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CARLTON D. WARREN
(Retired)

[°]Also Member of Washington Bar

June 16, 2016

Public Utilities Commission of Oregon
201 High St, SE, Suite 100
Salem, OR

Subject: UM 1745, Request for Waiver

Dear Public Utilities Commission of Oregon,

Hello I represent Charlotte Branton and Mountain Shadows Utilities, LLC (Seller). Seller requests waiver of the 60 day notice requirements as outlined in OAR 860-036-0710 regarding the sale of the water utility from Mountain Shadows Utilities, LLC, to Mt. Shadows Homeowners Assoc. The Public Utility Commission of Oregon and the customers of the utility are aware of the sale.

Although the formal notice process to the Public Utilities Commission of Oregon was not followed precisely, the PUC was aware of the settlement negotiations involved in UM 1745 that might result in (and in fact did result in) a sale. In regards to the customers of the utility, all of the members of the Homeowners Association were aware of the sale and the Homeowners Association approved of the sale. Of the six non-HOA customers, Mr. Simpson knew of the HOA's pending efforts to take control of the water utility and to my knowledge did not express an objection and ultimately, another, Mr. Parr approves of the sale.

My understanding is that more than 75% of the customers actively approve of the sale.

My understanding is the customers will experience no change in service nor in pricing as a result of this sale and the transition for the customers will be seamless. Additionally, written notice will be provided, see proposed notice, attached.

Respectfully submitted,

Mountain Shadows Utilities, LLC

Sincerely,

/s/ Sia Rezvani

SIA REZVANI

cc:

client

Mountain Shadows Home Owners' Association

Stephen Hayes at PUC (by email)

Dennis Chaney (by email)

Mr. Simpson (by email)

Mr. Parr (by email) and his attorney Mr. Herzog (by email)

NOTICE OF REGULATED WATER UTILITY SALE, TRANSFER, OR MERGER

June 16, 2016
(date)

Mountain Shadows Utilities, LLC (Water Utility)
35215 SE Dodge Park Blvd
Gresham, Oregon 97080
Telephone: (503)663-7069

The purpose of this notice is to inform you of the proposed **sale**, **transfer**, or **merger** of our water utility. We expect this transaction will be effective: Upon approval by the Oregon Public Utility Commission. We are pursuing this transaction to change the entity that is providing water service.

We believe this action will affect the customers in the following ways: The transfer will change the entity providing water service from Mountain Shadows Utilities, LLC to Mt. Shadows Home Owners Assoc.

This transaction must be reviewed and approved by the Public Utility Commission of Oregon (Commission). Customers may file comments with the PUC's Consumer Services Section at 503-378-6600; 1-800-522-2404; TTY 711, or email at puc.consumer@state.or.us.

Street Address

Public Utility Commission of Oregon
Consumer Services Section
201 High St. SE Ste. 100
Salem OR 97301

Mailing Address

Public Utility Commission of Oregon
Consumer Services Section
PO Box 1088
Salem OR 97308-1088

For further information regarding this transaction, you may contact us at the water utility business office using the information provided at the beginning of this notice.

The proposed new owner of the water utility is:

Mt. Shadows Homeowners Assoc.
5015 Mt. Shadows Lane
Parkdale, Oregon 97041
(503) 282-5936

INSTRUCTIONS: All applications submitted to the Commission must be filed electronically with the Commission's Filing Center. Documents may be electronically filed by sending the filing as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us. An original document must be personally delivered or mailed on the same date the electronic copy of the document is filed.

Street Address
 Public Utility Commission of Oregon
 Filing Center
 201 High St. SE Ste. 100
 Salem OR 97301

Mailing Address
 Public Utility Commission of Oregon
 Filing Center
 PO Box 1088
 Salem OR 97308-1088

APPLICATION FOR SALE, TRANSFER, OR MERGER OF WATER UTILITY

Legal Name of Water Utility:	Mountain Shadows Utilities, LLC
Name of Water System if Different:	
Name of Owner or Officer:	Mountain Shadows Utilities, LLC
Mailing Address:	35215 SE Dodge Park Blvd
City, State, Zip:	Gresham, OR, 97080
Location Address if Different:	5015 Mt. Shadows Drive
City, State, Zip:	Parkdale, Oregon 97041
Utility Telephone Number:	(503)701-5387
Emergency Phone Number:	Same
Email Address:	N/A
Website if Available:	N/A

In the Matter of the Application of Mountain Shadows Utilities, LLC for an Order Authorizing the Sale, Transfer, or Merger of the Water Utility to Mt. Shadows Homeowners Assoc., 3201 NE 38th, Portland, OR 97212, (503) 282-5936, pursuant to OAR 860-036-0710.

- 1) **Attach a copy of the contract or agreement to this application.** The contract/agreement must contain the exact terms and provisions of the transaction to be entered into. The Commission will be advised in writing of the exact date the transaction is entered into and that the terms and provisions of the contract or agreement are the same as set forth herein, if this application is approved.
- 2) List the names, addresses, telephone numbers, and email addresses of each purchaser or party involved in the transaction.

 Purchaser: Mt. Shadows Homeowners Assoc., 3201 NE 38th, Portland, OR 97212, (503) 282-5936

 Seller: See above listed information.
- 3) Describe the water utility property that is affected by this transaction.
 - (a) The Seller's customer lists relating to the Company as well as the rights and

obligations relating to the Company's "exclusive service territory"; and,

- (b) To the extent transferrable under Oregon law, all water permits, certificates and rights to provide water to customers within the service area (exclusive service territory) currently serviced by the Company,
- (c) A non-transferable license for entry to that portion of Lot 17, Mountain Shadows Subdivision on which those supplies, equipment, hardware, and physical infrastructure used in the existing operation of the water utility business, solely for access to such supplies, equipment, hardware, and physical infrastructure and solely as used in the continued operation of the water utility business currently operated from Lot 17, Mountain Shadows Subdivision, as set forth in [the Grant of Non-Transferable License] until termination of the non-transferable license for use of the well on Lot 17 ... at which time said license for entry shall terminate;
...
- (d) The sale of all supplies, equipment, hardware, and physical infrastructure which are used in the continued operation of the water utility business but which are located outside of Lot 17, Mountain Shadows Subdivision, and,
- (e) No title to any real property shall pass to Purchaser, however, Seller shall provide:
 - a. An Assignment transferring any and all transferrable rights of way and/or easements still in force benefitting either Lot 17 Mountain Shadows Subdivision, and/or the water utility business, such easements being recorded in the deed records of Hood River County, Oregon, which includes:
 - i. Easements within Mountain Shadows Subdivision:
 - 1. Microfilm #720731 recorded 1972 and relating to Lot 1
 - 2. Microfilm #820497, recorded April 2, 1982, relating to Lot 16
 - 3. Microfilm #811414, recorded April 2, 1982, relating to Lot 12
 - ii. An easement adjacent to Mountain Shadows Subdivision:
 - 1. Microfilm #801818, recorded August 14, 1980, relating to Southwest $\frac{1}{4}$, Southeast $\frac{1}{4}$, Section 30, Township 1 South, Range 10 East, Willamette Meridian.
 - iii. An easement in Snow Bird Tracts Subdivision:
 - 1. Microfilm #773064, recorded December 30, 1977, relating to Section 6, Township 2 South, Range 10 East, Willamette Meridian (Lot 10).
- (f) A non-transferable license for the non-exclusive use of the water well and water system appurtenances owned by Charlotte Branton on Lot 17, Mountain Shadows Subdivision,

by Purchaser, beginning January 1, 2016 and terminating at the earlier of either:

- a. December 31, 2019, or
- b. until such time as Purchaser obtains and exclusively uses its own source of water to run the operations of the water utility business, or
- c. upon Licensee/Purchaser's breach of any terms of the related Asset and Purchase Agreement.

(g) Purchaser, by written notice to Seller, the Company, and Branton as Trustee, shall have the option to extend for up to four periods of 180 days at a time, each reference to "December 31, 2020" in the Purchase and Sale Agreement if Purchaser determines in good faith that Purchaser will not be able to obtain a sufficient replacement well, any necessary water rights, or other commercially reasonable water source to replace the well and water system infrastructure on Lot 17 by that deadline (as previously extended, if applicable) despite making commercially reasonable efforts to do so.

4) The price of the property being acted upon is \$7,500 (estimated) plus other consideration, payable as set forth in the contract or agreement attached to the application. The net book value of the water system is \$[UNAPPRAISED].

5) List the reasons applicant desires to sell, transfer, or merge its utility property and any facts supporting these reasons why the transaction is proposed.

Mutual agreement between Seller and Homeowner's Association
Costs and difficulties of maintenance, improvement, and operation for Seller

6) List and discuss all effects of the transaction upon the current customers.

No effect except location to tender payment

7) List and discuss the benefits current customers will realize from this transaction.

More active maintenance and improvement of system.

8) Provide evidence that the purchasers are financially able and willing to take over and operate the utility property. Include any experience future owners have that will assist or aid them in the operations of the water utility and the reasons why they desire to acquire the utility property.

Attached a copy of the purchaser's financial statements.

According to the future owner: The board member doing our book keeping has a BS in Business & MBA. She has 20 years experience with handling all administration of small companies including the past 12 years overseeing the accounting, cash management, payroll, information systems and human resources for a multi-office, multi-state consulting firm doing approximately \$5-\$6million per year. The homeowner in charge of the system operation is a former licensed

contractor and holds a current Oregon Health Department Small Systems Operators certificate. The MSHOA belongs to the Oregon Association of Water Utilities. For expert assistance we contract with Hydra Engineering of Brightwood, OR.

9) Attached a copy of all grants of easements to be transferred with the sale, transfer, or merger of the utility property. Also attach all water rights to be transferred.

Wherefore applicant respectfully requests that the Commission enter an appropriate order authorizing the transaction proposed herein.

Name of Utility: Mountain Shadows Utilities, LLC Dated: June 15, 2016

Charlotte S. Branton
Signature of Water Utility Officer or Owner

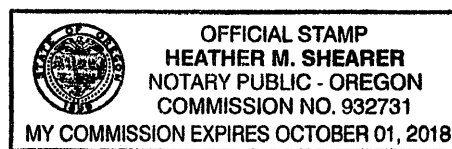
State of Oregon) ss.

County of Multnomah)

Charlotte Branton, being first duly sworn, deposes and says he/she is Member of Mountain Shadows Utilities, LLC, the applicant in the foregoing application, that he/she has read said application, including all exhibits thereto, knows the contents thereof, and the same are true to the best of his/her knowledge and belief.

(Signature) Heather M. Shearer

(Notarial Seal). my commission expires: 10-01-2018



ASSET PURCHASE AND SALE AGREEMENT

THIS ASSET PURCHASE AND SALE AGREEMENT ("Agreement") is made as of 11th, January, 2016th and between Charlotte Branton, as the sole Member of Mountain Shadows Utilities, LLC (hereafter referred to as "Seller"), and Mt. Shadows Home Owners Assoc., an Oregon non-profit, mutual benefit corporation ("Purchaser").

