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When recorded return to:
RLF Running Y Ranch, LLC
1530 16th Street, Suite 300
Denver, CO 80202

2014-002450
Klamath County, Oregon
03/21/2014 03:25:49 PM
Fee: \$212.00

JOINT IRRIGATION AND DRAINAGE SYSTEM MAINTENANCE AGREEMENT

This **Joint Irrigation and Drainage System Maintenance Agreement** (the "Agreement") is entered into as of March 18, 2014, by RLF Running Y Ranch, LLC, a Colorado limited liability company ("RLF"), Tally Ho Farms, an Oregon general partnership ("Tally Ho"), Caledonia Properties, LLC, an Oregon limited liability company ("Caledonia"), Long Lake Ranch, LLC, an Nevada limited liability company ("Long Lake"), and **Running Y Irrigation Association**, an Oregon non-profit corporation ("RY Irrigation").

WHEREAS, RLF is the owner of that certain real property located in Klamath County, Oregon, legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "RLF Property").

WHEREAS, Tally Ho is the owner of that certain real property located in Klamath County, Oregon, legally described on **Exhibit B** attached hereto and incorporated herein by this reference (the "Tally Ho Property").

WHEREAS, Long Lake is the owner of that certain real property located in Klamath County, Oregon, legally described on **Exhibit F** attached hereto and incorporated herein by this reference (the "Long Lake Property"). Of the Long Lake Property, 138.5 acres ("Junior Land") have surface water rights that are junior in priority to the surface water rights of the other Property.

WHEREAS, Caledonia is the owner of that certain real property located in Klamath County, Oregon, legally described on **Exhibit C** attached hereto and incorporated herein by this reference (the "Caledonia Property"). The RLF Property, Tally Ho Property, Long Lake Property, and Caledonia Property are collectively referred to as the "Property." RLF, Tally Ho, Caledonia, Long Lake, and the subsequent owners (meaning the record title holder, whether one or more persons, of fee simple title to a portion of the Property) of all or any tracts, lots, or other portions of the Property are referred to herein collectively as the "Owners" and individually as an "Owner."

WHEREAS, portions of the Property are subject to (i) that certain Declaration of Access and Irrigation Easements, dated December 17, 2012, and recorded December 21, 2012 at Reception No. 2012-014218 of the real property records of Klamath County, Oregon, and/or (ii) that certain Reciprocal Access and Irrigation Easement Agreement, recorded April 13, 2012 at Reception No. 2012-003911 in the real property records of Klamath County, Oregon (collectively, the "Easements"), which Easements established certain permanent non-exclusive irrigation easements for running irrigation water through the existing irrigation ditches and infrastructure, and for maintenance and repair of the existing irrigation ditches and infrastructure, to the extent reasonably necessary for farming and associated agricultural uses, and related access easements, over and across the "Easement Areas" as defined in any of the Easements.

WHEREAS, Certificates of Water Right 87970 and 87971 issued by the Oregon Water Resources Department are appurtenant to portions of the Owners' Property and authorize the use of ground water from two existing wells for supplemental irrigation on the Owner's Property in the amounts and on the specific acreage as described in water rights attached hereto as **Exhibit G** (the "Supplemental Water Rights").

WHEREAS, the Long Lake Property includes two wells, the first well, referred to as the "Sliver Well,"

(KLAM 11544) is described in Oregon Water Resources Department Water Right Certificate No. 87971, and the second well, referred to as the "Running Y South Well," (KLAM 54337) is described in Oregon Water Resources Department Certificate No. 87970 (the "Wells"). The Long Lake Property is subject to that certain Well Easement, dated the same date hereof and recorded as document [] of the real property records of Klamath County, Oregon (the "Well Easement"). The Well Easement established certain permanent non-exclusive irrigation easements for using the existing Wells and running irrigation water through the existing irrigation ditches and infrastructure, the Well Easement and this Agreement provide for maintenance and repair of the existing wells, irrigation ditches and infrastructure, to the extent reasonably necessary for farming and associated agricultural uses, over and across the "Well Easement Area" as defined in the Well Easement. Except as specifically provided herein, the term "Easements" includes the Well Easement and the term "Easement Areas" includes the "Well Easement Areas."

WHEREAS, the common irrigation and drainage infrastructure is identified on **Exhibit D** attached hereto and incorporated herein by this reference (the "Common Infrastructure").

WHEREAS, the Owners desire to establish and create a mechanism for the joint maintenance, improvement of, and operation of the Common Infrastructure serving the Property within the Easement Areas, for the common benefit of all of the Property.

WHEREAS, the Owners have formed RY Irrigation to manage the joint maintenance, improvement of, and operation of the Common Infrastructure serving the Property within the Easement Areas, for the common benefit of all of the Property; and to manage the joint maintenance, improvement of, and operation of the Wells, on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owners hereby declare as follows:

1. RY Irrigation; Irrigation Manager. The Owners hereby agree that the maintenance and improvements to the Common Infrastructure shall be handled through this Agreement. The Owners hereby designate RY Irrigation to manage the joint maintenance, improvement of, and operation of the Common Infrastructure serving the Property within the Easement Areas, for the common benefit of all of the Property. Each Owner of a portion of the Property shall be a member of RY Irrigation, with one vote per acre of Property owned.

Ownership held within entities (e.g., corporations, limited liability companies, or partnerships) or by multiple individuals (e.g., tenants in common, joint tenancy) shall appoint one person to be the representative of that Owner for that portion of the Property.

The initial place of address for RY Irrigation, and for each of the Owners, is set forth on the signature pages to this Agreement.

2. Decision-Making. (a) RY Irrigation shall make decisions regarding the approval of an annual budget (which will include, as necessary, the items set forth in Section 3 below), and appointment of an Irrigation Manager. RY Irrigation shall hold one annual meeting on or before March 1 of each year. The meeting may be held by mail (voting through the mail or by proxy), in person, or by telephone, as agreed to by RY Irrigation at the prior year meeting. At the meeting, RY Irrigation will determine water year type, annual budget, discuss improvements, identify if there is any repairs which must be completed, formulate and approve the annual budget (which shall start with the prior year budget), and appoint an Irrigation Manager for the subsequent year.

In the event of any change in address for any RY Irrigation member, or a change in Owners, the party shall deliver notice of the change to RY Irrigation and the remaining RY Irrigation members and the Irrigation Manager.

RY Irrigation may only take action with approval of at least 50% or greater of all of the acres within the Property, except for the matters which require 75% or greater of all of the acres within the Property (as expressly set forth herein). Each Owner hereby acknowledges that RY Irrigation will be obligated to maintain and repair the Common Areas and any Improvements located therein.

