

# Checklist for Claims of Beneficial Use Received at CSG Counter

Application #:	WRD Reviewer:
Transfer #:	
Date Received:	
CWRE Name:	
Priority Date (s):	

## Fees Required:

- YES  NO  A fee of \$230 must accompany this form for permits with priority dates of July 9, 1987, or later.
- YES  NO  A fee of \$230 must accompany this form for any transfers 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.

Fill in App or Transfer Number

## Map Review:

- Map on polyester film (OAR 690-014-0170(1) & 310-0050(1)(b))
- Application & permit #; or transfer # (OAR 690-014-0100(1))
- Disclaimer (OAR 690-014-0170(5))
- North arrow (OAR 690-310-0050(2)(c))
- CWRE stamp and signature (OAR 690-014 & 310-0050)
- Appropriate scale (1" = 1320', 1" = 400', or the original full-size scale of the county assessor map) (014 & 310)
- Township, range, section, and tax lot numbers (OAR 690-310-0050(4) )

## Report Review:

- On form provided by the Department (OAR 690-014-0100(1))
- Application & permit #; or transfer # (OAR 690-014)
- Ownership information (OAR 690-014)
- Date of survey (OAR 690-014)
- Person interviewed (OAR 690-014)
- County (OAR 690-014)
- CWRE stamp and signature (OAR 690-014-0100)
- Signature(s) of all permittee of transfer holder (OAR 690-014-0100)

**MONEY SLIP**

DATE: \_\_\_\_\_ RECEIPT #: \_\_\_\_\_

RECEIVED FROM: \_\_\_\_\_ APPLICATION PERMIT TRANSFER

CASH  CHECK # \_\_\_\_\_ OTHER (IDENTIFY) \_\_\_\_\_ TOTAL RECD \$ \_\_\_\_\_

1083 TREASURY 4178 MISC CASH ACCT.

0407 COPIES \_\_\_\_\_ \$ \_\_\_\_\_  
 OTHER: (IDENTIFY) \_\_\_\_\_ \$ \_\_\_\_\_

0243 Instream Lease \_\_\_\_\_ 0244 Muni Water Mgmt. Plan \_\_\_\_\_ 0245 Cons. Water \_\_\_\_\_

1083 TREASURY 4270 WRD OPERATING ACCT.

MISCELLANEOUS

0407 COPY & TAPE FEES 4611 \$ \_\_\_\_\_

0410 RESEARCH FEES \$ \_\_\_\_\_

0409 MISC REVENUE (IDENTIFY) \$ \_\_\_\_\_

TC162 DEPOSIT LIAB. (IDENTIFY) \$ \_\_\_\_\_

0240 EXTENSION OF TIME \$ \_\_\_\_\_

WATER RIGHTS EXAM FEE RECORD FEE

0201 SURFACE WATER \$ \_\_\_\_\_ 0202 \$ \_\_\_\_\_

0203 GROUND WATER \$ \_\_\_\_\_ 0204 \$ \_\_\_\_\_

0205 TRANSFER \$ \_\_\_\_\_

WELL CONSTRUCTION EXAM FEE RECORD FEE

0218 WELL DRILL CONSTRUCTOR \$ \_\_\_\_\_ 0219 \$ \_\_\_\_\_

LANDOWNER'S PERMIT \$ \_\_\_\_\_ 0220 \$ \_\_\_\_\_

OTHER (IDENTIFY) COBU \$ 230.00

0607 TREASURY 0487 HYDROELECTRIC

0233 POWER LICENSE FEE (FWWRD) LIC NUMBER \_\_\_\_\_ \$ \_\_\_\_\_

0231 HYDRO LICENSE FEE (FWWRD) \_\_\_\_\_ \$ \_\_\_\_\_

HYDRO APPLICATION \$ \_\_\_\_\_

SPECIAL INSTRUCTIONS:

RETURN TO APPLICANT -- LETTER ATTACHED

## Groundwater File Review:

- Pump Test not required (Priority Date prior to December 20, 1988) \*If no, include pump test flyer w/acknowledgment letter
- Pump Test required (Priority Date on or after December 20, 1988)
- Pump Test submitted
- Pump Test not submitted

**CLAIM OF  
BENEFICIAL USE  
for Transfer with Multiple  
Changes - Groundwater**



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

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**A fee of \$230 must accompany this form for any Transfer final orders including a water right with a priority date of July 9, 1987, or later.**

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**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.**

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**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 503-979-9103.

