



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

Certificate of Water Right Ownership Update

G-15511
 G-16175
 KA-144
 KA-1000
 S-6387
 KA-734

NOTICE TO SELLERS & BUYERS:

By law, all water belongs to the public (ORS 537.110). In almost every instance, a permit or water right certificate from the Water Resources Department is needed before using, diverting or storing water (ORS 537.130). However, most domestic wells do not require water rights. A certificate of water right stays with the land. In order to keep track of water right ownership, the Department requests that this form be submitted to the Department. **If for multiple rights, a separate form for each right will be required.**

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 503-986-0900.

Note: Please type or print legibly when filling in the following information. Use additional paper if necessary.

PROPERTY SELLER INFORMATION

Applicant(s): RLF Running Y Ranch LLC
First Last
 Mailing Address: 619 N Cascade Ave Ste 200
Colorado Springs CO 80903
City State Zip
 Phone: 719-633-1505
Home Work Other

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PROPERTY BUYER INFORMATION

Applicant(s): Tally Ho Farms
First Last
 Mailing Address: PO Box 830
Merrill OR 97633
City State Zip
 Phone: 541-892-6024 541-723-2600 fax 541-723-2606
Home Work Other

PROPERTY DESCRIPTION (attach additional pages if necessary):

County: Klamath Township: T38S Range: R08E Section: 7,16,17,20,21,22,27
 Tax Lot Number(s): 38S8E000,200,300,500,700,800,900,1200,1600,1900,2100,2200,2300,2500,3400
 Street address of water right property: 10400 Hwy 140 Klamath Falls, OR 97603
 Water Right Information (attach copy of water right permit or certificate & final proof map): 87971
 Application #: _____ Permit #: _____ Certificate or Page #: 87970
27810
 Will all the lands associated with this water right be owned by the buyer? Yes No
 Name of individual completing this form: Tricia Hill Phone: 541-723-2600
 Signature: [Signature] Date: _____

Please be sure to attach a copy of your property deed or legal description of the property.

TICOR TITLE 4718 12021766/2092808

RECORDING REQUESTED BY:

GRANTOR:
RLF Running Y Ranch, LLC, a Colorado Limited Liability Company
619 N. Cascade Ave., Ste 200
Colorado Springs, CO 80903

GRANTEE:
Tally Ho Farms, an Oregon General Partnership
P.O. Box 830
Merrill, OR 97633

SEND TAX STATEMENTS TO:
Tally Ho Farms, an Oregon General Partnership
P.O. Box 830
Merrill, OR 97633

AFTER RECORDING RETURN TO:
Tally Ho Farms, an Oregon General Partnership
P.O. Box 830
Merrill, OR 97633
Escrow No. 471812021766-TTMIDWIL20
Klamath County Properties
Klamath Falls, OR

SPACE ABOVE THIS LINE FOR RECORDER'S USE
STATUTORY WARRANTY DEED

RLF Running Y Ranch, LLC, a Colorado limited liability company, **Grantor**, conveys and warrants to Tally Ho Farms, an Oregon General Partnership, **Grantee**, the following described real property, free and clear of encumbrances except as specifically set forth below, situated in the County of Klamath, State of Oregon:

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A
THE TRUE AND ACTUAL CONSIDERATION FOR THIS CONVEYANCE IS \$7,112,000

(See ORS 93.030)

Grantor covenants with the Grantee and its successors and assigns that Grantor is lawfully seized of the premises above described, has good right, full power and lawful authority to convey the same. And Grantor, for itself and its successors and assigns, covenants and agrees that Grantor shall and will warrant and forever defend the above described property in the quiet and peaceable possession of Grantee and its successors and assigns, against the lawful claims of all and every person or persons claiming the whole or any part thereof by, through or under Grantor, subject, however, to covenants, conditions, restrictions, reservations, and easements of record, if any.

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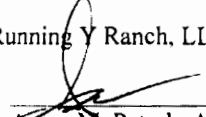
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 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 and notary appear on the following page]

Dated December 17, 2012.

RLF Running Y Ranch, LLC, a Colorado limited liability company

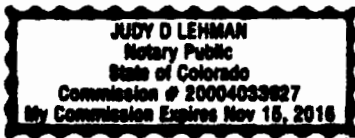
By:

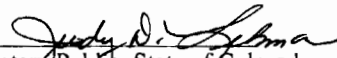

Aaron M. Patsch, Authorized signer of Resource
Land Fund IV, LLC, Managing Member

STATE OF CO

COUNTY OF El Paso

This instrument was acknowledged before me on December 17, 2012, by Aaron M. Patsch, Authorized signer of Resource Land Fund IV, LLC, Managing Member of RLF Running Y Ranch, LLC, a Colorado limited liability company.




