

Mitigation Bank Charter Application Number (assigned by WRD): 3

**STATE OF OREGON  
OREGON WATER RESOURCES DEPARTMENT**

**Mitigation Bank Charter Application**

*Please type or print in dark ink. You may attach additional pages in response to questions asked in this application. If you attach additional pages, please clearly identify the question(s) to which you are responding on the attached pages. If your application is found to be incomplete or inaccurate, we will return it to you. Please read and refer to the instructions when completing your application. Thank you.*

*The purpose of this application is to provide sufficient information to the Department for review of the proposed Mitigation Bank and for inclusion by the Department in the mitigation bank charter for consideration by the Water Resources Commission. A draft outline of a mitigation bank charter is attached for your reference.*

*As the Department reviews your application and drafts the mitigation bank charter, the Department may request additional information, if necessary.*

**APPLICANT INFORMATION**

Applicant Name or Organization: Deschutes Irrigation, LLC

Contact Name: John A. Short

Mailing Address: P.O. Box 1830  
City, State, Zip Code: Bend, OR 97709

Telephone Number: 541-389-2837  
Other Phone Number: 541-408-7415

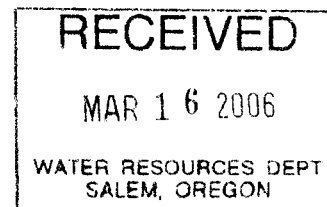
Fax Number: 541-617-5292  
E-Mail Address: waterrights@usa.com

**SERVICE AREA**

A. Do you propose to serve a smaller service area within the Deschutes Ground Water Study Area?

Yes If yes, then describe your proposed service area: \_\_\_\_\_

No



## OPERATIONAL PLAN

- A. Describe your organization. Include a description of how you or your organization is organized, how your organization operates, and the mission, goals and strategies of the organization.

John Short, Mark Neuman CPA and Brian Stevens CPA own Emmett Ranch, LLC which owns Deschutes Irrigation, LLC (DI). Since its inception in 2003, DI has been the agent for roughly 80% of all ground water applications in the Deschutes Ground Water Study Area with several dozen applications in process at any given time. Emmett Ranch, LLC owns, has generated, and has in process, most permanent instream transfers for mitigation credits in the Deschutes Basin intended for public availability. Mr. Short handles day to day operations including ground water engineering and application issues. All three owners actively participate in property or water right acquisitions targeted for permanent instream transfers generating mitigation credits. We seek to profitably enhance the lands involved both aesthetically and environmentally while permanently protecting water instream within the Deschutes Basin Study Area providing permanent mitigation for small irrigators.

- B. Provide a description of how the proposed mitigation bank will be organized, how it will operate, and the mission, goals and strategies of the proposed mitigation bank.

Becoming a mitigation bank formalizes our existing process. The bank seeks to safely provide permanent mitigation to small irrigators that typically have no other irrigation alternative than groundwater. We keep records (see attached spreadsheet) of available mitigation credits by Zone of Impact as well as upcoming credit requirements. Groundwater applicants typically lack education as to the risks involved in just buying mitigation credits or groundwater rights from classified ads. DI eliminates this risk by utilizing a third party escrow agent so that money for permanent mitigation does not change hands until OWRD issues the client's permit with permanent mitigation. Since DI's parent company often owns the credits being sold, there is no question as to their validity, availability or Zone of Impact. DI has at least one customer that lost in excess of \$10,000 'buying' part of a groundwater permit (not even a certificate nor from the correct aquifer) advertised in the newspaper. DI eliminates this risk through it's bank strategy. Additionally, DI makes its contracts available to and does groundwater applications for those who secure mitigation elsewhere.

- C. Provide a description of the customers you intend to serve as a mitigation bank.

Though we have occasionally offered to sell relatively large quantities of mitigation credits to municipalities, quasi-municipalities and restoration buyers, the vast majority of our completed transactions provide less than 5 acres of irrigation to small irrigators with no other alternatives for irrigation.

- D. Identify the types of mitigation projects, if any, you intend to develop as a mitigation bank.

