

**CLAIM OF
BENEFICIAL USE
for Transfer with Multiple
Changes – Surface Water and
Groundwater**



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266
(503) 986-0900
www.oregon.gov/OWRD

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A fee of \$200 must accompany this form for any Transfer final orders including a water right with a priority date of July 9, 1987, or later.

Example – A transfer involves 5 rights and one of the rights has a priority date of July 9, 1987, or later, the fee is required.

A separate form shall be completed for each transfer.

This form is subject to revision. **Begin each new claim** by checking for a new version of this form at:

<https://www.oregon.gov/OWRD/Forms/Pages/default.aspx>

The completion of this form is required by OAR 690-014-0100(1) and 690-014-0110(4).

Please type or print in dark ink. If this form is found to contain errors or omissions, it may be returned to you. **Every item must have a response.** If any requested information does not apply to the claim, insert "NA." **Do not delete or alter any section of this form unless directed by the form.** The Department may require the submittal of additional information from any water user or authorized agent.

"Section 7" of this form is intended to aid in the completion of this form and should not be submitted.\

A claim of beneficial use includes both this report and a map. If the map is being mailed separately from this form, please include a note with this form indicating such.

If you have questions regarding the completion of this form, please call 503-986-0900 and ask for the Certificate Section.

The Department has a program that allows it to enter into a voluntary agreement with an applicant for expedited services. Under such an agreement, the applicant pays the cost to hire additional staff that would not otherwise be available. This program means a certificate may be issued in about a month. For more information on this program see:

<https://www.oregon.gov/OWRD/programs/WaterRights/RA/Pages/default.aspx>

SECTION 1

GENERAL INFORMATION

Type of Authorized Change

This Claim is being submitted for a transfer involving multiple changes.

YES NO

Mark all that apply:

1. Change in POD(s) or Additional POD(s)
2. Change in POA(s) or Additional POA(s)
3. Change in Place of Use
4. Change in Character of Use
5. Change in Character of Use – Reservoir

A separate section will be completed for each type of change authorized in the transfer final order.

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1. File Information

APPLICATION # T-12630

2. Property Owner (current owner information)

APPLICANT/BUSINESS NAME ACMPC Oregon I, LLC (dba Humbug Farms)		PHONE NO. (541) 327-7853	ADDITIONAL CONTACT No.	
ADDRESS PO Box 717				
CITY Jefferson	STATE OR	ZIP 97352	E-MAIL	

If the current property owner is not the transfer holder of record, it is recommended that an assignment be filed with the Department. Each transfer holder of record must sign this form.

3. Transfer holder of record (this may, or may not, be the current property owner)

TRANSFER HOLDER OF RECORD		
ADDRESS		
CITY	STATE	ZIP

4. Date of Site Inspection:

10/8/2020

5. Person(s) interviewed and description of their association with the project:

NAME	DATE	ASSOCIATION WITH THE PROJECT
Parker Stanley	10/8/2020	Irrigation Manager
Ariel Gelman	10/8/2020	Operations Supervisor

6. County:

Polk

7. If any property described in the place of use of the transfer final order is excluded from this report, identify the owner of record for that property (ORS 537.230(5)):

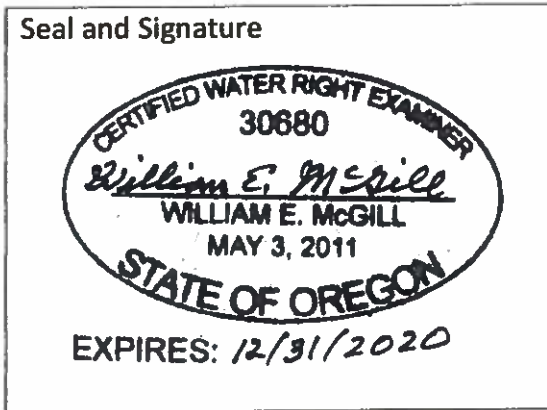
OWNER OF RECORD		
ADDRESS		
CITY	STATE	ZIP

Add additional tables for owners of record as needed

**SECTION 2
SIGNATURES**

CWRE Statement, Seal and Signature

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge.



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CWRE NAME William E. McGill		PHONE NO. (503) 510-3026	ADDITIONAL CONTACT NO. (503) 931-0210
ADDRESS 15333 Pletzer Rd. SE			
CITY Turner	STATE OR	ZIP 97392	E-MAIL willmcgill.surveying@gmail.com

Transfer Holder of Record Signature or Acknowledgement

Each transfer holder of record must sign this form in the space provided below.

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge. I request that the Department issue a water right certificate.

SIGNATURE	PRINT OR TYPE NAME	TITLE	DATE
	Thomas E. Animals	Managing Director	10-27-20

SECTION 3
Changes Made

Note: The Claim only needs to describe the changes that were authorized in the transfer final order.