RECITALS:

WHEREAS, Seller is willing to sell to Purchaser and Purchaser is willing to buy from Seller, upon the terms and conditions hereinafter set forth, the assets of the private water utility and septic system business currently operated by Seller, "Mountain Shadows, Utilities, LLC" ("the Company") as more fully set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. SALE OF ASSETS

Upon the terms and subject to the conditions provided in this Agreement, Seller shall, as of January 1, 2016, and subject to approval by the Oregon Public Utility Commission as more specifically provided in paragraph 17, below, convey, sell, transfer, assign and deliver to Purchaser, and Purchaser shall purchase from Seller, the following assets used by Seller in the conduct of the Company, as such assets exist on the Closing Date (hereinafter collectively referred to as the "Assets") that is to say in AS IS CONDITION:

- (a) The Seller's customer lists relating to the Company as well as the rights and obligations relating to the Company's "exclusive service territory"; and,
- (b) To the extent transferrable under Oregon law, all water permits, certificates and rights to provide water to customers within the service area (exclusive service territory) currently serviced by the Company,
- (c) A non-transferable license for entry to that portion of Lot 17, Mountain Shadows Subdivision on which those supplies, equipment, hardware, and physical infrastructure used in the existing operation of the water utility business, solely for access to such supplies, equipment, hardware, and physical infrastructure and solely as used in the continued operation of the water utility business currently operated from Lot 17, Mountain Shadows Subdivision, as set forth in Exhibit 1, until termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), below, at which time said license for entry shall terminate;
- (d) A non-renewable lease for the use of those supplies, equipment, hardware, and physical infrastructure located on Lot 17, Mountain Shadows Subdivision, which are used in the continued operation of the water utility business currently operated from Lot 17, Mountain Shadows Subdivision, as set forth in Exhibit 2, such lease terminating at the same time as the termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), below; and,
- (e) The sale of all supplies, equipment, hardware, and physical infrastructure which are

used in the continued operation of the water utility business but which are located outside of Lot 17, Mountain Shadows Subdivision, and,

(f) No title to any real property shall pass to Purchaser, however, Seller shall provide:

a. An Assignment transferring any and all transferrable rights of way and/or easements still in force benefitting either Lot 17 Mountain Shadows Subdivision, and/or the water utility business, such easements being recorded in the deed records of Hood River County, Oregon, which includes:

i. Easements within Mountain Shadows Subdivision:

1. Microfilm #720731 recorded 1972 and relating to Lot 1
2. Microfilm #820497, recorded April 2, 1982, relating to Lot 16
3. Microfilm #811414, recorded April 2, 1982, relating to Lot 12

ii. An easement adjacent to Mountain Shadows Subdivision:

1. Microfilm #801818, recorded August 14, 1980, relating to Southwest $\frac{1}{4}$, Southeast $\frac{1}{4}$, Section 30, Township 1 South, Range 10 East, Willamette Meridian.

iii. An easement in Snow Bird Tracts Subdivision:

1. Microfilm #773064, recorded December 30, 1977, relating to Section 6, Township 2 South, Range 10 East, Willamette Meridian (Lot 10).

(g) A non-transferable license for the non-exclusive use of the water well and water system appurtenances owned by the Donald J. Branton and Charlotte S. Branton Revocable Trust on Lot 17, Mountain Shadows Subdivision, by Purchaser, beginning January 1, 2016 and terminating at the earlier of either:

- a. December 31, 2020, or
- b. until such time as Purchaser obtains and exclusively uses its own source of water to run the operations of the water utility business, or
- c. upon Licensee/Purchaser's breach of any terms of the related Asset and Purchase Agreement.

2. PURCHASE PRICE FOR ASSETS

Purchaser shall pay to Seller for the Assets a purchase price (the "Purchase Price") as follows:

(a) A one-time payment of \$5,000.00 and a one-time credit of \$2,500 toward future infrastructure/improvement assessments against Lot 17, Mountain Shadows Subdivision, such credit being solely in favor of the Donald J. Branton and Charlotte S.

Branton Revocable Trust, such credit being non-transferable, and such credit terminating if unused by the time of Charlotte S. Branton's death; and,

- (b) Purchaser shall provide water to Lot 17, Mountain Shadows Subdivision, at no cost to Lot 17, until one of the following occurs: (i) until the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1(g) above expires, or, (ii) until Charlotte Branton's death, or (iii) until the Donald J. Branton and Charlotte S. Branton Revocable Trust sells Lot 17 to a third party;
- (c) Purchaser shall provide sewer/septic services to Lot 17, Mountain Shadows Subdivision, at no charge, until the earliest of the following dates: (i) December 31, 2020, or (ii) Charlotte Branton's death, or (iii) until the Donald J. Branton and Charlotte S. Branton Revocable Trust sells Lot 17 to a third party;
- (d) Purchaser shall pay to Seller \$75 per quarter (as a designated amount to reimburse Seller for the anticipated electricity usage of Purchaser in running the water pump located on Lot 17, Mountain Shadows Subdivision) for the following duration, either:
 - a. until termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), above; or
 - b. until Purchaser installs (at Purchaser's sole expense) a separate electric meter for said water pump, in which case the monthly amount due hereunder shall be equal to the monthly electric bill for said pump until termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), above.
- (e) Purchaser shall continue to serve all existing customers of the Company as of the date of Closing (provided of course such customers' rights to water and/or septic service have not been validly terminated, for example for non-payment).

3. DOCUMENTS TO BE DELIVERED AT CLOSING

At the Closing:

- (a) Seller shall execute and deliver to Purchaser a Bill of Sale fully executed in the form of "Exhibit 3" attached hereto and made a part hereof, conveying, selling, transferring and assigning to Purchaser all of Seller's right, title and interest in and to the Assets free and clear of all liens, claims, charges and encumbrances arising by, through or under Seller.
- (b) An Assignment transferring any and all transferable rights of way and/or easements still in force benefitting either Lot 17 Mountain Shadows Subdivision, and/or the water utility business, such easements being recorded in the deed records of Hood River County, Oregon, which include:
 - d. Easements within Mountain Shadows Subdivision:
 - i. Microfilm #720731 recorded 1972 and relating to Lot 1
 - ii. Microfilm #820497, recorded April 2, 1982, relating to Lot 16

iii. Microfilm #811414, recorded April 2, 1982, relating to Lot 12

e. An easement adjacent to Mountain Shadows Subdivision:

i. Microfilm #801818, recorded August 14, 1980, relating to Southwest $\frac{1}{4}$, Southeast $\frac{1}{4}$, Section 30, Township 1 South, Range 10 East, Willamette Meridian.

f. An easement in Snow Bird Tracts Subdivision:

i. Microfilm #773064, recorded December 30, 1977, relating to Section 6, Township 2 South, Range 10 East, Willamette Meridian (Lot 10).

(c) In addition, the parties shall jointly execute any and all further documents necessary to complete this transaction

4. CLOSING

The Closing of the transactions contemplated by this Agreement, and all deliveries to be made at such time in connection therewith, shall take place by the execution and delivery of the documents, instruments and certificates described in Section 3 of this Agreement by the Seller and Purchaser, and upon the satisfaction of all of the conditions set forth in this Agreement, on or before December 31, 2015 (the "Closing Date"). The Closing shall take place at the offices of the Seller's attorney, Sia Rezvani, at Warren Allen LLP, 850 NE 122nd Avenue, Portland, Oregon 97230, at 10:00 a.m. local time on the Closing Date or such other location as the parties may agree.

5. COVENANTS

From the date of this Agreement, Seller and Purchaser shall take all such action, both before and after the Closing, as may be necessary or appropriate to consummate the transaction provided for in this Agreement in accordance with the representations, warranties, conditions and agreements contained herein, and shall refrain from taking any action which would result in any of such representations or warranties not being true and correct, or any of such conditions not being satisfied, at the Closing.

6. REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

- (a) Purchaser has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser and will be enforceable in accordance with its terms.
- (b) Purchaser shall assume the obligations of the holder (benefitted party) of any and all transferrable easements or rights-of-way still in force benefitting either Lot 17 Mountain Shadows Subdivision, and/or the water utility business,
- (c) All of the representations and warranties set forth in this Section shall be deemed renewed by Purchaser at the Closing as if made at such time and shall survive the Closing Date.

7. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to Purchaser as follows:

- (a) Seller now has, and by virtue of the deliveries made at the Closing, Purchaser will obtain all of the Seller's right, title and interest in and to the Assets sold herein.
- (b) Neither the execution and delivery nor the performance of this Agreement will: (i) violate any provision of law, or any judgment, writ, injunction, decree or order of any court or other governmental authority relating to Purchaser; (ii) violate any will, deed, mortgage, instrument, indenture, agreement, contract, other commitment or restriction to which Seller is a party or by which she is bound; (iii) be in conflict with, or result in or constitute a breach or default, on the part of Seller, under any such will, deed, mortgage, instrument, indenture, agreement, contract, other commitment or restriction; or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon the Assets other than Security Agreement executed by Seller to secure performance of Seller of the terms and conditions of this Agreement.
- (c) There is no material claim, litigation, action, suit or proceeding, administrative or judicial, pending or to the best of Seller's knowledge threatened against or affecting Seller, or involving any of the assets or property of Seller, at law or in equity or before any governmental authority.
- (d) To the best of Seller's knowledge, Seller has complied in all material respects with all applicable laws, rules, and regulations of the town, state and federal governments with respect to the operation of the Company, and has obtained all licenses and permits necessary in the State of Oregon.
- (e) All of the representations and warranties set forth in this Section shall be deemed renewed by Seller at the Closing as if made at such time and shall survive the Closing Date.

The Seller specifically and expressly *does not* make any representations or warranties whatsoever regarding:

- 1) the physical condition or suitability for any particular purpose of any of the items to be transferred or leased as proposed above—with the sole exception that Seller shall ensure the well pump leased to Purchaser is functioning and in good condition on or before December 31, 2015,
- 2) the suitability, chemistry, flow rate, or any other aspect of the well or the water customarily drawn therefrom or of the water system,
- 3) the physical condition or suitability for any particular purpose of any of the supplies, equipment, hardware, components, or physical infrastructure of the Company;
- 4) the approval of the Oregon Public Utilities Commission, or the water customers/consumers, for said proposed transfer of the Company and/or the exclusive service area or other rights to operate the water utility business.

- a. the transferability of the easement recorded at Microfilm #720731 recorded 1972 and relating to Lot 1.

10. INDEMNITY

The Seller and Purchaser agree to mutually indemnify, defend, and hold harmless the other, including any heirs or assigns, for any claims, demands or damages arising from that party's operation of the water and sewer/septic systems as follows: Purchaser's indemnity obligation will commence on the date of closing and Seller's indemnity obligation will apply to all activities of Mountain Shadows Utilities, LLC prior to closing.. The obligation to indemnify, defend, and hold harmless one another shall refer to but shall not be limited to all debts, liabilities, causes of action, fines, penalties, or claims of any nature absolute or contingent, together with all reasonable expenses and legal fees resulting from any such liabilities, causes of action, or claims, or which may be incurred to compromise or defend such liabilities, causes of action, or claims of any nature, absolute or contingent,.