- Allocation of Conserved Water Projects
- Instream Water Right Transfers

- Time Limited Transfers
- Instream Leases
- Stored Water Releases
- Artificial Ground Water Recharge
- Other (describe): \_\_\_\_\_

E. Identify the types of mitigation credits you intend to hold as a mitigation bank.

- Mitigation Credits based upon Allocation of Conserved Water Projects
- Mitigation Credits based upon Permanent Instream Transfers
- Mitigation Credits based upon Time-Limited Transfers to instream use
- Mitigation Credits based upon Instream Leases
- Mitigation Credits based upon Stored Water Releases
- Mitigation Credits based upon Artificial Ground Water Recharge projects
- Mitigation Credits based upon other types of projects which result in water protected instream (describe). \_\_\_\_\_

F. Do you propose to place any limits on the size of transactions you would conduct as a mitigation bank?

- Yes If yes, then describe the size limits you intend to place on mitigation credit transactions: \_\_\_\_\_
- No

#### ACCOUNTING OF MITIGATION CREDITS

A. Provide a general description of how you intend to account and track mitigation credits by type and by zones of impact (as identified by the Department).

DI does not seek to in any way handle temporary mitigation credits. DI tracks permanent mitigation credit requirements and bank held credits by Zone of Impact as determined by OWRD's Initial Reviews or Certificates. Please see attached spreadsheet.

CONTINGENCY PLAN

- A. Provide a description of any contingency plan you may have to address potential failure of the mitigation bank to continue providing mitigation for ground water users, specifically for those mitigation credits based upon instream leases, time-limited transfers, storage releases and/or aquifer recharge.

Though no temporary mitigation is handled, DI protects customers by using a third party escrow company and protective contracts for permanent mitigation purchases. Neil Bryant of Bryant, Lovlien & Jarvis, PC created DI's contracts so that any money placed in escrow for mitigation is returned to the client should OWRD not issue a valid ground water permit with permanent mitigation within 2 years of the contract date. Please see attached agreement. On a practical side, should Mr. Short become incapable of completing groundwater applications or documentary evidence forms, partners Stevens and/or Neuman and/or their employees can function in that capacity or contract with firms such as Hickman Williams & Associates, W&H Pacific or Creative Water Solutions. In the event that DI or OWRD does not perform within 2 years, escrow releases client's money back to client. Please see attached escrow instructions. Computers back up files nightly offsite.

- B. Provide a description of your internal monitoring plan to determine the level of success of the mitigation bank and to identify any problems as they arise.

Internally, we measure success as total cfs protected instream and profitability monitored through reporting to DI's two CPA principals.

AUTHORITY

- A. Provide a statement (or documentary evidence) that the operator of the mitigation bank is authorized to do business in the State of Oregon.

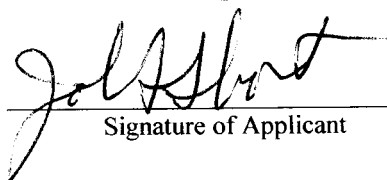
Please see attached Operating Agreement of Deschutes Irrigation, LLC as registered with the State of Oregon.

- B. Provide a statement (or documentary evidence) that the operator of the mitigation bank has the approval from its governing board to operate as a mitigation bank (if appropriate).

John A. Short, is 50% owner of Emmett Ranch, LLC, the sole owner of Deschutes Irrigation, LLC and has approval from both partners to operate as a mitigation bank.

SIGNATURE

The information provided in this application is true and correct to the best of my knowledge.

  
Signature of Applicant

John A. Short  
Printed Name

3-14-06  
Date

Ground water applications for Deschutes Study Area.

