

Application for a Permit to Use Ground 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). 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. 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 issues a Final Order consistent with the PFO. If the application is approved, a permit is issued that 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 537.615)

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: well development
- ☒ SECTION 4: water use
- ☒ SECTION 5: water management
- ☒ SECTION 6: storage of groundwater in a reservoir
- ☒ SECTION 7: use of stored groundwater from the reservoir
- ☒ SECTION 8: project schedule
- ☒ SECTION 9: within a district
- ☒ SECTION 10: remarks

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Attachments:

- ☒ Land Use Information Form with approval and signature (*must be an original*) or signed receipt
- ☒ 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. Example: A copy of the deed, land sales contract or title insurance policy.
- ☒ Fees - Amount enclosed: \$ 1,450
See the Department's Fee Schedule at www.oregon.gov/owrd or call (503) 986-0900.

Provide a map and check that each of the following items is included:

- ☒ 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). Each well must be identified by a unique name and/or number.
- ☒ 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 _____

Application for a Permit to Use Ground Water



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SECTION 1: APPLICANT INFORMATION AND SIGNATURE

Applicant Information

NAME CONOR CAREY			PHONE (HM)		
PHONE (WK)		CELL 503-803-8689		FAX	
ADDRESS 3831 DICK GEORGE ROAD					
CITY CAVE JUNCTION		STATE OR	ZIP 97523	E-MAIL* CONOR.CAREY09@GMAIL.COM	

Organization Information

NAME CAREY, NIKLAS, DARNELL, LLC			PHONE		FAX
ADDRESS 3831 DICK GEORGE ROAD					CELL
CITY CAVE JUNCTION		STATE OR	ZIP 97523	E-MAIL*	

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

AGENT / BUSINESS NAME TOM CALABRESE / ENVIROLOGIC RESOURCES, INC			PHONE 503-768-5121		FAX 503-768-5122
ADDRESS PO BOX 80762					CELL
CITY PORTLAND		STATE OR	ZIP 97280	E-MAIL* TOMCALABRESE@H2OGEO.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.)

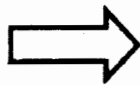
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By my signature below I confirm that I understand:

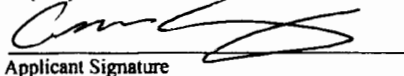
- ☐ I am asking to use water specifically as described in this application.
- ☐ Evaluation of this application will be based on information provided in the application.
- ☐ I cannot use water legally until the Water Resources Department issues a permit.
- ☐ Oregon law requires that a permit be issued before beginning construction of any proposed well, unless the use is exempt. Acceptance of this application does not guarantee a permit will be issued.
- ☐ 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.

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


Applicant Signature

Conor Carey
Print Name and title if applicable

1/5/16
Date

Applicant Signature

Print Name and title if applicable

Date

For Department Use		
App. No. <u>G49237</u>	Permit No. _____	Date _____

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.

Pacific Power has an easement for the electrical service

☐ No

☐ I have a recorded easement or written authorization permitting access.

☐ 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*).

See above for applicant/organization info

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 attached Land Sale Contract

SECTION 3: WELL DEVELOPMENT

WELL NO.	NAME OF NEAREST SURFACE WATER	IF LESS THAN 1 MILE:	
		DISTANCE TO NEAREST SURFACE WATER	ELEVATION CHANGE BETWEEN NEAREST SURFACE WATER AND WELL HEAD
JOSE 13055	Ditch to East Fork Illinois River	On NE corner of property	0 feet
	Althouse Slough	0.5 mile to East	0 feet
	East Fork Illinois River	0.75 mile to West	- (minus) 20 feet
	Althouse Creek	1.0 mile to East	0 feet

Please provide any information for your existing or proposed well(s) that you believe may be helpful in evaluating your application. For existing wells, describe any previous alteration(s) or repair(s) not documented in the attached well log or other materials (*attach additional sheets if necessary*).

JOSE 13055 Well Log records attached

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SECTION 3: WELL DEVELOPMENT, CONTINUED

Total maximum rate requested: 0.125 cfs (each well will be evaluated at the maximum rate unless you indicate well-specific rates and annual volumes in the table below).

The table below must be completed for each source to be evaluated or the application will be returned. If this is an existing well, the information may be found on the applicable well log. (If a well log is available, please submit it in addition to completing the table.) If this is a proposed well, or well-modification, consider consulting with a licensed well driller, geologist, or certified water right examiner to obtain the necessary information.

OWNER'S WELL NAME OR NO.	PROPOSED	EXISTING	WELL ID (WELL TAG) NO.* OR WELL LOG ID**	FLOWING ARTESIAN	CASING DIAMETER	CASING INTERVALS (IN FEET)	PERFORATED OR SCREENED INTERVALS (IN FEET)	SEAL INTERVALS (IN FEET)	MOST RECENT STATIC WATER LEVEL & DATE (IN FEET)	PROPOSED USE			
										SOURCE AQUIFER***	TOTAL WELL DEPTH	WELL- SPECIFIC RATE (GPM)	ANNUAL VOLUME (ACRE-FEET)
Well 1	☐	☒	JOSE 13055	☐	6-inch	0-130	130-150	0-30	28' DTW 1987	Sand & Gravel	160	56 gpm	25 AF
	☐	☐		☐									
	☐	☐		☐									
	☐	☐		☐									
	☐	☐		☐									
	☐	☐		☐									
	☐	☐		☐									
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	☐	☐		☐									

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* Licensed drillers are required to attach a Department-supplied Well Tag, with a unique Well ID or Well Tag Number to all new or newly altered wells. Landowners can request a Well ID for existing wells that do not have one. The Well ID is intended to serve as a unique identification number for each well.

