

# Application for a Permit to Use Surface Water



Oregon Water Resources Department  
725 Summer Street NE, Suite A  
Salem, Oregon 97301-1266  
(503) 986-0900  
www.wrd.state.or.us

## Water-Use Permit Application Processing

### 1. Completeness Determination

The Department evaluates whether the application and accompanying map contain all of the information required under OAR 690-310-0040 and OAR 690-310-0050 ([www.oregon.gov/owrd/law.oar](http://www.oregon.gov/owrd/law.oar)). The Department also determines whether the proposed use is prohibited by statute. If the Department determines that the application is incomplete, all fees have not been paid, or the use is prohibited by statute, the application and all fees submitted are returned to the applicant.

### 2. Initial Review

The Department reviews the application to determine whether water is available during the period requested, whether the proposed use is restricted or limited by rule or statute, and whether other issues may preclude approval of or restrict the proposed use. An Initial Review (IR) containing preliminary determinations is mailed to the applicant. The applicant has 14 days from the mailing date to withdraw the application from further processing and receive a refund of all fees paid minus \$200. The applicant may put the application on hold for up to 180 days and may request additional time if necessary.

### 3. Public Notice

Within 7 days of the mailing of the initial review, the Department gives public notice of the application in the weekly notice published by the Department at [www.oregon.gov/owrd](http://www.oregon.gov/owrd). The public comment period is 30 days from publication in the weekly notice.

### 4. Proposed Final Order Issued

The Department reviews any comments received, including comments from other state agencies related to the protection of sensitive, threatened or endangered fish species. Within 60 days of completion of the IR, the Department issues a Proposed Final Order (PFO) explaining the proposed decision to deny or approve the application. A PFO proposing approval of an application will include a draft permit, and may request additional information or outstanding fees required prior to permit issuance.

### 5. Public Notice

Within 7 days of issuing the PFO, the Department gives public notice in the weekly notice. Notice includes information about the application and the PFO. Protest must be received by the Department within 45 days after publication of the PFO in the weekly notice. Anyone may file a protest. The protest filing fee is \$350.00 for the applicant and \$700.00 for non-applicants. Protests are filed on approximately 10% of Proposed Final Orders. If a protest is filed the Department will attempt to settle the protest but will schedule a contested case hearing if necessary.

### 6. Final Order Issued

If no protests are filed, the Department can issue a Final Order within 60 days of the close of the period for receiving protest. If the application is approved, a permit is issued. The permit specifies the details of the authorized use and any terms, limitations or conditions that the Department deems appropriate.

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# Minimum Requirements Checklist

Minimum Requirements (OAR 690-310-0040, OAR 690-310-0050 & ORS 537.140)

## Include this checklist with the application

**Check that each of the following items is included.** The application will be returned if all required items are not included. If you have questions, please call the Water Rights Customer Service Group at (503) 986-0900.

- SECTION 1: applicant information and signature
- SECTION 2: property ownership
- SECTION 3: source of water requested
- SECTION 4: water use
- SECTION 5: water management
- SECTION 6: resource protection
- SECTION 7: project schedule
- SECTION 8: within a district
- SECTION 9: remarks

### Attachments:

- 
- Land Use Information Form with approval and signature (*must be an original*) or signed receipt (See Attachment 1)
  - Provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map. (See Attachment 2)
  - Fees - Amount enclosed: \$ \$1,729  
See the Department's Fee Schedule at [www.oregon.gov/owrd](http://www.oregon.gov/owrd) or call (503) 986-0900.

### Provide a map and check that each of the following items is included: (See Attachment 3)

- 
- Permanent quality and drawn in ink
  - Even map scale not less than 4" = 1 mile (example: 1" = 400 ft, 1" = 1320 ft, etc.)
  - North Directional Symbol
  - Township, Range, Section, Quarter/Quarter, Tax Lots
  - Reference corner on map
  - Location of each well, and/or dam if applicable, by reference to a recognized public land survey corner (distances north/south and east/west)
  - Indicate the area of use by Quarter/Quarter and tax lot clearly identified
  - Number of acres per Quarter/Quarter and hatching to indicate area of use if for primary irrigation, supplemental irrigation, or nursery
  - Location of main canals, ditches, pipelines or flumes (if well is outside of the area of use)
  - Other:

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# Application for a Permit to Use Surface Water



**Oregon Water Resources Department**  
725 Summer Street NE, Suite A  
Salem Oregon 97301-1266  
(503) 986-0900  
www.wrd.state.or.us

## SECTION 1: APPLICANT INFORMATION AND SIGNATURE

### Applicant Information

NAME		PHONE (HM)	
PHONE (WK)	CELL		FAX
ADDRESS			
CITY	STATE	ZIP	E-MAIL *

### Organization Information

NAME AZALEA ROJO, LLC C/O AGIS CAPITAL		PHONE	FAX
ADDRESS 745 BOYLSTON STREET, SUITE 207		CELL 704-604-2988	
CITY BOSTON	STATE MA	ZIP 02116	E-MAIL *

### Agent Information – The agent is authorized to represent the applicant in all matters relating to this application.

AGENT / BUSINESS NAME GSI WATER SOLUTIONS, INC.		PHONE 541-257-9004	FAX 541-754-4211
ADDRESS 1600 SW WESTERN BLVD, SUITE 240		CELL	
CITY CORVALLIS	STATE OR	ZIP 97333	E-MAIL * KGRIGSBY@GSIWS.COM

Note: Attach multiple copies as needed

\* By providing an e-mail address, consent is given to receive all correspondence from the department electronically. (paper copies of the final order documents will also be mailed.)

### By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- The Department encourages all applicants to wait for a permit to be issued before beginning construction of any proposed diversion. Acceptance of this application does not guarantee a permit will be issued.
- If I begin construction prior to the issuance of a permit, I assume all risks associated with my actions.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be cancelled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water right holders to get water to which they are entitled.

I (we) affirm that the information contained in this application is true and accurate.

Applicant Signature

Applicant Signature

Print Name and title if applicable

Print Name and title if applicable

Date

Date

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Revised

App. No. 2-88889

For Department Use

Permit No. \_\_\_\_\_

Date \_\_\_\_\_

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**SECTION 2: PROPERTY OWNERSHIP**

Please indicate if you own all the lands associated with the project from which the water is to be diverted, conveyed, and used.

- Yes
  - There are no encumbrances.
  - This land is encumbered by easements, rights of way, roads or other encumbrances.
- No
  - I have a recorded easement or written authorization permitting access. **(See Attachment 4.)**
  - I do not currently have written authorization or easement permitting access.
  - Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigation and/or domestic use only (ORS 274.040).
  - Water is to be diverted, conveyed, and/or used only on federal lands.

List the names and mailing addresses of all affected landowners (*attach additional sheets if necessary*).