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>

**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 POA(s) or Additional POA(s)      2.  Change in Place of Use  
3.  Change in Character of Use

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

**1. File Information**

APPLICATION #  
**T-12744**

**2. Property Owner (current owner information)**

APPLICANT/BUSINESS NAME <b>ACM II Oregon 2, LLC</b>		PHONE NO. <b>(541) 327-7853</b>	ADDITIONAL CONTACT NO.
ADDRESS <b>PO Box 717</b>			
CITY <b>Jefferson</b>	STATE <b>OR</b>	ZIP <b>97352</b>	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 <b>ACM II Oregon 2, LLC</b>			
ADDRESS <b>PO Box 717</b>			
CITY <b>Jefferson</b>	STATE <b>OR</b>	ZIP <b>97352</b>	E-MAIL

**4. Date of Site Inspection:**

**8-31-2021**

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

NAME	DATE	ASSOCIATION WITH THE PROJECT
<b>Rick Poot</b>	<b>8-31-2021</b>	<b>General Manager</b>

**6. County:**

**Marion**

**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	E-MAIL

Add additional tables for owners of record as needed

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**SECTION 2  
SIGNATURES**

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CWRE Statement, Seal and Signature

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



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

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. Arnelis	G.P. Manager	9-8-21

**SECTION 3  
Changes Made**

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

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**Change #1**

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

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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 4	MARI 56636	L-44983	Well, Beaver Creek 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.")*

**3. Claim Summary:**

NEW OR ADDITIONAL POA NAME OR #	MAXIMUM RATE AUTHORIZED	CALCULATED THEORETICAL RATE BASED ON SYSTEM	AMOUNT OF WATER MEASURED
Well 4	0.03 cfs	0.32 cfs	System not operating at time of inspection.

### 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):

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### A. POA System Information

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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
Grundfos	85S75-6		Submersible		2"

#### 2. Motor Information

MANUFACTURER	HORSEPOWER
Grundfos	7.5

#### 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)
7.5	50	38'	0'	0.32

#### 4. Provide pump calculations:

$Q = (7.5 * 7.04) / (127 + 38) = 0.32 \text{ cfs}$

#### 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)
System not operating at time of inspection.			

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

#### 6. Additional notes or comments related to the system:

### B. Groundwater Source Information (Well and Sump)

1. Is the appropriation from a dug well (sump)?

YES  NO



**Change #2**

**Change in Place of Use**

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

YES  NO

If "NO", this Section can be deleted.

**1. Claim Summary – Authorized Use:**

If Irrigation or Nursery Use:

THE # OF ACRES ALLOWED	THE # OF ACRES DEVELOPED
7.94 (Cert. 80997 IR)	7.94
7.94 (Cert. 80998 IS)	7.94

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If the new use(s) was not irrigation or nursery:

NEW USE(S)	WAS THE NEW PLACE OF USE DEVELOPED TO THE FULL EXTENT AUTHORIZED UNDER THE ORDER? (INCLUDE THE LOCATION OF THE DEVELOPED PLACE USE ON THE CLAIM MAP)		
	YES	NO	NA
	YES	NO	NA
	YES	NO	NA

**2. Variations:**

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

If yes, describe below.

(e.g. "The order authorized a change in place of use for 40 acres. The water user only developed 38 acres.")



**Change #3**

**Change in Character of Use**

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

YES    NO

If "NO", this Section can be deleted.

**1. Claim Summary – Authorized Use(s):**

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Provide the new uses authorized by the transfer final order:

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NEW USE(S) AUTHORIZED
Industrial

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**2. Variations:**

Were all the uses developed from what was authorized by the transfer final order?

YES    NO

If no, describe below.