11. MERGER; AMENDMENT; SURVIVAL

This Agreement, the attachments hereto and the agreements and other documents expressly referred to herein embody the entire representations, warranties, agreements and conditions in relation to the subject matter hereof, and no representation, warranty, understanding or agreement, oral or otherwise, in relation thereto exists between the parties except as herein expressly set forth. This Agreement may not be amended, augmented or terminated orally but only as expressly provided herein or by an instrument in writing duly executed by the parties hereto. The provisions of Sections 2 through 10, inclusive, of this Agreement shall survive the Closing Date and shall continue in full force and effect for three years..

12. PARTIES

This Agreement and the various rights and obligations arising hereunder shall inure only to the benefit of and be binding upon the parties hereto and their respective successors, heirs and permitted assigns.

13. INVALIDITY

The invalidity or unenforceability of any term or provision of this Agreement or the application of such term or provision to any person or circumstances shall not impair or affect the remainder of this Agreement and its application to other persons and circumstances, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.

14. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

15. COUNTERPARTS

When Purchaser has executed and delivered to Seller a counterpart of this Agreement, it shall be binding upon Seller and Purchaser.

16. CAPTIONS

The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretations of any provision of this Agreement.

17. APPROVAL BY PUBLIC UTILITY COMMISSION

The parties acknowledge the transfer agreed to herein, specifically the transfer of the rights acquired by an approved service territory, is and shall remain subject to the approval of the Oregon Public Utilities Commission ("the Commission") pursuant to OAR 860-036-0925, and the parties shall cooperate in submitting to the Commission and processing to completion an application to transfer the approved service territory as provided for in OAR 860-036-0925(4) and OAR 860-036-0915 unless at least 75 percent of the affected customers agree to the proposed transfer as provided for in OAR 860-036-0925(6). If, but only if, the Commission fails to approve the transfer of the approved service territory as contemplated herein, this Asset Purchase and Sale Agreement shall be deemed to be mutually rescinded and the parties shall cooperate to return one another, to the extent reasonably practicable, to the position each was in prior to entering this Asset Purchase and Sale Agreement.

IN WITNESS WHEREOF, this Agreement has been executed and delivered on and shall be effective on and as of the day and year first above written.

Charlotte Branton

Charlotte Branton as Member of Mountain Shadows Utilities, LLC, Seller

Frida J. Christopher, Secretary, authorized representative
Mt. Shadows Home Owners Assoc., Purchaser
Tony Drumway, Inc a authorized representative

**GRANT OF NON-TRANSFERABLE LICENSE
(EXHIBIT 1 TO ASSET PURCHASE AND SALE AGREEMENT)**

Licensor, Mountain Shadows Utilities, LLC, for itself as well as its successors and assigns, hereby grants to Licensee, Mt. Shadows Home Owners Assoc., a license affecting the described real property, for the described duration and purposes, and subject to the described conditions set forth below. By accepting and recording this license, Licensee covenants and agrees to the following:

The full legal description of Licensor's real property (hereafter referred to as "Licensor's Lot"), only a portion of which is affected by this license, is:

Lot 17, Mountain Shadows Subdivision, County of Hood River, State of Oregon.

Licensee is a neighborhood association within the Mountain Shadows Subdivision and Licensor's Lot is also within the Mountain Shadows Subdivision.

The true consideration for this conveyance is: the consideration stated in the related Asset Purchase and Sale Agreement to which this Grant of Non-Transferable License is an Exhibit.

The portion of Licensor's Lot affected by this license is hereafter referred to as the "Affected Area" and is generally described in lay-terms as follows: The area of Licensor's Lot containing those supplies, equipment, hardware, and physical infrastructure used in the existing operation of the water utility business sold to Licensee under the related Asset Purchase and Sale Agreement; such Affected Area constituting substantially less than the full legal description of Licensor's real property.

Licensor and Licensees mutually agree as follows, on behalf of, and binding upon, themselves as well as their successors, heirs, and assigns:

1. The license herein granted to Licensee is non-transferable in nature and shall exist solely for the benefit and enjoyment of Licensee and its agents. Said license is non-partitionable. The purpose of said license is solely to allow Licensee and its agents access to those supplies, equipment, hardware, and physical infrastructure located on Licensor's Lot used in the existing operation of the water utility business sold to Licensee by virtue of the related Asset Purchase and Sale Agreement.
2. The license granted hereunder shall begin on January 1, 2016, and shall terminate immediately and without further notice upon the earlier of:
 - a. December 31, 2020, or
 - b. at such time as Licensee/Purchaser obtains and exclusively uses its own source of water to run the operations of the water utility business, or
 - c. Upon Licensee/Purchaser's breach of any terms of the related Asset and Purchase Agreement.
3. Upon the expiration of the license herein granted Licensor shall be deemed to be restored to the full and exclusive use and enjoyment of Licensor's Lot, including

what was formerly the Affected Area, to the exclusion of others, without further notice.

4. Licensee makes no claim to the title to, or ownership of, any real property included in the legal description of Licensor's Lot, and Licensee agree the license herein granted, nor Licensee's use of the same, shall in no event be considered inconsistent with Licensor's title to, and ownership of, said real property.
5. In no event shall the Affected Area be deemed any greater than the area of Licensor's Lot necessary for the normal use, inspection, repair, and maintenance of those supplies, equipment, hardware, and physical infrastructure located on Licensor's Lot used in the existing operation of the water utility business sold to Licensee by virtue of the related Asset Purchase and Sale Agreement.
6. Licensee agrees it shall not suffer or allow any new or additional improvements of any nature to be erected by Licensee on any portion of Licensor's Lot that would increase the Affected Area.
7. Licensee accepts all risks inherent to Licensees use and enjoyment of the Affected Area, including but not limited to the risks of injury and/or death.
8. Licensee agrees to indemnify and hold harmless Licensor with regard to any claims made by any person or entity relating to any alleged loss, injury, or damage sustained by said person or entity as a result of Licensee's exercise of any privilege granted by this license. Licensee agrees to indemnify and hold harmless Licensor with regard to any damage caused to Licensor's Lot and/or the Affected Area resulting from Licensee's activities on or near Licensor's Lot.
9. In the exercise of any privilege granted by this license, Licensees shall comply with all applicable State, municipal and local laws and codes, and the rules, orders, regulations and requirements of Federal governmental departments and bureaus.

IN WITNESS WHEREOF, this Agreement has been executed and delivered on January 11, 2016 and shall be effective on and as of the January 11, 2016, notwithstanding the actual date of execution and delivery of this Agreement.

Charlotte Branton
Charlotte Branton as Member of Mountain Shadows Utilities, LLC, Seller

Freida J. Christopher, Secretary & authorized representative
the Neighborhood Association of the Mountain Shadows Subdivision, Purchaser
Dorey Shumway, Treasurer & authorized representative

**EQUIPMENT LEASE AGREEMENT
(EXHIBIT 2 to ASSET PURCHASE AND SALE AGREEMENT)**

Date: January 11, 2016

Lessor: Mountain Shadows Utilities, LLC

Lessee: Mt. Shadows Home Owners Assoc

Situs Address at which Leased equipment will be located and used: Lot 17, Mountain Shadows Subdivision

Lessor hereby leases unto the above named lessee and lessee rents from lessor subject to the terms and conditions hereof, and with reference to the related Asset Purchase and Sale Agreement, and for commercial use only, in AS IS condition (with the sole exception that Seller shall ensure the well pump leased to Purchaser is functioning and in good condition on or before December 31, 2015), the following described machinery and equipment: supplies, equipment, hardware, and physical infrastructure located on Lot 17, Mountain Shadows Subdivision, which are used in the continued operation of the water utility business currently operated from Lot 17, Mountain Shadows Subdivision for a term of no more than ~~3~~ ^{5 1/2} years beginning on January 11, 2016 and terminating no later than December 31, 2020. Lessee acknowledges that Lessee has inspected the equipment and has found the same to be in good, safe and serviceable condition.

1. **RENTS.** No rent, beyond the consideration due to Lessor under the terms of the related Asset Purchase and Sale agreement, are due under the terms of this Lease, however, a default in payment under the terms of the Asset Purchase and Sale Agreement shall constitute a default under the terms of this Equipment Lease Agreement.

2. **TERM.** The term of this lease shall begin January 11, 2016 and shall terminate at the earlier of:

- A. December 31, 2020; or,
- B. at such time as Purchaser/Lessee obtains and exclusively uses its own source of water to run the operations of the water utility business transferred by the related Asset Purchase and Sale Agreement; or
- C. at such time as Seller/Lessor notifies Purchaser/Lessee of a termination of this Lease pursuant to paragraph 13 herein, below.

3. **MAINTENANCE.** During the term of this lease and any renewal thereof, lessee will take proper care of said equipment, shall not permit the same to be used or operated by incompetent or unqualified persons or subjected to careless or needlessly rough usage, shall pay for all damage and injury to said property, shall be responsible for and pay all costs of storage and of upkeep and will make, at lessee's own expense, any and all repairs and will supply and pay for any and all parts and accessories needed to maintain said leased equipment in proper condition and good order.

4. **LOCATION.** Lessee agrees that it will not remove said leased property or any thereof from

the situs address set forth above unless lessor's written consent is first obtained.

5. **NONASSIGNABILITY.** Lessee will not assign this lease or sublet said equipment without lessor's written consent first being obtained.

6. **LESSOR'S RIGHTS ON TERMINATION.** Upon the termination for any reason and in any manner whatsoever of this lease, or any renewal thereof, lessor shall be entitled to the immediate possession of said leased property and lessee agrees forthwith to leave the same at the situs address above, complete and in the same appearance, good order and condition, reasonable wear and tear alone excepted. Lessee's liability for said rentals shall continue until said this Lease terminates.

7. **INDEMNITY.** Lessee further agrees to defend, at lessee's own expense, any and all actions brought against either or both parties hereto for damages to persons or property caused by the leased property or by its operation and agrees to hold lessor free and harmless of and from any and all claims and demands that may arise or be occasioned to any person or to any property by or through the use of the leased property during the term of this lease or any renewal hereof.

8. **LEASE ONLY.** No agreement for the sale of said personal property to lessee has been made or is to be implied.

9. **TITLE.** Title to said personal property is and at all times shall remain in lessor; any equipment, replacements, repairs or accessories placed upon or attached to said personal property shall become a component part thereof as soon as installed or attached and title thereto shall be vested in lessor forthwith and included under the terms of this lease; if said leased property is in any manner attached to real estate, it shall nevertheless remain personal property.

10. **FREEDOM FROM LIENS.** Lessee agrees not to permit said leased property to become subject to attachment, execution or other process or to be used for any unlawful or illegal purpose or for hire; not to create or permit to be created or filed any lien, adverse claim or security interest of any character against the same, without the written consent of seller first obtained.

11. **TAXES.** Lessee agrees to pay all license fees, use and other taxes and assessments of every character connected with, levied or assessed against said personal property, this contract and the indebtedness represented hereby. Any sums payable by lessee under the terms hereof which are not paid by him but are paid by lessor shall bear interest at the highest lawful rate until repaid and said sums with interest shall be repaid to lessor forthwith on demand.

12. **COMPLIANCE WITH STATE AND LOCAL LAWS.** At all times lessee will observe and comply with all laws, rules and regulations relating to the use, possession and maintenance of said personal property. This lease shall be governed and construed by the laws of the state named in lessor's address appearing on the reverse hereof.