** A well log ID (e.g. MARI 1234) is assigned by the Department to each log in the agency's well log database. A separate well log is required for each subsequent alteration of the well.

*** Source aquifer examples: Troutdale Formation, gravel and sand, alluvium, basalt, bedrock, etc.

SECTION 4: WATER USE

USE	PERIOD OF USE	ANNUAL VOLUME (ACRE-FEET)
Nursery	Year-Round	25 AF

Exempt Uses: Please note that 15,000 gallons per day for single or group **domestic** purposes and 5,000 gallons per day for a single **industrial or commercial** purpose are exempt from permitting requirements.

For irrigation use only:

Please indicate the number of primary and supplemental acres to be irrigated (*must match map*).

Primary: 5 Acres Supplemental: Acres

List the Permit or Certificate number of the underlying primary water right(s):

Indicate the maximum total number of acre-feet you expect to use in an irrigation season: 25 AF

- 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:

SECTION 5: WATER MANAGEMENT

A. Diversion and Conveyance

What equipment will you use to pump water from your well(s)?

☒ Pump (give horsepower and type): 3/4 hp; submersible pump; 2-inch diameter piping

☐ Other means (describe):

Provide a description of the proposed means of diversion, construction, and operation of the diversion works and conveyance of water. Well water will be conveyed via pipeline to water storage tanks located within the place of use.

B. Application Method

What equipment and method of application will be used? (e.g., drip, wheel line, high-pressure sprinkler) Storage tank water will be applied to nursery stock in containers via drip system or hand-watering, as needed, year-round.

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 aquatic life and riparian habitat; prevent the discharge of contaminated water to a surface stream; prevent adverse impact to public uses of affected surface waters.

Requested water is needed for year-round commercial nursery container stock watering. Tail water drainage is not expected to be generated or will be very limited in volume (not enough for economical/efficient reuse).

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SECTION 6: STORAGE OF GROUND WATER IN A RESERVOIR

If you would like to store ground water in a reservoir, complete this section (*if more than one reservoir, reproduce this section for each reservoir*). **Not Applicable.**

Reservoir name: _____ Acreage inundated by reservoir: _____

Use(s): _____

Volume of Reservoir (acre-feet): _____ Dam height (feet, if excavated, write "zero"): _____

Note: If the dam height is greater than or equal to 10.0' above land surface AND the reservoir will store 9.2 acre feet or more, engineered plans and specifications must be approved prior to storage of water.

SECTION 7: USE OF STORED GROUND WATER FROM THE RESERVOIR

If you would like to use stored ground water from the reservoir, complete this section (*if more than one reservoir, reproduce this section for each reservoir*). **Not Applicable.**

Annual volume (acre-feet): _____

USE OF STORED GROUND WATER	PERIOD OF USE

SECTION 8: PROJECT SCHEDULE

Date construction will begin: 2016

Date construction will be completed: 2018

Date beneficial water use will begin: 2016

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SECTION 9: 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. **Not Applicable.**

Irrigation District Name	Address	
City	State	Zip

SECTION 10: REMARKS

Use this space to clarify any information you have provided in the application (*attach additional sheets if necessary*).

The proposed place of use will be the western half of a 20-acre parcel. The specific locations of greenhouses and outdoor containers have not yet been determined. Of the 10 acres designated as the place of use in this application, approximately 1-2 acres of containers will be within greenhouses and 2.5-3 acres will be outdoor containers. The proportion of greenhouses versus outdoor containers may change at different times of the year. A total of five (5) acres of potential container plant development is contemplated in this application. The actual place of use will be described in the Claim of Beneficial Use once development has been completed.

The five (5) acres, once fully developed will require 0.125 cfs assuming 1/40 cfs per acre, and a total of 25 acre-feet per year assuming 5 acre-feet/acre. The remaining acreage in the proposed place of use will be used for processing, washing, storage, and office space.

Water will be pumped from the well and conveyed via pipeline to storage tanks prior to distribution to the plants via drip irrigation or hand-watering. The well is an existing well on the property and currently has a ¾-hp pump.

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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

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: Conor

First

Carey

Last

Mailing Address: Carey, Niklas, Darnell, LLC, 3831 Dick George Road

Cave Junction
City

OR
State

97523
Zip

Daytime Phone: 503-803-8689

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:
40S	8W	14	NESE	102	Forest Commercial/FC	☒ Diverted	☒ Conveyed	☒ Used	Commercial
						☐ Diverted	☐ Conveyed	☐ Used	
						☐ Diverted	☐ Conveyed	☐ Used	
						☐ Diverted	☐ Conveyed	☐ Used	

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

Property is located in Josephine County, Oregon.

B. Description of Proposed Use

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) _____

Estimated quantity of water needed: 56 ☐ 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:

Year-round water use for container-type commercial nursery operations. 56 gallons per minute is requested for use on up to 5 acres of the 20 total tax lot acres.

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. →

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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): 65.020.15.5
- ☐ 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:	
		☐ Obtained ☐ Denied	☐ Being Pursued ☐ Not Being Pursued
		☐ Obtained ☐ Denied	☐ Being Pursued ☐ Not Being Pursued
		☐ Obtained ☐ Denied	☐ Being Pursued ☐ Not Being Pursued
		☐ Obtained ☐ Denied	☐ Being Pursued ☐ Not Being Pursued
		☐ Obtained ☐ Denied	☐ Being Pursued ☐ 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.

