



April 13, 2016

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

Re: Water Right Application - Azelea Rojo, LLC (Anderson)

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 0.73 cfs, limited to a maximum volume of 58 acre-feet annually, for irrigation of the "Anderson property." Also enclosed is the required fee of \$1,538, which was calculated as follows:

\$ 450 - Base Fee
\$ 638 - 58 Acre Feet of Stored Water to be diverted
\$ 450 - Permit Recording Fee
Total =\$1,538

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 the Applicant has requested a contract from LOWCD for use of stored water.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Grigsby", written in a cursive style.

Kimberly Grigsby
Senior Water Resources Consultant

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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

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Attachments:

-
- Land Use Information Form with approval and signature (*must be an original*) or signed receipt (See Attachment A)
 - 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 B)
 - Fees - Amount enclosed: \$1,538.00
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: (See Attachment C)

- 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:

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

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NAME		PHONE (HIM)	
PHONE (WK)	CELL	APR 13 2016	
ADDRESS		WATER RESOURCES DEPT SALEM, OREGON	
CITY	STATE	ZIP	E-MAIL *

Organization Information

NAME		PHONE	FAX
AZALEA ROJO, LLC c/o AMPS		541-492-3100	
ADDRESS		CELL	
PO BOX 806			
CITY	STATE	ZIP	EMAIL
WINCHESTER	OR	97495	

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

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

Carolyn M Bailey
Applicant Signature

Carolyn Bailey, Agent
Print Name and title if applicable

4/11/2016
Date

Applicant Signature

Print Name and title if applicable

Date

For Department Use		
App. No. <u>P-88208</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 – The Applicant owns the property on which the point of re-diversion and the pipeline are located.
 - There are no encumbrances.
 - This land is encumbered by easements, rights of way, roads or other encumbrances.
- No – The Applicant is in the process of purchasing, but does not yet own, the proposed place of use.
 - I have a recorded easement or written authorization permitting access. **(See Attachment D)**
 - 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*).

Harold F. and Jill W. Anderson
P.O. Box 2558
385 Quarter Horse Ln
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 B for the legal descriptions for the properties on which the Applicant’s proposed place of use, pipeline, 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: _____

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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 E). 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

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

- 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 F)**

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	<u>0.73</u> <input checked="" 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
			<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: 57.4 Acres Supplemental: Acres

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

Indicate the maximum total number of acre-feet you expect to use in an irrigation season: 58 acre-feet.

- 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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SECTION 5: WATER MANAGEMENT

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A. Diversion and Conveyance

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

Pump (give horsepower and type): Not yet determined

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 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 bulge in the system. Water will be conveyed to the place of use via 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 a permit to authorize the use of up to 58 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 diverted from Lookingglass Creek. The flowmeter will record the amount of water diverted 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.

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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. The point of re-diversion is within Lookingglass-Olalla Water Control District and water will be served by the 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 0.73 cfs up to a maximum volume of 58 acre-feet for irrigation of 57.4 acres of vineyard. The point of re-diversion will be located on Lookingglass Creek. The Applicant has requested a contract for the use of stored water from Lookingglass-Olalla Water Control District, which manages the stored water from Ben Irving Reservoir.

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Attachment A
Land Use Information Form
Application for a Water Use Permit

2-88208

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 AMPS

Mailing Address: PO BOX 806

Winchester
City

OR
State

97495
Zip

Daytime Phone: (541) 492-3100

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:
28S	6W	19	NWNE SWNE NWSE SWSE SESW	2000	FG – Farm-use Grazing FF – Farm Forest	<input checked="" type="checkbox"/> Diverted <input checked="" type="checkbox"/> Conveyed <input type="checkbox"/> Used	irrigation
28S	6W	30	NWNW NENW	600 201	FG – Farm-use Grazing	<input type="checkbox"/> Diverted <input checked="" type="checkbox"/> Conveyed <input checked="" type="checkbox"/> Used	irrigation
28S	<u>7</u> W	25	NE NE NW NE SW NE	200 201	FG – Farm-use Grazing	<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input checked="" type="checkbox"/> Used	irrigation

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

Douglas County

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: 0.73 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 permit to irrigate 57.4 acres using stored water.

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.

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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): 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.

WS10-0193

R39593 R40041

R39601 R43897 R47355

R39921 R43921 R47362

 R47346

DOUGLAS COUNTY PLANNING DEPARTMENT
ROOM 108, JUSTICE BUILDING
DOUGLAS COUNTY COURTHOUSE
ROSEBURG, OR 97470

Rept 1100193

Name: JAMIE CHARTER Title: DP

Signature: *[Handwritten Signature]* Phone: 541-470-4289 Date: 3-22-16

Government Entity: DOUGLAS 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: _____

City or County: _____ Staff contact: _____ Date: **APR 13 2016**

Signature: _____ Phone: _____ Date: _____

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Permit Application Map for the Use of Stored Water

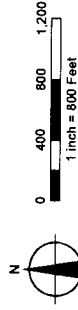
Place of Use Map - Anderson
Township 28 South,
Ranges 6 & 7 West, W.M.

LEGEND

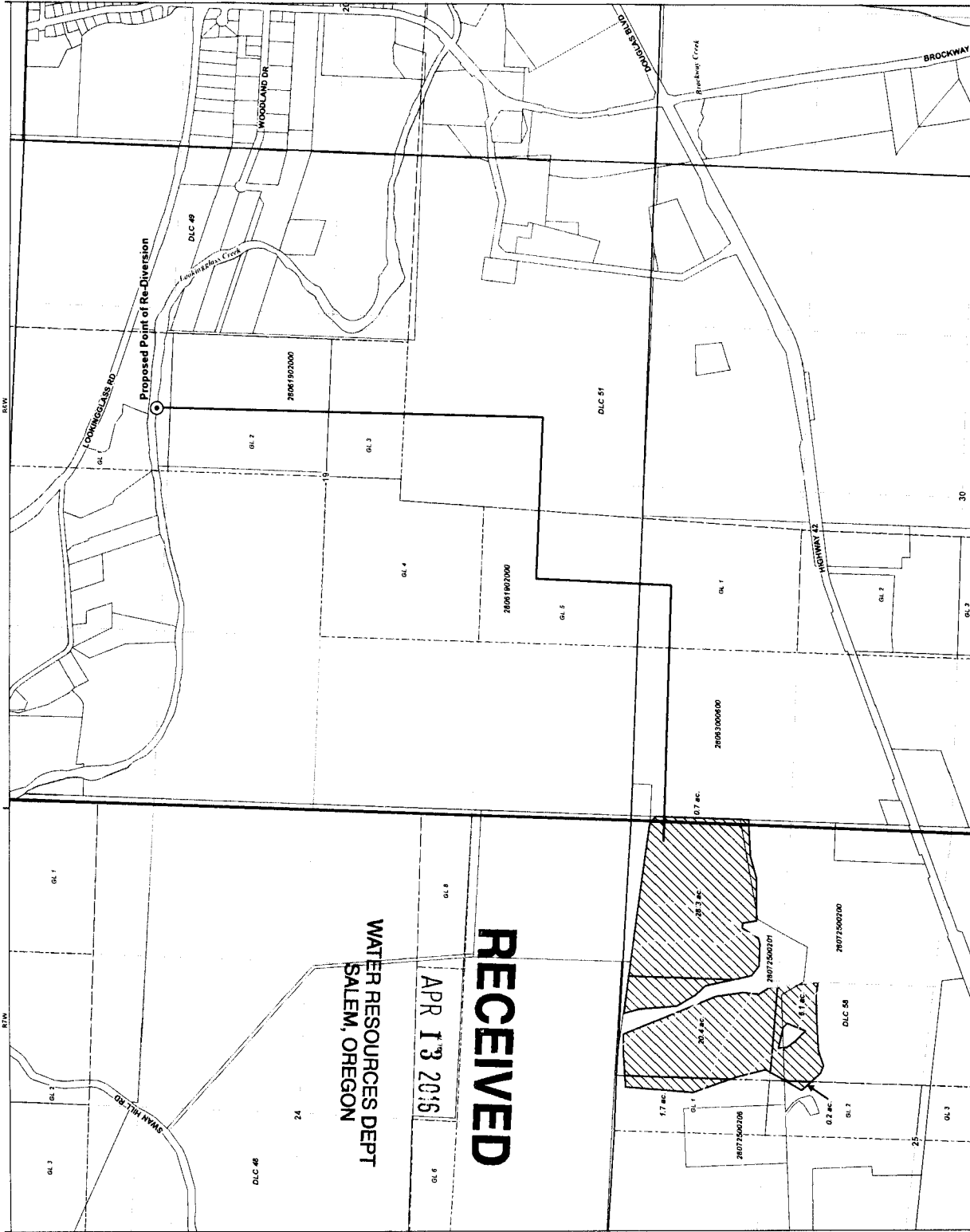
- Proposed Point of Re-Diversion
- ▨ Place of Use (POU)
- ▤ Irrigation Mainline
- ▭ Donation Land Claim (DLC)
- ▭ Government Lot (GL)
- ▭ Tax Lot
- Watercourse
- Waterbody

