



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

Certificate of Water Right Ownership Update

NOTICE TO SELLERS & BUYERS:

By law, all water belongs to the public (ORS 537.110). In almost every instance, a permit or water right certificate from the Water Resources Department is needed before using, diverting or storing water (ORS 537.130). However, most domestic wells do not require water rights. A certificate of water right stays with the land. In order to keep track of water right ownership, the Department requests that this form be submitted to the Department. *If for multiple rights, a separate form for each right will be required.*

Water that has been used for a long time in one place or that involves a water structure (like a dam) that already exists is no guarantee that there is a water right which would allow the water use to continue.

If you have any questions about this form or water right requirements, please contact your local watermaster or call the Water Resources Department at 503-986-0900.

Note: Please type or print legibly when filling in the following information. Use additional paper if necessary.

PROPERTY SELLER INFORMATION

Applicant(s): William and Betty Dillard
First Last
 Mailing Address: 23055 SE Tillstrom Road
Damascus Oregon 97089
City State Zip
 Phone: _____
Home Work Other

PROPERTY BUYER INFORMATION

Applicant(s): Theresa Dillard Lund, Debra Dillard Ward, and Michael W. Dillard dba D-5 LLC
First Last
 Mailing Address: 23055 SE Tillstrom Road
Damascus OR 97089
City State Zip
 Phone: _____
Home Work Other

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PROPERTY DESCRIPTION (attach additional pages if necessary):

County: Clackamas Township: 1S Range: 3E Section: 35
 Tax Lot Number(s): 400

Street address of water right property: _____

Water Right Information (attach copy of water right permit or certificate & final proof map):

Application #: G-14874 Permit #: G-13699 Certificate or Page #: 83566

Will all the lands associated with this water right be owned by the buyer? Yes No

Name of individual completing this form: Theresa Dillard Lund Phone: (503)665-0515

Signature: Theresa Dillard Lund Date: 11-10-15

Please be sure to attach a copy of your property deed or legal description of the property.

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or 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. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON
COUNTY OF CLACKAMAS
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

WILLIAM AND BETTY DILLARD
WILLIAM DILLARD WHOLESALE NURSERY
23055 SE TILLSTROM ROAD
DAMASCUS, OREGON 97089

This Certificate confirms the right to use the waters perfected under the terms of the Permit. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed the amount described, or its equivalent in case of rotation, measured at the point of diversion from the source. The specific limits and conditions of this right are listed below.

APPLICATION FILE NUMBER: G-14874

PERMIT NUMBER: G-13699

SOURCE OF WATER: A WELL IN THE JOHNSON CREEK BASIN

PURPOSE OR USE: NURSERY OPERATIONS ON 19.6 ACRES

MAXIMUM RATE ALLOWED: 0.301 CUBIC FOOT PER SECOND

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PERIOD OF USE: YEAR ROUND

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DATE OF PRIORITY: DECEMBER 8, 1998

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THE WELL IS LOCATED AS FOLLOWS: NW $\frac{1}{4}$, SW $\frac{1}{4}$, SECTION 35, T1S, R3E, W.M.;
700 FEET SOUTH AND 800 FEET EAST OF THE WEST $\frac{1}{4}$ CORNER OF SECTION 35.

The amount of water used for NURSERY OPERATIONS is limited to a diversion of 0.15 cubic foot per second per acre. For the irrigation of containerized nursery plants, the amount of water diverted is limited ONE-FORTIETH of one cubic foot per second (or its equivalent) and 5.0 acre

G-14874.RA

Certificate Number 83566

feet per acre per year. For the irrigation of in ground nursery plants the amount of water diverted is limited to ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre feet per acre per year. The use of water for NURSERY OPERATIONS may be made at anytime, during the period of allowed use specified above, that the use is beneficial. For the irrigation of any other crop, the amount of water diverted is limited to ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre feet per acre during the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW ¼, SW ¼ 19.6 ACRES
SECTION 35
TOWNSHIP 1 SOUTH, RANGE 3 EAST, W.M.

