



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

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): Robert L. Coats
First Last
 Mailing Address: 63285 Skyline Ranch Road
Bend OR 97701
City State Zip
 Phone: Deceased RECEIVED BY OWRD
Home Work Other

PROPERTY BUYER INFORMATION

Applicant(s): James A. Milgard
First Last
 Mailing Address: 9801 Allen Point
Gig Harbor WA 98332
City State Zip
 Phone: (253) 851-1001
Home Work Other

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PROPERTY DESCRIPTION (attach additional pages if necessary):

County: Deschutes Township: 21 South Range: 20 East Section: 16

Tax Lot Number(s): 900

Street address of water right property: 54000 Harmon Road Brothers, OR 97712

Water Right Information (attach copy of water right permit or certificate & final proof map):

Application #: G-10494 Permit #: G-9663 Certificate or Page #: 53800

Will all the lands associated with this water right be owned by the buyer? Yes No

Name of individual completing this form: Scott Bowles Phone: (541) 480-3187

Signature: *Scott Bowles* Date: 2-2-15

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

WARRANTY DEED

Unless a change is requested, all tax statements shall be sent to Grantee at the following address:
James A. Milgard
P.O. Box 11368
Tacoma, WA 98411

16
16

After recording, this Deed shall be delivered to:
Robert S. Lovlien
P.O. Box 1151
Bend, OR 97709

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The true consideration for this transfer is \$ 22,530.00.

ESTATE OF ROBERT L. COATS, Deceased, Grantor, conveys and warrants to JAMES A. MILGARD, Grantee, the following described real property, free of encumbrances except as specifically set forth herein:

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PARCEL II, in Deschutes County, Oregon, as more particularly described on Exhibit "A", which is attached hereto and incorporated herein by reference.

TOGETHER WITH: State of Oregon Water Resources Department Groundwater Rights Certificates Numbered 53799, 53800, 53801, 53802, 53803, 53804 and 53805, as the same may be appurtenant to the real property being conveyed herein.

SUBJECT TO: The encumbrances as set forth on Exhibit "B" (Preliminary Title Report Supplemental #9 issued by Western Title & Escrow Company) attached hereto and by this reference incorporated herein.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES

RECORDED BY:
WESTERN TITLE & ESCROW CO.
305218

- 1 - WARRANTY DEED

DESCHUTES COUNTY OFFICIAL RECORDS
MARY SUE PENHOLLOW, COUNTY CLERK
2002-29746
\$106.00
00073232200200297460160161
05/31/2002 03:42:27 PM
D-D Cnt=1 Stn=6 BECKEY
\$80.00 \$11.00 \$10.00 \$5.00

M:\DATA\RS\CLIENTS\M\Milgard.012.Des.Parcel II

BRYANT, LOVLIE & JARVIS, PC
ATTORNEYS AT LAW, ESTABLISHED 1915
591 SW Mill View Way PO Box 1151 Bend, Oregon 97709-1151 (541) 382-4331 fax (541) 389-3386 www.bryantlovlienjarvis.com
24 SW Fifth Street PO Box 650 Madras, Oregon 97741 (541) 475-2757 fax (541) 475-2962

AS DEFINED IN ORS 30.930.

DATED this 31st day of May, 2002.

ESTATE OF R.L. COATS, Deceased

By: Roberta Coats Bowles
Roberta Coats Bowles, Co-Personal Representative

By: Lynda L. Coats-Sellers
Lynda L. Coats-Sellers, Co-Personal Representative

By: Annette J. Coats Chunn
Annette J. Coats Chunn, Co-Personal Representative

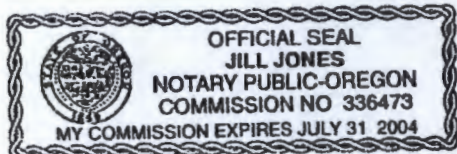
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STATE OF OREGON, County of Deschutes, ss:

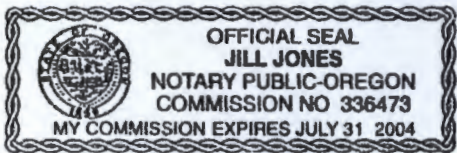
The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Roberta Coats Bowles, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

STATE OF OREGON, County of Deschutes, ss:

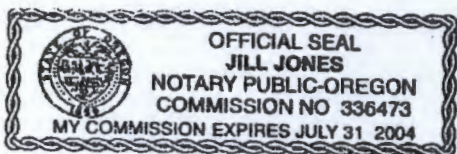
The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Lynda L. Coats-Sellers, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Annette J. Coats Chunn, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

- 2 - WARRANTY DEED

M:\DATA\RS\CLIENTS\M\Wigard.012.Des.Parcel II

BRYANT, LOVLIE & JARVIS, PC
ATTORNEYS AT LAW ESTABLISHED 1915

591 SW Mill View Way PO Box 1151 Bend, Oregon 97709-1151 (541) 382-4331 fax (541) 389-3386 www.bryantlovlienjarvis.com
24 SW Fifth Street PO Box 650 Madras, Oregon 97741 (541) 475-2757 fax (541) 475-2962

EXHIBIT "A"

PARCEL II:

Township 21 South, Range 20 East of the Willamette Meridian, Deschutes County, Oregon:

Section 12: SE1/4 SE1/4

Section 24: N1/2 SW1/4 and SE1/4 SE1/4

Section 25: SW1/4 SW1/4

Section 26: NW1/4 SE1/4

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WESTERN TITLE & ESCROW COMPANY

BEND OFFICE • 1345 NW Wall Street, Suite 200 • Bend, Oregon 97701 • (541)389-5751 • FAX 383-2975

EXHIBIT "B"

SUPPLEMENTAL #9

PRELIMINARY TITLE REPORT

DATE: April 17, 2002

ORDER NO: 305218

WESTERN TITLE & ESCROW COMPANY
572 SW BLUFF DRIVE, STE. B
BEND, OR 97702
ATTN: Jill Jones

ESCROW NO.: 15-0030202
ESCROW OFFICER: Jill Jones
BRANCH: Bend
PHONE NO.: (541)330-1200
FAX NO.: (541)322-3939

RE: COATS / MILGARD

TITLE EXAMINER: Terri A. Allen

, OR

ALTA OWNER'S STANDARD COVERAGE
 ALTA OWNER'S EXTENDED COVERAGE

ALTA MORTGAGEE'S STANDARD COVERAGE
 ALTA MORTGAGEE'S EXTENDED COVERAGE

Liability \$ 5,350,000.00
Premiums \$ 8,635.00

\$
\$
\$
\$

We are prepared to issue a Transnation Title Insurance Company policy of title insurance in the form and amounts above. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid. The land hereinafter described is situated in the County of Deschutes, State of Oregon, and is described as follows:

The property described in Exhibit "A" attached hereto and made a part hereof.

And as of April 9, 2002 at 5:00 P.M., title is vested in:

ESTATE OF ROBERT L. COATS, Deceased, as to Parcels I and II; R. L. AND JOYCE COATS FAMILY L.L.C., as to Parcel III; JOYCE E. COATS, also shown of record as JOYCE COATS, as to Parcel IV.