POD Location Description
Proposed Point of Re-Diversion
Located 1,180 feet South and 2,125 feet West from the NE corner
of Section 15, Township 28 South, Range 6 West (N.M.).

Disclaimer
This map was prepared for the purpose of identifying the
POD and POU. It is not intended to provide
legal dimensions or location of property ownership lines.



MAP NOTES:
Date: March 1, 2016
Data Sources: USGS, BLM, Douglas Co.



Document Path: P:\Projects\593-A\GIS\Cupola\003-A\Amendment 2\Project_GIS\Project_maps\Permit_Ap_A\Anderson.mxd

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Attachment B
Legal Description
Application for a Water Use Permit

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EXHIBIT A-1
LEGAL DESCRIPTION OF PARCEL 1
[THIS IS A PLACEHOLDER FOR THE LEGAL DESCRIPTION TO BE AMENDED AFTER SURVEY
AND LOT-LINE ADJUSTMENTS ARE FINALIZED]

PARCEL 1

An approximately **seventy-three and 9/10 (73.9+/-)** acre parcel to be surveyed out of:

(1) the **111.44** acre parcel of land identified as Douglas County Tax Identification Number 28-07W-25-00201, more particularly described as follows:

A parcel of land lying in the Northwest and Northeast quarters of Section 25, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon. Said parcel being more particularly described as follows:

Parcel 1, Land Partition No. 2011-0020 as Recorded in the Survey Records of Douglas County, Oregon.

LESS a portion of Parcel 1, Land Partition No. 2011-0020 beginning at a 5/8 inch iron rod which bears North 4° 03' 48" West 277.40 feet from the 5/8 inch iron rod at the most Southerly corner of Parcel 2, Land Partition No. 2011-0020; thence South 88° 00' 20" West 400.00 feet to a 5/8 inch iron rod; thence North 1° 59' 40" West 845.00 feet to a 5/8 inch iron rod; thence North 88° 00' 20" East 493.00 feet to a 5/8 inch iron rod; thence South 1° 59' 40" East 845.00 feet to a 5/8 inch iron rod; thence South 88° 00' 20" West 62.08 feet to a 5/8 inch iron rod; thence North 51° 41' 43" West 113.87 feet to a 5/8 inch iron rod; thence North 15° 31' 09" East 141.54 feet to a 5/8 inch iron rod; thence North 12° 06' 09" East 97.39 feet to a 5/8 inch iron rod; thence North 63° 26' 06" West 174.38 feet to a 5/8 inch iron rod; thence North 90° 00' 00" West 69.55 feet to a 5/8 inch iron rod; thence North 49° 46' 58" West 69.63 feet to a 5/8 inch iron rod; thence North 37° 16' 33" West 77.31 feet to a 5/8 inch iron rod; thence North 11° 50' 18" West 121.44 feet to a 5/8 inch iron rod; thence North 10° 00' 00" West 110.00 feet; thence South 85° 40' 00" West 20.00 feet to a 5/8 inch iron rod; thence South 7° 50' 21" East 100.56 feet to a 5/8 inch iron rod; thence South 11° 22' 25" East 345.52 feet to a 5/8 inch iron rod; thence South 46° 56' 46" East 67.87 feet to a 5/8 inch iron rod; thence South 46° 56' 46" East 234.73 feet to a 5/8 inch iron rod; thence South 51° 41' 43" East 110.44 feet to a 5/8 inch iron rod, the place of beginning.

And (2) the **9.99** acre parcel of land identified as Douglas County Tax Identification Number 28-07W-25-00206, more particularly described as follows:

A parcel of land lying in the Northwest and Northeast quarter of Section 25, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon. Said parcel being more particularly described as follows:

Parcel 2, Land Partition No. 2011-0020 as Recorded in the Survey Records of Douglas County, Oregon.

ALSO a portion of Parcel 1, Land Partition No. 2011-0020 beginning at a 5/8 inch iron rod which bears North 4° 03' 48" West 277.40 feet from the 5/8 inch iron rod at the most Southerly corner of Parcel 2, Land Partition No. 2011-0020; thence South 88° 00' 20" West 400.00 feet to a 5/8 inch iron rod; thence North 1° 59' 40" West 845.00 feet to a 5/8 inch iron rod; thence North 88° 00' 20" East

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493.00 feet to a 5/8 inch iron rod; thence South 1° 59' 40" East 845.00 feet to a 5/8 inch iron rod; thence South 88° 00' 20" West 62.08 feet to a 5/8 inch iron rod; thence North 51° 41' 43" West 113.87 feet to a 5/8 inch iron rod; thence North 15° 31' 09" East 141.54 feet to a 5/8 inch iron rod; thence North 12° 06' 09" East 97.39 feet to a 5/8 inch iron rod; thence North 63° 26' 06" West 174.38 feet to a 5/8 inch iron rod; thence North 90° 00' 00" West 69.55 feet to a 5/8 inch iron rod; thence North 49° 46' 58" West 69.63 feet to a 5/8 inch iron rod; thence North 37° 16' 33" West 77.31 feet to a 5/8 inch iron rod; thence North 11° 50' 18" West 121.44 feet to a 5/8 inch iron rod; thence North 10° 00' 00" West 110.00 feet; thence South 85° 40' 00" West 20.00 feet to a 5/8 inch iron rod; thence South 7° 50' 21" East 100.56 feet to a 5/8 inch iron rod; thence South 11° 22' 25" East 345.52 feet to a 5/8 inch iron rod; thence South 46° 56' 46" East 67.87 feet to a 5/8 inch iron rod; thence South 46° 56' 46" East 234.73 feet to a 5/8 inch iron rod; thence South 51° 41' 43" East 110.44 feet to a 5/8 inch iron rod, the place of beginning.

(with the 73.9+/- acres being "Parcel 1"). The Parcel 1 area subject to Lot-Line Adjustment is the 73.9 +/- acre area highlighted in pink on the Douglas County Tax Assessor Parcel Map on the following page.

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EXHIBIT A-2
LEGAL DESCRIPTION OF PARCEL 2
*[THIS IS A PLACEHOLDER FOR THE LEGAL DESCRIPTION TO BE AMENDED AFTER SURVEY
AND LOT-LINE ADJUSTMENTS ARE FINALIZED]*

PARCEL 2

An approximately **five and 51/100 (5.51+/-)** acre parcel to be surveyed out of the **95.1** acre parcel of land identified as Douglas County Tax Identification Number 28-07W-25-00200, more particularly described as follows (with the 5.51+/- acres being "**Parcel 1**"):

Parcel 1 of Partition Plat No. 2008-0075, Surveyor's Records of Douglas County, Oregon, Recorder's Instrument No. 2008-019573.