(e.g. "The order authorized changes in character of use to industrial, commercial, and livestock. The water user did not develop the commercial use.")

**SECTION 4  
CONDITIONS**

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	1-15-2020	
COMPLETENESS DATE FROM ORDER (C)	10-1-2021	As of 8-31-2021, time of the onsite inspection, all changes were completed.

\* 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

If "NO", you may delete the following table.

If for a transfer extension order, provide the following information:

VOLUME	PAGE	DATE EXTENDED TO

**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

If "NO", items b through f relating to this section may be deleted.

**Reminder: If a meter or approved measuring device was required, the COBU map must indicate the location of the device in relation to the point of appropriation.**

b. Has a meter been installed?

YES  NO

**c. Meter Information**

POA NAME OR #	MANUFACTURER	SERIAL #	CONDITION (WORKING OR NOT)	CURRENT METER READING	DATE INSTALLED
Well 4	Netafim	17-0019807	Working	039530	Nov. 2019

4. Recording and reporting conditions

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

5. 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):

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**SECTION 5  
ATTACHMENTS**

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

ATTACHMENT NAME	DESCRIPTION
Email	Approval for using 1" = 500' scale for COBU map
Well Log	MARI 56636 (Well 4)
3 Photos	Well tag, flow meter
Operating Agreement	7 pg. document showing authorized signer

## SECTION 6

### CLAIM OF BENEFICIAL USE MAP

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 poly 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.**

**Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community.**

**Source Date: 09/20/2020**

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## 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

OMB

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Wm. C. ...

Health



Will McGill <willmcgill.surveying@gmail.com>

**T-12744 COBU Map Scale**

**CLARK Gerald E \* WRD** <Gerald.E.Clark@oregon.gov>  
To: Will McGill <willmcgill.surveying@gmail.com>

Fri, Sep 3, 2021 at 9:13 AM

Will,

Your request for the approval of an alternate mapping scale is approved as requested. A map scale of 1 inch = 500 ft is approved.

I will place a copy of this approval in the file. Please also attach a copy of this approval message to the Claim.

Please let me know if you have any additional questions.

Have a great day and weekend!

Gerry

-

[Gerry Clark](#)

He/Him/His

**Oregon Water Resources Department**

Program Analyst, Certificate Section, Water Right Services Division

725 Summer Street NE, Suite A Salem, OR 97301 | Phone 503-979-9103

[Quoted text hidden]

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Well #

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

WELL I.D. # L 44983 SEP 13 2021  
 START CARD # 147954

Mari  
 56636

Instructions for completing this report are on the last page of this form.

(1) LAND OWNER Name Jim Heater Well Number 3726  
 Address 4672 Drift Creek Rd - SE  
 City Sublimity State OR Zip 97385

(9) LOCATION OF WELL by legal description: **OWRD**  
 County Marion Latitude \_\_\_\_\_ Longitude \_\_\_\_\_  
 Township 8 N or S Range 1 E or W WM.  
 Section 14 NE 1/4 NW 1/4

(2) TYPE OF WORK  
 New Well  Deepening  Alteration (repair/recondition)  Abandonment

Tax Lot 600 Lot \_\_\_\_\_ Block \_\_\_\_\_ Subdivision \_\_\_\_\_  
 Street Address of Well (or nearest address) Hwy 214 - 3/4 mile east of Cascade Hwy - Sublimity, OR

(3) DRILL METHOD:  
 Rotary Air  Rotary Mud  Cable  Auger  
 Other \_\_\_\_\_

(10) STATIC WATER LEVEL:  
38 ft. below land surface. Date 6-18-02  
 Artesian pressure \_\_\_\_\_ lb. per square inch Date \_\_\_\_\_

(4) PROPOSED USE:  
 Domestic  Community  Industrial  Irrigation  
 Thermal  Injection  Livestock  Other \_\_\_\_\_

(11) WATER BEARING ZONES:  
 Depth at which water was first found \_\_\_\_\_

(5) BORE HOLE CONSTRUCTION:  
 Special Construction approval  Yes  No Depth of Completed Well 185 ft.  
 Explosives used  Yes  No Type \_\_\_\_\_ Amount \_\_\_\_\_

