



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem Oregon 97301-1271
(503) 986-0900
www.wrd.state.or.us

Application for a Permit to Use
Ground Water

Please type or print in dark ink. If your application is found to be incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "n/a." Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/publications/report/index.shtml.

1. APPLICANT INFORMATION

A. Individuals

Applicant: First Last

Mailing address: City State Zip

Phone: Home Work Other

*Fax: *E-Mail address:

B. Organizations

(Corporations, associations, firms, partnerships, joint stock companies, cooperatives, public and municipal corporations)

Name of organization: Earl Brown & Sons, Incorporated

Name and title of person applying: Ronald E. Brown, C.E.O. Earl Brown & Sons, Inc.

Mailing address of organization: P.O. Box 249 509-520-2710 LEONARD "C" CELL # "

Milton-Freewater Oregon 97862 City State Zip

Phone: 541-938-6645 509-520-2709 Day Evening

*Fax: 541-938-5365 *E-Mail address: brownr@hscis.net

* Optional information

For Department Use
App. No. G-16174 Permit No. Date

Ground Water/1

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SALEM OREGON

2. PROPERTY OWNERSHIP

Do you own all the land where you propose to divert, transport, and use water?

- Yes (*Skip to section 3 "Ground water Development."*)
- No (*Please check the appropriate box below.*)
 - I have a recorded easement or written authorization permitting access.
 - I do not currently have written authorization or easement permitting access.

List the names and mailing addresses of all affected landowners.

Please see attached Lease Agreements and Property Deeds

3. GROUND WATER DEVELOPMENT

A. Well Information

Number of well(s): 2

Name of nearest surface water body: Little Walla Walla River

Distance from well(s) to nearest stream or lake: 1) _____

2) _____ 3) _____ 4) _____

If distance from surface water is less than one mile, indicate elevation difference between nearest surface water and well head. 1) _____

2) _____ 3) _____ 4) _____

B. Well Characteristics

Wells must be constructed according to standards set by the Department for the construction and maintenance of water wells. If the well is already constructed, please enclose a copy of the well constructor's log and the well ID number, if available, for each well with this application. Identify each well with a number corresponding to the wells designated on the map and proceed to question F in this section of the form. If the well has not been constructed, or if you do not have a well log, please complete the following:

Well(s) will be constructed by: Already constructed and permitted under permit G-15450

Address: _____

Completion date: Complete

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SALEM, OREGON

Please provide a description of your well development. *(Attach additional sheets if needed.)*

Well No.	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth
		See attached	well logs	and well	test	reports			

Note: Well numbers in this listing must correspond to well locations(s) shown on accompanying map.

C. Artesian Flows

If your water well is flowing artesian, describe your water control and conservation works:

NA

4. WATER USE

Please read the instruction booklet for more details on "type of use" definitions, how to express how much water you need and how to identify the water source you propose to use. You must fill out a supplemental form for some uses as they require specific information for that type of use.

A. Type(s) of Use(s)

See list of beneficial uses provided in the instructions.

- If your proposed use is **domestic**, indicate the number of households to be supplied with water: _____
- If your proposed use is **irrigation**, please attach **Form I**
- If your proposed use is **mining**, attach **Form R**
- If your proposed use is **municipal or quasi-municipal**, attach **Form M**
- If your proposed use is **commercial/industrial**, attach **Form Q**

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B. Amount of Water

Provide the production rate in gallons per minute (gpm) and the total annual amount of water you need from each well, from each source or aquifer, for each use. You do not need to provide source information if you are submitting a well log with your application.

Well No.	Source or aquifer	Type of use	Total rate of water requested (in gpm)	Total annual quantity (in gallons)	Production rate of well (in gpm)
1	See well log	Irrigation/temp/frost	669.76 gpm		see pump test
2	See well log	Irrigation/temp/frost	11.2gpm per ac		see pump test

C. Maximum Rate of Use Requested

What is the maximum, instantaneous rate of water that will be used? 1.49 CFS (669.76 gpm)
(The fees for your application will be based on this amount.)

D. Period of Use

Indicate the time of year you propose to use the water: March 1st - October 31st
(For seasonal uses like irrigation give dates when water use would begin and end, e.g. March 1–October 31.)

E. Acreage

If you will be applying water to land, please give the total number of acres where water will be applied or used: 59.80 acres
(This number should be consistent with you application map.)

5. WATER MANAGEMENT

A. Diversion

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

- Pump (give horsepower and pump type): 350hp and 200hp Turbine pumps
- Other means (describe): _____

B. Transport

How will you transport water to your place of use?

- Ditch or canal (give average width and depth):
Width 5' Depth 4'
- Is the ditch or canal to be lined? Yes No
- Pipe (give diameter and total length):
Diameter 24" Length 1200'
- Other (describe) _____

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C. Application/Distribution Method

What equipment will you use to apply water to your place of use? _____

Irrigation or land application method (check all that apply):

- Flood
- High-pressure sprinkler
- Low pressure sprinkler
- Drip
- Water cannons
- Center pivot system
- Hand lines
- Wheel lines
- Siphon tubes or gated pipe with furrows
- Other, describe _____

Distribution method

- Direct pipe from source
- In-line storage (tank or pond)
- Open canal

D. Conservation

What methods will you use to conserve water? Why did you choose this distribution or application method? For example, if you are using sprinkler irrigation rather than drip irrigation, explain. If you need additional space, attach a separate sheet.

I will be utilizing Walla Walla River Irrigation District facilities, piped and open canal, to deliver water to the place of use and then pump and apply by sprinkler.

6. PROJECT SCHEDULE

Indicate the anticipated dates that the following construction tasks should begin. If construction has already begun, or is completed, please indicate that date.

Proposed date construction will begin: ASAP

Proposed date construction will be completed: _____

Proposed date beneficial water use will begin: _____

7. REMARKS

If you would like to clarify any information you have provided in the application, please do so here and reference the specific application question you are addressing.

Questions #3 and #4: This application is adding acreage to a previous permit (# G-15450). The wells are currently completed and permitted for irrigation and temperature control on other acreage. This application is for additional acreage from the same two wells and all other well information is the same.

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SALEM, OREGON

8. MAP REQUIREMENTS

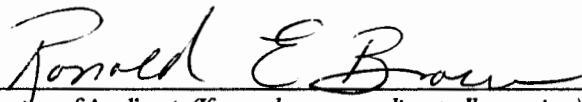
The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed well location and place of use. The map must provide tax lot numbers. See the map guidelines sheet for detailed map specifications.

9. SIGNATURE

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be canceled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit to me, I may have to stop using water to allow senior water right holders to get water they are entitled to, and

I swear that all information provided in this application is true and correct to the best of my knowledge:



Signature of Applicant (If more than one applicant, all must sign.)

1/16/04

Date

Before you submit your application be sure you have:

- Answered each question completely.
- Attached a legible map which includes township, range, section, quarter/quarter and tax lot number.
- Included a Land Use Information Form or receipt stub signed by a local official.
- Included the legal description of all the property involved with this application. You may supply a copy of the deed, land sales contract, or title insurance policy, to meet this requirement.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount. The Department's fee schedule can be found at www.wrd.state.or.us or call (503) 986-0900.

WRD on the web:
www.wrd.state.or.us

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SALEM, OREGON



Oregon Water Resources Department

FORM I
FOR IRRIGATION WATER USE

1. Please indicate whether you are requesting a primary or supplemental irrigation water right.

Primary Supplemental

If supplemental, please indicate the number of acres that will be irrigated for each type of use.

Primary: Acres

Secondary: 59.8 Acres

List the permit or certificate number of the primary water right: No. 49818 & 9489

2. Please list the anticipated crops you will grow and whether you will be irrigating them for a full or partial season:

- 1. Apples Full season Partial season
2. Full season Partial season
3. Full season Partial season
4. Full season Partial season

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

4 1/2 acre-feet
(1 acre-foot equals 12 inches of water spread over 1 acre, or 43,560 cubic feet, or 325,851 gallons.)

4. How will you schedule your applications of water? Will you be applying water in the evenings, twice a week, daily?

- Daily during daytime hours Daily during nighttime hours
Two or three times weekly during daytime Two or three times weekly during nighttime
Weekly, during daytime hours Weekly, during nighttime hours
Other, explain: as crop requires for irrigation & temp control

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Last revision: October 31, 1996

JAN 28 2000

WATER RESOURCES DEPT
SALEM, OREGON

App No G-16174



Oregon Water Resources Department Land Use Information Form

This information is needed to determine compatibility with local comprehensive plans as required by ORS 197.180. The Water Resources Department will use this and other information to evaluate the water use application. DO NOT fill out this form if water is to be diverted, conveyed, or used only on federal lands.

To Be Completed By Applicant

The following section includes information about proposed water use. This section must be completed by the individual or group that is filing an application for a water right with the Water Resources Department.

A. Applicant

Name: Earl Brown + Sons Inc

Address: PO Box 249

City: Milton - Freewater State: OR Zip: 97862 Day Phone: 541-938-5365

B. Land and Location

Please provide information as requested below for all tax lots on or through which water will be diverted, conveyed, or used. Check "diverted" if water is diverted (taken) from its source on tax lot, "conveyed" if water is conveyed (transported) on tax lot, and "used" if water will be put to beneficial use on tax lot. More than one box may be checked. (Attach extra sheets as necessary.) Applicants for municipal use, or irrigation uses within irrigation districts, may substitute existing and proposed service area boundaries for the tax lot information requested below.

Tax Lot I.D.	Plan Designation (e.g. Rural Residential/RR-5)	Water to be: (check all that apply)		
<u>See attached sheet</u>		<input checked="" type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used
<u>all lands within Walla Walla</u>		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used
<u>River Irrigation District boundaries</u>		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used

List counties and cities where water is proposed to be diverted, conveyed, or used. Umatilla County

C. Description of Water Use

Indicate what the water will be used for. Include the beneficial use (found in the instruction booklet for your water right application) and use the space below to describe the key characteristics of the project.