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The policy shall be issued subject to the usual printed conditions and stipulations and exclusions from coverage appearing in such policy form and the following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$13.96
Tax Lot No.: 21-20-00-200
Serial No.: 143508, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2.68
Tax Lot No.: 21-20-00-401
Serial No.: 171653, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2.82
Tax Lot No.: 21-20-00-500
Serial No.: 151810, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$8.04
Tax Lot No.: 21-20-00-501
Serial No.: 151808, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$5,867.38
Tax Lot No.: 21-20-00-900
Serial No.: 143507, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$81.92
Tax Lot No.: 21-20-00-1000
Serial No.: 151801, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$101.79
Tax Lot No.: 21-20-00-1100
Serial No.: 143526, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$19.71
Tax Lot No.: 21-20-00-1300
Serial No.: 143524, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-20-00-1400
Serial No.: 143523, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$112.53
Tax Lot No.: 21-20-00-1500
Serial No.: 143522, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$39.13
Tax Lot No.: 21-20-00-1600
Serial No.: 151835, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$100.91
Tax Lot No.: 21-20-00-2300
Serial No.: 143520, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2,066.56
Tax Lot No.: 21-20-00-2400
Serial No.: 143519, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$.35
Tax Lot No.: 21-20-00-2502
Serial No.: 143517, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-20-00-2503
Serial No.: 143536, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$8.46
Tax Lot No.: 21-20-00-2600
Serial No.: 143535, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$4.22
Tax Lot No.: 21-20-00-2700
Serial No.: 143534, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$.70
Tax Lot No.: 21-20-00-2900
Serial No.: 143533, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$3.94
Tax Lot No.: 21-20-00-3000
Serial No.: 143532, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$5.64
Tax Lot No.: 21-20-00-3100
Serial No.: 143531, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$157.98
Tax Lot No.: 22-20-00-200
Serial No.: 143537, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1103.98
Tax Lot No.: 22-21-00-300
Serial No.: 143561, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$14.69
Tax Lot No.: 22-21-00-302
Serial No.: 152313, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$26.25
Tax Lot No.: 21-20-00-100
Serial No.: 143509, Code 5-15

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.75
Tax Lot No.: 21-19-00-1100
Serial No.: 143465, Code 5-15

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-19-00-501
Serial No.: 143448, Code 5-15

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$35
Tax Lot No.: 21-20-00-2501
Serial No.: 143518, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$29.77
Tax Lot No.: 22-20-00-100
Serial No.: 143538, Code 5-15. (INCLUDES OTHER PROPERTY)

6. The assessment and tax roll disclose that the within described premises were specifically assessed for farm land. If the land has become or becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and/or penalty, may be levied retroactively.
7. Personal property taxes, if any.
8. No liability is assumed if a financing statement is filed in the office of the County Clerk or Secretary of State covering crops or fixtures wherein the land is described other than by metes and bounds, the rectangular survey system, or by recorded lot and block.
9. Existing leases and tenancies, if any.
10. The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
11. The rights of the public in and to that portion of the herein described property lying within the limits of streets, roads or highways.
12. Any improvement located upon the insured property, which constitutes a Mobile Home as defined by Chapter 801, Oregon Revised Statutes; is subject to registration under Chapters 803 and 820; and taxation as provided by Chapters 820 and 308 O.R.S. (Affects T21S, R20, EWM, TL 900)
13. Mineral reservation, contained in State Deed, including the terms and provisions thereof,
Recorded: April 21, 1953
Volume: 103,
Page: 592, Deed Records,
From: State of Oregon,
To: Oscar C. Butzien and Opal O. Butzien, husband and wife, as tenants by the entirety.
which states in part as follows: reserving to the State of Oregon all the coal, oil, gas and other minerals, together with the right to prospect for mine, and remove the same. Affects the S1/2 of Section 34, Township 21 South, Range 20 E.W.M.
14. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: April 21, 1953
Volume: 103
Page: 592 Records,
From: State of Oregon,
To: Oscar C. Butzien and Opal O. Butzien, husband and wife, as tenants by the entirety.

15. Mineral reservation, contained in County Deed, including the terms and provisions thereof,
Recorded: October 9, 1953
Volume: 105,
Page: 262, Deed Records,
From: Deschutes County, Oregon, a municipal corporation,
To: T. W. Jones and Dorris B. Jones, husband and wife.
Affects: The W1/2, SE1/4, NW1/4 NE1/4 and S1/2 NE1/4 of Section 27; E1/2, NW1/4 and N1/2 SW1/4 of Section 28; N1/2 of Section 34; all of Section 35; SW1/4 of Section 36; all in Township 21 South, Range 20 E.W.M. S1/2 N1/2 and S1/2 of Section 1; all of Section 2; N1/2, NE1/4 SW1/4 and W1/2 SE1/4 of Section 11; N1/2 N1/2 and SW1/4 NW1/4 of Section 12; all in Township 22 South, Range 20, E.W.M. SW1/4 NW1/4 and SW1/4 in Section 6; N1/2 NW1/4 of Section 7; SE1/4 NE1/4 and SE1/4 of Section 8; SW1/4 NW1/4 and W1/2 of SW1/4 of Section 9; SE1/4 of Section 10; N1/2, N1/2 SW1/4, SE1/4 SW1/4, NE1/2 SE1/2; N1/2 NW1/4 SE1/4 and SE1/4 SE1/4 of Section 15; all of Section 16; E1/2 of Section 20; N1/2 of Section 21; NE1/4 NE1/4, S1/2 NE1/4, W1/2 and NE1/4 SE1/4 of Section 22, all in Township 22 South, Range 21, E.W.M.

which states in part as follows: County reserves all mineral rights.

16. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: October 9, 1953
Volume: 105,
Page: 262, Deed Records,
From: Deschutes County, Oregon, a municipal corporation,
To: T. W. Jones and Dorris B. Jones, husband and wife.
17. Mineral reservation, contained in Warranty Deed, including the terms and provisions thereof,
Recorded: May 31, 1955
Volume: 110,
Page: 351, Deed Records,
From: Herbert A. Meeks and Lucille M. Meeks, husband and wife,
To: Theron W. Jones and Dorris B. Jones, husband and wife,
and
Affects: The SW1/4 of the NW1/4, W1/2 of SW1/4 and SE1/4 of SW1/4 of Section 14, SE1/4 of NE1/4, and S1/2 of Section 15, Township 21 South, Range 20, E.W.M.; the S1/2 of NW1/4 and the Lots 1, 2, 3 and 4 of Section 1; the NW1/4 of SW1/4 and the S1/2 of NE1/4 of Section 1, and the Lots 1 and 2, the S1/2 of NE1/4, and the NE1/4 of SE1.4 of Section 2, Township 21 South, Range 20, E.W.M.; the NE1/4 of the NE1/4, Section 22, and NW1/4 and the N1/2 of the SW1/4 and the W1/2 of the NE1/4 and the NW1/4 of the SE1/4, Section 23, and the NW1/4 and the S1/2 of the NE1/4, Section 24, and the SE1/4 and SW1/4 of the NE1/4 and the NE1/4 of the SW1/4 and the E1/2 of the NW1/4 of Section 14 in Township 21 South, Range 20 E.W.M.; the

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W1/2 of Section 12; W1/2 and W1/2 of the E1/2 and SE1/4 of SE1/4 of Section 13, and E1/2 of NE1/4 of Section 14, Township 21 South, Range 20, E.W.M.

which states in part as follows: reserving unto the grantors a 1/2 interest in and to all mineral rights.

18. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: May 31, 1955
Volume: 110,
Page: 351, Deed Records,
From: Herbert A. Meeks and Lucille M. Meeks, husband and wife,
To: Theron W. Jones and Dorris B. Jones, husband and wife.

19. Reservations, as disclosed in Contract of Sale,
Dated: February 28, 1959
Recorded: January 25, 1960
Volume: 114,
Page: 274, Mortgage Records.
Affects: 2% of any and all royalties paid on account of mineral rights.

20. An easement created by instrument, including the terms and provisions thereof,
Recorded: January 10, 1961
Volume: 126,
Page: 564, Deed Records,
In favor of: United States of America.
Affects: A portion W1/2 SW1/4; SE1/4 SW1/4, Section 26 SW1/4, NW1/4, Section 36, all in Township 21 South, Range 20, E.W.M.

21. An easement created by instrument, including the terms and provisions thereof,
Recorded: January 23, 1961
Volume: 126,
Page: 629, Deed Records,
In favor of: United States of America
Affects: A portion of NE1/4 NE1/4 Section 28; N1/2 NW1/4, SE1/4 NW1/4; SW1/4 NE1/4, N1/2 SE1/4 and SE1/4 SE1/4, Section 27; NE1/4 NW1/4, W1/2 NE1/4, SE1/4 NE1/4 Section 35; N1/2 SW1/4, and SE1/4 SW1/4 Section 36, Township 21 South, Range 20 E.W.M.; and portion of Lot 5, NE1/4 SW1/4, SE1/4 SE1/4 Section 6; SW1/4 SW1/4, S1/2 SE1/4, Section 5; N1/2 SE1/4, Section 10, S1/2 SE1/4, Section 6; N1/2 NE1/4, NE1/4 SE1/4 Section 7; W1/2 NW1/4, NW1/4 SW1/4, Section 8, Township 22 South, Range 21, E.W.M.

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22. Mineral reservation, contained in Deed, including the terms and provisions thereof,
 Recorded: March 15, 1961
 Volume: 127,
 Page: 216, Deed Records,
 From: Deschutes County, Oregon, a body politic and political
 subdivision of the State of Oregon,
 To: Jackson Ranch,

which states in part as follows: Deschutes County reserves all mineral rights. Affects SW1/4 and S1/2 SE1/4 of Section 26; NW1/4 of Section 36; all in Township 21 South, Range 20, E.W.M.

23. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
 Recorded: March 15, 1961
 Volume: 127,
 Page: 216, Deed Records,
 From: Deschutes County, Oregon, a body politic and political
 subdivision of the State of Oregon,
 To: Jackson Ranch.

24. Mineral reservation, contained in Deed, including the terms and provisions thereof,
 Recorded: May 12, 1961
 Volume: 127,
 Page: 558, Deed Records,
 From: Deschutes County, Oregon a body politic and political
 subdivision of the State of Oregon,
 To: E. J. Van Landuyt.

which states in part as follows: Deschutes County reserves all mineral rights. Affects the SW1/4 of the NW1/4 of the NW1/4 Section 14, Township 21 South, Range 19, E.W.M.

25. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
 Recorded: May 12, 1961
 Volume: 127,
 Page: 558, Deed Records,
 From: Deschutes County, Oregon, a body politic and political
 subdivision of the State of Oregon,
 To: E. J. Van Landuyt.

26. Mineral reservation, contained in State Deed, including the terms and provisions thereof,
 Recorded: August 19, 1986
 Volume: 130,
 Page: 851, Official Records,
 From: State of Oregon, acting by and through the Division of State
 Lands,
 To: Robert L. and Joyce E. Coats.

which states in part as follows: Excepting and reserving to itself, its successors, and assigns, all minerals as defined in ORS 273.775(1), and including soil, clay, stone, sand and gravel, and all geothermal resources, as defined in ORS 522.005, together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling

for, and removing such materials, and geothermal resources. Affects: Section 4: Lots 1, 2, 3 and 4, the S1/2 of the N1/2, and the N1/2 of the SW1/4; Section 9: the W1/2 of the W1/2; Section 16: the NE1/4 and the NE1/4 of the NW1/4, in Township 21 South, Range 20, E.W.M.

27. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: August 19, 1986
Volume: 130,
Page: 851, Official Records,
From: State of Oregon, acting by and through the Division of State Lands,
To: Robert L. and Joyce E. Coats.
28. An easement created by instrument, including the terms and provisions thereof,
Dated: September 5, 1961
Recorded: September 18, 1962
Volume: 132,
Page: 410, Deed Records,
In favor of: Central Electric Cooperative, Inc.
Affects: All Section 27; the SW1/4 of Section 26, the N1/2 of the SW1/4, S1/2 of the SE1/4 of Section 28, all of Section 34, SW1/4 of Section 35, Township 21 South, Range 20 E.W.M.; all of Section 2 and Section 1, Township 22 South, Range 20 E.W.M.; the SW1/4 of Section 6, all of Section 7, Township 22 South, Range 21, E.W.M.
29. An easement created by instrument, including the terms and provisions thereof,
Dated: September 18, 1961
Recorded: September 18, 1962
Volume: 132,
Page: 416, Deed Records,
In favor of: Central Electric Cooperative, Inc.
Affects: SE1/4 NE1/4 Section 15, Township 21 South, Range 19 E.W.M.
30. An easement created by instrument, including the terms and provisions thereof,
Dated: September 27, 1962
Recorded: October 4, 1963
Volume: 132,
Page: 511, Deed Records,
In favor of: United States of America, Department of the Interior, Bureau of Land Management.
Affects: N1/2 SE1/4 Section 24, Township 21 South, Range 20 E.W.M.

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SALEM, OR

31. Mineral reservation, contained in Warranty Deed, including the terms and provisions thereof,
Recorded: May 9, 1963
Volume: 135,
Page: 70, Deed Records,
From: Theron W. Jones,
To: Bar T Cattle Co., Inc., an Oregon corporation, and

which states in part as follows: the grantor reserves one-half of his interest in the mineral rights; affects NW1/4 and the N1/2 of the SW1/4 and the W1/2 of the NE1/4 and the NW1/4 of the SE1/4, Section 23, and the NW1/4 and the S1/2 of the NE1/4, Section 24, and the SE1/4 and SW1/4 of the NE1/4 and the NE1/4, of the SW1/4 and the E1/2 of the NW1/4, of Section 14, in Township 21 South, Range 20 E.W.M.; W1/2 of Section 12; W1/2 and W1/2 of E1/2 and SE1/4 of SE1/4 of Section 13, and E1/2 of NE1/4 of Section 14, Township 21 South, Range 20 E.W.M.; The SW1/4 of the NW1/4 and the W1/2 of the SW1/4 and the SE1/4 of the SW1/4 of Section 14; SE1/4 of the NE1/4 and the S1/2 of Section 35, Township 21 South, Range 20 E.W.M.; also the S1/2 of the NW1/4 and Lots 1, 2, 3 and 4 of Section 1; the NW1/4 of the SW1/4 and the S1/2 of the NE1/4 of Section 1, and Lots 1 and 2, the S1/2 of the NE1/4 and the NE1/4 of the SE1/4 of Section 2, in Township 21 South, Range 20 E.W.M.

32. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: May 9, 1963
Volume: 135,
Page: 70, Deed Records,
From: Theron W. Jones,
To: Bar T Cattle Co., Inc., an Oregon corporation.

33. An easement created by instrument, including the terms and provisions thereof,
Dated: August 7, 1964
Recorded: August 11, 1964
Volume: 140,
Page: 179, Deed Records, and
Re-recorded: August 26, 1964
Volume: 140,
Page: 300, Deed Records,
In favor of: United States of America.
Affects: SW1/4 SE1/4, Section 1; NW1/4 NE1/4 Section 12, Township 21 South, Range 20, E.W.M.

34. An easement created by instrument, including the terms and provisions thereof,
Recorded: August 11, 1964
Volume: 140,
Page: 181, Deed Records,
In favor of: United States of America
Affects: N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 Section 12; SE1/4 NE1/4; NE1/4 SW1/4 S1/2 SW1/4, N1/2 SE1/4 Section 14; -S1/2 S1/2 Section 15, Township 21 South, Range 20, E.W.M.

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SALEM, OR

35. An easement created by instrument, including the terms and provisions thereof,
Dated: October 15, 1961
Recorded: February 24, 1975
Volume: 216,
Page: 139, Deed Records,
In favor of: United States of America
Affects: NE1/4 SE1/4, Section 2; E1/2 W1/2, SW1/4 SW1/4,
Section 12; W1/2 NW1/4, Section 13; SE1/4 NE1/4;
NW1/4 SE1/4, E1/2 SW1/4, SW1/4 SW1/4, NE1/4 SE1/4,
Section 14; S1/2 S1/2, Section 15; Township 21 South,
Range 20, E.W.M.
36. Access rights reserved in deed from the State of Oregon, by and through its Department of
Transportation, Highway Department, which provides that no right or easement of right of access to,
from or across the State Highway shall attach to the abutting property,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M.,
and Lot 7, Section 6, Township 22 South, Range 21,
E.W.M.
37. Mineral reservation, contained in Bargain and Sale Deed, including the terms and provisions thereof,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records,
From: State of Oregon,
To: Hampton Butte Grazing Co-operative.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M.,
and Lot 7, Section 6, Township 22 South, Range 21,
E.W.M.,

which states in part as follows: That there is reserved to Grantor, its successors, and assigns, all minerals, as defined in ORS 273.775(1), and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonable necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources.

38. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records,
From: State of Oregon,
To: Hampton Butte Grazing Co-operative.

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39. Terms, provisions, covenants, conditions and restrictions, easements, charges, assessments and liens provided in the Covenants, Conditions and Restrictions, but omitting any covenants, conditions or restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that the covenants, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M., and Lot 7, Section 6, Township 22 South, Range 21, E.W.M.

40. Mineral reservation, contained in Statutory Warranty Deed, including the terms and provisions thereof,
Recorded: February 26, 1982
Volume: 354,
Page: 248, Deed Records,
From: David L. Clark and Lela M. Clark, husband and wife, and Gladys F. Clark, as tenants in common,
To: Sheldon Arnett and Barbara J. Arnett, husband and wife, an undivided 1/2 interest, and Kenneth R. Johnson and Linda Johnson, husband and wife, an undivided 1/2 interest, as tenants in common.

which states in part as follows: Reserving a 1/2 interest in and to all mineral rights in Township 21 South, Range 20 E.W.M., Deschutes County, Oregon: Section 1: the S1/2 NW1/4, Lots 1, 2, 3 and 4, NW1/4 SW1/4, S1/2 NE1/4; Section 2: Lots 1 and 2; S1/2 NE1/4, NE1/4 SE1/4; Section 12: W1/2; Section 13: W1/2, W1/2 E1/2, SE1/4 SE1/4; Section 14: S1/2, S1/2 NW1/4, NE1/4 NW1/4, E1/2 NE1/4, SW1/4 NE1/4; Section 15: S1/2, SE1/4 NE1/4; Section 22: NE1/4 NE1/4; Section 23: NW1/4, W1/2 NE1/4, N1/2 SW1/4, NW1/4, SE1/4; Section 24: NW1/4, S1/2 NE1/4.

41. Right, title and interest, if any, of Shell Western E&P Inc., a Delaware corporation, as disclosed by Conveyance and Assignment,
Recorded: February 9, 1984
Volume: 43,
Page: 259, Official Records.
Affects: S1/2 NE1/4, Section 4; W1/2 SW1/4, SE1/4 SW1/4, SW1/4 SE1/4, Section 12; N1/2, N1/2 SE1/4, SW1/4 SE1/4, S1/2 SW1/4, Section 24; Township 21 South, Range 20, E.W.M.

42. State of Oregon Well Ownership Information Form, including the terms and provisions thereof,
Dated: October 23, 1998
Recorded: October 28, 1998
Volume: 518,
Page: 1597, Official Records.
Affects: NW SW Section 35, Township 21 South, Range 20 E.W.M.

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43. We find no apparent means of recorded ingress or egress to or from the herein described property. Notwithstanding Paragraph No. 4 of the insuring provisions of our policy, no insurance is provided insuring access to the herein described property.

NOTE: Portions of the herein described property do not appear to have a records means of ingress and egress to and from a public road.

NOTE: The above exception may be removed upon satisfactory evidence that there actually is a legal means of ingress and egress to and from the said property.

44. This Preliminary Report for title insurance, due to the nature of the transaction, is subject to amendments or modifications by the Regional Underwriter for Transnation Title Insurance Company. No final policy of title insurance will be issued until written authorization is received. Any directed changes or additions will be disclosed by a Supplemental Report.

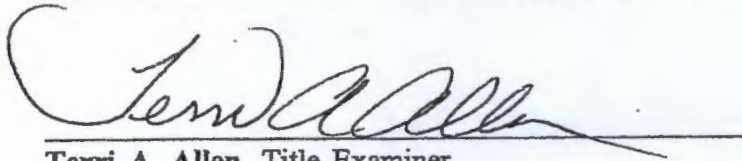
45. A copy of the Operating Agreement and any amendments thereto of R.L. AND JOYCE COATS FAMILY, L.L.C, should be furnished to verify members and authorizing the execution of the forthcoming document(s).

46. Proceedings pending in Circuit Court, Deschutes County, Oregon.
Estate of: Robert L. Coats, deceased
Probate No.: 98PB0041AB
Personal Representatives: Roberta Joyce Bowles, Amette Jo Chunn, and Lynda Lea Sellers
Attorney for Estate: Martin E. Hansen.

NOTE: We have made a special search for judgments and/or tax liens against persons by the name of JAMES A. MILGARD and find none of record.

NOTE: This Supplemental #9 is being issued to change Escrow Office, Escrow Officer, sales price, buyer, and update to current plant date.

Yours Truly,
WESTERN TITLE AND ESCROW COMPANY, INC.



Terri A. Allen, Title Examiner

trh\lkw

NOTE: For copies of exceptions please call our Customer Service Department, 330-1239.