RY Irrigation may adopt and enforce such rules and regulations as may be deemed necessary or desirable to implement this Agreement; provided that any rules and regulations shall be reasonable and uniformly applied. Rules and regulations shall be effective upon adoption by resolution of RY Irrigation. RY Irrigation shall have the right to approve the following related to the Common Infrastructure: (i) any changes in the irrigation structure and flow; (ii) change to the location of equipment; (iii) changing board spills, but not including board spills or other control structures in a lateral that is not part of the Common Infrastructure.

(b) Physical Water Availability. Prior to the annual meeting, each of the Owners shall deliver to the other Owners notice of their projected monthly water demands during the immediately following irrigation season. Each of the Owners shall amend their respective water schedules promptly after determining that a change in expected water requirements is necessary or desirable. No Owner may request more water for any irrigation season than allowed under the State water rights owned by such Owner.

In the event that the combination of the water demands of the Owners contained in the water schedules exceed the amount of water available through the Common Infrastructure, the Owners' representatives shall meet and confer in good faith regarding potential physical solutions that will allow all Owners to receive the amount of water that is necessary or desirable for their respective uses, including, but not limited to, a rotation schedule based on the State water rights owned by each Owner divided by the State water rights owned by all of the Owners for their respective portion of the Property. If the Owners cannot reach a physical solution, then the Owners shall allocate the available water supplies according to their respective acreage percentages.

At the annual meeting RY Irrigation shall determine if there is a reasonable belief the water rights of the Owners will be impinged such that the total water to be delivered to the Property will be less than the full allocation of the State water rights held by all of the Owners. If RY Irrigation determines that this is the case (by a vote of 75% or greater of all of the acreage within the Property), then the Irrigation Manager shall be responsible for the measurement of the water both by field and the entire Property, the cost of which will be charged against the Owners. Following notice from the Irrigation Manager, each Owner shall provide measurement devices reasonably necessary and appropriate for the accurate measurement of water delivered to the Owner's Property.

If the water rights of the Owners are impinged such that the water to be delivered to the Property is less than the full allocation of the State surface water rights, then the water delivered to each acre shall be reduced in equivalent proportion. For example, if the total amount of water allocated for the State surface water rights is reduced by 30% then each acre will receive 30% less water than its full water right for the State surface water rights. This provision shall only apply if the State surface water rights are impinged on an overall basis; and shall not apply if the rights of any Owner (or Owners) are impinged due to some activity (or inactivity) specific to such Owner or Owners (or their respective portions of the Property).

In the event that the State surface water supply is impinged and insufficient to meet the needs of all the Owners under the State surface water rights then, consistent with the terms of the Well Easement and the restrictions and conditions set forth in the Supplemental Water Rights, water from the Wells will be used to supplement the surface water supply first on property with impinged and insufficient water supply up to the supply capacity of well water and then on a pro rata basis, based on acreage; provided that nothing in this Agreement shall limit use of ground water from the Wells by Long Lake at any other times, including but not limited to use of the Wells to supplement surface water curtailment that may affect only certain junior surface water rights held by Long Lake for the Long Lake Junior Land. Notwithstanding anything to the contrary in this Agreement (including the use of the term "Easement Areas" inclusive of the "Well Easement Areas"), RY Irrigation will manage the joint maintenance, improvement of, and operation of the Wells and Well Easement Areas on the conditions set forth in the Well Easement and this Agreement.

For purposes of this agreement, "impinged" means surface water is not physically or legally available for beneficial use by the Owners at the authorized point of diversion for any reason, including but not limited to: regulation and curtailment of surface water based on priority dates; regulation and curtailment due to other government action such as regulation under the federal Endangered Species Act or Clean Water Act; drought; or temporary inability to use the surface water diversion due to the need for maintenance, repair or replacement.

3. Irrigation Manager. The Irrigation Manager shall serve an annual term, January 1 to December 31. RY Irrigation and the Owners hereby appoint Tally Ho Farms to be the Irrigation Manager for 2014, and agree that Tally Ho Farms may assign to, and cause its rights and obligations as Irrigation Manager to be assumed by, an entity controlled by, or under common control with, Tally Ho Farms, and that upon such assignment and assumption Tally Ho Farms shall no longer be liable for any obligations of the Irrigation Manager hereunder. The compensation paid to the Irrigation Manager for its services and the labor to operate and maintain the Common Infrastructure and for completion of subsections 4(a) through (e), (g), (h), (i), and (m) below for 2014 shall be \$50,000. Thereafter the compensation payable to the Irrigation Manager will be as approved by 75% or greater of all of the acres within the Property, and will then be included in the annual budget and will be paid by RY Irrigation; and if not agreed, the compensation will remain \$50,000. The Irrigation Manager shall complete the following, unless otherwise determined by RY Irrigation:

a) The Irrigation Manager shall be responsible for completing and/or oversight of all the maintenance and improvements in the approved budget. RY Irrigation shall meet with the Irrigation Manager as necessary to advise as to the management of the system.

b) The Irrigation Manager shall annually develop a budget and present to board with any suggested changes in the assessment rate.

c) The Irrigation Manager shall create a schedule of ditch cleaning and shall supply the labor for, and complete, the ditch cleaning. Equipment for ditch cleaning shall be supplied by or contracted for by Irrigation Manager, with the equipment costs to be in addition to the annual compensation.

d) The Irrigation Manager shall pay utilities for pumping and complete bookkeeping, reporting to Owners as requested by RY Irrigation.

e) The Owners release the Irrigation Manager (and agents) from all liability if a ditch breaks.

The Irrigation Manager shall not have the right to stop deliveries of irrigation water to any portions of the Property, or to re-adjust deliveries of irrigation water to any portions of the Property, except with the approval of the Owners of such portions of the Property to be affected. If the Irrigation Manager determines that a particular field has received its entire State surface water right allocation prior

to the end of the irrigation season, then the Irrigation Manager shall inform RY Irrigation and the Owner and/or tenant verbally, and shall notify the other Owners. If an Owner and/or tenant determines they are receiving insufficient water for their irrigation needs they shall contact the Irrigation Manager. If the Irrigation Manager does not sufficiently address their concerns the Owner shall notify RY Irrigation and the other Owners.

Any other provision of this Agreement notwithstanding, at any time and in the Irrigation Manager's discretion the Irrigation Manager may refer any action required or permitted of the Irrigation Manager hereunder to the Owners and decline to take such action unless first approve of at least 50% or greater of all of the acres within the Property, except for the matters which require 75% or greater of all of the acres within the Property (as expressly set forth herein). If the referred action is approved by the Owners, the Irrigation Manager shall take such action.