		Priority Dt	GDWTR	IR	PFO	Protest Over	FO	Permit	Number
G-16234	Snow	4/19/2004	8/3/2004	12/17/2004	3/22/2005	5/6/2005	9/22/2005		
G-16258	Swenson	5/27/2004	8/27/2004	12/17/2004					
G-16276	Smith	7/20/2004	8/30/2004	12/17/2004	3/22/2005	5/6/2005	12/2/2005		
G-16281	DeForest	7/23/2004	8/31/2004	12/24/2004	4/26/2005	6/10/2005	12/2/2005	1/5/2006	G-16001
G-16282	LADCO	7/23/2004	9/7/2004	12/24/2004					
G-16283	Johnson	7/26/2004	9/13/2004	2/11/2005	4/26/2005	6/10/2005	12/2/2005		
G-16284	Brooks	7/26/2004	9/13/2004	12/2/2005					
G-16286	Morris	8/5/2004	9/9/2004	2/11/2005	4/26/2005	6/10/2005	9/22/2005	10/27/2005	G-15981
G-16290	Fitzjarrell	8/6/2004	9/2/2004	2/11/2005	4/26/2005	6/10/2005	12/2/2005	12/30/2005	G-16002
G-16295	Schnell	8/10/2004	9/3/2004	2/11/2005	5/10/2005	6/24/2005	12/2/2005		
G-16296	Robillard	8/11/2004	11/29/2004	2/11/2005	5/10/2005	6/24/2005	12/2/2005	1/19/2006	G-16006
G-16298	Schnell	8/13/2004	11/29/2004	2/18/2005	5/10/2005	6/24/2005	12/2/2005	1/26/2006	G-16011
G-16300	McLean	8/16/2004	11/30/2004	2/25/2005	5/10/2005	6/24/2005	12/2/2005		
G-16304	Perry	8/25/2004	11/30/2004	2/18/2005	5/10/2005	6/24/2005	12/2/2005	1/12/2006	G-16005
G-16315	Bray	9/21/2004	11/30/2004	2/25/2005	5/10/2005	6/24/2005	12/2/2005	1/5/2006	G-16000
G-16316	Wilson	9/21/2004	12/2/2004	2/18/2005	5/10/2005	6/24/2005	12/2/2005		
G-16319	Milstead	9/28/2004	12/3/2004	3/11/2005					
G-16320	Walker	9/30/2004	XXXX	XXXX	XXXX	XXXX	8/4/2005	8/4/2005	G-15948
G-16325	Erb	10/20/2004	12/3/2004	2/25/2005	5/10/2005	6/24/2005	12/2/2005		
G-16326	Hurd	10/20/2004	2/18/2005	12/2/2005					
G-16348	Bandy	11/30/2004	2/24/2005	12/2/2005					
G-16353	Milstead	12/13/2004	2/24/2005	12/2/2005					
G-16354	Roberts	12/13/2004	2/24/2005	12/2/2005					
G-16398	Shelby	2/28/2005	5/6/2005	2/17/2006					
G-16427	Scott	3/29/2005	8/16/2005	2/17/2006					
G-16448	Klemz	4/26/2005	9/8/2005	3/3/2006					
G-16457	Thurman	5/16/2005	11/4/2005	3/3/2006					
G-16458	Thurman	5/12/2005	11/4/2005	3/3/2006					
G-16478	Yoder	6/9/2005	11/17/2005	3/3/2006					
G-16507	Rash	8/9/2005	Not in study area						
G-16524	Inman	9/12/2005							
G-16525	Ingalls	9/12/2005							
G-16526	Rash	9/12/2005							
G-16527	Oliver	9/12/2005							
G-16528	Oliver	9/12/2005							
G-16529	Steele	9/12/2005							
G-16535	Herman	9/13/2005							
G-16578	Schelske								
G-16579	Robison								
G-16584	Bouma								
G-16580	Sproed								

Applications below this point paid recording fee up front.

**Chain of Custody Filed**

	General	Little/Upper Squaw Cr.	Middle	Crooked
Available Credits	539.2	37.98	82.8	8.91
Committed Credits	31.1	9	18	1.8
Remaining Credits	508.1	28.98	64.8	7.11

Zone	Temporary Credits				Permanent Credits			
	General	Little/Upper Squaw Cr.	Crooked	General	Little/Upper Squaw Cr.	Middle	Crooked	
Little		4.5						
General				1.8				
Squaw			5.4			5.4		
Middle						1.8		
General				5				
Little		45						
Upper		3.6				7.2		
Crooked							4.5	
Squaw			4.5					
Squaw			9.9					
General				1.8				
General				1.8				
General	9							
General				1.8				
General				3.6				
Little						1.8		
General								
Mitigation not required.								
Squaw			9				9	
Little		68.4						
Crooked								
General				6.3				
Squaw			3.6			3.6		
Little		4.5						
General								
General	9						9	