From	To	Estimated Flow Rate	SWL
38	43	10	12
115	125	10	38
125	145	100	38
165	185	190	38

HOLE		SEAL		Sacks or pounds	
Diameter	From To	Material	From To		
10	0 2	Hole plug	0 2	1-501b	
10	2 40	Cement	2 40	28-941b	
8	40 80	Cement	40 80		
6	80 185		80 185		

(12) WELL LOG:  
 Ground Elevation \_\_\_\_\_

How was seal placed: Method  A  B  C  D  E  
 Other Poured & probed

Material	From	To	SWL
Topsoil	0	1	
Clay brown sticky firm	1	38	
Basalt brown broken	38	43	12
Basalt dark grey firm	43	62	
Claystone tan firm	62	73	
Basalt dark grey firm	73	115	
Basalt dark grey & green fractured w/ broken seams	115	185	38

Casing	Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
	6	+1	79	250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 JUL 03 2002  
 WATER RESOURCES DEPT.  
 SALEM, OREGON

RECEIVED  
 DEC 13 2008  
 WATER RESOURCES DEPT.  
 SALEM, OREGON

Drive Shoe used  Inside  Outside  None  
 Final location of shoe(s) \_\_\_\_\_

(7) PERFORATIONS/SCREENS:  
 Perforations Method \_\_\_\_\_  
 Screens Type \_\_\_\_\_ Material \_\_\_\_\_

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
						<input type="checkbox"/>	<input type="checkbox"/>

Date started 6-17-02 Completed 6-18-02

(8) WELL TESTS: Minimum testing time is 1 hour  
 Pump  Bailer  Air  Flowing Artesian  
 Yield gal/min 300 Drawdown \_\_\_\_\_ Drill stem at \_\_\_\_\_ Time 1 hr.

(unbonded) Water Well Constructor Certification:  
 I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to the best of my knowledge and belief.

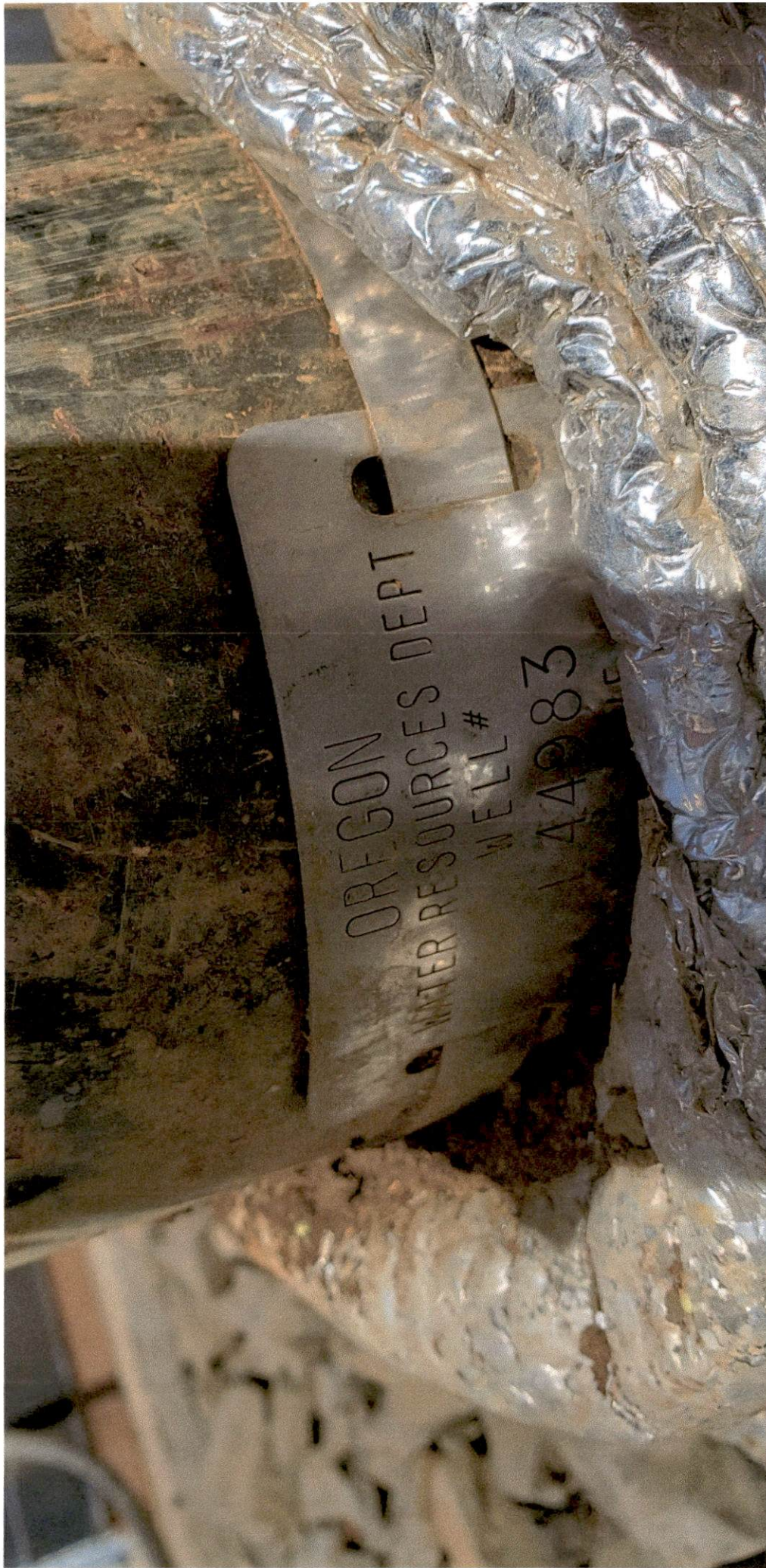
Signed Tracy Lee Reynolds WWC Number 1725 Date 7-1-02