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WARRANTY DEED

Unless a change is requested, all tax statements shall be sent to Grantee at the following address:
James A. Milgard
P.O. Box 11368
Tacoma, WA 98411

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After recording, this Deed shall be delivered to:
Robert S. Lovlien
P.O. Box 1151
Bend, OR 97709

FEB 09 2015

SALEM, OR

The true consideration for this transfer is \$ 1,355,172.00

ESTATE OF ROBERT L. COATS, Deceased, Grantor, conveys and warrants to JAMES A. MILGARD, Grantee, the following described real property, free of encumbrances except as specifically set forth herein:

PARCEL I, in Deschutes County, Oregon, as more particularly described on Exhibit "A", which is attached hereto and incorporated herein by reference.

TOGETHER WITH: State of Oregon Water Resources Department Groundwater Rights Certificates Numbered 53799, 53800, 53801, 53802, 53803, 53804 and 53805, as the same may be appurtenant to the real property being conveyed herein.

SUBJECT TO: The encumbrances as set forth on Exhibit "B" (Preliminary Title Report Supplemental #9 issued by Western Title & Escrow Company) attached hereto and by this reference incorporated herein.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES

RECORDED BY:
WESTERN TITLE & ESCROW CO.

305218

- 1 - WARRANTY DEED

DESCHUTES COUNTY OFFICIAL RECORDS
MARY SUE PENHOLLOW, COUNTY CLERK

2002-29745



\$106.00

00073231200200297450160164

05/31/2002 03:42:27 PM

D-D Cnt=1 Str=8 BECKEY
\$80.00 \$11.00 \$10.00 \$5.00

M:\DATA\RS\CLIENTS\M\Milgard.011.Des.Parcel I

BRYANT, LOVLIE & JARVIS, PC

ATTORNEYS AT LAW, ESTABLISHED 1915

591 SW Mill View Way PO Box 1151 Bend, Oregon 97709-1151 (541) 382-4331 fax (541) 389-3386 www.bryantlovlienjarvis.com
24 SW Fifth Street PO Box 650 Madras, Oregon 97741 (541) 475-2757 fax (541) 475-2962

AS DEFINED IN ORS 30.930.

DATED this 31st day of May, 2002.

ESTATE OF R.L. COATS, Deceased

By: Roberta Coats Bowles
Roberta Coats Bowles, Co-Personal Representative

By: Lynda L. Coats-Sellers
Lynda L. Coats-Sellers, Co-Personal Representative

By: Annette J. Coats Chunn
Annette J. Coats Chunn, Co-Personal Representative

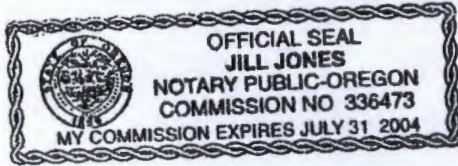
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SALEM, OR

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Roberta Coats Bowles, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

STATE OF OREGON, County of Deschutes, ss:

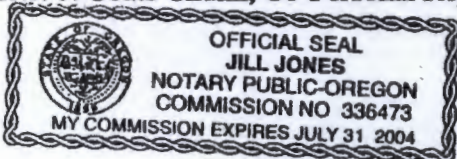
The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Lynda L. Coats-Sellers, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 31st day of May, 2002, by Annette J. Coats Chunn, Co-Personal Representative of the Estate of R.L. Coats, Deceased.



Jill Jones
Notary Public for Oregon
My Commission Expires: 7/31/04

- 2 - WARRANTY DEED

MADATARSUCLIENTSM(Milgard.011.Des.Parcel I

BRYANT, LOVLIE & JARVIS, PC
ATTORNEYS AT LAW, ESTABLISHED 1915

591 SW Mill View Way PO Box 1151 Bend, Oregon 97709-1151 (541) 382-4331 fax (541) 389-3386 www.bryantlovliejarvis.com
24 SW Fifth Street PO Box 650 Madras, Oregon 97741 (541) 475-2757 fax (541) 475-2962

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Exhibit "A"

PARCEL I:

- Township 21 South, Range 20 East of the Willamette Meridian, Deschutes County, Oregon:
- Section 1: SE1/4
 - Section 12: NE1/4, NE1/4 SE1/4, W1/2 SE1/4
 - Section 13: E1/2 NE1/4 and NE1/4 SE1/4
 - Section 23: E1/2 E1/2
 - Section 24: N1/2 SE1/4, SW1/4 SE1/4 and S1/2 SW1/4
 - Section 25: NW1/4 SW1/4
 - Section 26: SE1/4 NE1/4, NE1/4 SE1/4, S1/2 SE1/4 and SW1/4
 - Section 27: W1/2, W1/2 E1/2, E1/2 SE1/4 and SE1/4 NE 1/4
 - Section 28: N1/2, N1/2 S1/2 and S1/2 SE1/4
 - Section 34: All that portion lying North of Highway 20
 - Section 35: All that portion lying North of Highway 20
 - Section 36: W1/2
- Township 22 South, Range 20 East of the Willamette Meridian, Deschutes County, Oregon:
- Section 1: All that portion lying North of Highway 20
 - Section 2: All that portion lying North of Highway 20
- Township 22 South, Range 21, East of the Willamette Meridian, Deschutes County, Oregon:
- Section 6: E1/2 SW1/4, Lot 5, Lot 6 and that portion of Lot 7 lying North of Highway 20
 - Section 7: That portion of the N1/2 NW1/4 lying North of Highway 20.

EXCEPTING from the above described parcels, public roads, streets or highways.

WESTERN TITLE & ESCROW COMPANY

BEND OFFICE • 1345 NW Wall Street, Suite 200 • Bend, Oregon 97701 • (541)389-5751 • FAX 383-2975

EXHIBIT "B"

SUPPLEMENTAL #9

PRELIMINARY TITLE REPORT

DATE: April 17, 2002

ORDER NO: 305218

WESTERN TITLE & ESCROW COMPANY
572 SW BLUFF DRIVE, STE. B
BEND, OR 97702
ATTN: Jill Jones

ESCROW NO.: 15-0030202
ESCROW OFFICER: Jill Jones
BRANCH: Bend
PHONE NO.: (541)330-1200
FAX NO.: (541)322-3939

RE: COATS / MILGARD

TITLE EXAMINER: Terri A. Allen

, OR

ALTA OWNER'S STANDARD COVERAGE
 ALTA OWNER'S EXTENDED COVERAGE

ALTA MORTGAGEE'S STANDARD COVERAGE
 ALTA MORTGAGEE'S EXTENDED COVERAGE

Liability \$ 5,350,000.00
Premiums \$ 8,635.00

\$

\$

\$

\$

We are prepared to issue a Transnation Title Insurance Company policy of title insurance in the form and amounts above. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid. The land hereinafter described is situated in the County of Deschutes, State of Oregon, and is described as follows:

The property described in Exhibit "A" attached hereto and made a part hereof.

And as of April 9, 2002 at 5:00 P.M., title is vested in:

ESTATE OF ROBERT L. COATS, Deceased, as to Parcels I and II; R. L. AND JOYCE COATS FAMILY L.L.C., as to Parcel III; JOYCE E. COATS, also shown of record as JOYCE COATS, as to Parcel IV.