Change #1

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New or Additional Point of Diversion

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Change in POD(s) or Additional POD(s)

Did the transfer order authorize a change in the points of diversion or additional points of diversion?

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YES **NO**

If "NO", this Section can be deleted.

1. New or additional point of diversion name or number:

POINT OF DIVERSION (POD) NAME OR NUMBER (CORRESPOND TO MAP)	SOURCE
Lake POD 1	Humbug Lake
Lake POD 3	Humbug Lake

2. Variations:

Was the use developed differently from what was authorized by the transfer final order, or extension final?

YES **NO**

If yes, describe below.

(e.g. "The order allowed three new/additional points of diversion. The water user only developed one of the points.")

3. Claim Summary:

NEW OR ADDITIONAL POD NAME OR #	MAXIMUM RATE AUTHORIZED IN ORDER	CALCULATED THEORETICAL RATE BASED ON SYSTEM	AMOUNT OF WATER MEASURED
Lake POD 1	0.06 cfs	2.55 cfs	
Lake POD 3	0.06 cfs	3.00 cfs	

System Description

Are there multiple new or additional Points of Diversion (POD)?

YES **NO**

If "YES" you will need to copy and complete Sections A, B, or C in this Section for each POD.

POD Name or Number this section describes (only needed if there is more than one):

Lake POD 1

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A. POD System Information

Provide the following information concerning the point of diversion. Information provided must describe the equipment used to appropriate water from the point of diversion.

1. Pump Information

MANUFACTURER	MODEL	SERIAL NUMBER	TYPE (CENTRIFUGAL, TURBINE OR SUBMERSIBLE)	INTAKE SIZE	DISCHARGE SIZE
Berkely	B6JPBM	M24611	Centrifugal	8"	6"

2. Motor Information

MANUFACTURER	HORSEPOWER
Baldor	75

3. Theoretical Pump Capacity

HORSEPOWER	OPERATING PSI	LIFT FROM SOURCE TO PUMP	LIFT FROM PUMP TO PLACE OF USE	TOTAL PUMP OUTPUT (IN CFS)
75	60	20'	22'	2.55

4. Provide pump calculations:

$$Q_{\text{pump}} = 75(6.61) / (152.4 + 42) = 2.55$$

5. Measured Pump Capacity (using meter if meter was present and system was operating)

INITIAL METER READING	ENDING METER READING	DURATION OF TIME OBSERVED	TOTAL PUMP OUTPUT (IN CFS)
Meter not required by final order.			

Reminder: For pump calculations use the reference information at the end of this document.

B. Gravity Flow Pipe

(THE DEPARTMENT TYPICALLY USES THE HAZEN-WILLIAM'S FORMULA FOR A GRAVITY FLOW PIPE SYSTEM)

1. Does the diversion involve a gravity flow pipe?

YES NO

C. Gravity Flow Canal or Ditch

(THE DEPARTMENT TYPICALLY USES MANNING'S FORMULA FOR CANALS AND DITCHES)

1. Does the diversion involve a gravity flow ditch or canal?

YES NO

D. Additional notes or comments related to the system:

POD Name or Number this section describes (only needed if there is more than one):

Lake POD 3

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A. POD System Information

Provide the following information concerning the point of diversion. Information provided must describe the equipment used to appropriate water from the point of diversion.

1. Pump Information

MANUFACTURER	MODEL	SERIAL NUMBER	TYPE (CENTRIFUGAL, TURBINE OR SUBMERSIBLE)	INTAKE SIZE	DISCHARGE SIZE
Cornell	4YB-40-2	80957	Centrifugal	6"	4.5"
Cornell	5WB60-2	18125	Centrifugal	6"	5"

2. Motor Information

MANUFACTURER	HORSEPOWER
Not legible on tag	40
Not legible on tag	60

3. Theoretical Pump Capacity

HORSEPOWER	OPERATING PSI	LIFT FROM SOURCE TO PUMP	LIFT FROM PUMP TO PLACE OF USE	TOTAL PUMP OUTPUT (IN CFS)
40	70	8'	34'	1.20
60	70	8'	34'	1.80

4. Provide pump calculations:

$$Q_{\text{pump}} = 40(6.61) / (177.8+42) = 1.20$$

$$Q_{\text{pump}} = 60(6.61) / (177.8+42) = 1.80$$

5. Measured Pump Capacity (using meter if meter was present and system was operating)

INITIAL METER READING	ENDING METER READING	DURATION OF TIME OBSERVED	TOTAL PUMP OUTPUT (IN CFS)
Meter not required by final order.			

Reminder: For pump calculations use the reference information at the end of this document.

