

After Recording Return to:
City of Sisters
PO Box 39
Sisters, OR 97759



\$68.00

09/09/2011 09:25:37 AM

D-ANXCON Cnt=1 Str=1 BN
\$25.00 \$11.00 \$16.00 \$10.00 \$6.00

CITY OF SISTERS AMENDED ANNEXATION AGREEMENT

This AMENDED ANNEXATION AGREEMENT ("Agreement") is entered into this 2nd day of May, 2011, by and between THE CITY OF SISTERS, an Oregon municipal corporation ("City") and MCKENZIE MEADOWS VILLAGE, LLC, an Oregon limited liability company ("Owner").

RECITALS

1. Owner is the sole owner of that certain real property more particularly described on Exhibit A hereto (the "Owner Property").
2. Owner and City previously entered into an Annexation Agreement for the Owner Property as a condition of annexation of the Owner Property into the City of Sisters.
3. Owner desires to amend the Annexation Agreement on the terms and conditions set forth below, and City is agreeable to the proposed amendments set forth in this Amended Annexation Agreement.
4. Owner plans a senior residential and commercial development on the Owner Property and, prior to such development, Owner will be required to rezone the Owner Property and obtain development approval from the City (the "Land Use Approvals").
5. Except as amended, all terms of the Annexation Agreement shall remain in effect.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to amend the Annexation Agreement as follows:

AGREEMENT

1. **City Approval of Annexation:** The City has approved the annexation of the Owner Property.
2. **Affordable Housing:**
 - A. Owner shall provide affordable housing units at a ratio of not less than one affordable housing unit for every ten residential units, except the Senior Assisted Living Center shall be exempt from the affordable requirements 2A through 2F.

RECEIVED

SEP 13 2011

CITY OF SISTERS

B. Owner may transfer 1.5 acres of land to a third party for the construction of a senior apartment complex that will include a minimum of 20 units of affordable senior housing.

In the event this apartment complex is constructed, all of the affordable senior housing units shall be applied to Owner's affordable housing obligation.

C. In the event the senior apartment complex is not constructed at the time other residential construction begins or the senior apartment complex does not fully meet the affordable housing unit requirements, the affordable housing requirement shall apply to all residential units developed on the Owner Property. The location and type of affordable housing units shall be proportional to all other residential units. The present estimate of affordable housing units is 16 (based on 163 housing units). The affordable housing units shall not be clustered, but shall be evenly distributed throughout the residential development.

D. One half of the affordable housing units provided will be affordable (based on City's calculation) for individuals or families earning 80% of the Deschutes County AMI. One half of the affordable housing units will be affordable (based on City's calculation) for individuals or families earning 50% of the Deschutes County AMI.

E. The size of the affordable housing units shall be, at a minimum:

- | | | |
|-----|---------------------|----------|
| (1) | 1 bedroom home: | 1,000 sf |
| (2) | 2 bedroom home: | 1,200 sf |
| (3) | 3 bedroom home: | 1,400 sf |
| (4) | studio apartment: | 450 sf |
| (5) | 1 bedroom apartment | 675 sf |
| (6) | 2 bedroom apartment | 875 sf |

All affordable housing units shall have a similar exterior appearance to surrounding non-affordable units and shall comply with the CCRs applicable to the development.

F. Owner is required to maintain the affordability of the affordable housing units for a period of 20 years. If owner fails to maintain the affordability of the housing units, Owner shall pay to City the estimated cost, as determined by the City, for purchase of alternate property and construction of a comparable home. The funds received from Owner shall be used by the City to facilitate additional affordable housing.

3. **Water Rights:** Owner shall pay a fee of \$670 per EDU for water mitigation. This fee is in addition to any water SDC or other SDC that may be required as a condition of development of the property. If the City amends its water SDC to include a water mitigation component within its water SDC within 5 years of this agreement, Owner shall pay to the City or City shall reimburse or provide SDC Credit based on the difference between the \$670 EDU fee assessed and the actual SDC water mitigation component.