EXCEPTING THEREFROM the following described Parcel: A parcel of land in the Northwest quarter of Section 25, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon, being more particularly described as follows:

Commencing at a 1 ¼ inch iron pipe with a 2 ½ inch brass cap at the quarter corner between Sections 25 and 30, Township 28 South, Range 7 West, Willamette Meridian; thence North 77° 29' 02" West 2905.27 feet to a 5/8 inch iron rebar at the Southeast corner of Parcel 2 of a Land Partition Filed with the Douglas County Surveyor's Office as 2008-0075 and in the Douglas County Official Records as 2008-019573; thence South 88° 25' 17" West 76.62 feet along South line of said Parcel 2 to a 5/8 inch iron rebar, said point being the true point of beginning; thence South 0° 13' 10" East 404.30 feet to a 5/8 inch iron rebar on the Southerly line of Parcel 1 of said Land Partition being the North line of Schattenkerk property; thence North 83° 49' 43" West 461.68 feet along said line to a 5/8 inch iron rebar; thence North 0° 13' 10" West 530.49 feet to the Western most Southwesterly corner of said Parcel 2; thence North 89° 36' 30" East 211.17 feet along Southerly line of said Parcel 2 to a 5/8 inch iron rebar at the Southwest interior "L" corner of said Parcel 2; thence along Southerly line of said Parcel 2 South 0° 11' 28" East 184.08 feet to the Southernmost Southwesterly corner of said Parcel 2; thence North 88° 25' 17" East 247.70 feet along the South line of said Parcel 2 to the true point of beginning.

The Parcel 2 tract subject to Lot-Line Adjustment is the 5.51 +/- acre area highlighted in pink on the Douglas County Tax Assessor Parcel Map on the following page.

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EXHIBIT A-3
LEGAL DESCRIPTION OF PARCEL 3
*[THIS IS A PLACEHOLDER FOR THE LEGAL DESCRIPTION TO BE AMENDED AFTER SURVEY
AND LOT-LINE ADJUSTMENTS ARE FINALIZED]*

PARCEL 3

An approximately **63/100 (0.63+/-)** acre parcel to be surveyed out of the **95.1** acre parcel of land identified as Douglas County Tax Identification Number 28-07W-25-00200, more particularly described as follows (with the 0.63+/- acres being "**Parcel 3**"):

Parcel 1 of Partition Plat No. 2008-0075, Surveyor's Records of Douglas County, Oregon, Recorder's Instrument No. 2008-019573.

EXCEPTING THEREFROM the following described Parcel: A parcel of land in the Northwest quarter of Section 25, Township 28 South, Range 7 West, Willamette Meridian, Douglas County, Oregon, being more particularly described as follows:

Commencing at a 1 ¼ inch iron pipe with a 2 ½ inch brass cap at the quarter corner between Sections 25 and 30, Township 28 South, Range 7 West, Willamette Meridian; thence North 77° 29' 02" West 2905.27 feet to a 5/8 inch iron rebar at the Southeast corner of Parcel 2 of a Land Partition Filed with the Douglas County Surveyor's Office as 2008-0075 and in the Douglas County Official Records as 2008-019573; thence South 88° 25' 17" West 76.62 feet along South line of said Parcel 2 to a 5/8 inch iron rebar, said point being the true point of beginning; thence South 0° 13' 10" East 404.30 feet to a 5/8 inch iron rebar on the Southerly line of Parcel 1 of said Land Partition being the North line of Schattenkerk property; thence North 83° 49' 43" West 461.68 feet along said line to a 5/8 inch iron rebar; thence North 0° 13' 10" West 530.49 feet to the Western most Southwesterly corner of said Parcel 2; thence North 89° 36' 30" East 211.17 feet along Southerly line of said Parcel 2 to a 5/8 inch iron rebar at the Southwest interior "L" corner of said Parcel 2; thence along Southerly line of said Parcel 2 South 0° 11' 28" East 184.08 feet to the Southernmost Southwesterly corner of said Parcel 2; thence North 88° 25' 17" East 247.70 feet along the South line of said Parcel 2 to the true point of beginning.

The Parcel 3 tract subject to Lot-Line Adjustment is the 0.63 +/- acre area highlighted in pink on the Douglas County Tax Assessor Parcel Map on the following page.

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EXHIBIT A

LEGAL DESCRIPTION OF SELLER REAL 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 101.47 +/- acres of land in Douglas County, Oregon (being part of the "Property").

Douglas Co. Tax Assessor

Property ID	Acres
R43897	20.89
R43921	80.58
Total	101.47

The land referred to in this policy is described as

Beginning at the Northwest corner of Section 30, Township 28 South of Range 6 West of the Willamette Meridian, in Oregon, and running thence East along the line between Sections 19 and 30 in the aforesaid Township and Range to the West boundary of Joseph Gage Donation Land Claim, the same being Claim No. 51, and being situated in the aforesaid Township and Range; thence South along the West boundary of said Claim No. 51, 22.67 chains; thence South 88° West 6.79 chains to a stake from which a white oak 6" in diameter bears North 4° West 41 links distant; thence South 65° West 7.36 chains to a stake from which a fir tree 5" in diameter bears North 5° East 65 links distant; thence South 75° West 8.20 chains to a stake from which an ash 7" in diameter bears South 31° East 49 links distant, thence South 65° West 17.54 chains to the township line; thence North along said line to the place of beginning, save and excepting from the above parcel of land the following portion thereof which has been heretofore conveyed, to wit: Commencing at the Northeast corner of Section 25 Township 28 South of Range 7 West of the Willamette Meridian, thence South 10 rods, thence East 16 rods, thence North 12 rods, thence West 16 rods to the place of beginning, and containing 1 acre, more or less. Also save and except the following described portion of above land which has been heretofore conveyed, described as follows, to wit: Commencing at a point where the line of the County Road crosses the Section line running North and South between Section 30 in Township 28 South of Range 6 West, and Section 25, in Township 28 South of Range 7 West of the Willamette Meridian, and running North on the Section line 12 rods, thence easterly parallel with said road 13 rods 5 1/2 feet, thence southerly parallel with said Section line 12 rods; thence westerly on the North boundary of said road to the place of beginning, containing 1 acre, more or less.

Also save and except therefrom that portion thereof now occupied by the Roseburg Coos Bay Highway.

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EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1 of Partition Plat No. 1996-0035, Surveyor's Records of Douglas County, Oregon. Recorder's Instrument No. 96-07636.

EXCEPTING: A parcel of land lying in the Southwest quarter of Section 20, Township 28 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, described as follows:

Beginning at a point on the West line of said Section 430 feet South from a point that bears 23.67 chains East from the Northwest corner of Donation Land Claim No. 51; thence Northeasterly 340 feet to the West line of that property described in Instrument No. 75-2808, Douglas County, Oregon; thence South $1^{\circ} 22'$ West 330 feet, more or less, along said West line to the Northerly right of way of Douglas County Road No. 47A; thence Westerly along said Northerly right of way to the West line of Section 20; thence North along said Section line 145 feet, more or less, to the true point of beginning.

ALSO Excepting therefrom that portion deeded to the State of Oregon by Deed recorded as Instrument No. 2009-013186, Deed Records, Douglas County, Oregon.