13. **DEFAULT AND LESSOR'S REMEDIES IN EVENT THEREOF.** Time is of the essence of this contract and if lessee should default in his performance of any of the terms or conditions hereof, or in the payment, when due, of any sum required to be paid (or action required to be taken) hereunder or under the terms of the related Asset Purchase and Sale Agreement, or if lessor with reasonable cause deems the said leased property in danger of loss, misuse or confiscation, or in the event of any misrepresentation or material falsity or any certificate or statement made or furnished by lessee, whether or not in connection with this lease, or in the event of any insolvency or bankruptcy proceeding

brought by or against the lessee, or if lessor deems itself unsecure, lessor shall have and may exercise each and all of the remedies granted to it by law and, at its option, may declare this lease immediately terminated, immediately declare all amounts to be paid hereunder as due, and shall have the right to immediate possession of said personal property leased hereunder and may enter any place or premises where the same or any thereof may be found and remove same, in which event lessee waives any trespass and right of action by reason of such entry and removal.

14. ATTORNEYS FEES. In the event suit or action is instituted to collect any sum or sums or money due hereunder or to replevy said personal property or to recover damages for loss of or injury or damage to said property, the losing party in said suit or action agrees to pay, in addition to statutory costs and disbursements, (1) the successful party's reasonable attorney's fees to be fixed by the trial court and (2) on appeal, if any, similar fees in the appellate court to be fixed by the appellate court.

15. GENERAL.

15.1 Lessor makes no warranties, express or implied, and assumes no responsibility for the condition of the leased property or for any inadequacy thereof.

15.2 No waiver by the lessor of the nonperformance or violation of any condition of this lease or of any default hereunder shall be construed to be or operate as a waiver of any subsequent nonperformance, violation or default. 15.3 Should lessor transfer his interest in this lease and/or in said leased property, all of the terms herein set forth for lessor's benefit shall inure to the benefit of lessor's assignee and each right herein given to the lessor shall accrue to and may be exercised by lessor's assignee hereof.

15.4 Notices to lessee relative to this lease shall be deemed delivered if mailed to lessee's address first appearing on the reverse hereof; five days from date of mailing shall be deemed a reasonable notice. Notices delivered at said address by messenger shall be effective immediately.

15.5 All the terms and conditions herein contained shall apply and inure to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto, subject, however, to the above restrictions against assignment hereof by lessee.

15.6 In construing this lease, the singular includes the plural, the masculine includes the feminine and the neuter, and generally all grammatical changes shall be made or implied so that the provisions herein shall apply equally to the parties hereto whether individuals or corporations.

IN WITNESS WHEREOF, the parties have executed this lease this day and year first above written.

Mountain Shadows Utilities, LLC, Lessor

By: Charlotte Branton
Charlotte Branton, Member of Mountain Shadows Utilities, LLC

Neighborhood Association of the Mountain Shadows Subdivision, Lessee

By: Frieda J. Christopher, Secretary & authorized representative
Authorized Representative of Neighborhood Association of the Mountain Shadows Subdivision
Jerry Shumway, Treasurer & authorized representative

BILL OF SALE
(EXHIBIT 3 to ASSET PURCHASE AND SALE AGREEMENT)

KNOW ALL MEN BY THESE PREMISES that Mountain Shadows Utilities, LLC, hereinafter called the "Seller" in consideration of the consideration stated in the Asset Purchase and Sale Agreement to which this Bill of Sale is an Exhibit to the Seller paid, the receipt of which is hereby acknowledged, grants, bargains, sells, transfers and delivers unto the Mt. Shadows Home Owners Assoc, hereinafter called the "Buyer", AS OF JANUARY 11, 2016, in AS-IS CONDITION, the following described assets relating to a Water Utility Business more fully described in an Asset Purchase and Sale Agreement dated January, 11, 2016 to-wit:

- (a) The Seller's goodwill and all Seller's customer lists relating to the Company; and,
- (b) To the extent transferrable under Oregon law, the right to provide water to customers within the service area currently serviced by the Company,
- (c) A non-transferable license for entry to that portion of Lot 17, Mountain Shadows Subdivision on which the supplies, equipment, hardware, and physical infrastructure used in the existing operation of the water utility and septic system business, solely for access to such supplies, equipment, hardware, and physical infrastructure and solely as used in the continued operation of the water utility and septic system business currently operated from Lot 17, Mountain Shadows Subdivision, until termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), below, at which time said license for entry shall terminate;
- (d) A non-renewable lease for the use of the supplies, equipment, hardware, and physical infrastructure located on Lot 17, Mountain Shadows Subdivision, which are used in the continued operation of the water utility and septic system business currently operated from Lot 17, Mountain Shadows Subdivision, as set forth in Exhibit 1, such lease terminating at the same time as the termination of the non-transferable license for use of the well on Lot 17 as set forth in paragraph 1 (g), below; and,
- (e) The sale of all supplies, equipment, hardware, and physical infrastructure which are used in the continued operation of the water utility and septic system business but which are located outside of Lot 17, Mountain Shadows Subdivision, and,
- (f) No title to any real property shall pass to Purchaser, however, Seller shall provide:
 - a. A quitclaim deed transferring any and all transferable easements still in force benefitting either Lot 17 Mountain Shadows Subdivision, and/or the water utility and septic system business, such easements being recorded in the deed records of Hood River County, Oregon, which may include:
 - i. Easements within Mountain Shadows Subdivision:
 - 1. Microfilm #720731 recorded 1972 and relating to Lot 1
 - 2. Microfilm #820497, recorded April 2, 1982, relating to Lot 16
 - 3. Microfilm #811414, recorded April 2, 1982, relating to Lot 12
 - ii. An easement adjacent to Mountain Shadows Subdivision:
 - 1. Microfilm #801818, recorded August 14, 1980. relating to Southwest $\frac{1}{4}$,

Southeast ¼, Section 30, Township 1 South, Range 10 East, Willamette Meridian.

iii. An easement in Snow Bird Tracts Subdivision:

1. Microfilm #773064, recorded December 30, 1977, relating to Section 6, Township 2 South, Range 10 East, Willamette Meridian (Lot 10).

(g) A non-transferable license for the non-exclusive use of the water well held by Charlotte Branton on Lot 17, Mountain Shadows Subdivision, by Purchaser, as more fully stated in the Grant of Non-Transferable License itself, beginning January 11, 2016 and terminating at the earlier of either:

- a. December 31, 2020, or
- b. at such time as Purchaser obtains and exclusively uses its own source of water to run the operations of the water utility and septic system business, or
- c. upon Licensee/Purchaser's breach of any terms of the related Asset and Purchase Agreement.

TO HAVE AND TO HOLD the same unto the said Buyer and Buyer's successors and assigns forever.

In construing this Bill of Sale and where the context so requires, the singular includes the plural, the masculine includes the feminine and the neuter and generally, all grammatical changes shall be made so that this instrument shall apply equally to individuals and to corporations.

IN WITNESS WHEREOF, the Seller has set its hand this 28th day of December, 2015.

SELLER:



Charlotte Branton as Member of Mountain Shadows Utilities, LLC, Seller

TERRY SHUMWAY
RUTH L. MENELY
4011 SW 22ND DR.
GRESHAM, OR 97080-8379

Mrs Shadous
aka

19-7076 40238
3250


1019

PAY TO THE
ORDER OF

Charlotte Brunton

DATE *1-11-2016*

\$ *5000.00*

CHASE 
JPMorgan Chase Bank, N.A.
www.Chase.com

DOLLARS

 Security Features
Look for these

MEMO

Purchase Mrs Terry Shumway

⑆ 3250 707601 ⑆

20930003941019

**FIRST AMENDMENT TO
ASSET PURCHASE AND SALE AGREEMENT**

THIS FIRST AMENDMENT TO ASSET PURCHASE AND SALE AGREEMENT (this "Amendment"), is made as of April 27, 2016 (the "Amendment Effective Date"), by and between CHARLOTTE S. BRANTON ("Seller"), MT. SHADOWS HOME OWNERS ASSOC., an Oregon mutual benefit non-profit corporation, ("Purchaser"), MOUNTAIN SHADOWS UTILITIES, LLC, an Oregon limited liability company (the "Company"), and CHARLOTTE S. BRANTON, AS TRUSTEE OF THE DONALD J. BRANTON AND CHARLOTTE S. BRANTON REVOCABLE TRUST UTA DATED JANUARY 4, 2000 ("Branton as Trustee").

RECITALS

- A. Seller and Purchaser entered into that certain Asset Purchase and Sale Agreement dated as of January 11, 2016 (the "Purchase and Sale Agreement"), pursuant to which Seller agreed to sell to Purchaser, and Purchaser agreed to buy certain assets of the Company.
- B. Although Seller is the sole member of the Company, the parties have determined that the Company should be a party to the Purchase and Sale Agreement since the assets that are to be conveyed to Purchaser pursuant to the Purchase and Sale Agreement belong to the Company and should be titled in the Company's name.
- C. Branton as Trustee owns Lot 17 of the Mountain Shadows Subdivision, Hood River County, Oregon ("Lot 17"). Because the Purchase and Sale Agreement includes provisions that will affect the use of Lot 17 after closing of the Purchase and Sale Agreement, the parties have determined that Branton as Trustee should be a party to the Purchase and Sale Agreement with respect to provisions of the Purchase and Sale Agreement that affect Lot 17.
- D. The terms of the Purchase and Sale Agreement contemplate that Purchaser will obtain a replacement well on or before December 31, 2020. The parties have determined that it would be prudent to allow for extensions of that deadline as set forth in this Amendment.
- E. By that certain Grant of Easement and Water Rights dated February 15, 1971 and recorded July 6, 1972 as Document No. 721235, Records of Hood River County, Oregon (the "1972 Easement"), the Company's predecessors-in-interest, among other things, committed to provide water to certain landowners to the north of the Mountain Shadows Subdivision. The parties have determined that Seller, the Company, and Purchaser should confirm that commitment in the Purchase and Sale Agreement and that Purchaser should affirmatively assume the requirements of the 1972 Easement at closing.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Purchaser, the Company, and Branton as Trustee agree as follows:

1. ***Company's Obligations.*** Each reference to "Seller" in the Purchase and Sale Agreement, after the introductory paragraphs thereof, is hereby modified and amended to read "Seller and the Company."

2. ***Branton as Trustee's Obligations.*** Branton as Trustee shall join with Seller and the Company in the execution and delivery of all documents that are described in, referenced in, or attached to the Purchase and Sale Agreement and that will affect Lot 17, including but not limited to (a) the nontransferable license described in Section 1(c) of the Purchase and Sale Agreement and attached to the Purchase and Sale Agreement as Exhibit 1; (b) the lease described in Section 1(d) of the Purchase and Sale Agreement and attached to the Purchase and Sale Agreement as Exhibit 2; (c) the assignment described in Section 1(f) and Section 3(b) of the Purchase and Sale Agreement; (d) the license described in Section 1(g) of the Purchase and Sale Agreement; and (e) all water permits, certificates and rights to provide water to customers within the Company's service area, described in Section 1(b) of the Purchase and Sale Agreement, including those represented by Certificates Nos. 82023 and 82024, provided however and except that Branton as Trustee shall retain full and complete ownership of the water rights arising from and appurtenant to Branton as Trustee's ownership of Lot 17 of Mountain Shadows Subdivision subject only to the obligations of Branton Trustee under said Purchase and Sale Agreement.