Mitigation Credits

General Zone

MP-3	4/30/2004	51.53
Auction	5/26/2004	-18.8
Jay Butler	1/21/2005	-3.72
Robinson	3/1/2006	-6.41
Arney	3/1/2006	516.6

Middle Zone

MP-27	10/21/2005	20.7
DeForest, I	10/21/2005	1.8
Robinson	3/1/2006	-13.59

Crooked Zone

MP-25	12/2/2005	187.4
T-9829		30.08

General Remaining 539.2

Middle Remaining 8.91

Crooked Remaining 217.48

Upper/Little Zone

Squaw Creek Zone

T-9835

37.98

McKenzie

82.8

Upper/Little Remaining 37.98

Squaw Cr. Remaining 82.8



DESCHUTES IRRIGATION, LLC

*Deschutes Irrigation, LLC*

AGREEMENT

DATE: \_\_\_\_\_, 2006

PARTIES:

DESCHUTES IRRIGATION, LLC  
an Oregon Limited Liability Company  
P.O. Box 1830  
Bend, OR 97709

“LLC”

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

“PURCHASER”

“PROPERTY”

RECITALS

A. The LLC is willing to sell and the Purchaser wishes to purchase certain \_\_\_\_ acres of irrigation water from the LLC (“Irrigation Water”) upon the price and terms contained herein.

B. Purchaser intends to convert the Irrigation Water to a new ground water permit in the Deschutes Basin located on the real property (“Property”). Purchaser acknowledges that the Oregon Water Resources Department (“OWRD”) requires certain procedures to be completed including permanent mitigation in order for the issuance of a new ground water permit. The OWRD process will take considerable time to complete and could result in litigation.

IT IS THEREFORE AGREED AS FOLLOWS:

1. LLC agrees to sell and Purchaser agrees to purchase the Irrigation Water for the sum of \_\_\_\_\_. Application costs shall be paid outside of this agreement and are non-refundable as this pays OWRD’s fees and costs directly associated with buyer’s application. The purchase amount shall be paid into an escrow account with Deschutes County Title Company or another mutually agreeable escrow company. The purchase price shall be refundable to the Purchaser only if the LLC fails to secure a ground water permit final order with documentary evidence of permanent mitigation within two years from the date of this Agreement.

2. The LLC agrees to prepare and submit an application on behalf of the Purchaser for the Irrigation Water and transfer the Irrigation Water to the Property pursuant to requirements of

the OWRD. The Purchaser shall cooperate with the LLC in the preparation of the application and any other documentation or testimony that may be necessary in order to complete the application. Purchase Price does not cover any filing fees that OWRD requires for the permit.

3. Unless extended by the parties in writing, this agreement shall terminate upon the issuance of a ground water permit with documentary evidence of permanent mitigation or two years from the date of this agreement, whichever occurs first.

4. The Purchaser acknowledges that the Purchaser has the responsibility for fulfilling the requirements of proving that the water is being applied beneficially to the Property as required by Oregon statutes and the rules of OWRD, including but not limited to, the proof survey certified by a water rights examiner.

5. The LLC has no responsibility and makes no representations concerning the Purchaser's well capacity or depth or the ability of the Purchaser to use the ground water to satisfy the beneficial use requirements.

6. Attorney Fees. In the event a party to this Agreement brings any action, suit, or arbitration against another party to this Agreement by reason of any breach of any of the covenants, agreements, or provisions on the part of the other party arising out of this Agreement or makes a bankruptcy claim, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action, suit, or arbitration, including actual attorney fees, at trial, and on appeal, arbitration, or in any bankruptcy court.

7. Jurisdiction. This Agreement shall be enforced and interpreted in accordance with the laws of the State of Oregon.

8. Venue. Venue for any suit or action specifically to enforce the provisions of this Agreement or for the enforcement of arbitration awards shall lie in Deschutes County, Oregon.

9. Entire Agreement. This Agreement shall constitute the entire Agreement between the parties with respect to the subject matter contained herein, and may be modified only in writing.