ALSO EXCEPTING property located in the Southeast one-quarter of Section 19, Township 28 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, said property being described as follows: Beginning at a 5/8 inch iron rod on the Northerly right of way line of Old Brockway County Road No. 47A, said point bears North $6^{\circ} 52' 54''$ East 60.00 feet and North $83^{\circ} 07' 06''$ West 197.71 feet from the most Northerly Northeast corner of Parcel 1, Partition Plat No. 1993-0105, Plat Records, Douglas County, Oregon; thence North $83^{\circ} 07' 06''$ West 51.37 feet along the aforementioned Northerly right of way line to a 5/8 inch iron rod; thence leaving said right of way line North $6^{\circ} 56' 55''$ West 11.82 feet to an axle; thence continuing North $6^{\circ} 56' 55''$ West 49.84 feet to a 5/8 inch iron rod; thence North $82^{\circ} 49' 01''$ East 49.88 feet to an axle; thence South $6^{\circ} 56' 55''$ East 49.84 feet to an axle; thence continuing South $6^{\circ} 56' 55''$ East 24.30 feet to the place of beginning.

"FOR INFORMATIONAL PURPOSES ONLY, THE FOLLOWING IS INCLUDED"

28-06W-19-02000
28-06W-19-02102
28-06W-30-00400
28-06W-20C-00400

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Attachment C
Proposed Place of Use and Point of Diversion Map
Application for a Water Use Permit

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Attachment D

Written authorization permitting access (excerpts from purchase contract)
Application for a Water Use Permit

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REAL ESTATE PURCHASE CONTRACT

THIS REAL ESTATE PURCHASE CONTRACT ("**Agreement**") is made and entered into this ____ day of January, 2016 (the "**Effective Date**") by and between Harold F. and Jill W. Anderson, husband and wife, located at 611 Quarter Horse Lane Winston, OR 97496, ("**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.

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) **Property:**

(i) An approximately **seventy-three and 9/10 (73.9+/-)** acre parcel to be surveyed out of the land area within the **111.44** acre parcel of land identified as Douglas County Tax Assessor Property identification number **R47362 ("Parcel 1")**, as more particularly identified on **EXHIBIT A-1**, and added by lot-line adjustment undertaken by the Seller as a condition to Closing, to that **101.47** acre parcel currently managed by Buyer identified as Douglas County Tax Assessor Property identification number **R43897 ("Clarno Parcel")** located adjacent and immediately to the east, more particularly described in **EXHIBIT E**.

(ii) An approximately **five and 51/100 (5.51+/-)** acre parcel to be surveyed out of the land area within the **95.1** acre parcel of land identified as Douglas County Tax Assessor Property identification number **R47348 ("Parcel 2")**, as more particularly illustrated on **EXHIBIT A-2**, and added by lot-line adjustment undertaken by the Seller as a condition to Closing, to that **101.47** acre parcel currently managed by Buyer identified as Douglas County Tax Assessor Property identification number **R43897 ("Clarno Parcel")** located adjacent and immediately to the east, more particularly described in **EXHIBIT E**.

(iii) An approximately **63/100 (0.63+/-)** acre parcel of land and improvements in Douglas County, Oregon, to be surveyed out of the land area within the **95.1** acre parcel of land identified as Douglas County Tax Assessor Property identification number **R47348 ("Parcel 3")**, as more particularly illustrated on **EXHIBIT A-3**, and added by lot-line adjustment undertaken by the Seller as a condition to Closing, to that **101.47** acre parcel currently managed by Buyer identified as Douglas County Tax Assessor Property identification number **R43897 ("Clarno Parcel")** located immediately to the east, more particularly described in **EXHIBIT E**.

Parcels 1 through 3 in combination are the "**Real Property**" subject to transfer under this Agreement. Aerial photographs depicting the Real Property to be transferred are attached as **Exhibit A-4**.

(b) all buildings, structures, improvements, timber and fixtures now located on or hereafter erected on, affixed or attached to the Real Property, including gates, fences, signs, offices, barns, scales, and equipment storage buildings (collectively, the "**Improvements**"), *provided, however*, that the home and office furniture and furnishings 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

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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 D** 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 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; the domestic and irrigation and other water accessible to, on, under, pumped from or otherwise available to the Real Property or any drainage, retention, 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, as amended from time to time, 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 prescriptive, 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, and any other application, permit, or certificate that includes all or any portion of the Real Property within its place of use, whether perfected or unperfected, 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**”), if any;

(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**”), if any;

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

(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 two hundred seventy five thousand, six hundred and thirty dollars (**\$275,630.00**). A written allocation of the Purchase Price among the components of the Property as agreed by Seller and Buyer is attached as **EXHIBIT B** 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.

3. **Payment of Purchase Price.** The Purchase Price for the Property shall be payable by Buyer as follows:

(a) Within fifteen (15) Business Days after the Opening of Escrow (defined below), Buyer shall deposit or cause to be deposited with AmeriTitle Insurance Company, 1495 NW Garden Valley Blvd., Roseburg, OR 97470, 541-672-6651 phone, 541-672-3980 fax, roseburgcs@ameri-title.com, Attention: Ms. Terri Jo Morgan, ("**Escrow Holder**"), in cash or a confirmed wire transfer of funds, the sum of ten thousand dollars (**\$10,000.00**) (together with interest earned thereon, if any, and as the same may be increased in accordance with this Agreement, the "**Deposit**"). Title insurance for the property shall be issued by AmeriTitle Insurance Company or Roseburg, OR, Attention: Ms. Dulce Phelps, Phone: 541-672-6651, Fax: 541-672-3980, Email: Dulcep@ameri-title.com (Title Agent) ("**Title Company**"). The Deposit shall be applicable in full towards the Purchase Price at the Close of Escrow. If Buyer has waived the termination of this Agreement upon the expiration of the Due Diligence Period as set forth below, the Deposit shall be nonrefundable to Buyer as provided herein, unless otherwise provided herein.

(b) In sufficient time for the Close of Escrow to occur no later than the Closing Date (defined below), Buyer shall deposit or cause to be deposited with Escrow Holder, in cash or a certified or bank cashier's check made payable to Escrow Holder or a confirmed wire transfer of funds an amount equal to the Purchase Price, less the Deposit and any interest accrued thereon, plus or minus applicable prorations and costs as specified herein.

(c) Buyer, Escrow Holder, or any other applicable withholding agent will be entitled to deduct and withhold from the consideration otherwise payable to or for the benefit of any person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of federal, state, local or non-U.S. tax law. Any amounts withheld in accordance with this Section 3(c) and paid over to the appropriate governmental authority shall be treated for all purposes of this Agreement as having paid to the person in respect of which such deduction and withholding was made.

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4. **Escrow.**

(a) **Opening of Escrow.** For purposes of this Agreement, Escrow shall be deemed opened on the date Escrow Holder shall have received an executed counterpart of this Agreement from both Buyer or its designee(s) and Seller ("**Opening of Escrow**"). Escrow Holder shall promptly notify Buyer and Seller, in writing, of the date Escrow is opened. In addition, Buyer and Seller agree to execute, deliver and be bound by any reasonable and customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement. If there is any conflict or inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

(b) **Close of Escrow.** For purposes of this Agreement, the "**Close of Escrow**" or "**Closing**" shall be defined as the date that the special warranty deed, the form of which is attached hereto as **EXHIBIT C-1 ("Deed")**, conveying the Property to Buyer is recorded in the Official Records of the appropriate county ("**Official Records**") and the Assignments of Water Rights, the form of which are attached hereto as **EXHIBIT C-2 (the "Assignments of Water Rights")**, is released by the Escrow Holder. Escrow shall close on the later of **May 3, 2016** or a date acceptable to Buyer and Seller that is not more than fifteen (15) business days after the expiration of the Due Diligence Period, or as otherwise agreed by the Parties (the "**Scheduled Closing Date**"). Notwithstanding the foregoing, Buyer may elect to extend the Scheduled Closing Date from time to time to enable Seller to cure Due Diligence Objections that Seller has elected to cure and to complete the Lot-Line Adjustments required herein, by providing written notice to Seller prior to the then Scheduled Closing Date. The date on which the Closing shall occur is herein defined as the "**Closing Date**".

