

DOUGLAS A. DUCEY
Governor



THOMAS BUSCHATZKE
Director

ARIZONA DEPARTMENT of WATER RESOURCES
3550 North Central Avenue, Second Floor
Phoenix, Arizona 85012-2105
602.771.8500
azwater.gov

August 15, 2016

COPY

Del Rio Springs Loan Partners, LLC
Mr. Robert O'Rear
9001 NE 26th Street
Bellevue, Washington 98004

Re: Partial Conveyance of Assured Water Supply Credits Associated with Extinguishment Certificate No. 58-106092.0008

Dear Mr. O'Rear:

The Department has processed the partial conveyance associated with 18,930.00 acre-feet of assured water supply credits from Extinguishment Certificate No. 58-106092.0008. Enclosed is Extinguishment Certificate No. 58-106092.0011 which confirms 16,930.00 acre-feet of assured water supply credits remain under Del Rio Springs Loan Partners, LLC after the conveyance of 2,000.00 acre-feet of assured water supply credits to Joseph A. Galando (58-106092.0010).

If you have any questions about the conveyance of these credits, please contact the Assured and Adequate Water Supply Program at 602-771-8599.

Sincerely,

A handwritten signature in black ink that reads "Gerry L. Walker". The signature is fluid and cursive, with the first name "Gerry" being the most prominent.

Gerry L. Walker, Deputy Assistant Director
Water Planning & Permitting Division

Enclosure

Extinguishment Certificate

STATE OF ARIZONA DEPARTMENT OF WATER RESOURCES

*Pursuant to the provisions of
A.R.S. § 45-576 and R12-15-723*

*Del Rio Springs Loan Partners, LLC
9001 NE 26th Street
Bellevue, Washington 98004*

COPY

has acquired Assured Water Supply Credits from Certificate No. 58-106092.0008.

A New Extinguishment Certificate No.

58-106092.0011

has been issued in the
PRESCOTT ACTIVE MANAGEMENT AREA

*The value of this extinguishment certificate totals 16,930.00 acre-feet of assured water supply credits;
these credits have not been pledged.*



*Extinguishment Certificate No. 58-106092.0011 is effective as of
this 22nd day of July, 2016*

A handwritten signature in cursive script that reads "Gerry L. Walker".

*Gerry L. Walker, Deputy Assistant Director
Water Planning & Permitting Division*

IGFR CONVEYANCE TRACKING SHEET FOR 58-106092

Prescott AMA

COPY

11/08/1989 Consolidated

58-114510.0001
Walter Echols
IGFR = 19.9 acres
Status = IG (Inactive - Consolidated)

58-106092.0000
J + R LTD
IGFR = 654.2 acres
Status = IG (Inactive - Consolidated)

58-106092.0001
J+R LTD
IGFR = 674.10 acres
IC = Full Conveyance

10-28-2002
Retired IGFR
Conveyed as Type 1

58-106092.0002
J+R LTD TYPE 1
673.8 acres Retired
IC = Full Conveyance

6-11-2004
Conveyed

58-106092.0003
The Bond Ranch at
Del Rio Springs LLC
Type 1 673.80 acres
retired

2-19-2008
partial Extinguish

58-106092.0004
The Bond Ranch at Del
Rio Springs LLC
Extinguished 140 acres
= 5250 of AWS credits

Pledged to CAWS 27-700493

01-12-2011
Credits reinstated
CAWS denied

58-106092.0007
The Bond Ranch at
Del Rio Springs LLC
= 5250 of AWS Credits
NOT PLEDGED

6-24-11
FULL
CONVEY

Empty box

58-106092.0005
The Bond Ranch at Del
Rio Springs LLC
Type 1 504.8 acres Retired

12-30-2010
Full Extinguishment

58-106092.0006
The Bond Ranch at Del
Rio Springs LLC
Extinguish 504.8 acres
for 18,930 of AWS credits
NOT PLEDGED

6-24-11
Full Convey

58-106092.0008
Del Rio Springs Loan
Partners LLC
= 18,930 of AWS credits
NOT PLEDGED

58-106092.0009
Del Rio Springs Loan
Partners LLC
= 5250 of AWS Credits
NOT PLEDGED

58-106092.0010
JOSEPH A. GALANDO
= 2,000 of AWS credits
NOT PLEDGED

1/22/16

7-22-2016 Partial Conveyance (S. diff)

58-106092.0011
Del Rio Springs Loan
Partners LLC
= 16,930 of AWS credits
NOT PLEDGED

7/22/16

Empty box

Empty box

Empty box

Conveyance of Extinguishment Credits Data Form

IU – Pledged
IV – Not Pledged

Right No.: 58-106092.0011

Old Conveyance No: 0008 Full Conveyance of Credits: NO=16,930 ac-ft Balance of Credits: 2,000.00
(See .0010)

Owner: DEL RIO SPRINGS LOAN PARTNERS, LLC

Contact: Robert O’Rear Phone No.: (425) 753-1429 Fax: _____

Address: 9001 NE 26th Street
Bellevue, WA 98004

- Irrigation Amount of Credits Conveyed: _____
- Type 1 Amount of Credits Conveyed: 16,930.00
- Type 2 Amount Credits Conveyed: _____

If Credits are pledged: CC: CAGR – Jeni Martin and Candi Cox @ 23636 N. 7th Street, Phoenix, AZ 85024

Pledged: CAWS 27- N/A

Pledged: DAWS 26- N/A

Tracking Sheet Book

Input to ROGR

Input to Access

Input into Excel

Received Date(is also effective date): 7/22/2016

Notary Date: 7/18/2016

Completed by: Shannon Reif

Date Certificate Mailed: 08/22/2016

Notes/Comments:

ORIGINAL CERTIFICATE WAS MAILED TO:
Brian Imbornoni
Jennings, Strouss & Salmon
One East Washington Street, Suite 1900
Phoenix, AZ 85004-2554



AUTHORITY HISTORY FOR CERTIFICATE NUMBER: 106092

AMA or INA: PRESCOTT AMA

Authority No	Right Type	File Status	Irr. Acres	Ret Acres	Status Date	Primary Mailing Address Own.
58-106092.0000	IRRIGATION USE	INACTIVE - CONSOLIDATED	654.2		11/8/1989	J & R LTD
58-106092.0001	IRRIGATION USE	INACTIVE - FULL CONVEYANCE	674.1	674.1	10/28/2002	J & R LTD
58-106092.0002	TYPE 1 GFR	INACTIVE - FULL CONVEYANCE		673.8	6/11/2004	J & R LTD
58-106092.0003	TYPE 1 GFR	INACTIVE - PARTIAL CONVEYANCE		673.8	2/20/2008	THE BOND RANCH AT DEL RIO SPRINGS, L.L.C.
58-106092.0004	TYPE 1 GFR	INACTIVE - FULL CONVEYANCE		140	1/12/2011	THE BOND RANCH AT DEL RIO SPRINGS, L.L.C.
58-106092.0005	TYPE 1 GFR	INACTIVE - FULL CONVEYANCE		504.8	12/30/2010	THE BOND RANCH AT DEL RIO SPRINGS, L.L.C.
58-106092.0006	TYPE 1 GFR	INACTIVE - FULL CONVEYANCE		504.8	8/12/2011	THE BOND RANCH AT DEL RIO SPRINGS, L.L.C.
58-106092.0007	TYPE 1 GFR	INACTIVE - FULL CONVEYANCE		140	6/24/2011	THE BOND RANCH AT DEL RIO SPRINGS, L.L.C.
58-106092.0008	TYPE 1 GFR	INACTIVE - PARTIAL CONVEYANCE		504.8	7/22/2016	DEL RIO SPRINGS LOAN PARTNERS, LLC
58-106092.0009	TYPE 1 GFR	INACTIVE - EXTINGUISHED/ NOT PLE		140	6/24/2011	DEL RIO SPRINGS LOAN PARTNERS, LLC
58-106092.0010	TYPE 1 GFR	INACTIVE - EXTINGUISHED/ NOT PLE		504.8	7/22/2016	JOSEPH A. GALANDO
58-106092.0011	TYPE 1 GFR	INACTIVE - EXTINGUISHED/ NOT PLE		504.8	7/22/2016	DEL RIO SPRINGS LOAN PARTNERS, LLC



AUTHORITY HISTORY FOR CERTIFICATE NUMBER: 106092

AMA or INA: PRESCOTT AMA

Authority No Right Type File Status Irr. Acres Ret Acres Status Date Primary Mailing Address Own.