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Name: ERIC PORTER Title: PLANNER II

Signature: [Signature] Phone: 541-474-5420 Date: 1-21-16

Government Entity: JOSEPHINE COUNTY

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: CONOR CAREY

City or County: JOSEPHINE

Staff contact: NORA SCHWARTZ

Signature: [Signature]

Phone: 541-474-5417 Date: 1-21-16

AFTER RECORDING, RETURN TO:

STEVE STUCKART

P.O. BOX 408

HUBBARD, OR 97032

Land Sale Contract

Dated: 5-26- 2015

Between: Steve Stuckart and Lisa Stuckart (collectively "**Seller**")
PO Box 408
Hubbard, OR 97032

And: Conor Carey ("**Buyer**")
7706 Alexander Ln SE
Salem, OR 97306

Seller owns the real property located at 3831 Dick George Road, Cave Junction, Josephine County, Oregon, described in **Exhibit A**, which is attached hereto and incorporated herein by this reference (the "**Property**"), which is free and clear of all liens and encumbrances except for those described in attached **Exhibit B** (the "**Special Exceptions**").

Seller agrees to sell the Property to Buyer and Buyer agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

1. **Purchase Price; Payment**

1.1 **Total Purchase Price**

Buyer promises to pay Seller as the total purchase price for the Property the sum of Six Hundred Twenty-Nine Thousand Four Hundred Fifty Dollars (\$629,450) (the "**Purchase Price**").

1.2 **Payment of Purchase Price**

1.2.1 **Payment Date.** During the term of this Contract, Buyer shall pay seller monthly installments according to the payment schedule in **Exhibit C**, which is attached hereto and incorporated herein by this reference, with the first installment due on May 1, 2015, and with subsequent installments due on the first (1st) day of each month thereafter. Each payment shall be applied first to interest, then to amounts past due to Seller under this Contract other than principal or interest, and the balance to principal. **Exhibit C** is illustrative only.

1.2.2 **Interest Rate.** Interest on the Purchase Price (the "**Interest Rate**") shall accrue at the same variable rate as the interest on a Prior Lien, as defined in Section 10.1, which is prime plus three percent (3%). At the time of Closing, the Interest Rate was eight and 50/100 percent (8.5%) per annum. The Interest Rate shall be adjusted annually to correspond with the interest rate of the Prior Lien until the Prior Lien is paid in full. After the Prior Lien is paid in full, interest shall accrue at a rate to be determined by the parties.

1.2.3 **Seller's Payment to Lender.** From the payments by Buyer to Seller, Seller will pay the monthly payments due on a Prior Lien, as described in Section 10.1, with an approximate present principal balance of One Hundred Fifty Thousand

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Dollars (\$150,000) secured by the Property. Payments include interest at prime plus three percent (3%). At the time of Closing, the Interest Rate was eight and 50/100 percent (8.5%) per annum.

1.2.4 Discount

The Purchase Price shall be discounted if Buyer pays all unpaid principal and all accrued but unpaid interest as follows:

1.2.4.1 If Buyer pays all unpaid principal and all accrued but unpaid interest on or before May 1, 2018, the Purchase Price shall be discounted in the amount of One Hundred Thousand Dollars (\$100,000.00). For this discount to apply, Buyer shall pay all unpaid principal and all accrued but unpaid interest, less One Hundred Thousand Dollars (\$100,000.00), on or before May 1, 2018.

1.2.4.2 If Buyer pays all unpaid principal and all accrued but unpaid interest between May 2, 2018 and May 1, 2019, the Purchase Price shall be discounted in the amount of Fifty Thousand Dollars (\$50,000.00). For this discount to apply, Buyer shall pay all unpaid principal and all accrued but unpaid interest, less Fifty Thousand Dollars (\$50,000.00), on or before May 1, 2019.

1.2.4.3 If Buyer fails to pay all unpaid principal and all accrued but unpaid interest on or before May 1, 2019, there shall be no discount in the Purchase Price.

1.2.5 Maturity Date. All unpaid principal and all accrued but unpaid interest shall be paid in full on or before May 1, 2020.

1.3 Prepayments

Buyer may make prepayments under this Contract.

1.4 Place of Payments

All payments to Seller shall be made to Seller at the address of Seller shown above or to such other place or person as Seller may designate by written notice to Buyer.

2. Taxes and Liens

2.1 Obligation to Pay

All ad valorem real property taxes and all governmental or other assessments levied against the Property (herein "**Taxes**") for the current tax year shall be prorated between Seller and Buyer as of the Closing Date. Seller shall pay all past due Taxes on or before the Closing Date. Buyer shall pay when due all Taxes that are levied against the Property after the Closing Date, but Buyer may elect to pay Taxes in accordance with any available installment method.

2.2 *Right to Contest*

If Buyer objects in good faith to the validity or amount of any tax, assessment, or lien, Buyer, at Buyer's sole expense, may contest the validity or amount of the tax or assessment or lien, as long as the same does not constitute a default under the Prior Lien. Buyer shall otherwise keep the Property free from all liens that may be lawfully imposed upon the Property after the Closing Date, other than the lien of current taxes not yet due.

2.3 *Omission from Tax Rolls*

Seller covenants and warrants to Buyer that all the Property and its improvements are fully reflected on the real property assessment rolls of the county. Seller shall indemnify and hold Buyer harmless from and against any subsequent claim or assessment on account of any of the Property or its current improvements being omitted for any reason from the rolls.

2.4 *Classification*

Part of the Property is classified and specially assessed as Forest Land. Buyer shall be responsible for any additional taxes, penalties, or interest resulting from any disqualification of the Property from such classification and special assessment arising from or after the Closing Date.

2.5 *Tax Statements*

Buyer shall provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid when due. Buyer shall submit this evidence by December 31 of each year after each required payment of taxes and assessments.

3. *Closing*

3.1 *Closing Date*

This transaction shall close the last date signed by the parties below (the "*Closing Date*" or "*Closing*").

3.2 *Responsibility of Seller*

At Closing, Seller shall have received a commitment for the issuance of a Buyer's policy of title insurance as described in Section 9.