10. Arbitration. Notwithstanding anything contained herein to the contrary, any dispute arising under this Agreement shall be promptly submitted to and heard by the Arbitration Service of Portland, Inc., or by any other arbitrator mutually agreed upon between the parties to the dispute. The determination of the arbitrator shall be binding upon the parties hereto, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The prevailing party in such arbitration shall be entitled to recover from the other party all expenses incurred in connection with the arbitration, including attorneys fees.

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**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date and year above written.

LLC:

PURCHASER:

DESCHUTES IRRIGATION, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF OREGON        )  
                                  ) ss.  
County of Deschutes    )

Personally appeared before me the above-named \_\_\_\_\_ and he stated that he is the \_\_\_\_\_ of Deschutes Irrigation, LLC, an Oregon LLC and that he is authorized to execute the foregoing instrument on behalf of the LLC.

Before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires:

STATE OF OREGON        )  
                                  ) ss.  
County of Deschutes    )

Personally appeared before me the above-named \_\_\_\_\_ .

Before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires:

**SELLER'S AND BUYER'S ESCROW INSTRUCTIONS  
TO DESCHUTES COUNTY TITLE COMPANY**

(hereafter referred to as "Deschutes County Title" or "escrow agent"),  
**the designated escrow agent for the transaction referenced below:**

ESCROW NO. \_\_\_\_\_

DATED: \_\_\_\_\_

SELLER: **DESCHUTES IRRIGATION, LLC**  
(hereafter referred to as "LLC")

PURCHASER: \_\_\_\_\_

PROPERTY: \_\_\_\_\_

Deschutes County Title is hereby requested and so instructed to act as escrow agent for the purpose of holding funds for the purchase of a ground water permit in the Deschutes Basin more fully described in that certain Agreement dated \_\_\_\_\_ between Deschutes Irrigation LLC and the above named purchaser(s). Funds to be held are in the amount of \$ \_\_\_\_\_. (Application fees are non-refundable and paid to LLC outside of the escrow transaction.)

Escrow agent shall hold the funds deposited for a period not to exceed 2 years from the date of the Agreement referred to above. Funds shall be released to Deschutes Irrigation, LLC once ground water permit final order is issued with documentary evidence of permanent mitigation and proof of said permit provided to escrow agent. In the event said permit is not issued, instructions for release of the funds will be provided to escrow agent no later than the expiration of the 2 year period. Said instructions will be signed by both LLC and purchaser(s) and may be executed in counterpart if necessary. If no concurring, signed instructions have been received by escrow agent from LLC and purchaser(s) following the expiration of the 2 year period, either for extension of the transaction or release of funds, escrow agent shall return the funds held to the purchaser(s) after deducting the escrow fee due escrow agent for this transaction at which time all responsibility of escrow agent shall end. If necessary, you are authorized to close this escrow transaction on FAX copies of Escrow Instructions.

Escrow fee for this transaction shall be paid by LLC. If funds are to be wired or sent by over-night delivery, escrow agent shall be entitled to charge a fee of \$20.00 for such service(s) to the party requesting the service.

In the event of a controversy among the principals, or on written demand by one of them to release the funds held prior to the issuance of the final ground water permit and

documentary evidence of permanent mitigation, the undersigned agree that escrow agent shall hold all funds until directed to act by an appropriate court order, or may institute interpleader or other proceedings as escrow agent deems necessary. In all of these events, Deschutes County Title shall be paid all charges and costs which it has incurred, including cancellation fees which it has earned, and shall be awarded reasonable attorney's fees and court costs, at trial and on appeal, related to any controversy or termination, and to the extent available, escrow agent may deduct such costs or fees from those funds deposited with it, regardless of the ownership of such funds.

In the event a check is issued to the undersigned, or to another party on our behalf, and said check becomes stale dated, Deschutes County Title shall be allowed to offset against the funds, the costs incurred in researching and reissuing said check. In the event a check is issued by escrow agent, and upon the request from an appropriate party, Deschutes County Title will issue a replacement check. If the cause of the reissue is no fault of escrow agent, a reissue fee will be charged. Any check reissued shall be replaced at least five banking days after the issuance of the stop payment order.

Compliance with federal, state, municipal, county and local ordinances or regulations which are the responsibility of the parties to this transaction have been/will be accomplished by the parties outside of escrow and escrow agent is hereby held harmless from any responsibility to confirm that such compliance has been or will be obtained.