Count : 12

Extinguishments | Pledged and Conveyed Credits

Assured and Adequate Water Supply Program Extinguishment Tracking

Initiated 5/1/01

Right Number: 58-106092.0011

Old Conveyance Number: 0008

AMA: Prescott

Location: [] [] [] []

Owner: DEL RIO SPRINGS LOAN PARTNERS, LLC

Chief Contact: Robert O'Rear | Ph/Fax: (425) 753-1429

Type of Grandfathered Right

Irrigation

Type 1 Non-Irrigation

Type 2 Non-Irrigation

This Extinguishment is

Full

Partial

Credits

Pledged at time of Extinguishment

Not Pledged at time of extinguishment

Conveyed at a later date

(see Pledged/ Conveyed Credits tab at top of screen)

Certified Acres: 0.00

Acres Extinguished: 0.00

Credits, acre-feet: 16,930.00

Comments: Credits partially conveyed from .00008 on 7/22/2016: 2,000 af to 58-106092.0010 and 16,930 af to 58-106092.0011

Date Received: 07/22/16 | Effective Date: 07/22/16 | Mailing Date: 08/22/16

WRS: Shannon Reif

Upon completion of the Extinguishment, record the credit data in Excel:
J:\Phxama\Muni\Extinguishments\pledged_credit_tracking

Extinguishments | Pledged and Conveyed Credits

Right No. 58-106092.0011

Credits Pledged at time of Extinguishment

Recipient of Credits: []

CAWS No. 27: []

Designation No. 26: []

Number of Credits Pledged: []

No. of Credits from the Extinguishment: 16,930.00

Credit Balance: 16,930.00

Credits Originally Not Pledged but Later Conveyed

Recipient of Credits: []

CAWS No. 27: []

Designation No. 26: []

Date: []

Amount of Credits: []

Recipient of Credits: []

CAWS No. 27: []

Designation No. 26: []

Date: []

Arizona Department of Water Resources Groundwater Right/Facility Report

RIGHT #: 58-106092.0011 STATUS DATE: 7/22/2016
AMA: PRESCOTT AMA RIGHT/PERMIT/FACILITY TYPE: TYPE 1 GFR
LAND OWNERSHIP : CORPORATION FILE STATUS: INACTIVE - EXTINGUISHED/ NOT PLEDGED
0 ALLOTMENT: 0.00 BMP Enrollee: RETIRED ACRES: 504.80
WATER DUTY ACRES: 0.00 IRRIGATION ACRES 0.00 WATER DUTY 0 Mgt Plan 0
IRRIGATION DISTRICT NAME: MAWA: 0

= 16,930.0 of AWS Credits (NOT Pledged)

NAME & ADDRESS

DEL RIO SPRINGS LOAN PARTNERS, LLC TYPE: OWNER
ATTN: ROBERT O'REAR
9001 NE 26TH STREET
BELLEVUE WA 98004

PLACE OF USE

*** NO DATA FOUND ***

BOOK/MAP/PARCEL

Book: 306 Map: 40 Parcel: 028Q Part:
Book: 306 Map: 40 Parcel: 038A Part:

WELL SERVING

*** NO DATA FOUND ***

RIGHT TO FACILITY RELATIONSHIPS

*** NO DATA FOUND ***

Shannon L. Reif

From: Lee Storey <lee@storeylawyers.com>
Sent: Thursday, August 11, 2016 2:09 PM
To: Shannon L. Reif
Cc: Kathleen Ferris
Subject: Re: Conveyance of Extinguishment Credits for Del Rio

Hello Shannon,

Thank you for the update. Originally I asked ADWR to send both certificates to my office for distribution. Now that Kathy Ferris is involved, could you please send the certificate for Del Rio to her address, and the certificate for Joseph Galando to me?

With kind regards,

Lee

Sent from my iPhone with apologies for any mistakes.

On Aug 11, 2016, at 11:56 AM, Shannon L. Reif <slreif@azwater.gov> wrote:

Hi Lee and Kathy,
ADWR staff will be meeting internally to discuss this project before proceeding with the conveyance of credits. I will get back to you on Monday with more information. I appreciate your patience.

Thank you,

Shannon

From: Lee Storey [<mailto:lee@storeylawyers.com>]
Sent: Wednesday, August 10, 2016 1:28 PM
To: Shannon L. Reif <slreif@azwater.gov>
Subject: Re: Conveyance of Extinguishment Credits for Del Rio

Hi Shannon,

Thank you! I would appreciate that very much. I have also given your name to legal counsel for Del Rio Springs Loan Partners. You may already know Kathy Ferris? Anyway, she will contact you to confirm exactly what is required to correct the mistake on the certificate. I believe they prefer to have the certificate issued in the name of Del Rio Springs Loan Partners.

Thank you again for processing Joe Galando's certificate in the meantime.

Best always,

Lee

LEE A. STOREY

THE STOREY LAWYERS, PLC
6515 N. 12TH STREET, SUITE C
PHOENIX, ARIZONA 85014
WORK: (602) 803-8811
CELL: (602) 618-3205
LEE@STOREYLAWYERS.COM
WWW.STOREYLAWYERS.COM

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From: "Shannon L. Reif" <slreif@azwater.gov>
Date: Wednesday, August 10, 2016 at 10:28 AM
To: Lee Storey <lee@storeylawyers.com>
Subject: RE: Conveyance of Extinguishment Credits for Del Rio

Hi Lee,

I apologize for the delayed response to your question. Yes, I can move forward with processing Mr. Galando's conveyance. I hope to have that done by the end of this week.

Thank you,
Shannon

From: Lee Storey [<mailto:lee@storeylawyers.com>]
Sent: Friday, August 05, 2016 3:16 PM
To: Shannon L. Reif <slreif@azwater.gov>
Subject: Re: Conveyance of Extinguishment Credits for Del Rio

Hi Shannon,

Happy Friday! I'm still waiting to hear from Del Rio Springs Loan Partners (DRSLP) how they wish to have their new certificate read. I understand you will need confirmation that the entities are the same before issuing the new certificate in the name of DRSLP.

As for Joseph Galando, would it be possible to issue that certificate for 2000 acre feet of extinguishment credits now? Or must we wait to hear from DRSLP? I would like to see half of it done, if possible, ASAP.

Best regards,

Lee

Sent from my iPhone with apologies for any mistakes.