B. Gravity Flow Pipe

(THE DEPARTMENT TYPICALLY USES THE HAZEN-WILLIAM'S FORMULA FOR A GRAVITY FLOW PIPE SYSTEM)

1. Does the diversion involve a gravity flow pipe?

YES NO

C. Gravity Flow Canal or Ditch

(THE DEPARTMENT TYPICALLY USES MANNING'S FORMULA FOR CANALS AND DITCHES)

1. Does the diversion involve a gravity flow ditch or canal?

YES NO

D. Additional notes or comments related to the system:

Change #2

Change in POA(s) or Additional POA(s)

Did the transfer order authorize a change in the points of appropriation or additional points of appropriation? YES NO

If "NO", this Section can be deleted.

1. New or additional point of appropriation name or number:

POINT OF APPROPRIATION (POA) NAME OR NUMBER (CORRESPOND TO MAP)	WELL LOG ID # FOR ALL WORK PERFORMED ON THE WELL (IF APPLICABLE)	WELL TAG # (IF APPLICABLE)	SOURCE (IF LISTED IN TRANSFER FINAL ORDER)
Well 1	POLK 2900		a well within Willamette River Basin
Well 2	POLK 2853		a well within Willamette River Basin

Attach each well log available for the well (include the log for the original well and any subsequent alterations, reconstructions, or deepenings)

2. Variations:

Was the use developed differently from what was authorized by the transfer final order, or extension final? YES NO

If yes, describe below.

(e.g. "The order allowed three new/additional points of appropriation. The water user only developed one of the points.")

The order allowed two additional points of appropriation. The water user only connected Well 1 to the mainline system.

3. Claim Summary:

NEW OR ADDITIONAL POA NAME OR #	MAXIMUM RATE AUTHORIZED	CALCULATED THEORETICAL RATE BASED ON SYSTEM	AMOUNT OF WATER MEASURED
Well 1	0.63 cfs	2.17 cfs	System not operating.

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System Description

Are there multiple new or additional Points of Appropriation (POA)? YES NO

If "YES" you will need to copy and complete either Section A or B in this Section for each POA.

POA Name or Number this section describes (only needed if there is more than one):

Well 1

A. POA System Information

Provide the following information concerning the point of appropriation. Information provided must describe the equipment used to appropriate water from the point of appropriation.

1. Pump Information

MANUFACTURER	MODEL	SERIAL NUMBER	TYPE (CENTRIFUGAL, TURBINE OR SUBMERSIBLE)	INTAKE SIZE	DISCHARGE SIZE
Worthington	10M507	35788	Turbine		6"

2. Motor Information

MANUFACTURER	HORSEPOWER
High Thrust – US Electrical Motors	50

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3. Theoretical Pump Capacity

HORSEPOWER	OPERATING PSI	LIFT FROM SOURCE TO PUMP <small>*IF A WELL, THE WATER LEVEL DURING PUMPING</small>	LIFT FROM PUMP TO PLACE OF USE	TOTAL PUMP OUTPUT (IN CFS)
50	60	12	-2	2.17

4. Provide pump calculations:

$Q_{pump} = 50(7.04) / (152.4 + 12 - 2) = 2.17$

5. Measured Pump Capacity (using meter if meter was present and system was operating)

INITIAL METER READING	ENDING METER READING	DURATION OF TIME OBSERVED	TOTAL PUMP OUTPUT (IN CFS)
Meter not required by final order.			

Reminder: For pump calculations use the reference information at the end of this document.

B. Groundwater Source Information (Well and Sump)

1. Is the appropriation from a dug well (sump)? YES NO

C. Additional notes or comments related to the system:

Change #3

Change in Place of Use

Did the transfer order authorize a change in the place of use?

YES NO

Change #4

Change in Character of Use

Did the transfer order authorize a change in character of use?

YES NO

Change #5

Change in Character of Use – Reservoir

Did the transfer order authorize a change in character of use for a reservoir?

YES NO

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SECTION 4

CONDITIONS

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All conditions contained in the transfer final order, or any extension final order shall be addressed. Reports that do not address all performance related conditions will be returned.

1. Time Limits:

Describe how the water user has complied with each of the development timelines established in the transfer final order and any extensions of time issued for the transfer:

	DATE FROM TRANSFER	DATE THE AUTHORIZED CHANGES WERE COMPLETED *THIS DATE MUST FALL BETWEEN THE "ISSUANCE DATE" AND THE "COMPLETENESS DATE"
ISSUANCE DATE	6/21/2018	
COMPLETENESS DATE FROM ORDER (C)	10/1/2020	8/30/2020

* MUST BE WITHIN PERIOD BETWEEN TRANSFER FINAL ORDER, OR ANY EXTENSION FINAL ORDER ISSUANCE AND THE DATE TO COMPLETE THE CHANGE

2. Is there an extension final order(s)? YES NO

3. Measurement Conditions:

a. Does the transfer final order, or any extension final order require the installation of a meter or other approved measuring device? YES NO