Ray P. and Beth A. McLaughlin, PO Box 2558, 3200 Strickland Canyon Road, Winston, OR 97496

***You must provide the legal description of: 1. The property from which the water is to be diverted, 2. Any property crossed by the proposed ditch, canal or other work, and 3. Any property on which the water is to be used as depicted on the map. See Attachment 2 for the legal description for the property on which the Applicant's proposed place of use and intake will be located.***

**SECTION 3: SOURCE OF WATER**

**A. Proposed Source of Water**

Provide the commonly used name of the water body from which water will be diverted, and the name of the stream or lake it flows into. If unnamed, say so:

Source 1: Ben Irving Reservoir                      Tributary to: Berry Creek

Source 2: \_\_\_\_\_                                      Tributary to: \_\_\_\_\_

If any source listed above is stored water that is authorized under a water right permit, certificate, or decree, attach a copy of the document or list the document number (for decrees, list the volume, page and/or decree name). Water right certificates 80425 and 89035, in the name of Douglas County (See Attachment 5). The Lookingglass-Olalla Water Control District is responsible for managing and issuing contracts for the water stored under these water rights.

**B. Applications to Use Stored Water**

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Do you, or will you, own the reservoir(s) described in item 3A above?

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- Yes.
- No. (Please enclose a copy of your written notification to the operator of the reservoir of your intent to file this application, which you should have already mailed or delivered to the operator.) **(See Attachment 6)**

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S-08079

If *all* sources listed in item 3A are stored water, the Department will review your application using the expedited process provided in ORS 537.147, unless you check the box below. Please see the instruction booklet for more information.

By checking this box, you are requesting that the Department process your application under the standard process outlined in ORS 537.150 and 537.153, rather than the expedited process provided by ORS 537.147. To file an application under the standard process, you must enclose the following:

- A copy of a signed non-expired contract or other agreement with the owner of the reservoir (if not you) to impound the volume of water you propose to use in this application.
- A copy of your written agreement with the party (if any) delivering the water from the reservoir to you.

**SECTION 4: WATER USE**

Provide the amount of water you propose to use from each source, for each use, in cubic feet-per-second (cfs) or gallons-per-minute (gpm). If the proposed use is from storage, provide the amount in acre-feet (af):  
*(1 cfs equals 448.8 gpm. 1 acre-foot equals 325,851 gallons or 43,560 cubic feet)*

SOURCE	USE	PERIOD OF USE	AMOUNT
Ben Irving Reservoir	Irrigation	March 1—October 31	608 <input type="checkbox"/> cfs <input checked="" type="checkbox"/> gpm <input type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af
			<input type="checkbox"/> cfs <input type="checkbox"/> gpm <input type="checkbox"/> af

**For irrigation use only:**

Please indicate the number of primary and supplemental acres to be irrigated.

Primary: 165.7 Acres                      Supplemental: \_\_\_\_\_ Acres

List the Permit or Certificate number of the underlying primary water right(s): Permit S-46786 is currently associated with most of the proposed place of use but the claim of beneficial use for this permit, which is currently under development, will not include these acres. (See Section 9. Remarks)

Indicate the maximum total number of acre-feet you expect to use in an irrigation season: 1.5 acre feet per acre

- If the use is **municipal or quasi-municipal**, attach **Form M**
- If the use is **domestic**, indicate the number of households: \_\_\_\_\_
- If the use is **mining**, describe what is being mined and the method(s) of extraction:

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S-88089

## SECTION 5: WATER MANAGEMENT

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## A. Diversion and Conveyance

What equipment will you use to pump water from your source?

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 Pump (give horsepower and type): 50 HP Berkeley Pump Other means (describe): \_\_\_\_\_

Provide a description of the proposed means of diversion, construction, and operation of the diversion works and conveyance of water.

The Applicant intends to construct a trench in the creek bed and place a 12-inch perforated pipe in the trench. The pipe will be covered with a fabric cover and non-native gravel. The water will be piped to a dry well, which will act as a bulge in the system. A 10-inch suction line will remove the water from the dry well. Water will be conveyed to the vineyards via 8-inch pipelines.

## B. Application Method

What equipment and method of application will be used? (e.g., drip, wheel line, high-pressure sprinkler)

The place of use will be irrigated using drip irrigation.

## C. Conservation

Please describe why the amount of water requested is needed and measures you propose to: prevent waste; measure the amount of water diverted; prevent damage to public uses of affected surface waters.

The Applicant is requesting this permit to authorize the use of up to 249 acre-feet of stored water for which the Applicant has requested a contract from the Lookingglass-Olalla Water Control District. The Applicant intends to irrigate a vineyard using drip irrigation in order to conserve water. The point of diversion will be equipped with a flowmeter to measure water being diverted from Lookingglass Creek. The flowmeter will record the amount of water pumped in an effort to prevent waste. The proposed use of stored water is not expected to cause damage to public uses of Lookingglass Creek.

## SECTION 6: RESOURCE PROTECTION

In granting permission to use water from a stream or lake, the state encourages, and in some instances requires, careful control of activities that may affect the waterway or streamside area. See instruction guide for a list of possible permit requirements from other agencies. Please indicate any of the practices you plan to undertake to protect water resources.

- N/A  Diversion will be screened to prevent uptake of fish and other aquatic life.  
Describe planned actions: To prevent uptake of fish and other aquatic life, the Applicant is not requesting to place an intake pipe into the creek. Instead, water will be diverted via a perforated pipe in the stream bed that is covered with non-native gravels.
- Excavation or clearing of banks will be kept to a minimum to protect riparian or streamside areas.  
Describe planned actions: During construction, excavation or clearing of banks during construction will be kept to a minimum and efforts will be made to protect riparian and streamside areas.
- Operating equipment in a water body will be managed and timed to prevent damage to aquatic life.  
Describe: During construction, equipment will only be operated in the creek during the in-water work period. Use of water under this permit will not require operating equipment in the creek.
- Water quality will be protected by preventing erosion and run-off of waste or chemical products.  
Describe: The Applicant will protect water quality by preventing erosion to the maximum extent possible.

**SECTION 7: PROJECT SCHEDULE**

Date construction will begin: Within 5 years of permit issuance

Date construction will be completed: Within 5 years of permit issuance

Date beneficial water use will begin: Within 5 years of permit issuance

**SECTION 8: WITHIN A DISTRICT**

Check here if the point of diversion or place of use are located within or served by an irrigation or other water district.

Irrigation District Name Lookingglass-Olalla Water Control District	Address PO Box 1579	
City Roseburg	State Oregon	Zip 97470

**SECTION 9: REMARKS**

Use this space to clarify any information you have provided in the application.