4. Maintenance; Budget. RY Irrigation shall be solely responsible for the operation of and maintenance of those portions of the Common Infrastructure that benefit and are necessary for multiple Owners.

RY Irrigation may approve, and each annual budget may include, each as necessary, the following in the cost of operations:

- a) Ditch cleaning.
- b) Spraying and removal of weeds on ditch banks.
- c) Electrical charges for pumping of drainage water during the months of March through October.
- d) Expenses related to compliance with federal and state regulations.
- e) Expenses relating to measurement of the amount of water used by field.
- f) Road maintenance within Easement Areas (only to the extent such roads are not used by the Owners, otherwise road maintenance will be shared in accordance with use.)
- g) Ditch maintenance (A Line, B&C Line, All Turnouts, Backshore, Division, Toe Ditch/Drain).
- h) Maintenance for Common Infrastructure equipment which serves the Property in general (including culverts, headgates, turnouts, fish screen, all pumps, and wells) within Easement Areas.
- i) Moss control.
- j) Improvements projects – Improvement projects exceeding \$10,000 in total cost will require a support from 75% of total acres.
- k) The estimate cost to RY Irrigation of the maintenance of the Sliver and Running Y South Wells under the Well Easement granted by Long Lake.
- l) Comprehensive general liability insurance covering the activities of RY Irrigation and the Irrigation Manager.
- m) Compensation to Irrigation Manager.

All costs must be approved within the annual budget.

5. Assessments. The annual assessment will be equal to the total costs of operations within the approved budget and allocated on a per acre basis for each field within the Property as provided on the "Running Y Acres for Irrigation Agreement" set forth on **Exhibit E** attached hereto and incorporated herein by this reference (each, a "Per-Acre Assessment"). Each Owner shall be liable to RY Irrigation for the respective Per-Acre Assessment times the number of acres for each field within the Property owned by such Owner (each, an "Assessment").

In the event that the delivery of surface water to Long Lake's Junior Land is legally curtailed (see

Recitals and Section 2.b above), then Long Lake shall receive a rebate of the assessment paid by it for the Junior Land equal to the annual assessment divided by seven and multiplied by the number of months during the irrigation season (April 1 to October 31) that delivery of surface water to the Junior Land was curtailed and multiplied further by the percentage by which the delivery of surface water to the Junior Land was curtailed.

The annual cost of the electricity for the operation of the Wells will be allocated to the Owners on a per acre basis for each field within the Property using water from the Wells; provided that if only the Long Lake Property utilizes water from the Wells, then the Owner of the Long Lake Property shall bear all cost of the electricity for the Wells without allocation.

The Owners may choose to divide certain costs in a manner other than on a direct, per acre basis. For instance pumping costs may be broken out per diverted acre-foot based on projected water usage for each field, but this alternative division of costs will need to be approved by the Owner's. In the absence of an approved alternative division of costs, the assessment shall be divided on a per acre basis as laid out above.

Each Owner shall pay its respective Assessment to RY Irrigation at reasonable intervals as set forth in the approved budget, and such expenses shall be due and payable within ten (10) days of notice. At the conclusion of each irrigation season, the Owners shall finalize their respective Assessments and shares of expenses and reconcile any additional payments or rebates that may be due.

If any Owner has not paid any amount due within thirty (30) days of when such payment became due and payable, the non-paying Owner shall be in default in its obligations under this Agreement. Any amount which is in default pursuant to this Section shall constitute a loan and shall be repayable by the defaulting Owner, with interest on the unpaid principal balance from the date due until paid in full, at an interest rate equal to twelve percent (12%) per annum.

The obligation to pay any Assessment amounts and interest pursuant to this Section, or other amounts under this Agreement, shall be secured by a lien on such Owner's respective property, in favor of RY Irrigation. RY Irrigation may also bring suit to collect any unpaid Assessments and interest or other amounts due under this Agreement. RY Irrigation may file a notice of lien against the acreage owned by the defaulting Owner. The lien filing shall be prior to all other liens and encumbrances of whatever kind or nature, whether executed and/or recorded before or after the lien of RY Irrigation is recorded except the lien or charge of any first mortgage or deed of trust of record (meaning any mortgage or deed of trust having priority over all other mortgages or deeds of trust on such portion of the Property) made in good faith and for value, and governmental real property taxes liens. The acceptance of a deed for a portion of the Property subject to this Agreement (or execution of this Agreement by the initial Owners) shall constitute a waiver by the Owner of the homestead exemption as against such lien. The lien shall continue until all amounts secured thereby and accruing thereunder are fully paid or satisfied. When all amounts have been paid, RY Irrigation shall file a release of any notice of lien or claim of lien. The lien may otherwise be foreclosed in accordance with the laws of the State of Oregon governing the foreclosure of a mortgage lien. The sale or transfer of any portion of the Property shall not affect any lien or release such portion of the Property from the lien or from any subsequent Assessments. After an Owner is in default, RY Irrigation shall have the right to withhold the delivery of water from Property for which Assessments are delinquent, following an additional thirty (30) days notice (specifically referring to this remedy) and right to cure to the delinquent Owner.

6. Owner Costs; Activities. Each Owner assumes all responsibility and liability for any and all actions relating to its State water rights and the volume of water used by such Owner.

If an Owner desires to alter the Common Infrastructure which is located on such Owner's Property, the Owner may do so at its cost, and without impacting the operation of the Common Infrastructure for the remainder of the Property. An Owner may complete seasonal pumping, at its cost.

Each Owner shall be responsible for the operation of the irrigation system on such Owner's Property (outside of the Common Infrastructure), including, for example, control of laterals, ditching in fields for flood irrigation, lateral cleaning and repair.

Notwithstanding Section 4 above, in the event that the need for maintenance, repair or reconstruction of any Common Infrastructure is caused by the willful or negligent act or omission of any Property Owner (or a guest or invitee of an Owner, occupant or tenant of any Property, or any family member, guest, employee, agent, representative, licensee, contractor, invitee or cohabitant of any of the foregoing), or if an Owner desires improvement or maintenance of the Common Infrastructure that benefits that Owner's Property exclusively, the cost of such repair, maintenance or reconstruction shall be the direct obligation of such Property Owner and shall not be included in the Assessments; provided that any costs, expenses and fees incurred by RY Irrigation for such maintenance, repair or reconstruction shall be paid within 30 days, or shall be collected as a special assessment by RY Irrigation in the manner provided for Assessments in Section 5, above, or otherwise as permitted by law.

7. Non-Exclusivity of Rights; Non-Interference. The rights granted to and by each Owner hereunder are non-exclusive. Each Owner retains all rights to utilize the Easement Areas on its portion of the Property for any and all purposes; provided, however, no Owner shall grant to any other person any surface or subsurface rights which materially conflict with or interfere with the use of the Easement Areas by the other Owners.