4. Recording and reporting conditions

a. Is the water user required to report the water use to the Department? YES NO

5. Fish Screening

a. Are any points of diversion required to be screened to prevent fish from entering the point of diversion? YES NO

6. By-pass Devices

a. Are any points of diversion required to have a by-pass device to prevent fish from entering the point of diversion? YES NO

7. Other conditions required by the transfer final order or extension final order:

- a. Were there special well construction standards? YES NO
- b. Was submittal of a ground water monitoring plan required? YES NO
- c. Other conditions? YES NO

If "YES" to any of the above, identify the condition and describe the water user's actions to comply with the condition(s):

**SECTION 5
ATTACHMENTS**

Provide a list of any additional documents you are attaching to this report:

ATTACHMENT NAME	DESCRIPTION
Well Log	POLK 2900 - Well 1
Operating Agreement	Authorization for Thomas E. Avinelis to sign.
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SECTION 6

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CLAIM OF BENEFICIAL USE MAP

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The Claim of Beneficial Use Map must be submitted with this claim. Claims submitted without the Claim of Beneficial Use map will be returned. The map shall be submitted on polyester film at a scale of 1" = 1320 feet, 1" = 400 feet, or the original full-size scale of the county assessor map for the location.

The changes that were authorized under the transfer final order must be mapped based on the developed locations; new or additional points of appropriation and place of use.

In cases where the order involved additional points of appropriation, the additional points should be mapped based on their developed locations. The original points of appropriation should be mapped based on the original right of record at the time the transfer final order was issued.

In cases where the order involved changing the place of use for a portion of a water right, the portion of the place of use being changed should be mapped based on the developed location. If the transfer also included portions of the place of use that were not being modified, but were receiving a new or additional point of appropriation, the place of use for those lands should be mapped based on the original right of record at the time the transfer final order was issued.

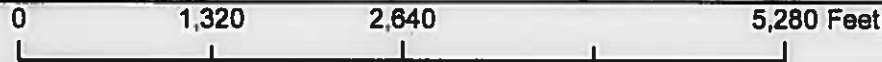
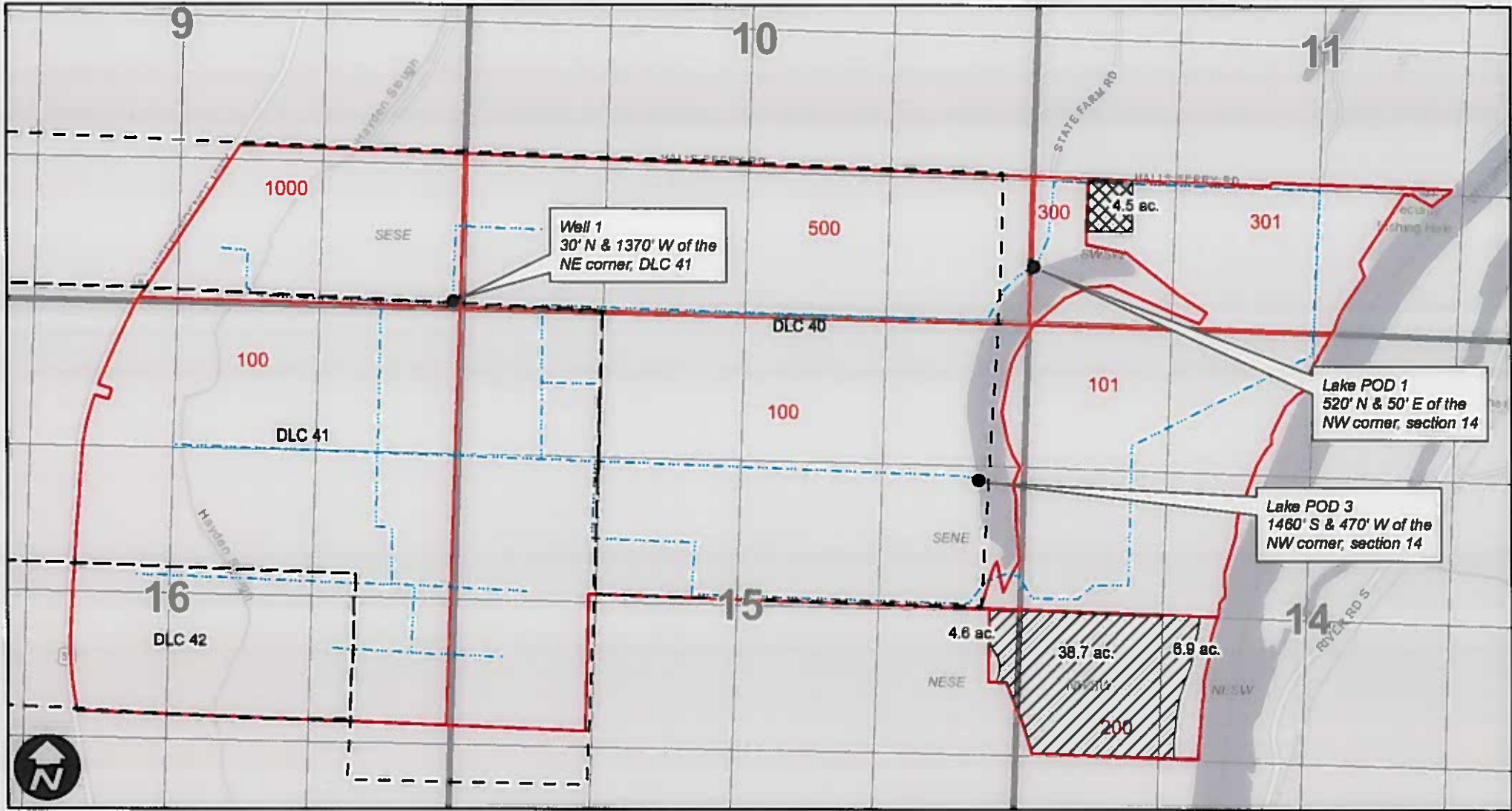
Provide a general description of the survey method used to prepare the map. Examples of possible methods include, but are not limited to, a traverse survey, GPS, or the use of aerial photos. If the basis of the survey is an aerial photo, provide the source, date, series and the aerial photo identification number.