The Applicant is requesting a water use permit to divert stored water from Ben Irving Reservoir at a rate of up to 608 gpm (1.35 cfs), and limited to a maximum volume of 249 acre-feet for irrigation, for irrigation of 165.7 acres of vineyard. (This equates to a duty of 1.5 acre-feet per acre.) The Applicant has requested a contract for the use of stored water from Lookingglass-Olalla Water Control District (LOWCD), which manages the water from Ben Irving Reservoir.

Most of the proposed place of use is within the current authorized place of use of Permit S-46786, which is held by LOWCD. However, stored water has not been used on the property to date and the LOWCD is in the process of developing a claim of beneficial use (COBU) for Permit S-46786, which is expected to be filed later this year. The proposed place of use will not be included in the COBU for Permit S-46786. (See letter from Evan Barnes, Manager of LOWCD in Attachment 7.) As a result, the requested permit will not result in two primary irrigation rights associated with the proposed place of use.

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**SALEM, OR**

# Land Use Information Form



Oregon Water Resources Department  
725 Summer Street NE, Suite A  
Salem, Oregon 97301-1266  
(503) 986-0900  
www.wrd.state.or.us

## NOTE TO APPLICANTS

In order for your application to be processed by the Water Resources Department (WRD), this Land Use Information Form must be completed by a local government planning official in the jurisdiction(s) where your water right will be used and developed. The planning official may choose to complete the form while you wait, or return the receipt stub to you. Applications received by WRD without the Land Use Form or the receipt stub will be returned to you. Please be aware that your application will not be approved without land use approval.

**This form is NOT required if:**

- 1) Water is to be diverted, conveyed, and/or used only on federal lands; **OR**
- 2) The application is for a water right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and **all** of the following apply:
  - a) The existing and proposed water use is located entirely within lands zoned for exclusive farm-use or within an irrigation district;
  - b) The application involves a change in place of use only;
  - c) The change does not involve the placement or modification of structures, including but not limited to water diversion, impoundment, distribution facilities, water wells and well houses; and
  - d) The application involves irrigation water uses only.

## NOTE TO LOCAL GOVERNMENTS

The person presenting the attached Land Use Information Form is applying for or modifying a water right. The Water Resources Department (WRD) requires its applicants to obtain land-use information to be sure the water rights do not result in land uses that are incompatible with your comprehensive plan. Please complete the form or detach the receipt stub and return it to the applicant for inclusion in their water right application. You will receive notice once the applicant formally submits his or her request to the WRD. The notice will give more information about WRD's water rights process and provide additional comment opportunities. You will have 30 days from the date of the notice to complete the land-use form and return it to the WRD. If no land-use information is received from you within that 30-day period, the WRD may presume the land use associated with the proposed water right is compatible with your comprehensive plan. Your attention to this request for information is greatly appreciated by the Water Resources Department. If you have any questions concerning this form, please contact the WRD's Customer Service Group at 503-986-0801.

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# Land Use Information Form



**Oregon Water Resources Department**  
 725 Summer Street NE, Suite A  
 Salem, Oregon 97301-1266  
 (503) 986-0900  
 www.wrd.state.or.us

Applicant: Azalea Rojo, LLC C/o AgIS Capital Attn: Ken Warlick  
First Last

Mailing Address: 745 Boylston Street, Suite 207

Boston MA 02116 Daytime Phone: 704-604-2988  
City State Zip

## A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), and/or used or developed. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	¼ ¼	Tax Lot #	Plan Designation (e.g., Rural Residential/RR-5)	Water to be:			Proposed Land Use:
See attached map						<input checked="" type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Irrigation
					AGG/FFT	<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, and/or used or developed:

Douglas County	<b>RECEIVED BY OWRD</b>  <b>JUN 18 2015</b>
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## B. Description of Proposed Use

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Type of application to be filed with the Water Resources Department:

- Permit to Use or Store Water   
  Water Right Transfer   
  Permit Amendment or Ground Water Registration Modification  
 Limited Water Use License   
  Allocation of Conserved Water   
  Exchange of Water

Source of water:  Reservoir/Pond   
 Ground Water   
 Surface Water (name) Ben Irving Reservoir

Estimated quantity of water needed: 608  cubic feet per second   
 gallons per minute   
 acre-feet

Intended use of water:  Irrigation   
 Commercial   
 Industrial   
 Domestic for \_\_\_\_\_ household(s)  
 Municipal   
 Quasi-Municipal   
 Instream   
 Other \_\_\_\_\_

Briefly describe:

The Applicant is requesting a water use permit to use stored water from Ben Irving Reservoir under a contract Lookingglass-Olalla Water Control District at a rate of up to 608 gpm for the irrigation of a vineyard.

**Note to applicant:** If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt at the bottom of the next page and include it with the application filed with the Water Resources Department.

See bottom of Page 3. →  
 Surface Water/9

WR

# For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form. This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

**Please check the appropriate box below and provide the requested information**

Land uses to be served by the proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): 3.3.050

Land uses to be served by the proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.) **If approvals have been obtained but all appeal periods have not ended, check "Being pursued."**

Type of Land-Use Approval Needed (e.g., plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

R46718 28-7-14 TL200  
R47145 WS15-0471

DOUGLAS COUNTY PLANNING DEPARTMENT  
ROOM 106, JUSTICE BUILDING  
DOUGLAS COUNTY COURTHOUSE  
ROSEBURG, OR 97470

Name: JAMIE CHARTER Title: OP  
 Signature: [Signature] Phone: 541440-4289 Date: 6-9-15  
 Government Entity: DOUGLAS COUNTY PLANNING

**Note to local government representative:** Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.



**Receipt for Request for Land Use Information**

Applicant name: \_\_\_\_\_  
 City or County: \_\_\_\_\_ Staff contact: \_\_\_\_\_ RECEIVED BY OWRD  
 Signature: \_\_\_\_\_ Phone: \_\_\_\_\_ Date: JUN 18 2015



**DOUGLAS COUNTY PLANNING & BUILDING**

6/9/2015  
2:53 pm

Room 106, Justice Building  
Douglas County Courthouse, Roseburg, Oregon 97470  
Planning - (541) 440-4289  
Building - (541) 440-4559

**Permit Number: WS15-0471**  
**Job Address: 3200 STRICKLAND CANYON RD, ROSEBURG**

**Receipt: P20658**

<b>Fee Description</b>	<b>Fee Amount</b>
LAND USE COMPATABILITY STATEMENT	\$55.00
<b>Total Fees Paid:</b>	<b>\$55.00</b>

Paid By: **FRANKLIN, EILEEN**  
Pay Method: **CHECK 1465203757**  
Received By: **COUNTER2**

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SALEM, OR

S-98077

PARCEL 1:

The South half of the Northeast quarter; Northwest quarter of Southeast quarter, and Lots No. 2 and 3, Section 14, Township 28 South, Range 7 West; East half of the Nathaniel Huntley Donation Land Claim No. 47 in Sections 14 and 15, Township 28 South, Range 7 West, Willamette Meridian in Douglas County, Oregon, according to the Official Plat on file in the Office of the County Clerk of Douglas County, Oregon.