3. ***Extension of December 31, 2020 Deadlines.*** Purchaser, by written notice to Seller, the Company, and Branton as Trustee, shall have the option to extend for up to four periods of 180 days at a time, each reference to "December 31, 2020" in the Purchase and Sale Agreement if Purchaser determines in good faith that Purchaser will not be able to obtain a sufficient replacement well, any necessary water rights, or other commercially reasonable water source to replace the well and water system infrastructure on Lot 17 by that deadline (as previously extended, if applicable) despite making commercially reasonable efforts to do so.

4. ***Sale of Water to Parr.*** Seller, the Company, and Purchaser hereby confirm the Company's obligations pursuant to the 1972 Easement to provide water to the properties to the north of the Mountain Shadows Subdivision now owned by James D. Parr, as Trustee of the Donald A. Parr Irrevocable Trust UTA Dated August 14, 2012 (the "Parr Trustee"). At closing Purchaser shall execute and deliver to the Parr Trustee a letter in the form attached hereto as Exhibit A, unless Purchaser and the Parr Trustee have entered into a written water services contract before then. The Parr Trustee is an intended third party beneficiary of the requirements of this Section 4 of this Amendment, and the requirements of this Section 4 shall not be waived by any party without the prior written consent of the Parr Trustee.

5. ***Saving clause.*** To the extent the Oregon Public Utility Commission or any court or government entity of competent jurisdiction and authority finds the Purchase and Sale Agreement to have failed to comply with any statutory or administrative pre-requisite for the transfer of the exclusive service territory and/or water utility provided for in said Purchase and Sale Agreement the parties hereto agree to cooperate in good faith to complete the agreed transfer and that upon said completion and for all purposes whatsoever, legal and otherwise, the

date of transfer of all rights, duties, and obligations of the parties set forth in the Purchase and Sale Agreement and related documents (that is to say those documents listed above in section 2 of this agreement) shall be January 11, 2016 as between the parties, notwithstanding any statement to the contrary regarding closing date(s) in any notice provided to the customers of the water utility.

6. **Agreement in full force and effect.** Except as amended and modified by this Amendment, the Purchase and Sale Agreement remains in full force and effect.

7. **Electronic Signatures and Counterparts.** This Amendment may be executed in counterparts, which taken together, shall constitute one fully-executed Amendment. For the purpose of this Amendment, signatures transmitted by facsimile, e-mail, or other electronic means shall be deemed to be original signatures.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Amendment Effective Date.

SELLER:

Charlotte S. Branton
CHARLOTTE S. BRANTON

PURCHASER:

MT. SHADOWS HOME OWNERS ASSOC., an
Oregon mutual benefit non-profit corporation

By: Joni Chaney
Its: President

COMPANY:

MOUNTAIN SHADOWS UTILITIES, LLC, an
Oregon limited liability company

By: Charlotte S. Branton
Its: Member

BRANTON AS TRUSTEE:

Charlotte S. Branton, Trustee
Charlotte S. Branton, as Trustee of the Donald J.
Branton and Charlotte S. Branton Revocable Trust
UTA Dated January 4, 2000

EXHIBIT A

Date

[insert closing date of sale of utility assets from
Mountain Shadows Utilities, LLC to Mt. Shadows Home Owners Assoc.]

Mr. James D. Parr
Trustee of the A. Donald Parr Irrevocable
Trust UTA Dated August 14, 2012
c/o Cairn Investment Group, Inc.
121 SW Morrison, Suite 1060
Portland OR 97204

Re: Water Sale for Parr Properties

Dear Mr. Parr:

Mt. Shadows Home Owners Assoc. has acquired the assets of Mountain Shadows Utilities, LLC and will now be your water provider. I am writing to confirm to you that for as long as Mt. Shadows Home Owners Assoc. is providing water to property owners inside or outside the Mountain Shadows Subdivision, Mt. Shadows Home Owners Assoc. will honor commitments previously made by organizers and officers of Mountain Shadows Utilities, LLC that the owners of Tax Lot 1400 may make, maintain, repair and replace connections to water mains situated within the Mountain Shadows Subdivision, and may purchase water from Mt. Shadows Home Owners Assoc. on the same terms and conditions as water is sold to property owners within the Mountain Shadows Subdivision. Should the supply of water available to Mt. Shadows Home Owners Assoc. become scarce, you acknowledge that you and your successors shall have the right only to purchase a pro rata share, based on the number of other users of the water supply, of the water available.

Please contact me with any questions or comments.

Sincerely,

Dennis Chaney, President

Agreed and Accepted:

James D. Parr, Trustee

NOTICE OF WATER UTILITY SALE, TRANSFER, OR MERGER

Date: April 22, 2016

Mountain Shadows Utilities, LLC
35215 SE Dodge Park Blvd
Gresham, Oregon 97080
Telephone: (503)663-7069

The purpose of this notice is to inform Mountain Shadows Utilities Company customers of the proposed: sale, **transfer**, or merger of the water utility. The proposed effective date of the transaction is June 22, 2016.

The buyer of the water utility is:

Mt. Shadows Homeowners Assoc.
3201 NE 38th Ave
Portland, OR 97212
Telephone: (503) 282-5936

The reason for the property disposition transaction is (*Explain the reason for sale, transfer, or merger*): To change the entity that is providing water service.

The effect of the transaction on the customers (*Explain how the sale, transfer, or merger will affect customers*): The transfer will change the entity providing water service from Mountain Shadows Utilities, LLC to Mt. Shadows Homeowners Assoc.

If you have questions regarding this proposed **transfer** you may contact the Public Utility Commission of Oregon's Consumer Services Section by telephone at 1-800-522-2404; TTY 711, or, otherwise, at:

Street Address

Public Utility Commission of Oregon
Consumer Services Section
550 Capitol Street NE Suite 215
Salem, Oregon

Mailing Address

Public Utility Commission of Oregon
Consumer Services Section
PO Box 2148
Salem OR 97308-2148

Mt Shadows Homeowners Association

05/15/16

Balance Sheet

Accrual Basis

As of May 15, 2016

May 15, 16

ASSETS

Current Assets

Checking/Savings

10000 · Bank Accounts

10200 · Checking - HOA

10210 · Ckg - Road Maintenance

1,557.15

10220 · Ckg - Water/Sewer system

4,097.71

10230 · Restricted Water System Project

42,825.00

Total 10200 · Checking - HOA

48,479.86

Total 10000 · Bank Accounts

48,479.86

Total Checking/Savings

48,479.86

Accounts Receivable

12000 · Accounts Receivables

12100 · Account Receivables

13,700.00

Total 12000 · Accounts Receivables

13,700.00

Total Accounts Receivable

13,700.00

Other Current Assets

13000 · Other Current Assets

13100 · Prepaid

100.00

Total 13000 · Other Current Assets

100.00

Total Other Current Assets

100.00

Total Current Assets

62,279.86

Fixed Assets

15000 · Fixed Assets

15100 · Equipment

5,000.00

15200 · Construction in Progress

3,990.00

Total 15000 · Fixed Assets

8,990.00

Total Fixed Assets

8,990.00

TOTAL ASSETS

71,269.86

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Current Liabilities

90.00

Total Accounts Payable

90.00

Total Current Liabilities

90.00

Total Liabilities

90.00

Equity

30000 · Opening Balance Equity

10,994.00

32000 · Unrestricted Net Assets

800.00

Net Income

59,385.86

Total Equity

71,179.86

TOTAL LIABILITIES & EQUITY

71,269.86

801818

Aug 14 4 00 PM '80

DEPARTMENT OF
RECORDS AND ASSESSMENT

DEPUTY

SEPTIC TANK AND DRAINFIELD EASEMENT

JEREMIAH J. MILLER and ADELIN K. MILLER, husband and wife, and ROGER T. ROSS and PAMELA L. ROSS, husband and wife, hereinafter referred to as "Grantors", hereby grant and convey to DONALD J. BRANTON, doing business as Mountain Shadows Utility Company, his successors in interest, subsequent purchasers, heirs, devisees and assigns, hereinafter referred to as "Grantee", a perpetual exclusive easement for the purpose of construction, maintenance and operation of a septic tank and/or septic tank drainfield over the east 150 feet of the west 180 feet of the north 300 feet of the south 330 feet of the following described tract in the southwest quarter of the southeast quarter of Section 30, Township 1 South, Range 10 East, Willamette Meridian, Hood River County, Oregon:

Beginning at the southwest corner of the southwest one-quarter of the southeast one-quarter of Section 30, Township 1 South, Range 10 East of the Willamette Meridian, in the County of Hood River and State of Oregon; thence easterly along the south line of said Section 30 a distance of 328.75 feet to the true place of beginning; thence continuing easterly along the south line of said Section 30 a distance of 656.03 feet, more or less, to the southeast corner of the west 30 acres of the southwest one-quarter of the southeast one-quarter of said Section 30; thence northerly along the east line of the west 30 acres of the southwest one-quarter of the southeast one-quarter of said Section 30 a distance of 664.015 feet; thence westerly and parallel with the south line of said Section 30 a distance of 656.03 feet, more or less, to the point of intersection with a line running northerly from the true place of beginning along a course that is parallel with the west line of the southwest one-quarter of the southeast one-quarter of said Section 30; thence southerly and parallel with the west line of the southwest one-quarter of the southeast one-quarter of said Section 30 a distance of 664.015 feet to the true place of beginning

together with the right of ingress thereto and egress therefrom over Grantor's adjacent property for the purpose of constructing and maintaining a septic tank and/or drainfield and the right to construct one buried sewer pipeline to connect into the septic tank and drainfield under the nonexclusive 30-foot roadway easement extending along the south 30 feet of the west 30 acres of the said southwest one-quarter of the southeast one-quarter.

Grantors hereby grant and convey the easement heretofore described subject to Grantee's compliance with the following conditions:

1. Sewer pipeline, septic tank and septic drainfield are to be installed without any harm to existing trees, landscape, existing road easements, utilities and property owned by others.

2. DONALD J. BRANTON, dba Mountain Shadows Utility Company, agrees to defend, indemnify and hold ROGER T. ROSS and PAMELA L. ROSS, JEREMIAH J. MILLER and ADELIN K. MILLER, their successors in interest, subsequent purchasers, heirs, devisees, assigns and transferees harmless from any and all claims regarding the construction, installation, operation, maintenance and repair of the sewer pipeline, septic tank and septic tank drainfield and from any claims arising by reason of Grantee's use of the easement granted herein.

3. The sewer pipeline, septic tank and septic drainfield shall not encroach into any area outside the area of the easement described herein. A map of the area intended to be covered by the easement is attached hereto as Exhibit A and by this reference incorporated herein as if set forth in full.

4. The easement granted herein is subject to all prior easements and encumbrances of record as of the date hereof.

5. Grantee shall construct and maintain said pipeline, septic tank and drainfield at Grantee's sole expense.

6. Grantors shall have the full use, benefit and enjoyment of the property described herein as the easement area except for the rights heretofore granted to the Grantee.