The basis of the survey is aerial photo and field GPS.
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community.
Source Date: 7/4/2019

Map Checklist

Please be sure that the map you submit includes ALL the items listed below.
(Reminder: Incomplete maps and/or claims may be returned.)

- Map on polyester film
- Appropriate scale (1" = 400 feet, 1" = 1320 feet, or the original full-size scale of the county assessor map)
- Township, Range, Section, Donation Land Claims, and Government Lots
- If irrigation, number of acres irrigated within each projected Donation Land Claims, Government Lots, Quarter-Quarters
- Locations of fish screens and/or fish by-pass devices in relationship to point of diversion
- Locations of meters and/or measuring devices in relationship to point of diversion or appropriation
- Conveyance structures illustrated (pumps, reservoirs, pipelines, ditches, etc.)
- Point(s) of diversion or appropriation (illustrated and coordinates)
- Tax lot boundaries and numbers
- Source illustrated if surface water
- Disclaimer ("This map is not intended to provide legal dimensions or locations of property ownership lines")
- Application and permit number or transfer number
- North arrow
- Legend
- CWRE stamp and signature



This map is not intended to provide legal dimensions or locations of property ownership lines.

Legend

- T-12630 POU (Cert. 39081 POA change)
- T-12630 POU (Cert. 81575 POD change)
- Mainline
- Tax Lot
- DLC



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EXPIRES: 12/31/2020

NOTICE TO WATER WELL CONTRACTOR
The original and first copy
of this report are to be
filed with the

STATE ENGINEER, SALEM, OREGON 97310
within 30 days from the date
of well completion.

Well 1

WATER WELL REPORT RECEIVED

STATE OF OREGON JUN 18 1973

STATE ENGINEER

Well No. 85/4W-16 ac

Permit No. _____

(Do not write above this line)

(1) OWNER:

Name Green Villa Farms
Address Independance Oreg.

(2) TYPE OF WORK (check):

New Well Deepening Reconditioning Abandon
If abandonment, describe material and procedure in Item 12.

(3) TYPE OF WELL:

Rotary Cable Dug
Driven Jetted Bored

(4) PROPOSED USE (check):

Domestic Industrial Municipal
Irrigation Test Well Other

CASING INSTALLED:

Threaded Welded
" Diam. from 1 ft. to 8x18 ft. Gage 250
" Diam. from _____ ft. to _____ ft. Gage _____
" Diam. from _____ ft. to _____ ft. Gage _____

PERFORATIONS:

Perforated? Yes No.

Type of perforator used _____

Size of perforations in. by in.
_____ perforations from _____ ft. to _____ ft.
_____ perforations from _____ ft. to _____ ft.
_____ perforations from _____ ft. to _____ ft.

(7) SCREENS:

Well screen installed? Yes No

Manufacturer's Name Johnson
Type Irrigator Model No. 100
Diam. 18 Slot size 100 Set from 18ft ft. to 38' ft.
Diam. _____ Slot size _____ Set from _____ ft. to _____ ft.

(8) WELL TESTS:

Drawdown is amount water level is lowered below static level

Was a pump test made? Yes No If yes, by whom? Driller
Yield: 800 gal./min. with 20 ft. drawdown after 4 hrs.

Baller test gal./min. with _____ ft. drawdown after _____ hrs.

Artesian flow g.p.m. _____

Temperature of water _____ Depth artesian flow encountered _____ ft.

(9) CONSTRUCTION:

Well seal—Material used Cement

Well sealed from land surface to 18 ft.