3.3 *Prorates and Closing Costs*

Except as otherwise provided in this Contract, all items to be prorated shall be prorated as of Closing. Seller shall be responsible for payment of the title insurance premium and one-half of the attorney fees. Buyer shall be responsible for one-half of the attorney fees. Both parties shall pay at Closing.

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4. Possession

Buyer shall be entitled to possession of the Property at Closing, provided, however, that Seller and Seller's agents may enter upon the Property at reasonable times upon twenty-four (24) hours prior written notice to Buyer for the purpose of inspecting the Property.

5. Maintenance; Alterations

5.1 Maintenance

Buyer shall keep any improvements now existing, or that shall be placed on the Property in at least as good condition and repair as of the Closing Date, and shall not permit any waste or removal of the improvements. Buyer shall farm and maintain the Property in accordance with the principles of good husbandry, shall conserve its resources, and maintain it in a high state of cultivation.

5.2 Improvements

In the event Buyer desires to alter or further improve all or any portion of the Property, Buyer shall first obtain Seller's written consent before proceeding to do or permit any work or to order any services or materials with respect to such work. As a condition of granting its consent, among other conditions, Seller may require Buyer to provide a construction and completion bond or other security in an amount and of a nature satisfactory to Seller to cover the proposed costs of construction of the proposed alterations or improvements. All alterations and improvements constructed by or for Buyer shall be completed by reputable Oregon licensed contractors in a good and workmanlike manner, lien-free, and in strict compliance with plans, specifications, and drawings approved beforehand in writing by Seller as provided above. No approval by Seller shall be deemed a representation or warranty of Seller that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Buyer from strict compliance with all other provisions of this Contract and all applicable law.

5.3 Timber; Minerals

Buyer shall not cut or remove any timber or forest products from the Property, nor shall Buyer extract, process, mine, or otherwise exploit any oil, gas, mineral, or other valuable deposit on or under the Property without the written approval of Seller, which shall not be unreasonably withheld or delayed.

5.4 Hazardous Substances

Buyer shall comply fully with all laws pertaining to the protection of human health and the environment, including but not limited to employee and community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of hazardous substances. Buyer shall promptly advise Seller in writing of any hazardous substances regulated by such laws that are used, generated, manufactured, stored, transported, or otherwise handled on the Property. Buyer shall exercise extreme care in handling any hazardous substances and shall not cause or permit hazardous substances to be spilled, leaked, disposed of, or otherwise released on the Property.

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5.5 *Compliance with Laws*

Buyer shall promptly comply and shall cause all other persons to comply with all laws, ordinances, regulations, directions, rules, and other requirements of all governmental authorities applicable to the use or occupancy of the Property and in this connection Buyer shall promptly make all required repairs, alterations, and additions related to the occurrence of any event occurring after the Closing Date. Buyer may contest in good faith by appropriate proceedings any such requirements and withhold compliance during any such proceeding, including appropriate appeals, as long as Buyer promptly undertakes and diligently pursues such contest and as long as Seller's interest in the Property is not jeopardized and Seller is not subject to any civil or criminal liability on account of such failure to comply.

6. *Insurance*

6.1 *Liability Insurance*

During the term of this Contract, Buyer shall maintain public liability and property damage insurance with a combined single limit of not less than One Million Dollars (\$1,000,000.00), limits of not less than \$1,000,000.00 for injury to one person and \$2,000,000.00 if injury to two or more persons in one occurrence, and \$250,000.00 for damage to property. Such insurance shall be written on an occurrence basis and shall be primary with respect to all other insurance covering any of the insured risks; shall cover all risks arising directly or indirectly out of Buyer's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence; shall include a contractual liability clause to protect Buyer against the claims of Seller on account of the obligations assumed by Buyer under Section 7; and shall protect Seller and Buyer against claims of third persons. Such policies shall be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller. Buyer shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of days' written notice to Seller.

6.2 *Application of Proceeds*

All proceeds of any insurance on the Property shall be paid to and held by Seller. Buyer shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. Upon satisfactory proof of lien-free restoration of the Property to at least its condition and value immediately before the damage or destruction, Seller shall pay or reimburse Buyer from the proceeds for the reasonable cost of repair or restoration to the extent of such proceeds received by Seller. Seller shall retain a sufficient amount of the proceeds to pay all amounts owed Seller under this Contract, and shall pay the balance to Buyer. Any proceeds that have not been paid out within sixty (60) days after their receipt and that Buyer has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of Buyer's indebtedness.

6.3 *WARNING UNDER ORS 746.201*

Unless Buyer provides Seller with evidence of the insurance coverage as required by this contract, Seller may purchase insurance at Buyer's expense to protect Seller's interest. This insurance may, but need not, also protect Buyer's interest. If the collateral becomes

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damaged, the coverage Seller Buyers may be pay any claim Buyer makes or any claim made against Buyer. Buyer may later cancel this coverage by providing evidence that Buyer has obtained property coverage elsewhere.

Buyer is responsible for the cost of any insurance purchased by Seller. The cost of this insurance may be added to the contract balance. If the cost is added to the contract balance, the interest rate on the contract will apply to this added amount. The effective date of coverage may be the date Buyer's prior coverage lapsed or the date Buyer failed to provide proof of coverage.

The coverage Seller purchases may be considerably more expensive than insurance Buyer can obtain on Buyer's own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law or this contract.

7. Indemnification

7.1 Buyer's Indemnification of Seller

Buyer shall forever indemnify and hold Seller harmless and, at Seller's election, defend Seller from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Buyer's possession or use of the Property, Buyer's conduct with respect to the Property, or any condition of the Property to the extent the same arises from or after the Closing Date and is not caused or contributed to by Seller or Buyer's breach of any warranty or representation made by Buyer in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Buyer agrees to defend Seller, Buyer shall, upon notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller through legal counsel reasonably satisfactory to Seller.