The true and actual consideration for this easement is \$1.00, receipt of which is hereby acknowledged, together with other good and valuable consideration which constitutes the whole thereof.

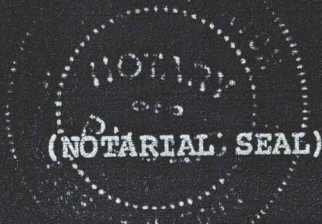
GRANTORS:

Jeremiah J. Miller
JEREMIAH J. MILLER
Adeline K. Miller
ADELINE K. MILLER

Roger T. Ross
ROGER T. ROSS
Pamela L. Ross
PAMELA L. ROSS

STATE OF OREGON)
County of Multnomah) ss. July 24, 1980, 1980

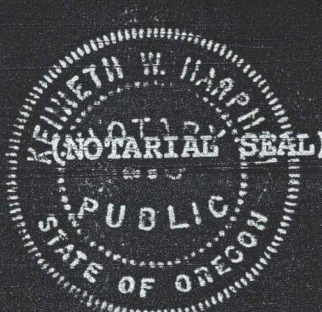
Personally appeared the above named JEREMIAH J. MILLER and ADELINE K. MILLER and acknowledged the foregoing instrument to be their voluntary act and deed, before me.



Mary L. Eaton
Notary Public for Oregon
My Commission Expires: 11/23/82

STATE OF OREGON)
County of Multnomah) ss. August 11, 1980

Personally appeared the above named ROGER T. ROSS and PAMELA L. ROSS and acknowledged the foregoing instrument to be their voluntary act and deed, before me.



Kenneth W. Harp
Notary Public for Oregon
My Commission Expires: 6-12-82

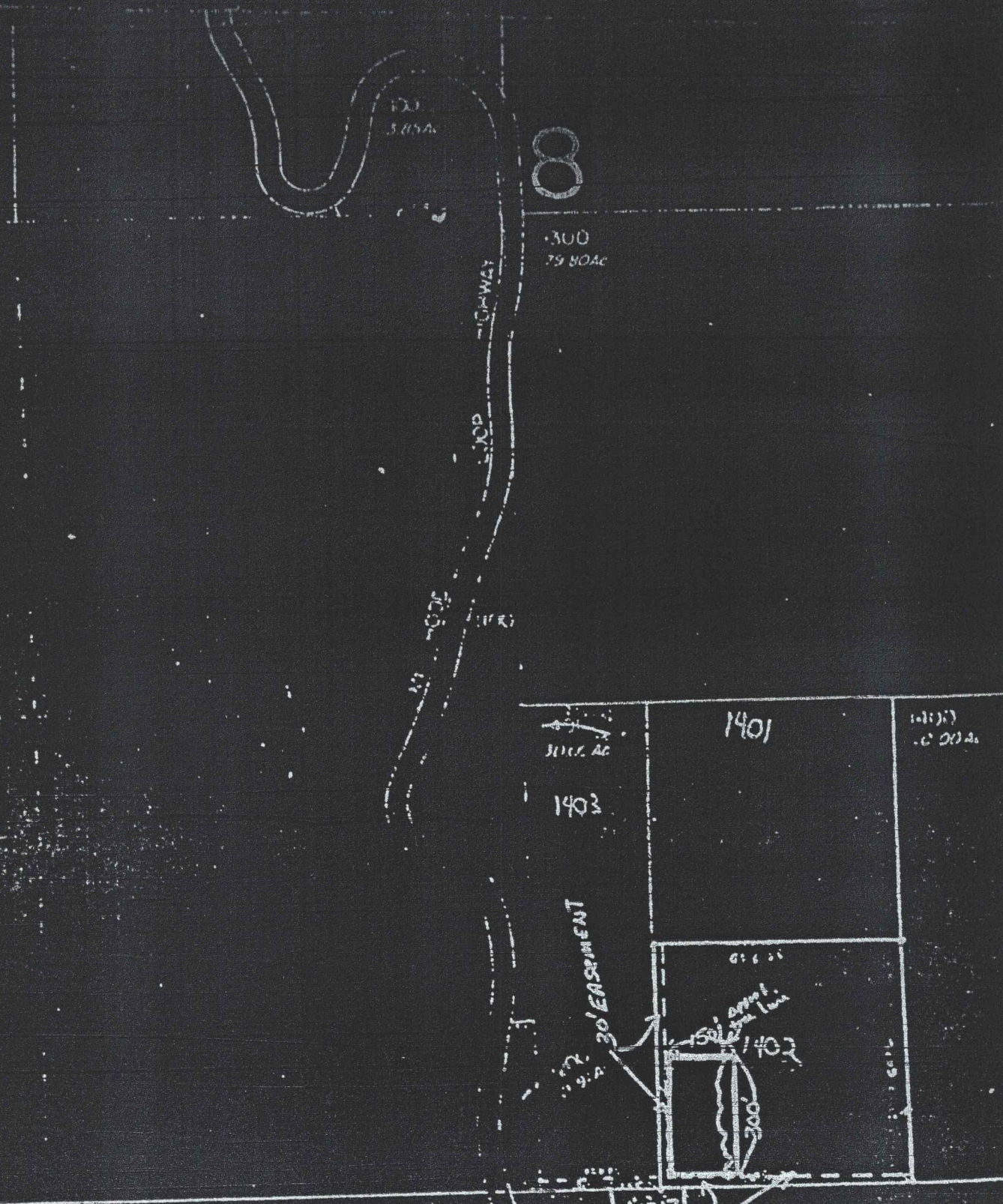
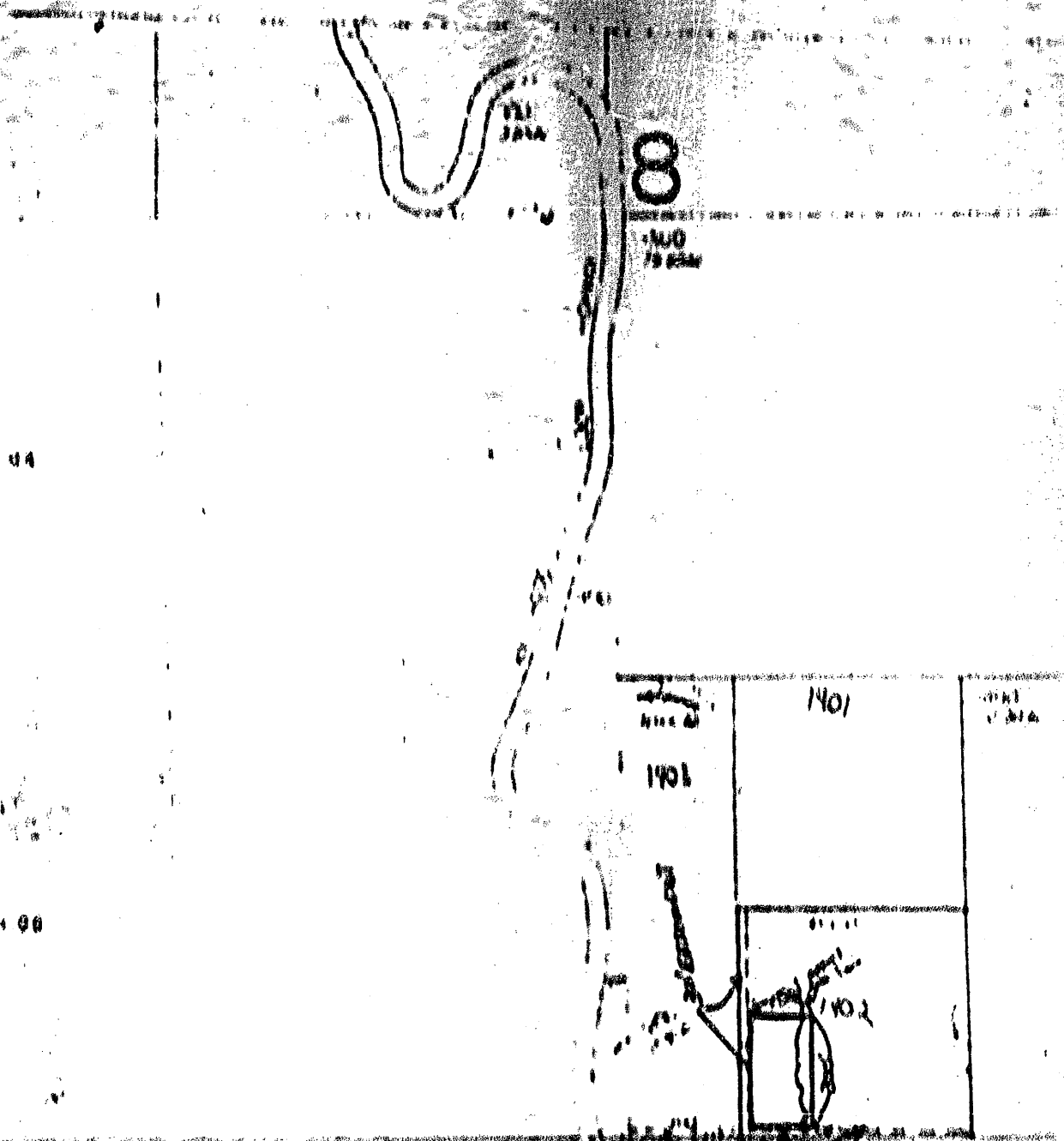


EXHIBIT A

Mid-Columbia Title Company

100 TOWN OF BERRYVILLE, CALICO, MISSISSIPPI

ORDER NO. 347



04

00

MISSISSIPPI

Map Miss... 1911... 1912... 1913... 1914... 1915... 1916... 1917... 1918... 1919... 1920... 1921... 1922... 1923... 1924... 1925... 1926... 1927... 1928... 1929... 1930... 1931... 1932... 1933... 1934... 1935... 1936... 1937... 1938... 1939... 1940... 1941... 1942... 1943... 1944... 1945... 1946... 1947... 1948... 1949... 1950... 1951... 1952... 1953... 1954... 1955... 1956... 1957... 1958... 1959... 1960... 1961... 1962... 1963... 1964... 1965... 1966... 1967... 1968... 1969... 1970... 1971... 1972... 1973... 1974... 1975... 1976... 1977... 1978... 1979... 1980... 1981... 1982... 1983... 1984... 1985... 1986... 1987... 1988... 1989... 1990... 1991... 1992... 1993... 1994... 1995... 1996... 1997... 1998... 1999... 2000...

720731

EASEMENT

H. W. Ruby
April 21
Robert
RC

THIS AGREEMENT is made this 21 day of January, 1972, between LEONARD W. COOPER and JACQUELINE COOPER, husband and wife, hereinafter called "Grantor," and DONALD J. BRANTON, hereinafter called "Grantee."

For good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby bargain, grant, sell, transfer and deliver unto Grantee an easement and right of way, including the right to enter upon the real estate hereinafter described, at all reasonable times, and construct, maintain and repair underground pipelines, mains, conduits and connections for the purpose of conveying water through and under the lands hereinafter described, together with the right to excavate and refill ditches and/or trenches for the location, maintenance and repair of such pipelines, mains, conduits and connections.

