

COPY

ASSET PURCHASE AGREEMENT

Date: August 9, 2016

Parties: CITY OF BEND, an Oregon municipal corporation ("City")

ROATS WATER SYSTEM, INC., an Oregon corporation ("Roats")

RECITALS

A. In 2002, City condemned a water and sewer system commonly known as Juniper Utility. Juniper Utility assets included separate domestic water and irrigation water supply systems serving four neighborhoods (Tillicum Village, Nottingham Square, Timber Ridge and Mountain High (collectively, the "**Neighborhoods**")), each of which is represented by a homeowners' association (the "**Homeowners' Associations**"). The water service for the Neighborhoods is subject to an Amended Settlement Agreement with the Homeowners' Associations. The system acquired by City also serves other properties, including the Nativity Lutheran Church, Fellowship Bible Church, Crown Villa RV Park ("**Crown Villa**"), and The Pines Mobile Home Park ("**The Pines**"), but which were not covered by the Amended Settlement Agreement. The Homeowners' Associations and many individual property owners have requested that City sell the domestic and irrigation water supply systems to Roats and Avion Water Company, Inc. ("**Avion**"). A map of the above-described areas is attached as Exhibit A.

B. City has agreed to transfer the right to provide water service to the Neighborhoods, Nativity Lutheran Church, the Blue Ridge subdivision and the Stonegate PUD, along with the water utility facilities within and serving those areas, to Avion and Roats. City has further agreed to transfer the associated Arnold Irrigation District water rights to Roats.

C. City currently has a contractual obligation with the Homeowners' Associations to convert the current irrigation system to a single water system by 2016. The Neighborhoods want to retain the dual irrigation system. Roats and Avion are willing to continue to provide domestic and irrigation water with two separate systems. City makes no representations about the viability or efficiency of separate domestic water and irrigation systems.

D. Roats and Avion are private water utilities regulated by the Oregon Public Utility Commission ("**OPUC**"). Any acquisition of Juniper Utility assets would require approval by the OPUC.

E. City uses approximately 348 acres-equivalent of quasi-municipal water rights from Arnold Irrigation District ("**Arnold**") to provide irrigation water to the Neighborhoods, and pays Arnold an annual assessment of approximately \$37,000 for the current year.

1.3 Mobile Home Parks. The purchase price includes the provision of water to Crown Villa and The Pines mobile home parks (to a meter), provided the parties reach agreement regarding the bulk rate as set forth in Section 7.9 below. However, the parties expressly agree that if future development proposals are submitted for either of those properties for single family or other residential development converting either or both developments from mobile home parks, the development(s) will be served with domestic potable water by the City of Bend consistent with Chapter 14.10 of the Bend Municipal Code.

SECTION 2. PURCHASE PRICE FOR ASSETS

As consideration for the Assets, Roats agrees to:

2.1 Pay City the sum \$1,400,000.00, representing the amount spent by City for capital improvements to the domestic water supply system after City's acquisition of Juniper Utility, pursuant to the terms of Section 3; and

2.2 Provide domestic and irrigation water service to those Service Areas listed on Exhibit B from and after the Closing Date.

SECTION 3. PAYMENT OF PURCHASE PRICE

Roats may either (1) pay the purchase price in full at the time of closing or (2) make payments as follows:

3.1 No down payment shall be made at Closing.

3.2 Interest-only payments at the rate of 6.5% per annum for three years from the Closing Date.

3.3 On the third anniversary of the Closing Date, the then-outstanding balance shall be amortized over 20 years with level debt service payments at an interest rate equal to 6.5% per annum.

3.4 The entire unpaid balance, both principal and interest, shall be due 20 years from the Closing Date.

3.5 There is no prepayment penalty.

3.6 The terms and conditions of Roats' installment payment obligation are set forth in the Promissory Note attached as Exhibit C (the "Note").

3.7 In the event Roats should sell any of the Arnold irrigation water rights described in Exhibit B-3, other than to Avion or another successor servicing the Neighborhoods and other customers shown on Exhibit B, City shall receive the proceeds of such water rights sale, up to \$1,000.00 per acre, in addition to the purchase price paid by Roats for the Assets.

regulatory agency, other than OPUC. Notwithstanding the foregoing, Roats acknowledges that any transfer of water rights must be approved by the Arnold board of directors. Roats also agrees to cooperate and provide any approvals needed for City to conduct an administrative action with the Oregon Water Resources Department to remove Hole Ten #1 and Hole Ten #2 as authorized points of appropriation from its water rights.

5.4 Non-cancellable Contracts. There are no leases, employment contracts, contracts for services or maintenance, or other similar contracts existing or relating to or connected with the Assets.

5.5 Litigation. There are no claims, litigation, proceedings, or investigations pending or threatened against City that might result in any Material Adverse Change in the Assets being conveyed under this Agreement.

5.6 Accuracy of Representations and Warranties. None of the representations or warranties of City contain any untrue statement of material fact or omit or misstate a material fact. City knows of no fact that has resulted, or that in the reasonable judgment of City will result, in a Material Adverse Change in the Assets that has not been set forth in this Agreement or otherwise disclosed to Roats in writing. City will notify Roats in writing of any Material Adverse Effect that occurs prior to the Closing Date.

SECTION 6. ROATS' REPRESENTATIONS AND WARRANTIES

6.1 Organization and Authorization. Roats is an Oregon corporation organized and validly existing under the laws of the state of Oregon. Roats is a public utility regulated by OPUC pursuant to ORS Chapter 757. This Agreement has been validly entered into by Roats and, assuming that this Agreement constitutes a valid and binding obligation of City, constitutes a valid and binding obligation of Roats, enforceable against Roats in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting or relating to enforcement of creditors' rights generally or general principals of equity. Roats represents that it is not subject to any pending or threatened litigation that would limit or affect its ability to enter into this transaction.

6.2 Roats' Acknowledgement and Acceptance. Roats represents and acknowledges that it has entered into this Agreement on the basis of its own examination, personal knowledge, and opinion of the value of the Assets and their operational and maintenance conditions. Roats has not relied on any representations made by City other than those specified in this Agreement. Roats further acknowledges that City has made no agreement or promise to repair or improve any of the Assets, and that Roats accepts the Assets in the condition existing on the Effective Date, except as otherwise provided in this Agreement. Roats is purchasing the Assets "as is." Roats acknowledges and agrees that:

arranging for suitable alternative, permanent connectivity for the irrigation water system to The Pines and Crown Villa.

7.9 City and Roats reaching mutually acceptable agreement for Roats to purchase bulk water from City to serve Crown Villa and The Pines, which shall be at the City's consumption charge under its bulk sales section in the fee schedule in the fee resolution, as the same may be amended from time to time.

SECTION 8. EFFECTIVE DATE AND CLOSING

8.1 Effective Date. This Agreement shall be effective when signed by both parties (the "**Effective Date**").

8.2 Deliveries by City at Closing. Closing shall be 10 days after the satisfaction of all contingencies, but no later than 5:00 p.m. on December 31, 2016 (the "**Closing Date**"); provided, however, the Closing Date can be extended with the approval of the City Council if necessary to allow time for Roats to obtain OPUC approval. Concurrently with the closing, City shall deliver to Roats:

(a) A bill of sale, deed, and assignment of easements transferring the Assets to Roats. From and after closing, City will further deliver any additional documents reasonably requested by Roats as may be necessary to confirm or evidence the transfer of the Assets (or any part of the Assets) to Roats.

(b) Possession of the Assets.

(c) Current billing data and records of payments from customers.

(d) Current preventative and corrective work orders for the Assets, together with system valve maps (if any), and maintenance records for the past three years.

(e) Such assignment, or other form or document, as is necessary to assign water use permit application G-13809 to Roats; provided, however, Roats will pay any Oregon Water Resource Department fees related to the assignment of application G-13809.

8.3 Deliveries by Roats at Closing. Concurrently with the performance by City of its obligations described in Section 8.2, Roats will deliver to City the following:

(a) Either (1) the purchase price in full, or (2) the Note, duly executed by Roats.

(b) Such other certificates and documents as may be called for by the provisions of this Agreement.

that any party to whom a representation or warranty has been made in this Agreement shall be deemed to have waived any misrepresentation or breach of representation or warranty of which such party had knowledge before closing. Any party learning of a misrepresentation or breach of representation or warranty under this Agreement shall immediately give written notice thereof to all other parties to this Agreement.

10.2 City's Indemnification. To the extent permitted by law, City agrees to defend, indemnify and hold Roats, its successors, and assigns harmless from and against:

(a) Any and all claims, liabilities, and obligations of every kind and description, contingent or otherwise, arising out of or related to the operation of Juniper Utility prior to the Closing Date, except for claims, liabilities, and obligations of City expressly assumed by Roats under this Agreement; and

(b) Any and all damages or deficiencies resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of City under this Agreement (except for any damages or deficiencies arising as a result of the training provided by City under Section 9.2).

If any claim is asserted against Roats that would give rise to a claim by Roats against City for indemnification under the provisions of this Section 10.2, then Roats shall promptly give written notice to City concerning such claim and City shall, at no expense to Roats, defend the claim.

10.3 Roats' Indemnification. Roats agrees to defend, indemnify, and hold City harmless from and against:

(a) Any and all claims, liabilities, and obligations of every kind and description arising out of or related to the operation and maintenance of the Assets after the Closing Date or arising out of Roats' failure to perform any obligations of City expressly assumed by Roats pursuant to this Agreement; and

(b) Any and all damages or deficiencies resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Roats under this Agreement.

If any claim is asserted against City that would give rise to a claim by City against Roats for indemnification under the provisions of this Section 10.3, then City shall promptly give written notice to Roats concerning such claim and Roats shall, at no expense to City, defend the claim.

SECTION 11. STATUTORY WARNING

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND

respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing. The parties do not intend to confer any benefit on any person, firm, or corporation other than the parties hereto.

12.6 Time of Essence. City and Roats acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision.

12.7 Construction. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. Unless otherwise indicated, all references to sections and subsections are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless the last day is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, nor legal holiday.

12.8 Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement shall be governed by, interpreted under, construed, and enforced in accordance with the laws of the state of Oregon, excluding its choice of forum rules.

12.9 Venue. Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.

12.10 Further Assurances. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence the transactions described in this Agreement.

12.11 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, will be the same as delivery of any original.

[Signatures on following page.]

EXHIBIT A

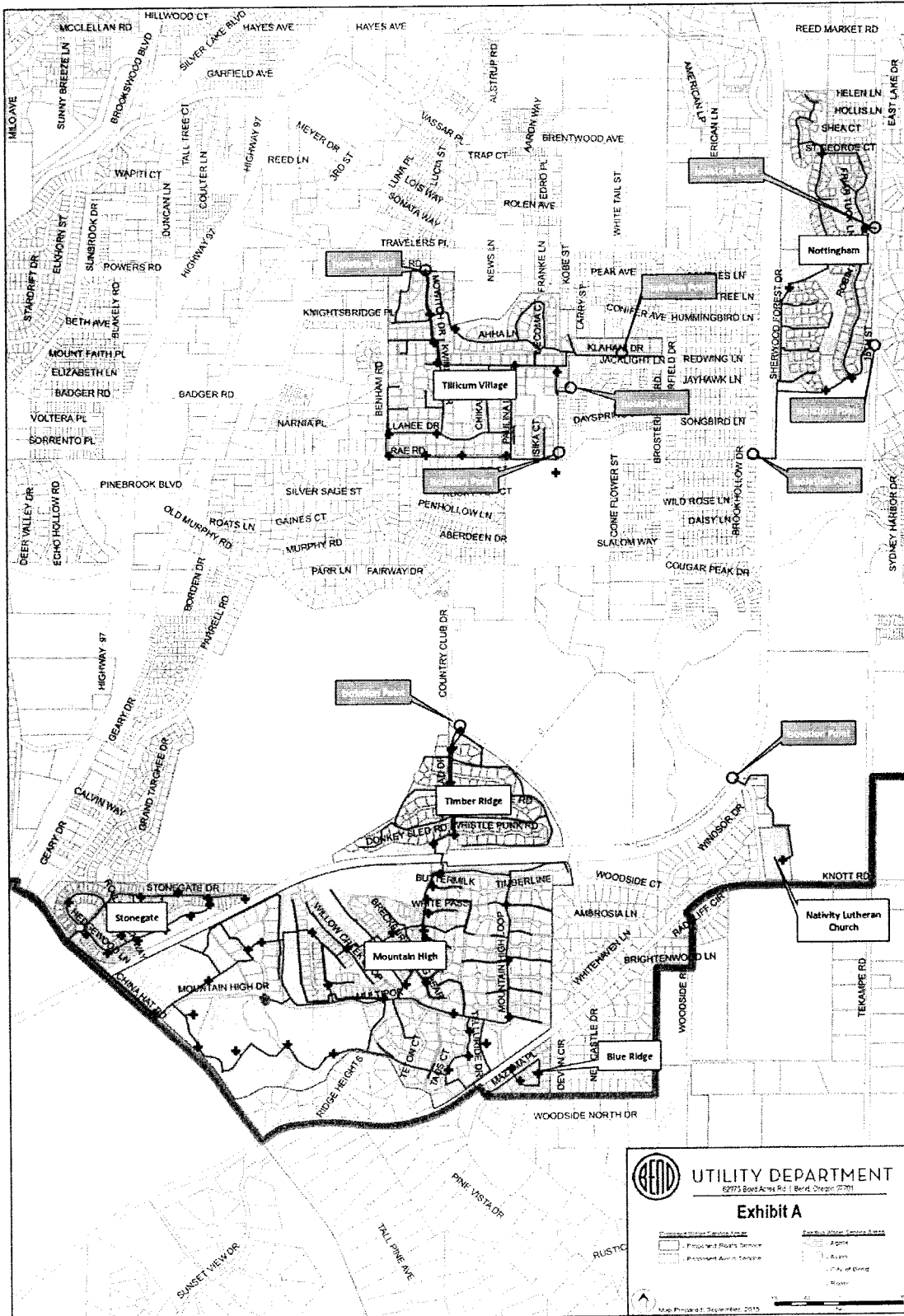


EXHIBIT A – ASSET PURCHASE AGREEMENT

The interest of the City of Bend in Certificate of Water Right No. 74197 issued to Arnold Irrigation District on July 14, 1997 (347.59 acres/equivalent for quasi-municipal use). See Exhibit B3.

The interest of the City of Bend as an applicant in Oregon Water Resources Department Application No. G-13809.
All water rights transferred will be transferred to Roats Water System.

The City of Bend agrees to cooperate in making application to the Oregon Water Resources Department for the transfer of these interests in water rights.

DATE: _____

CITY OF BEND

By: _____
Eric King, City Manager

STATE OF OREGON
County of Deschutes

This instrument was acknowledged before me on _____, by
Eric King as City Manager of the City of Bend.

Notary Public – State of Oregon

distance of 15.70 feet; thence North 20°12'25" East a distance of 25.06 feet; thence North 49°18'22" East a distance of 29.35 feet; thence North 55°24'54" East a distance of 27.21 feet; thence North 12°53'32" East a distance of 16.94 feet; thence North 33°05'30" West a distance of 26.41 feet; thence North 30°25'45" East a distance of 45.37 feet; thence North 47°47'31" East a distance of 34.50 feet; thence North 22°28'17" East a distance of 40.25 feet; thence North 68°03'30" East a distance of 16.11 feet; thence North 03°50'18" West a distance of 2.63 feet; thence North 42°46'13" West a distance of 4.95 feet; thence North 83°01'07" West a distance of 7.67 feet; thence North 49°25'34" West a distance of 52.59 feet; thence North 22°45'11" West a distance of 52.24 feet; thence North 60°07'54" West a distance of 71.36 feet; thence North 34°15'39" West a distance of 47.22 feet; thence North 33°12'08" West a distance of 52.60 feet; thence North 41°06'34" West a distance of 92.19 feet; thence North 07°17'08" West a distance of 7.86 feet; thence North 18°59'19" West a distance of 48.13 feet; thence North 59°19'52" West a distance of 72.01 feet; thence North 19°39'42" West a distance of 58.76 feet; thence North 01°56'58" West a distance of 35.77 feet; thence North 71°53'38" West a distance of 41.49 feet; thence South 88°23'00" West a distance of 40.23 feet; thence South 59°26'26" West a distance of 68.00 feet; thence North 68°52'38" West a distance of 110.40 feet; thence North 24°12'41" West a distance of 16.12 feet; thence North 14°27'38" West a distance of 19.18 feet; thence North 35°26'13" West a distance of 19.76 feet; thence North 47°30'05" West a distance of 5.39 feet; thence North 05°11'03" East a distance of 20.44 feet; thence North 28°59'40" West a distance of 39.49 feet; thence North 31°27'25" West a distance of 9.60 feet; thence North 40°56'49" West a distance of 35.46 feet; thence North 01°54'29" East a distance of 18.31 feet; thence North 02°06'11" West a distance of 26.37 feet; thence North 01°49'32" West a distance of 43.42 feet; thence North 01°32'27" West a distance of 53.47 feet; thence North 37°01'22" East a distance of 52.94 feet; thence North 58°48'00" East a distance of 70.60 feet; thence South 88°20'39" East a distance of 20.42 feet; thence North 04°12'43" East a distance of 59.26 feet; to the point of beginning, the terminus of this description.