(c) If Seller fails to consummate the Closing under this Agreement for any reason other than Buyer's material default of any monetary obligation hereunder or the permitted termination of this Agreement by Seller as expressly provided herein, then Buyer shall be entitled to (i) terminate this Agreement and receive the return of its Deposit, and if Seller's default is material or willful, Buyer shall receive prompt reimbursement from Seller for all of Buyer's actual and documented third party due diligence, inspection, survey and report costs, and legal fees incurred by Buyer; or (ii) enforce specific performance of Seller's obligation to consummate the transaction contemplated hereunder and execute the documents required to convey the Property to Buyer. Notwithstanding the foregoing, if the remedy of specific performance is not available due to Seller's conveyance of the Property to another party, Buyer shall have the right to seek an amount from Seller equal to Buyer's actual and documented damages (excluding punitive or speculative damages). This Section 4(c) shall survive the Closing or earlier termination of this Agreement.

(d) BUYER ACKNOWLEDGES THAT THE CLOSING OF THE SALE OF THE PROPERTY TO BUYER, ON THE TERMS AND CONDITIONS AND WITHIN THE TIME PERIOD SET FORTH IN THIS AGREEMENT, IS MATERIAL TO SELLER. BUYER ALSO ACKNOWLEDGES THAT SELLER WILL SUFFER SUBSTANTIAL DAMAGES IF SUCH TRANSACTION IS NOT SO CONSUMMATED DUE TO BUYER'S DEFAULT UNDER THIS AGREEMENT. BUYER FURTHER ACKNOWLEDGES THAT, AS OF THE DATE OF THIS AGREEMENT, SELLER'S DAMAGES WOULD BE EXTREMELY DIFFICULT OR IMPOSSIBLE TO COMPUTE IN LIGHT OF THE UNPREDICTABLE STATE OF THE ECONOMY AND OF GOVERNMENTAL REGULATIONS, THE FLUCTUATING MARKET FOR REAL ESTATE AND REAL ESTATE LOANS OF ALL TYPES, AND OTHER FACTORS WHICH DIRECTLY AFFECT THE VALUE AND MARKETABILITY OF THE PROPERTY. IN LIGHT OF THE FOREGOING

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AND ALL OF THE OTHER FACTS AND CIRCUMSTANCES SURROUNDING THIS TRANSACTION, AND FOLLOWING NEGOTIATIONS BETWEEN THE PARTIES, BUYER AND SELLER AGREE THAT THE AMOUNT OF THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WOULD SUFFER BY REASON OF BUYER'S DEFAULT HEREUNDER. ACCORDINGLY, BUYER AND SELLER HEREBY AGREE THAT, IN THE EVENT THAT THE CLOSING FAILS TO OCCUR DUE TO THE DEFAULT OF BUYER UNDER THIS AGREEMENT AND SELLER IS NOT IN DEFAULT HEREUNDER, SELLER'S SOLE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT BY GIVING NOTICE TO BUYER AND TITLE COMPANY AND TO RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IN LIEU OF ANY OTHER CLAIM SELLER MAY HAVE IN LAW OR IN EQUITY (INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE) ARISING BY REASON OF BUYER'S DEFAULT. SUCH RETENTION OF THE DEPOSIT BY SELLER IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY. THE PARTIES HAVE INITIALED THIS SECTION 4(d) TO ESTABLISH THEIR INTENT SO TO LIQUIDATE SELLER'S DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS SECTION 4(d) SHALL BE DEEMED TO LIMIT: (A) BUYER'S INDEMNIFICATION OBLIGATIONS CONTAINED IN THIS AGREEMENT, OR (B) SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES AND COSTS PURSUANT TO SECTION 23(n) BELOW.

BUYER _____

SELLER HAR Jwa

5. **Intentionally Omitted.**

6. **Condition of Title.** The Property is to be conveyed at the Closing by, *inter alia*, a Grant Deed and the Assignment of Water Rights running to Buyer and conveying good and marketable fee-simple title to the Property, free and clear of all liens and encumbrances, except those specifically approved in writing by Buyer. Seller will also execute acknowledge and deliver to Buyer at the Closing a bill of sale with warranties of title, to all personal property to be conveyed to Buyer substantially in the form of **EXHIBIT D** (the "**Bill of Sale**").

7. **Evidence of Title.** Evidence of title to the Property shall be by an ALTA Owner's Extended Coverage Title Insurance Policy on ALTA Owner's Policy adopted 6/17/06, including any Buyer requested endorsements, all in form and substance and in all respects acceptable to Buyer, in the amount of the Purchase Price issued by Title Company (the "**Owner's Policy**"). The Parties acknowledge that Seller shall deliver to Buyer, at Seller's expense, and within ten (10) Business Days after the Opening of Escrow, (i) preliminary title reports for the Real Property issued by the Title Company ("**Title Reports**"), together with the recorded documents underlying each of the listed exceptions, and (ii) a certificate or certificates of taxes covering the Property, prepared by the applicable tax assessor. Said Owner's Policy shall insure in Buyer good and marketable title in fee simple to the Property, free and clear from all liens and encumbrances, except those which are approved by Buyer in the manner set forth herein.

If the Title Report, UCC searches or the Survey (as defined herein) show that title to all or part of the Property is defective or unmarketable, or if the Property is subject to any liens or encumbrances which are unacceptable to Buyer (in Buyer's sole discretion) or discloses other defects in title not acceptable to Buyer (in Buyer's sole discretion) ("**Title Defect**"), Buyer shall identify those Title Defects in writing to Seller ("**Title Objections**"). Following Seller's receipt of the Title Objections, Seller shall have a reasonable time, not to exceed thirty (30) days or five (5) days before the Scheduled Closing Date, whichever is earlier, within which to remedy or remove any such Title Defect. If Seller fails to

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remedy or remove any such lien or encumbrance to the satisfaction of the Buyer, in Buyer's sole discretion, Buyer may elect either to (i) complete the purchase subject to such matters, or (ii) terminate this Agreement, in which case the Deposit shall be returned to Buyer forthwith; and both Parties hereto shall be relieved of all further liability, except obligations hereunder expressly stated to survive (including Section 4(c)). Seller shall, at Seller's sole cost and expense, be obligated to remove or cause the removal from the land records at or prior to Closing of the following (collectively, "**Voluntary Liens**"): (x) all monetary liens and encumbrances, including without limitation, deeds of trust, judgments and federal, state and municipal tax liens and (y) all non-monetary liens and encumbrances which Seller has suffered or allowed to be placed on the Property from and after the Effective Date without Buyer's written consent. All Voluntary Liens shall automatically be deemed to be Title Defects.

8. **Due Diligence Materials.** Within five (5) Business Days after the Effective Date, to the extent they exist and are in Seller's possession or reasonably obtainable by Seller, Seller will provide to Buyer all documents, records, and other information in Seller's possession, or that are obtainable, relating to the Property including, without limitation: a) appraisals, environmental surveys and wildlife studies (if any), b) all leases, contracts and easements impacting the property, c) water right certificates, summaries, studies, research and use history, including all agreements and correspondence with or related to Olalla-Lookingglass Water Control District, d) Updated title descriptions with copies of all title policy exception documents, e) property maps and surveys (if any), f) soil tests and reports (if any), g) property use history (3-years), h) summaries of pending litigation impacting the Property (if any), i) a summary of property Improvements (3-years), j) agreements relating to the property (if 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 ninety (90) day Due Diligence Period beginning after the later of i) the full execution, acceptance and Seller's delivery of this Agreement 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 Ten Thousand Dollars (**\$10,000.00**). 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 Ten Thousand Dollars (**\$10,000.00**), with each extension.

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(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 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

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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.** At Buyer's own expense, 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 any portion of the Property located in an area designed as having special flood hazards has been delineated on the Survey, (iii) otherwise be in such form and contain such information as is necessary to obtain insurance as to matters of survey in an owner's title policy with respect to the Property.