4. **Senior Living Center:** Owner shall designate no less than 6.3 acres of the Owner Property for the purpose of construction and operation of a Senior Living Center. The Center will provide senior (55 years old and older) assisted and independent living, and nonsenior assisted living options. The Senior Living Center (or a phase of it) shall be built in the first phase of construction. Except for the senior apartment complex and the medical facility, no other occupancy permits will be issued for any other development on the Owner Property until the Senior Assisted Living Center (or phase of it) has received its occupancy permit.

5. **Infrastructure:** Owner may develop the property in a manner that uses no more than 131 EDUs. If the development requires more than 131 EDUs, the City may require, at the time of the zone change or at the application for Master Plan, Owner to provide an additional capacity analysis acceptable to the City. The City may (and Owner agrees) to further require Owner to construct at Owner's expense any necessary mitigation measures (including payment of mitigation fees) or infrastructure improvements necessary to provide the additional capacity requested by Owner.

6. **Master Plan:** Owner shall not submit any development application or seek to divide or subdivide the Owner Property in any manner until Owner has an approved Master Plan from the City of Sisters.

7. **Public Park:** Owner shall designate at least 1.8 acres of contiguous property, at a location acceptable to the City, as a public park. Owner shall develop the park in a manner that when completed it will be comparable to and resemble, in concept and amenities, the City's Village Green Park. The park will include the following improvements:

- A. six-foot wide paved pathways constructed to city standards;
- B a 200 square foot covered, open sided picnic shelter constructed with wood timbers, rock base columns and a 30 to 50 year composite roof with a barbeque area and at least three picnic tables;
- C. new or custom built playground equipment,
- D. irrigated lawn and landscaping that incorporates and preserves the existing ponderosa trees on the site to the maximum extent possible.

In addition, Owner agrees to stub water, sewer and electricity to an acceptable location by the Public Works Director for a future restroom facility to be developed by the City. Owner agrees to dedicate the park and full improvements to the City, at no cost to the City, as a public park prior to the issuance of the 25th residential building permit. City and Owner agrees that the park may be used to satisfy open space requirements applicable to the development of a Master Plan.

8. **Mediation.** In the event the parties have a dispute as to any of the terms or applicability of this Agreement, the parties agree to use their best efforts to resolve the dispute through a mutually acceptable mediation process prior to any party filing a lawsuit. Each party participating in mediation shall pay its own costs of mediation, including their proportionate share of the compensation of the mediator selected by the parties. If a mediator has not been

selected by the parties within thirty (30) days after one of the parties has requested that a dispute arising under this Agreement be mediated, then any of the parties may commence a lawsuit or commence such other method of pursuing such remedies as may be available to any of the parties.

9. Defaults. A failure to comply with the terms of this Agreement shall constitute a default hereunder. The party in default shall have thirty (30) days, after receiving written notice from the other party of the event of default, to cure that default. If the default is not cured within that time period, the non-defaulting party may sue the defaulting party for specific performance under this Agreement or for damages or both; or may pursue such other remedies as may be available. The prevailing party in any such action shall be entitled to recover its costs and attorney fees from the other party.

10. Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon the Owner and City, and their respective successors and assigns (and any liability shall be joint and several). This Agreement is intended to and shall run with the Owner Property. Owner will provide proof of recording this agreement against the Owner Property within 10 days of the approval of this Agreement.

11. Other Development. Owner may use not more than 1.22 acres of the Owner Property for a medical facility. The remainder of the Owner Property (exclusive of the public park and Senior Living Center and Senior Apartments) shall be used for residential purposes with no age restrictions.

IN WITNESS WHEREOF, the Owner and the City have caused this Agreement to be duly signed in their respective names by their duly authorized officers as of the date first above written.

City of Sisters

McKenzie Meadows Village, LLC:

Eileen Stein
Eileen Stein, City Manager

Bill Willitts
Bill Willitts, Managing Member

STATE OF OREGON)
) ss
County of Deschutes)

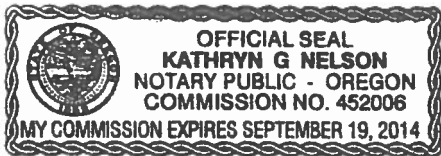
On ^{kw August} June 25, 2011, Eileen Stein, City Manager for the City of Sisters, personally appeared before me and acknowledged the foregoing to be her and the City of Sister's voluntary act and deed.