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Continued on page 2

The policy shall be issued subject to the usual printed conditions and stipulations and exclusions from coverage appearing in such policy form and the following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$13.96
Tax Lot No.: 21-20-00-200
Serial No.: 143508, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2.68
Tax Lot No.: 21-20-00-401
Serial No.: 171653, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2.82
Tax Lot No.: 21-20-00-500
Serial No.: 151810, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$8.04
Tax Lot No.: 21-20-00-501
Serial No.: 151808, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$5,867.38
Tax Lot No.: 21-20-00-900
Serial No.: 143507, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$81.92
Tax Lot No.: 21-20-00-1000
Serial No.: 151801, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$101.79
Tax Lot No.: 21-20-00-1100
Serial No.: 143526, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$19.71
Tax Lot No.: 21-20-00-1300
Serial No.: 143524, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-20-00-1400
Serial No.: 143523, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$112.53
Tax Lot No.: 21-20-00-1500
Serial No.: 143522, Code 5-15.

SALEM, OR

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$39.13
Tax Lot No.: 21-20-00-1600
Serial No.: 151835, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$100.91
Tax Lot No.: 21-20-00-2300
Serial No.: 143520, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$2,066.56
Tax Lot No.: 21-20-00-2400
Serial No.: 143519, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$.35
Tax Lot No.: 21-20-00-2502
Serial No.: 143517, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-20-00-2503
Serial No.: 143536, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$8.46
Tax Lot No.: 21-20-00-2600
Serial No.: 143535, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$4.22
Tax Lot No.: 21-20-00-2700
Serial No.: 143534, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$.70
Tax Lot No.: 21-20-00-2900
Serial No.: 143533, Code 5-15.

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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$3.94
Tax Lot No.: 21-20-00-3000
Serial No.: 143532, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$5.64
Tax Lot No.: 21-20-00-3100
Serial No.: 143531, Code 5-15.

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$157.98
Tax Lot No.: 22-20-00-200
Serial No.: 143537, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1103.98
Tax Lot No.: 22-21-00-300
Serial No.: 143561, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$14.69
Tax Lot No.: 22-21-00-302
Serial No.: 152313, Code 5-15. (INCLUDES OTHER PROPERTY)

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$26.25
Tax Lot No.: 21-20-00-100
Serial No.: 143509, Code 5-15

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.75
Tax Lot No.: 21-19-00-1100
Serial No.: 143465, Code 5-15

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$1.40
Tax Lot No.: 21-19-00-501
Serial No.: 143448, Code 5-15

Order No. 305218
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NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$.35
Tax Lot No.: 21-20-00-2501
Serial No.: 143518, Code 5-15.

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SALEM, OR
FEB 09 2015

NOTE: Taxes paid in full for the year 2001-2002

Original Amount: \$29.77
Tax Lot No.: 22-20-00-100
Serial No.: 143538, Code 5-15. (INCLUDES OTHER PROPERTY)

SALEM, OR

6. The assessment and tax roll disclose that the within described premises were specifically assessed for farm land. If the land has become or becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and/or penalty, may be levied retroactively.
7. Personal property taxes, if any.
8. No liability is assumed if a financing statement is filed in the office of the County Clerk or Secretary of State covering crops or fixtures wherein the land is described other than by metes and bounds, the rectangular survey system, or by recorded lot and block.
9. Existing leases and tenancies, if any.
10. The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
11. The rights of the public in and to that portion of the herein described property lying within the limits of streets, roads or highways.
12. Any improvement located upon the insured property, which constitutes a Mobile Home as defined by Chapter 801, Oregon Revised Statutes; is subject to registration under Chapters 803 and 820; and taxation as provided by Chapters 820 and 308 O.R.S. (Affects T21S, R20, EWM, TL 900)
13. Mineral reservation, contained in State Deed, including the terms and provisions thereof,
Recorded: April 21, 1953
Volume: 103,
Page: 592, Deed Records,
From: State of Oregon,
To: Oscar C. Butzien and Opal O. Butzien, husband and wife, as tenants by the entirety.
which states in part as follows: reserving to the State of Oregon all the coal, oil, gas and other minerals, together with the right to prospect for mine, and remove the same. Affects the S1/2 of Section 34, Township 21 South, Range 20 E.W.M.
14. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: April 21, 1953
Volume: 103
Page: 592 Records,
From: State of Oregon,
To: Oscar C. Butzien and Opal O. Butzien, husband and wife, as tenants by the entirety.

15. Mineral reservation, contained in County Deed, including the terms and provisions thereof,
Recorded: October 9, 1953
Volume: 105,
Page: 262, Deed Records,
From: Deschutes County, Oregon, a municipal corporation,
To: T. W. Jones and Dorris B. Jones, husband and wife.
Affects: The W1/2, SE1/4, NW1/4 NE1/4 and S1/2 NE1/4 of Section 27; E1/2, NW1/4 and N1/2 SW1/4 of Section 28; N1/2 of Section 34; all of Section 35; SW1/4 of Section 36; all in Township 21 South, Range 20 E.W.M. S1/2 N1/2 and S1/2 of Section 1; all of Section 2; N1/2, NE1/4 SW1/4 and W1/2 SE1/4 of Section 11; N1/2 N1/2 and SW1/4 NW1/4 of Section 12; all in Township 22 South, Range 20, E.W.M. SW1/4 NW1/4 and SW1/4 in Section 6; N1/2 NW1/4 of Section 7; SE1/4 NE1/4 and SE1/4 of Section 8; SW1/4 NW1/4 and W1/2 of SW1/4 of Section 9; SE1/4 of Section 10; N1/2, N1/2 SW1/4, SE1/4 SW1/4, NE1/2 SE1/2; N1/2 NW1/4 SE1/4 and SE1/4 SE1/4 of Section 15; all of Section 16; E1/2 of Section 20; N1/2 of Section 21; NE1/4 NE1/4, S1/2 NE1/4, W1/2 and NE1/4 SE1/4 of Section 22, all in Township 22 South, Range 21, E.W.M.

which states in part as follows: County reserves all mineral rights.

16. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: October 9, 1953
Volume: 105,
Page: 262, Deed Records,
From: Deschutes County, Oregon, a municipal corporation,
To: T. W. Jones and Dorris B. Jones, husband and wife.
17. Mineral reservation, contained in Warranty Deed, including the terms and provisions thereof,
Recorded: May 31, 1955
Volume: 110,
Page: 351, Deed Records,
From: Herbert A. Meeks and Lucille M. Meeks, husband and wife,
To: Theron W. Jones and Dorris B. Jones, husband and wife,
and
Affects: The SW1/4 of the NW1/4, W1/2 of SW1/4 and SE1/4 of SW1/4 of Section 14, SE1/4 of NE1/4, and S1/2 of Section 15, Township 21 South, Range 20, E.W.M.; the S1/2 of NW1/4 and the Lots 1, 2, 3 and 4 of Section 1; the NW1/4 of SW1/4 and the S1/2 of NE1/4 of Section 1, and the Lots 1 and 2, the S1/2 of NE1/4, and the NE1/4 of SE1.4 of Section 2, Township 21 South, Range 20, E.W.M.; the NE1/4 of the NE1/4, Section 22, and NW1/4 and the N1/2 of the SW1/4 and the W1/2 of the NE1/4 and the NW1/4 of the SE1/4, Section 23, and the NW1/4 and the S1/2 of the NE1/4, Section 24, and the SE1/4 and SW1/4 of the NE1/4 and the NE1/4 of the SW1/4 and the E1/2 of the NW1/4 of Section 14 in Township 21 South, Range 20 E.W.M.; the

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W1/2 of Section 12; W1/2 and W1/2 of the E1/2 and SE1/4 of SE1/4 of Section 13, and E1/2 of NE1/4 of Section 14, Township 21 South, Range 20, E.W.M.

which states in part as follows: reserving unto the grantors a 1/2 interest in and to all mineral rights.

18. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: May 31, 1955
Volume: 110,
Page: 351, Deed Records,
From: Herbert A. Meeks and Lucille M. Meeks, husband and wife,
To: Theron W. Jones and Dorris B. Jones, husband and wife.
19. Reservations, as disclosed in Contract of Sale,
Dated: February 28, 1959
Recorded: January 25, 1960
Volume: 114,
Page: 274, Mortgage Records.
Affects: 2% of any and all royalties paid on account of mineral rights.
20. An easement created by instrument, including the terms and provisions thereof,
Recorded: January 10, 1961
Volume: 126,
Page: 564, Deed Records,
In favor of: United States of America.
Affects: A portion W1/2 SW1/4; SE1/4 SW1/4, Section 26 SW1/4, NW1/4, Section 36, all in Township 21 South, Range 20, E.W.M.
21. An easement created by instrument, including the terms and provisions thereof,
Recorded: January 23, 1961
Volume: 126,
Page: 629, Deed Records,
In favor of: United States of America
Affects: A portion of NE1/4 NE1/4 Section 28; N1/2 NW1/4, SE1/4 NW1/4; SW1/4 NE1/4, N1/2 SE1/4 and SE1/4 SE1/4, Section 27; NE1/4 NW1/4, W1/2 NE1/4, SE1/4 NE1/4 Section 35; N1/2 SW1/4, and SE1/4 SW1/4 Section 36, Township 21 South, Range 20 E.W.M.; and portion of Lot 5, NE1/4 SW1/4, SE1/4 SE1.4 Section 6; SW1/4 SW1/4, S1/2 SE1/4, Section 5; N1/2 SE1/4, Section 10, S1/2 SE1/4, Section 6; .N1/2 NE1/4, NE1/4 SE1/4 Section 7; W1/2 NW1/4, NW1/4 SW1/4, Section 8, Township 22 South, Range 21, E.W.M.

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22. Mineral reservation, contained in Deed, including the terms and provisions thereof,
Recorded: March 15, 1961
Volume: 127,
Page: 216, Deed Records,
From: Deschutes County, Oregon, a body politic and political
subdivision of the State of Oregon,
To: Jackson Ranch,

which states in part as follows: Deschutes County reserves all mineral rights. Affects SW1/4 and S1/2 SE1/4 of Section 26; NW1/4 of Section 36; all in Township 21 South, Range 20, E.W.M.

23. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: March 15, 1961
Volume: 127,
Page: 216, Deed Records,
From: Deschutes County, Oregon, a body politic and political
subdivision of the State of Oregon,
To: Jackson Ranch.

24. Mineral reservation, contained in Deed, including the terms and provisions thereof,
Recorded: May 12, 1961
Volume: 127,
Page: 558, Deed Records,
From: Deschutes County, Oregon a body politic and political
subdivision of the State of Oregon,
To: E. J. Van Landuyt.

which states in part as follows: Deschutes County reserves all mineral rights. Affects the SW1/4 of the NW1/4 of the NW1/4 Section 14, Township 21 South, Range 19, E.W.M.

25. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: May 12, 1961
Volume: 127,
Page: 558, Deed Records,
From: Deschutes County, Oregon, a body politic and political
subdivision of the State of Oregon,
To: E. J. Van Landuyt.

26. Mineral reservation, contained in State Deed, including the terms and provisions thereof,
Recorded: August 19, 1986
Volume: 130,
Page: 851, Official Records,
From: State of Oregon, acting by and through the Division of State
Lands,
To: Robert L. and Joyce E. Coats.

which states in part as follows: Excepting and reserving to itself, its successors, and assigns, all minerals as defined in ORS 273.775(1), and including soil, clay, stone, sand and gravel, and all geothermal resources, as defined in ORS 522.005, together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling

for, and removing such materials, and geothermal resources. Affects: Section 4: Lots 1, 2, 3 and 4, the S1/2 of the N1/2, and the N1/2 of the SW1/4; Section 9: the W1/2 of the W1/2; Section 16: the NE1/4 and the NE1/4 of the NW1/4, in Township 21 South, Range 20, E.W.M.

27. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: August 19, 1986
Volume: 130,
Page: 851, Official Records,
From: State of Oregon, acting by and through the Division of State Lands,
To: Robert L. and Joyce E. Coats.
28. An easement created by instrument, including the terms and provisions thereof,
Dated: September 5, 1961
Recorded: September 18, 1962
Volume: 132,
Page: 410, Deed Records,
In favor of: Central Electric Cooperative, Inc.
Affects: All Section 27; the SW1/4 of Section 26, the N1/2 of the SW1/4, S1/2 of the SE1/4 of Section 28, all of Section 34, SW1/4 of Section 35, Township 21 South, Range 20 E.W.M.; all of Section 2 and Section 1, Township 22 South, Range 20 E.W.M.; the SW1/4 of Section 6, all of Section 7, Township 22 South, Range 21, E.W.M.
29. An easement created by instrument, including the terms and provisions thereof,
Dated: September 18, 1961
Recorded: September 18, 1962
Volume: 132,
Page: 416, Deed Records,
In favor of: Central Electric Cooperative, Inc.
Affects: SE1/4 NE1/4 Section 15, Township 21 South, Range 19 E.W.M.
30. An easement created by instrument, including the terms and provisions thereof,
Dated: September 27, 1962
Recorded: October 4, 1963
Volume: 132,
Page: 511, Deed Records,
In favor of: United States of America, Department of the Interior, Bureau of Land Management.
Affects: N1/2 SE1/4 Section 24, Township 21 South, Range 20 E.W.M.

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31. Mineral reservation, contained in Warranty Deed, including the terms and provisions thereof,
Recorded: May 9, 1963
Volume: 135,
Page: 70, Deed Records,
From: Theron W. Jones,
To: Bar T Cattle Co., Inc., an Oregon corporation, and

which states in part as follows: the grantor reserves one-half of his interest in the mineral rights; affects NW1/4 and the N1/2 of the SW1/4 and the W1/2 of the NE1/4 and the NW1/4 of the SE1/4, Section 23, and the NW1/4 and the S1/2 of the NE1/4, Section 24, and the SE1/4 and SW1/4 of the NE1/4 and the NE1/4, of the SW1/4 and the E1/2 of the NW1/4, of Section 14, in Township 21 South, Range 20 E.W.M.; W1/2 of Section 12; W1/2 and W1/2 of E1/2 and SE1/4 of SE1/4 of Section 13, and E1/2 of NE1/4 of Section 14, Township 21 South, Range 20 E.W.M.; The SW1/4 of the NW1/4 and the W1/2 of the SW1/4 and the SE1/4 of the SW1/4 of Section 14; SE1/4 of the NE1/4 and the S1/2 of Section 35, Township 21 South, Range 20 E.W.M.; also the S1/2 of the NW1/4 and Lots 1, 2, 3 and 4 of Section 1; the NW1/4 of the SW1/4 and the S1/2 of the NE1/4 of Section 1, and Lots 1 and 2, the S1/2 of the NE1/4 and the NE1/4 of the SE1/4 of Section 2, in Township 21 South, Range 20 E.W.M.
32. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: May 9, 1963
Volume: 135,
Page: 70, Deed Records,
From: Theron W. Jones,
To: Bar T Cattle Co., Inc., an Oregon corporation.
33. An easement created by instrument, including the terms and provisions thereof,
Dated: August 7, 1964
Recorded: August 11, 1964
Volume: 140,
Page: 179, Deed Records, and
Re-recorded: August 26, 1964
Volume: 140,
Page: 300, Deed Records,
In favor of: United States of America.
Affects: SW1/4 SE1/4, Section 1; NW1/4 NE1/4 Section 12, Township 21 South, Range 20, E.W.M.
34. An easement created by instrument, including the terms and provisions thereof,
Recorded: August 11, 1964
Volume: 140,
Page: 181, Deed Records,
In favor of: United States of America
Affects: N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 Section 12; SE1/4 NE1/4; NE1/4 SW1/4 S1/2 SW1/4, N1/2 SE1/4 Section 14; S1/2 S1/2 Section 15, Township 21 South, Range 20, E.W.M.