Beneficial Use(s): Irrigation

Briefly describe: Supplemental Irrigation of 59.8 acres

D. Source

Indicate the source for the proposed water use:

Reservoir/Pond Ground Water Surface Water _____ (source)

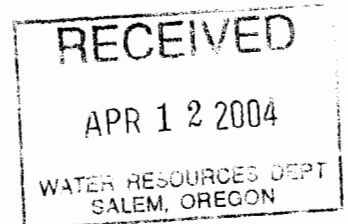
E. Quantity

Indicate the estimated quantity of water the use will require:

1.5 CFS GPM Acre-Feet

Receipt for Request for Land Use Information

State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
(503) 986-0900



For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless your project will be located entirely within the city limits. In this case, only the city planning agency must complete this form. Please request additional forms as needed or feel free to copy.

A. Allowed Use

Check the appropriate box below and provide requested information.

- Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): 152.056. Go to section B "Approval" below
- Land uses to be served by proposed water uses (including proposed construction) involve discretionary land use approvals as listed in the table below.

Type of Land Use Approval Needed (e.g. plan amendments, rezones, conditional use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Check the item that applies: Land Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued

Note: Please attach documentation of applicable local land use approvals which have already been obtained. (Record of Action plus accompanying findings is sufficient.)

B. Approval

Please provide printed name and written signature.

Name: Patty Perry Date: 4-8-04
 Title: Senior Planner Phone: 541-278-6249
 Signature: Patty Perry

C. Additional Comments

Local governments are invited to express special land use concerns or make recommendations to the Department regarding this proposed use of water below, or on a separate sheet.

Note: If this form cannot be completed while the applicant waits, sign and detach the receipt stub as instructed below. You will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD will presume the land use associated with the proposed water right is compatible with local comprehensive plans. (See attached letter.)

Receipt for Request for Land Use Information

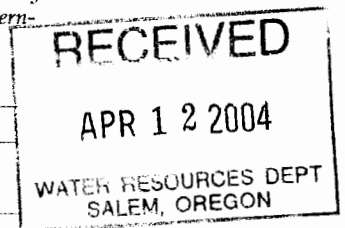
Name of water right applicant: _____

This receipt must be signed by a local government representative and returned to the applicant at the time they present this form. This receipt must be included in the application for a water right permit if the local government cannot provide the requested land use information while the applicant waits.

City or County: _____

Staff contact: _____ Phone: _____

Signature: _____ Date: _____



Primary Water Rights					
Landowner	Legal Description	Quarter Quarter	Primary Water Right Acreage	Certificate #	Priority Date
Larry Wondra	6N- 35E-28 Tax Lot 2301	SE1/4SE1/4	2.57	49818	1913
Larry Wondra	6N-35E-28 Tax Lot 2300	SE1/4SE1/4	16.53	49818	1959
Donald & Debra Slusarenko	6N-35E-28 Tax Lot 2400	SE1/4SE1/4	9.8	49818	1913
Ronald & Susan Sasser	6N-35E-34C Tax Lot 100	NE1/4SW1/4	3.9	9489	1927
Kenneth & Tracy Arnzen	6N-35E-28 Tax Lot 2603	NE1/4SE1/4	9	49818	1913
Jack & Judy Shelton	6N-35E34D Tax Lot 100	NE1/4SE1/4	18	8849	1930
Requesting Supplemental Water Rights from Well #1 & Well #2					
Landowner	Legal Description	Quarter Quarter	New Supplemental Water Right Acreage		
Larry Wondra	6N- 35E-28 Tax Lot 2301	SE1/4SE1/4	2.57		
Larry Wondra	6N-35E-28 Tax Lot 2300	SE1/4SE1/4	16.53		
Donald & Debra Slusarenko	6N-35E-28 Tax Lot 2400	SE1/4SE1/4	9.8		
Ronald & Susan Sasser	6N-35E-34C Tax Lot 100	NE1/4SW1/4	3.9		
Kenneth & Tracy Arnzen	6N-35E-28 Tax Lot 2603	NE1/4SE1/4	9		
Jack & Judy Shelton	6N-35E34D Tax Lot 100	NE1/4SE1/4	18		
		Total	59.8		

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APR 12 2004

WATER RESOURCES DEPT
SALEM, OREGON

OFFICE
29 April

WALLA WALLA RIVER IRRIGATION DISTRICT
605 N. Lamb
Milton-Freewater, OR 97862
541-938-0144

Oregon Water Resources Department
Commerce Building
158 12th Street
Salem, OR 97310-0210

April 15, 2002

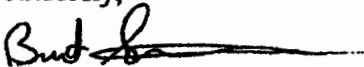
RE: Potential distribution of supplemental basalt water

To whom it may concern,

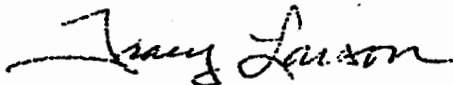
Earl Brown and Sons, Inc. has made application with your department for ground water appropriation for two basalt wells. The application proposes diverting water from the basalt wells into their west bulge by pipeline. The applicants are also proposing to monitor and divert water from the west bulge into the Lydell ditch, then into the Lydell-Pleasantview ditch and thus delivered to the Aichele property to supply approximately 30 acres with supplemental water for irrigation purposes. The Aichele property is located in the NW1/4 of the SE1/4 of section 27 T6N R35E WM.

Earl Brown and Sons, Inc. has received authorization to use the Lydell-Pleasantview ditch systems for conveyance of irrigation water from the Walla Walla River Irrigation District. The authorization is contingent upon the ditch system having capacity to carry the additional water without inhibiting the rights of the district and downstream patrons. The district will have no responsibility to ensure the capacity to carry this water but will allow the use of its system as a matter of convenience.

Sincerely,



Brent Stevenson
District Manager
Walla Walla River Irrigation District



Tracy Larson
Board President
Walla Walla River Irrigation District

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SALEM, OREGON

App No G-16174

Well Logs and Well Tests

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WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON
WATER WELL REPORT
(as required by ORS 537.763)

DEC 13 1994

(START CARD) #

5 UMAT
6282

60N/35E/3466
63014

(1) OWNER: Well Number _____
Name Jack Slusa Reiko
Address RT 2 Box 355
City Milton Freewater State OR Zip 97162

(2) TYPE OF WORK:
 New Well Deepen Recondition Abandon

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable
 Other _____

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Other _____

(5) BORE HOLE CONSTRUCTION:
Special Construction approval Yes No Depth of Completed Well 445 ft.
Explosives used Yes No Type _____ Amount _____

HOLE			SEAL			Amount sacks or pounds
Diameter	From	To	Material	From	To	
16	0	60	Portland	0	60	3900
12	14	47	Cement	140	470	5800 lbs

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

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

(6) CASING/LINER:

Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
12	+1	60	260	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	+2	470	250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Liner: _____

Final location of shoe(s) 470

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

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

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

Yield gal/min	Drawdown	Drill stem at	Time
200	100	520	1 hr.

Temperature of Water 53 Depth Artesian Flow Found _____
Was a water analysis done? Yes By whom _____
Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
Depth of strata: _____

(9) LOCATION OF WELL by legal description:
County Umatilla Latitude _____ Longitude _____
Township 6 or S. Range 35 E or W. WM. _____
Section 34 NW 1/4 NW 1/4
Tax Lot 500 Lot _____ Block _____ Subdivision _____
Street Address of Well (or nearest address) RT 2 Box 355
Milton Freewater OR

(10) STATIC WATER LEVEL:
129 ft. below land surface. Date 10-19-94
Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:
Depth at which water was first found 62

From	To	Estimated Flow Rate	SWL
62	127	40	45
247	249	5	108
318	319	15	110
323	346	80	108

(12) WELL LOG: Ground elevation _____

Material	From	To	SWL
Shallow Soil Gravel	0	2	
Tan silt cemented gravel	2	20	
Blw silt heavy gravel	20	26	
Tan silt cemented gravel	26	62	
Blw silt cemented gravel	62	127	45
Gravel silt cemented gravel	127	163	
Light Tan cemented sand & gravel	163	192	
Blw silt cemented gravel	192	240	
Blw silt pea gravel soft	240	245	
Yellow tan clay w/ soft	245	247	
Flint sand tan silt	247	249	108
Dark blw silt cemented gravel	249	255	
Tan clay w/ pea gravel	255	257	
Yellow clay	257	296	
Yellow sand w/ mica fine			
w/ clay silt	296	301	
Tan sand w/ mica silt	301	318	
Gray silt coarse sand & gravel			
Cemented	318	320	110
Silt fine sand w/ mica com	320	322	
Sticky Tan clay	322	330	
Blue clay sandy tan w/ mica	330	332	

Date started 8-16-94 Completed 10-19-94

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

WWC Number _____
Signed _____ Date _____

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

WWC Number 556
Signed _____ Date 10-19-94

ORIGINAL & FIRST COPY - WATER RESOURCES DEPARTMENT SECOND COPY - CONSTRUCTOR THIRD COPY - CUSTOMER

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JAN 20 1995
App NO G-16174

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

*UMAT
 6283*

DEC 1 1994

*6N/35E/3466
 63014 pg. 2*

Page 2

(1) OWNER: Jack Susarenko
 Name RT 2 Box 355
 Address Milton Freewater, State OR Zip 97162
 City Milton Freewater State OR Zip 97162

(2) TYPE OF WORK:
 New Well Deepen Recondition Abandon

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable
 Other

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

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

HOLE Diameter	From To		SEAL Material	From To		Amount sacks or pounds

How was seal placed: Method A B C D E
 Other
 Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER:

Diameter	From	To	Gauge	Material			
				Steel	Plastic	Welded	Threaded
Casing:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liner:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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"/>

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

SALEM, OREGON

Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
			1 hr.