Kathryn G. Nelson
Notary Public for Oregon
My Commission Expires: 9/19/14

STATE OF OREGON)
) ss
County of Deschutes)

On ^{Sept kw} June 07, 2011, Bill Willitts, the Managing Member of McKenzie Meadows Village, LLC, personally appeared before me and acknowledged that he had authority to sign on behalf of the LLC and that the foregoing to be his and the McKenzie Meadows Village, LLC's voluntary act and deed.



Kathryn G. Nelson
Notary Public for Oregon
My Commission Expires: 9/19/14

RECORDING COVER SHEET (Please Print or Type)

The information on this sheet is a reflection of the attached instrument for the purpose of meeting first page recording requirements, ORS 205.234.

If this cover page is included with your document, please add \$5.00 to the total recording fees.

AFTER RECORDING RETURN TO:

City of Sisters
PO Box 39
Sisters, OR 97759

1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)
City of Sisters Amended Annexation Agreement

2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160
McKenzie Meadows Village, LLC

3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160
City of Sisters

4) TRUE AND ACTUAL CONSIDERATION

ORS 93.030(5) - Amount in dollars or other

\$ _____ Other

5) SEND TAX STATEMENTS TO:

6) SATISFACTION of ORDER or WARRANT

ORS 205.125(1)(e) |

CHECK ONE: FULL
(If applicable) PARTIAL

7) The amount of the monetary obligation imposed by the order or warrant. ORS 205.125(1)(c)

\$ _____

8) If this instrument is being re-recorded, complete the following statement, in accordance with ORS 205.244:

"Re-recorded at the request of City of Sisters to correct or add

legal description omitted
previously recorded in Book 2,010 and page 22,024, or as Fee Number _____"

After Recording Return To:
Steven D. Bryant
Bryant, Emerson, Fitch, LLP
PO Box 457
Redmond, OR 97756



\$63.00

05/07/2010 10:51:06 AM

D-ANXCON Cnt=1 Str=3 PG
\$20.00 \$11.00 \$18.00 \$10.00 \$5.00

RECEIVED

CITY OF SISTERS
AMENDED ANNEXATION AGREEMENT

JUN 09 2010
CITY OF SISTERS

This AMENDED ANNEXATION AGREEMENT ("Agreement") is entered into this 27th day of May, 2010, by and between THE CITY OF SISTERS, an Oregon municipal corporation ("City") and MCKENZIE MEADOWS VILLAGE, LLC, an Oregon limited liability company ("Owner").

RECITALS

1. Owner is the sole owner of that certain real property more particularly described on Exhibit A hereto (the "Owner Property").
2. Owner and City previously entered into an Annexation Agreement for the Owner Property as a condition of annexation of the Owner Property into the City of Sisters.
3. Owner desires to amend the Annexation Agreement on the terms and conditions set forth below, and City is agreeable to the proposed amendments set forth in this Amended Annexation Agreement.
4. Owner plans a senior residential and commercial development on the Owner Property and, prior to such development, Owner will be required to rezone the Owner Property and obtain development approval from the City (the "Land Use Approvals").
5. Except as amended, all terms of the Annexation Agreement shall remain in effect.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to amend the Annexation Agreement as follows:

AGREEMENT

1. **City Approval of Annexation:** The City has approved the annexation of the Owner Property.
2. **Affordable Housing:**
 - A. Owner shall provide affordable housing units at a ratio of not less than one affordable housing unit for every ten residential units.
 - B. Owner may transfer 1.5 acres of land to a third party for the construction of a senior apartment complex that will include a minimum of 20 units of affordable senior housing.

In the event this apartment complex is constructed, all of the affordable senior housing units shall be applied to Owner's affordable housing obligation.

C. In the event the senior apartment complex is not constructed at the time other residential construction begins or the senior apartment complex does not fully meet the affordable housing unit requirements, the affordable housing requirement shall apply to all residential units developed on the Owner Property. The location and type of affordable housing units shall be proportional to all other residential units. The present estimate of affordable housing units is 16 (based on 163 housing units). The affordable housing units shall not be clustered, but shall be evenly distributed throughout the residential development.

D. One half of the affordable housing units provided will be affordable (based on City's calculation) for individuals or families earning 80% of the Deschutes County AMI. One half of the affordable housing units will be affordable (based on City's calculation) for individuals or families earning 50% of the Deschutes County AMI.