Temperature of water 57° Depth Artesian Flow Found \_\_\_\_\_  
 Was a water analysis done?  Yes By whom \_\_\_\_\_  
 Did any strata contain water not suitable for intended use?  Too little  
 Salty  Muddy  Odor  Colored  Other \_\_\_\_\_  
 Depth of strata: \_\_\_\_\_

(bonded) Water Well Constructor Certification:  
 I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.

Signed But Jones WWC Number 1684 Date 7-01-02





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8/31/21 Sublimity COBU  
Well 4 tag

①

10/10/10

10/10/10

10/10/10

10/10/10



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8/31/21 Subsistency COBU  
Well 4 site

2



8/31/21 Sublimity COBU

well 4 flow meter

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3

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SEP. 13 2021

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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 or 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 "1" 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



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 (vii) 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

(vi) 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: Brooke M. Randall  
Name: Brooke Randall  
Title: Principal

Founding Member

Agriculture Capital Management, LLC,  
an Oregon limited liability company

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

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

<u>Thomas E. Avinelli</u> Thomas E. Avinelli	<u>Will Campbell</u> Equilibrium Capital Group, LLC, by Equilibrium Capital Management, Inc. its Managing Member
<u>Michael Skuff</u> Michael Skuff	<u>Brooke M. Randall</u> Brooke M. Randall
<u>Eric Pond</u> Eric Pond	<u>Rob Flaribout</u> Rob Flaribout