7.2 Seller's Indemnification of Buyer

Seller shall forever indemnify and hold Buyer harmless and, at Buyer's election, defend Buyer from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Seller's possession or use of the Property, Seller's conduct with respect to the Property, or any condition of the Property to the extent the same exists on the Closing Date and is not caused or contributed to by Buyer, or Seller's breach of any warranty or representation made by Seller in this Contract. In the event of any litigation or proceeding brought against Buyer and arising out of or in any way connected with any of the above events or claims, against which Seller agrees to defend Buyer, Seller shall, upon notice from Buyer, vigorously resist and defend such actions or proceedings in consultation with Buyer through legal counsel reasonably satisfactory to Buyer.

7.3 Indemnification Scope

Wherever this Contract obligates a party to indemnify, hold harmless, or defend the other party, the obligations shall run to the successors, heirs, assignees, invitees, and agents and shall survive any termination or satisfaction of this contract. Such obligations with respect to the acts or omissions of either party shall include the acts or omissions of any member, officer, partner, agent, employee, contractor, tenant, invitee, or permittee of such party.

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8. Representations, Warranties, and Covenants of Seller

8.1 Covenants of Title

Seller warrants that Seller is the owner of good and marketable title to the Property free of all liens and encumbrances except those Special Exceptions referred to on attached *Exhibit B* and will defend such title from the lawful claims of persons claiming superior title.

8.2 Authority

Seller represents that Seller has obtained all requisite authorizations for the execution and delivery by Seller of this Contract and the performance of the transactions contemplated by this Contract, and that the execution and delivery of this Contract are made pursuant to such authorizations.

8.3 No Brokers

Seller has not employed any broker or finder in connection with the transaction contemplated by this Contract and has taken no other action that would give rise to a valid claim against Buyer for a brokerage commission.

8.4 Litigation

There are no pending claims or litigation or threats of claims or litigation or other matters of which Seller is aware or by the exercise of reasonable diligence of which Seller should be aware that could adversely affect Buyer's title, use, or enjoyment of the Property.

8.5 Compliance with Laws

The Property and every portion thereof, and all activities conducted on the Property, are in compliance with all applicable federal, state, and local statutes, regulations, and ordinances. Seller is not aware of and has not received notice of any past violation of any applicable federal, state, or local statutes, regulations, or ordinances.

8.6 Nonforeign Status

Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

8.7 Permits; Licenses

Seller agrees to convey, assign, or otherwise transfer all permits, authorizations, licenses, or other documents relating to or required for the operation of the Property unless otherwise prohibited by the terms or conditions of such permit, authorization, license, or other document. Seller shall cooperate with Buyer in obtaining any such permits, consents, authorizations, or licenses necessary to the operation of the Property; provided that Seller shall not be required to incur any expense relating thereto unless Buyer shall have first advanced funds sufficient to cover all of Seller's reasonably anticipated out-of-pocket expenses; and provided further that Seller shall promptly refund to Buyer any excess funds so advanced, and

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Buyer shall reimburse Seller for any shortfall in funds so advanced.

8.8 No Warranties; As Is

Seller makes no other warranties, express or implied, as to the Property or the condition or state of repair thereof, it being understood by all parties that the Property will be conveyed to the Buyer AS IS, except such warranties as may arise by law under the Deed.

8.9 Disclosure

Seller has fully disclosed in writing to Buyer all material information in Seller's possession or that Seller owns or controls that relates to the Property, its condition, and the title to the Property.

9. Title Insurance (Buyer's Policy)

Seller shall furnish a Buyer's title insurance policy in the amount of the Purchase Price within ten (10) days after the Closing Date, insuring Buyer against loss or damage sustained by Buyer by reason of the unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies, those created or suffered by Buyer.

10. Existing Encumbrance

10.1 Obligation to Pay

The Property is currently subject to a trust deed recorded on April 10, 2015 as No. 2015-004360 in the real property records of Josephine County, Oregon where Rogue River Mortgage, LLC is the *Beneficiary* and Steve Stuckart and Lisa Stuckart are the *Grantor* (the "*Prior Lien*"). Beneficiary assigned its interest in the Prior Lien to Dennis L. Will as to an undivided 35% interest and Mary A. Jessup, trustee of the Mary A. Jessup, Profit Sharing Plan as to a 35% undivided interest and Sunwest Trust, Int. FBO John H. Harris, IRA as to an undivided 30% interest in an Assignment of Trust Deed recorded on April 10, 2015 as No. 2015-004362 in the real property records of Josephine County, Oregon. Seller represents, warrants, and covenants to Buyer (1) that no default exists under the Prior Lien and to the best of Seller's knowledge no event has occurred or failed to occur and no condition exists or does not exist that, with or without notice and the passage of time could ripen into such a default and (2) that Seller will make all payments under the Prior Lien when due and will obey and observe all of the terms of such instrument, except as to those matters that are to be performed by Buyer under the terms of this Contract. If either Seller or Buyer receives notice from or on behalf of the holder of the Prior Lien of breach of any of the terms of the Prior Lien, the party receiving the notice shall immediately forward a copy of such notice to the other party.

10.2 Failure to Pay

In the event Seller fails to perform any obligation or fails to make any payment required by the Prior Lien when due, Buyer shall have the right to correct the default or to make any part or all of the payment payable to Seller under this Contract directly to the holder of the Prior Lien or third party to whom such payment is required to be made under the Prior Lien until Seller's

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payments of rents or use fees directly to Seller. If the income is collected by Seller, then Buyer irrevocably designates Seller as Buyer's attorney in fact with full power of substitution and coupled with an interest to endorse instruments received in payment thereof in the name of Buyer and to negotiate the same and collect the proceeds. Payments by tenants or other users to Seller in response to Seller's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller shall apply the income first to the Seller's expenses of renting or collection and the balance (if any) to the payment of sums due from Buyer to Seller under this Contract.