EXHIBIT B-2
WATER UTILITY EASEMENT ASSIGNMENT

After recording, please return to:
City of Bend
710 NW Wall Street
Bend, OR 97701

WATER UTILITY EASEMENT ASSIGNMENT

The City of Bend, an Oregon municipal corporation, assigns and transfers its interests in the water utility easements described in the attached Exhibit A to Roats Water System, Inc., an Oregon corporation.

DATE: _____

CITY OF BEND

By: _____
Eric King, City Manager

STATE OF OREGON
County of Deschutes

This instrument was acknowledged before me on _____, by
Eric King as City Manager of the City of Bend.

Notary Public – State of Oregon

6. Easements for the installation, operation, and maintenance of all domestic water and irrigation water and wastewater utilities over and across the following described land:

a. All of those common areas as set out in the official plat of Tillicum Village Second Addition, Deschutes County, Oregon, together with all roads, streets and walkways shown in said plat.

b. That portion of Lot Ten (10), in Block Eight (8), of Tillicum Village, Second Addition, Deschutes County, Oregon, described as follows:

Beginning at the Southwest corner of said Lot Ten, thence South 89 degrees 57'39" East along the South line of said Lot 10 a distance of 24.57 feet to the Northwesternly right of way line of Klahani Drive; thence along said right of way line on the arc of a 43.23 foot radius curve to the right a distance of 27.01 feet through a central angle of 35 degrees 47'39" (the chord bears North 36 degrees 13'30" East 26.57 feet); thence North 64 degrees 39' 14" West a distance of 44.21 feet to the West line of said Lot 10 thence South 0 degrees 26'46" West along said West line a distance of 40.34 feet to the point of beginning.

c. The East Forty-eight (48) feet of Lot 5 (5), in Block Two (2), of Tillicum Village, Deschutes County, Oregon.

d. That portion of the Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section Nine (9), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon described as follows:

Beginning at the Northeast corner of Lot 9, in Block 4, of TILlicum VILLAGE; thence North 89 degrees 50' East a distance of 140.00 feet to the West line of Paulina Lane; thence North along said West line a distance of 60.00 feet to the Southeast corner of the parcel conveyed to Harold C. Rogers by deed recorded January 27, 1972, in Volume 181, Page 785, Deed records; thence West along the South line of the said Harold C. Rogers parcel a distance of 140.00 feet to the Southeast corner of Lot 6, in Block 5 of TILlicum VILLAGE; thence South a distance of 60.00 feet to the point of beginning.

7. All of Juniper Utility Co.'s and J.L. Ward Co.'s interest in the easement arising by implication or estoppel for the installation and maintenance of all water and wastewater utilities over and across the following described land:

a. All parks, footpaths and streets and utility easements as shown on the plat of Tillicum Village, Deschutes County, Oregon, dated July 29, 1965.

b. All utility easements shown on the plat of Tillicum Village, Deschutes County, Oregon, dated July 29, 1965.

3. The water utility easements transferred by General Judgment, Exhibit 23, Section 2:

2. All of Juniper Utility Co.'s interest in:

a. The easement from J.L. Ward Construction Co., Inc. to Juniper Utility Co. recorded September 2, 1980 in the Deschutes County Records of Deeds in Book 327 on Page 754.

Easement from J.L. Ward Construction Co., Inc. to Juniper Utility Co. recorded September 2, 1980 in the Deschutes County Records of Deeds in Book 327 on Page 754.

b. An "easement for utilities on the lots and common areas" of Aspen Village at Mountain High "excepting those portions occupied by the structure," in the Declaration of Covenants, Conditions, and Restrictions recorded April 6, 1987 in the records of Deschutes County in Book 0143 on Page 2717, Fee No. 87-6677.

c. An "easement for utilities on the lots and common areas" of Willow Creek at Mountain High "excepting those portions occupied by the structure," in the Declaration of Covenants, Conditions, and Restrictions recorded September 20, 1989 in the records of Deschutes County in Book 192 on Page 1450, Fee No. 89-24129.

d. An "easement for utilities on the lots and common areas" of Alpine Village II "excepting those portions occupied by the structure," in the Declaration of Covenants, Conditions, and Restrictions recorded July 28, 1993 in the records of Deschutes County in Book 306 on Page 2831, Fee No. 93-25657.

4. The water utility easements transferred by General Judgment, Exhibits 25 and 26 that are within the Mountain High subdivision. A copy of General Judgment Exhibits 25 and 26 is attached as Exhibit 1.

1 data from: Hickman-Williams and Associates, the City of Bend, and survey
2 measurements by David Evans and Associates.

3 b. Eleven (11) 20.00 foot wide strips of land located in a portion of the
4 Southeast One-quarter (SE 1/4) of Section 17 and the North One-half (N 1/2) of Section 20,
5 Township 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County,
6 Oregon, lying 10.00 feet on each side of the following described centerlines:

7 Centerline #1-

8 Beginning at a point which bears North 12°04'52" West a distance of 307.83 feet
9 from the Northeast corner of said Section 20; thence South 20°33'51" West a
10 distance of 18.56 feet; thence South 09°18'12" West a distance of 58.74 feet; thence
11 South 02°10'49" East a distance of 54.89 feet; thence South 78°09'31" West a
12 distance of 64.28 feet; thence 79.79 feet along the arc of a tangent curve to the right
13 with a radius of 150.00 feet, the chord of which bears North 86°36'12" West for a
14 distance of 78.85 feet; thence North 72°55'29" West a distance of 146.74 feet;
15 thence 190.02 feet along the arc of a tangent curve to the left with a radius of 400.00
16 feet, the chord of which bears North 86°32'01" West for a distance of 188.23 feet;
17 thence South 79°51'27" West a distance of 226.30 feet; thence South 76°36'02"
18 West a distance of 205.60 feet; thence South 74°04'51" West a distance of 163.47
19 feet; thence South 77°56'21" West a distance of 114.62 feet; thence South 79°59'04"
20 West a distance of 159.52 feet; thence South 76°37'17" West a distance of 52.80 feet
21 to a point hereinafter known as Point "A"; thence continuing South 76°37'17" West
22 a distance of 78.82 feet; thence South 64°47'03" West a distance of 79.28 feet;
23 thence South 89°30'09" West a distance of 168.42 feet; thence South 77°13'20"
24 West a distance of 224.53 feet; thence South 03°09'11" West a distance of 493.30
25 feet to a point hereinafter known as Point "B"; thence South 03°03'23" West a
26 distance of 71.81 feet; thence South 03°00'52" East a distance of 39.12 feet to a
point hereinafter known as Point "C"; thence South 86°15'47" West a distance of
235.47 feet; thence South 78°52'50" West a distance of 79.76 feet; thence South
50°38'34" West a distance of 135.24 feet; thence South 34°30'16" West a distance of
24.62 feet; thence South 41°31'02" East a distance of 140.33 feet; thence South
75°07'07" West a distance of 21.53 feet; thence South 83°11'12" West a distance of
190.16 feet; thence South 36°41'26" West a distance of 67.31 feet; thence South
59°38'36" West a distance of 170.31 feet to a point hereinafter known as Point "D";
thence continuing South 59°38'36" West a distance of 194.84 feet; thence South
56°46'08" West a distance of 331.03 feet; thence South 59°44'53" West a distance of
87.00 feet; thence South 54°02'48" West a distance of 119.68 feet to a point
hereinafter known as Point "E"; thence South 56°44'32" West a distance of 144.80
feet; thence South 45°20'00" West a distance of 215.45 feet; thence South 52°33'20"
East a distance of 296.57 feet; thence South 55°24'58" East a distance of 185.79 feet;
thence North 64°32'46" East a distance of 179.26 feet to a point hereinafter known
as Point "F", the terminus of this centerline description. Said Point "F" bears South
46°30'38" East a distance of 2893.10 feet from the Northwest corner of said Section
20.

Excepting therefrom: Those portions lying within the right-of-way of China Hat

1 Beginning at said Point "B"; thence South 86°08'10" East a distance of 174.43 feet,
2 more or less, to a point on the west boundary of the plat of Willow Creek at
3 Mountain High as recorded on October 05, 1989 in plat cabinet C, page 344 in the
4 office of the Deschutes County Clerk, the terminus of this centerline description.

4 Centerline #4-

5 Beginning at said Point "I"; thence North 52°45'42" East a distance of 59.95 feet;
6 thence South 36°55'45" East a distance of 102.37 feet; thence North 52°20'22" East
7 a distance of 7.38 feet, more or less, to a point on the west boundary of the plat of
8 Aspen Village at Mountain High as recorded on April 15, 1987 in plat cabinet C,
9 page 220 in the office of the Deschutes County Clerk, the terminus of this centerline
10 description.

9 Centerline #5-

10 Beginning at said Point "J"; thence South 53°08'38" West a distance of 105.43 feet;
11 thence South 61°01'25" West a distance of 47.14 feet; thence South 67°57'06" West
12 a distance of 30.14 feet, more or less, to a point on the east boundary of said plat of
13 Willow Creek at Mountain High, the terminus of this centerline description.

13 Centerline #6-

14 Beginning at said Point "D"; thence South 35°40'47" East a distance of 199.64 feet;
15 thence South 32°25'35" East a distance of 171.26 feet; thence North 80°55'58" East
16 a distance of 19.07 feet; thence South 07°54'50" East a distance of 41.74 feet to a
17 point hereinafter known as Point "K"; thence South 02°46'55" East a distance of
18 106.23 feet; thence South 05°30'25" West a distance of 270.71 feet to a point
19 hereinafter known as Point "L"; thence South 01°31'09" West a distance of 73.02
20 feet; thence South 40°38'36" East a distance of 37.63 feet; thence South 55°50'31"
21 East a distance of 139.08 feet to a point hereinafter known as Point "M"; thence
22 South 57°45'21" East a distance of 135.54 feet; thence South 52°38'18" East a
23 distance of 89.06 feet; thence South 81°28'42" East a distance of 101.21 feet; thence
24 North 45°44'08" East a distance of 54.62 feet to a point hereinafter known as Point
25 "N"; thence North 42°34'36" East a distance of 49.22 feet; thence North 57°34'05"
26 East a distance of 104.15 feet; thence South 33°51'07" East a distance of 172.32 feet;
thence 265.33 feet along the arc of a tangent curve to the left with a radius of 350.00
feet, the chord of which bears South 55°34'11" East for a distance of 259.02 feet;
thence South 77°17'15" East a distance of 73.41 feet; thence North 19°51'07" East a
distance of 83.24 feet; thence North 58°41'12" East a distance of 152.47 feet; thence
North 65°15'29" East a distance of 130.35 feet; thence North 69°44'44" East a
distance of 160.51 feet; thence South 86°51'58" East a distance of 75.86 feet to a
point hereinafter known as Point "O"; thence North 14°55'02" East a distance of
62.71 feet; thence North 33°01'31" East a distance of 191.17 feet; thence North
28°11'54" East a distance of 223.81 feet; thence North 31°56'45" East a distance of
165.27 feet; thence North 10°22'53" West a distance of 67.00 feet to said Point "IF",
the terminus of this centerline description.

1 coordinates for Central Oregon Coordinate System Control Points "18121700" and
2 "18121600" being, respectively, the northwest and northeast corners of said Section 20.

3 See map attached as Exhibit 25-B, hereby incorporated by reference.

4 2. An easement in the land described above in ¶ 1 b. of this Exhibit 25:

5 a. The easement will be a permanent, perpetual and exclusive right to construct, install,
6 maintain, and operate a water line and all related facilities on the surface and within the subsurface
7 of the easement. (The easement is exclusive with respect to the installation of other utilities within
8 the easement. If permitted by applicable laws, regulations, codes, by then-current City standards
9 and specifications, and by the City Engineer, other utilities may be installed within the easement.)
10 The easement includes the right to enter the land and the right of access to all water lines and other
11 facilities. Neither the servient owner nor any other person may without permission of the City erect
12 any structures on the easement, but may use the surface of the easement provided such use does not
13 interfere with the City of Bend's construction, installation, operation, and maintenance of its water
14 system. The City gives and will give permission to J.L. Ward Co. and its successors-in-interest to
15 continue to use and maintain as golf course restrooms the existing restrooms located within the
16 described easement. A map showing the location of the restroom is attached as Exhibit 25-C. The
17 City will continue to provide utility service to the restrooms. There are two circumstances that
18 could cause the City to withdraw its permission. First, if the City had to repair a broken pipe
19 adjacent to the restroom and it was somehow infeasible or impractical to repair or bypass the pipe
20 without removing the north restroom. Second, if J.L. Ward Co. or its successors wanted to rebuild
21 the restroom or build a new facility at the restroom site, then J.L. Ward Co. or its successors would
22 be required to rebuild at a location that was outside the easement and would avoid the existing
23 conflict with the utilities located in the easement. In either circumstance, however, the City would
24 agree to relocate the easement in accordance with ¶ 2 b. of this Exhibit 25 as an alternative way to
25 eliminate the conflict. In that case, J.L. Ward Co. or its successors would be able to continue to use
26 the restroom site despite the arising of the two circumstances.

1 in the new location in conformance with the then-current City of Bend standards and specifications,
2 and are able to provide adequate and safe utility service at a level that is at least equal to the level of
3 service provided by the pipes and other facilities installed in the original location; (4) the City of
4 Bend receives ownership of the new pipes and other facilities; and (5) all the foregoing is done at no
5 cost to the City of Bend.

6 4. An easement to use that portion of Mountain High Drive and St. Andrews Loop
7 shown in the Plat of St. Andrews Village at Mountain High. The easement will be permanent and
8 perpetual. The easement includes the right to enter the land and to use it to access other property
9 owned or used by the City of Bend for the water system or the sewer system.

10 07/20/2007

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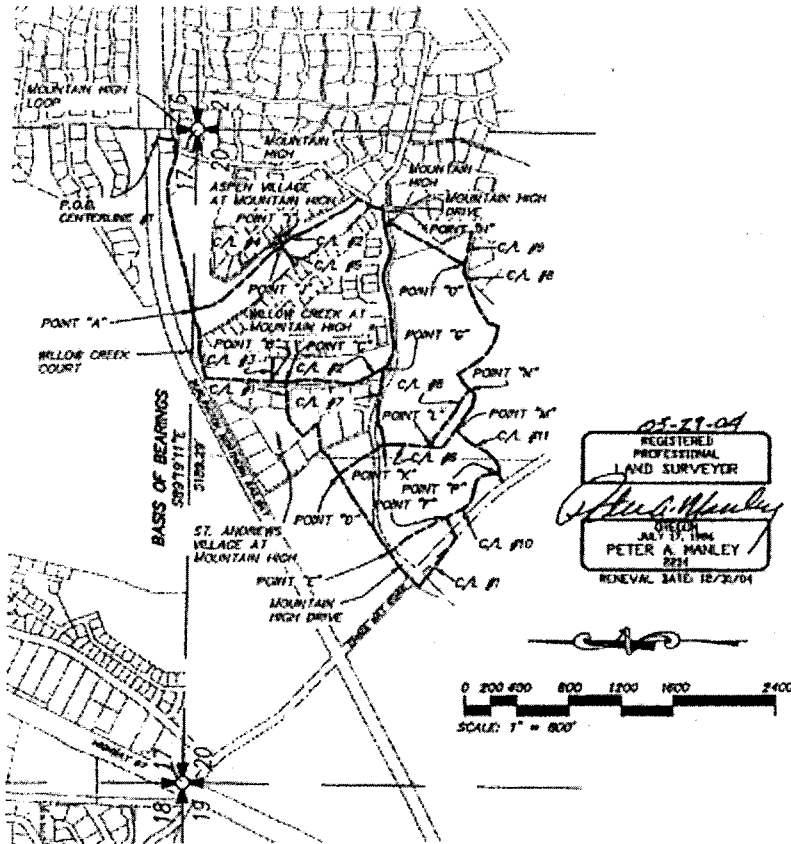
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EXHIBIT B

LOCATED IN THE SE 1/4 OF SECTION 17, AND THE N 1/2 OF SECTION 20,
TOWNSHIP 18 SOUTH, RANGE 12 EAST, W.M., CITY OF BEND, DESCRIBES
COUNTY, OREGON



05-28-04
 REGISTERED
 PROFESSIONAL
 LAND SURVEYER
Peter A. Manley
 OREGON
 JULY 17, 1996
 PETER A. MANLEY
 2211
 RENEWAL DATE: 12/31/04

COBS0020/MTW/18-2004.dwg
03/28/04

1 Exhibit 26

2 (Mountain High South)

3 1. All pipe, valves, fire hydrants, flow meters and other plant comprising the
4 domestic and irrigation water distribution system located in the following described land (Access
5 Road):

6 A strip of land variable in width located in a portion of Sections 19, 20, and 30 of Township
7 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon,
8 lying on each side of the following described centerline:

9 Beginning at Engineer's centerline Station 0+00.00, being a point on the southerly
10 right-of-way line of China Hat Road which bears South 42°26'27" East a distance of
11 2434.15 feet from the northwest corner of said Section 20, said Engineers centerline
12 Station also bears North 26°28'55" East a distance of 3893.14 feet from the
13 southwest corner of said Section 20; thence South 46°16'06" West a distance of
14 357.79 feet; thence 225.37 feet along the arc of a tangent curve to the left with a
15 radius of 216.74 feet, the chord of which bears South 16°28'46" West for a distance
16 of 215.36 feet; thence South 13°18'34" East a distance of 478.34 feet; thence 228.16
17 feet along the arc of a tangent curve to the right with a radius of 298.02 feet, the
18 chord of which bears South 08°37'24" West for a distance of 222.63 feet; thence
19 South 30°33'22" West a distance of 456.88 feet; thence 124.34 feet along the arc of a
20 tangent curve to the right with a radius of 172.85 feet, the chord of which bears
21 South 51°09'51" West for a distance of 121.68 feet; thence South 71°46'21" West a
22 distance of 619.95 feet; thence 279.63 feet along the arc of a tangent curve to the left
23 with a radius of 623.95 feet, the chord of which bears South 58°56'00" West for a
24 distance of 277.30 feet; thence South 46°05'40" West a distance of 224.06 feet;
25 thence 199.86 feet along the arc of a tangent curve to the right with a radius of
26 2177.02 feet, the chord of which bears South 48°43'28" West for a distance of
199.79 feet; thence South 51°21'16" West a distance of 387.52 feet; thence 198.48
feet along the arc of a tangent curve to the left with a radius of 832.96 feet, the chord
of which bears South 44°31'41" West for a distance of 198.01 feet; thence South
37°42'07" West a distance of 173.14 feet; thence 187.60 feet along the arc of a
tangent curve to the left with a radius of 225.63 feet, the chord of which bears South
13°52'58" West for a distance of 182.24 feet; thence South 09°56'11" East a distance
of 64.01 feet; thence 198.16 feet along the arc of a tangent curve to the right with a
radius of 418.56 feet, the chord of which bears South 03°37'35" West for a distance
of 196.32 feet; thence South 17°11'22" West a distance of 197.01 feet; thence 108.82
feet along the arc of a tangent curve to the right with a radius of 2018.85 feet, the
chord of which bears South 18°44'01" West for a distance of 108.81 feet; thence
70.84 feet along the arc of a compound curve to the right with a radius of 2018.85
feet, the chord of which bears South 21°16'59" West for a distance of 70.84 feet;
thence South 22°17'19" West a distance of 145.52 feet; thence 185.42 feet along the
arc of a tangent curve to the right with a radius of 543.78 feet, the chord of which
bears South 32°03'24" West for a distance of 184.52 feet; thence South 41°49'30"

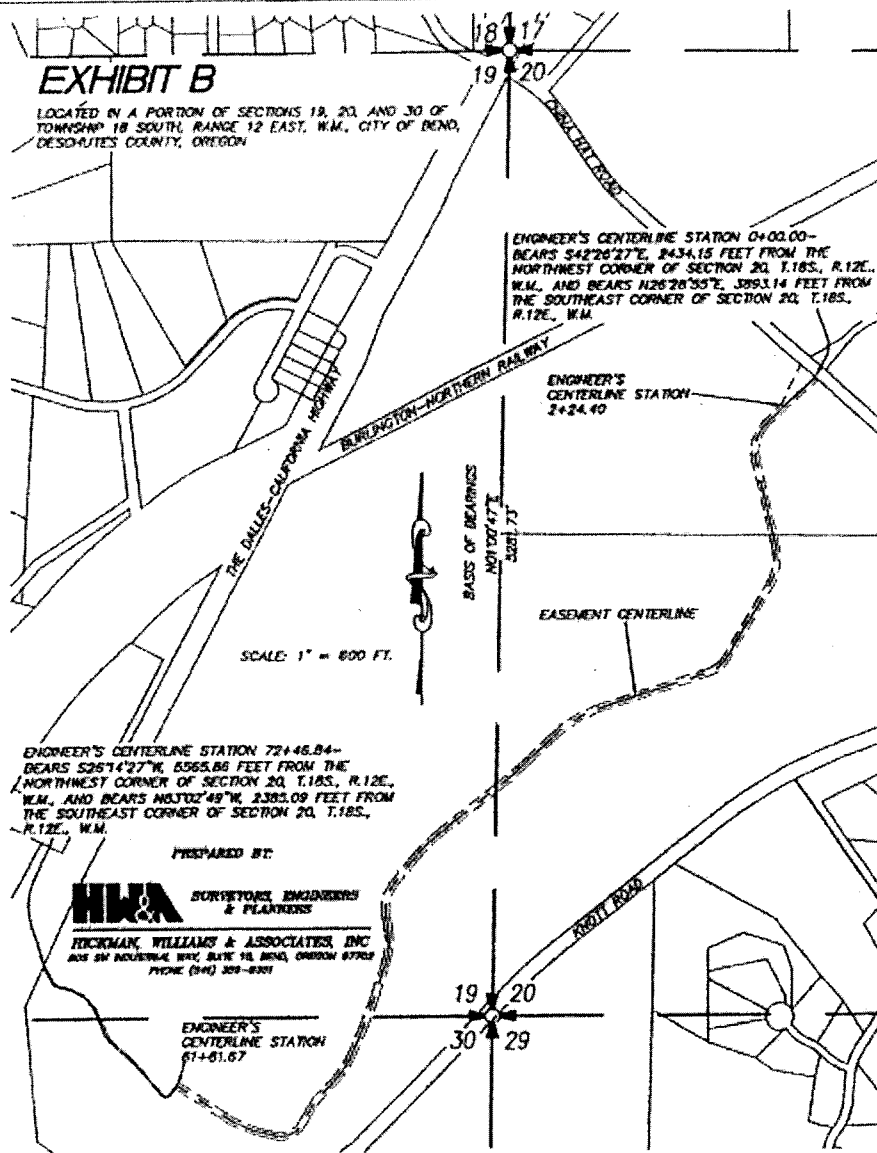
1 maintain, and operate a water line and all related facilities on the surface and within the subsurface
2 of the easement. (The easement is exclusive with respect to the installation of other utilities within
3 the easement. If permitted by applicable laws, regulations, codes, by then-current City standards
4 and specifications, and by the City Engineer, other utilities may be installed within the easement.)
5 The easement includes the right to enter the land and the right of access to all water lines and other
6 facilities. The easement includes the right to enter the land and to use it to access other property
7 owned or used by the City of Bend for the water system, i.e., the property described in Exhibit 27
8 (Hole 5 Facility), including ¶ 1 (Hole 5 Well Site (and Pump House)), ¶ 2 (Hole 5 Pump Site
9 (Vault)), ¶ 3 (Hole 5 Pond), ¶ 5 (Hole 5 Access Easement), ¶ 7 (Fuel Tank/Generator Pad
10 Easement), and ¶ 9 (Fuel Tank/Generator Pad Site); and the property described in Exhibit 28 (Power
11 Line Easement). Neither the servient owner nor any other person may without permission of the
12 City erect any structures on the easement, but may use the surface of the easement provided such
13 use does not interfere with the City of Bend's construction, installation, operation, and maintenance
14 of its water system.

15 b. The City of Bend will agree to relocate the portion of this easement that relates
16 generally to the water line and access to the water line to another location if (1) the new location is
17 reasonably suitable to provide adequate and safe utility service, and utility service that is at least
18 equal to the level of utility service being provided by the original location; (2) plaintiff City of Bend
19 receives an easement to the new location that is subject to the same terms and conditions as the
20 easement to the original location; (3) the new pipes and other facilities are installed in the new
21 location in conformance with the then-current City of Bend standards and specifications, and are
22 able to provide adequate and safe utility service at a level that is at least equal to the level of service
23 provided by the pipes and other facilities installed in the original location; (4) the City of Bend
24 receives ownership of the new pipes and other facilities; and (5) all the foregoing is done at no cost
25 to the City of Bend.

26 c. The City of Bend will agree to relocate to another location the portion of this

Exhibit 26-A

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19604 Buck Canyon Rd., Bend, OR 97702
 Phone (541) 382-7664 Fax (541) 382-0833

Delivery Address

20505 Murphy Rd

Desc	Factor	Rate	Charge
Capital Improvement	348.000	\$21.92	\$7,628.16
Construction	348.000	\$44.11	\$15,350.28
Debt Retirement	348.000	\$7.82	\$2,721.36
Maintenance Fees	348.000	\$17.83	\$6,204.84
Operations for Hdgt# MAIN 22366	0.500	\$242.25	\$121.12
Operations for Hdgt# MAIN 28042	0.500	\$242.25	\$121.12
Operations for Hdgt# NORTH 19277	1.000	\$242.25	\$242.25
Owner Account	1.000	\$226.78	\$226.78
Tax Lot Fees	56.000	\$65.60	\$3,673.60
Water Right Protection Effort	348.000	\$5.00	\$1,740.00
Total Assessed			\$38,029.51
Previous Balance			\$0.00
Total Due			\$38,029.51

If Paying by Mail Please Return Stub with Payment

To cut down on mailing costs, please provide us with your e-mail address so that we may email you newsletters and notices.

E-mail Address _____

Return to Arnold Irrigation District
 19604 Buck Canyon Rd., Bend, OR 97702

Acctnbr 1248
 Name City of Bend
 Due Date: 3/31/2016

<i>Prevs Bal</i>	\$0.00
<i>Current Assessment</i>	\$38,029.51
<i>Other Chg</i>	\$0.00
<i>Interest</i>	\$0.00
<i>Amount Paid</i>	\$0.00
<i>Balance Due</i>	\$38,029.51

EXHIBIT B-4
IRRIGATION WATER EASEMENT ASSIGNMENT

After recording, please return to:
City of Bend
710 NW Wall Street
Bend, OR 97701

IRRIGATION WATER EASEMENT ASSIGNMENT

The City of Bend, an Oregon municipal corporation, assigns and transfers its interests in the irrigation water easements described in the attached Exhibit A to Roats Water System, Inc., an Oregon corporation.

DATE: _____

CITY OF BEND

Eric King, City Manager

STATE OF OREGON
County of Deschutes

This instrument was acknowledged before me on _____, by
Eric King as City Manager of the City of Bend.

A tract of land containing 32.11 acres, more or less, located in the Northwest one-quarter (NW $\frac{1}{4}$) of Section Sixteen (16), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon; the aforesaid tract of land being more particularly described as follows:

Commencing at the Northwest corner of said Section 16; thence South 89°59'35" East along the Southerly line of the plat of Tillicum Village in Deschutes County, Oregon, 581.5 feet, more or less, to the Southwesterly corner of the plat of Tillicum Village, Second Addition in Deschutes County, Oregon; thence South 89°59'35" East along the Southerly line of said plat of Tillicum Village Second Addition, 623.0 feet, more or less, to the true point of beginning of this description, said point also being the Northwesterly corner of that tract of land sold by unrecorded contract to the Administrative School District No. 1, Deschutes County, Oregon, (R. E. Jewell Elementary School); thence leaving said line of said plat South 20°21'22" East along the Westerly line of said school property 1020.55 feet; thence North 89°55'55" East along the Southerly line of said school property 385.00 feet to the Southeasterly corner of said school property; thence South 00°32'26" West 370.64 feet to the CE-NW 1/64 corner of said Section 16; thence South 00°32'26" West 206.73 feet to the Northeasterly corner of that tract of land recorded in Volume 156, Page 9, Deed Records, Deschutes County, Oregon; thence due West along the Northerly line of said tract 194.34 feet, to the Northwesterly corner of said tract; thence due North 206.06 feet to a point on the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said section 16; thence South 89°48'23" West along said line 431.54 feet; thence South 00°32'25" West 228.63 feet to a point on the Northerly line of that tract of land recorded in Volume 198, Page 940, Deed Records, Deschutes County, Oregon; thence North 64°15'28" West along said line 91.31 feet; thence South 70°06'34" West 126.23 feet; thence South 49°08'09" West 99.05 feet; thence leaving said line of said tract North 83°02'03" West 401.81 feet to a point on the Easterly line of that tract of land recorded in Volume 133, Page 47, Deed Records, Deschutes County, Oregon; thence North 00°32'24" East along said line 245.69 feet to the Northeasterly corner of said tract, said corner also being the C-W-NW 1/64 corner of said section, said point further being the Southeasterly corner of that tract of land recorded in Volume 150, Page 338, Deed Records, Deschutes County, Oregon; thence North

Exhibit "A"

2. The easement transferred to the City as part of the General Judgment shown on General Judgment Exhibit 5, Section 4:

12965

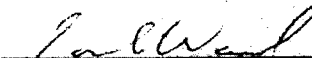
VOL 217 PAGE 114

E A S E M E N T

JAN WARD conveys to JUNIPER UTILITY COMPANY, an Oregon corporation, its assigns and permittees, easements for the installation and maintenance of all utilities (existing and future) over and across the real property described on Exhibit "A" which is attached hereto and by this reference made a part hereof.

There is no consideration for this transfer.

DATED this 31 day of March, 1975.

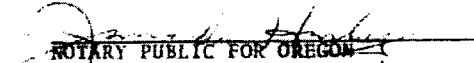


JAN WARD

STATE OF OREGON, County of Deschutes, ss: March 31, 1975

Personally appeared JAN WARD and acknowledged the foregoing instrument to be his voluntary act. Before me:





NOTARY PUBLIC FOR OREGON
My Commission Expires: 4/20/76

3. The easement transferred to the City as part of the General Judgment as shown on General Judgment Exhibit 6, Section 2:

2. The easement 10 feet in width immediately West of the East property line for "underground utilities" reserved in the warranty deed from Iris Y. Ward and Ward Corporation of Bend to Administrative School District No. 1 recorded April 22, 1975 in the Deschutes County Records of Deeds in Book 217 on Page 708.

13975

Until a change is requested, all tax statements shall be sent to Grantee at the following address:

Vol. 217 PAGE 708

WARRANTY DEED

IRIS Y. WARD and WARD CORPORATION OF BEND, an Oregon corporation, Grantor, convey and warrant to ADMINISTRATIVE SCHOOL DISTRICT NO. 1, Deschutes County, Oregon, Grantee, the following described real property free of encumbrances except as specifically set forth herein:

A tract of land, containing 15.0 acres, more or less, lying in the Southeast one-quarter of the Southwest one-quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section Nine (9), and the North one-half of the Northwest one-quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$) of Section Sixteen (16), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon, the aforesaid tract of land being more particularly described as follows:

Beginning at the Southeast corner of the Plat of Tillicum Village Second Addition, Deschutes County, Oregon, said point being East 1304.50 feet, and South 0.16 feet from the Northwest corner of Section 16; thence South 89° 59' 55" East 94.00 feet; thence North 44° 29' 25" East 567.75 feet; thence South 87° 14' 15" East 209.15 feet; thence North 77° 57' 25" East 95.91 feet; thence South 00° 31' 26" West 265.19 feet to a point on the North line of Section 16; thence leaving said line South 00° 32' 26" West 962.57 feet; thence South 89° 55' 55" West 385.00 feet; thence North 20° 21' 22" West 1020.55 feet to a point on the South line of the Plat of Tillicum Village Second Addition; thence South 89° 59' 55" East along said line 100.00 feet to the point of beginning and terminus of this description, as more fully shown on Exhibit "A" which is attached hereto and by this reference made a part hereof.

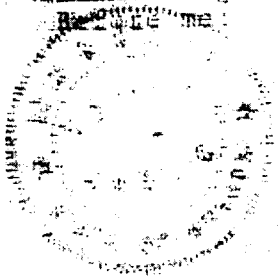
GRAY, FANCHER, HOLMES & HUNLEY
ATTORNEYS AT LAW
1044 N.W. BOND STREET
BEND, OREGON 97701

Warranty Deed
BEND TITLE COMPANY
2 BOND, BEND, OREGON 97701

Page 1

STATE OF OREGON, County of Deschutes, ss: April 21, 1976.

Personally appeared the above named ERIS V. WARD, and acknowledged the foregoing instrument to be her voluntary act.



[Signature]
NOTARY PUBLIC FOR OREGON
My Commission expires: 5-2-78

STATE OF OREGON, County of Deschutes, ss: April 21, 1976.

Personally appeared [Signature] who being sworn, stated that he is [Signature] of WARD CORPORATION OF BEND, and that this deed was voluntarily signed in behalf of said corporation by authority of its Board of Directors. Before me.