Diameter of well bore to bottom of seal 36 in.

Diameter of well bore below seal 36 in.

Number of sacks of cement used in well seal 2yds sacks

Number of sacks of bentonite used in well seal _____ sacks

Brand name of bentonite _____

Number of pounds of bentonite per 100 gallons of water _____ lbs./100 gals.

Was a drive shoe used? No Yes Plugs _____ Size: location _____ ft.

Did any strata contain unusable water? Yes No

Type of water? _____ depth of strata _____

Method of sealing strata off _____

Was well gravel packed? Yes No Size of gravel: _____

Gravel placed from 18 ft. to 38 ft.

(10) LOCATION OF WELL:

County Polk Driller's well number _____
S.W 1/4 N.E. 1/4 Section 16 T8.S R. 4W W.M. _____
Bearing and distance from section or subdivision corner _____

(11) WATER LEVEL: Completed well.

Depth at which water was first found 20 ft.
Static level 12 ft. below land surface. Date _____
Artesian pressure _____ lbs. per square inch. Date _____

(12) WELL LOG:

Diameter of well below casing none

Depth drilled 38 ft. Depth of completed well 38 ft.

Formation: Describe color, texture, grain size and structure of materials; and show thickness and nature of each stratum and aquifer penetrated, with at least one entry for each change of formation. Report each change in position of Static Water Level and indicate principal water-bearing strata.

MATERIAL	From	To	SWL
Top soil sandy blk.	0	3	
Sandy loa m-dar k	3	15	
Clay brn.	15	19	
Med Conglomerate brn.	19	24	
Looser sand & Gravel W.B. grey	24	29	
Med sand brn. W.B.	29	32	
Loose sand & Gravel brn. Med.	32	37	
Hard Claystone grey	37	38	

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Work started 3/1/73 19 73 Completed 3/30 19 73

Date well drilling machine moved off of well _____ 19 _____

Drilling Machine Operator's Certification:

This well was constructed under my direct supervision. Materials used and information reported above are true to my best knowledge and belief.

[Signed] C.E. Stadel Date 5/17/73, 19 _____
(Drilling Machine Operator) 84

Drilling Machine Operator's License No. _____

Water Well Contractor's Certification:

This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.

Name H. Stadel & Sons Inc. (Type or print)
(Person, firm or corporation)

Address Silverton, Oreg.

[Signed] Paul R. Stadel (Water Well Contractor)

Contractor's License No. 296 Date 5/17/73, 19 _____

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**OPERATING AGREEMENT
OF
ACM PERMANENT CROPS, LLC
a Delaware limited liability company**

THE INTERESTS (AS DEFINED BELOW) HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. THE INTERESTS HAVE BEEN ISSUED AND SOLD PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT OF 1933, AS AMENDED AND THE SECURITIES LAWS OF THE VARIOUS STATES. THE INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE MANAGER (AS DEFINED BELOW), SUCH QUALIFICATION AND REGISTRATION ARE NOT REQUIRED. ANY TRANSFER OF THE INTERESTS IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS AND CONDITIONS WHICH ARE SET FORTH IN THIS OPERATING AGREEMENT.

"Investment Committee" is defined in Section 3.02.

"Investment Period" means, in conjunction with the provisions of Section 3.04, the period ending on the date which is four (4) years after the Initial Closing, which period may be extended for one (1) additional one (1) year period upon the determination of the Manager (with the consent of the Advisory Committee), or if earlier, the first date on which all Remaining Capital Commitments (net of amounts reserved by the Manager for remaining Company expenses during the Term, Follow-On Investments and investments with respect to which commitments have been made) are zero.

"Investment Subsidiary" or "Investment Subsidiaries" means entities or tenancies-in-common owned in whole or in part by the Company for purposes of acquiring, owning or operating Portfolio Investments.

"Investor Member" means any Member, excluding the Founding Member.

"Investor Units" means all of the Investor Units issued by the Company to its Members (including the Founding Member) in exchange for Capital Contributions, which represents the Members' respective Interests (excluding the Founder Interests) in the Company.

"IRS" means the Internal Revenue Service.

"JAMS" is defined in Section 12.02(c).

"Key Person" means (i) Thomas E. Avinelis and (ii) those other individuals set forth in Section 4.05(b), as replaced in accordance with the procedure set forth therein.

"Liquidation Date" is defined in Section 10.01(b).

"Losses" is defined in "Profits" or "Losses" below.

"Major Capital Event" means (a) the sale, exchange, or other transfer by the Company of all or any material portion of a Portfolio Investment, (b) the recovery of damage awards, condemnation awards, and insurance proceeds (other than business or rental interruption insurance proceeds), or (c) the placement of financing upon one or more Portfolio Investments.

"Majority in Interest" or " % in Interest" means, at any time, the Members (excluding Defaulting Members) holding collectively more than fifty percent (50%) (or such other stated percentage) of the total Interests of the Company then entitled to vote, as determined based on Investor Units.