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

(9) LOCATION OF WELL by legal description:
 County _____ Latitude _____ Longitude _____
 Township _____ N or S. Range _____ E or W. WM. _____
 Section _____ 1/4 _____ 1/4 _____
 Tax Lot _____ Lot _____ Block _____ Subdivision _____
 Street Address of Well (or nearest address) _____

(10) STATIC WATER LEVEL:
 _____ ft. below land surface. Date _____
 Artesian pressure _____ lb. per square inch. Date _____

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

From	To	Estimated Flow Rate	SWL

(12) WELL LOG:
 Ground elevation _____

Material	From	To	SWL
Tan silt w/ sand & gravel	9		
4 mica	39.5	346	108
Blue clay sticky soft	346	349	
Blue clay Basalt chunks	349	351	
Blue clay clay	351	379	
Blue clay Black sand chunk			
Basalt rock	379	426	
Blue clay Almost shale			
Layers	426	432	
Smooth Blue clay Almost			
Shale layers	432	445	
Black Basalt w/ clay streaks	445	456	
Broken Black Basalt	456	457	
Hard Black Basalt	457	465	
Decomposed Black Basalt	465	482	
Med hard Black Basalt w/ green clay deposits fractured	482	520	108
Broken Black Basalt	520	539	
Fractured w/ mica			
Strata	539	544	
Hard Black Basalt	544	545	108

Date started _____ Completed _____

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

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

*915
 545
 370*

Rock 45919

*915 Collier
 456 Rock*

Collier 915 E1

BROWN AND SONS
by Schneider Drilling Co.
SC #138417 - Label #L 51295

<u>FM</u>	<u>TO</u>	<u>DESCRIPTION</u>
539	546	Basalt, gray, hard
546	548	Basalt, dark gray, fractured, hard
548	560	Basalt, dark gray, hard
560	580	Basalt, dark gray, fractured, hard
580	586	Claystone, green, broken, firm, vesicular
586	591	Basalt, gray, broken, vesicular with some claystone, green
591	602	Basalt, gray and black, broken
602	605	Claystone, green, broken
605	607	Basalt, black, hard
607	621	Basalt, dark gray, black and red
621	623	Basalt, dark gray, black and brown, broken
623	635	Basalt, brown and black, soft, porous
635	639	Basalt, gray, black, red and brown with some claystone, blue
639	640	Basalt, gray and black, broken
640	642	Basalt, gray and black, medium hard
642	645	Basalt, gray and black, medium hard, vesicular
645	650	Basalt, gray, black, brown and blue, broken, vesicular
650	670	Basalt, gray and black, medium hard, fractured, vesicular
670	678	Basalt, gray, hard, fractured with black and green in seams, vesicular
678	682	Basalt, gray, brown and black, medium, fractured with black and green in seam
682	684	Basalt, gray and brown, medium, fractured with blue in seams, vesicular
684	690	Basalt, gray, medium, fractured with black and blue in seams
690	693	Basalt, gray, medium, fractured with black and blue in seams, vesicular
693	696	Basalt, gray, broken, vesicular
696	700	Basalt, gray, hard, fractured with black and crystal white in seams
700	745	Basalt, gray, medium, fractured with blue and green in seams, vesicular
745	748	Basalt, gray and black, broken, vesicular
748	749	Basalt, brown and black, medium, fractured, vesicular
749	756	Basalt, gray, brown and black, medium, vesicular
756	764	Basalt, gray, black and green, broken, vesicular
764	766	Basalt, gray, medium hard, fractured with black in seams, vesicular

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JAN 23 2004 page 1 of 2

WATER RESOURCES DEPT
SALEM, OREGON

766 770 Basalt, gray and black, broken, vesicular
770 788 Basalt, gray, medium hard, black and blue fractures, vesicular
788 790 Basalt, gray and black, broken, vesicular
790 836 Basalt, gray, medium hard, fractured, black in seams
836 840 Basalt, gray and black, broken, vesicular
840 844 Basalt, gray, black, brown and green, broken, vesicular
844 861 Basalt, gray and black, broken
861 880 Basalt, gray, medium, fractured with black, blue and green seams, vesicular
880 921 Basalt, gray and black, broken, vesicular
921 941 Basalt, gray, black, blue, green and brown, broken, vesicular
941 961 Basalt, gray, hard, fractured with black in seams
961 982 Basalt, gray, hard, fractured
982 991 Basalt, gray, black, green and blue, soft, broken, vesicular
991 1003 Basalt, gray, black and blue, hard, lightly fractured

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON

Susankho Well
Bran #1

Pump on - SWL 28 Aug 01 - 142' ft
0830 at 1000 gpm

Specific Capacity $\frac{1000}{56} = 17.8 \text{ g/h}$
stabilized at Pump Level 190

1600 hrs SWL 28 Aug 01 - 190'
changed rate to 1500 gpm

stabilized at Pump Level 230 ft

Specific Capacity $\frac{1500}{87} = 17.0 \text{ g/h}$

2200 hrs pumping level 230

changed rate 2000 gpm

stabilized at 277 ft

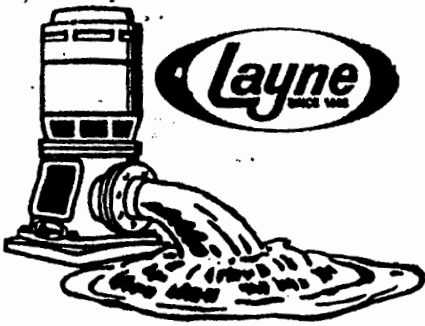
Specific Capacity $\frac{2000}{135} = 14.8 \text{ g/h}$

Maximum Drawdown 135 ft
well yield of 2000 gpm

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON



LAYNE OF WASHINGTON, INC.

P. O. Box 610
 PASCO, WA 99301
 (509) 545-9546

WELL TESTING REPORT

NAME Brown & Sons Orchards LOCATION Milton-Freewater, Oregon

I. D. WELL 10" WELL DEPTH _____ WATER TEMP. _____ STATIC WATER LEVEL 148'

ORIFICE SIZE 8" DISCHARGE PIPE 10" COLUMN & LENGTH 420' AIRLINE 420'

TIME	WATER LEVEL FT. FROM TOP	R. P. M.	ORIFICE READING	G. P. M.	REMARKS: SAND? CASCADING WATER? etc.
28-01 A.M. 8:25	147'			1000	Clear
8:30	175'				
8:40	180'				
9:00	182'				
9:15	184'				
9:33	186'				
9:55	186'				
10:15	189'				
11:15	191'				
11:52	191'				
28-01 A.M. 1:00	193'				
2:00	198'				
3:00	198'				
3:55	198'				
3:55				1500	
3:56	217'				
4:15	221'				
4:44	226'				
5:30	228'				
5:52	230'				
6:30	230'				
7:00	230'				
8:00	230'				
9:00	230'				
10:00	230'				
10:00	263'			2000	Clear
RECOVERY TIME:		FT. 1 MINUTE	FT. 2 MINUTES	FT. 3 MINUTES	

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JAN 19 1961

WATER RESOURCES DEPT.
 SALEM, OREGON

APPROVED BY:

 (LAYNE & BOWLER, INC.)

 (OWNER OF WELL)

INSTALLED BY:

DATE 08-29-01



LAYNE OF WASHINGTON, INC.

P. O. Box 610
 PASCO, WA 99301
 (509) 545-9546

WELL TESTING REPORT

NAME Brown & Sons Orchards LOCATION Milton-Freewater, Oregon

I. D. WELL 10" WELL DEPTH _____ WATER TEMP. _____ STATIC WATER LEVEL 148'

ORIFICE SIZE 8" DISCHARGE PIPE 10" COLUMN & LENGTH 420' AIRLINE 420'

18-29-01
 A.M.

TIME	WATER LEVEL FT. FROM TOP	R. P. M.	ORIFICE READING	G. P. M.	REMARKS: SAND? CASCADING WATER? etc.
10:45	265'			2000	
11:00	265'				
11:03	267'				
11:30	267'				
12:00	270'				
12:30	272'				
1:00	272'				
1:30	272'				
2:00	274'				
2:30	274'				
3:00	274'				
3:30	274'				
4:00	274'				
4:30	274'				
5:00	277'				
5:30	277'			2020	
6:00	277'			2020	
6:30	277'			2020	
7:00	277'			2020	
7:30	277'			2020	
:30	235'				Recovery time in minutes/Seconds
1:00	217'				
1:30	207'				
2:00	198'				
3:00	193'				
4:00	193'				
RECOVERY TIME:		FT. 1 MINUTE	FT. 2 MINUTES	FT. 3 MINUTES	

recovery

RECEIVED

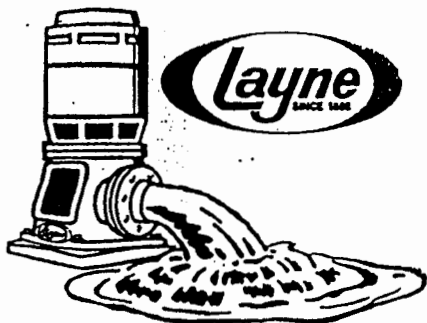
JAN 21 1981

APPROVED BY:

 (LAYNE & BOWLER, INC.)

 (OWNER OF WELL)

INSTALLED BY: _____ DATE 08-29-01



LAYNE OF WASHINGTON, INC.

P. O. Box 610
 PASCO, WA 99301
 (509) 545-9546

WELL TESTING REPORT

Broom #2

NAME Brown & Sons LOCATION Milton Freewater

I. D. WELL 16 WELL DEPTH _____ WATER TEMP. 59° avr STATIC WATER LEVEL _____

ORIFICE SIZE 10 DISCHARGE PIPE 12 COLUMN & LENGTH 300' AIRLINE 300'

TIME	WATER LEVEL FT. FROM TOP	R. P. M.	ORIFICE READING	G. P. M.	REMARKS: SAND? CASCADING WATER? etc.
0700	184'	1200	16	2000	Clear
0715	196'	1200	16	2000	
0730	196'		16		Cloudy
0745	196'		16		Clearing
0800	196'		16		
0815	196'		16		
0830	198'		16		Clearing
0845	198'		16		
0900	198'		16		
0915	198'		16		Clear
0930	198'		16		
0945	198'		16		
1000	201'		16		
1015	201'		16		
1030	201'		16		
1045	201'		16		
1100	201'	1200	16	2000	
1105	208'	1300	25	2500	
1130	208'		25		
1145	208'		25		
1200	208'		25		
1215	208'		25		
1245	208'		25		
1300	208'		25		
1315	208'		25		
1400	208'	1300	25	2500	
RECOVERY TIME:		FT. 1 MINUTE	FT. 2 MINUTES	FT. 3 MINUTES	

APPROVED BY:

 (LAYNE & BOWLER, INC.)