Notary Public, State of Colorado

My commission expires: 11-15-2016

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Exhibit A

Parcel 2 of Land Partition 6-12 in Sections 6, 7, 8, 9, 15, 16, 17, 18, 20, 21, 22, 26, 27, 28, 29 and 34, Township 38 south, Range 8 east of the Willamette Meridian, Klamath County Oregon. Replat of Parcels 1 and 2 of Minor Land Partition 55-83. Duly recorded on December 13, 2012 in Volume 2012-013857, Records of Klamath County, Oregon.

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SCHEDULE A
Legal Description

TRACT 1:

Tract 1 Parcel A: (Account 3808-00600-00300 & 3808-00700-00400)

A tract of land situated in Sections 6 and 7, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Northerly boundary of State Highway 140 West 658 feet North (610 feet on Klamath County Survey 4035) of the East-West centerline of said Section 7; thence following the Caledonia-Wocus division line South 88° 04' 41" West to the Southerly boundary of said highway which is the True Point of Beginning, then continuing to follow the Caledonia-Wocus division line South 88° 04' 41" West to a stone marked with across, mentioned as the "place of beginning" in Deed Volume 47, page 331, Deed Records of Klamath County, Oregon, located at the Easterly end of the cross-dike between the Caledonia and Wocus Tracts, which point is 2621 feet West of the section line common to sections 7 and 8, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence North 24° East 100 feet; thence North 66° West 1050 feet, more or less, to the centerline of the Caledonia Canal in the SE1/4 of the NW1/4 of Section 7, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence Northerly along the centerline of said Caledonia Canal to the intersection of said centerline with the Southerly boundary of State Highway 140 West; thence Southeasterly along the Southerly boundary of said highway to the true point of beginning.

Tract 1 Parcel B: (Account 3808-00000-00900, 001000, 001200, 01900, 02100, 02200 (por), 02300, 02500, 3808-00800-00300, 00500, 00700, 3808-009C0-00900, 3808-01500-00300 (por), 3808-01600-00200, 3808-03400-00100, 3808-03500-00200, 00300 & 3808-03600-00500)

Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Section 8: All that portion of said section lying South and West of the Orindale Draw State Highway.

Section 9: That portion of the S1/2 lying Southerly of the South Right of way line of Lake of the Woods Highway 140

Section 15: that portion of the SW1/4 SW1/4 lying Westerly of the Lake of the Woods State Hwy 140

Section 16: lying Westerly of the West Right of way line of Lake of the Woods Highway 140

Section 17: E1/2, NW1/4, N1/2 SW1/4, SE1/4 SW1/4 and Lot 2

Section 18: SE1/4 SE1/4; N1/2 NE1/4, SE1/4 NE1/4 all those portions of the N1/2 SE1/4, SW1/4 NE1/4, NE1/4 NW1/4, SE1/4 NW1/4 lying North and East of Government Meander line.

Section 20: The NE1/4; that portion of the SE1/4 North of Government Meander line and that portion of W1/2 North and East of Government Meander line.

Section 21: All

(Legal Description Continued)

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Section 27: All, except that portion thereof in State Highway 140 and that portion lying Northeasterly of State Highway 140

Section 28: SE1/4 SE1/4, N1/2 SE1/4, E1/2 NW1/4, and the portion of W1/2 NW1/4 North of Government Meander line through said Section 28; NE1/4

Section 29: The portion of NE1/4 NE1/4 North of Government Meander line through Section 29.

Section 34: SE1/4, E1/2 SW1/4, NW1/4, N1/2 NE1/4, SW1/4 NE1/4

Section 35: All that portion of said section lying South and West of the Orindale Draw State Highway.

Section 36: All that portion of said section lying South and West of the Orindale Draw State Highway.