On Aug 3, 2016, at 8:58 AM, Shannon L. Reif <slreif@azwater.gov> wrote:

Thank you!

From: Lee Storey [<mailto:lee@storeylawyers.com>]
Sent: Tuesday, August 02, 2016 12:48 PM
To: Shannon L. Reif <slreif@azwater.gov>
Subject: Re: Conveyance of Extinguishment Credits for Del Rio

Hi Shannon,
I will follow up with counsel and get the documents requested.
Thank you,
Lee

Sent from my iPhone with apologies for any mistakes.

On Aug 2, 2016, at 10:06 AM, Shannon L. Reif <slreif@azwater.gov> wrote:

Hi Lee,
Thank you for clarifying the name. Since the original certificate was issued under Del Rio Loan Partners, LLC, I will need documentation showing both names are for the same entity. I cannot convey credits from an owner that is not listed on the certificate.
Thank you,
Shannon

-----Original Message-----

From: Lee Storey [<mailto:lee@storeylawyers.com>]
Sent: Tuesday, August 02, 2016 6:42 AM
To: Shannon L. Reif <slreif@azwater.gov>
Subject: Re: Conveyance of Extinguishment Credits for Del Rio

Good morning, Shannon.

Thank you for the email and call yesterday. The correct entity name is Del Rio Springs Loan Partners, LLC. That is the entity name that should be on the new certificate for the remaining extinguishment credits. I apologize for any confusion in my cover letter.

With kind regards,

Lee

Sent from my iPhone with apologies for any mistakes.

On Aug 1, 2016, at 2:32 PM, Shannon L. Reif <slreif@azwater.gov>
wrote:

Shannon L. Reif

From: Kathleen Ferris <kathleenferris1@cox.net>
Sent: Wednesday, August 10, 2016 4:37 PM
To: Shannon L. Reif
Subject: Extinguish Certificates No. 58-106092.0008 and 58-106092.0009

Hi Shannon,

As I mentioned in my voice message, I represent Del Rio Springs Loan Partners, LLC. It has been brought to my attention that the above referenced Extinguishment Certificates were issued in the name of Del Rio Loan Partners, LLC rather than Del Rio **Springs** Loan Partners, LLC. As you know, my client is conveying some of the extinguishment credits associated with Certificate No. 106092.0008 to Joseph Galando. My client would like to the remaining extinguishment credits associated with this Certificate and Certificate No. 106092.0009 to be reissued in the name of Del Rio Springs Loan Partners, LLC.

Please let me know what ADWR needs from us to make these corrections.

Thank you in advance for your assistance.

Kathy
602-615-4255

Shannon L. Reif

From: Kathleen Ferris <kathleenferris1@cox.net>
Sent: Monday, August 15, 2016 9:15 AM
To: Shannon L. Reif
Cc: Lee Storey
Subject: Extinguishment Certificates Nos. 58-106092.0008 and 58-106092.0009
Attachments: Certificate of Sale (58-106092.0006).PDF; Certificate of Sale (58-106092.0007).PDF; Recorded Assignment.PDF; DRSLP Registration.pdf; ATT00001.txt

Good Morning Shannon,

My client provided some materials that should assist in explaining why the above-referenced Extinguishment Certificates were issued in the name of Del Rio Loan Partners, LLC rather than Del Rio Springs Loan Partners, LLC (DRSLP).

The extinguishment credits evidenced by these Certificates were previously owned by the Bond Ranch at Del Rio Springs, LLC ("Bond Ranch"), as evidenced by Certificate Nos. 58-106092.0006 and 58-106092.0007. The Bond Ranch's interest in these rights was sold to Robert O'Rear at an execution sale on February 6, 2013 by the Yavapai County Sheriff's Office. (See attached copies of Certificates of Sale.) Mr. O'Rear's interest in those rights was subsequently assigned by a recorded instrument dated February 25, 2013 (see copy attached) to DRSLP.

The confusion arises because the Conveyance of the Extinguishment forms from the Bond Ranch to DRSLP mistakenly stated that the credits were being conveyed to Del Rio Loan Partners, LLC. The records of the Arizona Corporation Commission ("ACC") reflect that there is no entity formed or registered in Arizona named "Del Rio Loan Partners, LLC." Conversely DRSLP is a Washington limited liability company registered to do business in Arizona. Attached is a copy of the application for registration filed with the ACC.

I hope this clears up any confusion about this matter. Please let me know if you have any questions or need further information.

Thanks,
Kathy
602-615-4255

ADWR Cert #
58-106092.0006

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

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When Recorded Return via Interoffice to:
Yavapai County Sheriff's Office
Civil Division

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

ROBERT O'REAR, an individual,	)	Case No. CV2012011072
)	
)	
	)	CERTIFICATE OF SALE
)	
Plaintiff,)	
)	
vs.)	
)	
THE BOND RANCH AT DEL RIO)	
SPRINGS, LLC, an Arizona limited)	
liability company; DOES I-X,)	
)	
Defendants.)	
)	

I, SCOTT MASCHER, Sheriff of Yavapai County, Arizona do hereby certify that under and by virtue of a Writ of Execution issued out of the above named court in the above entitled action to satisfy a judgment entered on SEPTEMBER 14, 2012, in favor of ROBERT O'REAR, an individual, and against THE BOND RANCH AT DEL RIO SPRINGS, LLC, an Arizona limited liability company; DOES I-X, defendants in the amount of FIVE HUNDRED THIRTY THREE THOUSAND DOLLARS AND NO

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

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CENTS (\$533,000) together with accruing interest and costs reference the right, title and interest of the judgment debtor in the following described property:

ARIZONA DEPARTMENT OF WATER RESOURCES CERTIFICATE

58-106092.0006:

Any and all right, title and interest of the Judgment Debtor in and to that certain Type 1 Non-Irrigation Grandfathered Water Right in the Prescott Active Management Area identified as Arizona Department of Water Resources Certificate No. 58-106092.0006 which was extinguished by act of the Arizona Department of Water Resources yielding a credit of 18,930 acre-feet of water.

SUBJECT AND SUBORDINATE TO:

(1) A competing claim of ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of the trustee's sale and resulting Trustee's Deed recorded in the Official Records of Yavapai County, Arizona in Book 4803, page 984;

(2) A competing claim of a security interest ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of:

That certain Deed of Trust dated July 30, 2004 made by The Bond Ranch at Del Rio Springs LLC, an Arizona limited liability company as Trustor, First American Title Insurance Company, a California corporation as Trustee and Citicorp USA, Inc., a Delaware corporation is named as Beneficiary dated July 30, 2004 and recorded on August 2, 2004 in the office of the County recorder of Yavapai County, Arizona in Book 4173, page 189, as amended by that certain Amendment and Partial Release of Deed of Trust dated December 26, 2006, recorded January 3, 2007 at Book 4469, page 451, Records of Yavapai County, Arizona, and re-recorded on February 15, 2007 in Book 482, page 18, records of Yavapai County, Arizona and further amended by Amendment of Deed of Trust and Loan Documents dated as of April 4, 2007,

OR002781

OR002781

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

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recorded on April 17, 2007 at Book 4498, page 619, records of Yavapai County, Arizona;

Which was subsequently assigned to Del Rio Springs Loan Partners, LLC pursuant to that certain Assignment of Deed of Trust, Security Agreement, Assignment of Lease and Rents and Fixture Filing on December 29, 2008 and recorded on October 29, 2009 at Book 4703, page 767, records of Yavapai County, Arizona;

(3) The security interest claims by Del Rio Springs Loan Partners, LLC is reflected in a UCC-1 financing statement filed under Arizona Department of State UCC filing number 20111657494-3 filed on July 19, 2011, as amended; and

(4) A judgment lien arising out of a Judgment entered against The Bond Ranch at Del Rio Springs, LLC in Arizona Superior Court, Maricopa County Case No. CV2012-011073 dated September 5, 2012.