ALSO, the Northeast quarter of the Southeast quarter and the South half of the Southeast quarter of Section 14, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon.

EXCEPTING : BEGINNING at a point which is South 20.0 chains and East 56.5 chains from the Northwest corner of the Nathaniel Huntley Donation Land Claim No. 47 in Section 15, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon, said point being also the Northeast corner of lands sold to F. A. Hills, et ux, as recorded in Volume 163, Page 12 of the Deed Records of Douglas County, Oregon; thence East to the West line of the County Road; thence Northerly along said Westerly line to the North line of the said Nathaniel Huntley Claim; thence West along said North line to the Northwest corner of the East half of said Claim; thence South to the place of beginning.

ALSO, EXCEPTING any portion thereof lying within the boundaries of LAND PARTITION 1996-81, Surveyor's Records of Douglas County, Oregon, Recorder's Instrument No. 96-20401.

ALSO, EXCEPTING any portion of the above described property lying within the limits of Lookingglass Ten-Mile County Road No. 108.

T28S, R07W, S14, TL 200

PARCEL 2:

That portion of the Northwest quarter of Section 23, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon, described as follows:

BEGINNING at a point on the North line of said Section 23 which bears East 803 feet from the Northwest corner thereof; thence South 120 feet more or less to a point on the Northerly right of way line of County Road No. 108; thence Northwesterly along said County Road to a point on the North line of said Section 23; thence West along the North line of said section to the point of beginning.

T28S, R07W, S23 TL 300

Order No. 66187

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JUN 18 2015

SALEM, OR

9-88089

## REAL ESTATE PURCHASE CONTRACT

THIS REAL ESTATE PURCHASE CONTRACT ("**Agreement**") is made and entered into this 15th day of April, 2015 (the "**Effective Date**") by and between Ray P. and Beth A. McLaughlin ("**Seller**") and AgIS Capital LLC, a Delaware limited liability company ("**Buyer**"). Buyer and Seller are collectively referred to herein as the "**Parties**". Capitalized terms used herein shall have the meanings given herein; a table of defined terms is attached as Schedule 1.

**NOW, THEREFORE**, in consideration of the mutual agreements herein contained and the other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Agreement of Sale.** Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, all of Seller's right, title and interest in and to the following:

(a) 566.89+/- acres of land and improvements in Douglas County, Oregon (collectively, the "**Real Property**"), more particularly described in **EXHIBIT A**;

(b) all buildings, structures, improvements, permanent plantings, orchards, vineyards, timber and fixtures now located on or hereafter erected on, affixed or attached to the Real Property, including commodity storage, cleaning and processing unit, gates, and fences, signs, offices, scales, pump stations, wind machines, homes, sheds, shops, equipment storage buildings, and other buildings and structures (collectively, the "**Improvements**"), *provided, however*, that the portable working pens, a 2 stall moveable horse barn, portable corrals and a shed on skids are specifically excluded from the definition of **Improvements**;

(c) to the extent not included within the definition of Improvements, (i) all water and irrigation apparatus, pumps, motors, generators, gearheads, generators, meters, electric panels, pipes, sprinklers and pump station equipment; (ii) windmills and wind machines; (iii) all fences, gates and signs located on the Real Property; and (iv) all other equipment now or hereafter affixed or installed in any manner on the land or the Improvements (the "**Equipment**"); *provided, however*, that the vehicles, trailers, and rolling farm machinery specifically listed on Exhibit 1 to the Bill of Sale (Exhibit C hereto) (the "**Excluded Equipment**") are specifically excluded from the definition of Equipment;

(d) all easements, rights-of-way and rights appurtenant to the land or used in connection with the Real Property or as a means of access thereto (the "**Easements**"); all, air and wind rights, rights of way, privileges, and all easements necessary thereto, and all appurtenances related to the Real Property and Water Rights, including, but not limited to any diversion dams, headgates, canals, ditches, laterals, augmentation stations, river pumping stations, drainage systems, ponds, reservoirs, all right, title and interest which the Seller has in all oil, gas, and other minerals, including but not limited to coal, coalbed methane, and gravel, leases, leasehold estates, royalty conveyances or reservations, overriding royalty interests, wells, wellbores, easements, ordinances and rights-of-way, deposits, production payments, or any other interests of any kind related to the production of oil, gas and other minerals on or in the Real Property, and all other tenements, hereditaments and appurtenances to the Real Property (the "**Appurtenant Rights**");

(e) any other shares, or any rights under such shares, of any private water company, mutual water company, or other non-governmental entity pursuant to which Seller, for use on or appurtenant to the Real Property, or the Real Property may receive water, including, without limitation, the shares described herein; the domestic and irrigation and other water accessible to, on, under, pumped from or otherwise available to the Real Property or any drainage, retention,

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S-88077

ditch, canal, reservoir, or other water rights, whether as a result of overlying groundwater rights, contractual rights, or otherwise and whether riparian, appropriative, or otherwise; the right to remove or extract any such water including any permits, rights or licenses granted by any Governmental Authority and any rights granted or created by any easement, covenant, agreement or contract with any person; and any rights to which the Real Property or Seller are entitled with respect to surface water, whether such rights are appropriative, riparian, prescriptive or otherwise and whether or not pursuant to historical use, contractual agreement, permit or other governmental authorization; any water right, water allocation for water not yet delivered, distribution right, delivery right, any proscriptive, contractual, easement or other rights necessary or convenient to convey any water to the Real Property, water storage right, or other water-related entitlement appurtenant to or otherwise applicable to the Real Property by virtue of the Real Property being situated within the accessible boundaries of the Olalla-Lookingglass Water Control District, including any and all water rights associated with the Real Property or the Improvements, whether perfected or unperfected, including without limitation, including all rights to receive irrigation water under State of Oregon Permit No. 46786, if any, and any governmental water allocation, right or district irrigation district or other local agency or within the boundaries of any private water company, mutual water company, or other non-governmental entity, including, without limitation, the rights described herein, however evidenced (individually and collectively, the “**Water Rights**”);

(f) all final and pending permits, licenses, consents, authorizations, variances, waivers, entitlements and approvals from any governmental or quasi-governmental authority with respect to the use or enjoyment of the Real Property, Improvements, Equipment, Appurtenant Rights or Water Rights and any applications therefor to the extent assignable without consent or assignable with consent, and provided such consent has been obtained; (collectively, the “**Approvals**”);

(g) all other tenements, hereditaments and appurtenances to the land;

(h) leases, subleases, licenses, occupancy agreements, concessions and other agreements, granting a possessory interest in and to, or the right to extract, mine, reside in, sell, or use the Real Property, (individually and collectively, the “**Leases**”);

(i) working drawings, instructional manuals, and rights in processes directly related to the operation of the Real Property, Water Rights, Equipment and Improvements;

(j) substitutions, replacements, additions, accessions and proceeds for or to any of the foregoing, and all books, records and files relating to any of the foregoing, including, without limitation, computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

Seller’s right, title and interest in the Real Property, Improvements, Equipment, Easements, Appurtenant Rights, Water Rights, Approvals, Leases, and Assigned Contracts are included in and referred to collectively herein as the “**Property**.”