 (OWNER OF WELL)

INSTALLED BY: _____

DATE 03-13-02



LAYNE OF WASHINGTON, INC.

P. O. Box 610
 PASCO, WA 99301
 (509) 545-9546

WELL TESTING REPORT

Brown #2

NAME Brown & Sons LOCATION Milton-Freewater

I. D. WELL 16 WELL DEPTH _____ WATER TEMP. AVR. 59° STATIC WATER LEVEL _____

ORIFICE SIZE 10 DISCHARGE PIPE 12 COLUMN & LENGTH 300' AIRLINE 300'

TIME	WATER LEVEL FT. FROM TOP	R. P. M.	ORIFICE READING	G. P. M.	REMARKS: SAND? CASCADING WATER? etc.
1445	208'	1300	25	2500	Clear
1500	217'	1500	36	3000	
1515	217'	§	36	§	
1530	217'		36		
1545	217'		36		
1600	217'		36		
1630	217'	1500	36	3000	
1655	226'	1700	52	3600	
1700	231'	1800	66	4000	
1730	231'	§	66	§	
1745	231'		66		
1800	231'	1800	66	4000	
<i>End Test</i> 6:00	198'				
6:01	198'				
6:02	196'				
6:03	196'				
6:04	196'				
6:05	196'				
6:07	196'				
6:08	194'				
7:00	189'				
					RECEIVED JAN 23 2004 WATER RESOURCES Dept SALEM, OREGON
RECOVERY TIME:		FT. 1 MINUTE	FT. 2 MINUTES	FT. 3 MINUTES	

APPROVED BY:

(LAYNE & BOWLER, INC.)

(OWNER OF WELL)

INSTALLED BY:

DATE 03-13-02

UMAT
54464

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON
Broom #2

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

WELL I.D. # L 41929
START CARD # 116952

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

(1) LAND OWNER Well Number _____
Name Earl Brown & Sons
Address PO 249
City Milton Freewater State OR Zip 97882

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

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

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

(5) BORE HOLE CONSTRUCTION: 1005
Special Construction approval Yes No Depth of Completed Well _____ ft.
Explosives used Yes No Type _____ Amount _____

HOLE		SEAL					
Diameter	From	To	Material	From	To	Sacks or pounds	
20	0	42	Cement	0	42	71 SKS	
18	42	355	Cement	280	355	75 SKS	
16	355	540	Cement	510	540	27 SKS	
12	540	834					

How was seal placed: 1005 Method A B C D E
 Other _____

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

(6) CASING/LINER:

Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
Casing: 16	0	353	375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liner: 12	327	540	375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Drive Shoe used Inside Outside None
Final location of shoe(s) 16 @ 353 12" @ 327 & 540

(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"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

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

Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
<u>2000+</u>		<u>1005</u>	<u>1 hr.</u>

Temperature of water 62° Depth Artesian Flow Found _____
Was a water analysis done? Yes No By whom _____

(9) LOCATION OF WELL by legal description:
County Umatilla Latitude _____ Longitude _____
Township 6 N or S Range 35 (E) or W. WM.
Section 35 SW 1/4 NW 1/4
Tax Lot 1400 Lot _____ Block _____ Subdivision _____
Street Address of Well (or nearest address) Winesap Rd
Milton Freewater

(10) STATIC WATER LEVEL:
193 ft. below land surface. Date 2-14-02
Artesian pressure _____ lb. per square inch Date _____

(11) WATER BEARING ZONES:

Depth at which water was first found _____

From	To	Estimated Flow Rate	SWL
40	190	20	40
520	535	100	193
757	798	1000	193
901	988	1000	193

(12) WELL LOG:
Ground Elevation _____

Material	From	To	SWL
Silt and Gravels	0	37	
Cemented Gravels	37	190	40
Silt & Gravels	190	239	
Blue Clay	239	283	
Fractured Basalt	283	293	
Black Basalt	293	460	
Fractured / Blue clay	460	535	193
Black Basalt	535	603	
Red Linters	603	615	
Black Basalt	615	684	
Brown visicular	684	701	
Black Basalt	701	757	
visicular Basalt	757	798	
Black Basalt	798	884	
visicular Basalt	884	901	
visicular & Fractured	901	988	
Black Basalt	988	1005	

Date started 11-2-02 Completed 2-14-02

(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 [Signature] WWC Number 1766
Date 1/16/04

(bonded) Water Well Constructor Certification:
I accept responsibility for the construction, alteration, or abandonment work.

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

Primary Water Rights					
Landowner	Legal Description	Quarter Quarter	Primary Water Right Acreage	Certificate #	Priority Date
Larry Wondra	6N- 35E-28 Tax Lot 2301	SE1/4SE1/4	2.57	49818	1913
Larry Wondra	6N-35E-28 Tax Lot 2300	SE1/4SE1/4	16.53	49818	1959
Donald & Debra Slusarenko	6N-35E-28 Tax Lot 2400	SE1/4SE1/4	9.8	49818	1913
Ronald & Susan Sasser	6N-35E-34C Tax Lot 100	NE1/4SW1/4	3.9	9489	1927
Kenneth & Tracy Arnzen	6N-35E-28 Tax Lot 2603	NE1/4SE1/4	9	49818	1913
Jack & Judy Shelton	6N-35E34D Tax Lot 100	NE1/4SE1/4	18	8849	1930
Requesting Supplemental Water Rights from Well #1 & Well #2					
Landowner	Legal Description	Quarter Quarter	New Supplemental Water Right Acreage		
Larry Wondra	6N- 35E-28 Tax Lot 2301	SE1/4SE1/4	2.57		
Larry Wondra	6N-35E-28 Tax Lot 2300	SE1/4SE1/4	16.53		
Donald & Debra Slusarenko	6N-35E-28 Tax Lot 2400	SE1/4SE1/4	9.8		
Ronald & Susan Sasser	6N-35E-34C Tax Lot 100	NE1/4SW1/4	3.9		
Kenneth & Tracy Arnzen	6N-35E-28 Tax Lot 2603	NE1/4SE1/4	9		
Jack & Judy Shelton	6N-35E34D Tax Lot 100	NE1/4SE1/4	18		
		Total	59.8		

App No G-16174

Introductory Statement

This application is to enlarge the acreage irrigated under permits G-15450 and application G-15614 Please see the files for any additional information. Earl Brown and Sons Inc. The applicant wishes to supplement existing primary rights with a Basalt Ground water application, The 2 wells have been previously completed and permitted and we would request that Anita Huffman process this application.. All properties proposed under this application will utilize WWRID ditch system to convey water to the properties, enclosed is a copy of the letter submitted with the previous applications allowing the use of that system. The lands to be irrigated are within the Milton-Freewater gravels requiring 11.2 gpm per acre.

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON

App No G-16174

Deeds

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

PERSONAL REPRESENTATIVE DEED

P-32927

90959

EARL E. BROWN, as Personal Representative of the Estate of FRED S. GROTH, Deceased, hereinafter called Grantor, conveys to GEORGE SHELTON, JR. and JUDITH K. SHELTON, husband and wife, all that real property described on the attached Exhibit "A", which is referred to and made a part hereof.

The true consideration for this conveyance is \$117,000.00.

Until a change is requested all tax statements should be sent to:

GEORGE & JUDITH SHELTON
Box 186
Welches, Or. 97067

DATED this 7 day of March, 1983.

FRED S. GROTH Estate

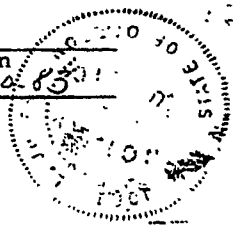
By Earl E. Brown
EARL E. BROWN, Personal Representative

STATE OF OREGON,)
County of Umatilla) ss.

March 7, 1983.

Personally appeared the above named EARL E. BROWN as Personal Representative of the Estate of FRED S. GROTH, Deceased, and acknowledged the foregoing instrument to be his voluntary act. Before me.

Margie L. Jones
Notary Public for Oregon
My Commission Expires: 1-10-85



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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON



Beginning at Northeast corner of Southeast Quarter of Section 34, Township 6 North, Range 35; thence South 40 rods; thence West 80 rods; thence North 40 rods; thence East 80 rods to the point of beginning, also known as North Half of Northeast Quarter of Southeast Quarter of said Section 34;

SUBJECT to any and all water rights of way and roads;

All being East of the Willamette Meridian, Umatilla County, Oregon.

And as of February 25, 1983, at 5 o'clock P. M.; Vests in:

2



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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON



P-32927

INDEXED ✓
FILED ✓

FILED
J. DEAN FOUQUETTE, SR.
UMATILLA COUNTY CLERK

1983 MAR 22 A 11:46

R 100 PAGE 414

STATE OF OREGON } ss
COUNTY OF UMATILLA }

J. J. Dean Fouquette, Sr., County Clerk,
certify that this instrument was received and
recorded

ON MAR 22 1983

at 11:46 o'clock A.M. in the record

of DEEDS of said County in

Book Page
R-100 412

J. DEAN FOUQUETTE, SR.
County Clerk

By *Patricia Brown* Deputy
Fees \$ 9.50 No. 90559

3
PIONEER TITLE CO.
126 S.E. Court Ave.
Pendleton, OR 97801

RECEIVED

JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

1998-3230181 1 of 2

State of Oregon

County of Umatilla

This instrument was received and recorded on 01-30-98 at 11:25

In the record of document code type DE-WD

Location R323-0181

Document number 1998-3230181

Fee 40.00

JAN 30 1998

RECORDS

Office of County Records

Received by S. Churchill
Records Officer

323 0181

OREGON
DEPARTMENT OF
VETERANS' AFFAIRS

(Reserved for Recording Purposes)

SPECIAL WARRANTY DEED

Account Number C21564	County Tax Account Number 129627 R and 129628 R
--------------------------	--

The STATE OF OREGON, by and through the Director of the Oregon Department of Veterans' Affairs, grantor, conveys and specially warrants unto Larry S. Wondra and Patricia L. Wondra, husband and wife, grantee(s), the following-described real property free of encumbrances created or suffered by the grantor on or before February 16, 1989, except as specifically set forth herein situated at Route 2 Pleasant View Road, Milton-Freewater, Oregon 97862 in Umatilla County, State of Oregon, to wit:

TRACT I:

South Half of Southeast Quarter of Southeast Quarter of Section 28, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon.