I further certify that on the 6th day of FEBRUARY, 2013, at the hour of 10:25 a.m. at the north steps of the courthouse located in Prescott, Yavapai County, Arizona, and after due and legal notice, I sold said property at public auction to **ROBERT O'REAR, an individual**, who paid a Credit Bid of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) which was the highest sum bid at said sale, with no notice of liens received as required by Arizona Revised Statute 12-1287. The property is not subject to redemption.

OR002782
OR002782

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

A3

Dated this 7th day of February, 2013.

Scott Mascher
Yavapai County Sheriff

By *Ronald Williams*
Deputy Sheriff

STATE OF ARIZONA)
)
County of Yavapai)

Deputy Ron Williams of the Yavapai County Sheriff's Office, acknowledged the foregoing instrument before me this 7th day of February, 2013.



Stephanie Surak
Notary Public

Return of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

ROBERT O'REAR, an individual,)
)
)
)
)
Plaintiff,)
)
vs.)
)
THE BOND RANCH AT DEL RIO)
SPRINGS, LLC, an Arizona limited)
liability company; DOES I-X,)
)
Defendants.)
_____)

Case No. CV2012011072

RETURN OF SHERIFF'S SALE

ARIZONA DEPARTMENT OF WATER
RESOURCES CERTIFICATE
58-106092.006

STATE OF ARIZONA)
)
County of Yavapai)

Under and by virtue of the foregoing Writ of Execution for sale in partial satisfaction of said Judgment, as required by law, and the mandate of said Writ, by causing the legal Notice of Sale to be posted ten (10) business days before said sale, by posting three printed copies of said Notice of Sale in said county, as required by law, one copy being posted at the Courthouse of Yavapai County, Arizona all for ten (10) business days before said sale.

OR002784
OR002784

Return of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

On February 6, 2013, at the hour of 10:25 a.m., at the north steps of the Courthouse of Yavapai County, Prescott, Arizona and all of said property mentioned set forth and fully described in said Notice of Sale was duly offered for sale at public auction, in partial satisfaction of said Judgment, pursuant to said Notice of Sale all of the said property so described therein was duly struck off and sold to ROBERT O'REAR, an individual, for the sum of Twenty Five Thousand Dollars and No Cents (\$25,000.00), that being the highest sum Credit bid, and said sum so bid and received did not equal the Judgment and costs of this case, this Writ of Execution is now returned partially satisfied.

I have made and delivered to said purchaser legal Certificate of Sale and have filed for record with the County Recorder of Yavapai County a duplicate of said Certificate.

The Writ of Execution is returned partially satisfied as shown by the statement of the Judgment and costs below:

Judgment	\$ 533,000.00
Interest	\$ 233,897.33
Costs	\$ 357.88
Sheriff's Fees	\$ 0.00
Total Due	\$ 767,255.21
Less Bid	\$ 25,000.00
Deficiency	\$ 742,255.21

OR002785
OR002785

Return of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Dated at Prescott, Arizona this 28th day of February, 2013.

Scott Mascher
Yavapai County Sheriff

By 
Deputy Sheriff

OR002786
OR002786

ADWR Cert #
58-106092.000e

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF YAVAPAI**

ROBERT O'REAR, an individual,	)	Case No. CV2012011072
)	
)	
	)	NOTICE OF SHERIFF'S SALE
)	
Plaintiff)	
)	
vs.)	
)	
THE BOND RANCH AT DEL RIO)	
SPRINGS, LLC, an Arizona limited)	
liability company; DOES I-X,)	
)	
Defendants.)	

WHEREAS, pursuant to an execution issued out of the above named court in the above-entitled action upon a judgment for the plaintiff ROBERT O'REAR, and against the defendants, THE BOND RANCH AT DEL RIO SPRINGS, LLC et al., entered on the 18th day of September, 2012, in the amount of Five Hundred Thirty Three Thousand Dollars (\$533,000.00), plus accruing interest at the rate of nine and one-half percent (9.5%) per annum, and costs in the sum of \$357.88 pursuant to the Plaintiff's Statement of Costs and no attorneys' fees are awarded. The right, title and interest of which THE

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

BOND RANCH, LLC et al., judgment debtor owns or may own in the following
described property is subject to sale under this execution:

ARIZONA DEPARTMENT OF WATER RESOURCES CERTIFICATE

58-106092.0006:

Any and all right, title and interest of the Judgment Debtor in and to that certain Type 1 Non-Irrigation Grandfathered Water Right in the Prescott Active Management Area identified as Arizona Department of Water Resources Certificate No. 58-106092.0006 which was extinguished by act of the Arizona Department of Water Resources yielding a credit of 18,930 acre-feet of water.

SUBJECT AND SUBORDINATE TO:

(1) A competing claim of ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of the trustee's sale and resulting Trustee's Deed recorded in the Official Records of Yavapai County, Arizona in Book 4803, page 984;

(2) A competing claim of a security interest ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of:

That certain Deed of Trust dated July 30, 2004 made by The Bond Ranch at Del Rio Springs LLC, an Arizona limited liability company as Trustor, First American Title Insurance Company, a California corporation as Trustee and Citicorp USA, Inc., a Delaware corporation is named as Beneficiary dated July 30, 2004 and recorded on August 2, 2004 in the office of the County recorder of Yavapai County, Arizona in Book 4173, page 189, as amended by that certain Amendment and Partial Release of Deed of Trust dated December 26, 2006, recorded January 3, 2007 at Book 4469, page 451, Records of Yavapai County, Arizona, and re-recorded on February 15, 2007 in Book 482, page 18, records of Yavapai County, Arizona and further amended by Amendment of Deed of Trust and Loan Documents dated as of April 4, 2007, recorded on April 17, 2007 at Book 4498, page 619, records of Yavapai County, Arizona;

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Which was subsequently assigned to Del Rio Springs Loan Partners, LLC pursuant to that certain Assignment of Deed of Trust, Security Agreement, Assignment of Lease and Rents and Fixture Filing on December 29, 2008 and recorded on October 29, 2009 at Book 4703, page 767, records of Yavapai County, Arizona;

(3) The security interest claims by Del Rio Springs Loan Partners, LLC is reflected in a UCC-1 financing statement filed under Arizona Department of State UCC filing number 20111657494-3 filed on July 19, 2011, as amended; and

(4) A judgment lien arising out of a Judgment entered against The Bond Ranch at Del Rio Springs, LLC in Arizona Superior Court, Maricopa County Case No. CV2012-011073 dated September 5, 2012.

NOTICE IS HEREBY GIVEN that I, SCOTT MASCHER, the Sheriff of Yavapai County, on the 6th day of FEBRUARY, 2013, at the hour of 10:25AM at the north steps of the Yavapai County Courthouse located in Prescott, Arizona, will sell at public auction to the highest bidder for cash all of the right, title and interest of the defendants in and to the above-described property to satisfy said judgment.

NOTICE TO JUDGMENT DEBTOR

Title 33, chapter 8, article 1 of the Arizona Revised Statutes, may permit you to protect your residence from certain types of legal process through the homestead exemption.