Measurement, recording and reporting conditions:

- A. The water user shall install a meter or other suitable measuring device as approved by the Director. The water user shall maintain the meter or measuring device in good working order.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

- (1) Use of water from the well, as allowed herein, shall be controlled or shut off if the well displays:
 - (a) An average water level decline of three or more feet per year for five consecutive years; or
 - (b) A total water level decline of fifteen or more feet; or

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G-14874.RA

Certificate Number 83566

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- (c) A hydraulic interference decline of fifteen or more feet in any neighboring well providing water for senior exempt uses or wells covered by prior rights.
- (2) The water user shall be responsible for complying with each of the following requirements for measuring water levels in the well.
 - (a) A water level measurement shall be made each year during the period March 1 through March 31.
 - (b) All water level measurements shall be made by a qualified individual. Qualified individuals are certified water rights examiners, registered geologists, registered professional engineers, licensed land surveyors, licensed water well driller, licensed pump installer, or the appropriator.
 - (c) Any qualified individual measuring a well shall use standard methods of procedure and equipment designed for the purpose of well measurement. The equipment used shall be well suited to the conditions of construction at the well. A list of standard methods of procedure and suitable equipment shall be available from the Department.
 - (d) The appropriator shall submit a record of the measurement to the Department on a form available from the Department. The record of measurement shall include both measurements and calculations, shall include a certification as to their accuracy signed by the individual making the measurements, and shall be submitted to the Department within 90 days from the date of measurement. The Department shall determine when any of the declines cited in section (1) are evidenced by the well measurement required in this section.

The reference level from which any declines shall be compared is 222 feet below land surface.

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The Director may require water level or pump test results every ten years.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

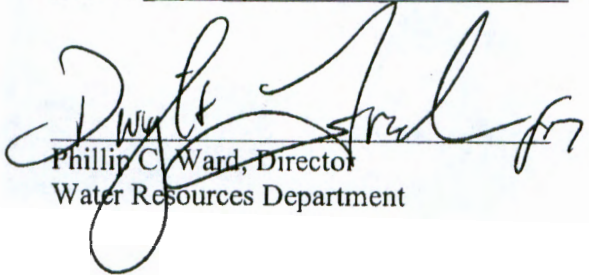
The right to the use of the water for the above purpose is restricted to beneficial use without waste on the lands or place of use described. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

WITNESS the signature of the Water Resources Director,

affixed SEP 25 2007



Phillip C. Ward, Director
Water Resources Department

Recorded in State Record of Water Right Certificates Number 83566.