E. The size of the affordable housing units shall be, at a minimum:

(1)	1 bedroom home:	1,000 sf
(2)	2 bedroom home:	1,200 sf
(3)	3 bedroom home:	1,400 sf
(4)	studio apartment:	450 sf
(5)	1 bedroom apartment	675 sf
(6)	2 bedroom apartment	875 sf

All affordable housing units shall have a similar exterior appearance to surrounding non-affordable units and shall comply with the CCRs applicable to the development.

F. Owner is required to maintain the affordability of the affordable housing units for a period of 20 years. If owner fails to maintain the affordability of the housing units, Owner shall pay to City the estimated cost, as determined by the City, for purchase of alternate property and construction of a comparable home. The funds received from Owner shall be used by the City to facilitate additional affordable housing.

3. **Water Rights:** Owner shall pay an fee of \$670 per EDU for water mitigation. This fee is in addition to any water SDC or other SDC that may be required as a condition of development of the property. If the City amends its water SDC to included a water mitigation component within its water SDC within 5 years of this agreement, Owner shall pay to the City or City shall reimburse or provide SDC Credit based on the difference between the \$670 EDU fee assessed and the actual SDC water mitigation component.

4. **Senior Assisted Living Center:** Owner shall designate no less than 6.3 acres of the Owner Property for the purpose of construction and operation of a Senior Living Center. The Center will provide senior (55 years old and older) assisted and independent living, and non-senior assisted living options. The Senior Living Center (or a phase of it) shall be built in the first phase of construction. Except for the senior apartment complex and the medical facility, no other occupancy permits will be issued for any other development on the Owner Property until

the Senior Living Center has received its occupancy permit.

5. Infrastructure: Owner may develop the property in a manner that uses no more than 131 EDUs. If the development requires more than 131 EDUs, the City may require, at the time of the zone change or at the application for Master Plan, Owner to provide an additional capacity analysis acceptable to the City. The City may (and Owner agrees) to further require Owner to construct at Owner's expense any necessary mitigation measures (including payment of mitigation fees) or infrastructure improvements necessary to provide the additional capacity requested by Owner.

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- A. six-foot wide paved pathways constructed to city standards;
- B. a 200 square foot covered, open sided picnic shelter constructed with wood timbers, rock base columns and a 30 to 50 year composite roof with a barbeque area and at least three picnic tables;
- C. new or custom built playground equipment,
- D. irrigated lawn and landscaping that incorporates and preserves the existing ponderosa trees on the site to the maximum extent possible.

In addition, Owner agrees to stub water, sewer and electricity to an acceptable location by the Public Works Director for a future restroom facility to be developed by the City. Owner agrees to dedicate the park and full improvements to the City, at no cost to the City, as a public park prior to the issuance of the 25th residential building permit. City and Owner agrees that the park may be used to satisfy open space requirements applicable to the development of a Master Plan.

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time period, the non-defaulting party may sue the defaulting party for specific performance under this Agreement or for damages or both; or may pursue such other remedies as may be available. The prevailing party in any such action shall be entitled to recover its costs and attorney fees from the other party.

10. **Beneficiaries.** This Agreement shall inure to the benefit of and shall be binding upon the Owner and City, and their respective successors and assigns (and any liability shall be joint and several). This Agreement is intended to and shall run with the Owner Property. Owner will provide proof of recording this agreement against the Owner Property within 10 days of the approval of this Agreement.

11. **Other Development.** Owner may use not more than 1.22 acres of the Owner Property for a medical facility. The remainder of the Owner Property (exclusive of the public park and Senior Living Center and Senior Apartments) shall be used for residential purposes with no age restrictions.

IN WITNESS WHEREOF, the Owner and the City have caused this Agreement to be duly signed in their respective names by their duly authorized officers as of the date first above written.