2. **Purchase Price.** The purchase price for the Property (the “**Purchase Price**”) shall be one million seven hundred and eighty thousand dollars (\$1,780,000). A written allocation of the Purchase Price among the components of the Property as agreed by Seller and Buyer is attached as **EXHIBIT E** hereto (the “**Allocation Exhibit**”). Each Party and their respective affiliates shall consistently reflect such allocations on their respective federal, state and local tax returns, including any state, county and other local transfer or sales tax declarations, which obligation shall survive the Closing.

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SALEM, OREGON

any), and k.) all other material documents and information in the possession of Seller relating to the Property (collectively the “**Due Diligence Materials**”). As to Due Diligence Materials provided by Seller to Buyer that were prepared or compiled by parties other than Seller, Seller makes no representation or warranty as to the completeness or accuracy of such information. Except as provided by applicable law or court order, Buyer agrees not to disclose any of the Due Diligence Materials relating to farm production, financial or environmental matters to any party other than Buyer’s officers, agents, employees, attorneys, accountants with a need to know.

9. **Due Diligence Period.**

(a) The Buyer shall have a sixty (60) day Due Diligence Period beginning after the later of i.) the full execution, acceptance and Seller’s delivery of the REPC to Buyer, or ii.) the Seller’s delivery of the material Due Diligence Matters (being the “**Due Diligence Period**”). During the Due Diligence period the Buyer shall evaluate all information with respect to the Property and shall also have the right to conduct (and to have conducted by third parties) any investigations and tests of the Property and review any materials related to the Property that Buyer determines are necessary or desirable to evaluate the condition of the Property, including, but not limited to, condition of title, water supply, water and wastewater systems, irrigation systems, water rights review, soil, geologic and environmental condition, land use and permit rights, zoning and other restrictions on the Property; *provided, however*, in no event shall such inspections, investigations, or tests unreasonably disrupt or disturb the ongoing operation of the Property. Buyer shall have one option for a thirty (30) day extension of the Due Diligence Period as needed to complete due diligence, to be exercised by delivery of notice to Seller and increasing the Deposit by an additional \$50,000.00. In addition, Buyer shall have the right to subsequent extensions of the Due Diligence Period subject to Seller’s consent, not to be unreasonably withheld, conditioned or delayed, for third party vendors to complete reports or investigations of the Property, subject to the Buyer increasing the Deposit by an additional \$100,000.00, with each extension.

(b) **Access.** Seller will afford Buyer, and Buyer’s agents, employees and other authorized representatives, including but not limited to architects, accountants and engineers, reasonable access to the Property, to reports associated with the Property, including but not limited to engineering reports, survey reports and zoning reports, and to financial books and reports of the Seller during the Due Diligence Period for the purposes of performing whatever due diligence inspections, surveys, and tests, as Buyer, in Buyer’s sole discretion, deems necessary or desirable, including, but not limited to, (i) the use of a back hoe to inspect soil conditions, (ii) a “Phase I” environmental site assessment, and (iii) “Phase II” sampling of environmental media such as soil or groundwater, if such sampling is indicated in Buyer’s “Phase I” report. The inspection by Buyer or the opportunity to inspect by Buyer does not affect the applicability of the warranties made by the Seller in this Agreement. Buyer shall indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller’s reasonable attorney fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer’s representatives in, on, or about the Property during or arising in connection with Buyer’s inspections of the Property. Notwithstanding the above, Buyer shall not be responsible for any costs or claims associated with any existing conditions. Buyer shall maintain and shall cause each Buyer’s representative entering onto the Property to maintain a policy or policies of commercial general liability insurance insuring against claims and liabilities arising directly from or related to acts, omissions or investigations of Buyer and Buyer’s Parties in, on, or about the Property. Prior to Buyer entering the Property to conduct the inspections and tests described above, Buyer shall obtain and maintain, or shall cause each of its representatives, consultants and agents to maintain (and shall

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JUN 18 2015

SALEM, OR

S-89089

deliver to Seller evidence thereof), at no cost or expense to Seller, commercial general liability insurance, from an insurer reasonably acceptable to Seller, in the amount of One Million Dollars (\$1,000,000.00) (or Five Hundred Thousand Dollars (\$500,000.00) in the case of any of Buyer's consultants) combined single limit for personal injury and property damage per occurrence, such policies to name Seller as an additional insured.

(c) Disapproval; Approval. On or before the expiration of Due Diligence Period, Buyer shall have the right in its sole discretion to terminate this Agreement at any time for any or no reason by notifying Seller in writing that Buyer is terminating this Agreement (such notice being herein called the "**Termination Notice**"). Buyer is not required to state the reasons for the termination in its notice. If this Agreement is terminated as provided herein, this Agreement shall terminate as of the date of the Termination Notice, Buyer shall receive back its Deposit and neither Party shall have any obligations hereunder except to the extent of Buyer's obligations which by their terms survive the Closing or termination of this Agreement. If, prior to the end of the Due Diligence Period, Buyer has delivered a Termination Notice or has failed to deliver to Seller a notice electing to proceed to Closing and the Close of Escrow has not occurred, then Buyer shall have been deemed to have disapproved the Property and exercised its right to terminate this Agreement and the Deposit shall be promptly refunded to Buyer without need for further notice to or consent from Seller, and this Agreement and the obligations of the Parties hereunder shall terminate, except those provisions that expressly survive the Closing or a termination of this Agreement. Following the expiration of the Due Diligence Period and delivery by Buyer to Seller of notice of its election to proceed to Closing, the entire Deposit shall become non-refundable (except to the extent expressly set forth in this Agreement), and shall be paid to Seller at the Closing or earlier termination of this Agreement.