EXCEPTING THEREFROM, beginning at Southeast corner of said Section 28; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

SUBJECT to any and all water rights of way and roads.

TRACT II:

Beginning at Southeast corner of Section 28, Township 6 North, Range 35; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

The true and actual consideration for this conveyance is \$75,000.00.

AFTER RECORDING RETURN TO:

PIONEER ESCROW
178 SOUTH MAIN, 2
MILTON-FREEWATER, OR 97862

Until a change is requested, all tax statements shall be sent to the following address:

LARRY S. WONDRA
RR 2 BOX 320
MILTON-FREEWATER, OR 97862

RECEIVED
JAN 28 2004
WATER RESOURCES DEPT
SALEM, OREGON

PIONEER TITLE CO. 59110
126 SE Court, Pend. Or. 97801

CA

REEL 239 PAGE 263

WARRANTY DEED - STATUTORY FORM INDIVIDUAL GRANTOR

95 JUL 29 P 2:14

TAX LOT 500 LINGTON MT F.

DAN HUMBERT Grantor, conveys and warrants to Ron and Susan Sasser, husband & wife 184623

Grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Umatilla County, Oregon, to-wit:

Beginning at Northwest corner of Northeast Quarter of Southwest Quarter of Section 26, Township 4 North, Range 37; thence East 208.5 feet; thence South 417 feet; thence West 208.5 feet; thence North 417 feet to the place of beginning;

ALSO including rights in and to an Easement for access recorded March 24, 1993, Microfilm R-233, Page 460, Deed Records;

All being East of the Willamette Meridan, Umatilla County, Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

The property is free from encumbrances except

The true consideration for this conveyance is \$ 6,000.00 (Here comply with the requirements of ORS 93.030)

Dated this day of 19

Dan Humbert (Signature)

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.

STATE OF OREGON, County of Umatilla ss. This instrument was acknowledged before me on July 21, 1993 by Dan Humbert

OFFICIAL SEAL SHIRLEY A. SPASSER Notary Public Oregon My commission expires 5-8-95

Table with columns for Grantor and Grantee information, including names and addresses.

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON, COUNTY OF UMATILLA I THOMAS L. GROAT, COUNTY CLERK, CERTIFY THIS INSTRUMENT WAS RECEIVED AND RECORDED ON 07-29-93 AT 2:14 IN THE RECORD OF DOCUMENT CODE TYPE BE-ND LOCATION R239-0263 DOCUMENT NUMBER 95-184623 FEE 35.00 THOMAS L. GROAT UMATILLA COUNTY CLERK RECEIVED BY J. McLaughlin DEPUTY

RECEIVED

JAN 23 2004

WATER RESOURCES DEPT SALEM OREGON

FEB 23 1979

REAL ESTATE MORTGAGE FOR OREGON

THIS MORTGAGE is made and entered into by DONALD L. SLUSARENKO and KATHY L. SLUSARENKO, husband and wife

residing in UMATILLA County, Oregon, whose post office address is Rt. 3, Box 30A, Milton-Freewater, Oregon 97862

herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory note(s) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
February 27, 1979	\$65,000.00	8.5%	February 27, 2019 D.S.

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949:

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured holder, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance contract by reason of any default by Borrower:

NOW THEREFORE, in consideration of the loan(s) and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's agreement herein to indemnify and same harmless the Government against loss under its insurance contract by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby grant, bargain, sell, convey, mortgage, and assign with general warranty unto the

Government the following property situated in the State of Oregon, County (ies) of _____

UMATILLA

The South Half of the North Half of the Southeast Quarter of the Southeast Quarter of Section 28, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon. Including all irrigation equipment, pumps, pipes, motors, etc. and all additions or replacements thereto.

SUBJECT TO: SEE ATTACHED EXHIBIT "A"

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together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein-all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

- (1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government as collection agent for the holder.
- (2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.
- (3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by him when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
- (5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of his covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.
- (6) To use the loan evidenced by the note solely for purpose authorized by the Government.
- (7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

160 00 000

(8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Neither the property nor any portion thereof or interest therein shall be assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate or crop or chattel security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for him will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex or national origin.

(21) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

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(22) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at Portland, Oregon 97205, and in the case of Borrower to him at the address shown in the Farmers Home Administration Finance Office records (which normally will be the same as the post office address shown above).

(23) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

WITNESS the hand(s) of Borrower this 27th day of February, 19 79.

Donald L. Slusarenko
Donald L. Slusarenko
Kathy L. Slusarenko
Kathy L. Slusarenko

ACKNOWLEDGMENT FOR OREGON

STATE OF OREGON)
) ss:
COUNTY OF Umatilla)

On this 27th day of February, 19 79, personally appeared the above-named Donald L. and Kathy L. Slusarenko and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

(NOTORIAL SEAL)

Susan K. Worley
Notary Public.

My Commission expires 1-29-82

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EXHIBIT "A"

Rights outstanding under Right of Way Deed from O. Montgomery and Madilla Montgomery, his wife, to Pleasant View Irrigation Company, a private corporation, dated November 9, 1914, filed January 12, 1915, and recorded in Book 90, Page 228 of the Deed Records of Umatilla County, Oregon.

Financing Statement under County Clerk's File No. Roll:
41, Page 507,
Filed : October 25, 1978
From : Donald Slusarenko and Kathy Slusarenko
To : Bank of Commerce

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Until a change is requested all tax statements shall be sent to the following address.

WHEN RECORDED MAIL TO
BANK OF AMERICA
CENTRALIZED SHIPPING #25037
6200 GATEWAY
CYPRESS, CA 90630-6013

ACCOUNT NUMBER
LOAN # 0063514885

TAX ACCOUNT NUMBER
141993

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on MARCH 10, 1998
The Grantor is KENNETH H ARNZEN AND TRACY A ARNZEN

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("Borrower"). The trustee is PIONEER TITLE

("Trustee"). The beneficiary is BANK OF AMERICA, FEDERAL SAVINGS BANK

which is organized and existing under the laws of THE UNITED STATES OF AMERICA
and whose address is 21000 N.W. EVERGREEN PARKWAY, HILLSBORO, OR 97124

("Lender"). Borrower owes Lender the principal sum of
ONE HUNDRED FIFTY THOUSAND AND 00/100

Dollars (U.S. \$ 150,000.00). This debt is evidenced by Borrower's note dated the same date as
this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid
earlier, due and payable on APRIL 01, 2028 . This Security Instrument secures to

Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and

OREGON - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT

Form 3038 9/90

 - SHM(OR) 19603102

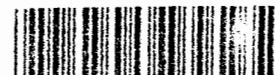
Amended 12/95

VMP MORTGAGE FORMS - (800)521-7291

Page 1 of 9

Initials: _____

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modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in UMATILLA County, Oregon:

"LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF."

which has the address of 53332 HWY 332, MILTON-FREEWATER
[Street, City], Oregon 97862 [Zip Code] ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

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The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall

promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to

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SALEM OREGON

assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable

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JAN 23 2004

WATER RESOURCES DEPT
SALEM OREGON

law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law.

23. **Substitute Trustee.** Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Attorneys' Fees.** As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. **Insurance Warning.** Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

26. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Other(s) [specified] | |

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SALEM, OREGON

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

_____	(Seal)	_____	(Seal)
		KENNETH H. ARNZEN	-Borrower
_____	(Seal)	_____	(Seal)
			-Borrower
_____	(Seal)	_____	(Seal)
		TRACY A. ARNZEN	-Borrower
_____	(Seal)	_____	(Seal)
			-Borrower
_____	(Seal)	_____	(Seal)
			-Borrower

STATE OF OREGON,

On this 12th day of March

Umatilla County ss:

1998, personally appeared the above named

KENNETH H. ARNZEN & TRACY A. ARNZEN

the foregoing instrument to be THEIR voluntary act and deed. and acknowledged

My Commission Expires:
(Official Seal)

Before me:

Notary Public for Oregon

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JAN 23 1998

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A parcel of land lying in Northeast Quarter of Southeast Quarter of Section 28, Township 6 North, Range 35, E. W. M., and described as follows:

Commencing at Quarter corner common to Sections 28 and 27; thence South $89^{\circ} 35' 35''$ West along East-West centerline of said Section 28 a distance of 20 feet to a point on West right of way line of County Road No. 597, said point being the true point of beginning for this description; thence South $0^{\circ} 13' 25''$ East along said West right of way line a distance of 476.56 feet; thence South $89^{\circ} 35' 35''$ West a distance of 823.21 feet; thence North $0^{\circ} 05' 35''$ West a distance of 476.56 feet to a point on East-West centerline of said Section 28; thence North $89^{\circ} 35' 35''$ East along said East-West centerline a distance of 822.12 feet to the point of beginning;

SUBJECT to any and all water rights of way and roads;

All being East of the Willamette Meridian, Umatilla County, Oregon.

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ERROR AND OMISSIONS / COMPLIANCE AGREEMENT

LENDER: BANK OF AMERICA, FSB
BORROWER(S):

KENNETH H ARNZEN
TRACY A ARNZEN

PROPERTY ADDRESS: 53332 HWY 332, MILTON-FREEWATER, OR 97862
LOAN NO.: 0063514885

In consideration of the Lender's funding and closing of this loan, the borrower(s) agree(s), if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market the loan to any entity, including but not limited to an investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veterans Affairs, or any Municipal Bonding Authority.

The borrower(s) agree(s) to comply with all above noted requests by the Lender within 30 days from date of mailing of the requests. Borrower(s) agree(s) to assume all costs including, by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to comply with correction requests in the above noted time period.

The borrower(s) do hereby so agree in order to assure that this loan documentation executed will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to the loan documentation, and to assure marketable title in the borrower(s).

DATED effective this 10TH day of MARCH, 1998.

KENNETH H ARNZEN (Borrower)

TRACY A ARNZEN (Borrower)

(Borrower)

(Borrower)

(Borrower)

(Borrower)

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JAN 23 2004

(Borrower)

WATER RESOURCES DEPT (Borrower)
SALEM, OREGON



Signature/Name Affidavit

LOAN NUMBER 0063514885

APPLICANT KENNETH H ARNZEN

THIS IS TO CERTIFY THAT MY LEGAL SIGNATURE IS AS WRITTEN AND TYPED BELOW.
(This signature must exactly match signatures on the Note and Mortgage or Deed of Trust.)