The easement and right of way hereby granted covers a strip of land described as follows:

The South 10 feet, Lot 1, MOUNTAIN SHADOWS SUBDIVISION, Hood River County, Oregon.

Grantor does hereby covenant that they are lawfully seized and possessed of the real estate above described, that they have good and lawful right to convey and that they will forever warrant and defend the title thereto against all persons whomsoever.

Grantee covenants that any and all water mains, pipelines, conduits and connections installed or maintained pursuant to this grant of easement will be installed and maintained by Grantee at Grantee's sole expense. Grantee further

covenants that all construction, excavation and maintenance by Grantee will be done in a good and workmanlike manner; and Grantee will not suffer or permit the property or any portion thereof to be encumbered by liens; and Grantee will indemnify, hold harmless and defend Grantor from and against the claims, demands, actions or causes of action made by or on behalf of any person as a result of the construction, excavation or maintenance as aforesaid.

IN WITNESS WHEREOF, the parties hereby execute this agreement the date first above noted.

Leonard W. Cooper

Leonard W. Cooper

Donald J. Branton

Donald J. Branton

Jacqueline Cooper

Jacqueline Cooper

"Grantee"

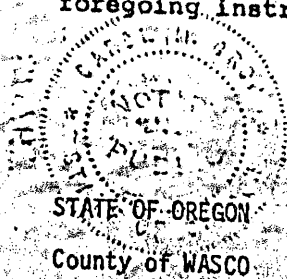
"Grantor"

STATE OF OREGON }
County of MULTNOMAH } ss.

APRIL
XXXXXXXXXX 21, 1972.

Personally appeared the above-named Leonard W. Cooper and Jacqueline Cooper, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:


STATE OF OREGON }
County of WASCO } ss.

Donald J. Branton

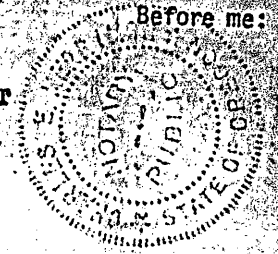
Notary Public for Oregon
My commission expires: 4/12/76

January 18, 1972.

Personally appeared the above-named Donald J. Branton, and acknowledged the foregoing statement to be his voluntary act and deed.

Before me:

Page 2 -- EASEMENT


STATE OF OREGON }
County of WASCO } ss.

Charles E. McManis

Notary Public for Oregon
My commission expires August 23, 1975

187085

811414

WATER LINE EASEMENT

CLYDE W. SHUMWAY and TERRY SHUMWAY, husband and wife, owners of the property described as Lot 12, Mountain Shadows Subdivision, in Section 31, Township 1 South, Range 10 East, Willamette Meridian, Hood River County, State of Oregon, hereinafter referred to as "Grantors", do hereby grant and convey to DONALD J. BRANTON, doing business as Mountain Shadows Utilities Company, his successors in interest, subsequent purchasers, heirs, devisees, transferees and assigns, of such utility business, hereinafter referred to as "Grantee", a perpetual nonexclusive easement over, on, across and under the west seven and one-half feet of lot 12, Mountain Shadows Subdivision, for the only purpose of installing, constructing, reinstalling or reconstructing, operating, maintaining, repairing, and/or replacing underground water service lines to convey water across, through and under the west seven and one-half feet of said Lot 12 and also together with the right to excavate and refill trenches for the location of such pipelines, to remove trees, bushes, undergrowth and other obstructions interfering with the location, construction, maintenance and/or repair of said pipelines.

Grantors warrant that said easement is subject to all liens, encumbrances and easements of record as of the date hereof, but is otherwise free from all liens, encumbrances and easements.

The true and actual consideration for this easement is \$1.00, the receipt of which is hereby acknowledged. Said consideration represents the entire consideration.

GRANTORS:

Clyde W. Shumway

CLYDE W. SHUMWAY
Terry L. Shumway

TERRY L. SHUMWAY

STATE OF OREGON)
)SS.
County of Multnomah)

July 30, 1981

Personally appeared the above named CLYDE W. SHUMWAY and TERRY L. SHUMWAY and acknowledged the foregoing instrument to be their voluntary act and deed, before me.

Paul D. ...

Notary Public for Oregon
My commission expires: 9/9/83



FILED
HOOD RIVER COUNTY
AUG 4 9 46 AM '81
DEPARTMENT OF
RECORDS AND ASSESSMENT
DEPUTY

P. G. ...

811414

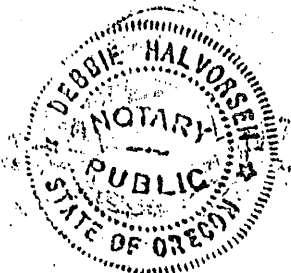
ATTEST:

STATE OF OREGON)
County of CLACKAMAS)ss

Personally appeared Edward A. Shattuck, known to me, who being first duly sworn, says that he did sign this instrument at his free and voluntary act, for the uses and purposes therein mentioned.

Subscribed and sworn to before me this

25th day of March, 1982.



Debbie Halvorsen
Notary Public for the State of Oregon
My Commission Expires 5/22/84

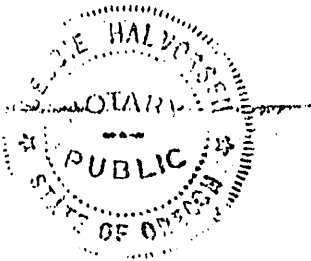
ATTEST:

STATE OF OREGON)
County of CLACKAMAS)ss

Personally appeared Dorothy A. Shattuck, known to me, who being first duly sworn, says that she did sign this instrument at her free and voluntary act, for the uses and purposes therein mentioned.

Subscribed and sworn to before me this

25th day of March, 1982.



Debbie Halvorsen
Notary Public for the State of Oregon
My Commission Expires 5-22-84

EASEMENT DEED

820497

EDWARD A. SHATTUCK and DOROTHY A. SHATTUCK, husband and wife, herein called the Grantors, hereby warrant and convey to DONALD J. BRANTON, dba MOUNTAIN SHADOWS UTILITIES COMPANY, herein called the Grantee, an easement free and clear of encumbrance for the construction, maintenance and operation of a sanitary sewer main, together with the right of ingress thereto and egress therefrom on and over the property of the Grantor adjacent thereto at any and all times for the purpose of repairing, maintaining or replacing said sewer main and appurtenances on the following described real property in Hood River County, Oregon.

A strip of land 10 feet wide lying 5 feet on either side of the following described centerline over and across Lot 16, Plat of Mt. Shadows, in Section 31, Township 1 South, Range 10 East, Willamette Meridian, Hood River County, Oregon:

Beginning at a point on the north line of said Lot 16 which is South 88°51'06" East a distance of 20.00 feet from the northwest corner of said Lot 16; thence South 33°22'14" East a distance of 175.57 feet to a point on the east line of said Lot 16 and there terminating, said point of terminus being North 00°37'48" West 20.00 feet from the southeast corner of said Lot 16.

The consideration for this easement is \$1.00.

DATED 3/25 1982.

FILED
HOOVER COUNTY

Edward A. Shattuck
Edward A. Shattuck

APR 2 11 49 AM '82

RECORDS AND ASSIGNMENT

DEPUTY

P. J. Kenner

Dorothy A. Shattuck
Dorothy A. Shattuck

FILED

HOOD RIVER COUNTY

Dec 30 4 03 PM '77

DEPARTMENT OF
RECORDS AND ASSESSMENT

DEPUTY

Johnson

773064

EASEMENT DEED

DWIGHT C. SIEVERS, JOHN H. GEIGER, DAVID KAYE, PATRICK
GAY SIMPSON, and IVAN L. GOLD, as tenants in common and the
MOLLALA INVESTMENT COMPANY, an Oregon Corporation, herein called
the Grantors, hereby warrant and convey to DONALD J. BRANTON, dba
MOUNTAIN SHADOWS UTILITIES COMPANY, herein called the Grantee, an
easement free and clear of encumbrances for the construction,
maintenance and operation of a water main, a domestic water col-
lection system, reservoir and storage system, together with the
right of ingress thereto and egress therefrom on and over property
of the Grantors adjacent thereto at any and all times for the
purpose of repairing, maintaining and replacing said water main
and appurtenances on the following-described real property in
Hood River County, Oregon:

Tract I

A strip of land 20 feet wide lying 20 feet northerly of the following-
described line in Section 6, Township 2 South, Range 10 East of the
Willamette Meridian, Hood River County, Oregon:

Commencing at the South 1/4 corner of Section 31, Township 1 South,
Range 10 East, Willamette Meridian, being the Northwest corner of
Homestead Entry Survey No. 149; thence South 00° 37' West along the
West line of said Homestead Entry Survey 3,531 feet to the true point
of beginning of this description; thence North 38° 53' 36" East 1,526.35
to the centerline of the Cooper Spur Road and there terminating, the
aforesaid line being the South line of the proposed plat of the Snow-
bird Tracts Subdivision, Hood River, County, Oregon.

TOGETHER WITH an area more particularly described as follows:

Beginning at the aforesaid initial point of Tract 1 above; thence N
38° 53' 36" E 400 feet; thence Westerly to a point in the West line
of the aforesaid Homestead Entry Survey No. 149 which is 300 feet North
of the point of beginning of this description; thence South 00° 37'
West along said Homestead Entry line 300 feet to the point of beginning
which area shall be maintained free of any sanitary hazards or
activities which would result in possible contamination of a domestic
water supply.

Grantors further grants to the Grantee the right to do such excavation, clearing and other activities necessary to construct the water supply collection, storage and pipeline system.

The consideration for this easement is nothing.

July 11, 1977.

By Wally

By _____

By John H. Geiger

By Gen. A. Reed, Pres.
for Mollala Investment Company

By Dwight C. Sievers

By Frank Banks, V. Pres.
for Mollala Investment Company

By Patrick J. Simpson

By David Kaye by Patrick J. Simpson & the act

ATTEST:

STATE OF OREGON)
County of Multnomah) SS

Personally appeared Dwight C. Sievers, John H. Geiger, Patrick J. Simpson and Ivan L. Gold, known to me, who being first duly sworn, say that they did sign this instrument at their free and voluntary act, and appeared Patrick J. Simpson to me known to be the individual who executed the foregoing instrument as attorney in fact of David Kaye therein described, and acknowledged to me that he signed and sealed the said instrument as such attorney in fact for said principal, freely and voluntarily, for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said David Kaye is now living.

Subscribed and sworn to before me this 11th day of July, 1977.

Kathryn D. White
Notary Public for the State of Oregon
My Commission Expires 11/10/79

RECEIVED
DEC 9 1971

Permit No. 30149

STATE ENGINEER
SALEM, OREGON

*APPLICATION FOR PERMIT

To Appropriate the Public Waters of the State of Oregon

I, Mountain Shadows Development Co. DONALD J. BRANTON
(Name of applicant)
of 329 W. 21st Street The Dalles
c/o Carlton W. Hodges, 905 Standard Plaza, Portland
(Mailing address) (City)
State of Oregon 97058 97204, do hereby make application for a permit to appropriate the
(Zip Code)

following described public waters of the State of Oregon, SUBJECT TO EXISTING RIGHTS:

If the applicant is a corporation, give date and place of incorporation Not applicable

1. The source of the proposed appropriation is an unnamed spring, which is a tributary
Tilly Jane Creek
(Name of stream)
to Tilly Jane Creek, a tributary of stream of Hood River

2. The amount of water which the applicant intends to apply to beneficial use is 0.25
cubic feet per second or 112 gallons per minute
(If water is to be used from more than one source, give quantity from each)

3. The use to which the water is to be applied is domestic water supply
(Irrigation, power, mining, manufacturing, domestic supplies, etc.)