(d) Due Diligence Objection. Buyer may, but shall not be obligated, at any time on or before expiration of the Due Diligence Period provide written notice to the Seller that Buyer objects to one or more aspects discovered during due diligence (the "**Due Diligence Objection**"). If at any time on or before expiration of the Due Diligence Period Buyer objects to one or more aspect of the due diligence through a Due Diligence Objection, Seller shall have five (5) Business Days after delivery of the Due Diligence Objection, to respond to Buyer in writing stating either (a) the manner in which Seller will remove or cure the Due Diligence Objection, or (b) that Seller shall not remove or cure the Due Diligence Objection. If Seller fails to respond as required in this section, Seller shall be deemed to have elected not to cure the Due Diligence Objection. If Seller elects not to cure or remove the Due Diligence Objection (or is deemed to have so elected) or Seller does not satisfy Buyer's Due Diligence Objection, to Buyer's satisfaction in Buyer's sole discretion, then Buyer shall elect either to (a) proceed with the purchase of the Property, waive the Due Diligence Objection, or (b) terminate this Agreement. In the event the Agreement is terminated due to Seller's refusal to remedy the Due Diligence Objection, this Agreement will become null and void, the entire Deposit shall be returned to Buyer, and neither Party will have any obligation to the other except for any provisions which survive pursuant to the terms of the Agreement. If Buyer elects to accept Seller's proposed cure and proceed with the transaction, then such cure (to Buyer's sole satisfaction) will be deemed a condition precedent to Buyer's obligation to close.

10. ALTA Survey. Buyer shall obtain an ALTA survey of the Property by a registered land surveyor licensed in the jurisdiction where the Real Property is located, meeting current minimum standard detail requirements for ALTA/ACSM Land Title Surveys adopted by the American Land Title Association, along with items from ALTA Table A as Buyer may elect in its sole discretion (the "**Survey**"). The Survey shall also (i) contain a calculation of the acreage within the Real Property in accordance with ALTA requirements, (ii) contain a certification by the surveyor that he has examined the applicable Official Flood Hazard Map of the Federal Emergency Management Agency and that

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to engage in a business or other transaction in which Buyer's remaining assets are unreasonably small in relation to Buyer's actual or proposed business or transaction.

(viii) No Broker. Buyer has not engaged, employed, or consulted with a broker, agent or finder who is entitled to a commission or other fee relating to the purchase of the Property by Buyer and Buyer hereby indemnifies and agrees to hold Seller harmless from any such liability.

16. Risk of Loss. Risk of loss to the Property from fire or other casualty will be borne by Seller until the Closing Date. If all or any portion of the Property shall be damaged or destroyed by fire or other casualty prior to Closing Date or if, for any reason, the Property is not in at least as good a condition prior to Closing Date as the condition of said Property at the time of Buyer's inspection thereof, Buyer may:

(a) Elect to proceed with the transaction, in which event Buyer shall be entitled to all insurance proceeds payable to Seller under any and all policies of insurance covering the Property so damaged or destroyed and with no adjustment to the Purchase Price (except that the amount of the insurance deductible, if any, shall be credited to Buyer against the Purchase Price);

(b) Elect to terminate this Agreement, in which event all Parties hereto shall be released from all liability hereunder except those obligations expressly stated to survive; and the Deposit, less Buyer's share of documented expenses of Title Company, shall be forthwith returned to Buyer. If Buyer elects to terminate this Agreement, it shall so notify Seller within thirty (30) days after Buyer has received written notice of such fire or destruction or has become aware of any changes in condition since its last inspection of the Property.

17. Condemnation. In the event that all or any portion of the Real Property becomes the subject of any condemnation proceeding, or threat thereof, by a public or quasi-public authority having the power of eminent domain, Seller shall immediately notify Buyer thereof, both orally and in writing; and in such event, Buyer may:

(a) Elect to proceed with the transaction, in which event Buyer shall be entitled to all proceeds of any award, or payment in lieu thereof, resulting from such proceedings or threat thereof, and the Purchase Price shall be adjusted by the acreage subject to the condemnation to the extent that Seller loses title to any acreage;

(b) Elect to terminate this Agreement, in which event all Parties hereto shall be released from all liability hereunder except those obligations expressly stated to survive; and the Deposit, less Buyer's share of documented expenses of Title Company, shall be forthwith returned to Buyer. If Buyer elects to terminate this Agreement, it shall so notify Seller within thirty (30) days after Buyer has received written notice of such proceedings.

18. Notices. Any notice or communication required or permitted hereunder shall be in writing and shall be delivered personally, delivered by nationally recognized overnight courier service or sent by certified or registered mail, postage prepaid, or (if a facsimile number is provided) sent by facsimile (subject to confirmation of such facsimile transmission). Any such notice or communication shall be deemed to have been given (i) when delivered, if personally delivered, (ii) three Business Days after it is deposited with a nationally recognized overnight courier service, if sent by nationally recognized overnight courier service, (iii) the day of sending, if sent by email prior to 5:00 p.m. (PT) on any Business Day or the next succeeding Business Day if sent by facsimile after 5:00 p.m. (PT) on any Business Day or on any day other than a Business Day or (iv) five Business Days after the date of mailing, if mailed by certified or registered mail, postage prepaid, in each case, to the following

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JUN 18 2015

SALEM, OR

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address or email address, or to such other address or addresses or facsimile number or numbers as such party may subsequently designate to the other parties by notice given hereunder:

if to the Seller, to them at:

Ray & Beth McLaughlin  
P.O. Box 2558  
3200 Strickland Canyon Road  
Winston, OR 97496

and with an additional copy (which shall not constitute notice) to:

If to the Buyer, to it at:

AgIS Capital LLC  
745 Boylston Street, Suite 207  
Boston, Massachusetts 02116  
Attention: Kenneth L. Warlick  
Email: kwarlick@agiscapital.com

and

James L. Buchal  
Murphy & Buchal LLP  
3425 SE Yamhill Street, #100  
Portland, OR 97214  
jbuchal@mblp.com

19. **Assignment.** Buyer may assign its rights, obligations and interest in this Agreement to one or more clients of, affiliates of, or accounts managed by Buyer, upon written notification to Seller of its intent to do so. Seller's rights under this Contract shall not be assignable in any way, by operation of law or otherwise.

20. **Indemnification.** Seller shall indemnify, defend and hold harmless Buyer and its affiliates, and their respective officers, directors, shareholders, managers, members, employees, representatives, successors and assigns, as applicable (the "**Indemnified Parties**"), from and against any and all claims, lawsuits, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, taxes, diminutions in value, fines, penalties, interest, charges, fees, expenses, judgments, decrees, awards, amounts paid in settlement and damages of whatever kind or nature (including, without limitation, attorneys' fees, court costs and costs incurred in the investigation, defense and settlement of claims) ("**Losses**") of any nature arising from or connected with (a) any breach of any of the representations, or warranties, covenants, agreements or obligations of Seller set forth in this Agreement, and (b) the ownership and operation of the Property prior to the Closing Date. Buyer shall indemnify, defend and hold harmless Seller and Seller's Indemnified Parties, from and against any Losses of any nature arising from or connected with (x) any breach of any of the representations, or warranties, covenants, agreements or obligations of Buyer set forth in this Agreement and (y) the ownership and operation of the Property arising from and after the Closing Date. The obligations under this Section 20 shall survive the Closing.