City of Sisters

McKenzie Meadows Village, LLC:

Eileen Stein
Eileen Stein, City Manager

Bill Willitts
Bill Willitts, Managing Member

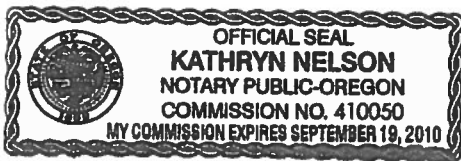
STATE OF OREGON)
) ss
County of Deschutes)

On May 27, 2010, Eileen Stein, City Manager for the City of Sisters, personally appeared before me and acknowledged the foregoing to be her and the City of Sister's voluntary act and deed.

Kathryn Nelson
Notary Public for Oregon
My Commission Expires: 9/19/10

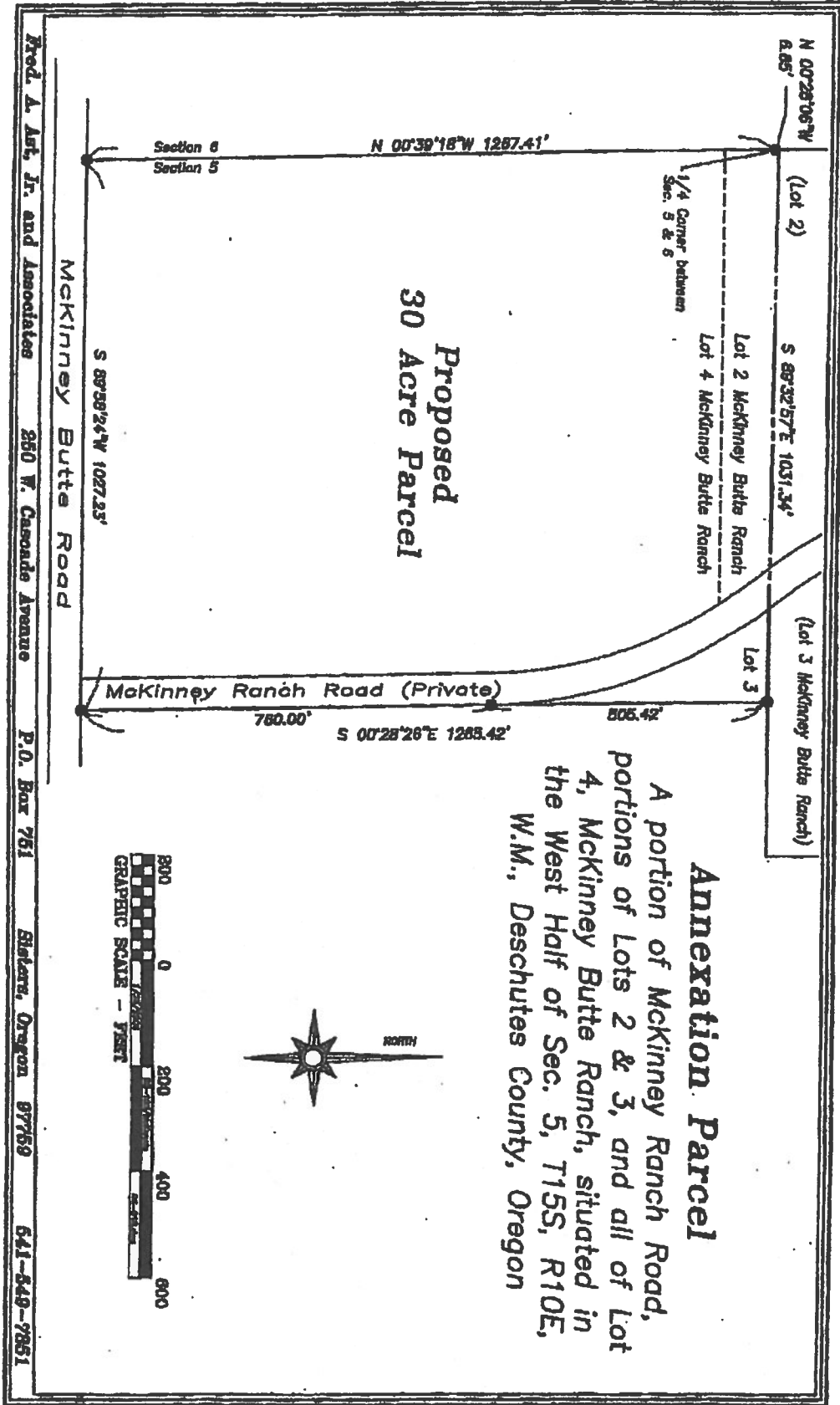
STATE OF OREGON)
) ss
County of Deschutes)

On ^{June} May 3, 2010, Bill Willitts, the Managing Member of McKenzie Meadows Village, LLC, personally appeared before me and acknowledged that he had authority to sign on behalf of the LLC and that the foregoing to be his and the McKenzie Meadows Village, LLC's voluntary act and deed.