12.3 Remedies Not Exclusive

The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

13. Waiver

Failure of either party at any time to require performance of any provision of this Contract shall not limit the party's right to enforce the provision except to the extent expressly set forth in a writing signed by such party, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

14. Prior Agreements

This document is the entire, final, and complete Contract of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all prior or existing written and oral Contracts (including any earnest money agreement) between the parties of their representatives relating to the Property.

15. Notice

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or days after being deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

16. Costs and Attorneys' Fees

16.1 No Suit or Action Filed

If this Contract is placed in the hands of an attorney due to a default in the payment or performance of any of its terms, the defaulting party shall pay, immediately upon demand, the other party's reasonable attorneys' fees even though no suit or action is filed thereon, and any other fees or expenses incurred by the non-defaulting party, including an environmental assessment.

16.2 Arbitration or Mediation; Trial and Appeal

If any arbitration, mediation, or other proceeding is brought in lieu of litigation, or if suit

obligation is satisfied. Buyer's documented costs in performing Seller's obligation with interest at the rate of eight and 50/100 percent (8.5%) per annum from the date of expenditure shall be credited to the next installment coming due under the Contract as though paid directly to Seller.

10.3 *Obligations of Buyer*

Buyer shall not cause or suffer any act or failure to act that if attributed to Seller might cause a default under any of the provisions of the Prior Lien.

10.4 *Additional Requirements*

To the extent required of Seller under the Prior Lien, Buyer shall (1) maintain with Seller any additional reserves or insurance coverage required to be maintained by Seller; (2) provide Seller and the holder of the Prior Lien with any notices, certificates, or policies of insurance required under the Prior Lien; and (3) repair and maintain the Property, provide operating reports, and apply casualty and condemnation proceeds first in the manner required in the Prior Lien and then in compliance with the provisions contained in this Contract.

11. *Deed*

Upon payment of the total Purchase Price for the Property as provided in this Contract and performance by Buyer of all other terms, conditions, and provisions of this Contract, Seller shall forthwith deliver to Buyer a statutory warranty deed conveying the Property free and clear of all liens and encumbrances, except those Special Exceptions referred to on *Exhibit B*.

12. *Default*

12.1 *Events of Default*

A default shall occur under any of the following circumstances:

12.1.1 Failure of Buyer to make any payment within five (5) days after it is due.

12.1.2 Any default under the Prior Lien attributable to Buyer.

12.1.3 Failure of Buyer to perform any other obligations contained in this Contract within ten (10) days after notice from Seller specifying the nature of the default or, if the default cannot be cured within ten (10) days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure shall be required if during any 12-consecutive-month period Seller has already sent one (1) notice to Buyer concerning default in the performance of the same Contract provision.

12.1.4 Dissolution, termination of existence, insolvency on a balance sheet basis, or business failure of Buyer; the commencement by Buyer of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Buyer in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Buyer to the appointment of receiver, trustee, or custodian of Buyer or of any of Buyer's property; an assignment for the

benefit of creditors by Buyer or Buyer's failure generally to pay its debts as such debts become due.

- 12.1.5 The making or suffering by Buyer of a fraudulent transfer or conveyance under applicable federal or state law; concealment by Buyer of any of its property from creditors; the making or suffering by Buyer of a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint upon any of the property of Buyer.
- 12.1.6 The failure of Buyer to perform any term, condition, or provision of or any default attributable to Buyer under any existing encumbrance.
- 12.1.7 Commencement of any federal, state, or local criminal, administrative, or other enforcement action against Buyer or the Property.
- 12.1.8 Any demand for compliance, notice of default or acceleration, or similar action by Seller's lender under the Prior Lien, related to Buyer's business or the Property arising from the operation of the Property for the cultivation, growth, creation, production, manufacture, sale, distribution, storage, handling, possession, or other use of any marijuana- or cannabis-related product or service or other conduct or other use of the Property in any manner for a Controlled Substance Use or in any manner that violates or could violate any Controlled Substance Laws, including, without limitation, any business, communications, financial transactions, or other activities related to Controlled Substances or a Controlled Substance Use that violates or could violate any Controlled Substances Laws (collectively "*Drug-Related Activities*").

For purposes of Sections 12.1.7 and 12.1.8, 1) "*Controlled Substance Laws*" means the Federal Controlled Substances Act (21 U.S.C. SS 801 et seq.) or any other similar or related federal, state, or local law, ordinance, code, rule, regulation, or order; 2) "*Controlled Substances*" means marijuana, cannabis, or other controlled substances as defined in the Federal Controlled Substances Act or that otherwise are illegal or regulated under and Controlled Substances Laws; and 3) "*Controlled Substances Use*" means any cultivation, growth, creation, production, manufacture, sale, distribution, storage, handling, possession, or other use of a Controlled Substances. The provisions of this Section shall apply notwithstanding any state or local law permitted the Controlled Substances Use or Drug-Related Activities.

12.2 Remedies of Default

In the event of a default, Seller may take any one or more of the following steps:

- 12.2.1 Seller may declare the entire balance of the Purchase Price including the balance of any Prior Lien assumed by Buyer for which Seller remains liable or that is a lien on the Property and interest immediately due and payable.
- 12.2.2 Seller may foreclose this Contract by suit in equity.
- 12.2.3 Seller may specifically enforce the terms of this Contract by suit in equity.
- 12.2.4 In the event Buyer fails to make any payment within ten (10) days after it is due, Seller may elect to impose a late charge not to exceed five (5) cents per dollar of

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the installment, in addition to and not in lieu of any and all other rights and remedies available to Seller. Demand or acceptance by Seller of such a late charge by Seller shall not cure or waive Buyer's default.