KENNETH H ARNZEN

(Print or Type Name)

Signature

(If applicable, complete the following)

THE UNDERSIGNED, KENNETH H ARNZEN

CERTIFIES THAT HE/SHE IS ONE AND THE SAME PERSON AS:

(Print or Type Name Variation)

(Print or Type Name Variation)

(Print or Type Name Variation)

(Print or Type Name Variation)

AS SIGNED ON ANY OF THE DOCUMENTS EXECUTED IN CONNECTION WITH THIS REAL ESTATE TRANSACTION.

Applicant's Signature

Sworn to before me this 12th day of March, 1998

Notary Public in and for the

State of OREGON

County of Umatilla

My Commission Expires: _____

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

Signature/Name Affidavit

LOAN NUMBER 0063514885

APPLICANT TRACY A ARNZEN

THIS IS TO CERTIFY THAT MY LEGAL SIGNATURE IS AS WRITTEN AND TYPED BELOW.
(This signature must exactly match signatures on the Note and Mortgage or Deed of Trust.)

TRACY A ARNZEN

(Print or Type Name)

Signature

(If applicable, complete the following)

THE UNDERSIGNED, TRACY A ARNZEN

CERTIFIES THAT HE/SHE IS ONE AND THE SAME PERSON AS:

(Print or Type Name Variation)

(Print or Type Name Variation)

(Print or Type Name Variation)

(Print or Type Name Variation)

AS SIGNED ON ANY OF THE DOCUMENTS EXECUTED IN CONNECTION WITH THIS REAL ESTATE TRANSACTION.

Applicant's Signature

Sworn to before me this 12th day of March, 1998

Notary Public in and for the

State of Oregon

County of Umatilla

My Commission Expires: _____

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Landowner Lease Agreements

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SALEM, OREGON

App NOC-16174

LEASE

THIS AGREEMENT, entered into this 14th day of January, 2004, by and between GEORGE SHELTON JR. and JUDITH K. SHELTON, herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

WITNESSETH:

All land available for orchard purposes, which consists of approximately 18 acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof ("Property"). The Property shall consist only of the portion of the land in Orchard crop and shall not include the house, yard, barn and surrounding area not planted in Orchard or necessary for maintaining the crop.

TO HAVE AND TO HOLD the said Property unto the Tenant for a period of 20 years beginning on execution of this lease and ending at the end of the crop year in 2023.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this Agreement. This Agreement supercedes any prior leases between the parties concerning the Property.
2. To furnish the land, pump ~~and water sufficient to irrigate the crops.~~ *EST. & LB KS*
3. To pay the taxes on the real property.
4. To subordinate the Trust Deed Landowner gave to Bank of Commerce now Baker Boyer Bank dated May 14, 1998 and recorded May 19, 1998 by instrument No. 1998-3290579, Deed Records of Umatilla County. This lease will only be effective upon Landowner's securing Baker Boyer Bank's agreement to subordinate its interest to this lease.

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JAN 23 2004

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SALEM, OREGON

Boyer Bank shall not be obligated to give notice to Tenant of a declaration of said default.

If the Property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

2. DAMAGES:

In the event of termination on default, Landowner and /or Baker Boyer Bank shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages.

(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable rental value of the Property for the same period figured as of the date of default, the net result to be discounted to the date of default at a reasonable rate not exceeding four (4%) percent per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, and trees, or any other expense occasioned by Tenant's failure to quit the Property upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been or, with the exercise of reasonable efforts could have been secured.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties as to a matter which this lease says should be arbitrated, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of farm properties, comparable to the leased Property. The other party shall also choose an arbitrator with such qualifications, and the two (2) arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the lease premises are located to appoint the required

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

arbitrator.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in the county where the leased premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorneys fees incurred in connection with the arbitration.

SECTION VII: ATTORNEY FEES:

It is mutually agreed between the Landowner and Tenant as follows:

1. In case a suit or action is instituted to enforce any of the provisions hereof, the parties agree to pay such sum as the court may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action and on any appeal therefrom.

SECTION VIII: RIGHT OF FIRST REFUSAL:

If Landowner and /or Baker Boyer Bank desires to sell the Property during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landowner and /or Baker Boyer Bank shall first offer the Property for sale to Tenant as follows:

1. Landowner and /or Baker Boyer Bank shall give written notice to Tenant stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. Within twenty (20) days after receipt of a notice of proposed sale, if the lease is then in good standing or is subject only to defaults which are corrected within the time provided in the lease so as to effect a reinstatement of good standing as of that time, Tenant may elect to purchase the Property on terms equally or more favorable to Landowner and /or Baker Boyer Bank by so advising Landowner and /or Baker Boyer Bank in writing. The price must equal the net return to Landowner and /or Baker Boyer Bank under the proposed sale after adjustment for the difference, if any, in real estate commission and cost of closing payable in the event of the proposed sale as opposed to sale to Tenant.

3. If Tenant elects to purchase, the sale shall be closed on the date specified by

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON

Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice or at Landowner and /or Baker Boyer Bank's election, on the date if any, specified as a condition of the original sale and stated in the notice of proposed sale.

4. If Tenant does not elect to purchase, Landowner and /or Baker Boyer Bank may, at any time within thirty (30) days thereafter, sell to the named prospective purchaser at the price and on the terms stated in the notice of proposed sale. The purchaser shall take the Property subject to all the terms of this lease, excepting Tenant's right of first refusal with respect to subsequent sales.

SECTION IX: TERMINATION:

The parties recognize that in economic conditions in the orchard industry may require modifications of this lease. In event the parties are unable to reach an agreement concerning modification, and Tenant determines that Tenant cannot continue the lease under the existing terms and conditions, Tenant may terminate this lease upon 1 years written notice to Landowner, provided, however, that if Tenant elects to terminate, Tenant shall maintain the Property and orchard in reasonable and husbandlike manner during the last year of the lease, and upon termination, Tenant shall release to Landowner all interest Tenant has in the trees or other crops growing on the Property, and said crops shall belong to Landowner free and clear of any claim of Tenant.

SECTION X: SUPPLEMENTAL WATER RIGHTS:

I. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may, in its sole discretion, and after one year's prior written notice, supply water to the Property from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Property. If Tenant chooses to supply Groundwater to the Property, Tenant shall at its expense make application with the Water Resources Department to secure a permit authorizing the use of the Groundwater. Landowner shall cooperate with Tenant in the application process and shall not object to or otherwise oppose Tenant's application. At Tenant's request, Landowner shall sign all documents and take all actions reasonably necessary or

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

desirable to enable Tenant to obtain from the Water Resources Department a water right authorizing the use of Groundwater on all or part of the Property.

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Property. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer to land other than the Property all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Property. At Tenant's request, Landowner shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Tenant to complete any such forfeiture, cancellation or transfer. Landowner shall not object to or otherwise oppose any such forfeiture, cancellation or transfer.

3. LANDOWNER TO HAVE NO INTEREST IN GROUNDWATER. Landowner and or Baker Boyer Bank shall have no right, title or interest in or to Tenant's Groundwater, the water rights pursuant to which the Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Property, except such equipment or assets currently belonging to or added at the expense of landowner and /or Baker Boyer Bank.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate the day and year first above written.

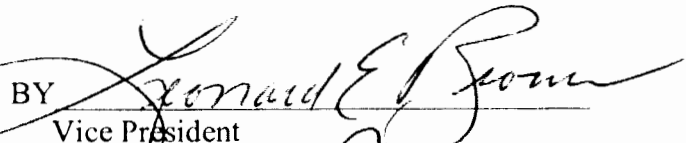


GEORGE SHELTON JR., Landowner

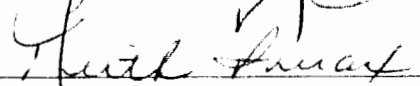


JUDITH K. SHELTON, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY 

Vice President

BY 

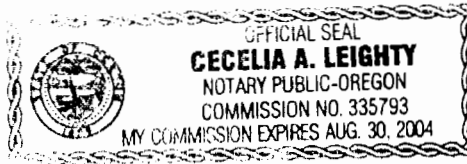
Secretary

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON

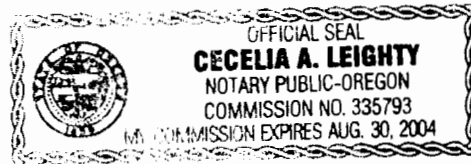
STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.



Personally appeared the above named George Shelton Jr. and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.



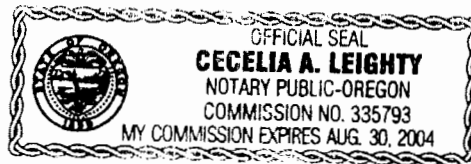
Personally appeared the above named Judith K. Shelton and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.

Personally appeared LEONARD BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the Vice-President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



D:\tc Leases, Brown, Earl & Sons Shelton, G LEASE 1 12 04Rev.wpd

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EXHIBIT A

GEORGE SHELTON JR. and JUDITH K. SHELTON

Legal Description

The North Half of the Northeast Quarter of the Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon, described as beginning at the Northeast corner of the Southeast Quarter of said Section 34; thence South 660 feet; thence West 1,320 feet; thence North 660 feet; thence East, 1,320 feet to the point of beginning. Excepting therefrom any portion lying within the County Road right of ways.

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said Property during the term of this lease, in a good husbandlike manner and in accordance with the standards of farming practices in the area.
2. To not commit waste nor suffer waste to be committed upon the Property.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Property.
4. To maintain the irrigation pump and sprinkling system.
5. To furnish and pay for the electricity for pumping.
6. To maintain and repair the irrigation pump and if it becomes necessary, to replace the pump.
7. To give peaceful possession of the Property at the termination of this lease.
8. Before going into possession of the Property Tenant shall procure and thereafter during the term of this lease, shall continue to carry the following insurance in a responsible company, at Tenant's costs: (1) Public liability and property damage insurance with limits of not less than \$150,000 for injury to one person, \$300,000 for injury to two or more persons in one occurrence and \$150,000 for damage to Property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased Property, whether or not related to an occurrence caused or contributed to by Landowner and /or Baker Boyer Bank's negligence, shall protect Tenant against the claims of Landowner and /or Baker Boyer Bank on account of the obligations assumed by Tenant against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landowner and /or Baker Boyer Bank prior to any change or cancellation shall be furnished to Landowner and /or Baker Boyer Bank prior to Tenant's occupancy of the Property.