11. **Conditions Precedent to Closing.**

(a) **Buyer Conditions Precedent to Closing.** As a condition precedent to Buyer's obligations to purchase the Property, made for the benefit of Buyer:

(i) All representations and warranties of the Seller made herein shall be true, correct and complete on and as of the Closing Date, as if such representations and warranties were first made on the Closing Date;

(ii) Seller shall have fully performed all covenants and obligations required to be performed by the Seller on or before the Closing Date;

(iii) Seller shall have executed and delivered to Buyer, as applicable, the following documents:

(A) a certificate executed by a duly appointed officer of Seller, certifying that: (1) all representations and warranties of Seller set forth herein were true and correct when made and are true, correct and complete in all material respects at Closing and (2) Seller has fully performed all covenants and obligations to be performed by it under this Agreement; and

(B) a certification of Seller complying with the requirements of Section 1.1445-2(b)(2) of the Treasury Regulations, in form satisfactory to Buyer.

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(iv) Seller shall have delivered possession and title to the Property in the condition specified in this Agreement;

(v) Buyer shall have inspected and approved of the Property as provided in Section 9 above;

(vi) Buyer shall have received the Title Company's irrevocable commitment to insure title by means of the Owner's Policy, which shall be subject only to liens and encumbrances approved by Buyer as set forth herein and the payment of the premium therefor to the extent the responsibility of Buyer as provided in Section 12; Seller shall have executed and delivered such lien, affidavits and indemnities as the Title Company or Buyer may reasonably require, including, without limitation, a so-called owner's affidavit in such form as will permit the Title Company to issue the Owner's Policy without exceptions for parties-in-possession or mechanic's liens and, if required, a so-called gap indemnity in such form as will permit the Title Company to release the Purchase Price to Seller prior to recording the deed and the other applicable closing documents;

(vii) Seller shall have delivered all documents reasonably required to implement this Agreement to the Title Company, including without limitation, original executed copies of the Deeds, the Assignments of Water Rights, and Bill of Sale, and documents evidencing Seller's authority, legal status and good standing;

(viii) All consents or approvals to the transfer of the Property to Buyer, in form satisfactory to Buyer, shall have been obtained from Governmental Authorities or other third parties, including, without limitation, the Assignment of Water Rights and operational permits;

(ix) Buyer shall be reasonably satisfied that all environmental remediation required hereunder shall have been completed to the reasonable satisfaction of Buyer, which shall include confirmation of same from Buyer's environmental consultant;

(x) Seller shall have completed the Lot-Line Adjustments required to add Parcel 1, Parcel 2, and Parcel 3 to the Clarno Parcel, in accordance with all legal requirements and Buyer and Title Company's satisfaction; and

(xi) Seller shall assist Buyer in obtaining a water delivery contract from the Olalla-Lookingglass Water Control District ("**Water Supply Contract**") with not less than an eight (8) year term and forty-three (43.0) Acre Feet of annual water deliveries to the Real Property, under terms and conditions satisfactory to Buyer, with said contract and the rights thereof being assigned by Seller to Buyer in writing at Closing.

(b) If any one or more of the conditions precedent set forth in Section 11(a) are not satisfied by the Closing Date, in Buyer's sole discretion, then Buyer shall deliver to Seller a written notice specifying which conditions precedent have not been satisfied. If Buyer's conditions precedent has not been satisfied within five (5) Business Days following receipt of Buyer's notice, then Buyer shall have the absolute right to terminate this Agreement. Alternatively, Buyer may elect not to terminate this Agreement and may bring an action for specific performance of this Agreement. Upon termination of this Agreement pursuant to this section, the entire Deposit shall be returned to Buyer by Title Company, Buyer shall have the rights and remedies available to it (if any) under Section 4(c), and all Parties shall be released from further liability under this Agreement, except those obligations expressly stated to survive.

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(c) Seller Conditions Precedent to Closing. As a condition precedent to Seller's obligations to close on the sale of the Property, made for the benefit of Seller:

(i) All representations and warranties of Buyer made herein shall be true, correct and complete on and as of the Closing Date, as if such representations and warranties were first made on the Closing Date;

(ii) Buyer shall have fully performed all covenants and obligations required to be performed by the Seller on or before the Closing Date;

(iii) Buyer shall have executed and delivered to Seller, as applicable, a certificate executed by a duly appointed officer of Buyer, certifying that: (A) all representations and warranties of Buyer set forth herein were true, correct and complete when made and are true, correct and complete in all material respects at Closing and (B) Buyer has fully performed all covenants and obligations to be performed by it under this Agreement; and

(iv) Buyer shall have delivered all documents reasonably required to implement this Agreement to the Title Company; and

(v) Buyer must have deposited with the Escrow Holder the balance of the Purchase Price less the Deposit and all other funds required of Buyer under this Agreement.

(vi) To the extent that Douglas County requires additional land in order to complete the Lot-Line Adjustments required herein, including that described in Section 11(c)(vi) above, Buyer shall be responsible for arranging to have reasonable portions of the Clarno Parcel to be used as needed to facilitate any minimum acreage requirements to complete the Lot-Line Adjustments, to the extent deemed acceptable by Buyer and its legal counsel.

(d) If any one or more of the conditions precedent set forth in Section 11(c) are not met by the Closing Date, in Seller's sole discretion, then Seller shall deliver to Buyer a written notice specifying which conditions precedent have not been satisfied. If Seller's conditions precedent have not been satisfied within five (5) Business Days following receipt of Seller's notice and Seller is not in default of its obligations hereunder, then Seller shall have as its sole and exclusive remedy to terminate this Agreement and retain the Deposit. If Seller elects to terminate this Agreement pursuant to this section, and Seller is not otherwise in default under this agreement, the Deposit shall be paid to Seller, less Seller's share (pursuant to Section 12 hereof) of documented expenses of Title Company, and all Parties shall be released from liability under this Agreement, except those obligations expressly stated to survive.

12. Closing Costs. Seller shall pay (a) all costs and charges for title examination and preliminary title report, (b) real property sales commissions and brokerage fees of any broker or agent representing Seller (if any) (c) any and all unpaid costs to clear title encumbrances and defects that Seller has agreed to cure, (d) all taxes resulting from the sale, including revenue or documentary stamps and documentary transfer taxes, and all state, county and city or town transfer taxes, (e) recording and filing fees for the recording of the Deed and Assignments of Water Rights, (f) all environmental remediation costs (if any) (which work has been authorized at Seller's expense and is to be both completed and paid for prior to Closing), (g) 50% of the costs of the Survey, (h) 50% of the cost of the Lot-Line Adjustments and (i) 50% of the costs of Escrow Holder. Buyer shall pay (a) for its own cost to evaluate the Property, including but not limited to, property appraisals, soil and water system testing costs, and water rights review costs (b) 100% of the title insurance premium for the Owner's Policy, as well as for any title endorsements, affirmative insurance and lender's policy (if applicable) required by Buyer, (c) 50% of

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the costs of the Survey (or an update thereto), and, if the sale closes, (d) 100% of the costs, if any, of transfer of the Water Rights and operating permits to Buyer at Closing, (e) 50% of the cost of the Lot-Line Adjustments, excluding any of Seller's own legal and consulting expenses. Other closing costs shall be allocated in accordance with local custom. Except as expressly provided in this Agreement, Seller and Buyer shall pay their respective legal, consulting, and other professional fees and expenses incurred in connection with this Agreement and the transaction contemplated hereby and their respective shares of prorations as hereinafter provided. The provisions of this Section 12 shall survive the Closing or a termination of this Agreement.

13. **Prorations.** A proration of real and personal property taxes for any period that includes the Closing Date, insurance, special assessments, deposits, utilities or any other costs related to the Property ("**Property Costs**") between Seller and Buyer shall be completed at Closing.