The undersigned parties acknowledge that they have received no advice from Deschutes County Title as to the legal effect of this transaction or any documents used in connection herewith.

**ELECTRONIC TRANSFER:** Deschutes County Title may, at its discretion, receive and/or disburse any funds in connection with this escrow by electronic (wire) transfer.

**DEPOSITS:** All checks, money orders or drafts will be processed for collection in the normal course of business. Deschutes County Title may commingle funds received by it with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association or other financial services entity. It is understood that escrow agent shall be under no obligation to invest the funds deposited with it on behalf of any depositor, nor shall be accountable for any earnings or incidental benefit attributable to the funds which may be received by escrow agent while it holds such funds.

The undersigned parties are hereby informed that Deschutes County Title deposits all funds into a non-interest bearing account and receives or may receive certain credits and benefits, including, but not limited to, checks, deposit slips, data processing and account services through various banks as a result of the banking relationships maintained in the regular course of its escrow and title insurance business. The undersigned parties waive any and all rights or claims with respect to such credits and benefits received by escrow agent or any affiliates thereof.

A good faith estimate of the benefits received (based on 2000 activity) is \$19.50 per escrow transaction. This disclosure is made in compliance with Oregon Administrative Rule 863-50-065.

The seller is required to provide Deschutes County Title with its correct tax payer identification number. If the correct information is not provided to escrow agent, the seller acknowledges it may be subject to civil or criminal penalties imposed by law.

**CERTIFICATION:** Under penalties of perjury, I/we certify that the number shown on the provided form is my/our correct United States taxpayer identification number and that the undersigned is not a foreign person or foreign corporation for the purposes of Foreign Investment Real Property Tax Act.

Deschutes County Title Company's responsibilities as to this escrow are limited to its duties set forth above.

**IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE ESCROW INSTRUCTIONS OR THOSE ESCROW INSTRUCTIONS WHICH ARE ATTACHED HERETO, THAT SUCH INSTRUCTIONS CONSTITUTE THE WHOLE AGREEMENT BETWEEN DESCHUTES COUNTY TITLE COMPANY, INC. AS ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY, AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.**

**SELLER:**  
DESCHUTES IRRIGATION, LLC

**BUYER:**

By: \_\_\_\_\_

\_\_\_\_\_

Address: PO Box 1830  
Bend, OR 97709

\_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Received this \_\_\_\_\_ day of \_\_\_\_\_, 2005  
DESCHUTES COUNTY TITLE COMPANY

By: \_\_\_\_\_

**OPERATING AGREEMENT OF  
Deschutes Irrigation, LLC  
an Oregon Limited Liability Company**

The undersigned member, desiring to form a limited liability company under the Oregon Limited Liability Company Act (the Act”), hereby declares as follows:

**ARTICLE 1  
FORMATION**

1.1 **Name.** The name of the limited liability company (the “LLC”) is Deschutes Irrigation, L.L.C.

1.2 **Articles of Organization.** Articles of organization were filed with the Oregon Secretary of State on November 18, 2003

1.3 **Duration.** The existence of the LLC shall be perpetual.

1.4 **Principal Place of Business.** The principal office of the LLC shall be at 855 SW Yates, Bend, OR 97702. The manager may relocate the principal office or establish additional offices from time to time.

1.5 **Registered Office and Registered Agent.** The LLC’s registered office shall be at 855 SW Yates, Bend, OR 97702 and the name of its registered agent at such address shall be Tim Larkin.

**ARTICLE 2  
THE MEMBER’S CONTRIBUTION**

The name and address of the member of the LLC and the agreed value of its initial capital contribution are:

<u>Name and Address</u>	<u>Contribution</u>
Emmett Ranch, LLC 855 SW Yates Bend, Oregon 97702	\$500

**ARTICLE 3  
MANAGEMENT**

The management and control of the LLC and its business and affairs is exclusively in its manager, Emmett Ranch, LLC, who shall have all the powers that may be possessed by a manager in a limited liability company with managers pursuant to the Act.

**ARTICLE 4  
ACCOUNTING AND RECORDS**

**4.1 Books of Account.** The manager shall keep books and record of the operation of the LLC which are appropriate and adequate for the LLC' s business.