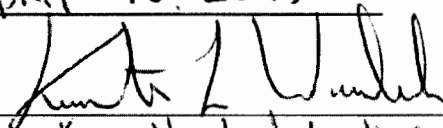
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SALEM, OREGON

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as a sealed instrument as of the Effective Date.

**BUYER:**

April 16, 2015  
By:   
Name: Kenneth L. Wankiak  
Title: ASES Capital LLC  
Chief Investment Officer  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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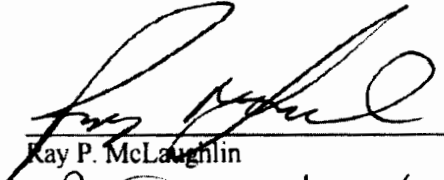

[REPC Signature Page]

JUN 18 2015

SALEM, OR

S-98077

SELLER:

  
\_\_\_\_\_  
Ray P. McLaughlin  
  
\_\_\_\_\_  
Beth A. McLaughlin

RECEIPT OF THIS AGREEMENT AND \$50,000 EARNEST MONEY IS HEREBY  
ACKNOWLEDGED,  
THIS \_\_\_\_ day of \_\_\_\_\_, 2015.

ESCROW AGENT: \_\_\_\_\_

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**EXHIBIT A**

**LEGAL DESCRIPTION OF SELLER PROPERTY**

[THIS IS A PLACEHOLDER FOR THE LEGAL DESCRIPTION TO BE AMENDED AFTER SURVEY]

The total property consists of the land parcels summarized by the Douglas County Tax Assessors Office in the following chart, containing a gross 566.89+/- acres of land in Douglas County, Oregon ("Property").

<b>Douglas Co. Tax Assessor</b>	
<b><u>Property ID</u></b>	<b><u>Acres</u></b>
P135655	0.00
M133286	0.00
R131977	0.15
R46718	566.74
<b>Total</b>	<b>566.89</b>

The Property ***does not include*** the Douglas County Tax Assessor parcel identification numbers R131978, containing 3.37 acres and R131979, containing 3.00 acres of land, which are owned by the Sellers and located west and south of Strickland Canyon Road.

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**SALEM, OR**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
4/14/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Risk Strategies Company 160 Federal Street  Boston MA 02110	<b>CONTACT NAME:</b> Kim Ly <b>PHONE (A/C No, Ext):</b> (617) 330-5700 <b>E-MAIL ADDRESS:</b> kly@risk-strategies.com	<b>FAX (A/C, No):</b> (617) 439-3752
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Agis Capital LLC; Agis Management LLC 745 Boylston Street Suite 207  Boston MA 02116	<b>INSURER A:</b> Peerless Insurance	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	

COVERAGES CERTIFICATE NUMBER: CL1541492244 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY			BZS(14)55481784	3/29/2015	3/29/2016	EACH OCCURRENCE	\$ 1,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/>					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000	
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 15,000	
							PERSONAL & ADV INJURY	\$ 1,000,000	
							GENERAL AGGREGATE	\$ 2,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COM/POP AGG	\$ 2,000,000	
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC							\$	
A	AUTOMOBILE LIABILITY			BZS(14)55481784	3/29/2015	3/29/2016	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident)	\$	
	<input checked="" type="checkbox"/> HIRED AUTOS		<input checked="" type="checkbox"/>				PROPERTY DAMAGE (Per accident)	\$	
								\$	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB		<input checked="" type="checkbox"/>	US55481784	3/29/2015	3/29/2016	EACH OCCURRENCE	\$ 5,000,000	
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE	\$ 5,000,000	
	DED <input checked="" type="checkbox"/>		RETENTION \$ 10,000					\$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			XWS55481784	3/29/2015	3/29/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		Y/N <input type="checkbox"/>				N/A	E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
								E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Ray Y Beth McLaughlin is additional insured to General Liability and Umbrella per written contract.

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CERTIFICATE HOLDER

CANCELLATION

WATER RESOURCES DEPT  
SALEM, OREGON

Ray & Beth McLaughlin  
2727 Strickland Canyon Road  
Roseburg, OR 97471-8664

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Christian/KIL

STATE OF OREGON  
 COUNTY OF DOUGLAS  
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DOUGLAS COUNTY WATER RESOURCES SURVEY  
 1036 SE DOUGLAS AVENUE, ROOM 306  
 ROSEBURG, OREGON 97470

confirms the right to store the waters of BERRY CREEK, a tributary of OLALLA CREEK, in BEN IRVING RESERVOIR, appropriated under Permit No. 46786, for IRRIGATION, DOMESTIC, AND GENERAL PARK USE.

The right to store these waters was perfected under Reservoir Permit R-8444. The date of priority is SEPTEMBER 2, 1980. The amount of water entitled to be stored each year under this right is not more than 8,500 ACRE-FEET (AF); BEING 8446 AF FOR IRRIGATION, 50 AF FOR DOMESTIC USE AND 4.0 AF FOR GENERAL PARK USE.

The reservoir is located as follows:

SW $\frac{1}{4}$   
 SECTION 17

NE $\frac{1}{4}$  SW $\frac{1}{4}$   
 S $\frac{1}{2}$  SW $\frac{1}{4}$   
 SE $\frac{1}{4}$   
 SECTION 18

NW $\frac{1}{4}$  NW $\frac{1}{4}$   
 SECTION 19

W $\frac{1}{2}$  NE $\frac{1}{4}$   
 N $\frac{1}{2}$  NW $\frac{1}{4}$   
 SE $\frac{1}{4}$  NW $\frac{1}{4}$   
 SECTION 20

TOWNSHIP 29 SOUTH, RANGE 7 WEST, W.M.

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The dam shall be operated and maintained according to the approved plans and specifications on file with the Water Resources Department.

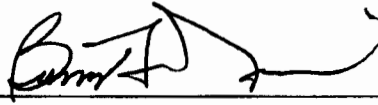
The right to store and use the water for the above purpose is restricted to beneficial use at the place of use described.

This certificate describes that portion of the water right confirmed by Certificate 80057, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered AUG 26 2003, approving Transfer Application 9396.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

WITNESS the signature of the Water Resources

Director, affixed AUG 26 2003.



61 Paul R. Cleary, Director

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SALEM, OREGON

Recorded in State Record of Water Right Certificates numbered 80425.



STATE OF OREGON  
 COUNTY OF DOUGLAS  
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DOUGLAS COUNTY NATURAL RESOURCES  
 1036 SE DOUGLAS AVE ROOM 306  
 ROSEBURG OR 97470

confirms the right to store the waters of BERRY CREEK, tributary to OLALLA CREEK in BEN IRVING RESERVIOR, for MULTIPURPOSE USE.