8. No Change in Ownership. This Agreement does not, and is not intended to, change the legal or beneficial ownership of any water rights owned by any of the Owners. Each Owner reserves the right to irrigation and drainage of such water rights over the Easement Area for the benefit of such Owner. All Owners shall have the power to enter into agreements to idle their portion of the Property. Any funds earned for land idling shall be retained by the owner of the property. Each Owner reserves the right to transfer, in whole or in part, their portion of the water rights as provided by Oregon law (a "Water Right Transfer"), as long as the ability of the other Owners to continue irrigation of their property and operation of the system as provided in this Agreement is not materially harmed or injured by a Water Right Transfer, both at the point of diversion and in connection with the normal operation of the shared ditches.

9. Obligations to Run with the Land. This Agreement shall be recorded against the Property. This Agreement, the rights and obligations of the Owners hereto under the terms and conditions hereof, and the terms, rights, conditions, restrictions and limitations contained herein with respect thereto, shall burden and run with the Property and any portions thereof, shall be appurtenant to the Property and any portions thereof, and shall inure to the benefit and use of the Owners, and any successor owner or owners of the Property (or any portion or subdivision thereof) and its and their successors and assigns. This Agreement is also for the benefit of any present and future mortgagees or holders of trust deeds on any portion of the Property and may not be amended, repealed or modified without the written consent of each Owner and then-current mortgagee or beneficiary.

10. No Termination. This Agreement shall not be terminated or extinguished, whether by nonuse, abandonment, or for any other reason.

11. Enforcement. Enforcement of this Agreement may be by legal proceedings against any Owner or other person violating any restriction, covenant, condition or agreement herein contained, either to restrain or enjoin such violation, obtain specific performance, or recover damages; provided, however,

that no such covenant or any such similar right or privilege may be enforced by legal action or otherwise by any persons whatsoever except the Owners of all or any portion of the Property and their respective successors and assigns. This Agreement is not intended to, nor will it, create any rights or prescriptive rights in the public to the Easement Areas.

12. Compliance with Laws; Limitation of Liability; Indemnification.

a) All use of and maintenance within the Easement Areas shall be conducted and completed in compliance with all applicable laws and regulations. Each Owner of any portion of the Property shall indemnify and hold the Owners of the remainder of the Property harmless from and against any and all claims, costs, damages, and liability (including costs and attorneys' fees) arising out of any violation of this Agreement or applicable laws by the first party (and their agents, guests, invitees, or assigns), any actions or omissions by the first party (and their agents, guests, invitees, or assigns) under this Agreement, or from any bodily injury suffered or property damage occurring as a result of the acts of the first party (and their agents, guests, invitees, or assigns).

b) In recognition of the fees charged by the Irrigation Manager, and the relative risks, rewards, and benefits of the project to the Irrigation Manager, RY Irrigation and the Owners, the entire cumulative joint, several, and individual liability of the Irrigation Manager, its partners, shareholders, officers, members, agents, representatives, consultants, and employees arising out of or in any way related to this Agreement, irrespective of the number of claims and whether such claims are based in negligence, any other tort, breach of contract, breach of fiduciary duty, or any other claim, shall in no event exceed and shall be strictly limited to the proceeds actually paid to or on behalf of the Irrigation Manager pursuant to a liability insurance policy of RY Irrigation under which the Irrigation Manager is an additional insured (the "Liability Policy") as may be in effect at the time of any applicable judgment or settlement, after deduction of all insurance policy deductibles, claim costs not paid by the insurer pursuant to the Liability Policy (including without limitation costs of defense), and prior claims.

c) Further, if an Owner is serving as the Irrigation Manager, then the Irrigation Manager shall have no liability to RY Irrigation or to any Owner for consequential, indirect or special damages, whether arising out of contract, tort, warranty or otherwise, even if the Irrigation Manager has been advised of the possibility of such potential loss or damage.

d) Provided, however, that the foregoing limitations in 12(b) shall not apply to losses suffered by RY Irrigation or any Owner that arise out of any action, inaction or decision of the Irrigation Manager constituting bad faith, intentional misconduct, or knowing violation of law by the Irrigation Manager;

e) RY Irrigation hereby agrees to indemnify, defend and hold harmless the Irrigation Manager from any and all claims, costs, damages, loss and liability (including costs and attorneys' fees) sustained in connection with Irrigation Manager's performance of duties pursuant to this Agreement, other than: (i) those paid pursuant to the Liability Policy as described in Section 12(b); and (ii) those resulting from any action, inaction or decision of the Irrigation Manager constituting bad faith, or intentional misconduct or violation of law, by the Irrigation Manager.

f) If the Irrigation Manager fails to undertake and complete in a timely manner maintenance and improvements provided for in the approved budget (3.a., above), then RY Irrigation may immediately remove and replace the Irrigation Manager without any liability or further payment whatsoever to the Irrigation Manager.

13. Payment of Taxes. Each Owner shall pay all real property taxes and assessments

applicable to its portion of the Property. If any improvements made to the Easement Areas are separately assessed by any taxing authority with jurisdiction, the Owners shall pay such taxes and assessments in accordance with their Proportionate Share; except if an Owner installs any improvements unilaterally on its portion of the Property (or Easement Areas on such portion of the Property), then such Owner shall pay such taxes and assessments.

14. Attorneys' Fees. In the event of any controversy, claim, or dispute relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the non-prevailing party the prevailing party's costs and expenses, including, without limitation, reasonable attorneys' fees and costs.

15. Severability. In the event any term or provision of this Agreement shall be held to be unenforceable for any reason whatsoever by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other term or provision hereof.

16. No Waiver. The waiver by any Owner of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of the same or any other provision hereof.

17. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Oregon.

18. Further Assurances. From and after the execution, delivery and recordation of this Agreement, each Property Owner shall cooperate with the other Property Owners in taking such actions, executing such instruments and granting such rights as may be reasonably necessary to effectuate the purposes of the parties in entering into this Agreement. The Owners agree to exercise good faith and commercially reasonable efforts to effectuate all the terms and conditions of this Agreement.

19. Easement Agreements. The Easement Agreements shall remain in full force and effect, except as expressly modified forth herein regarding common maintenance and improvements to the common irrigation and drainage system within the Easement Areas. Each Owner retains all rights under the Easement Agreements which such Owner had prior to the execution of this Agreement.

20. No Merger. There shall be no merger by reason of the fact that any Owner or any subsequent Owner owns different portions of the Property or the entirety of the Property.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, RLF hereby executes this Agreement as of the date first above written.