If you are in doubt as to your rights, you should obtain legal advice.

DATED this 23rd day of January, 2013.

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Scott Mascher
Sheriff of Yavapai County

By *Paul White*
Deputy Sheriff

STATE OF ARIZONA)
)
County of Yavapai)

Deputy Ron Williams, of the Yavapai County Sheriff's office, acknowledged the foregoing instrument before me this 23rd day of January, 2013.



Stephanie Surak
Notary Public

My commission expires March 14, 2016

ADWR Cert #
58-106092.0007

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

A3

When Recorded Return via Interoffice to:
Yavapai County Sheriff's Office
Civil Division

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

ROBERT O'REAR, an individual,	)	Case No. CV2012011072
)	
)	
	)	CERTIFICATE OF SALE
)	
Plaintiff,)	
)	
vs.)	
)	
THE BOND RANCH AT DEL RIO)	
SPRINGS, LLC, an Arizona limited)	
liability company; DOES I-X,)	
)	
Defendants.)	
)	

I, SCOTT MASCHER, Sheriff of Yavapai County, Arizona do hereby certify that under and by virtue of a Writ of Execution issued out of the above named court in the above entitled action to satisfy a judgment entered on SEPTEMBER 14, 2012, in favor of ROBERT O'REAR, an individual, and against THE BOND RANCH AT DEL RIO SPRINGS, LLC, an Arizona limited liability company; DOES I-X, defendants in the amount of FIVE HUNDRED THIRTY THREE THOUSAND DOLLARS AND NO

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

A3

CENTS (\$533,000) together with accruing interest and costs reference the right, title and interest of the judgment debtor in the following described property:

ARIZONA DEPARTMENT OF WATER RESOURCES CERTIFICATE

58-106092.0007:

Any and all right, title and interest of the Judgment Debtor in and to that certain Type 1 Non-Irrigation Grandfathered Water Right in the Prescott Active Management Area identified as Arizona Department of Water Resources Certificate No. 58-106092.0007 which was extinguished by act of the Arizona Department of Water Resources yielding a credit of 5,250 acre-feet of water.

SUBJECT AND SUBORDINATE TO:

(1) A competing claim of ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of the trustee's sale and resulting Trustee's Deed recorded in the Official Records of Yavapai County, Arizona in Book 4803, page 984;

(2) A competing claim of a security interest ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of:

That certain Deed of Trust dated July 30, 2004 made by The Bond Ranch at Del Rio Springs LLC, an Arizona limited liability company as Trustor, First American Title Insurance Company, a California corporation as Trustee and Citicorp USA, Inc., a Delaware corporation is named as Beneficiary dated July 30, 2004 and recorded on August 2, 2004 in the office of the County recorder of Yavapai County, Arizona in Book 4173, page 189, as amended by that certain Amendment and Partial Release of Deed of Trust dated December 26, 2006, recorded January 3, 2007 at Book 4469, page 451, Records of Yavapai County, Arizona, and re-recorded on February 15, 2007 in Book 482, page 18, records of Yavapai County, Arizona and further amended by Amendment of Deed of Trust and Loan Documents dated as of April 4, 2007,

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

A3

recorded on April 17, 2007 at Book 4498, page 619, records of Yavapai County, Arizona;

Which was subsequently assigned to Del Rio Springs Loan Partners, LLC pursuant to that certain Assignment of Deed of Trust, Security Agreement, Assignment of Lease and Rents and Fixture Filing on December 29, 2008 and recorded on October 29, 2009 at Book 4703, page 767, records of Yavapai County, Arizona;

(3) The security interest claims by Del Rio Springs Loan Partners, LLC is reflected in a UCC-1 financing statement filed under Arizona Department of State UCC filing number 20111657494-3 filed on July 19, 2011, as amended; and

(4) A judgment lien arising out of a Judgment entered against The Bond Ranch at Del Rio Springs, LLC in Arizona Superior Court, Maricopa County Case No. CV2012-011073 dated September 5, 2012.

I further certify that on the 6th day of FEBRUARY, 2013, at the hour of 10:15 a.m. at the north steps of the courthouse located in Prescott, Yavapai County, Arizona, and after due and legal notice, I sold said property at public auction to **ROBERT O'REAR, an individual**, who paid a Credit Bid of TWENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$25,000.00) which was the highest sum bid at said sale, with no notice of liens received as required by Arizona Revised Statute 12-1287. The property is not subject to redemption.

OR002794
OR002794

Certificate of Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

A3

Dated this 7th day of February, 2013.

Scott Mascher
Yavapai County Sheriff

By Ronald Williams
Deputy Sheriff

STATE OF ARIZONA)
)
County of Yavapai)

Deputy Ron Williams of the Yavapai County Sheriff's Office, acknowledged the foregoing instrument before me this 7th day of February, 2013.



Stephanie Surak
Notary Public

Return of Sheriff's Sale
 O'REAR
 vs
 THE BOND RANCH et al
 Process #12-02331

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 IN AND FOR THE COUNTY OF MARICOPA

ROBERT O'REAR, an individual,	)	Case No. CV2012011072
)	
)	
	)	RETURN OF SHERIFF'S SALE
)	
Plaintiff,	)	ARIZONA DEPARTMENT OF WATER
	)	RESOURCES CERTIFICATE
vs.	)	#58-106092.007
)	
THE BOND RANCH AT DEL RIO)	
SPRINGS, LLC, an Arizona limited)	
liability company; DOES I-X,)	
)	
Defendants.)	
<hr/>		

STATE OF ARIZONA)
)
 County of Yavapai)

Under and by virtue of the foregoing Writ of Execution for sale in partial satisfaction of said Judgment, as required by law, and the mandate of said Writ, by causing the legal Notice of Sale to be posted ten (10) business days before said sale, by posting three printed copies of said Notice of Sale in said county, as required by law, one copy being posted at the Courthouse of Yavapai County, Arizona all for ten (10) business days before said sale.

Return of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

On February 6, 2013, at the hour of 10:15 a.m., at the north steps of the Courthouse of Yavapai County, Prescott, Arizona and all of said property mentioned set forth and fully described in said Notice of Sale was duly offered for sale at public auction, in partial satisfaction of said Judgment, pursuant to said Notice of Sale all of the said property so described therein was duly struck off and sold to ROBERT O'REAR, an individual, for the sum of Twenty Five Thousand Dollars and No Cents (\$25,000.00), that being the highest sum Credit bid, and said sum so bid and received did not equal the Judgment and costs of this case, this Writ of Execution is now returned partially satisfied.

I have made and delivered to said purchaser legal Certificate of Sale and have filed for record with the County Recorder of Yavapai County a duplicate of said Certificate.

The Writ of Execution is returned partially satisfied as shown by the statement of the Judgment and costs below:

Judgment	\$ 533,000.00
Interest	\$ 233,897.33
Costs	\$ 357.88
Sheriff's Fees	\$ 0.00
Total Due	\$ 767,255.21
Less Bid	\$ 25,000.00
Deficiency	\$ 742,255.21

Return of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Dated at Prescott, Arizona this 28th day of February, 2013.

Scott Mascher
Yavapai County Sheriff

By 
Deputy Sheriff

OR002798
OR002798

ADWR CeA#
58-106092.0007

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF YAVAPAI

ROBERT O'REAR, an individual,	)	Case No. CV2012011072
)	
)	
	)	NOTICE OF SHERIFF'S SALE
)	
Plaintiff)	
)	
vs.)	
)	
THE BOND RANCH AT DEL RIO)	
SPRINGS, LLC, an Arizona limited)	
liability company; DOES I-X,)	
)	
Defendants.)	