12.2.5 After complying with the notice requirements and affording Buyer the right to cure the default contained in ORS 93.905-93.940 as the same may be amended or superseded from time to time, as long as the same is applicable, Seller may declare this Contract forfeited and retain the amount of the payments previously made under this Contract. Upon recordation of the affidavit required by Oregon law, this Contract shall be extinguished and canceled, and Buyer shall have no further right, title, or interest in and to the Property or to any return or compensation for payments previously made under this Contract, as though this Contract and such payments had never been made. In such event, Buyer agrees to surrender the Property to Seller. If Buyer fails to do so, Seller may elect to treat Buyer as a tenant holding over unlawfully after the expiration of a lease, and Buyer may be ousted and removed as such, without affecting Seller's right to pursue other rights and remedies contained in this Contract or permitted by law.

12.2.6 Seller shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due under this Contract, and any receiver appointed may serve without bond. Employment by Seller shall not disqualify a person from serving as a receiver. Upon taking possession of all or any part of the Property, the receiver may:

12.2.6.1 Use, operate, manage, control, and conduct business on the Property and make expenditures for all maintenance and improvements as in its judgments are proper;

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12.2.6.2 Collect all rents, revenues, income, issues, and profits (the "Income") from the Property and apply such sums to the expenses of use, operation, and management;

12.2.6.3 At Seller's option, complete any construction in progress on the Property, and in that connection pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as Seller deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, the amounts required for the purposes stated in this Section, and repayment of such sums shall be secured by this Contract. Amounts borrowed from or advanced by Seller shall bear interest at the same rate as the balance of the purchase price under this Contract from the date of expenditure until repaid and shall be paid by Buyer on demand.

12.2.7 Buyer hereby assigns to Seller all the Income from the Property, whether now or hereafter due. Before default, Buyer may operate and manage the Property and collect the Income from the Property. In the event of default and at any time hereafter, Seller may revoke Buyer's right to collect the Income from the Property and may, either itself or through a receiver, collect the same. To facilitate collection, Seller may notify any tenant or other user to make

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or action is instituted to enforce or interpret any of the terms of this Contract, or if suit or action is instituted in a Bankruptcy Court for a United States District Court to enforce or interpret any of the terms of this Contract, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of Seller in a bankruptcy proceeding, the party not prevailing shall pay the prevailing party's costs and disbursements, the fees and expenses of expert witnesses in determining reasonable attorneys' fees pursuant to ORCP 68, the actual cost of a litigation or foreclosure report, and such sums as the court may determine to be reasonable for the prevailing party's attorneys' fees connected with the trial and any appeal and by petition for review thereof.

16.3 Definitions

For purposes of this Contract, the term attorneys' fees includes all charges of the prevailing party's attorneys and their staff (including without limitation legal assistants, paralegals, word processing, and other support personnel) and any post-petition fees in a bankruptcy court. For purposes of this Contract, the term fees and expenses includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail, or parcel delivery; mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees, and all costs of transcription; costs incurred in searching records; and the cost of title reports or surveyor's reports.

17. Number, Gender, and Captions

As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

18. Survival of Covenants

Any covenants the full performance of which is not required before the closing or final payment of the purchase price and delivery of the deed shall survive the closing and the final payment of the purchase price and the delivery of the deed and be fully enforceable thereafter in accordance with their terms.

19. Condition of Property

Buyer accepts the land, improvements, and all other aspects of the Property in their present condition, and any personal property sold under this Contract, AS IS, WHERE IS, including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except to the extent expressly set forth in this Contract. Buyer agrees that Buyer has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property and its suitability for Buyer's purposes, the applicable zoning, building, housing, and other regulatory ordinances and laws, and that Buyer accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property, and Seller has made no representations with respect to such condition or suitability of the Property or such laws or ordinances.

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20. Memorandum of Contract

The parties agree that no memorandum of this contract will be recorded in the real property records of Josephine County, Oregon.

21. Time of Essence.

Time is of the essence of the performance of each of the obligations under this Contract.

22. Statutory Notice

The following disclaimer is made pursuant to ORS 93.040

The following is the notice as required by Oregon law: "THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010."

23. Governing Law and Venue

The parties hereby submit to jurisdiction in Josephine County, Oregon and agree that any and all disputes arising out of or related to this Contract shall be litigated exclusively in the Circuit Court for Josephine County, Oregon and in no federal court or court of another county or state. Each party to this Contract further agrees that pursuant to such litigation, the party and the party's officers, employees, and other agents shall appear, at that party's expense, for deposition in Josephine County, Oregon.

24. Rule of Construction

Any rule of construction interpreting this Contract against its drafter shall be inapplicable.

25. Employment of Attorneys

The law firm of Saalfeld Griggs PC of Salem, Oregon, has been employed by the Seller to prepare the documents in conjunction with this transaction, and such attorneys represent only the Seller in this matter.

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Buyer is hereby encouraged to seek and obtain legal counsel prior to signing this Contract.

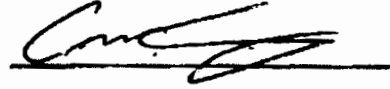
IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the day and year first above written.