14. **Possession.** At the Closing, Seller will deliver to Buyer possession of the Property.

15. **Representations and Warranties.**

(a) **Representations and Warranties of Seller.** To induce Buyer to enter into this Agreement, Seller represents and warrants to, Buyer as of the date hereof and as of the Closing Date, and covenants with Buyer as follows:

(i) **Organization and Authority.** If applicable, Seller is duly incorporated, validly existing, and in good standing under the laws of the state of Oregon, and is qualified as a foreign corporation to do business in any jurisdiction where such qualification is required. Seller has all requisite corporate power and authority to own and operate the Property, to execute, deliver, and perform its obligations under this Agreement and to carry out this transaction as set forth herein. The person who has executed this Agreement on behalf of Seller has been duly authorized to do so.

(ii) **Enforceability of Documents.** Upon execution by Seller, this Agreement shall constitute the legal, valid, and binding obligations of Seller, enforceable against Seller, in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

(iii) **No Other Agreements and Options.** None of Sellers or any Property is subject to any commitment, obligation, or agreement, including, without limitation, any right of first refusal, option to purchase or lease granted to a third party.

(iv) **No Consents.** There are no approvals, consents or registration requirements with respect to any Governmental Authority or any other person that are or will be necessary for the valid execution and delivery by Seller of this Agreement or any other document contemplated to be delivered pursuant to the terms hereof, or the consummation of the transactions contemplated hereby and thereby or the conveyance of the Property to Buyer in the condition required by this Agreement.

(v) **No Violations.** The authorization, execution, delivery and performance of this Agreement will not (a) violate any provisions of the articles of organization or other charter documents of Seller, (b) result in a violation of or a conflict with, or constitute a default (or an event which, with or without due notice or lapse of time, or both, would constitute a default) under any other document, instrument or agreement to which Seller is a party or by which Seller, the Property or any part of the property of Seller are subject or bound, (c) result in the creation or imposition of any lien, restriction,

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charge or limitation of any kind, upon Seller or the Property, or (d) violate any law, statute, regulation, rule, ordinance, code, rule or order of any court or Governmental Authority applicable to Seller or the Property.

(vi) Hazardous Materials. Seller represents and warrants as follows: except as specific issues may be expressly disclosed and set forth on **EXHIBIT G**, to Seller's knowledge: (a) there are no present, past or threatened Releases of Hazardous Materials in, on, under or from any portion of the Property, or from other property migrating toward any of the Property, except which have been fully remediated in accordance with Environmental Law; (b) there is no present or past non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Property which has not been fully remedied; (c) Seller does not know of, and has not received, any written notice or other written communication from any person (including Government Authorities) relating to Hazardous Materials or remediation thereof or possible liability of any person pursuant to any Environmental Law or other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing; (d) during the time in which Seller owned or operated the Property, neither Seller nor, to Seller's knowledge, any third party used, generated, manufactured, stored, or disposed of on, under, or about the Property or transported to or from the Property any Hazardous Materials; (e) Seller has not allowed any tenant or other user of the Property to do any act that materially increased the dangers to human health or the environment, posed an unreasonable risk of harm to any Person (whether on or off any of the Property), impaired the value of any of the Property in any material respect, is contrary to any requirement set forth in the insurance policies maintained by Seller, constituted a public or private nuisance, constituted waste, or violated any covenant, condition, agreement or easement applicable to any of the Property; and (f) Seller has truthfully and fully provided to Buyer, in writing, any and all information relating to Hazardous Materials and compliance with Environmental Law with respect to the Property known to Seller and that is contained in the files and records of Seller.

"Environmental Law" means any present, future, federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, including without limitation, the following statutes, and any successor thereto, regulations promulgated pursuant thereto: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Endangered Species Act; the National Environmental Policy Act; and the Federal Insecticide, Fungicide and Rodenticide Act.

"Governmental Authority" means the United States of America, any state or other political subdivision thereof, any other entity exercising executive, judicial, regulatory, or administrative functions of or pertaining to government and any corporation or other entity.

"Hazardous Materials" includes but is not limited to any and all substances (whether solid, liquid or gas) defined, listed or otherwise classified as pollutants, hazardous substances, hazardous materials, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any Environmental Laws or that may have a negative impact on human health or the environment

"Release" means any release, deposit, discharge, emission, leaking, leaching, presence, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Substances.

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For purposes of this Agreement, the term Hazardous Materials includes chemicals, herbicides, fertilizers, pesticides, manure, petroleum products, fuels or lubricants customarily used in farming practices in the County where the Property is situated (“**Farm Use Materials**”), but Seller’s representations and warranties with respect to Hazardous Materials are deemed qualified by the following: the Parties recognize and acknowledge that Farm Use Materials have been used and applied on the Property, but Seller represents that all Farm Use Materials applied to the Property during (and to Seller’s knowledge prior to) Seller’s ownership were applied in full compliance with Environmental Law, except as specific issues may be expressly disclosed and set forth in **Exhibit G**.

(vii) Bankruptcy and Creditors. Seller is not bankrupt, insolvent, or will be made insolvent as a result of the transactions contemplated in this Agreement under any applicable Federal or state standard, has not filed for protection or relief under any applicable bankruptcy or creditor protection statute and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. Seller is not entering into the transactions described in this Agreement with the intent to defraud any creditor or to prefer the rights of one creditor over any other. Seller and Buyer have negotiated this Agreement at arm’s length and the consideration paid represents fair value for the assets to be transferred. Seller is not engaged or about to engage in a business or other transaction in which Seller’s remaining assets are unreasonably small in relation to Seller’s actual or proposed business or transaction.

(viii) Use of Property. No zoning, building, or similar law or ordinance is materially violated by the maintenance, operation, or use of the Property. Seller has received no actual notice of any change contemplated in any applicable laws, ordinances or restrictions, or any judicial or administrative action, or any action by adjacent landowners or natural or artificial conditions upon the Property which would prevent, impede, limit or render more costly Buyer’s contemplated use of the Property. The Property is currently zoned for the farming, growing, storing and marketing of crops and the general conduct of business that has historically been conducted on the Property.

(ix) Condition of Property. The Property, including the fixtures and equipment located thereon, are of good workmanship and materials, fully equipped and operational, clean, orderly and sanitary, safe, and well-maintained.

(x) Water. At present and as of the Closing, and to the best of Sellers' knowledge, the Water Rights are in good standing and authorized for use at and for the benefit of the Real Property.

(xi) Utilities. The Property is served by sufficient electric public utilities to permit full utilization of the Property for its intended purposes and all utility connection fees and use charges will have been paid in full by the day of Closing for all utility service provided through that date.

(xii) Mechanic’s Liens. There are no outstanding accounts payable, mechanics’ liens, or rights to claim a mechanics’ lien in favor of any materialman, laborer, or any other Person in connection with labor or materials furnished to or performed on the Property, which will not have been fully paid for on or before the Closing Date or which might provide the basis for the filing of such liens against the Property or any portion thereof. No work has been performed or is in progress nor have materials been supplied to the Property or agreements entered into for work to be performed or materials to be supplied to the Property prior to the date hereof, which will not have been fully paid for on or before the Closing Date or which might provide the basis for the filing of such liens against the Property or any portion thereof. Seller shall be responsible for any and all claims for mechanics’ liens and accounts payable that have arisen or may subsequently arise due to agreements entered into for and/or any work performed on, or materials supplied to the Property prior and subsequent to the Closing Date,

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and Seller shall and does hereby agree to defend, indemnify and forever hold Buyer and Buyer's designees harmless from and against any and all such mechanics' lien claims, accounts payable or other commitments relating to the Property.