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35. An easement created by instrument, including the terms and provisions thereof,
Dated: October 15, 1961
Recorded: February 24, 1975
Volume: 216,
Page: 139, Deed Records,
In favor of: United States of America
Affects: NE1/4 SE1/4, Section 2; E1/2 W1/2, SW1/4 SW1/4,
Section 12; W1/2 NW1/4, Section 13; SE1/4 NE1/4;
NW1/4 SE1/4, E1/2 SW1/4, SW1/4 SW1/4, NE1/4 SE1/4,
Section 14; S1/2 S1/2, Section 15; Township 21 South,
Range 20, E.W.M.
36. Access rights reserved in deed from the State of Oregon, by and through its Department of
Transportation, Highway Department, which provides that no right or easement of right of access to,
from or across the State Highway shall attach to the abutting property,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M.,
and Lot 7, Section 6, Township 22 South, Range 21,
E.W.M.
37. Mineral reservation, contained in Bargain and Sale Deed, including the terms and provisions thereof,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records,
From: State of Oregon,
To: Hampton Butte Grazing Co-operative.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M.,
and Lot 7, Section 6, Township 22 South, Range 21,
E.W.M.,

which states in part as follows: That there is reserved to Grantor, its successors, and assigns, all minerals, as defined in ORS 273.775(1), and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonable necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources.

38. Implied easement for ingress and egress above and below the surface of the land, imposed by reservation of mineral rights in instrument, including the terms and provisions thereof,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records,
From: State of Oregon,
To: Hampton Butte Grazing Co-operative.

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39. Terms, provisions, covenants, conditions and restrictions, easements, charges, assessments and liens provided in the Covenants, Conditions and Restrictions, but omitting any covenants, conditions or restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that the covenants, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons,
Recorded: June 24, 1976
Volume: 233,
Page: 302, Deed Records.
Affects: SW1/4 Section 35, Township 21 South, Range 20, E.W.M., and Lot 7, Section 6, Township 22 South, Range 21, E.W.M.

40. Mineral reservation, contained in Statutory Warranty Deed, including the terms and provisions thereof,
Recorded: February 26, 1982
Volume: 354,
Page: 248, Deed Records,
From: David L. Clark and Lela M. Clark, husband and wife, and Gladys F. Clark, as tenants in common,
To: Sheldon Arnett and Barbara J. Arnett, husband and wife, an undivided 1/2 interest, and Kenneth R. Johnson and Linda Johnson, husband and wife, an undivided 1/2 interest, as tenants in common.

which states in part as follows: Reserving a 1/2 interest in and to all mineral rights in Township 21 South, Range 20 E.W.M., Deschutes County, Oregon: Section 1: the S1/2 NW1/4, Lots 1, 2, 3 and 4, NW1/4 SW1/4, S1/2 NE1/4; Section 2: Lots 1 and 2; S1/2 NE1/4, NE1/4 SE1/4; Section 12: W1/2; Section 13: W1/2, W1/2 E1/2, SE1/4 SE1/4; Section 14: S1/2, S1/2 NW1/4, NE1/4 NW1/4, E1/2 NE1/4, SW1/4 NE1/4; Section 15: S1/2, SE1/4 NE1/4; Section 22: NE1/4 NE1/4; Section 23: NW1/4, W1/2 NE1/4, N1/2 SW1/4, NW1/4, SE1/4; Section 24: NW1/4, S1/2 NE1/4.

41. Right, title and interest, if any, of Shell Western E&P Inc., a Delaware corporation, as disclosed by Conveyance and Assignment,
Recorded: February 9, 1984
Volume: 43,
Page: 259, Official Records.
Affects: S1/2 NE1/4, Section 4; W1/2 SW1/4, SE1/4 SW1/4, SW1/4 SE1/4, Section 12; N1/2, N1/2 SE1/4, SW1/4 SE1/4, S1/2 SW1/4, Section 24; Township 21 South, Range 20, E.W.M.

42. State of Oregon Well Ownership Information Form, including the terms and provisions thereof,
Dated: October 23, 1998
Recorded: October 28, 1998
Volume: 518,
Page: 1597, Official Records.
Affects: NW SW Section 35, Township 21 South, Range 20 E.W.M.

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43. We find no apparent means of recorded ingress or egress to or from the herein described property. Notwithstanding Paragraph No. 4 of the insuring provisions of our policy, no insurance is provided insuring access to the herein described property.

NOTE: Portions of the herein described property do not appear to have a records means of ingress and egress to and from a public road.

NOTE: The above exception may be removed upon satisfactory evidence that there actually is a legal means of ingress and egress to and from the said property.

44. This Preliminary Report for title insurance, due to the nature of the transaction, is subject to amendments or modifications by the Regional Underwriter for Transnation Title Insurance Company. No final policy of title insurance will be issued until written authorization is received. Any directed changes or additions will be disclosed by a Supplemental Report.

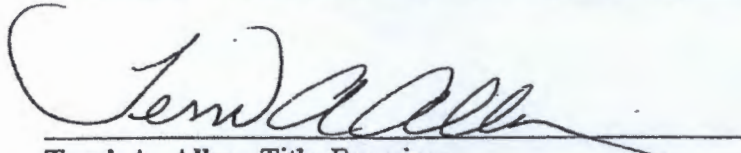
45. A copy of the Operating Agreement and any amendments thereto of R.L. AND JOYCE COATS FAMILY, L.L.C, should be furnished to verify members and authorizing the execution of the forthcoming document(s).

46. Proceedings pending in Circuit Court, Deschutes County, Oregon.
Estate of; Robert L. Coats, deceased
Probate No.: 98PB0041AB
Personal Representatives: Roberta Joyce Bowles, Amette Jo Chunn, and Lynda Lea Sellers
Attorney for Estate: Martin E. Hansen.

NOTE: We have made a special search for judgments and/or tax liens against persons by the name of JAMES A. MILGARD and find none of record.

NOTE: This Supplemental #9 is being issued to change Escrow Office, Escrow Officer, sales price, buyer, and update to current plant date.

Yours Truly,
WESTERN TITLE AND ESCROW COMPANY, INC.


Terri A. Allen, Title Examiner

trh\lkw

NOTE: For copies of exceptions please call our Customer Service Department, 330-1239.

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