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

By: _____

Name: Paron M. Patah

Its: Authorized Representative

STATE OF COLORADO)

COUNTY OF DENVER) ss.

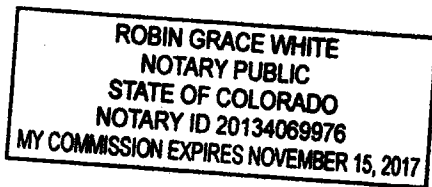
The foregoing instrument was acknowledged before me this 18 day of March, 201⁴8, by Paron M. Patah as Authorized Representative of RLF Running Y Ranch, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Robin Grace White
Notary Public

My commission expires: 11/15/17.

[SEAL]



IN WITNESS WHEREOF, Tally Ho hereby executes this Agreement as of the date first above written.

Tally Ho Farms,
an Oregon general partnership

By: [Signature]
Name: Tricia M. Hill
Its: Partner

STATE OF Oregon)
COUNTY OF Klamath) ss.

The foregoing instrument was acknowledged before me this 21 day of March, 2013, by Tricia M. Hill as partner of Tally Ho Farms, an Oregon general partnership.

Witness my hand and official seal.
[Signature]
Notary Public

My commission expires: May 13, 2016

[SEAL]



IN WITNESS WHEREOF, Caledonia hereby executes this Agreement as of the date first above written.

Caledonia Properties, LLC,
an Oregon limited liability company

By: [Signature]
Name: Mark Campbell
Its: Member/Manager

STATE OF Oregon)
COUNTY OF Klamath) ss.



The foregoing instrument was acknowledged before me this 20 day of March, 2013, by Mark Campbell as Member/Manager of Caledonia Properties, LLC, an Oregon limited liability company.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires: 6/17/2016

[SEAL]

IN WITNESS WHEREOF, Long Lake Ranch, LLC. hereby executes this Agreement as of the date first above written.

Long Lake Ranch, LLC.
a Nevada limited liability company

By: [Signature]
Name: David E. King
Its: Authorized Representative

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

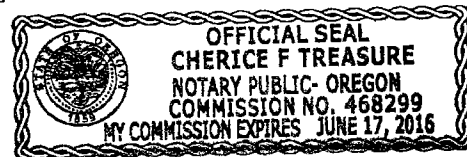
The foregoing instrument was acknowledged before me this 20 day of March, 2013, by David E. King as the Authorized Representative of Long Lake Ranch, LLC, a Nevada limited liability company.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires: 6/17/2016

[SEAL]



IN WITNESS WHEREOF, Caledonia hereby executes this Agreement as of the date first above written.

Running Y Irrigation Association,
an Oregon non-profit corporation

By: [Signature]
Name: Tricia M. Hill
Its: Irrigation Manager

STATE OF Oregon,
COUNTY OF Klamath ss.

The foregoing instrument was acknowledged before me this 21 day of March, 2014, by
Tricia M. Hill as Irrigation Manager of Running Y Irrigation Association, an Oregon
non-profit corporation.

Witness my hand and official seal.
[Signature]
Notary Public

My commission expires: May 13, 2016
[SEAL]



List of Exhibits:

- | | | |
|------------------|----------|--|
| Exhibit A | - | RLF Property |
| Exhibit B | - | Tally Ho Property |
| Exhibit C | - | Caledonia Property |
| Exhibit D | - | Common Infrastructure |
| Exhibit E | - | Running Y Acres for Irrigation Agreement/Per-Acre Assessment |
| Exhibit F | - | Long Lake Property (including separate description of Long Lake Junior Land and acreage of Long Lake Junior Land) |
| Exhibit G | - | Supplemental Water Rights |

Exhibit A
“RLF Property”

Parcels 1 and 2 of Land Partition 01-14, being a re-plat of Parcel 3 of Land Partition 06-12, situated in Sections 20, 21, 22, 26, 27, 28, and 34 in Township 38 South, Range 8 East of the Willamette Meridian, Klamath County Oregon. Being recorded on March 6, 2014 in 2014-001902, Records of Klamath County, Oregon.

Exhibit B
“Tally Ho Property”

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

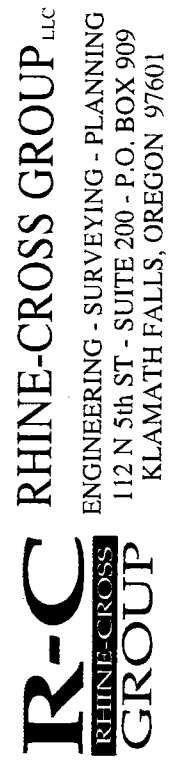
Exhibit C

“Caledonia Property”

Parcel 1 of Land Partition 16-11, a replat of parcel 3 of Minor Land Partition No. 81-34, located in the SW1/4 of Section 15, Section 22, the SW1/4 of Section 23, the NW1/4 & SW1/4 of Section 26 and the NE1/4 of Section 27, Township 38 South Range 8 East of the Willamette Meridian, Klamath County, Oregon, duly recorded January 19, 2012 in Volume 2012-000492, Microfilm Records of Klamath County, Oregon.

Parcel 2 of Land Partition 04-11, a replat of parcel 1 of LP 69-06, SE 1/4 Section 9, E1/2 Section 16, NW1/4 and S 1/2 Section 15 and N 1/2 Section 22. Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, OR. Recorded 6-1-2011 in volume 2011-006707.

Irrigation Infrastructure



Phone: (541) 851-9405 Fax: (541) 273-9200
admin@rc-grp.com

Exhibit E
Running Y Acres for Irrigation Assessment

	Acres	Percentage
Total Tally Ho	1,744	43.01%
Total RLF	1,667	41.11%
Total Long Lake	397	9.79%
Total Caledonia	247	6.09%
Total	4,055	100.00%

Exhibit F
“Long Lake Property”

Parcel 3 of Land Partition 01-14, being a re-plat of Parcel 3 of Land Partition 06-12, situated in Sections 20, 21, 22, W1/2 of 26, 27, 28, NE1/4 of 29, and the N1/2 of 34 in Township 38 South, Range 8 East of the Willamette Meridian, Klamath County Oregon. Being recorded on March 6, 2014 in 2014-001902, Records of Klamath County, Oregon.

Exhibit G
“Supplemental Water Rights”

STATE OF OREGON
COUNTY OF KLAMATH
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

RLF RUNNING Y RANCH LLC
619 N CASCADE AVE SUITE 200
COLORADO SPRINGS CO 80903

CALEDONIA PROPERTIES LLC
1691 CROSS ROAD
KLAMATH FALLS, OR 97601

confirms the right to use the waters of the RUNNING Y SOUTH WELL (KLAM 54337) in the Upper Klamath Lake Basin for SUPPLEMENTAL IRRIGATION of 4054.7 ACRES.