WHEREAS, pursuant to an execution issued out of the above named court in the above-entitled action upon a judgment for the plaintiff ROBERT O'REAR, and against the defendants, THE BOND RANCH AT DEL RIO SPRINGS, LLC et al., entered on the 18th day of September, 2012, in the amount of Five Hundred Thirty Three Thousand Dollars (\$533,000.00), plus accruing interest at the rate of nine and one-half percent (9.5%) per annum, and costs in the sum of \$357.88 pursuant to the Plaintiff's Statement of Costs and no attorneys' fees are awarded. The right, title and interest of which THE

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

BOND RANCH, LLC et al., judgment debtor owns or may own in the following
described property is subject to sale under this execution:

ARIZONA DEPARTMENT OF WATER RESOURCES CERTIFICATE

58-106092.0007:

Any and all right, title and interest of the Judgment Debtor in and to that certain Type 1 Non-Irrigation Grandfathered Water Right in the Prescott Active Management Area identified as Arizona Department of Water Resources Certificate No. 58-106092.0007 which was extinguished by act of the Arizona Department of Water Resources yielding a credit of 5,250 acre-feet of water.

SUBJECT AND SUBORDINATE TO:

(1) A competing claim of ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of the trustee's sale and resulting Trustee's Deed recorded in the Official Records of Yavapai County, Arizona in Book 4803, page 984;

(2) A competing claim of a security interest ownership on the part of Del Rio Springs Loan Partners, LLC by virtue of:

That certain Deed of Trust dated July 30, 2004 made by The Bond Ranch at Del Rio Springs LLC, an Arizona limited liability company as Trustor, First American Title Insurance Company, a California corporation as Trustee and Citicorp USA, Inc., a Delaware corporation is named as Beneficiary dated July 30, 2004 and recorded on August 2, 2004 in the office of the County recorder of Yavapai County, Arizona in Book 4173, page 189, as amended by that certain Amendment and Partial Release of Deed of Trust dated December 26, 2006, recorded January 3, 2007 at Book 4469, page 451, Records of Yavapai County, Arizona, and re-recorded on February 15, 2007 in Book 482, page 18, records of Yavapai County, Arizona and further amended by Amendment of Deed of Trust and Loan Documents dated as of April 4, 2007, recorded on April 17, 2007 at Book 4498, page 619, records of Yavapai County, Arizona;

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Which was subsequently assigned to Del Rio Springs Loan Partners, LLC pursuant to that certain Assignment of Deed of Trust, Security Agreement, Assignment of Lease and Rents and Fixture Filing on December 29, 2008 and recorded on October 29, 2009 at Book 4703, page 767, records of Yavapai County, Arizona;

(3) The security interest claims by Del Rio Springs Loan Partners, LLC is reflected in a UCC-1 financing statement filed under Arizona Department of State UCC filing number 20111657494-3 filed on July 19, 2011, as amended; and

(4) A judgment lien arising out of a Judgment entered against The Bond Ranch at Del Rio Springs, LLC in Arizona Superior Court, Maricopa County Case No. CV2012-011073 dated September 5, 2012.

NOTICE IS HEREBY GIVEN that I, SCOTT MASCHER, the Sheriff of Yavapai County, on the 6th day of FEBRUARY, 2013, at the hour of 10:15AM at the north steps of the Yavapai County Courthouse located in Prescott, Arizona, will sell at public auction to the highest bidder for cash all of the right, title and interest of the defendants in and to the above-described property to satisfy said judgment.

NOTICE TO JUDGMENT DEBTOR

Title 33, chapter 8, article 1 of the Arizona Revised Statutes, may permit you to protect your residence from certain types of legal process through the homestead exemption.

If you are in doubt as to your rights, you should obtain legal advice.

DATED this 23rd day of January, 2013.

Notice of Sheriff's Sale
O'REAR
vs
THE BOND RANCH et al
Process #12-02331

Scott Mascher
Sheriff of Yavapai County

By 
Deputy Sheriff

STATE OF ARIZONA)
)
County of Yavapai)

Deputy Ron Williams, of the Yavapai County Sheriff's office, acknowledged the foregoing instrument before me this 23rd day of January, 2013.




Notary Public

My commission expires March 14, 2016

THIS IS A CONFORMED COPY OF INSTRUMENT
RECORDED ON DATE 3-6-13 TIME 3:19pm
IN BOOK 4942 PAGE 301
LESLIE M. HOFFMAN, RECORDER
Leslie M. Hoffman DEPUTY

When Recorded return to:

Alex B. Vakula
THE VAKULA LAW FIRM, PLC
Post Office Box 3500
Prescott, Arizona 86302

ASSIGNMENT

Assignment concerning the Certificates of Sale recorded in the Official Records of Yavapai County on February 11, 2013 at Book 4936, Page 869, Book 4936, Page 870, Book 4936, Page 871, Book 4936, Page 872, Book 4936, Page 873, Book 4936, Page 874, and Book 4936, Page 875.

#884028 v1 / 42331-001

OR002370
OR002370

ASSIGNMENT

ROBERT O'REAR (the "Grantor"), for good and adequate consideration, hereby conveys, assigns and quit claims to DEL RIO SPRINGS LOAN PARTNERS, LLC, a state of Washington limited liability company (the "Grantee"), all of the Grantor's right, title and interest in and to the each of the following Certificates of Sale (collectively the "Certificates") and all of Grantor's right, title and interest in and to all property of any kind referenced in each of the Certificates:

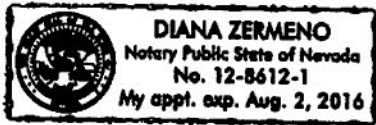
1. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 869 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008086);
2. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 870 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008087);
3. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 871 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008088);
4. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 872 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008089);
5. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 873 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008090);
6. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 874 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008091); and
7. Certificate of Sale dated February 7, 2013 from the Sheriff of Yavapai County, Arizona in favor of Grantor Robert O'Rear, recorded with the Office of the Yavapai County Recorder on February 11, 2013 at Book 4936, Page 875 of the Official Records of Yavapai County, Arizona (Yavapai County Recording No. 2013-0008092).

Dated this 25th day of February, 2013.

[Signature]
ROBERT O'REAR

State of Nevada)
County of Clark) ss.

The foregoing instrument was acknowledged before me this 25 day of February, 2013,
by ROBERT O'REAR.



[Signature]
NOTARY PUBLIC
My commission expires: 8/2/2016

AZ CORPORATION COMMISSION
FILED

3 / 5



JUN 24 2011

FILE NO. B-1689781-3

APPLICATION FOR REGISTRATION
OF A FOREIGN LIMITED LIABILITY COMPANY
Pursuant to A.R.S. §28-802

1. The following form must contain an entity which may be "limited liability company," "limited liability partnership," "LLC," "L.P.," "LLP" or "LP." If you are the holder or purveyor of a trade name, attach a copy of the trade name certificate. If your name is not available for use in Arizona, you must adopt a "doing as" name and provide a resolution adopting the business name. The resolution must be signed by a member or member of a partnership, whichever is applicable.

2. Provide the name of the state of country under which your company was formed.

3. Provide the date on which your company was formed or organized in the state or country of formation.

4. Provide the general character of business your firm is to conduct in Arizona.

5. The statutory agent must provide a street address. If statutory agent has a P.O. Box, then they must also provide a street address.