This right was perfected under Permit R-8444. The date of priority is SEPTEMBER 2, 1980. The amount of water to which this right is entitled to be stored under this right, is limited to an amount actually used beneficially, and shall not exceed 500.0 ACRE FEET, or its equivalent in case of rotation, measured at the point of diversion.

The reservoir is located as follows:

Twp	Rng	Mer	Sec	GLot	Q-Q
29 S	7 W	WM	17		SW ¼
29 S	7 W	WM	18		NE ¼ SW ¼
29 S	7 W	WM	18		S ½ SW ¼
29 S	7 W	WM	18		SE ¼
29 S	7 W	WM	19	4	NW ¼ NW ¼
29 S	7 W	WM	20		W ½ NE ¼
29 S	7 W	WM	20		N ½ NW ¼
29 S	7 W	WM	20		SE ¼ NW ¼
29 S	7 ½ W	WM	13		SE ¼ NE ¼

The water user shall maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted.

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

The dam shall be operated and maintained according to the approved plans and specifications on file with the Water Resources Department.

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JUN 18 2015

SALEM, OR


**NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW**

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.482. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.482. Pursuant to ORS 183.482, ORS 536.075 and OAR 137-003-0675, you may petition for judicial review and petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

5-280077

This certificate is issued to confirm a change in CHARACTER OF USE approved by an order of the Water Resources Director entered AUGUST 26, 2003, at Special Order Volume 58, Page 57, approving Transfer Application 9396, and together with Certificate 80425, supercedes Certificate 80057, State record of Water Right Certificates.

Issued JAN 31 2014



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

**RECEIVED**

JUN 18 2015

WATER RESOURCES DEPT  
SALEM, OREGON



Agricultural Investment Strategies

Kenneth L. Warlick  
Chief Investment Officer

AgIS Capital LLC  
8611 Concord Mills Boulevard  
Unit 164  
Concord, NC 28027  
Phone: 704.604.2988

June 9, 2015

Mr. Evan Barnes  
Lookingglass-Olalla Water Control District  
PO Box 1579  
Roseburg, OR 97470

Dear Mr. Barnes:

On behalf of Azalea Rojo, LLC I am requesting a contract from the Lookingglass-Olalla Water Control District (District) for stored water from Lookingglass Reservoir for irrigation purposes. The point of diversion will be located in the NW SW, Township 28 South, Range 7 West, Section 14, as shown on the attached map. The stored water will be used to irrigate 165.7 acres on property located at 3200 Strickland Canyon Road, Roseburg. I am requesting a maximum of 249 acre-feet of stored water per year, which equates to a duty of 1.5 acre-feet per acre per year.

We are currently in the process of developing a water use permit application for the use of this stored water, which will be submitted to the Oregon Water Resources Department.

I understand that we will pay the District \$250 when the contract is approved, which will include a one-time new contract fee of \$125 and the \$125 annual administration fee.

Please contact Kimberly Grigsby at GSI Water Solutions if you have any questions about this request. Her telephone number is 541-257-9004.

Very truly yours,

Azalea Rojo, LLC, Authorized Signatory

*Ken Warlick*

By: Kenneth L. Warlick

Chief Investment Officer, by AgIS Capital LLC

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JUN 18 2015

SALEM, OR

5-0007

Lookingglass Olalla Water Control District  
Post Office Box 1579 Roseburg Oregon 97470

Oregon Water Resources Department  
725 Summer Street NE, Suite A  
Salem OR 97301-1271

June 5 2015

Re: Claim of Beneficial Use for Permit S-46786, in the name of Lookingglass-Olalla  
Water Control District

To Whom It May Concern:

The Lookingglass-Olalla Water Control District (LOWCD) holds Permit S-46786 for the  
use of stored water from Ben Irving Reservoir. The place of use for Permit S-46786  
includes the following acres within its authorized place of use:

NE ¼ NW ¼	1.0 acre
NW ¼ NW ¼	17.5 acres
SW ¼ NW ¼	39.5 acres
SE ¼ NW ¼	2.5 acres
NE ¼ SW ¼	0.1 acre
NW ¼ SW ¼	28.0 acres
SW ¼ SW ¼	39.7 acres
SE ¼ SW ¼	14.0 acres
Section 14	
SE ¼ NW ¼	3.5 acres
NE ¼ SE ¼	7.7 acres
SE ¼ SE ¼	10.8 acres

Section 15  
Township 28 South, Range 7 West

LOWCD is currently in the process of developing a claim of beneficial use (COBU) for  
Permit S-46786. The above-described acres will not be included in the COBU for Permit  
S-46786. Further, LOWCD has no intention of developing this portion of Permit  
S-46786.

Please contact me if you need additional information. My telephone number is 541-680-  
6702.

Sincerely,



Evan Barnes  
Manager, Lookingglass-Olalla Water Control District

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JUN 18 2015

SALEM, OR

S-88079



**Water Solutions, Inc.**

June 12, 2015

Tim Wallin  
Oregon Water Resources Department  
725 Summer Street NE, Suite A  
Salem, OR 97301

Re: Water Right Application - Azelea Rojo, LLC

*Tim*  
Dear Mr. ~~Wallin~~:

Please find enclosed a permit application to appropriate stored surface water for irrigation, which is submitted on behalf of Azelea Rojo, LLC. The Applicant is requesting to divert stored water at a rate of up to 608 gallons per minute (1.35 cfs), limited to a maximum volume of 249 acre-feet annually. Also enclosed is the required fee of \$1,729, which was calculated as follows:

- \$ 450 - Base Fee
- \$ 600 - Rate Fee of \$30/acre-foot for 20 acre-feet
- \$ 229 - Rate Fee of \$1.00/acre-foot for 229 acre-feet
- \$ 450 - Permit Recording Fee

Total = \$1,729

The water to be appropriated is stored in Ben Irving Reservoir, as authorized by water right certificates 80425 and 89035. Lookingglass-Olalla Water Control District (LOWCD) manages the stored water in the reservoir and holds a secondary water right (Permit S-46786), which authorizes the use of stored water on most of the proposed place of use. Stored water has not been used on the property to date and the LOWCD is currently in the process of developing a claim of beneficial use (COBU) for Permit S-46786. The COBU will not include the proposed place of use, as indicated in the letter from Evan Barnes, Manager of LOWCD. (See Attachment 7). (We are providing a second copy of the letter so that it can be placed in the file for Permit S-46786.) As a result, the requested permit will not result in two primary irrigation rights associated with the proposed place of use.

If you have any questions about the enclosed materials, please contact me at 541-257-9004.

Sincerely,

Kimberly Grigsby  
Senior Water Resources Consultant

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JUN 18 2015

SALEM, OR

S-88099