUTHWEST CORNER OF SAID CLAIM;

THENCE NORTH 1° 24' EAST 80 CHAINS ALONG THE WEST LINE OF SAID CLAIM TO THE NORTHWEST CORNER OF SAID CLAIM; AND

THENCE SOUTH 88° EAST ALONG THE NORTH LINE OF SAID CLAIM 39.592 CHAINS, MORE OR LESS, TO THE PLACE OF BEGINNING.

PARCEL III:

THAT PORTION OF THE IRA A. HOOKER AND WIFE DLC NO. 48 IN TOWNSHIP 9 SOUTH, RANGE 6 WEST OF THE WILLAMETTE MERIDIAN, POLK COUNTY, OREGON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID CLAIM;

THENCE NORTH 88° WEST 40.22 CHAINS TO THE TRUE POINT OF BEGINNING; THENCE NORTH 51° 30' WEST 16.46 CHAINS; THENCE SOUTH 12° 45' WEST 9.84 CHAINS;

THENCE SOUTH 88° EAST TO THE PLACE OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

APN: 452832

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MAR 13 2014

**Exhibit B
To Statutory Special Warranty Deed**

Permitted Exceptions

(Maple Grove)

1. The lien of current, non-delinquent taxes and assessments.
2. Mineral Reservation of uranium, thorium and other fissionable material reserved in the Deed recorded May 08, 1948 as Book 134, Page 0513, in Deed Records from United States of America to C. L. Bump and Jessie E. Bump, husband and wife.
3. The assessment roll and the tax roll disclose that the premises herein described were specially assessed as Forest Land pursuant to O.R.S. 321.358 to 321.372. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied for the last five (5) or lesser number of years in which the land was subject to the special land use assessment.
4. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.
5. Rights of the following tenant, as a tenant only, with no purchase options or rights of first refusal: **Majestic Oaks Farms, Inc.**
6. Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Stuntzner Engineering & Forestry, LLC on February 21, 2013 and revised February 28, 2013, designated Job Number 313004:

Possible encroachment onto property to the west as disclosed by the fact that a gravel road situated on the Land extends 23' west of the property line as shown on such survey.

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SALEM, OR

S-87967