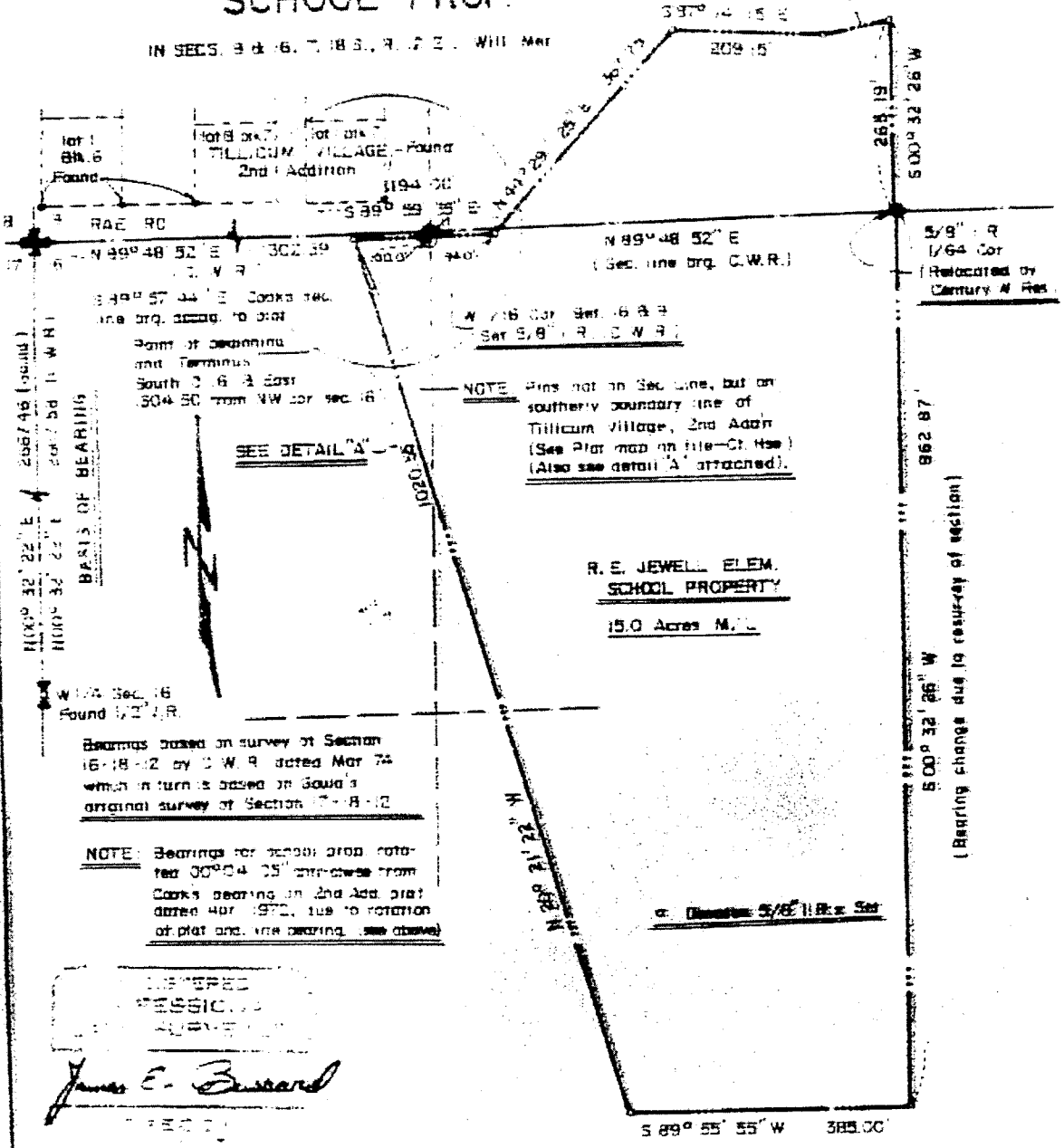


[Signature]
NOTARY PUBLIC FOR OREGON
My Commission expires: 11-14-78

SURVEY OF JEWELL ELEMENTARY SCHOOL PROP.

217-112
N 77° 57' 35" E 35.01'

IN SECS. 9 & 16, T. 18 S., R. 12 E., Will. Mer.



NOTE: Pins not on Sec. line, but on southern boundary line of Tillicum Village, 2nd Addn (See Plat map on file - C.W.R.) (Also see detail 'A' attached).

SEE DETAIL 'A'

**R. E. JEWELL ELEM.
SCHOOL PROPERTY**
15.0 Acres M.L.

Bearings based on survey of Section 16-18-12 by C.W.R. dated Mar 74 which in turn is based on Gaud's original survey of Section 16-18-12

NOTE: Bearings for 2000' prop. rotated 00°04'05" clockwise from Cooks bearing on 2nd Addn plat dated 407-1972, due to rotation of plat and line bearing. (see above)

REGISTERED
PROFESSIONAL
SURVEYOR

James E. Bussard

Design by	Drawn by	Checked by	Approved by	Survey by	Date	Sheet	Drawing No.

Century West Resources Corporation Bend, Oregon

5. The easement transferred to the City as part of the General Judgment as shown on General Judgment Exhibit 8, Section 2:

2. All of Juniper Utility Co.'s interest in the easement from Iris Ward to Juniper Utility Co. recorded May 24, 1978 in the Deschutes County Records of Deeds in Book 274 on Page 368.

17625

32030

VOL 274 PAGE 368

E A S E M E N T

KNOW ALL MEN BY THESE PRESENTS, that IRIS Y. WARD, does hereby grant, bargain, sell and convey to JUNIPER UTILITY COMPANY, an Oregon Corporation, an easement for the purposes of installing and maintaining utility service lines over and across the following described property:

A tract of land lying in the Southeast Quarter, Southwest Quarter (SE-1/4 SW-1/4) of Section Nine (9), Township Eighteen (18) South, Range Twelve (12), East, of the Willamette Meridian, Deschutes County, Oregon, described as follows:

Commencing at the South Quarter Corner of said Section 9, said point also being on the center line of Sipchen Road; thence North 89° 48' 52" West along the south line of said Section 9, 30.00 feet to the point of beginning, said point also being on the west right of way of said Sipchen Road; thence continuing North 89° 48' 52" West 621.13 feet to a point on the east line of the Jewell School property; thence North 00° 33' 39" East along the east line of said property 263.29 feet; thence North 65° 36' 13" East 160.14 feet; thence around a 370 foot radius curve right 147.01 feet (long chord bears North 76° 59' 09" East 146.04 feet); thence North 88° 22' 05" East 326.04 feet to the west right of way of said Sipchen Road; thence South 00° 41' 00" East along the west right of way of said road 375.63 feet to the point of beginning.

For the purposes of installing and maintaining utility service lines, grantee is hereby granted the right to enter upon grantor's property.

This easement shall be binding upon the heirs, successors and assigns of each party hereto and any subsequent Grantee of either party's property.

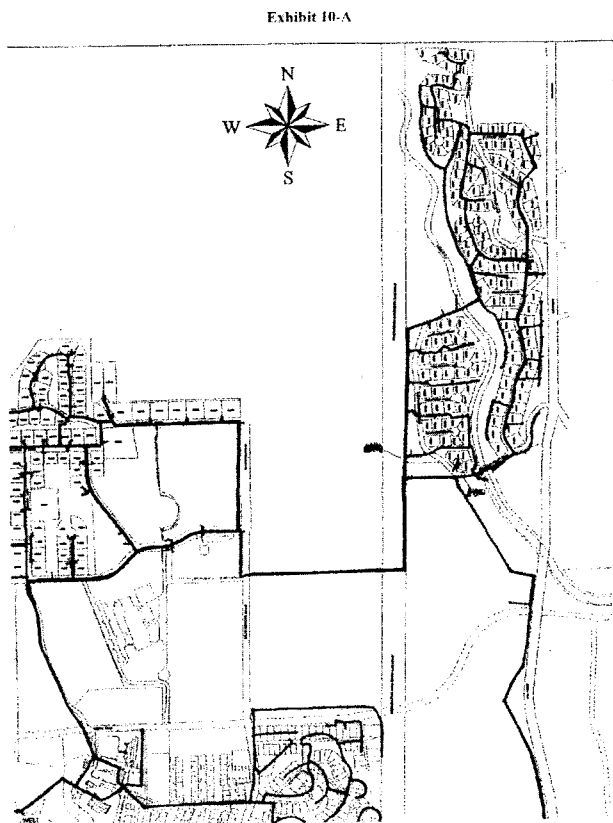
-1-

REND TITLE COMPANY
1195 N.W. WALL, BEND OR 97701

GRAY, FANCHER, HOLMES & HURLEY
ATTORNEYS AT LAW
1044 N.W. BOND STREET
BEND, OREGON 97701

6. The easement transferred to the City as part of the General Judgment as shown on General Judgment Exhibit 10, Section 2:

2. All of Juniper Utility Co.'s and J.L. Ward Co.'s interest in the easement arising by implication or estoppel for the installation and maintenance of all water utilities over and across the property between the BN right-of-way and Brosterhous Road connecting Nottingham Square to Tillicum Village. See map attached as Exhibit 10-A.



of this centerline description. Said point of termination bears North $89^{\circ}19'32''$ East a distance of 1333.12 feet from the north one-quarter corner of said Section 16.

Centerline #2:

Beginning at above Point "A"; thence South $82^{\circ}13'47''$ West a distance of 225.00 feet to the point of termination of this centerline description.

Centerline #3:

Beginning at above Point "B"; thence North $75^{\circ}57'39''$ West a distance of 20.00 feet to the point of termination of this centerline description.

See map attached as Exhibit 13-A, hereby incorporated by reference.

2. **An easement in the land described above in ¶ 1 a. of this Exhibit 13:**

8. The easement transferred to the City as part of the General Judgment as shown on General Judgment Exhibit 19, Section 3:

a. Four (4) 20.00 foot wide strips of land located in a portion of the West One-half (W1/2) of Section 16, Township 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, lying 10.00 feet on each side of the following described centerlines:

Centerline #1:

Beginning at a point which bears North $08^{\circ}52'59''$ East a distance of 595.70 feet from the west one-quarter corner of said Section 16; thence North $18^{\circ}53'53''$ East a distance of 10.75 feet; thence North $44^{\circ}28'50''$ East a distance of 58.08 feet; thence North $89^{\circ}15'56''$ East a distance of 196.57 feet; thence North $87^{\circ}24'54''$ East a distance of 334.76 feet; thence North $51^{\circ}50'39''$ East a distance of 10.73 feet to a point hereinafter known as Point "A"; thence continuing North $51^{\circ}50'39''$ East a distance of 260.89 feet; thence North $48^{\circ}15'29''$ East a distance of 208.67 feet; thence South $51^{\circ}42'39''$ East a distance of 128.20 feet to the point of termination of this centerline description. Said termination point bears South $31^{\circ}58'40''$ East a distance of 2101.51 feet from the northwest corner of said Section 16.

Centerline #2:

Beginning at a said Point "A"; thence South $36^{\circ}15'29''$ East a distance of 40.60 feet; thence South $04^{\circ}17'18''$ East a distance of 205.68 feet to the point of termination of this centerline description.

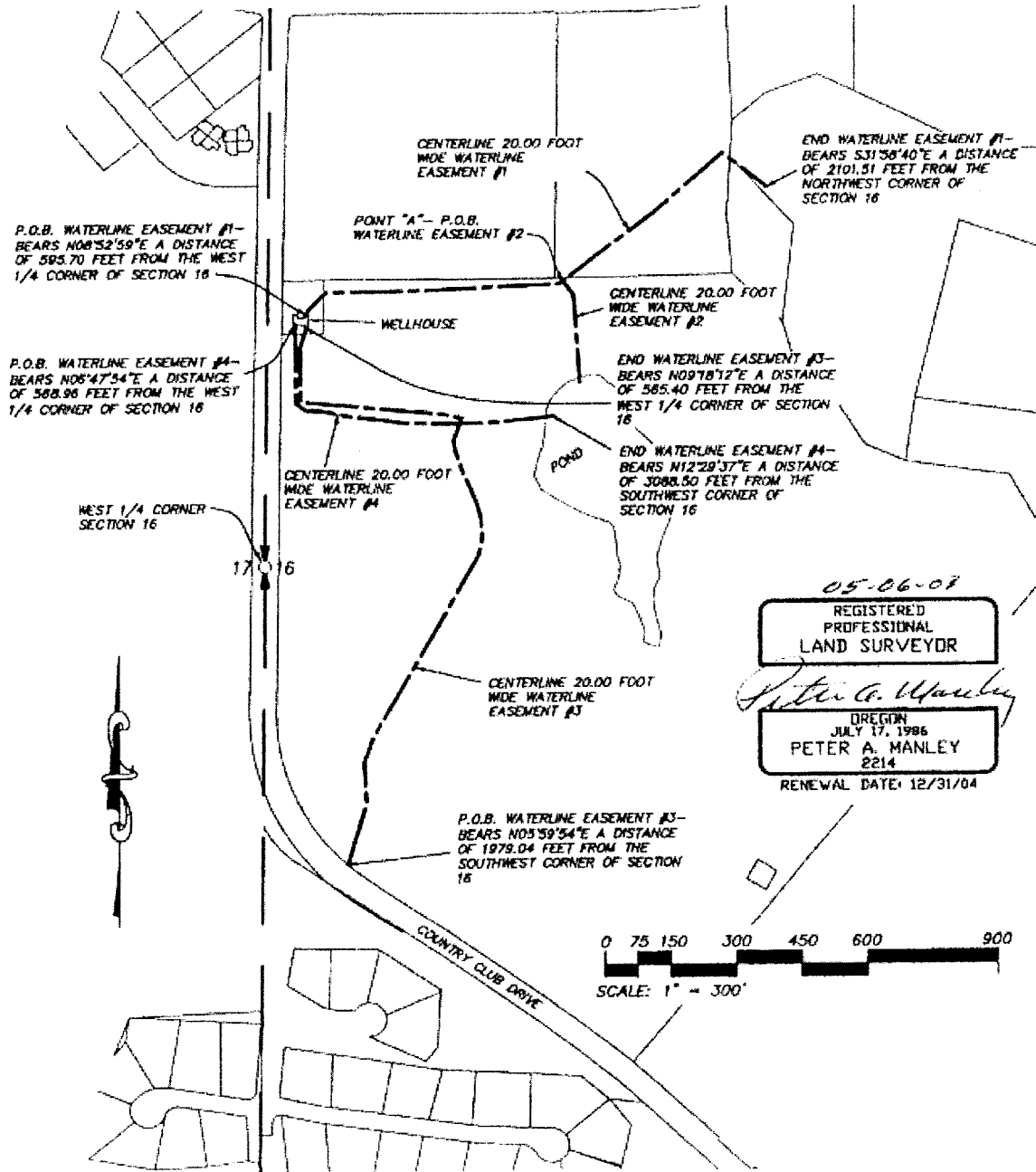
Centerline #3:

Beginning at a point on the northerly right-of-way line of Country Club Drive which bears North $05^{\circ}59'54''$ East a distance of 1979.04 feet from the southwest corner of said Section 16; thence, leaving said right-of-way line North $16^{\circ}21'03''$ East a distance of 148.12 feet; thence North $03^{\circ}20'34''$ West a distance of 95.36 feet; thence North $19^{\circ}48'09''$ East a distance of 60.71 feet; thence North $29^{\circ}31'52''$ East a distance of 492.93 feet; thence North $11^{\circ}50'57''$ East a distance of 43.70 feet; thence North $04^{\circ}55'41''$ West a distance of 41.78 feet; thence North $15^{\circ}51'19''$ West a distance of 36.90 feet; thence North $22^{\circ}57'53''$ West a distance of 87.56 feet; thence North $19^{\circ}17'58''$ West a distance of 48.00 feet; thence North $06^{\circ}24'29''$ West a distance of 22.75 feet; thence North $20^{\circ}15'42''$ East a distance of 52.87 feet; thence North $76^{\circ}41'01''$ West a distance of 43.63 feet; thence North $84^{\circ}32'04''$ West a distance of 324.67 feet; thence North $00^{\circ}04'12''$ West a distance of 128.31 feet;

Exhibit 19-A

EXHIBIT B

LOCATED IN THE W 1/2 OF SECTION 16, TOWNSHIP 18 SOUTH, RANGE 12 EAST,
W.M., CITY OF BEND, DESCHUTES COUNTY, OREGON



COB50020/ShilohH2Oease.dwg
05/06/03

City may terminate the Asset Purchase Agreement with Roats and exercise any other remedy provided by law, including but not limited to declaring all or any portion of the amount then outstanding under this Note to be immediately due and payable. Remedies include the ability to lien the Assets (as defined in the Asset Purchase Agreement), and Roats shall not allow any consensual lien to be placed against any of the Assets until this Note is repaid in full. All remedies under this Note are cumulative and not exclusive. Any election to pursue one remedy shall not preclude the exercise of any other remedy. No delay or omission in exercising any right or remedy shall impair the full exercise of that or any other right or remedy, or constitute a waiver of the default.

ROATS WATER SYSTEM, INC.

By: William Roats, President

Date: _____, 2016

STATE OF OREGON)
) ss.
County of Deschutes)

This instrument was acknowledged before me on _____, 2016, by William Roats, as President of Roats Water System, Inc.

Notary Public for Oregon
My Commission Expires:

Accepted by CITY OF BEND

By: SHARON WOJDA, Finance Director

Date: _____, 2016

COPY

Arnold's description of the subject City-held water rights is shown on Exhibit B-3 (Arnold Irrigation District Assessment Notice).

F. Roats desires to purchase and City agrees to sell that portion of City's water system that serves Tillicum Village, Timber Ridge, Mountain High, Blue Ridge, The Pines, and Crown Villa, together with the Hole 10 real property and wells, and the irrigation system and the Arnold irrigation water rights held by City and described in Exhibit B-3.

G. By separate agreement, Avion will purchase that portion of City's water system that serves Nottingham Square and Stonegate.

H. City hired a consultant, FCS Group, which looked at both the maximum fair market value and minimum acceptable price, including initial acquisition costs for the Juniper Utility system less depreciation, to help determine the acquisition price for a public asset, which included an assessment of City capital improvements since acquisition, future project capital costs, operation and maintenance costs, projected net revenues, and a strategic analysis. Juniper Utility has had a complex and difficult history; the parties believe the purchase price is a fair reflection of their respective interests, and takes into consideration City's other ratepayers and the desires of the Neighborhoods.

I. Roats and City enter into this Asset Purchase Agreement (this "**Agreement**") as of the date above. City is also entering into a separate acquisition agreement, covering different service areas and at a different purchase price, with Avion (the "**Avion Asset Purchase Agreement**").