Tract 1 Parcel C: (Account 3808-00600-00400, 3808-00700-00200 & 3808-00700-00600)

Those portions of Sections 6 and 7, Township 38 South Range 8 East of the Willamette Meridian, within the following described boundaries:

Beginning at the section corner common to Sections 7, 8, 17 and 18; thence North along the section line common to Sections 7 and 8 to Southerly boundary of the Klamath Lake Highway; thence Northwesterly along the Southerly boundary of the Klamath Lake Highway to its intersection with a line parallel to the East-West center line of Section 7 and North 658 feet of said line (said line being the division line between the Caledonia and Wocus Tracts); thence following said Caledonia-Wocus division line Westerly to a point on the Easterly end of the crossdike between the Caledonia and Wocus Tracts, which point is 2621 feet West of the Section line common to Sections 7 and 8; thence South 24° West 100 feet; thence North 66° West 1000 feet, more or less, to the Westerly end of the crossdike; thence North 24° East 200 feet; thence North 66° West 50 feet to the center of the Caledonia Canal in the SE1/4 NW1/4 of Section 7; thence Northerly along the center line of said Caledonia Canal to intersection of said center line with the West boundary of Lot 3, Section 6, Township 38 South, Range 8 East of the Willamette Meridian; thence South along the West boundary of Lot 3, continuing South along the West boundary of Lot 4 in said Section 6; thence continuing South along the West boundaries of Lots 4 and 5 in Section 7, Township 38 South, Range 8 East of the Willamette Meridian, to the intersection of the West boundary of Lot 5 with the Easterly boundary of the Old State Highway #421 in S1/2 NW1/4 of Section 7; thence Southwesterly along said Easterly boundary of the old State Highway #421 to its intersection in Lot 6 with the East line of the W1/2 NW1/4 SW1/4 of Section 7; thence South 0° 16' West 973 feet, more or less, to the South line of NW1/4 SW1/4 of Section 7, which point is 660 feet East of the Southwest corner of Lot 6; thence South 14° 58' East 403.9 feet to a meander point in Lot 7, Section 7; thence following the Government Meander line Southerly and Easterly to the intersection of said Meander Line with the South line of Section 7; thence East along the South line of Section 7 to the point of beginning.

SAVING AND EXCEPTING from any of the above described real property any portions lying within the boundaries of the State Highway.

ALSO SAVING AND EXCEPTING that portion conveyed to State of Oregon, by and thru its State Highway Commission by Deed recorded September 12, 1967 in Volume M67 at page 7067, Microfilm Records of Klamath County, Oregon.

Tract 1 Parcel D: (Account 3808-00700-00500)

71069396.2 0049689-00454

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A parcel of land located in Section 7, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the quarter section corner on the East line of Section 7, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence North 658 feet thence West 2621 feet to a stone marked with a cross which stone is the place of beginning; thence South 24° West 100 feet; thence North 66° West 1000 feet; thence North 24° East 200 feet; thence South 66° East 1000 feet; thence South 24° West 100 feet to the place of beginning.

Tract 1 Parcel E: (Account 3908-00200-00100, 00200 & 00300)

Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Section 2: N1/2 NE1/4 and SW1/4 NE1/4

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Area Calculation for Parcel 2 of Land Partition 6-12

The boundary of Parcel 2 of Land Partition 6-12 is intended to be at the centerline of the canals that encompass the parcel except on the east side of the parcel, south of the driveway to the ranch headquarters, the parcel line extends from the centerline of the canal to the right of way line of Highway 140 running parallel to and at a distance of 60 feet from the centerline of the driveway. From there it follows the Highway 140 right of way line south to its intersection with the easterly extension of the centerline of the east-west canal which is the south boundary of Parcel 2.

The area of the Parcel was calculated by surveying a line along the roads on both sides of the canals and then calculating a "best fit" line halfway between the two measured lines to approximate the canal centerline. In several areas where the canal could be accessed only on one side, the distance to the canal centerline was estimated and the surveyed line was offset that distance to approximate the canal centerline.

Measurements were made using a Trimble 4000 Series base station and Trimble 4800 Series GPS receiver mounted to an ATV which was used to traverse the roads. The survey controller was set to take measurements at 50-foot intervals. Additional intermediate measurements were made where the Surveyor determined that more information was needed to accurately calculate the area. Approximately 1600 measurements were made.

AutoCAD Civil 3D software was used to create the calculated boundary. As a check, the surveyed lines and calculated property lines were overlaid on aerial photographs to confirm the relationship of the measured points with the road and canal centerlines.

Using the calculated boundary, the area of the parcel was determined to be 1778 acres.

Nov. 19, 2012
3075-01



EXPIRES 6/30/13

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