SECTION III: INSPECTION:

The Landowner and /or Baker Boyer Bank reserves the right to enter at any reasonable

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JAN 23 2004

hour for the purpose of inspecting the Property.

SECTION IV: RENT:

1. The Tenant agrees to pay \$300.00 cash rent per acre for 18 acres payable one-half on recording the memorandum of this lease, one-half on or before July 15, 2004 and thereafter one-half before January 15 and one-half before July 15 of each year of this lease. Landowner acknowledges that lease payments are assigned to Baker Boyer Bank. Tenant will deliver payments to said bank at the written request of said bank.

SECTION V: DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charges within thirty (30) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landowner and / or Baker Boyer Bank specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30- day period, this provision shall be complied with if Tenant begins correction of the default within the 30- day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. REMEDIES ON DEFAULT:

1. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Landowner and / or Baker Boyer Bank. Tenant shall not be deemed in default for failure to perform any covenant or condition of this lease, as provided herein until notice of said default has been given by Landowner and / or Baker Boyer Bank to Tenant and Tenant shall have failed to remedy said default within thirty (30) days after the giving of the notice. If Tenant shall fail to make the rental payment as herein provided and said failure shall continue for more than ten (10) days

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WATER RESOURCES DEPT
SALEM, OREGON

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 11th day of January, 2004,
LANDOWNER, GEORGE SHELTON JR. and JUDITH K. SHELTON has leased to EARL E.
BROWN & SONS, INC., an Oregon corporation, TENANT, the following described property:

All that real property described on the attached Exhibit "A" which is hereby referred to
and made a part hereof.

This memorandum is executed to evidence and confirm the lease referred to above, to
which reference is made for its terms and conditions which include the following:

1. TERM: For a period ending at the end of the crop year in 2023.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase
the property during the term of the Lease and any renewal thereof.
3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to
retain water rights on the property during the lease and after the lease terminates.

After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main,
Milton-Freewater, OR 97862.

DATED this 11th day of January, 2004.

George Shelton Jr.

GEORGE SHELTON JR., Landowner

Judith K. Shelton

JUDITH K. SHELTON, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY Earl E. Brown

President

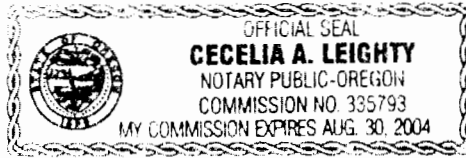
BY Paul Brown

Secretary

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JAN 23 2004

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.



Personally appeared the above named George Shelton Jr. and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.



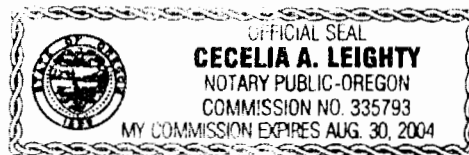
Personally appeared the above named Judith K. Shelton and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2004.

Personally appeared LEONARD BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the Vice-President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



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SALEM, OREGON

EXHIBIT A

GEORGE SHELTON JR. and JUDITH K. SHELTON

Legal Description

The North Half of the Northeast Quarter of the Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon, described as beginning at the Northeast corner of the Southeast Quarter of said Section 34; thence South 660 feet; thence West 1,320 feet; thence North 660 feet; thence East, 1,320 feet to the point of beginning. Excepting therefrom any portion lying within the County Road right of ways.

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SALEM, OREGON

SUBORDINATION AGREEMENT

1. PARTIES: The parties of this agreement are George Shelton Jr., and Judith K. Shelton hereafter to as Shelton and Baker Boyer Bank hereafter referred to as Bank, and Earl E. Brown & Sons, Inc., an Oregon corporation hereafter referred to Brown.
2. RECITALS: Brown is entering into a lease with Shelton. Bank has a security interest in the form of a Trust Deed on the property subject to the lease. The parties agree that Bank will subordinate its security interest in the property to the lease hold interest of Brown on the property as provided herein.
3. PROPERTY: The Property subject to this agreement is owned by Shelton and is described on Exhibit A attached hereto and by this reference incorporated herein (Property).
4. SECURITY INTEREST: Bank has a security interest in in the Property through a Deed of Trust dated May 14, 1998 and recorded May 19, 1998 at instrument 1998-3290579 office of Deed Records of Umatilla County, Oregon.
5. LEASE: Shelton has agreed to lease to Brown and Brown lease from Shelton the orchard portion of the Property through crop year 2023 under the terms of a lease a copy of which is attached hereto as Exhibit B ("Lease").
6. SUBORDINATION: Bank hereby subordinates its security interest in the Property to the lease with Brown described above. Said subordination shall not affect Banks rights to exercise all rights it has against Shelton including, but not limited to, rights to take possession of the property and the the right to take landlords share of the income derived therefrom, provided, however, in event the Bank takes possession of the property, Bank will take possession subject to the terms of the Lease with Brown.

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SALEM, OREGON

7. RIGHT OF FIRST REFUSAL: The parties hereto agree that any foreclosure of Bank's mortgage, the acceptance of a deed in lieu of foreclosure, or other action by the Bank to realize upon, and/or gain possession of or title to, the Property shall not invoke any right of first refusal, including that described in Section VIII of the Lease. Any sale of the Property by Bank shall be subject to the rights in Section VIII of the Lease.

George Shelton Jr
GEORGE SHELTON JR., Landowner

Judith K. Shelton
JUDITH K. SHELTON, Landowner

EARL E. BROWN & SONS, INC., an
Oregon Corporation, Tenant

BY Leonard E Brown
Vice President

By Keith Stuart
Secretary

STATE OF OREGON,)
)ss.
County of Umatilla.)
Jan 14, 2007. 4

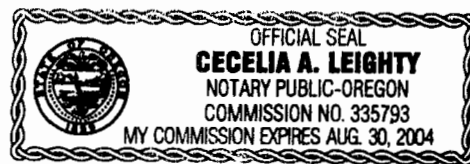
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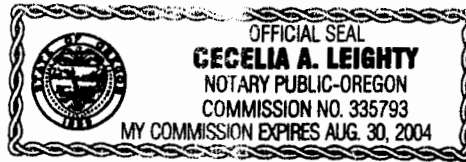
WATER RESOURCES DEPT
SALEM, OREGON

Personally appeared the above named GEORGE SHELTON JR., and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



STATE OF OREGON,)
)ss.
County of Umatilla.)
 Jan 14), 2003.



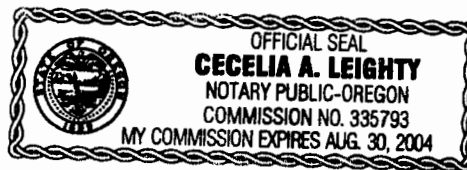
Personally appeared the above named JUDITH K. SHELTON , and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

STATE OF OREGON,)
)ss.
County of Umatilla.)
 Jan 14), 2004.

Personally appeared LEONARD BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the Vice President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Cecelia A. Leighty
Notary Public for Oregon



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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

LEASE

THIS AGREEMENT, entered into this 24th day of December, 2003, by and between LARRY S. WONDRA herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

WITNESSETH:

All land available for orchard purposes, which consists of orchard purposes, which consists of approximately 18 acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof ("Property").

TO HAVE AND TO HOLD the said Property unto the Tenant for a period beginning on execution of this lease and ending at the end of the crop year in 2023.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this Agreement. This Agreement supercedes any prior leases between the parties concerning the Property.
2. To furnish the land, pump and water sufficient to irrigate the crops.
3. To pay the taxes on the real property.

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said Property during the term of this lease, in a good husbandlike manner and in accordance with the standards of farming practices in the area.
2. To not commit waste nor suffer waste to be committed upon the Property.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Property.

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping.
6. To maintain and repair the pump provided, however, if it becomes necessary to replace the pump, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Property at the termination of this lease.
8. Before going into possession of the Property Tenant shall procure and thereafter during the term of this lease, shall continue to carry the following insurance in a responsible company, at Tenant's costs: (1) Public liability and property damage insurance with limits of not less than \$150,000 for injury to one person, \$300,000 for injury to two or more persons in one occurrence and \$150,000 for damage to Property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased Property, whether or not related to an occurrence caused or contributed to by Landowner's negligence, shall protect Tenant against the claims of Landowner on account of the obligations assumed by Tenant against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landowner prior to any change or cancellation shall be furnished to Landowner prior to Tenant's occupancy of the Property.

SECTION III: INSPECTION:

The Landowner reserves the right to enter at any reasonable hour for the purpose of inspecting the Property.

SECTION IV: RENT:

1. The Tenant agrees to pay rent as follows:
 - (a) Tenant shall deliver to Tenant's warehouse or packing facility to the credit of Landlord Ten percent of the crops raised on the Property.
 - (b) Payment shall be made no later than 180 days after the sale of the crop.

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WATER RESOURCES DEPT
SALEM, OREGON

SECTION V: DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charges within thirty (30) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30- day period, this provision shall be complied with if Tenant begins correction of the default within the 30- day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. REMEDIES ON DEFAULT:

1. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Landlord. Tenant shall not be deemed in default for failure to perform any covenant or condition of this lease, as provided herein until notice of said default has been given by Landlord to Tenant and Tenant shall have failed to remedy said default within thirty (30) days after the giving of the notice. If Tenant shall fail to make the rental payment as herein provided and said failure shall continue for more than ten (10) days after the payment becomes due, Tenant shall be deemed in default and Landlord shall not be obligated to give notice to Tenant of a declaration of said default.

If the Property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

2. DAMAGES:

In the event of termination on default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages.