J. City currently holds groundwater rights for municipal use that identify wells Hole Ten #1 and Hole Ten #2 as authorized points of appropriation. These City-held water rights are not being acquired by Roats or Avion as part of this Agreement.

K. City currently holds water use permit application G-13809, which requests the use of 4.16 cubic feet per second of groundwater for quasi-municipal use. This application, which was acquired from Juniper Utility as part of the condemnation process, currently has a proposed place of use that covers most of the Neighborhoods. This application is being acquired by Roats as part of this Agreement. The application is pending before the Oregon Water Resources Department; the City supports the pending application, but does not control or warrant the agency's administrative process.

AGREEMENT

SECTION 1. ASSETS PURCHASED; LIABILITIES ASSUMED

1.1 Assets Purchased. As of the Closing Date (as defined in Section 8.2 below), City transfers, assigns, and sells to Roats, and Roats purchases and accepts from City, on the terms and conditions set forth in this Agreement, the assets, including easements and real property, described on Exhibit B (the "**Assets**").

1.2 No Liabilities Assumed. Roats has not agreed and does not accept any liabilities of City prior to the Closing Date.

3.8 Mountain High holds 4.62 acres of Arnold irrigation water rights, separate from the City-held Arnold irrigation water rights, and such Mountain High rights are not included in this Agreement.

3.9 Roats will take over the annual assessment payment for the Arnold irrigation water rights shown on Exhibit B-3 from and after the Closing Date.

SECTION 4. ADJUSTMENTS

Property taxes for the tax year in which the transaction is closed, assessments, rents and utilities shall be prorated as of the Closing Date.

SECTION 5. CITY'S REPRESENTATIONS AND WARRANTIES

As used in this Agreement, *Material Adverse Effect* means an adverse effect on the physical condition, operating results, or financial position of the Assets in excess of \$50,000. *Material Adverse Change* means any change that has resulted, will result or is likely to result in a Material Adverse Effect.

City represents and warrants to Roats as follows:

5.1 Organization and Authorization. City is a municipality organized and validly existing under the laws of the state of Oregon. City has all power and authority necessary to execute and deliver this Agreement and to consummate the contemplated transactions. The execution and delivery of this Agreement and the consummation of the contemplated transactions have been duly and validly authorized by all necessary City action. This Agreement has been duly and validly executed and delivered by City and, assuming that this Agreement constitutes a valid and binding obligation of Roats, constitutes a valid and binding obligation of City, enforceable against City in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principals of equity.

5.2 Title to Assets. City owns all right, title, and interest in and to the Assets free and clear of any pledges, liens, claims, charges, security interests, conditional and installment sale agreements, easements, restrictions, assignments, encumbrances or charges of any kind (each, an "**Encumbrance**," and collectively, the "**Encumbrances**") or other title defects or restrictions of any nature. City has the right, power and authority to convey, transfer, assign and deliver the Assets free and clear of any Encumbrance. Upon consummation of the contemplated transactions, Roats will have acquired good and marketable title in and to each of the Assets to be acquired by it, free and clear of all Encumbrances.

5.3 Transfer Not Subject to Encumbrances or Third-Party Approval. The execution and delivery of this Agreement by City, and the consummation of the contemplated transactions, will not result in the creation or imposition of any valid lien, charge, or encumbrance on any of the Assets, and will not require the authorization, consent, or approval of any third party, including any governmental subdivision or

a) It will operate the system in accordance with the franchise agreement it has with City, including meeting City standards for: (i) fire flow requirements; and (ii) hydrant spacing when Roats rebuilds or replaces system lines in the future.

b) It will conduct its business in accordance with the laws and regulations mandated by Oregon Health Authority for a utility serving the number of customers they serve now and in the future.

c) It has the ability, experience, financial planning, and future infrastructure master planning capacity to effectively operate the Assets serving the Neighborhoods and other areas supplied by the Assets, and is acquiring the Assets with the long-term intent to operate the Assets to provide service to the Neighborhoods and other customers shown on Exhibit B.

d) It will become Roats' obligation, as it makes needed investments to the irrigation water system, to work with and clearly communicate to the Neighborhoods and Homeowners' Associations regarding their respective responsibilities related to the irrigation water system infrastructure and the point(s) of delivery.

SECTION 7. CONTINGENCIES

This Agreement is contingent upon the following occurring by the Closing Date:

7.1 Execution of the Avion Asset Purchase Agreement by City and Avion (anticipated to be concurrent).

7.2 OPUC approval.

7.3 Arnold approval.

7.4 Separation of the Hole Ten #1 and Hole Ten #2 water rights from those water rights included in the Assets.

7.5 Roats' acceptance in writing of any Material Adverse Effect disclosed by City.

7.6 Approval of the Agreement by the City Council after public hearing required for the sale of real and personal property under ORS 271.310 and Bend Code Chapter 1.50.

7.7 Amendment and/or Termination of the Third Amended Settlement Agreement to the 2011 and 2004 Settlement Agreements for Juniper Utility with the Homeowners' Associations, satisfactory to City, resolving City obligations under those agreements.

7.8 Confirmation by Roats that permanent connectivity exists for the irrigation water system serving The Pines and Crown Villa; either through transfer by City of any in-gross easements it holds for those portions of the irrigation water system, or by the City

SECTION 9. OPERATIONAL CONSIDERATIONS

9.1 Water Metering. City agrees to continue to collect water meter reading data for Roats for those water customers serviced by the Assets for six months after the Closing Date. City will provide Roats billing data for the six months in a format mutually agreeable to both parties. At the conclusion of six months, Roats will install their own automated meter reading (“AMR”) endpoints and continue to deliver winter quarter averages to City. Roats will disconnect City’s AMR equipment and return said equipment to City’s Utility Department. Roats will have no liability for damage to the disconnected AMR equipment except for any damage due to the gross negligence or intentional misconduct of Roats. City and Roats may enter into a separate water metering agreement at a future date upon the agreement of both parties.

9.2 Training/Assistance. Due to the complex nature of the Juniper Utility irrigation system, Roats has requested assistance from City in becoming familiar with how to operate and maintain the system. City will provide up to 225 hours of training at an hourly rate of \$63.00 per hour. Any training requiring overtime will be billed at an overtime rate of \$97.00 per hour. This training will be available for twelve months after the Closing Date according to a schedule approved by all parties. Invoicing and payment for training will be done on a monthly basis. In addition to the paid training provided in this Section 9.2, for a period of 12 months following the Closing Date, City will respond, if available, to emergency calls to assist Roats in the location of valve cans or identification of the best way to isolate service breaks and minimize customer disruptions. Costs for this level of response will be the same as those for training with a one hour minimum fee applied to any request. Roats expressly agrees that it will not assert any claim against City based on the training or assistance provided or otherwise take the position in any litigation that any defect in the operation of the system is the result of any deficiency in training.

9.3 Security. Some of the Assets require an entry key. City and Roats will work cooperatively, within one week from the Closing Date, to remove City locks and replace with Roats locks.

9.4 Right of Way (ROW) Work Collaboration. City and Roats agree to meet semi-annually, in the months of July and December, to examine the possibility of coordinating ROW work. Parties agree that proper consideration of project timing may result in project cost savings for both parties and reduce impacts to water and sewer customers.

9.5 Easement Access. Roats will grant City access within the easements included in the Assets for all necessary sewer work. Upon the completion of such work City will restore the surface of the easement area to the condition that existed prior to such work being performed.

SECTION 10. INDEMNIFICATION AND SURVIVAL

10.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the closing of this Agreement, except

THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

SECTION 12. MISCELLANEOUS

12.1 Severability. If any provision of this Agreement is held to be illegal or unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions will not be impaired unless the illegal or unenforceable provision affects a significant right or responsibility, in which case the adversely affected party may request renegotiation of the Agreement, and if negotiations fail, may terminate the Agreement.

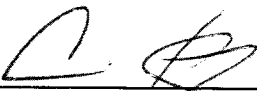
12.2 Waivers. No waiver of any breach of any covenant or provision contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

12.3 Assignment. This Agreement and all of the provisions will be binding upon and inure to the benefit of the parties and their respective successors and assigns. No party may assign its rights under this Agreement to an affiliate, subsidiary or successor-in-interest of the party, without the express written consent of the other party.


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

12.5 Entire Agreement. This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between the parties with

CITY OF BEND

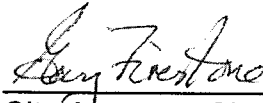

By: Eric King, City Manager

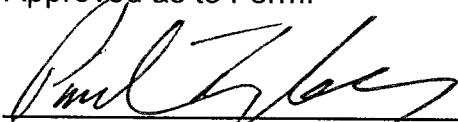
ROATS WATER SYSTEM, INC.


By: William K. Roats, President

Approved as to Form:

Approved as to Form:

Asst. 
City Attorney, City of Bend


Attorney for Roats Water System, Inc.

Attached Exhibits:

- A – Map
- B – List of Assets
 - B-1 – Bargain and Sale Deed
 - B-2 – Water Utility Easement Assignment
 - B-3 – Arnold Irrigation District Assessment Notice
 - B-4 – Irrigation Water Easement Assignment
- C – Promissory Note

EXHIBIT B

Assets Transferred from the City of Bend to Roats Water System, Inc.

Real Property

Tax Lot 181220A001400 (Hole 10 Property)

The real property is being transferred by Bargain and Sale Deed in the form attached as Exhibit B-1.

Service Areas

Tillicum Village, Timber Ridge, Mountain High, Blue Ridge, The Pines, and Crown Villa

Easements

All water easements owned or held by the City of Bend within or serving the Mountain High, Aspen Village at Mountain High, Alpine Village II at Mountain High, Willow Creek at Mountain High, St. Andrews Village at Mountain High, Tillicum Village, and Timber Ridge subdivisions. The easements will be transferred by a document to be recorded in the form attached as Exhibit B-2.

All water easements owned or held by the City of Bend related to the irrigation distribution system within or serving the former Juniper Utility area (exclusive of those related to the irrigation distribution system located within the Nottingham Square neighborhood, which will be transferred to Avion Water Company, Inc.). These easements will be transferred by a document to be recorded in the form attached as Exhibit B-4. The exhibits to Exhibit B-4 are subject to change prior to the Closing Date to reflect the actual allocation of the irrigation easements between Avion and Roats.

Facilities

All water utility facilities owned or held by the City of Bend within or serving the Mountain High, Aspen Village at Mountain High, Alpine Village II at Mountain High, Willow Creek at Mountain High, St. Andrews Village at Mountain High, Tillicum Village, Timber Ridge and Blue Ridge subdivisions.

All irrigation water facilities owned or held by the City of Bend within or serving the former Juniper Utility area (exclusive of the irrigation facilities located within the Nottingham Square neighborhood, which will be transferred to Avion Water Company, Inc.).

Water Rights

EXHIBIT B-1
BARGAIN AND SALE DEED

After recording, please return to:
City of Bend
710 NW Wall Street
Bend, OR 97701

BARGAIN AND SALE DEED

The City of Bend, an Oregon municipal corporation, conveys to Roats Water System, Inc., an Oregon corporation, the real property described on the attached Exhibit A. A map showing the transferred property is attached as Exhibit B. All facilities and improvements on the transferred property, and the transferred property itself, are conveyed "as-is."

Other property or value was either part or the whole consideration for this conveyance.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[Signature on following page.]

EXHIBIT A

(Hole 10 Facility)

1. The following described land:

a. A parcel of land containing 3.64 acres, more or less, located in a portion of the Northeast One-quarter (NE 1/4) of Section 20, Township 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Beginning at a point on the southerly 40.00 foot right-of-way line of Mountain High Drive which bears South 63°07'43" East a distance of 3153.24 feet from the northwest corner of said Section 20; thence along said right-of-way line the following one (1) curve and one (1) course:

79.94 feet along a curve to the right with a radius of 323.05 feet, the chord of which bears South 80°50'04" East a distance of 79.73 feet;
South 73°44'44" East a distance of 125.69 feet;

Thence leaving said right-of-way line South 21°47'00" West a distance of 72.84 feet; thence South 53°57'49" West a distance of 48.56 feet; thence South 31°30'45" East a distance of 14.44 feet; thence South 20°32'13" East a distance of 90.92 feet; thence South 37°16'13" East a distance of 65.17 feet; thence South 49°17'25" East a distance of 27.04 feet; thence South 35°22'40" East a distance of 57.89 feet; thence South 16°23'07" East a distance of 38.22 feet; thence South 23°10'26" East a distance of 71.13 feet; thence South 03°50'40" West a distance of 46.63 feet; thence South 15°22'21" East a distance of 43.22 feet; thence South 43°03'59" East a distance of 34.18 feet; thence South 63°14'51" East a distance of 17.24 feet; thence South 31°43'46" East a distance of 94.56 feet; thence South 33°12'08" East a distance of 51.51 feet; thence South 39°04'24" East a distance of 31.77 feet; thence South 46°16'22" East a distance of 87.43 feet; thence South 22°45'11" East a distance of 49.71 feet; thence South 22°29'20" East a distance of 32.73 feet; thence South 83°01'07" East a distance of 12.40 feet; thence South 42°46'13" East a distance of 22.94 feet; thence South 03°50'18" East a distance of 22.80 feet; thence South 21°08'16" West a distance of 21.10 feet; thence South 44°11'53" West a distance of 44.01 feet; thence South 47°47'31" West a distance of 31.97 feet; thence South 30°25'45" West a distance of 26.07 feet; thence South 33°05'30" East a distance of 21.54 feet; thence South 12°53'32" West a distance of 37.27 feet; thence South 55°24'54" West a distance of 33.24 feet; thence South 26°44'31" West a distance of 22.51 feet; thence South 43°30'47" West a distance of 30.81 feet; thence South 52°45'02" West a distance of 15.61 feet; thence South 68°34'05" West a distance of 16.54 feet; thence South 43°50'03" West a distance of 21.82 feet to a point which bears North 50°42'07" East a distance of 4273.30 feet from the southwest corner of said Section 20; thence North 69°45'19" West a distance of 9.31 feet; thence North 23°52'03" West a distance of 21.09 feet; thence North 57°28'15" East a distance of 11.05 feet; thence North 65°06'54" East a distance of 11.36 feet; thence North 71°21'44" East a distance of 14.14 feet; thence North 41°26'05" East a

EXHIBIT B

HOLE #10 LAND AND FACILITIES

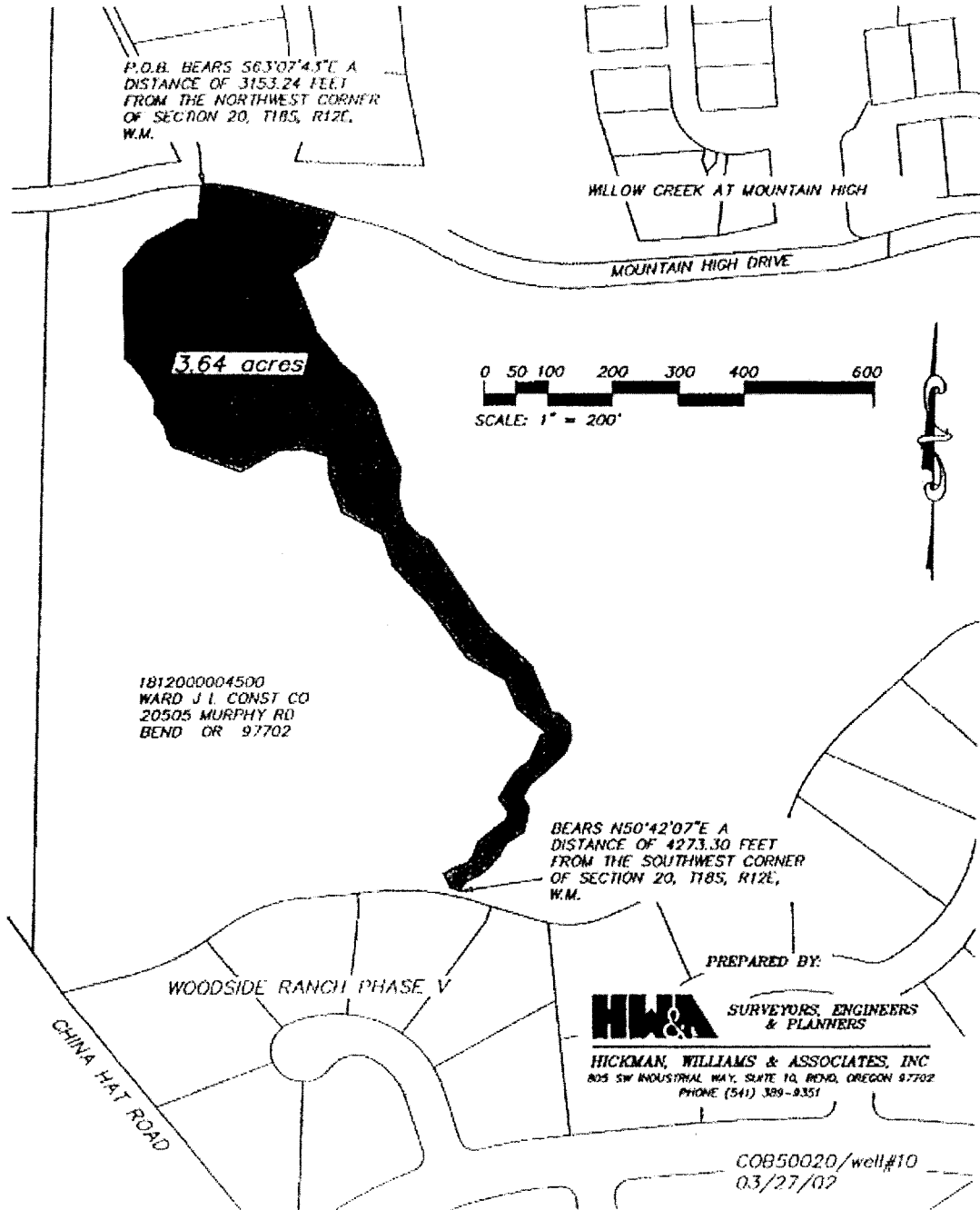


EXHIBIT A

All water utility easements currently owned or held by the City of Bend (City) within the Tillicum Village, Mountain High, Aspen Village at Mountain High, Alpine Village II at Mountain High, Willow Creek at Mountain High, St. Andrews Village at Mountain High and Timber Ridge subdivisions, including without limitation, the water utility easements described in this Exhibit A. Only water utility easements are transferred. To the extent that the City owns or holds general utility easement rights or water and sewer utility easement rights, the City retains and does not transfer sewer or other non-water utility easement rights. The water utility easements are more particularly described as follows:

1. All water utility easements transferred to the City as part of the Stipulated General Judgment on Remand in *City of Bend v. Juniper Utility Co*, Deschutes County Circuit Court Case No. 02CV0202ST dated May 16, 2011 (the "General Judgment"), as shown on General Judgment Exhibit 9, Sections 5 through 9:

5. All utility easements shown on the plat of Tillicum Village, Deschutes County, Oregon, dated July 29, 1965.

c. All roads on the plat of the First Addition to Tillicum Village, Deschutes County, Oregon, dated May 23, 1966.