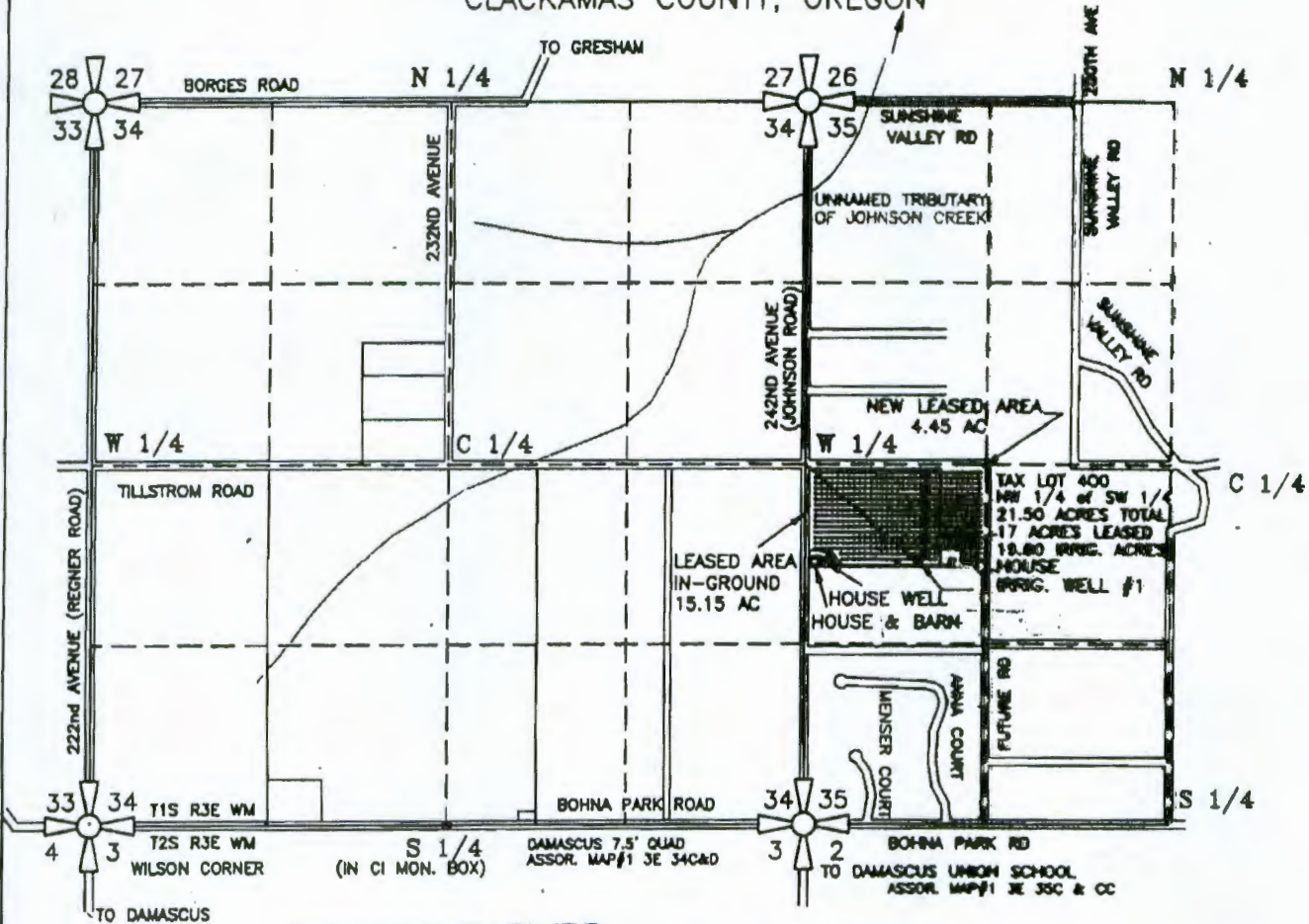
G-14874.RA

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NW 1/4 OF THE SW 1/4 OF SECTION 35
T1S & R3E OF THE WM
CLACKAMAS COUNTY, OREGON



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REVISED WELL LOCATION

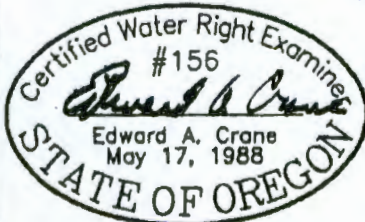
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WELL #1 IS LOCATED 700' SOUTH & 800' EAST OF THE WEST 1/4 CORNER OF SECTION 35, SAID WELL #1 BEING LOCATED IN THE NW 1/4 OF THE SW 1/4 OF SECTION 35, T1S, R3E WM, CLACKAMAS CO., OREGON

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GROUNDWATER APPLICATION
PERMIT G-13699 MAP

PREPARED BY EDWARD A. CRANE, CWRE



Renewal 12/31/2003
Signed 7-18-2005

SURVEYED JULY 15, 2003
BY EDWARD A. CRANE, CWRE

PREPARATION OF THIS MAP WAS FOR THE PURPOSE OF IDENTIFYING THE LOCATION OF THE WATER RIGHTS ONLY AND HAS NO INTENT TO PROVIDE DIMENSIONS OR LOCATION OF PROPERTY OWNERSHIP LINES.