1. The name of the foreign limited liability company is: Del Rio Springs Loan Partners, LLC

1. a. If the exact name of the foreign limited liability company is not available for use in this state or does not meet the requirements of A.R.S. § 28-802, then the business name adopted for use by the limited liability company in Arizona is: _____

2. The company is organized under the laws of: Washington (State or Country)

3. The date of the company's formation is: January 28, 2008

4. The purpose of the company or the general character of business it proposes to conduct in Arizona is: Land development

5. The name and street address of the statutory agent for the foreign limited liability company in Arizona is: National Registered Agents, Inc.
626 North First Avenue
Phoenix, AZ 85004

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

I, National Registered Agents, Inc., having been designated to act as (stat agent) statutory agent, hereby consent to act in that capacity until removed or resignation is effected in accordance with the Arizona Revised Statutes.

Signature: [Signature] Jose Castellanos, Stat. Secretary
National Registered Agents, Inc.

If signing on behalf of a company, print company name here

2011/06/24 15:57:41 4 /5

6. Check A or B to show which management structure will be applicable to your company. Provide name and address for each person, and check whether they are member, manager, or both.

7. If the state or country of formation does not require an address to be maintained, provide the exact address of the secretary agent in the state or country of formation.

The application must be signed by a member or manager, an authorized agent, or by a duly authorized agent.

Attach a certificate of existence or document of similar import duly authenticated within 90 days of its delivery to the A.C.C. by the filing office or county clerk of the state or county under which the LLC is formed.

6. Management Structure (check A or B):
A Management of the limited liability company is vested in a manager or managers. Give the name and address of each and every manager **And** of each and every member who owns a twenty percent or greater interest in the capital or profits of the limited liability company, and check off member and/or manager.

Name: James F. Brown Name: Robert O'Rear
[Member] [Manager] [Member] [Manager]
Address: 528 West Highland Dr. Address: 9001 NE 28th St

City, State, Zip: Seattle, WA 98119 City, State, Zip: Clyde Hill, WA 98004

Name: member manager Name: member manager

Address: _____ Address: _____

City, State, Zip: _____ City, State, Zip: _____

B Management of the limited liability company is vested in the members. Give the name and address of each and every member.

Name: _____ Name: _____

Address: _____ Address: _____

City, State, Zip: _____ City, State, Zip: _____

Name: _____ Name: _____

Address: _____ Address: _____

City, State, Zip: _____ City, State, Zip: _____

7. Give the address of the office required to be maintained in the state or country of formation.

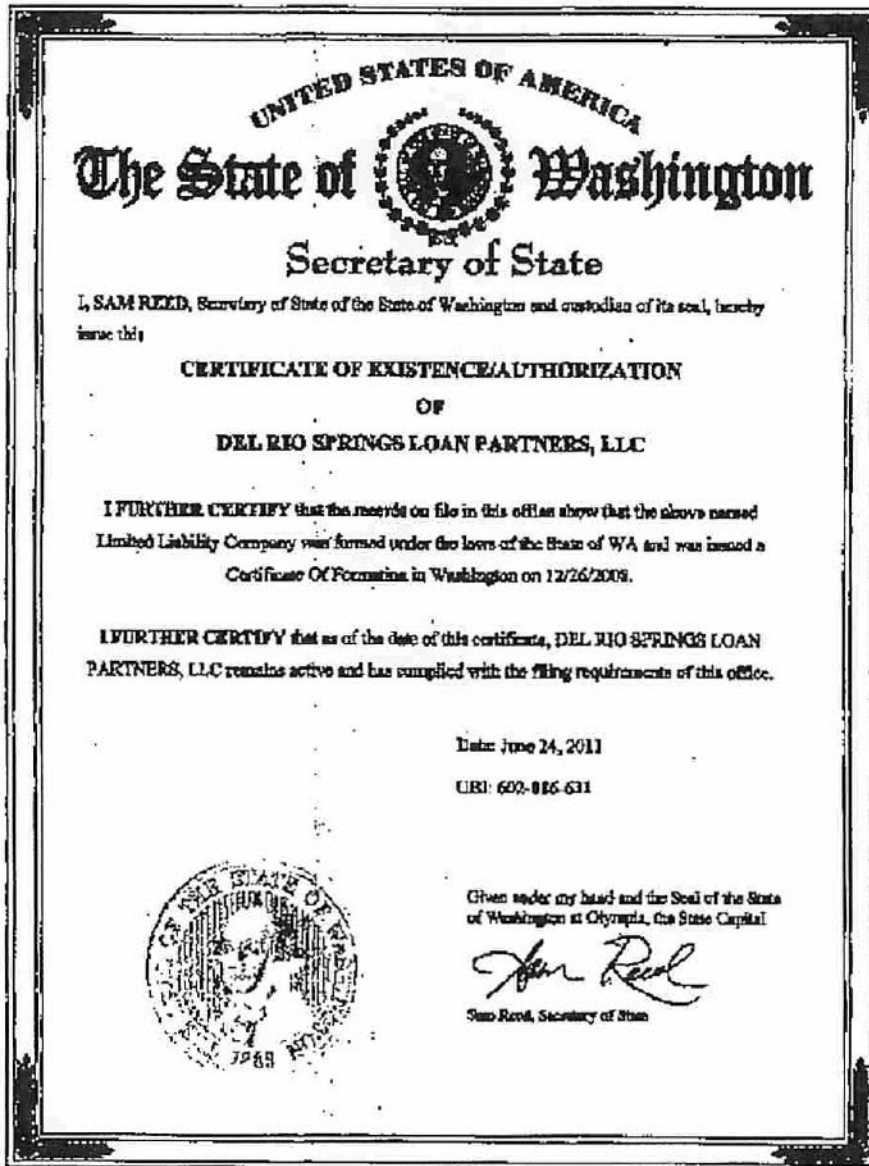
12417 Midway Ave. Ste 200

Seattle, WA 98148

Executed on the 24th day of June, 2011

Signature:  James L. Smith, Jr.
File name (check one) Director Manager Authorized Agent

PHONE: 206 223 1518 FAX: 206 882 7100



THE STOREY LAWYERS, PLC
6515 N. 12TH STREET, SUITE C
PHOENIX, ARIZONA 85014
PHONE: (602) 803-8811
WWW.STOREYLAWYERS.COM

58-106092.0010
58-106092-0011

RECEIVED

JUL 22 2016

ADWR

July 22, 2016

VIA HAND DELIVERY:

ARIZONA DEPARTMENT OF WATER RESOURCES
1110 W. Washington St., Suite 310
Phoenix, Arizona 85007

RE: Assignment of Extinguishment Credits/Certificate No. 58-106092.0008

COPY

Dear Sir or Madam:

Enclosed please find the Original Extinguishment Certificate No. 58-106092.0008 issued to Del Rio Loan Partners, LLC. ("Del Rio") for 18,930 acre-feet of assured water supply credits. Also enclosed is an original notarized Conveyance of Extinguishment Credits for 2000 acre-feet of assured water supply credits that was executed by Del Rio in favor of Joseph A. Galando.

Please issue two new Extinguishment Certificates as follows:

1. Certificate for 16,930 acre-feet to Del Rio Loan Partners, LLC., and
2. Certificate for 2,000 acre-feet to Joseph A. Galando.