8. All of Juniper Utility Co.'s interest in the following recorded easements:

a. Easement from Ward Corporation of Bend and J.L. Ward Construction Co. to Juniper Utility Co. recorded September 3, 1979 in the Deschutes County Records of Deeds in Book 210 on Page 501.

b. Easement from David Thomas McDonald and Alyea Ann McDonald to Juniper Utility Co. recorded July 8, 1985 in the records of Deschutes County in Book 0099 on Page 0402, Fee No. 85-13931.

c. Easement from Volney Sigmund to Juniper Utility Co. recorded December 8, 1997 in the records of Deschutes County in Book 472 on Page 0706, Fee No. 97-45303.

d. Easement from Volney Sigmund to Juniper Utility Co. recorded December 8, 1997 in the records of Deschutes County in Book 472 on Page 0704, Fee No. 97-45302.

f. Easement from Bryan & Sandra Ewing to Juniper Utility Co. recorded January 8, 1998 in the records of Deschutes County in Book 476 on Page 0048, Fee No. 9800662.

g. Easement from Tracy & Sandra Abernathy to Juniper Utility Co. recorded March 24, 1998 in the records of Deschutes County in Book 485 on Page 2685, Fee No. 98-11534.

9. All of J.L. Ward Co.'s interest in the Agreement between Arnold Irrigation District and J.L. Ward Construction Co. permitting J.L. Ward Construction Co. to construct a sewer line crossing underneath the irrigation ditch in Tillicum Village, dated April 17, 1979. (Complaint Exhibit 21).

2. The water utility easement transferred by the General Judgment, Exhibit 22, Section 2: All of Juniper Utility Co.'s interest in the easement from Ward Corporation of Bend and J.L. Ware Construction Co. to Juniper Utility Co. recorded June 16, 1976 in the Deschutes County Records of Deeds in Book 232 on Page 890.

EXHIBIT 1
GENERAL JUDGMENT EXHIBITS 25 AND 26

Exhibit 25

(Mountain High Golf Course/St. Andrews at Mountain High Area)

1. All (1) pipe, valves, fire hydrants, flow meters and other plant comprising the domestic and irrigation water distribution system; and (2) pipe, gate valves and other related plant comprising the sewer collection system located in the following described land:

a. A 20.00-foot wide strip of land, located in the Southeast 1/4 of Section 17, and the North 1/2 of Section 20, in Township 18 South and Range 12 East of the Willamette Meridian, City of Bend, Deschutes County, Oregon, lying 10.00 feet on each side of the following described centerline and shown on the map attached as Exhibit 25-A:

Commencing at the southeast corner of said Section 17; thence North 47°01'53" West 257.46 feet to the point of beginning; thence North 75°18'03" West 403.90 feet; thence North 88°27'33" West 110.58 feet; thence South 81°56'48" West 73.55 feet; thence South 72°01'37" West 150.22 feet; thence South 76°01'38" West 114.59 feet; thence South 74°25'26" West 108.19 feet; thence South 72°27'07" West 50.11 feet to a point hereinafter known as Point "A"; thence continuing South 72°27'07" West 170.64 feet; thence South 66°34'29" West 68.66 feet; thence South 67°11'23" West 59.04 feet; thence South 74°07'36" West 264.37 feet; thence South 84°30'04" West 265.26 feet; thence South 87°50'58" West 32.74 feet; thence South 79°30'50" West 12.98 feet; thence South 58°09'48" West 70.32 feet; thence South 62°37'06" West 179.31 feet; thence South 61°50'50" West 1336.49 feet to a point hereinafter known as Point "B"; thence South 06°03'04" West 458.45 feet; thence South 04°27'56" West 287.77 feet; thence South 41°04'15" West 53.16 feet; thence South 43°03'40" East 198.70 feet; thence South 31°04'11" East 55.76 feet; thence South 40°54'23" East 61.97 feet; thence South 48°20'23" East 141.58 feet; thence South 54°10'48" East 155.16 feet; thence North 20°40'52" East 387.78 feet; thence North 13°46'11" East 221.94 feet; thence North 55°05'40" West 38.50 feet; thence North 77°30'05" West 94.86 feet; thence North 02°14'42" West 16.51 feet to the terminus of this strip of land.

ALSO INCLUDING, a 20.00-foot wide strip of land, lying 10.00 feet on each side of the following described centerline:

Beginning at Point "A"; thence South 03°43'47" East 259.88 feet to a point on the northerly boundary of the plat of ASPEN VILLAGE AT MOUNTAIN HIGH and the terminus of this strip of land.

ALSO INCLUDING, a 20.00-foot wide strip of land, lying 10.00 feet on each side of the following described centerline:

Beginning at Point "B"; thence North 24°42'03" West 28.91 feet to the southeasterly right-of-way of Burlington Northern Railroad and the terminus of this strip of land.

This description is based on the Central Oregon Coordinate System and pipe location

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Road, and the Burlington-Northern Railway.

Centerline #2-

Beginning at said Point "C"; thence South 03°00'52" East a distance of 56.97 feet; thence South 07°11'06" East a distance of 79.46 feet; thence South 00°31'04" West a distance of 114.10 feet; thence South 05°44'26" West a distance of 220.90 feet; thence 112.41 feet along the arc of a tangent curve to the left with a radius of 180.00 feet, the chord of which bears South 12°08'58" East for a distance of 110.59 feet; thence South 28°21'15" East a distance of 96.84 feet; thence South 33°34'09" East a distance of 75.16 feet to a point hereinafter known as Point "G"; thence continuing South 33°34'09" East a distance of 51.63 feet; thence South 61°08'12" East a distance of 42.52 feet; thence 147.14 feet along the arc of a tangent curve to the left with a radius of 234.64 feet, the chord of which bears South 79°06'06" East for a distance of 144.74 feet; thence North 82°56'01" East a distance of 141.73 feet; thence North 85°37'10" East a distance of 157.64 feet; thence 37.54 feet along the arc of a tangent curve to the left with a radius of 190.81 feet, the chord of which bears North 79°58'58" East for a distance of 37.48 feet; thence North 74°20'46" East a distance of 154.32 feet; thence 106.05 feet along the arc of a tangent curve to the right with a radius of 166.95 feet, the chord of which bears South 87°27'22" East for a distance of 104.28 feet; thence South 69°15'31" East a distance of 100.92 feet; thence 87.44 feet along the arc of a tangent curve to the left with a radius of 140.70 feet, the chord of which bears South 87°03'43" East for a distance of 86.04 feet; thence North 75°08'04" East a distance of 150.29 feet; thence 25.00 feet along the arc of a tangent curve to the right with a radius of 472.11 feet, the chord of which bears North 76°39'05" East for a distance of 24.99 feet to a point hereinafter known as Point "H"; thence continuing 67.66 feet along the arc of a compound curve to the right with a radius of 472.11 feet, the chord of which bears North 82°16'25" East for a distance of 67.60 feet; thence North 86°22'45" East a distance of 80.99 feet; thence 97.49 feet along a non-tangent curve to the right with a radius of 160.00 feet, the chord of which bears North 11°26'30" East a distance of 95.99 feet; thence North 28°53'49" East a distance of 116.16 feet; thence North 52°30'55" West a distance of 57.44 feet; thence North 37°46'12" West a distance of 67.37 feet; thence North 28°35'57" West a distance of 102.31 feet; thence North 34°59'43" West a distance of 115.42 feet; thence North 29°29'22" West a distance of 147.25 feet; thence North 24°12'14" West a distance of 56.69 feet; thence North 12°01'42" West a distance of 32.51 feet; thence North 50°20'23" West a distance of 23.88 feet; thence North 38°48'34" West a distance of 76.94 feet to a point hereinafter known as Point "I"; thence North 39°26'52" West a distance of 23.08 feet to a point hereinafter known as Point "J"; thence North 37°42'22" West a distance of 59.95 feet; thence North 42°55'39" West a distance of 104.62 feet; thence North 50°26'14" West a distance of 120.85 feet; thence North 44°21'51" West a distance of 293.94 feet; thence 145.02 feet along the arc of a tangent curve to the right with a radius of 312.31 feet, the chord of which bears North 31°03'42" West for a distance of 143.72 feet; thence North 17°45'33" West a distance of 109.17 feet; thence North 12°15'26" West a distance of 20.77 feet to said Point "A", the terminus of this centerline description.

Centerline #3-

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Centerline #7-

Beginning at said Point "K"; thence North 83°06'57" East a distance of 48.91 feet; thence North 76°59'10" East a distance of 102.56 feet; thence North 06°57'19" West a distance of 15.48 feet; thence North 88°46'51" East a distance of 140.25 feet; thence South 83°21'28" East a distance of 293.49 feet; thence North 57°09'04" East a distance of 29.72 feet to said Point "G", the terminus of this centerline description.

Centerline #8-

Beginning at said Point "L"; thence South 82°04'06" East a distance of 31.60 feet; thence South 74°53'38" East a distance of 39.66 feet; thence South 52°57'30" East a distance of 251.65 feet; thence South 63°04'39" East a distance of 95.02 feet; thence South 55°31'25" East a distance of 129.93 feet to said Point "N", the terminus of this centerline description.

Centerline #9-

Beginning at said Point "O"; thence South 78°46'56" East a distance of 258.88 feet, more or less, to a point on the west boundary of the plat of Mountain High as recorded on September 20, 1980 in plat cabinet B, page 767 in the office of the Deschutes County Clerk, the terminus of this centerline description.

Centerline #10-

Beginning at said Point "E"; thence South 40°46'42" East a distance of 172.97 feet; thence South 27°50'24" East a distance of 349.01 feet to said Point "F"; thence continuing South 27°50'24" East a distance of 140.80 feet; thence 126.99 feet along the arc of a tangent curve to the left with a radius of 150.00 feet, the chord of which bears South 52°05'39" East for a distance of 123.24 feet; thence South 76°20'53" East a distance of 101.04 feet; thence 127.10 feet along the arc of a tangent curve to the right with a radius of 100.00 feet, the chord of which bears South 39°56'12" East for a distance of 118.72 feet; thence South 03°31'32" East a distance of 89.14 feet to a point hereinafter known as Point "P", the terminus of this centerline description.

Centerline #11-

Beginning at said Point "M"; thence South 43°52'01" West a distance of 135.59 feet; thence South 30°21'48" West a distance of 164.10 feet; thence South 42°39'58" West a distance of 72.09 feet; thence South 59°02'15" West a distance of 73.71 feet; thence South 83°06'46" West a distance of 59.37 feet to said Point "P"; thence South 84°46'47" West a distance of 19.82 feet; thence South 59°11'56" West a distance of 51.52 feet, more or less, to a point on the northerly right-of-way line of China Hat Road, the terminus of this centerline description.

Bearings are Central Oregon Coordinate System grid bearings based on the bearing of South 89°19'11" East for the north line of said Section 20 as computed from the published

1 b. The City of Bend will agree to relocate this easement to another location if (1) the
2 new location is reasonably suitable to provide adequate and safe utility service, and utility service
3 that is at least equal to the level of utility service being provided by the original location; (2)
4 plaintiff City of Bend receives an easement to the new location that is subject to the same terms and
5 conditions as the easement to the original location; (3) the new pipes and other facilities are installed
6 in the new location in conformance with the then-current City of Bend standards and specifications,
7 and are able to provide adequate and safe utility service at a level that is at least equal to the level of
8 service provided by the pipes and other facilities installed in the original location; (4) the City of
9 Bend receives ownership of the new pipes and other facilities; and (5) all the foregoing is done at no
10 cost to the City of Bend.

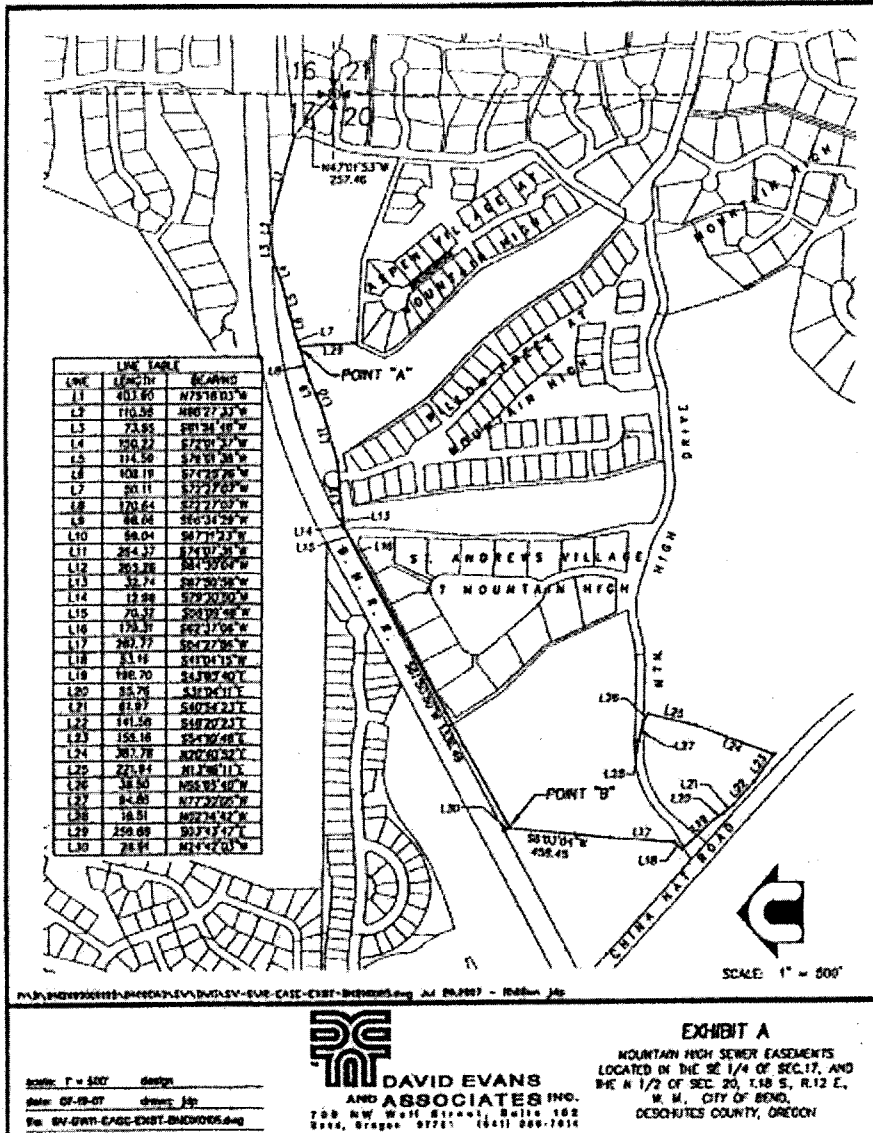
11 3. An easement in the land described above in ¶ 1 a. of this Exhibit 25:

12 a. The easement will be a permanent, perpetual and exclusive right to construct, install,
13 maintain, and operate a sewer line and all related facilities on the surface and within the subsurface
14 of the easement. (The easement is exclusive with respect to the installation of other utilities within
15 the easement. If permitted by applicable laws, regulations, codes, by then-current City standards
16 and specifications, and by the City Engineer, other utilities may be installed within the easement.)
17 The easement includes the right to enter the land and the right of access to all sewer lines and other
18 facilities. Neither the servient owner nor any other person may without permission of the City erect
19 any structures on the easement, but may use the surface of the easement provided such use does not
20 interfere with the City of Bend's construction, installation, operation, and maintenance of its sewer
21 system.