PREPARED BY EDWARD A. CRANE, CWRE

DATE
JULY 2003

PROJECT NO.
245-007



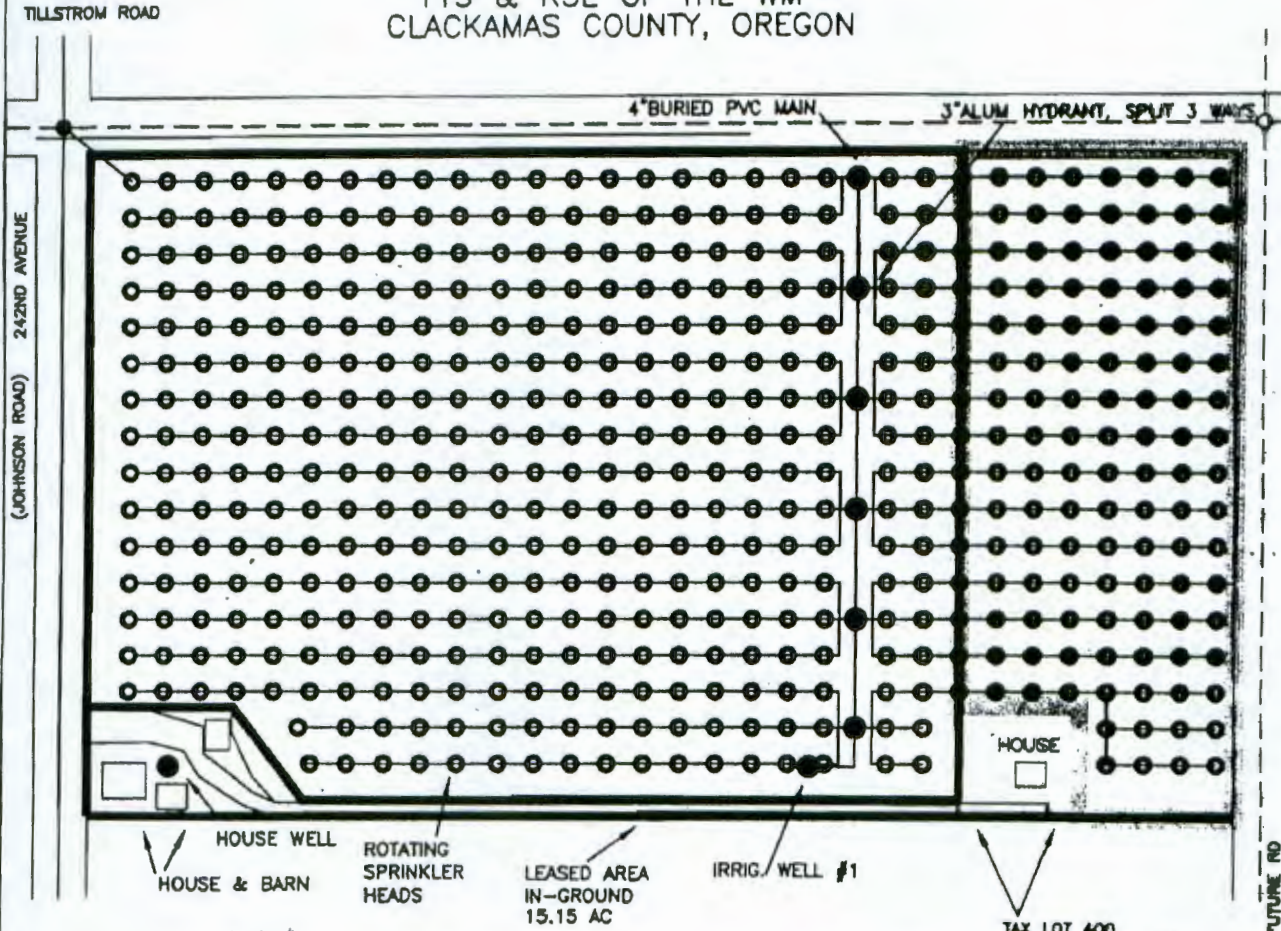
CRANE & MERSETH
Engineering/Surveying
SUITE "D"
6566 SE LAKE ROAD
MILWAUKIE, OREGON 97222
BUS: (503) 654-2005
FAX: (503) 654-2575

APPLICATION FOR PERMIT NUMBER G-14874
PERMIT NUMBER G-13699 IN THE NAME OF:

WILLIAM & BETTY DILLARD, dba WM. DILLARD
WHOLESALE NURSERY (503-665-0515)
23055 SE TILLSTROM RD, GRESHAM OR

SHEET
1/2

NW 1/4 OF THE SW 1/4 OF SECTION 35
T1S & R3E OF THE WM
CLACKAMAS COUNTY, OREGON



19-20 ROTATING SPRINKLERS ON EACH LINE @ 7GPM
4" PVC TRANSMISSION PIPE, 3-3" DISTRIBUTION PER RISERS
3/4" ALUM RISERS, 6HRS PER ZONE, 2 ZONES PER DAY
11 DAYS TO WATER ENTIRE AREA BEFORE STARTING OVER

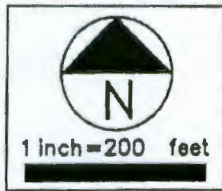
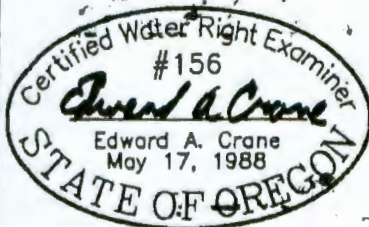
TAX LOT 400
NW 1/4 of SW 1/4
21.50 ACRES TOTAL
17 ACRES LEASED

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SURVEYED JULY 15, 2003



REVISED WELL LOCATION

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Renewal 12/31/2003
Signed 7.18.2003