4. The point of diversion is located 1321.39 ft. S. and 670.50 ft. W. from the N 1/4
(N. or S.) (E. or W.)
corner of Section 6, T. 2 S., R. 10 E., W.M.
(Section or subdivision)
S. 26° 54' 15" W. 1481.75 (Oregon Coordinate System North Zone Grid Bearings)

(If preferable, give distance and bearing to section corner)

(If there is more than one point of diversion, each must be described. Use separate sheet if necessary)

being within the SE 1/4 of the NW 1/4 of Sec. 6, Tp. 2 S
(Give smallest legal subdivision) (N. or S.)
R. 10 E., W. M., in the county of Hood River
(E. or W.)

5. The pipe to be 7437 ft.
(Main ditch, canal or pipe line) (Miles or feet)
in length, terminating in the N 1/2 of N 1/2 of NW 1/4 of Sec. 31, Tp. 1 S.
(Smallest legal subdivision) (N. or S.)
R. 10 E., W. M., the proposed location being shown throughout on the accompanying map.
(E. or W.)

DESCRIPTION OF WORKS

Diversion Works— Not applicable

6. (a) Height of dam / feet, length on top / feet, length at bottom / feet; material to be used and character of construction 48" diameter pre-cast concrete section 8' high, buried 6' in ground and below water table.
(Loose rock, concrete, masonry, rock and brush, timber crib, etc., wasteway over or around dam)

(b) Description of headgate 3" PVC pipe intake.
(Timber, concrete, etc., number and size of openings)

(c) If water is to be pumped give general description /
(Size and type of pump)

(Size and type of engine or motor to be used, total head water is to be lifted, etc.)

* A different form of application is provided where storage works are contemplated. Such forms can be secured without charge, together with instructions, by addressing the State Engineer, Salem, Oregon 97310.

30149

Canal System or Pipe Line—

7. (a) Give dimensions at each point of canal where materially changed in size, stating miles from headgate. At headgate: width on top (at water line) feet; width on bottom feet; depth of water feet; grade feet fall per one thousand feet.

(b) At Not applicable miles from headgate: width on top (at water line) feet; width on bottom feet; depth of water feet; grade feet fall per one thousand feet.

(c) Length of pipe, 7437 ft.; size at intake, 3" in.; size at ft. from intake in.; size at place of use 3" in.; difference in elevation between intake and place of use, 349 ft. Is grade uniform? / Estimated capacity, 0.25 sec. ft.

8. Location of area to be irrigated, or place of use

Township North or South	Range E. or W. of Willamette Meridian	Section	Forty-acre Tract	Number Acres
T. 1 S.	R. 10 E.	31	NW 1/4 NE 1/4	10 acres
T. 1 S.	R. 10 E.	31	NE 1/4 NW 1/4	0.33 acres
T. 1 S.	R. 10 E.	30	SW 1/4 SE 1/4	40 acres

(If more space required, attach separate sheet)

(a) Character of soil

(b) Kind of crops raised Domestic Supply

Power or Mining Purposes—

9. (a) Total amount of power to be developed theoretical horsepower.

(b) Quantity of water to be used for power sec. ft.

(c) Total fall to be utilized feet.
(Head)

(d) The nature of the works by means of which the power is to be developed

(e) Such works to be located in of Sec.
(Legal subdivision)

Tp., R., W. M.
(No. N. or S.) (No. E. or W.)

(f) Is water to be returned to any stream?
(Yes or No)

(g) If so, name stream and locate point of return

....., Sec., Tp., R., W. M.
(No. N. or S.) (No. E. or W.)

(h) The use to which power is to be applied is

(i) The nature of the mines to be served

10. (a) To supply the city of

..... County, having a present population of

(Name of)

and an estimated population of in 19.....

(b) If for domestic use state number of families to be supplied 19 immediately
additional 60 in the future

(Answer questions 11, 12, 13, and 14 in all cases)

11-14

11. Estimated cost of proposed works, \$ 6,000.00.....

12. Construction work will begin on or before December, 1971.....

13. Construction work will be completed on or before 1 June 1972.....

14. The water will be completely applied to the proposed use on or before 1 June 1974.....

MOUNTAIN SHADOWS DEVELOPMENT CO.

By Donald J. Branton
(Signature of applicant)

..... Donald J. Branton, Project Engineer.....

Remarks:

..... Supply is proposed to serve a recreational type subdivision of 19 lots,
plus a future area slated for development lying to North, of some 40 acres.

..... Supply will deliver directly into distribution system and also serve a
12,000 gallon storage reservoir. The system is designed with a 20 gpm
booster pump operating from the reservoir in the event any problem on the
supply main develops.

STATE OF OREGON, }
County of Marion, } ss.

This is to certify that I have examined the foregoing application, together with the accompanying
maps and data, and return the same for correction and completion.....

In order to retain its priority, this application must be returned to the State Engineer, with
corrections on or before March 3, 1972
April 3rd 72

WITNESS my hand this 2nd day of January, 19 72
2nd February 72

RECEIVED
APR 5 1972
STATE ENGINEER
SALEM, OREGON

RECEIVED
JAN 10 1972
STATE ENGINEER
SALEM OREGON

CHRIS L. WHEELER
STATE ENGINEER

By Wayne J. Overcash
ASSISTANT

PERMIT

STATE OF OREGON, }
County of Marion, } ss.

This is to certify that I have examined the foregoing application and do hereby grant the same, SUBJECT TO EXISTING RIGHTS and the following limitations and conditions:

The right herein granted is limited to the amount of water which can be applied to beneficial use and shall not exceed 0.16 cubic feet per second measured at the point of diversion from the stream, or its equivalent in case of rotation with other water users, from unnamed spring

The use to which this water is to be applied is domestic use for 79 families

If for irrigation, this appropriation shall be limited to of one cubic foot per second or its equivalent for each acre irrigated

and shall be subject to such reasonable rotation system as may be ordered by the proper state officer.

The priority date of this permit is April 5, 1972

Actual construction work shall begin on or before November 27, 1973 and shall

thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 1974

Complete application of the water to the proposed use shall be made on or before October 1, 1975

WITNESS my hand this 27th day of November, 1972

Chris L. Wheeler
STATE ENGINEER

Application No. 48877
Permit No. 36149

PERMIT
TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE
OF OREGON

This instrument was first received in the office of the State Engineer at Salem, Oregon, on the 9th day of December, 1971, at 8:15 o'clock A. M.

Returned to applicant:
Approved:
November 27, 1972

Recorded in book No. 36149 of

Permits on page 36149
CHRIS L. WHEELER
STATE ENGINEER
Drainage Basin No. 1 page 2A
Fees 25.00

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or 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 at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON
COUNTY OF HOOD RIVER
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DONALD J. BRANTON
35215 SE DODGE PARK BLVD
GRESHAM, OREGON 97080

confirms the right to use the waters of A WELL in the TILLY JANE CREEK BASIN for DOMESTIC USE FOR 30 HOUSEHOLDS.

This right was perfected under Permit G-7601. The date of priority is AUGUST 3, 1977. This right is limited to 0.12 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the well and shall be further limited to appropriation of water only to the extent that it does not impair or substantially interfere with existing surface water rights of others.

The well is located as follows:

SE 1/4 NW 1/4, SECTION 6, T 2 S, R 10 E, W.M.; 1700 FEET SOUTH AND 1500 FEET EAST FROM THE NORTHWEST CORNER OF SECTION 6.

A description of the place of use to which this right is appurtenant is as follows:

SW 1/4 SE 1/4 1 HOUSEHOLD
SECTION 30

NW 1/4 NE 1/4 19 HOUSEHOLDS
SW 1/4 SE 1/4 1 HOUSEHOLD
SECTION 31

TOWNSHIP 1 SOUTH, RANGE 10 EAST, W.M.

NW 1/4 NE 1/4 5 HOUSEHOLDS
SW 1/4 NE 1/4 2 HOUSEHOLDS
NE 1/4 NW 1/4 1 HOUSEHOLD
SE 1/4 NW 1/4 1 HOUSEHOLD

SECTION 6

TOWNSHIP 2 SOUTH, RANGE 10 EAST, W.M.

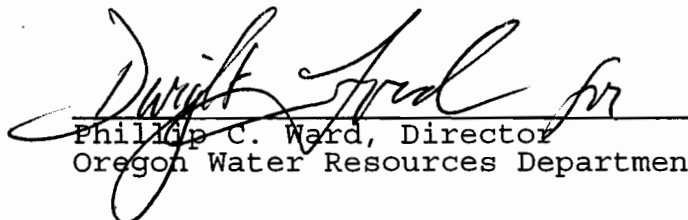
The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

The water user shall install and maintain a weir, meter, or other suitable measuring device and keep a complete record of the amount of ground water withdrawn.

The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described.

WITNESS the signature of the Water Resources Director, affixed

June 16, 2006.


Phillip C. Ward, Director
Oregon Water Resources Department

Recorded in State Record of Water Right Certificates Number 82024.

G-8324.JWG

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or 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 at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON
COUNTY OF HOOD RIVER
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DONALD J. BRANTON
35215 SE DODGE PARK BLVD.
GRESHAM, OREGON 97080

confirms the right to use the waters of an UNNAMED SPRING, a tributary of DOE CREEK, for DOMESTIC USE FOR 30 HOUSEHOLDS.

This right was perfected under Permit 36149. The date of priority is APRIL 5, 1972. This right is limited to 0.06 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

NE 1/4 SW 1/4, SECTION 6, T 2 S, R 10 E, W.M.; 3120 FEET SOUTH AND 2260 FEET EAST FROM THE NORTHWEST CORNER OF SECTION 6.

A description of the place of use to which this right is appurtenant is as follows:

SW 1/4 SE 1/4	1 HOUSEHOLD
SECTION 30	
NW 1/4 NE 1/4	19 HOUSEHOLDS
SW 1/4 SE 1/4	1 HOUSEHOLD
SECTION 31	
TOWNSHIP 1 SOUTH, RANGE 10 EAST, W.M.	
NW 1/4 NE 1/4	5 HOUSEHOLDS
SW 1/4 NE 1/4	2 HOUSEHOLDS
NE 1/4 NW 1/4	1 HOUSEHOLD
SE 1/4 NW 1/4	1 HOUSEHOLD
SECTION 6	
TOWNSHIP 2 SOUTH, RANGE 10 EAST, W.M.	

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described. The use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

WITNESS the signature of the Water Resources Director, affixed

June 16, 2006.


Phillip C. Ward, Director
Oregon Water Resources Department

Recorded in State Record of Water Right Certificates Number 82023.

S-48891.JWG