22 b. The City of Bend will agree to relocate this easement to another location if (1) the
23 new location is reasonably suitable to provide adequate and safe utility service, and utility service
24 that is at least equal to the level of utility service being provided by the original location; (2)
25 plaintiff City of Bend receives an easement to the new location that is subject to the same terms and
26 conditions as the easement to the original location; (3) the new pipes and other facilities are installed

Exhibit 25-A

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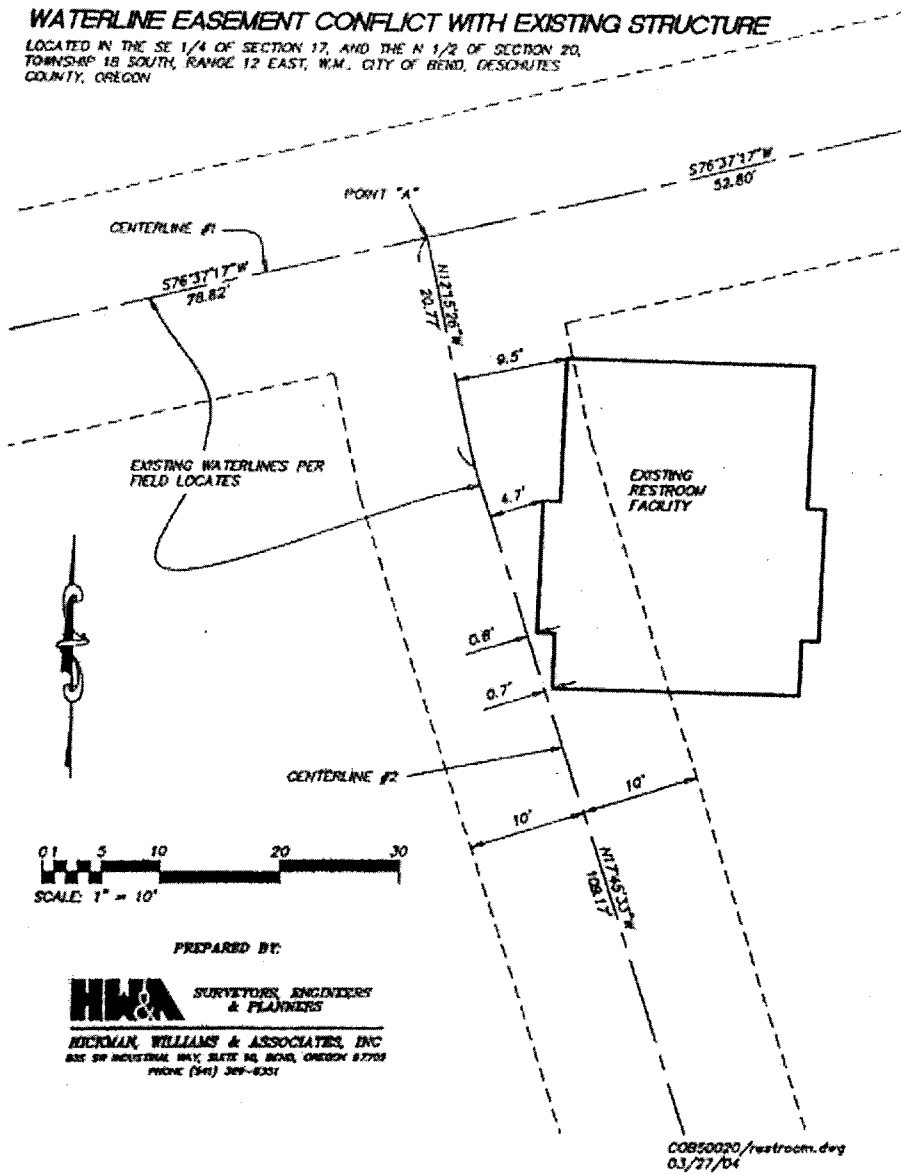


07/20/2007

Exhibit 25-C

WATERLINE EASEMENT CONFLICT WITH EXISTING STRUCTURE

LOCATED IN THE SE 1/4 OF SECTION 17, AND THE N 1/2 OF SECTION 20,
TOWNSHIP 18 SOUTH, RANGE 12 EAST, W.M., CITY OF BEND, DESCHUTES
COUNTY, OREGON



PREPARED BY:
HWA SURVEYORS, ENGINEERS & PLANNERS
 HICKMAN, WILLIAMS & ASSOCIATES, INC.
 805 SW INDUSTRIAL WAY, SUITE 20, BEND, OREGON 97703
 PHONE (503) 369-8301

COB50020/restroom.dwg
 03/27/04

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West a distance of 114.00 feet; thence 68.37 feet along the arc of a tangent curve to the left with a radius of 293.79 feet, the chord of which bears South 35°09'30" West for a distance of 68.21 feet; thence South 28°29'30" West a distance of 99.43 feet; thence 176.06 feet along the arc of a tangent curve to the right with a radius of 134.59 feet, the chord of which bears South 65°58'00" West for a distance of 163.77 feet; thence North 76°33'29" West a distance of 65.72 feet; thence 216.64 feet along the arc of a tangent curve to the right with a radius of 594.41 feet, the chord of which bears North 66°07'02" West for a distance of 215.44 feet; thence North 55°40'34" West a distance of 310.54 feet; thence South 38°27'21" West a distance of 65.33 feet; thence 44.49 feet along the arc of a tangent curve to the right with a radius of 25.00 feet, the chord of which bears South 89°26'31" West for a distance of 38.85 feet; thence North 39°34'18" West a distance of 206.36 feet; thence 79.19 feet along the arc of a tangent curve to the left with a radius of 500.00 feet, the chord of which bears North 44°06'32" West for a distance of 79.11 feet; thence North 48°38'46" West a distance of 89.16 feet; thence 97.64 feet along the arc of a tangent curve to the right with a radius of 200.00 feet, the chord of which bears North 34°39'35" West for a distance of 96.68 feet; thence North 20°40'25" West a distance of 96.03 feet; thence 230.95 feet along the arc of a tangent curve to the left with a radius of 230.00 feet, the chord of which bears North 49°26'22" West for a distance of 221.37 feet; thence North 78°12'20" West a distance of 25.24 feet; thence 52.59 feet along the arc of a tangent curve to the right with a radius of 60.00 feet, the chord of which bears North 53°05'39" West for a distance of 50.93 feet; thence North 27°58'58" West a distance of 98.18 feet to Engineer's centerline Station 72+46.84 being a point on the easterly right-of-way line of the Dalles-California Highway, the point of termination of this description. Said point of termination bears South 26°14'27" West a distance of 5565.86 feet from the northwest corner of said Section 20, said point of termination also bears North 83°02'49" West a distance of 2385.09 feet from the southwest corner of said Section 20.

The widths in feet of the strip of land described above are as follows:

Station	to	Station	Width on Right Side of Centerline	Width on left Side of Centerline
0+00.00		2+24.20	108 in a straight line to 20	20
2+24.20		61+61.67	20	20
61+61.67		72+46.84	7.5	7.5

The sidelines of the above described strip of land are to be extended or shortened to terminate at said right-of-way lines of China Hat Road and the Dalles-California Highway.

Bearings are based on the bearing of the west line of said Section 20 as shown on the map attached as Exhibit 26-A, hereby incorporated by reference.

- 2. An easement in the land described above in ¶ 1 of this Exhibit 26:
 - a. The easement will be a permanent, perpetual and exclusive right to construct, install,

EXHIBIT B-3

ARNOLD IRRIGATION WATER RIGHTS

EXHIBIT B3



19604 Buck Canyon Rd., Bend, OR 97702
 Phone (541) 382-7664 Fax (541) 382-0833

ASSESSMENT NOTICE

City of Bend
 c/o Patrick Griffiths
 575 NE 15th St
 Bend, OR 97701

<u>Voting Zone(s)</u>	Acctnbr: 1248
1	Due Date: 3/31/2016
2	

Headgate	Taxlot	Hdgt Users	# Delv	Acres	
MAIN 22366	18122000 - 0	2	1	10.00	
	181220AA - 0	2	1	10.00	
	181220AB - 0	2	1	10.00	
	181220AD - 0	2	1	5.00	
	18121700 - 0	2	1	30.00	
MAIN 28042	181220AA - 0	2	1	30.00	
	18121500 - 0	2	1	25.00	
	18121600 - 0	2	1	50.00	
	181216B0 - 0	2	1	15.00	
	181216CC - 0	2	1	5.00	
	181216DC - 0	2	1	5.00	
	18122000 - 0	2	1	10.00	
	181220AB - 0	2	1	10.00	
	181221BB - 0	2	1	10.00	
	181221BC - 0	2	1	10.00	
	18121900 - 0	2	1	5.00	
	NORTH 19277	18123000 - 0	1	1	10.00
		181208D0 - 0	1	1	15.25
181209AA - 0		1	1	5.00	
181209AD - 0		1	1	5.00	
181209C0 - 0		1	1	29.31	
181209DA - 0		1	1	5.00	
181209DD - 0		1	1	5.00	
18121900 - 0		1	1	33.03	
Total		24	347.59	Factor = 348.000	

If Paying by Mail Please Return Stub with Payment

To cut down on mailing costs, please provide us with your e-mail address so that we may email you newsletters and notices.

E-mail Address _____

Return to Arnold Irrigation District
 19604 Buck Canyon Rd., Bend, OR 97702

Acctnbr 1248
 Name City of Bend
 Due Date: 3/31/2016

Prevs Bal	\$0.00
Current Assessment	\$38,029.51
Other Chg	\$0.00
Interest	\$0.00
Amount Paid	\$0.00
Balance Due	\$38,029.51

1 easement that provides for access to other property owned or used by the City of Bend for the water
2 system if (1) the new location is reasonably suitable to provide access to the same other property
3 owned or used by the City of Bend for the water system as is provided by the original location, and
4 the level of access provided by the new location is reasonably similar to the level of access provided
5 by the original location; (2) plaintiff City of Bend receives an easement to the new location that is
6 subject to the same terms and conditions as the easement to the original location; and (3) all the
7 foregoing is done at no cost to the City of Bend.

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19604 Buck Canyon Rd., Bend, OR 97702
Phone (541) 382-7664 Fax (541) 382-0833

Annual charges shall be due and payable on January 1, 2016 and shall be deemed delinquent if not paid by March 31, 2016. The District shall withhold delivery of water from any tract of land until the charges for the current year and any prior year(s), including interest, lien and collection costs and fees, are paid in full.

ASSESSMENT EXTENSION PAYMENT PLANS WILL NOT BE AVAILABLE THIS YEAR. Please see attached insert for explanation.

The Secretary of the District shall cause a late payment notice to be mailed to each parcel for which delinquent charges are owed. Said notice shall be provided and mailed to landowner on or after June 1, 2016 advising the landowner that an administrative fee of \$150 will be added to the unpaid balance if not paid by June 30, 2016.

For each account remaining delinquent and unpaid as of August 31, 2016 a second notice will be mailed to each parcel for which delinquent charges are owed. Said notice shall be provided on or after September 1, 2016. The land owner will be advised that the unpaid charges are accruing interest and that a Notice of Claim of Lien for any unpaid and accrued charges will be prepared and recorded if all charges are not paid by September 30, 2016.

For each account remaining delinquent and unpaid as of October 1, 2016, the Secretary shall refer to the District's legal counsel to prepare and record in the County Clerk's office, a Notice of Claim of Lien for the amount of the unpaid charges, the delinquent charge, the administrative fee, cost of preparing, recording and releasing said Lien and any legal fees.

On October 1, 2016 for each account remaining delinquent and unpaid from September 30, 2015, the Secretary of the District shall refer to the District's legal counsel for collection, including foreclosure as provided by law, each lien that remains unpaid.

If you have questions or concerns about your assessment, you may present them to the Board of Directors for changes or relief at the Board of Equalization on January 12, 2016, at 3:00 pm at 19604 Buck Canyon Road in Bend.

We now have various payment options:

- 1. Pay with check by mail.
2. Pay with cash, check or credit/debit card in office.
3. Pay over phone with credit/debit card.
4. Pay online with credit card or e-check.

Visit our website at www.arnoldirrigationdistrict.com to make your payment online.

Please Note: Customer is responsible for additional fees for making payment with a debit or credit card or e-check. See fees below.

E-check payment - \$2.95 flat fee

Debit or Credit card - \$3.00 per every \$100

If Paying by Mail Please Return Stub with Payment

To cut down on mailing costs, please provide us with your e-mail address so that we may email you newsletters and notices.

E-mail Address _____

Return to Arnold Irrigation District
19604 Buck Canyon Rd., Bend, OR 97702

Acctnbr 1248
Name City of Bend
Due Date: 3/31/2016

Table with 2 columns: Description and Amount. Rows include Prevs Bal (\$0.00), Current Assessment (\$38,029.51), Other Chg (\$0.00), Interest (\$0.00), Amount Paid (\$0.00), and Balance Due (\$38,029.51).

EXHIBIT A

All irrigation water utility easement interests currently owned or held by the City of Bend (City) in the easements within or serving the former Juniper Utility area (exclusive of the irrigation facilities located within the Nottingham Square neighborhood), including without limitation the easements described in this Exhibit A. Only irrigation water utility easements are transferred. To the extent that the City owns or holds utility easement rights that include easement rights for sewer or other utilities other than irrigation water utilities, the City retains and does not transfer those sewer or other non-water utility easement rights. The irrigation water utility easements are more particularly described as follows:

1. The easement transferred to the City as part of the Stipulated General Judgment on Remand in *City of Bend v. Juniper Utility Co*, Deschutes County Circuit Court Case No. 02CV0202ST dated May 16, 2011 (the "General Judgment") as shown on General Judgment Exhibit 2, Section 2:

2. All of Juniper Utility Co.'s interest in the easement from Iris Ward to Juniper Utility Co. recorded April 1, 1975 in the Deschutes County Records of Deeds in Book 217 on Page 105.

A tract of land containing 6.83 acres, more or less, lying in the South one-half of the Northwest one-quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$) of Section Sixteen (16), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon, the aforesaid tract of land being more particularly described as follows:

Commencing at the West one-quarter corner of said section 16, thence North 237.30 feet and East 1459.18 feet to the true point of beginning of this description, said point being the most Westerly corner of that tract of land recorded in Volume 192, Page 312, Deed Records, Deschutes County, Oregon; thence North 67°09'34" West 100.80 feet; thence North 34°11'47" West 112.23 feet; thence North 61°50'26" West 92.76 feet; thence North 16°22'02" West 159.27 feet; thence North 05°52'47" East 232.27 feet; thence North 42°51'34" West 213.55 feet; thence North 03°22'37" East 88.24 feet; thence North 49°08'09" East 99.05 feet; thence North 70°06'34" East 126.23 feet; thence South 64°15'28" East 91.31 feet; thence South 64°06'09" East 315.94 feet; thence South 13°26'16" West 602.35 feet to the Northwesterly corner of that tract of land recorded in Volume 192, Page 312, Deed Records, Deschutes County, Oregon; thence South 08°07'31" West along the Westerly line of said tract 149.95 feet to the point of beginning and terminus of this description.

SUBJECT TO: All easements, restrictions and rights-of-ways of record.

12965

STATE OF OREGON

County of Deschutes

I hereby certify that the within instrument of writing was received for Record on the 1 day of April A.D. 1975 at 11:53 o'clock A. M. and recorded in Book 217 on Page 114 Records of Deschutes

ROSEMARY PATTERSON
County ClerkBy James L. ... Deputy

Exhibit "A"

ALSO reserving an easement ten (10) feet in width immediately West of the East property line of the above described property for underground utilities.

TOGETHER WITH:

- 1. Eight (8) acres of Arnold Irrigation District water.
- 2. A roadway easement from the southwesterly portion of the above described property over the existing roadway to the South line of Rae Road lying within the Northwest one-quarter (NW¹/₄) of Section Sixteen (16), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon.
- 3. A roadway easement over that portion of Rae Road lying within Sections Nine (9) and Sixteen (16), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon.

SUBJECT TO:

- 1. The existence of roads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
- 2. The premises fall within the boundaries of Arnold Irrigation District and are subject to rules, regulations and assessments thereon.
- 3. Easement, including the terms and provisions thereof, for electric transmission line, to Pacific Power & Light Company, recorded February 21, 1946, in Volume 71, Page 390, Deed records. (Affects that portion in Section 16).
- 4. Easement, including the terms and provisions thereof, for electric distribution line, granted to Pacific Power & Light Company, by instrument recorded January 15, 1975, in Volume 214, Page 972, Deed records.

The true consideration for this transfer is \$30,000.00.

DATED this 21 day of April, 1975.