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PERMIT NUMBER G-13699 IN THE NAME OF:
WILLIAM & BETTY DILLARD, dba WM. DILLARD
WHOLESALE NURSERY (503-665-0515)
23055 SE TILLSTROM RD., GRESHAM OR

SHEET
2/2

Clackamas County Official Records
Sherry Hall, County Clerk

2003-028723



\$26.00

00441134200300287230010017

03/07/2003 12:08:18 PM

D-D Cnt=1 Str=6 MIKE
\$5.00 \$11.00 \$10.00

26

After recording, return to:
Theresa J. Lund
D-5 LLC
23055 SE Tillstrom Road
Gresham, Oregon 97080

Until a change is requested,
all tax statements shall be sent to:
Theresa J. Lund
D-5 LLC
23055 SE Tillstrom Road
Gresham, Oregon 97080

WARRANTY DEED - STATUTORY FORM

WILLIAM DILLARD and BETTY J. DILLARD, Grantors, convey and warrant to D-5 LLC, an Oregon limited liability company, Grantee, the following-described real property free of encumbrances except as specifically set forth herein, situated in Clackamas County, Oregon:

The Northwest 22 acres of the Northwest quarter of the Southwest quarter of Section 35, Township 1 South, Range 3 East, of the Willamette Meridian, in the County of Clackamas, State of Oregon

Tax Account No. 00145970.

The above-described property is free from encumbrances except those of record.

The true and actual consideration for this conveyance is \$0. This is a contribution of capital to an limited liability company.

Dated: Feb. 20, 2003.

William J. Dillard
William Dillard, Grantor

Betty J. Dillard
Betty J. Dillard, Grantor

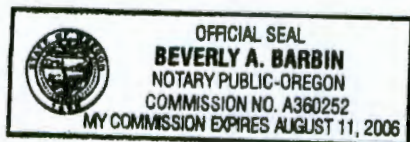
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO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

STATE OF OREGON, County of Clackamas

Personally appeared the above-named William Dillard and Betty J. Dillard and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: Feb. 20, 2003.

Beverly A. Barbin
Notary Public for Oregon
My commission expires 8-11-2006



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TRANSFER AND ASSIGNMENT OF MEMBERSHIP INTERESTS

TRANSFER AND ASSIGNMENT OF MEMBERSHIP INTERESTS by **MICHAEL W. DILLARD, DEBRA DILLARD WARD** and **THERESA DILLARD LUND** (each individually an "Assignor" and collectively the "Assignors") to **D-5 LLC** ("Assignee"), an Oregon limited liability company.

RECITALS

A. Each Assignor owns one-third of the outstanding membership interests in **TMD PHASE III LLC** (the "Company"), an Oregon limited liability company;

B. Each Assignor wishes to transfer and assign all of his or her membership interest in the Company to Assignee; and

D. Assignee wishes to accept the aforesaid transfer and assignment from Assignor.

NOW, THEREFORE, the undersigned agree as follows:

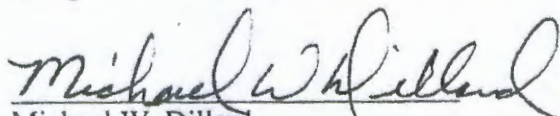
1. Assignors hereby individually and collectively transfer and assign to Assignee all of the Assignors' membership interests in the Company.

2. Assignee hereby accepts the foregoing transfer and assignment from Assignors.

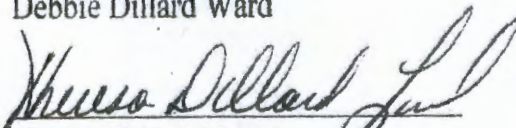
3. No consideration is being paid for this transfer and assignment, it being treated as a capital contribution by each Assignor to Assignee.

IN WITNESS WHEREOF, the parties have executed this document to be effective as of December 1, 2012.

Assignors


Michael W. Dillard


Debbie Dillard Ward


Theresa Dillard Lund

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Assignee

D-5 LLC

By Michael W. Dillard
Michael W. Dillard
Member

By Debbie Dillard Ward
Debbie Dillard Ward
Member

By Theresa Dillard Lund
Theresa Dillard Lund
Member

Pursuant to ORS 63.249, the foregoing transfer and assignment is effective as to the Company and D-5 LLC is accepted as the sole member of TMD Phase III LLC.

TMD PHASE III LLC

By Michael W. Dillard
Michael W. Dillard
Member

By Debbie Dillard Ward
Debbie Dillard Ward
Member

By Theresa Dillard Lund
Theresa Dillard Lund
Member

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