Kathryn Nelson
Notary Public for Oregon
My Commission Expires: 9/19/10





**Proposed
30 Acre Parcel**

Annexation Parcel

A portion of McKinney Ranch Road, portions of Lots 2 & 3, and all of Lot 4, McKinney Butte Ranch, situated in the West Half of Sec. 5, T15S, R10E, W.M., Deschutes County, Oregon

McKinney Butte Road
 Fred. A. Ast, Jr. and Associates
 250 W. Cascade Avenue
 P.O. Box 751
 Sisters, Oregon 97759
 541-549-7851

Legal Description

Annexation Parcel

A portion of McKinney Ranch Road, a private way, portions of Lots 2 and 3, and all of Lot 4, McKinney Butte Ranch, a subdivision of record situated in the West Half of Section 5, Township 15 South, Range 10 East, Willamette Meridian, Deschutes County, Oregon, being more particularly described as:

Beginning at a 2 1/2" brass-capped iron pipe at the West-Quarter Corner of said Section 5 on the west boundary of said Lot 2; thence, along the west line of said Section and said boundary of Lot 2, N00°28'06"W, a distance of 6.65 feet to a point; thence, leaving said Section Line and lot boundary, S89°32'57"E, a distance of 1031.34 feet to a 5/8" iron rod at an angle point on the boundary of said Lot 3; thence, along said boundary, S00°28'26"E, a distance of 505.42 feet to a 5/8" iron rod at the southernmost corner of said Lot 3 on the east right-of-way of McKinney Ranch Road; thence, leaving said lot boundary and along said right-of-way, S00°28'26"E, a distance of 760.00 feet to a 5/8" iron rod at the intersection of said east right-of-way of McKinney Ranch Road and the north right-of-way of McKinney Butte Road; thence, along the north right-of-way of McKinney Butte Road, S89°58'24"W, a distance of 1027.23 feet to a 5/8" iron rod at the southwest corner of said Lot 4 on the west line of said Section 5; thence, along said Section line and lot boundary, N00°39'18"W, a distance of 1267.41 feet to the point of beginning.

Containing 30.0 acres, more or less.

After Recording Return To:
Steven D. Bryant
Bryant, Emerson, Fitch, LLP
PO Box 457
Redmond, OR 97756



\$73.00

00702505220000010150000004

12/04/2009 09:41:05 AM

D-ANXCON Cnt=1 Str=4 SRB
\$30.00 \$11.00 \$16.00 \$10.00 \$8.00

CITY OF SISTERS ANNEXATION AGREEMENT

This ANNEXATION AGREEMENT ("Agreement") is entered into this 3rd day of December, 2009, by and between THE CITY OF SISTERS, an Oregon municipal corporation ("City") and MCKENZIE MEADOWS VILLAGE, LLC, an Oregon limited liability company ("Owner").

RECITALS

1. Owner owns that certain real property more particularly described on Exhibit A hereto (the "Owner Property").
2. The Owner Property is currently located within the Urban Growth Boundary of the City, but is not within the territorial boundary of the City.
3. Owner desires that the City annex the Owner Property to the territorial boundary of the City and has filed an application seeking such annexation with the City.
4. Consistent with City charter, on May 16, 2006 the voters of the City approved the annexation of the Owner Property to the City pursuant to Ballot Title 9-38, by a vote of 65.71% in favor, and 34.29% opposed.
5. Owner plans a senior residential and commercial development on the Owner Property and, prior to such development, will be required to rezone the Owner Property and obtain development approval from the City (the "Land Use Approvals").
6. The City is agreeable to annexing the Owner Property to the City on the conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

AGREEMENT

1. **City Approval of Annexation:** The City will seek approval of the annexation of Owner Property to the City within 60 days of the date of this Agreement. If the annexation is not completed, this Agreement shall be void.
2. **Affordable Housing:**
 - A. Owner shall provide affordable housing units at a ratio of one affordable housing

unit for every ten residential units. This requirement shall apply to all residential units developed on the Owner Property. The location and type of affordable housing units shall be proportional to all other residential units. The present estimate of affordable housing units is 16 (based on 163 housing units). The affordable housing units shall not be clustered, but shall be evenly distributed throughout the residential development.