WARD CORPORATION OF BEND

Iris Y. Ward
IRIS Y. WARD

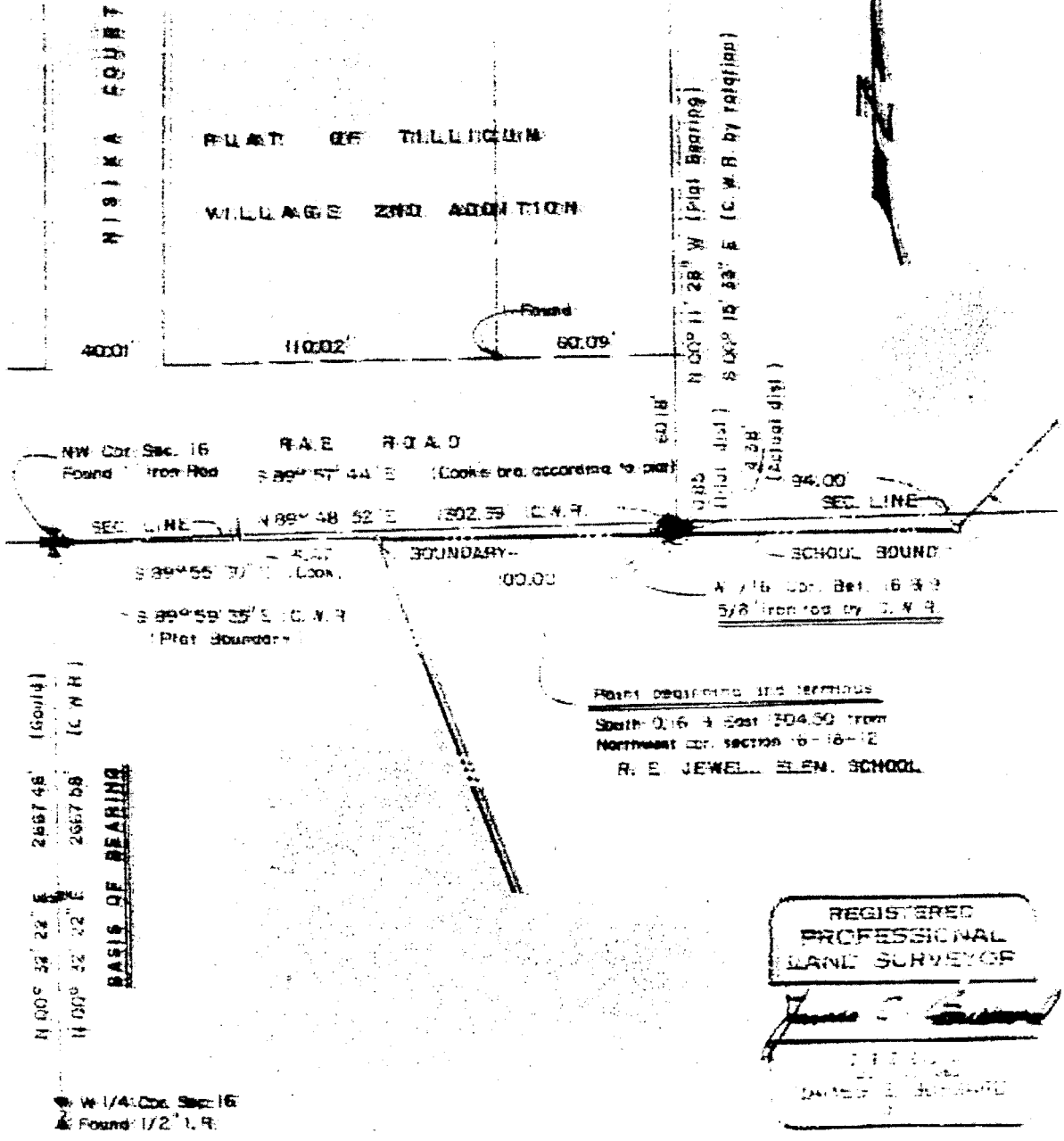
By *J. L. Ward*

GRAY, HANCHER, HOLMES & HURLEY
ATTORNEYS AT LAW
1044 N.W. BOND STREET
BEND, OREGON 97701

DETAIL "A"

SCALE 1"=60'

217 AUG 711



N 00° 32' 22" E 2657.48' (Gouly)
 N 00° 32' 22" E 2657.68' (C.W.R.)

BASIS OF BEARING

W 1/4 Cor. Sec. 16
 Found: 1/2" I.R.

Point beginning 1st term
 South 0.16 + East 104.50 from
 Northwest cor. section 16-16-12
 R. E. JEWELL ELEM. SCHOOL

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

James S. [Signature]
 1971
 DANIEL E. [Signature]

Drawn by	Checked by	Approved by	Surveyed by	Date	County
B. [Signature]	[Signature]	[Signature]	[Signature]		

Century West Resources Corporation

4. The easement transferred to the City as part of the General Judgment shown on General Judgment Exhibit 7, Section 2:

1. All (1) pipe, valves, fire hydrants, flow meters and other plant comprising the domestic and irrigation water distribution system; and (2) pipe, gate valves and other related plant comprising the sewer collection system located in the following described land:

The Southeast Quarter of the Southwest Quarter (SE¼ SW¼) of Section Nine (9), Township Eighteen (18) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon; EXCEPT that portion as conveyed to Administrative School District No. 1, by Deed recorded April 22, 1975, in Book 217, Page 708, Deed Records; ALSO EXCEPT that portion as conveyed to the Faith Evangelical Free Church of Bend by Deed recorded May 24, 1978, in Book 274, Page 370, Deed Records; ALSO EXCEPT that portion as conveyed to Ronald D. Barber, et ux, by Deed recorded July 19, 1976, in Book 234, Page 467 of Deed Records; ALSO EXCEPT any portion of the above-described lying within Tillicum Village Phase II.

ALSO EXCEPTING any portion lying within Brosterhous Road.

2. All of Juniper Utility Co.'s and J.L. Ward Co.'s interest in the easement arising by implication or estoppel for the installation and maintenance of all water and wastewater utilities over and across the land described in ¶ 1 of this Exhibit 7.

The true and actual consideration for this easement is

\$ none.

DATED this 18th day of May, 1978.

Iris Y. Ward by Jan Ward as attorney in fact
IRIS Y. WARD, by her Attorney in
Fact, JAN WARD

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me,
by Jan Ward, as attorney in fact on behalf of Iris Y. Ward.

Ruth D. B. Bickman
Notary Public for Oregon
My Commission Expires 10-1-1980

32060

STATE OF OREGON
County of Deschutes
I hereby certify that the within instru-
ment of writing was received for Record
the 24 day of May, A.D. 1978
at 8:10 o'clock P. M., and recorded
in Book 277 on Page 368 Records
of Deschutes
ROSEMARY PATTERSON
County Clerk
By Debra A. Aubrey, Deputy

7. The easement transferred to the City as part of the General Judgment as shown on General Judgment Exhibit 13, Section 2:

1. All (1) pipe, valves, fire hydrants, flow meters and other plant comprising the domestic and irrigation water distribution system; and (2) pipe, gate valves and other related plant comprising the sewer collection system located in the following described land:

a. Three (3) 20.00 foot wide strips of land located in the East One-half (E 1/2) of Section 16 and the Southeast One-quarter of the Southeast One-quarter (SE 1/4 SE 1/4) of Section 09, both of Township 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, lying 10.00 feet on each side of the following described centerlines:

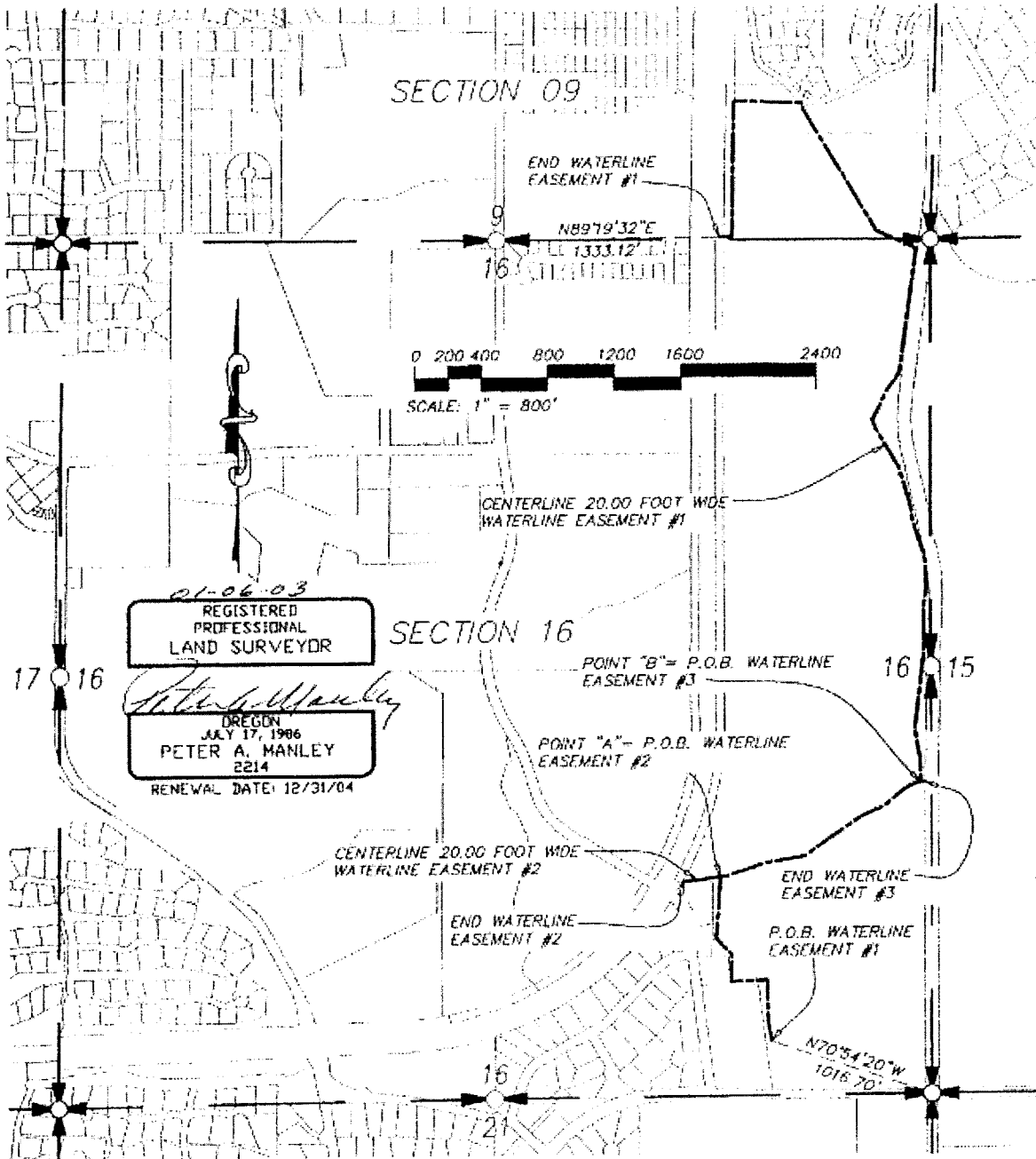
Centerline #1:

Beginning at a point which bears North 70°54'20" West a distance of 1016.70 feet from the Southeast corner of said Section 16; thence North 09°01'36" West a distance of 114.36 feet; thence North 01°45'17" West a distance of 269.10 feet; thence South 87°27'38" West a distance of 208.31 feet; thence North 00°50'08" East a distance of 166.49 feet; thence North 42°25'32" West a distance of 134.82 feet; thence North 03°48'13" East a distance of 377.03 feet to a point hereinafter known as Point "A"; thence North 82°13'47" East a distance of 31.71 feet; thence North 70°28'29" East a distance of 246.71 feet; thence North 79°50'44" East a distance of 239.94 feet; thence North 54°23'19" East a distance of 404.42 feet; thence North 64°27'27" East a distance of 160.33 feet; thence North 49°02'53" East a distance of 141.81 feet; thence North 57°42'53" East a distance of 73.96 feet; thence North 75°57'39" East a distance of 51.31 feet to a point hereinafter known as Point "B"; thence North 02°43'44" West a distance of 156.34 feet; thence North 09°16'20" West a distance of 175.90 feet; thence North 06°28'34" East a distance of 488.86 feet; thence North 00°27'23" West a distance of 252.90 feet; thence North 07°02'26" East a distance of 144.25 feet; thence North 01°50'35" West a distance of 134.86 feet; thence North 09°12'14" West a distance of 68.46 feet; thence North 18°19'50" West a distance of 196.81 feet; thence North 09°24'31" West a distance of 139.82 feet; thence North 16°42'03" West a distance of 217.98 feet; thence North 31°00'51" West a distance of 267.64 feet; thence North 21°13'56" West a distance of 61.29 feet; thence North 25°07'43" East a distance of 197.54 feet; thence North 35°31'35" East a distance of 105.35 feet; thence North 24°26'08" East a distance of 44.82 feet; thence North 07°18'31" East a distance of 768.26 feet to a point which bears South 56°03'05" East a distance of 102.83 feet from the northeast corner of said Section 16; thence North 65°16'03" West a distance of 263.49 feet; thence North 29°52'19" West a distance of 883.87 feet; thence North 08°18'32" West a distance of 33.34 feet; thence North 87°59'59" West a distance of 392.77 feet; thence South 45°27'17" West a distance of 15.93 feet; thence South 00°31'42" West a distance of 834.14 feet; thence South 88°04'41" West a distance of 73.42 feet to the point of termination

Exhibit 13-A

EXHIBIT B

LOCATED IN THE E 1/2 OF SECTION 16, AND THE SE 1/4 OF THE SE 1/4 OF SECTION 09, TOWNSHIP 18 SOUTH, RANGE 12 EAST, W.M., CITY OF BEND, DESCHUTES COUNTY, OREGON



C0850020/shdwgnH20ease.dwg
01/06/03

thence North 15°31'36" East a distance of 47.66 feet to the point of termination of this centerline description. Said termination point bears North 09°18'12" East a distance of 565.40 feet from the west one-quarter corner of said Section 16.

Centerline #4:

Beginning at a point which bears North 06°47'54" East a distance of 568.96 feet from the west one-quarter corner of said Section 16; thence South 00°31'12" East a distance of 183.10 feet; thence South 49°58'45" East a distance of 28.89 feet; thence South 88°30'14" East a distance of 34.27 feet; thence South 77°23'03" East a distance of 52.30 feet; thence South 82°29'38" East a distance of 135.21 feet; thence South 88°13'46" East a distance of 91.78 feet; thence North 88°50'40" East a distance of 121.95 feet; thence North 83°57'18" East a distance of 130.27 feet to the point of termination of this centerline description. Said termination point bears North 12°39'27" East a distance of 3088.50 feet from the southwest corner of said Section 16.

See map attached as Exhibit 19-A, hereby incorporated by reference.

3. An easement in the land described above in ¶ 1 a. of this Exhibit 19:

EXHIBIT C

ROATS WATER SYSTEM, INC.

PROMISSORY NOTE UNDER JUNIPER UTILITY ASSET PURCHASE AGREEMENT

This Promissory Note (the "Note") dated _____, 2016, evidences the payment obligation of Roats Water System, Inc. ("Roats") to the City of Bend (the "City") for funds advanced by the City to Roats as described below and in connection with the Juniper Utility Asset Purchase Agreement, dated June ____, 2016 (the "Asset Purchase Agreement"), between the City and Roats.

1. Advance of Funds. The City hereby agrees to advance \$1,400,000 to Roats under this Note, subject to the terms and conditions contained herein and as authorized by Resolution No. 3025 adopted by the City Council of the City on April 6, 2016. The funds are advanced by the City to Roats in connection with the Asset Purchase Agreement. Under the Asset Purchase Agreement, the City shall advance \$1,400,000 to Roats on the date of this Note.
2. Promise to Pay. Roats promises to pay the City \$1,400,000 plus interest according to the terms and conditions set forth in this Note.
3. Payment Terms.
 - a. The interest rate will be 6.5% per year.
 - b. Payments for the first three years will be interest-only in the amount of \$91,000 each, with the first payment due one year from the date of this Note. Beginning at year four, the balance will be amortized over 20 years.
 - c. The entire unpaid balance, both principal and interest, shall be due 20 years from the date of this Note. Payments will be made annually based upon the date of this Note.
 - d. Equal debt service payments of \$127,059 will be made annually during years 4 through 19, with the unpaid balance of \$463,571 due at the end of the 20-year term. The payment schedule is attached as Exhibit A to this Note.
 - e. There is no down payment.
 - f. Roats may prepay at any time without penalty.
 - g. Payments shall be made to City of Bend Finance Department, PO Box 1024, Bend, OR 97709 or as the City otherwise orders.
4. Default. Failure to pay any amount within 10 days after written notice from the City that payment is past due and owing is a default.
5. Remedies. Roats agrees that if Roats does not perform the terms and conditions of the Asset Purchase Agreement and this Note according to their terms and conditions,

EXHIBIT A

Payment Schedule

1. _____, 2017 - \$91,000.00
2. _____, 2018 - \$91,000.00
3. _____, 2019 - \$91,000.00
4. _____, 2020 - \$127,059.00
5. _____, 2021 - \$127,059.00
6. _____, 2022 - \$127,059.00
7. _____, 2023 - \$127,059.00
8. _____, 2024 - \$127,059.00
9. _____, 2025 - \$127,059.00
10. _____, 2026 - \$127,059.00
11. _____, 2027 - \$127,059.00
12. _____, 2028 - \$127,059.00
13. _____, 2029 - \$127,059.00
14. _____, 2030 - \$127,059.00
15. _____, 2031 - \$127,059.00
16. _____, 2032 - \$127,059.00
17. _____, 2033 - \$127,059.00
18. _____, 2034 - \$127,059.00
19. _____, 2035 - \$127,059.00
20. _____, 2036 - \$463,571.00