"Management Fee" is defined in Section 6.07(a).

"Manager" means the initial manager, Agriculture Capital Management, LLC, or any successor Manager appointed pursuant to this Agreement.

"Maximum Offering" is defined in Section 4.03(a).

"Member" means the Founding Member of the Company admitted as such pursuant to the terms of this Agreement, and any other Person admitted as an Investor Member or Substitute Member pursuant to the terms of this Agreement. References to the Members in the plural, or other like references shall also, where the context so

requires, be deemed to include the singular or the masculine or feminine reference, as the case may be, and vice versa.

"Minimum Offering" is defined in Section 4.03(a).

"Nonrecourse Debt" means any Company liability to the extent such liability is nonrecourse and a Member or a Person related to such Member does not bear the economic risk of loss and as otherwise defined in Treasury Regulations 1.704-2(b)(4).

"Offering" means the process of raising capital on behalf of the Company and accepting Members into the Company pursuant to the Private Placement Memorandum and this Agreement.

"Officer" means one or more Persons designated as such by the Manager pursuant to this Agreement, if any.

"Organization and Offering Expense" is defined in Section 6.06(a).

"Parallel Entities" is defined in Section 4.07(c).

"Parties" means, collectively, the Manager and the Members and Officers and the members of the Advisory Committee. Reference to a "Party" means any one of the Parties.

"Patriot Act Compliance Provisions" means the undertakings under the Patriot Act, as defined in the Subscription Agreement, and/or any similar or superseding legislation that may be enacted from time to time.

"Percentage Interest" means the percentage equal to the ratio of a Member's Investor Units to all of the Investor Units issued and outstanding from time to time, as reflected on Schedule "I" attached to this Agreement, as the same may be amended from time to time pursuant to this Agreement, and as may be modified pursuant to Section 3.03.

"Person" means an individual, partnership, limited liability company, trust, estate, association, corporation, pension, profit sharing, or other employee benefit plan, or other Entity, as well as guardian, trustee, executor, administrator, committee, trustee in bankruptcy, receiver, assignee for the benefit of creditors, conservator, or other Person acting in a fiduciary capacity.

"Pooled Partner Vehicle" is defined in Section 11.01(e).

"Portfolio Confidential Information" is defined in Section 11.01(e).

"Portfolio Investment" means debt or equity investments made by the Company (whether directly or indirectly through one or more entities), including investments in real estate and Securities.

"Preferred Return" means, with respect to each Capital Commitment of a Member, a sum equivalent to eight percent (8%) per-annum, compounded annually (and prorated for any partial year), of the Unrecovered Capital Contributions of such Member in respect of such Capital Commitment, from time to time during the period to which the respective Preferred Return relates as applicable. Each Member's respective Preferred Return will begin to accrue on (i) the date the capital is contributed (or other such date as agreed to by the Member and the Manager) but (A) not earlier than the date the Member's subscription is accepted and such Investor Units are issued, as determined

"Treasury Regulations" means the Income Tax Regulations, including temporary regulations, promulgated under the Code, as amended from time to time.

"Unpaid Preferred Return" means, with respect to each Investor Member, the sum of such Investor Member's Preferred Return with respect to each Capital Contribution of such Investor Member, less prior distributions under Section 5.01(a)(ii) and Section 10.03(a)(iv).

"Unrecovered Capital Contributions" means, with respect to each Member, the amount of Capital Contribution(s) made by such Member, adjusted as follows:

(a) Reduced by the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to Section 5.01(a)(i) and Section 10.03(a)(iii).

(b) Reduced by the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) Increased by the amount of any Company liabilities which, in connection with any distributions by the Company to such Member, are assumed by such Member or are secured by any Company property distributed to such Member.

If any Member (or Economic Interest Holder) Transfers all or any portion of its Interest (or Economic Interest) in accordance with the terms of this Agreement, its Transferee shall succeed to the Unrecovered Capital Contributions of the Transferor to the extent it relates to the transferred Interest (or Economic Interest).

"Withholding Tax Deficiency" is defined in Section 13.09(c).

ARTICLE 3 PURPOSES AND INVESTMENTS

3.01 Permitted Businesses and Activities. The purposes of the Company shall be to engage in the following activities:

(a) To invest in permanent cropland and synergistic midstream assets and related undertakings, as set forth in the Company's Private Placement memorandum;

(b) To acquire, own, hold for investment, develop, entitle, operate, improve, maintain, refinance, manage, lease, exchange, sell and dispose of Portfolio Investments (directly or indirectly through Investment Subsidiaries);

(c) To acquire and dispose of equity shares or real estate mortgages (directly or indirectly through Investment Subsidiaries), including with the intent to restructure or foreclose upon such instruments to gain control of the underlying real estate;

(d) To incur Indebtedness, subject to Sections 3.02 and 3.05, on a recourse or non-recourse basis, issue guarantees, and to enter into any instrument in connection therewith, including any pledge, security, assignments or indemnity agreements; and

(e) To engage in such other activities related or incidental thereto, and to exercise all other powers which may be legally exercised by limited liability companies under the Act and necessary to, reasonably

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connected with, or convenient to the conduct, promotion or attainment of the business or purposes of the Company or the protection or benefit of the Company and its assets.