(xiii) Compliance with Anti-Terrorism, Embargo, Sanctions and Anti-Money Laundering Laws. Neither Seller, nor any individual or entity owning directly or indirectly any interest in Seller, is an individual or entity whose property or interests are subject to being blocked under any of the OFAC Laws or is otherwise in violation of any of the OFAC Laws; *provided, however*, that the representation contained in this sentence shall not apply to any person to the extent such person's interest is in or through an entity whose securities are listed on a national securities exchange or quoted on an automated quotation system in the United States or a wholly owned subsidiary of such an entity.

“**OFAC Laws**” means Executive Order 13224 issued by the President of the United States, and all regulations promulgated thereunder, including, without limitation, the Terrorism Sanctions Regulations (31 CFR Part 595), the Terrorism List Governments Sanctions Regulations (31 CFR Part 596), the Foreign Terrorist Organizations Sanctions Regulations (31 CFR Part 597), and the Cuban Assets Control Regulations (31 CFR Part 515), and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including without limitation, the U.S. Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as supplemented, amended or modified from time to time after the Effective Date, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar Laws, ordinances, regulations, policies or requirements of other states or localities.

(xiv) Compliance with Legal Requirements. The Property is not, and Seller has not received any written notice that Seller's use and occupation of the Property or the condition thereof is in current violation of, any of the following (collectively, the “**Legal Requirements**”): (i) applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders and approvals of each Governmental Authority having jurisdiction over the Property, including, without limitation, all health, building, fire, safety and other codes, ordinances and requirements, the Americans With Disabilities Act of 1990, and all policies or rules of common law, in each case, as amended, and any judicial or administrative interpretation thereof, including any judicial order, consent, decree or judgment applicable to the Property or Seller, (ii) any restrictions, covenants and encumbrances of record with respect to the Property, or (iii) any agreements, contracts, insurance policies (including, without limitation, to the extent necessary to prevent cancellation thereof and to insure full payment of any claims made under such policies), easements or written agreements and conditions applicable to the Property or the ownership, operation, use or possession thereof.

(xv) Buyer Not Assuming Liabilities. Buyer shall not, by entering into this Agreement or consummating the Closing hereunder, acquire or assume any liability in respect to the Property, except for contracts and obligations expressly entered into or assumed by Buyer at Closing, and Seller hereby indemnifies and agrees to hold Buyer harmless from any such liability.

(xvi) Litigation. There are not, and Seller has not received notice of, any pending suits or proceedings against or affecting Seller or any part of the Property which (i) do or could affect title to, or the rights to use and enjoy, the Property or any part thereof, or (ii) do or could prohibit or make unlawful the consummation of the transactions contemplated by this Agreement, or render Seller unable to consummate the same.

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(xvii) Leases. There are and will be no leases or use occupancy agreements for the Property or any part thereof which will survive the Closing Date, other than the Lease, unless accepted by Buyer in its sole discretion.

(xviii) Operations Pending Closing. From and after the Effective Date and until the Closing Date, or earlier termination of this Agreement as permitted under this Agreement, without first obtaining Buyer's prior written approval, which approval may be granted or withheld in Buyer's sole discretion, Seller shall not (i) lease or consent to any assignment or sublease of any portion of the Property, (ii) enter into any contract (oral or written) that would be binding upon Buyer and/or the Property after the Closing or (iii) amend or consent to any amendment of any of the organizational documents of Seller or any contractual obligations in respect of the Water Rights.

(xix) Further Transfers. From and after the Effective Date and until the Closing Date, no part of the Property, or any direct or indirect interest therein, will be sold, further encumbered or otherwise transferred without Buyer's prior written consent, which consent may be granted or withheld in Buyer's sole discretion.

(xx) Insurance. Until the Closing Date, Seller shall maintain in effect Seller's current insurance policies (if any) or, if such policies (if any) expire, comparable replacements thereof; provided, however, Seller's insurance policies (if any) will not be assigned to Buyer at the Closing, and Buyer shall obtain its own insurance coverage from and after the Closing Date.

(xxi) Broker. Seller 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 Seller hereby indemnifies and agrees to hold Buyer harmless from any such liability.

(xxii) Not a Foreign Person. The Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(xxiii) Taxes. All personal property, real property or other taxes, assessments or similar charges in respect of or relating to the Property that are due and payable, or are with respect to a period ending, prior to the Closing Date have been timely paid prior to the Closing Date. All taxes owed by Seller have been timely paid or will be timely paid by the due date thereof.

(xxiv) Tax Returns. All material tax returns required to be filed by Seller have been timely filed (taking into account extensions) and all such tax returns are true, correct, and complete in all material respects.

(xxv) Tax Liens. There are no liens for taxes upon any of the assets of the Seller.

(xxvi) Tax Liabilities. No tax authority has asserted, or threatened to assert, a U.S. federal, state, local, or foreign tax liability in connection with an audit or other administrative or court proceeding involving taxes of the Seller.

(b) Survival; No other Representations or Warranties of Seller.

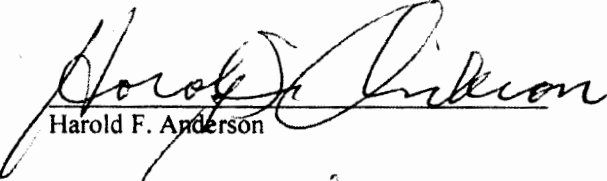
(i) All representations and warranties of Seller made in this Agreement shall be true as of the Effective Date, shall be deemed to have been made again at and as of the Closing Date, shall be true at and as of the Closing Date, and, together with the covenants made by Seller herein, shall survive Closing.

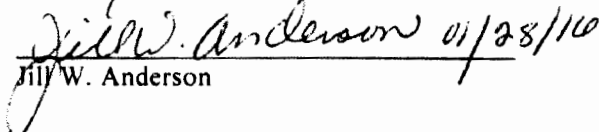
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**WATER RESOURCES DEPT
SALEM, OREGON**

Sellers:


Harold F. Anderson


Jill W. Anderson

[REPC Signature Page]

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Attachment E
Water Right Certificates 80425 and 89035
Application for a Water Use Permit

S-88200

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:

SWX
SECTION 17

NEX SWX
SX SWX
SEX
SECTION 18

NWX NWX
SECTION 19

WX NEX
NX NWX
SEX NWX
SECTION 20

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

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WATER RESOURCES DEPT
SALEM, OREGON

S-88200

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.



Paul R. Cleary, Director

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WATER RESOURCES DEPT
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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WATER RESOURCES DEPT
 SALEM, OREGON

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.

S-88208

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

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SALEM, OREGON

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Attachment F
Letter to Lookingglass-Olalla Water Control District
Application for a Water Use Permit

Kenneth L. Warlick
Chief Investment Officer

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

March 14, 2016

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

Re: Contract for use of stored water for Highway 42B (Anderson) Property

Dear Mr. Barnes:

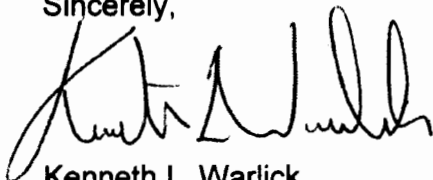
On behalf of Azalea Rojo, LLC I am requesting a contract from the Lookingglass-Olalla Water Control District (District) for stored water from Ben Irving Reservoir for irrigation purposes. The point of diversion will be located in the NW NE, Township 28 South, Range 6 West, Section 19, as shown on the attached map. The stored water will be used to irrigate 57.4 acres, which are also shown on the attached map. I am requesting a maximum of 58 acre-feet of stored water per year.

The acres to be irrigated are located outside of the District's boundaries. I understand that the District is willing to serve stored water to lands outside of its boundaries, but charges for this water will be based on the rates associated with the Galesville Project.

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.

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

Sincerely,



Kenneth L. Warlick
Manager of Azalea Rojo
Chief Investment Office – AgIS Capital

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SALEM, OREGON