B. One half of the affordable housing units will be affordable (based on City's calculation) for individuals or families earning 80% of the Deschutes County AMI. One half of the affordable housing units will be affordable (based on City's calculation) for individuals or families earning 50% of the Deschutes County AMI.

C. The size of the affordable housing units shall be, at a minimum:

(1)	1 bedroom home:	1,000 sf
(2)	2 bedroom home:	1,200 sf
(3)	3 bedroom home:	1,400 sf
(4)	studio apartment:	450 sf
(5)	1 bedroom apartment	700 sf
(6)	2 bedroom apartment	900 sf

All affordable housing units shall have a similar exterior appearance to surrounding non-affordable units and shall comply with the CCRs applicable to the development.

D. Owner is required to maintain the affordability of the affordable housing units for a period of 20 years. If owner fails to maintain the affordability of the housing units, Owner shall pay to City the estimated cost, as determined by the City, for purchase of alternate property and construction of a comparable home. The funds received from Owner shall be used by the City to facilitate additional affordable housing.

3. **Water Rights:** Owner shall pay an estimated fee of \$670 per EDU for water mitigation. This fee is in addition to any water or other SDC that may be required as a condition of development of the property. Once the City has amended its water SDC and included a water mitigation component within its water SDC, Owner shall pay to the City or City shall reimburse or provide SDC Credit based on the difference between the \$670 EDU fee assessed and the actual SDC water mitigation component.

4. **Senior Assisted Living Center:** Owner shall designate no less than 6.3 acres of the Owner Property for the purpose of construction and operation of a Senior Living Center. The Center will provide senior (55 years old and older) assisted and independent living, and non-senior assisted living options. The Senior Living Center (or a phase of it) shall be built in the first phase of construction. No occupancy permits will be issued for any other development on the Owner Property until the Senior Living Center has received its occupancy permit.

5. **Infrastructure:** Owner may develop the property in a manner that uses no more than 131 EDUs. If the development requires more than 131 EDUs, the City may require, at the time of the zone change or at the application for Master Plan, Owner to provide an additional capacity analysis acceptable to the City. The City may (and Owner agrees) to further require Owner to



\$31.00

03/08/2004 01:39:53 PM

D-D Cnt=1 Str=2 PAT
\$5.00 \$11.00 \$10.00 \$5.00

After recording return to:

William R. Reed, Jr.
P.O. Box 218
Sisters, OR 97759

Until a change is requested,
all tax statements shall be sent to:

William R. Reed, Jr.
P.O. Box 218
Sisters, OR 97759

STATUTORY WARRANTY DEED

William R. Reed, Jr, Manager of W.R.REED FAMILY LLC,, Grantor, conveys and warrants to MCKENZIE MEADOW VILLAGE LLC, Grantee, all of their right, title, and interest in the following described real property free of liens and encumbrances, except those of record:

Lot 4 of McKinney Butte Ranch, Deschutes County, Oregon

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

The true consideration for this conveyance is other than monetary consideration.

DATED March 4, 2004.

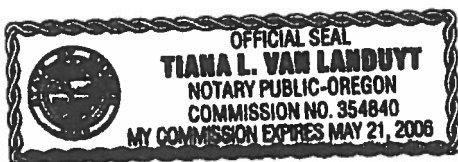
W.R. REED FAMILY LLC

William R. Reed, Jr., Manager

William R. Reed, Jr. Manager

STATE OF OREGON)
) ss.
County of Deschutes)

This instrument was acknowledged before me on March 4, 2004, by William R. Reed, Jr. Manager of W.R. REED FAMILY LLC



Tiana L. Van Landuyt
Notary Public for Oregon
My commission expires 5-21-06

Recorded by Western Title as an accommodation only. No liability accepted for condition of title or validity, sufficiency or affect of document. **B**