This right was perfected under Permit G-15785. The date of priority is JANUARY 23, 2004. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 7.80 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the well.

The period of use is May 1 through October 1

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
38 S	8 E	WM	27	SW SE	RUNNING Y SOUTH WELL (KLAM 54337) - 800 FEET NORTH & 920 FEET EAST FROM SOUTH 1/4 CORNER, SECTION 27

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second, or its equivalent for each acre irrigated, and shall be further limited to a diversion of not to exceed 3 acre-feet per acre for each acre irrigated during the irrigation season of each year.

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate within three months after issuance of the certificate.

A description of the place of use is as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	7	SW NW		1.4
38 S	8 E	WM	7	SE NW	5	9.9
38 S	8 E	WM	7	SE NW	10	10.5
38 S	8 E	WM	7	NE SW	6	8.4
38 S	8 E	WM	7	NE SW	9	31.6
38 S	8 E	WM	7	NW SW	9	0.5
38 S	8 E	WM	7	NW SW	6	14
38 S	8 E	WM	7	SW SW	8	0.5
38 S	8 E	WM	7	SE SW	8	32.4
38 S	8 E	WM	7	NE SE	3	1.5
38 S	8 E	WM	7	NE SE	14	55.8
38 S	8 E	WM	7	NW SE		
38 S	8 E	WM	7	SW SE		40
38 S	8 E	WM	7	SE SE		39.1
38 S	8 E	WM	8	NW SW	3	1.4
38 S	8 E	WM	8	NW SW	10	50
38 S	8 E	WM	8	SW SW		
38 S	8 E	WM	8	SE SW	4	1.6
38 S	8 E	WM	8	SE SW	9	34.8
38 S	8 E	WM	8	SW SE	8	29.6
38 S	8 E	WM	8	SW SE	5	2.3
38 S	8 E	WM	8	SE SE	6	1.5
38 S	8 E	WM	8	SE SE	7	26
38 S	8 E	WM	9	SW SW	7	25.4
38 S	8 E	WM	9	SE SW	6	9.3
38 S	8 E	WM	15	NE SW	3	2.5
38 S	8 E	WM	15	SW SW	9	12
38 S	8 E	WM	15	SE SW	10	44.4
38 S	8 E	WM	15	SW SE	11	14.9
38 S	8 E	WM	16	NW NE	6	10.2
38 S	8 E	WM	16	SW NE	5	30.1
38 S	8 E	WM	16	NE NW	6	38.9
38 S	8 E	WM	16	NW NW		40
38 S	8 E	WM	16	SW NW		40
38 S	8 E	WM	16	SE NW		40
38 S	8 E	WM	16	NE SW		40
38 S	8 E	WM	16	NW SW		40
38 S	8 E	WM	16	SW SW		40
38 S	8 E	WM	16	SE SW		40
38 S	8 E	WM	16	NE SE	4	13.5
38 S	8 E	WM	16	NW SE		39

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	16	SW SE		39
38 S	8 E	WM	16	SE SE		38.5
38 S	8 E	WM	17	NE NE		40
38 S	8 E	WM	17	NW NE		40
38 S	8 E	WM	17	SW NE		40
38 S	8 E	WM	17	SE NE		40
38 S	8 E	WM	17	NE NW		40
38 S	8 E	WM	17	NW NW		40
38 S	8 E	WM	17	SW NW		40
38 S	8 E	WM	17	SE NW		40
38 S	8 E	WM	17	NE SW		40
38 S	8 E	WM	17	NW SW		40
38 S	8 E	WM	17	SW SW	2	34.3
38 S	8 E	WM	17	SE SW		39
38 S	8 E	WM	17	NE SE		40
38 S	8 E	WM	17	NW SE		40
38 S	8 E	WM	17	SW SE		40
38 S	8 E	WM	17	SE SE		40
38 S	8 E	WM	18	NE NE		40
38 S	8 E	WM	18	NW NE		39.4
38 S	8 E	WM	18	SW NE	7	26.1
38 S	8 E	WM	18	SE NE		40
38 S	8 E	WM	18	NE NW	8	5.2
38 S	8 E	WM	18	NE SE		38.2
38 S	8 E	WM	18	NW SE	6	7.5
38 S	8 E	WM	18	SE SE	5	9.7
38 S	8 E	WM	20	NE NE		37.5
38 S	8 E	WM	20	NW NE		37.5
38 S	8 E	WM	20	SW NE		40
38 S	8 E	WM	20	SE NE		40
38 S	8 E	WM	20	NE NW		37.9
38 S	8 E	WM	20	NW NW	10	9.4
38 S	8 E	WM	20	SE NW	9	30.2
38 S	8 E	WM	20	NE SW	8	14.4
38 S	8 E	WM	20	NE SE		38
38 S	8 E	WM	20	NW SE		37.6
38 S	8 E	WM	20	SW SE	6	10.2
38 S	8 E	WM	20	SE SE	6	36.2
38 S	8 E	WM	21	NE NE		37
38 S	8 E	WM	21	NW NE		37
38 S	8 E	WM	21	SW NE		39
38 S	8 E	WM	21	SE NE		39
38 S	8 E	WM	21	NE NW		37.5

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	21	NW NW		37.5
38 S	8 E	WM	21	SW NW		40
38 S	8 E	WM	21	SE NW		40
38 S	8 E	WM	21	NE SW		37.5
38 S	8 E	WM	21	NW SW		37.5
38 S	8 E	WM	21	SW SW		40
38 S	8 E	WM	21	SE SW		40
38 S	8 E	WM	21	NE SE		37.5
38 S	8 E	WM	21	NW SE		37
38 S	8 E	WM	21	SW SE		40
38 S	8 E	WM	21	SE SE		40
38 S	8 E	WM	22	NE NE	8	4.1
38 S	8 E	WM	22	NW NE	8	31.8
38 S	8 E	WM	22	SW NE		37.6
38 S	8 E	WM	22	SE NE	7	12.2
38 S	8 E	WM	22	NE NW		32.3
38 S	8 E	WM	22	NW NW		18
38 S	8 E	WM	22	SW NW		32.9
38 S	8 E	WM	22	SE NW		35
38 S	8 E	WM	22	NE SW		37.2
38 S	8 E	WM	22	NW SW		37.4
38 S	8 E	WM	22	SW SW		40
38 S	8 E	WM	22	SE SW		40
38 S	8 E	WM	22	NE SE	6	0.9
38 S	8 E	WM	22	NW SE	6	23.6
38 S	8 E	WM	22	SW SE	5	18.5
38 S	8 E	WM	27	NE NE	1	1.6
38 S	8 E	WM	27	NW NE	1	2.6
38 S	8 E	WM	27	NW NE	11	29.8
38 S	8 E	WM	27	SW NE	10	29
38 S	8 E	WM	27	SW NE	2	9.4
38 S	8 E	WM	27	SE NE	2	3.6
38 S	8 E	WM	27	NE NW		40
38 S	8 E	WM	27	NW NW		40
38 S	8 E	WM	27	SW NW		40
38 S	8 E	WM	27	SE NW		39
38 S	8 E	WM	27	NE SW		38.4
38 S	8 E	WM	27	NW SW		37.2
38 S	8 E	WM	27	SW SW	6	6.2
38 S	8 E	WM	27	SW SW	6	1.6
38 S	8 E	WM	27	SW SW	7	31.5
38 S	8 E	WM	27	SE SW	8	14
38 S	8 E	WM	27	SE SW	5	24.3