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

ACM Permanent Crops, LLC Operating Agreement

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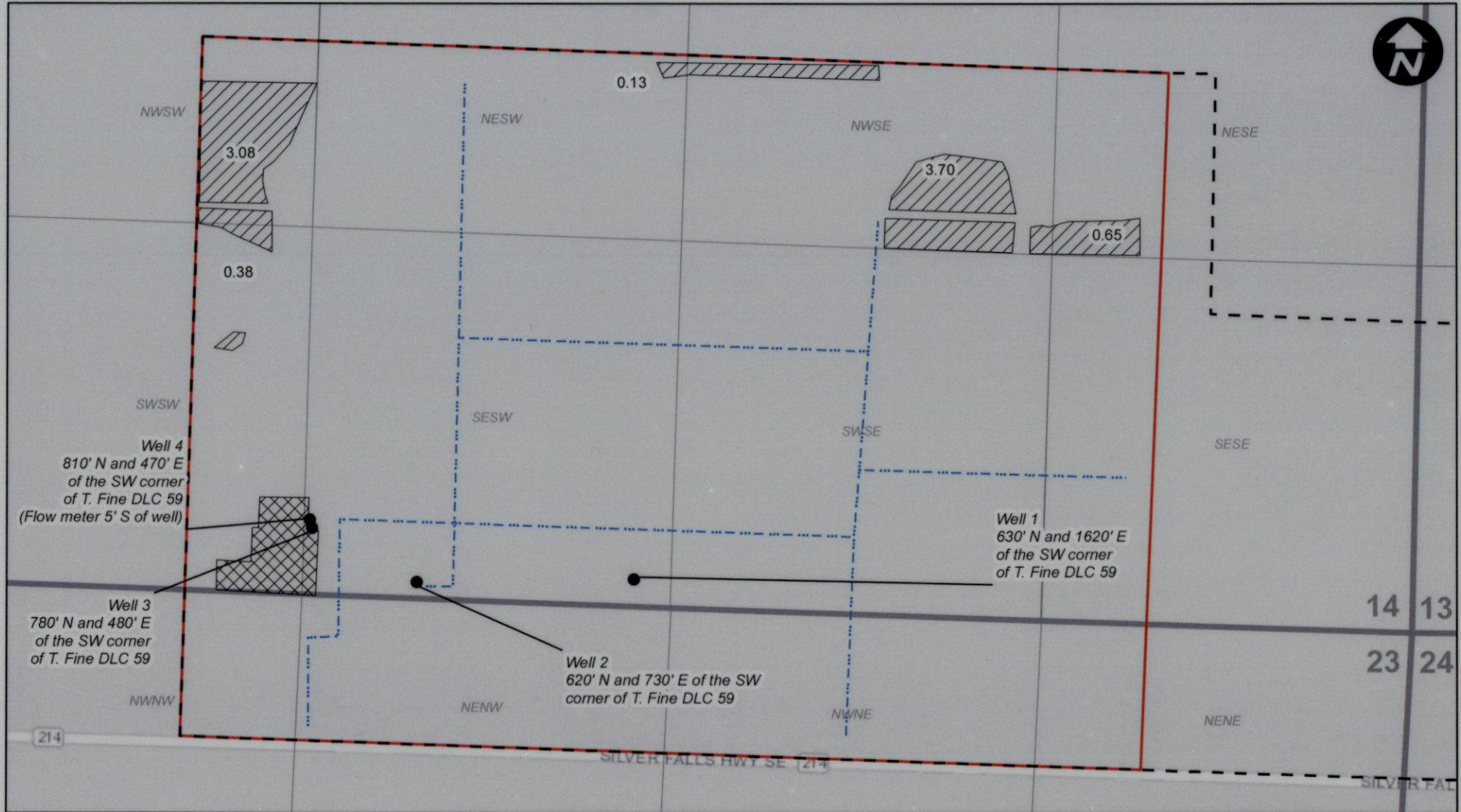
**SCHEDULE "2"**

**SCHEDULE OF KEY PERSONS' OUTSIDE ACTIVITIES**

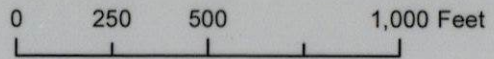
- Thomas Avinelis: CEO of AgriCare, Chairman of AgriVision;
- Eric Pond: COO, Northwest Operations of AgriCare;
- Robert Hurlbut: Board member, Just Desserts and Board member SK Foods; and
- Michael Skaff: Professor at College of the Sequoias (maximum four classes) and Board member of Brokaw Nursery.

# Claim of Beneficial Use - ACM II Oregon 2, LLC - Transfer T-12744

T8S, R1W, W.M.



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



## Legend

- Industrial POU
- Irrigation POU
- Mainline
- Taxlot 600
- T. Fine DLC 59

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EXPIRES: 12/31/2022