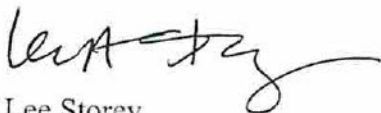
The Extinguishment Credits are not being pledged by either party at this time.

Also enclosed is check # 3286 for \$250.00 to effectuate the assignment and issuance of the new certificates.

Please return the two new original certificates to our firm for delivery to the parties.

If you have any questions, please feel free to contact me.

With kind regards,



Lee Storey

Enclosures:

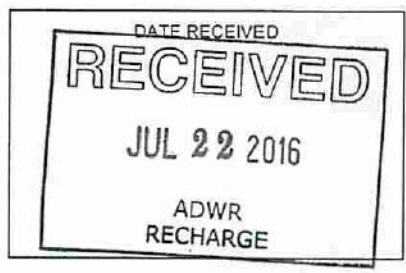
Original Extinguishment Credits Certificate #58-106092.0008
Original Notarized Conveyance of Extinguishment Credits

58-106092.0011
58-106092.0010



Arizona Department of Water Resources
Office of Assured and Adequate Water Supply
3550 N. Central Ave, 2nd Floor
Phoenix, Arizona 85012
(602) 771-8599
Web: www.azwater.gov

**Conveyance
of Extinguishment Credits**
A.A.C. R12-15-723



- ❖ The Credit holder's signature on this form must be notarized.
- ❖ **FEES: The fee for a Conveyance of Extinguishment Credits is \$250.00.** Payment may be made by cash, check, or credit card (if you wish to pay by credit card, please contact the Office of Assured and Adequate Water Supply at 602-771-8599). Checks should be made payable to the Arizona Department of Water Resources. **Failure to enclose the fee will cause the form to be returned. Fees for a Conveyance of Extinguishment Credits are authorized by A.R.S. § 45-113 and A.A.C. R12-15-104.**
- ❖ The effective date of this conveyance is the date of Notarization.
- ❖ Enclose the original extinguishment document for the first conveyance. If the original document has been lost, a notarized statement to this effect must be submitted.
- ❖ Once extinguishment credits are pledged to a Certificate of Assured Water Supply, they may not be re-conveyed.
- ❖ In the case of a change in ownership of the subdivision, use this form to re-convey the credits to the same subdivision. You may choose to withdraw the pledged credits in the case of a change in ownership, but only if no lots have been sold.
- ❖ Extinguishment credits may not be transferred or pledged outside of the active management area in which they originated.

The undersigned party hereby notifies the Arizona Department of Water Resources of the Conveyance of the following extinguishment credits:

COPY

EXTINGUISHMENT DOCUMENT NUMBER 58 - 1 0 6 0 9 2 . 0 0 0 8	ACTIVE MANAGEMENT AREA (CHECK ONE) <input type="checkbox"/> Phoenix <input type="checkbox"/> Pinal <input checked="" type="checkbox"/> Prescott <input type="checkbox"/> Tucson
AMOUNT OF CREDITS ON CURRENT EXTINGUISHMENT DOCUMENT 18,930 Acre-Feet	CREDITS ARE BEING PLEDGED TO (CHECK ONE):
AMOUNT OF CREDITS TO BE CONVEYED 2,000 Acre-Feet	<input type="checkbox"/> DESIGNATED WATER PROVIDER DWR NO. 26-
	<input type="checkbox"/> CERTIFICATE OF ASSURED WATER SUPPLY DWR NO. 27-
	<input checked="" type="checkbox"/> CREDITS ARE NOT BEING PLEDGED AT THIS TIME

58-106092.0010 (Galando)
58-106092.0011 (remaining 16,930 af Del Rio)

Creditholder	If credits are not being pledged at this time, convey to:
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL Del Rio Springs Loan Partners, LLC	FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL Joseph A. Galando
MAILING ADDRESS 9001 NE 26th Street	MAILING ADDRESS 3124 SW 171st Street
CITY / STATE / ZIP CODE Bellevue, Washington 98004	CITY / STATE / ZIP CODE Seattle, Washington 98166
CONTACT PERSON NAME AND TITLE Robert O'Rear, Member and Co-Manager	CONTACT PERSON NAME AND TITLE Joseph A. Galando
TELEPHONE NUMBER FAX (425) 753-1429	TELEPHONE NUMBER FAX (206) 243-3939
Sign in the presence of a Notary Public	
SIGNATURE OF CREDITHOLDER <i>Robert O'Rear</i>	DATE 7/18/2016

SB-106092.0011
 SB-106092.0010

NOTARY PUBLIC ACKNOWLEDGMENT

STATE OF ~~ARIZONA~~ WASHINGTON,)
 COUNTY OF King)§

Subscribed and sworn to before me by Robert O'Rear DelRio Springs Loan Partners, L
 this 18th day of July, 2016 (SELLER)

Michael R Morrison
 NOTARY PUBLIC SIGNATURE
1012112016
 DATE COMMISSION EXPIRES

(SEAL)
 Notary Public
 State of Washington
 MICHAEL R MORRISON
 My Appointment Expires Oct 21, 2016

COPY

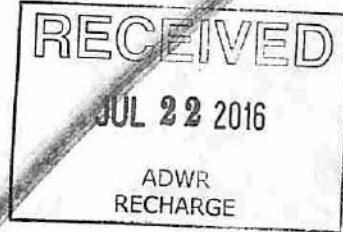
RECEIVED
 JUL 22 2016
 ADWR
 RECHARGE

Extinguishment Certificate

STATE OF ARIZONA DEPARTMENT OF WATER RESOURCES

Pursuant to the provisions of
A.R.S. § 45-576 and R12-15-723

Del Rio Loan Partners, LLC
9001 NE 26th Street
Bellevue, Washington 98004



has acquired Assured Water Supply Credits from Certificate No. 58-106092.0006.

A New Extinguishment Certificate No.

58-106092.0008

has been issued in the
PRESCOTT ACTIVE MANAGEMENT AREA

The value of this extinguishment certificate totals 18,930.00 acre-feet of assured water supply credits;
these credits have not been pledged.

CONVEYED
- 0010 (2,000 af)
- 0011 (16,930 af)



Extinguishment Certificate No. 58-106092.0008 is effective as of
the 24th day of June, 2011

Richard B. Obenshain

Richard B. Obenshain, Manager
Assured and Adequate Water Supply/Recharge Programs

Arizona Department of Water Resources

3550 N Central Ave.
Phoenix AZ 85012

Customer:

STOREY LAWYERS PLC
6515 N 12TH STREET, SUITE C
PHOENIX, AZ 85014

Receipt #: 17-46586
Office: MAIN OFFICE
Receipt Date: 08/01/2016
Sale Type: IN_PERSON
Cashier: WRSZR

Item No.	Index	AOBJ	Description	Ref ID	Qty	Unit Price	Ext Price
67527	15248	4336-TT	Conveyance of extinguishment credits	58-106092.0010	1	250.00	250.00
RECEIPT TOTAL:							250.00

Payment type: CHECK

Amount Paid: \$250.00

Payment Received Date: 08/01/2016

Check #	3286
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Notes: FROM TTA. PARTIAL CONVEYANCE OF 2000 AF EXTINGUISHMENT CREDITS FROM DEL RIO LOAN PARTNERS LLC (58-106092.0008) TO JOSEPH GALANDO (58-106092.0010). REMAINING 16,930 AF EXTINGUISHMENT CREDITS ARE ASSIGNED TO DEL RIO LOAN PARTNERS LLC (58-106092.0011).

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