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	27	SE SW	5	1.2
38 S	8 E	WM	27	NE SE		2.5
38 S	8 E	WM	27	NW SE	3	15.5
38 S	8 E	WM	27	NW SE	9	19.6
38 S	8 E	WM	27	SW SE	4	14.9
38 S	8 E	WM	27	SW SE		9.4
38 S	8 E	WM	28	NE NE		40
38 S	8 E	WM	28	NW NE		40
38 S	8 E	WM	28	SW NE		36.6
38 S	8 E	WM	28	SE NE		40
38 S	8 E	WM	28	NE NW		40
38 S	8 E	WM	28	NW NW	8	31.6
38 S	8 E	WM	28	SW NW	8	0.4
38 S	8 E	WM	28	SE NW	7	13
38 S	8 E	WM	28	NE SE	5	24.8
38 S	8 E	WM	28	NW SE	6	1.5
38 S	8 E	WM	28	SE SE	5	2.9
38 S	8 E	WM	29	NE NE	8	4.4
38 S	8 E	WM	34	NW NE		19.5
38 S	8 E	WM	34	SW NE		0.9
38 S	8 E	WM	34	NE NW		3.9
38 S	8 E	WM	34	NE NW		37.7
38 S	8 E	WM	34	NW NW		16.1
38 S	8 E	WM	34	NW NW		17.1
38 S	8 E	WM	34	SW NW		3.7
38 S	8 E	WM	34	SE NW		12.5
				Total Acres		4054.7

Measurement, recording and reporting conditions:

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

To monitor the effect of water use from the well authorized under this right, the Director may require the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement. The measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well if annual water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The reference level against which any future measurements will be compared is 32.67 feet below land surface.

The period of non-use or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the water user's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

Use of water under authority of this right may be regulated if analysis of data available after the right is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge to determine the water level elevation in the well at all times.

The Director may require water level or pump test results every ten years.

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

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

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

The use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued MAR 22 2013

A handwritten signature in dark ink, appearing to read "Dwight W. French", is written over a horizontal line.

Dwight W. French
Water Right Services Administrator, for
Phillip C. Ward, Director
Water Resources Department

STATE OF OREGON
COUNTY OF KLAMATH
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

RLF RUNNING Y RANCH LLC
619 N CASCADE AVE, SUITE 200
COLORADO SPRINGS CO 80903

CALEDONIA PROPERTIES LLC
1691 CROSS ROAD
KLAMATH FALLS, OR 97601

confirms the right to use the waters of the SLIVER WELL (KLAM 11544) in the Upper Klamath Lake Basin for SUPPLEMENTAL IRRIGATION of 4054.7 ACRES.

This right was perfected under Permit G-15326. The date of priority is MAY 24, 2001. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 3.34 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the well.

The period of use is May 1 through October 1.

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	Measured Distances
38 S	8 E	WM	27	NW NE	1	SLIVER WELL (KLAM 11544) - 4950 FEET NORTH AND 1270 FEET EAST FROM THE S 1/4 CORNER, SECTION 27

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and shall be further limited to a diversion of not to exceed 3 acre-feet per acre for each acre irrigated during the irrigation season of each year.

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate within three months after issuance of the certificate.

A description of the place of use is as follows:

Twtp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	7	SW NW		1.4
38 S	8 E	WM	7	SE NW	5	9.9
38 S	8 E	WM	7	SE NW	10	10.5
38 S	8 E	WM	7	NE SW	6	8.4
38 S	8 E	WM	7	NE SW	9	31.6
38 S	8 E	WM	7	NW SW	9	0.5
38 S	8 E	WM	7	NW SW	6	14
38 S	8 E	WM	7	SW SW	8	0.5
38 S	8 E	WM	7	SE SW	8	32.4
38 S	8 E	WM	7	NE SE	3	1.5
38 S	8 E	WM	7	NE SE		
38 S	8 E	WM	7	NW SE	14	55.8
38 S	8 E	WM	7	SW SE		40
38 S	8 E	WM	7	SE SE		39.1
38 S	8 E	WM	8	NW SW	3	1.4
38 S	8 E	WM	8	NW SW		
38 S	8 E	WM	8	SW SW	10	50
38 S	8 E	WM	8	SE SW	4	1.6
38 S	8 E	WM	8	SE SW	9	34.8
38 S	8 E	WM	8	SW SE	8	29.6
38 S	8 E	WM	8	SW SE	5	2.3
38 S	8 E	WM	8	SE SE	6	1.5
38 S	8 E	WM	8	SE SE	7	26
38 S	8 E	WM	9	SW SW	7	25.4
38 S	8 E	WM	9	SE SW	6	9.3
38 S	8 E	WM	15	NE SW	3	2.5
38 S	8 E	WM	15	SW SW	9	12
38 S	8 E	WM	15	SE SW	10	44.4
38 S	8 E	WM	15	SW SE	11	14.9
38 S	8 E	WM	16	NW NE	6	10.2
38 S	8 E	WM	16	SW NE	5	30.1
38 S	8 E	WM	16	NE NW	6	38.9
38 S	8 E	WM	16	NW NW		40
38 S	8 E	WM	16	SW NW		40
38 S	8 E	WM	16	SE NW		40
38 S	8 E	WM	16	NE SW		40
38 S	8 E	WM	16	NW SW		40
38 S	8 E	WM	16	SW SW		40
38 S	8 E	WM	16	SE SW		40
38 S	8 E	WM	16	NE SE	4	13.5
38 S	8 E	WM	16	NW SE		39