**4.2 Fiscal Year.** The fiscal year of the LLC shall be the calendar year.

**4.3 Tax Classification.** The manager shall cause all required federal and state income tax returns for the LLC to be prepared and timely filed with the appropriate authorities.

**ARTICLE 5  
AMENDMENTS**

The members may amend or repeal the provision of this operation agreement in writing. This operation agreement may not be amended or repealed other than by a writing signed by the members.

**ARTICLE 6  
MISCELLANEOUS**

**6.1 Governing Law.** This operation agreement shall be governed by Oregon law.

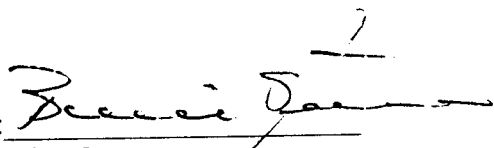
**6.2 Headings.** Headings in this operating agreement are for convenience only and shall not affect its meaning.

**6.3 Severability.** The invalidity or unenforceability of any provision of this operating agreement shall not affect the validity or enforceability of the remaining provisions.

**6.4 Third-Party Beneficiaries.** The provisions of this operating agreement are intended solely for the benefit of the members and shall create no rights or obligations enforceable by any third party, including creditors of the LLC, except as otherwise provided by applicable law.

ADOPTED as of November 18, 2003 by the undersigned, constituting all of the members.

By:



Brian Stevens  
Emmett Ranch, LLC



## Business Registry Business Name Search

New Search

### Business Entity Data

03-13-2006  
10:39

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Duration Date	Renewal Date
213699-96	DLLC	ACT	OREGON	04-14-2004		04-14-2006
<b>Entity Name</b> DESCHUTES IRRIGATION, LLC						
<b>Foreign Name</b>						

This Business Entity is due for renewal and can be renewed online

using  or 

Online Renewal Instructions:

Please verify all data is correct, and then [Renew Online](#)

After renewing, to amend your business's information, use this form: [PDF](#)

New Search

### Associated Names

<b>Type</b>	PPB	PRINCIPAL PLACE OF BUSINESS				
<b>Addr 1</b>	855 SW YATES AVE STE 102					
<b>Addr 2</b>						
<b>CSZ</b>	BEND	OR	97702	<b>Country</b>	UNITED STATES OF AMERICA	

<b>Type</b>	AGT	REGISTERED AGENT		<b>Start Date</b>	04-14-2004	<b>Resign Date</b>	
<b>Name</b>	LANE	D	LYONS				
<b>Addr 1</b>	BRYANT LOVLIE & JARVIS PC						
<b>Addr 2</b>	591 SW MILL VIEW WAY						
<b>CSZ</b>	BEND	OR	97702	<b>Country</b>	UNITED STATES OF AMERICA		

<b>Type</b>	MAL	MAILING ADDRESS				
<b>Addr 1</b>	PO BOX 1151					
<b>Addr 2</b>						
<b>CSZ</b>	BEND	OR	97709	<b>Country</b>	UNITED STATES OF AMERICA	

<b>Type</b>	MGR	MANAGER				
<b>Name</b>	BRIAN		STEVENS			
<b>Addr 1</b>	855 SW YATES AVE STE 102					
<b>Addr 2</b>						

<b>CSZ</b>	BEND	OR	97702	<b>Country</b>	UNITED STATES OF AMERICA
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<b>Type</b>	MGR	MANAGER			
<b>Name</b>	JOHN	SHORT			
<b>Addr 1</b>	PO BOX 1830				
<b>Addr 2</b>					
<b>CSZ</b>	BEND	OR	97709	<b>Country</b>	UNITED STATES OF AMERICA

New Search

### Name History

Business Entity Name	Name Type	Name Status	Start Date	End Date
DESCHUTES IRRIGATION, LLC	EN	CUR	04-14-2004	

Please read before ordering Copies.

New Search

### Summary History

Image Date	Action	Transaction Date	Effective Date	Status	Name/Agent Change	Dissolved By
03-30-2005	AMENDED ANNUAL REPORT	03-30-2005		FI		
04-14-2004	ARTICLES OF ORGANIZATION	04-14-2004		FI	Agent	

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