3.02 Investment Restrictions, Investment Committee and Advisory Committee Matters.

(a) Except as otherwise approved by the Advisory Committee, the Manager will not cause the Company to:

(i) invest equity in any individual Portfolio Investment (directly or indirectly) in an aggregate amount that would exceed 25% of the Aggregate Capital Commitments; or

(ii) incur, or cause one or more Affiliates to incur, Indebtedness after the Final Closing Date that would cause the aggregate Indebtedness of the Company (including at the portfolio company level) and any Parallel Entity (but excluding capital call lines of credit), to exceed the greater of (x) 40% of the aggregate acquisition cost of all the Company's Portfolio Investments as of the date of determination, or (y) 25% of the fair market value of all Portfolio Investments held by the Company as of the date of determination; *provided, however,* that any Indebtedness secured by the Remaining Capital Commitments of the Partners shall not be included in the calculation of such Indebtedness. Any Indebtedness secured by Remaining Capital Commitments of the Members shall be limited to the lesser of ten percent (10%) of Aggregate Commitments or one hundred percent (100%) of Remaining Capital Commitments, and shall be limited in duration to no longer than one hundred twenty (120) days; or

(iii) make any investment outside of the United States, or in any property not currently used primarily for or intended primarily for permanent crop agricultural use, or

(iv) invest in (x) publicly traded securities or (y) derivative securities or instruments (unless for hedging and not for speculative purposes); or

(v) re-invest the proceeds of a sale of a Portfolio Investment pursuant to a tax-deferred 1031 exchange; or (vi) acquire or otherwise invest in any Portfolio Investment that is wholly or partially owned by the Manager or any Affiliate thereof (except that the preceding clause shall not apply to assignments to the Company from the Manager or an Affiliate thereof (at no profit to the Manager or such Affiliate) of contracts to purchase potential properties; or

(vii) sell any Portfolio Investment to a Manager or any Affiliate thereof unless such sale is approved by the Advisory Committee.

In connection with any Portfolio Investment or other Company property that collateralizes Indebtedness of the Company or its Portfolio Investments and which is secured by a mortgage, deed of trust, security interest, lien or other similar encumbrance, the Company shall not (and shall not permit its Portfolio Investments to) grant or enter into any other mortgage, deed of trust, security interest, lien or other similar encumbrance that would cross-collateralize or otherwise encumber Portfolio Investments or other Company property.

These restrictions apply to the Company and Parallel Entities in the aggregate (but exclude capital call lines of credit). Notwithstanding anything to the contrary in this Agreement, the matters set forth in this Section 3.02 are matters solely among the Members and Manager and shall not affect or limit in any manner the authority of the Manager with respect to third parties as set forth in Section 6.14.

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IN WITNESS WHEREOF, the undersigned Manager and Founding Member have executed and delivered this Agreement as of the day and year first above written, and agree to and acknowledge all of its terms and those of the attached Schedules.

Manager

Agriculture Capital Management, LLC,
an Oregon limited liability company

By: Brooks M. Randall
Name: Brooks Randall
Title: Principal

Founding Member

Agriculture Capital Management, LLC,
an Oregon limited liability company

By: Brooks M. Randall
Name: Brooks Randall
Title: Principal

The undersigned each acknowledge and agree to the obligation set forth in paragraph 10.04 of this Agreement.

Thomas E. Avinells
Thomas E. Avinells

Will Cleary
Equilibrium Capital Group, LLC, by Equilibrium
Capital Management, Inc. its Managing Member

Michael Skiff
Michael Skiff

Brooks M. Randall
Brooks M. Randall

Eric Pond
Eric Pond

Rob Harboul
Rob Harboul

[SIGNATURES OF OTHER MEMBERS MADE PURSUANT TO
COUNTERPART SIGNATURE PAGES AND SUBSCRIPTION AGREEMENTS]

ACM Permanent Crops, LLC Operating Agreement

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SCHEDULE "2"

SCHEDULE OF KEY PERSONS' OUTSIDE ACTIVITIES

- Thomas Avinelis: CEO of AgriCare, Chairman of AgriVision;
- Eric Pond: COO, Northwest Operations of AgriCare;
- Robert Hurlbut: Board member, Just Desserts and Board member SK Foods; and
- Michael Skaff: Professor at College of the Sequoias (maximum four classes) and Board member of Brokaw Nursery.