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	16	SW SE		39
38 S	8 E	WM	16	SE SE		38.5
38 S	8 E	WM	17	NE NE		40
38 S	8 E	WM	17	NW NE		40
38 S	8 E	WM	17	SW NE		40
38 S	8 E	WM	17	SE NE		40
38 S	8 E	WM	17	NE NW		40
38 S	8 E	WM	17	NW NW		40
38 S	8 E	WM	17	SW NE		40
38 S	8 E	WM	17	SE NE		40
38 S	8 E	WM	17	NE SW		40
38 S	8 E	WM	17	NW SW		40
38 S	8 E	WM	17	SW SW	2	34.3
38 S	8 E	WM	17	SE SW		39
38 S	8 E	WM	17	NE SE		40
38 S	8 E	WM	17	NW SE		40
38 S	8 E	WM	17	SW SE		40
38 S	8 E	WM	17	SE SE		40
38 S	8 E	WM	18	NE NE		40
38 S	8 E	WM	18	NW NE		39.4
38 S	8 E	WM	18	SW NE	7	26.1
38 S	8 E	WM	18	SE NE		40
38 S	8 E	WM	18	NE NW	8	5.2
38 S	8 E	WM	18	NE SE		38.2
38 S	8 E	WM	18	NW SE	6	7.5
38 S	8 E	WM	18	SE SE	5	9.7
38 S	8 E	WM	20	NE NE		37.5
38 S	8 E	WM	20	NW NE		37.5
38 S	8 E	WM	20	SW NE		40
38 S	8 E	WM	20	SE NE		40
38 S	8 E	WM	20	NE NW		37.9
38 S	8 E	WM	20	NW NW	10	9.4
38 S	8 E	WM	20	SE NW	9	30.2
38 S	8 E	WM	20	NE SW	8	14.4
38 S	8 E	WM	20	NE SE		38
38 S	8 E	WM	20	NW SE		37.6
38 S	8 E	WM	20	SW SE	6	10.2
38 S	8 E	WM	20	SE SE	6	36.2
38 S	8 E	WM	21	NE NE		37
38 S	8 E	WM	21	NW NE		37
38 S	8 E	WM	21	SW NE		39
38 S	8 E	WM	21	SE NE		39
38 S	8 E	WM	21	NE NW		37.5

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	21	NW NW		37.5
38 S	8 E	WM	21	SW NW		40
38 S	8 E	WM	21	SE NW		40
38 S	8 E	WM	21	NE SW		37.5
38 S	8 E	WM	21	NW SW		37.5
38 S	8 E	WM	21	SW SW		40
38 S	8 E	WM	21	SE SW		40
38 S	8 E	WM	21	NE SE		37.5
38 S	8 E	WM	21	NW SE		37
38 S	8 E	WM	21	SW SE		40
38 S	8 E	WM	21	SE SE		40
38 S	8 E	WM	22	NE NE	8	4.1
38 S	8 E	WM	22	NW NE	8	31.8
38 S	8 E	WM	22	SW NE		37.6
38 S	8 E	WM	22	SE NE	7	12.2
38 S	8 E	WM	22	NE NW		32.3
38 S	8 E	WM	22	NW NW		18
38 S	8 E	WM	22	SW NW		32.9
38 S	8 E	WM	22	SE NW		35
38 S	8 E	WM	22	NE SW		37.2
38 S	8 E	WM	22	NW SW		37.4
38 S	8 E	WM	22	SW SW		40
38 S	8 E	WM	22	SE SW		40
38 S	8 E	WM	22	NE SE	6	0.9
38 S	8 E	WM	22	NW SE	6	23.6
38 S	8 E	WM	22	SW SE	5	18.5
38 S	8 E	WM	27	NE NE	1	1.6
38 S	8 E	WM	27	NW NE	1	2.6
38 S	8 E	WM	27	NW NE	11	29.8
38 S	8 E	WM	27	SW NE	10	29
38 S	8 E	WM	27	SW NE	2	9.4
38 S	8 E	WM	27	SE NE	2	3.6
38 S	8 E	WM	27	NE NW		40
38 S	8 E	WM	27	NW NW		40
38 S	8 E	WM	27	SW NW		40
38 S	8 E	WM	27	SE NW		39
38 S	8 E	WM	27	NE SW		38.4
38 S	8 E	WM	27	NW SW		37.2
38 S	8 E	WM	27	SW SW	6	6.2
38 S	8 E	WM	27	SW SW	6	1.6
38 S	8 E	WM	27	SW SW	7	31.5
38 S	8 E	WM	27	SE SW	8	14
38 S	8 E	WM	27	SE SW	5	24.3

Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
38 S	8 E	WM	27	SE SW	5	1.2
38 S	8 E	WM	27	NE SE		2.5
38 S	8 E	WM	27	NW SE	3	15.5
38 S	8 E	WM	27	NW SE	9	19.6
38 S	8 E	WM	27	SW SE	4	14.9
38 S	8 E	WM	27	SW SE		9.4
38 S	8 E	WM	28	NE NE		40
38 S	8 E	WM	28	NW NE		40
38 S	8 E	WM	28	SW NE		36.6
38 S	8 E	WM	28	SE NE		40
38 S	8 E	WM	28	NE NW		40
38 S	8 E	WM	28	NW NW	8	31.6
38 S	8 E	WM	28	SW NW	8	0.4
38 S	8 E	WM	28	SE NW	7	13
38 S	8 E	WM	28	NE SE	5	24.8
38 S	8 E	WM	28	NW SE	6	1.5
38 S	8 E	WM	28	SE SE	5	2.9
38 S	8 E	WM	29	NE NE	8	4.4
38 S	8 E	WM	34	NW NE		19.5
38 S	8 E	WM	34	SW NE		0.9
38 S	8 E	WM	34	NE NW		3.9
38 S	8 E	WM	34	NE NW		37.7
38 S	8 E	WM	34	NW NW		16.1
38 S	8 E	WM	34	NW NW		17.1
38 S	8 E	WM	34	SW NW		3.7
38 S	8 E	WM	34	SE NW		12.5
Total Acres						4054.7

Measurement, recording and reporting conditions:

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

To monitor the effect of water use from the well authorized under this right, the Director may require the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement. The measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well if annual water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The reference level against which any future measurements will be compared is 33.4 feet below land surface.

The period of non-use or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the water user's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

Use of water under authority of this right may be regulated if analysis of data available after the right is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge to determine the water level elevation in the well at all times.

The Director may require water level or pump test results every ten years.

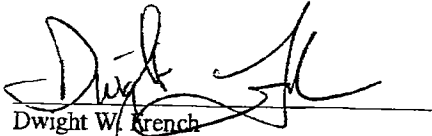
Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

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

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

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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Dwight W. French
Water Right Services Administrator, for
Phillip C. Ward, Director
Water Resources Department