SELLER:
Steve Stuckart



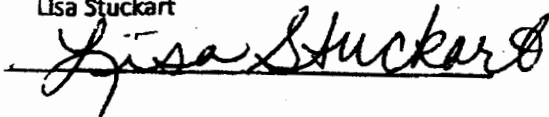
Date: 12/2/2015

BUYER:
Conor Carey



Date: 12/2/15

SELLER:
Lisa Stuckart



Date: 12-2-15

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State: OR

County: Marion

Signed and sworn before me on Dec 2, 2015 by
Steven J. Stuckart, Lisa R. Stuckart, Conor E. Carey.



**Exhibit A
Legal Description**

Real property in the County of Josephine, State of Oregon, described as follows:

Parcel I:

The North Half of the Southeast Quarter of the Northeast Quarter of Section 14, Township 40 South, Range 8 West, of the Willamette Meridian, Josephine County, Oregon.

Parcel II:

A non-exclusive easement for ingress and egress over an existing roadway, as set forth in instrument recorded December 4, 1997, as Document No's 97-21555, 97-21556 and 97-21557 Official Records of Josephine County, Oregon.

Note: This legal description was created prior to January 1, 2008.

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WATER RESOURCES DEPT
SALEM, OREGON

G-18237

Grantee/Beneficiary: Rogue River Mortgage, LLC
Trustee: Pacific Trust Deed Servicing Company, Inc, an Oregon corporation
Amount: \$150,000.00
Recorded: April 10, 2015
Recording Information: Document No. 2015-004360

According to the public records, 35% of the beneficial interest under the deed of trust was assigned to Dennis L. Will by assignment recorded April 10, 2015 as Document No. 2015-004362 of Official Records.

According to the public records, 35% of the beneficial interest under the deed of trust was assigned to Mary A. Jessup, trustee of the Mary A. Jessup, Profit Sharing Plan by assignment recorded April 10, 2015 as Document No. 2015-004362 of Official Records.

According to the public records, 30% of the beneficial interest under the deed of trust was assigned to Sunwest Trust, Inc. FBO John H. Harris, IRA by assignment recorded April 10, 2015 as Document No. 2015-004362 of Official Records.

11. Unrecorded leases or periodic tenancies, if any.

—END OF EXCEPTIONS—

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SALEM, OREGON

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STATE OF OREGON
WATER WELL REPORT
 (as required by ORS 537.765)

WATER RESOURCES DEPT.
 SALEM, OREGON

40s/8W-14ad

(1) OWNER: Well Number: _____
 Name MR. DAVID CONNERY
 Address DICK GEORGE RD.
 City CAVE JUNCTION State OR. Zip 97528

(2) TYPE OF WORK:

☒ New Well ☐ Deepen ☐ Recondition ☐ Abandon

(3) DRILL METHOD

☒ Rotary Air ☐ Rotary Mud ☐ Cable
☐ Other _____

(4) PROPOSED USE:

☒ Domestic ☐ Community ☐ Industrial ☐ Irrigation
☐ Thermal ☐ Injection ☐ Other _____

(5) BORE HOLE CONSTRUCTION:

Special Construction approval Yes No Depth of Completed Well 150 ft.
 Yes No ☒ ☐
 Explosives used ☐ ☒ Type _____ Amount _____

HOLE		SEAL		Amount	
meter	From To	Material	From To	sacks or pounds	
10"	0 30'	CEMENT GROUT	0 30'	18	BACKS
6"	30' 160'				

How was seal placed: Method ☐ A ☐ B ☒ C ☐ D ☐ E
☐ Other _____

Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER:

	Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
Casing:	6"	0	150'	250	☒	☐	☒	☐
Liner:					☐	☐	☐	☐

Final location of shoe(s) 150'

(7) PERFORATIONS/SCREENS:

☒ Perforations Method TORCH
☐ Screens Type _____ Material _____

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
130'	150'	3/16 x 6	60			☒	☐
						☐	☐
						☐	☐
						☐	☐

(8) WELL TESTS: Minimum testing time is 1 hour

☐ Pump ☐ Bailor ☒ Air ☐ Flowing
 Yield gal/min Drawdown Drill stem at Time
40 150' 1 hr.

Temperature of water _____ Depth Artesian Flow Found _____
 Was a water analysis done? ☐ Yes By whom _____
 Did any strata contain water not suitable for intended use? ☐ Too little
☐ Salty ☐ Muddy ☐ Odor ☐ Colored ☐ Other _____
 Depth of strata: _____

(9) LOCATION OF WELL by legal description:

County JOSEPHINE Latitude _____ Longitude _____
 Township 40 North 8 Range 8 E of WM
 Section 14 SE 1/4 NE 1/4
 Tax Lot 102 Lot _____ Block _____ Subdivision _____
 Street Address of Well (or nearest address) 3755 DICK GEORGE (NEAREST)

(10) STATIC WATER LEVEL:

28 ft. below land surface. Date 6/24/87
 Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:

From	To	Estimated Flow Rate	SWL
139'	160'	40	28'

(12) WELL LOG:

Material	From	To	SWL
CLAY	0	15	
CLAY w/ MEDIUM GRAVEL	15	21	
CLAY	21	139	
MEDIUM GRAVEL & COARSE SAND	139	160	28'
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WM DIST. 14			
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WATER RESOURCES DEPT SALEM, OREGON			

Date started 6/23/87 Completed 6/23/87

(unbonded) Water Well Constructor Certification:

I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon well construction standards. Materials used and information reported above are true to my best knowledge and belief.

WWC Number _____
 Signed _____ Date _____

(bonded) Water Well Constructor Certification:

I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. all work performed during this time is in compliance with Oregon well construction standards. This report is true to the best of my knowledge and belief.

WWC Number 770
 Signed Talley Chouin Date July 18'87

WHITE COPIES - WATER RESOURCES DEPARTMENT

YELLOW COPY - CONSTRUCTOR

PINK COPY - CUSTOMER

9809C 10/86

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