(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the

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SALEM, OREGON

reasonable rental value of the Property for the same period figured as of the date of default, the net result to be discounted to the date of default at a reasonable rate not exceeding four (4%) percent per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been or, with the exercise of reasonable efforts could have been secured.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties as to a matter which this lease says should be arbitrated, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of farm properties, comparable to the leased Property. The other party shall also choose an arbitrator with such qualifications, and the two (2) arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the lease premises are located to appoint the required arbitrator.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in the county where the leased premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorneys fees incurred in connection with the arbitration.

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WATER RESOURCES DEPT
SALEM, OREGON

SECTION VII: ATTORNEY FEES:

It is mutually agreed between the Landowner and Tenant as follows:

1. In case a suit or action is instituted to enforce any of the provisions hereof, the parties agree to pay such sum as the court may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action and on any appeal therefrom.

SECTION VIII: RIGHT OF FIRST REFUSAL:

If Landlord desires to sell the Property during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landlord shall first offer the Property for sale to Tenant as follows:

1. Landlord shall give written notice to Tenant stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. Within twenty (20) days after receipt of a notice of proposed sale, if the lease is then in good standing or is subject only to defaults which are corrected within the time provided in the lease so as to effect a reinstatement of good standing as of that time, Tenant may elect to purchase the Property on terms equally or more favorable to Landlord by so advising Landlord in writing. The price must equal the net return to Landlord under the proposed sale after adjustment for the difference, if any, in real estate commission and cost of closing payable in the event of the proposed sale as opposed to sale to Tenant.

3. If Tenant elects not to purchase, the sale shall be closed on the date specified by Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice or at Landlord's election, on the date if any, specified as a condition of the original sale and stated in the notice of proposed sale.

4. If Tenant does not elect to purchase, Landlord may, at any time within thirty (30) days thereafter, sell to the named prospective purchaser at the price and on the terms stated in the notice of proposed sale. The purchaser shall take the Property subject to all the terms of this lease, excepting Tenant's right of first refusal with respect to subsequent sales.

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JAN 28 2004

WATER RESOURCES DEPT
SALEM, OREGON

SECTION IX: TERMINATION:

The parties recognize that in economic conditions in the orchard industry may require modifications of this lease. In event the parties are unable to reach an agreement concerning modification, and Tenant determines that Tenant cannot continue the lease under the existing terms and conditions, Tenant may terminate this lease upon 1 years written notice to landlord, provided, however, that if Tenant elects to terminate, Tenant shall maintain the Property and orchard in reasonable and husbandlike manner during the last year of the lease, and upon termination, Tenant shall release to Landlord all interest Tenant has in the trees or other crops growing on the Property, and said crops shall belong to Landlord free and clear of any claim of Tenant.

SECTION X: SUPPLEMENTAL WATER RIGHTS:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may, in its sole discretion, and after one year's prior written notice, supply water to the Property from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Property. If Tenant chooses to supply Groundwater to the Property, Tenant shall at its expense make application with the Water Resources Department to secure a permit authorizing the use of the Groundwater. Landlord shall cooperate with Tenant in the application process and shall not object to or otherwise oppose Tenant's application. At Tenant's request, Landlord shall sign all documents and take all actions reasonably necessary or desirable to enable Tenant to obtain from the Water Resources Department a water right authorizing the use of Groundwater on all or part of the Property.

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Property. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer to land other than the Property all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Property. At Tenant's request, Landlord shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Tenant to complete any such forfeiture, cancellation or transfer. Landlord shall not

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

object to or otherwise oppose any such forfeiture, cancellation or transfer.

3. LANDLORD TO HAVE NO INTEREST IN GROUNDWATER. Landlord shall have no right, title or interest in or to the Groundwater, the water rights pursuant to which the Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Property.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate the day and year first above written.

Larry Wondra
LARRY S. WONDRA, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY Reginald E Brown
President

BY Heath Truax
Secretary

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared the above named Larry S. Wondra and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Patricia G. Crawford
NOTARY PUBLIC FOR OREGON

LEASE - 7



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JAN 28 2004

WATER RESOURCES DEP
SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON



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JAN 23 2004
WATER RESOURCES DEPT
SALEM, OREGON

EXHIBIT A

Larry S. Wondra

TRACT I:

South Half of Southeast Quarter of Southeast Quarter of Section 28, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon.

EXCEPTING THEREFROM, beginning at Southeast corner of said Section 28; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

SUBJECT to any and all water rights of way and roads.

TRACT II:

Beginning at Southeast corner of Section 28, Township 6 North, Range 35; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 24 day of December, 2003,
LANDOWNER, LARRY S. WONDRA has leased to EARL E. BROWN & SONS, INC., an
Oregon corporation, TENANT, the following described property:

All that real property described on the attached Exhibit "A" which is hereby referred to
and made a part hereof.

This memorandum is executed to evidence and confirm the lease referred to above, to
which reference is made for its terms and conditions which include the following:

1. TERM: For a period ending at the end of the crop year in 2023.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase
the property during the term of the Lease and any renewal thereof.
3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to
retain water rights on the property during the lease and after the lease terminates.

After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main,
Milton-Freewater, OR 97862.

DATED this 24 day of December, 2003.

Larry S. Wondra
LARRY S. WONDRA, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY Ronald E. Brown
President
BY Keith Quay
Secretary

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared the above named Larry S. Wondra and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

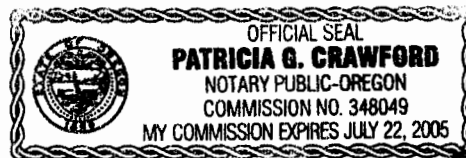


Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

EXHIBIT A

Larry S. Wondra

TRACT I:

South Half of Southeast Quarter of Southeast Quarter of Section 28, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon.

EXCEPTING THEREFROM, beginning at Southeast corner of said Section 28; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

SUBJECT to any and all water rights of way and roads.

TRACT II:

Beginning at Southeast corner of Section 28, Township 6 North, Range 35; thence West 500 feet; thence North and parallel with East line of said Section 28, 250 feet; thence East and parallel with South line of said Section 28, 500 feet to a point in East line of said Section 28; thence South along said East line 250 feet to the point of beginning.

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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

LEASE

THIS AGREEMENT, entered into this 24 day of December, 2003, by and between KENNETH H. ARNZEN and TRACY A. ARNZEN, herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

WITNESSETH:

All land available for orchard purposes, which consists of orchard purposes, which consists of approximately 5.3 acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof ("Property").

TO HAVE AND TO HOLD the said Property unto the Tenant for a period beginning on execution of this lease and ending at the end of the crop year in 2023.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under a prior lease agreement. This agreement supercedes the prior lease between the parties.
2. To furnish the land, pump and water sufficient to irrigate the crops.
3. To pay the taxes on the real property.

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said Property during the term of this lease, in a good husbandlike manner and in accordance with the standards of farming practices in the area.
2. To not commit waste nor suffer waste to be committed upon the Property.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Property.

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2003-12-24
WATER RESOURCES DEPT
SALEM, OREGON

4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping.
6. To maintain and repair the pump provided, however, if it becomes necessary to replace the pump, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Property at the termination of this lease.
8. Before going into possession of the Property Tenant shall procure and thereafter during the term of this lease, shall continue to carry the following insurance in a responsible company, at Tenant's costs: (1) Public liability and property damage insurance with limits of not less than \$150,000 for injury to one person, \$300,000 for injury to two or more persons in one occurrence and \$150,000 for damage to Property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased Property, whether or not related to an occurrence caused or contributed to by Landowner's negligence, shall protect Tenant against the claims of Landowner on account of the obligations assumed by Tenant against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landowner prior to any change or cancellation shall be furnished to Landowner prior to Tenant's occupancy of the Property.

SECTION III: INSPECTION:

The Landowner reserves the right to enter at any reasonable hour for the purpose of inspecting the Property.

SECTION IV: RENT:

1. The Tenant agrees to pay rent as follows:
 - (a) Tenant shall deliver to Tenant's warehouse or packing facility to the credit of Landowner Twenty-five percent of the crops raised on the Property.
 - (b) Payment shall be made no later than 180 days after the sale of the crop.

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SALEM, OREGON

SECTION V: DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charges within thirty (30) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30- day period, this provision shall be complied with if Tenant begins correction of the default within the 30- day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. REMEDIES ON DEFAULT:

1. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Landlord. Tenant shall not be deemed in default for failure to perform any covenant or condition of this lease, as provided herein until notice of said default has been given by Landlord to Tenant and Tenant shall have failed to remedy said default within thirty (30) days after the giving of the notice. If Tenant shall fail to make the rental payment as herein provided and said failure shall continue for more than ten (10) days after the payment becomes due, Tenant shall be deemed in default and Landlord shall not be obligated to give notice to Tenant of a declaration of said default.

If the Property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

2. DAMAGES:

In the event of termination on default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages.

(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the

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SALEM, OREGON

reasonable rental value of the Property for the same period figured as of the date of default, the net result to be discounted to the date of default at a reasonable rate not exceeding four (4%) percent per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been or, with the exercise of reasonable efforts could have been secured.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties as to a matter which this lease says should be arbitrated, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of farm properties, comparable to the leased Property. The other party shall also choose an arbitrator with such qualifications, and the two (2) arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the lease premises are located to appoint the required arbitrator.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in the county where the leased premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorneys fees incurred in connection with the arbitration.

SECTION VII: ATTORNEY FEES:

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SALEM, OREGON

It is mutually agreed between the Landowner and Tenant as follows:

1. In case a suit or action is instituted to enforce any of the provisions hereof, the parties agree to pay such sum as the court may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action and on any appeal therefrom.

SECTION VIII: RIGHT OF FIRST REFUSAL:

If Landlord desires to sell the Property during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landlord shall first offer the Property for sale to Tenant as follows:

1. Landlord shall give written notice to Tenant stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. Within twenty (20) days after receipt of a notice of proposed sale, if the lease is then in good standing or is subject only to defaults which are corrected within the time provided in the lease so as to effect a reinstatement of good standing as of that time, Tenant may elect to purchase the Property on terms equally or more favorable to Landlord by so advising Landlord in writing. The price must equal the net return to Landlord under the proposed sale after adjustment for the difference, if any, in real estate commission and cost of closing payable in the event of the proposed sale as opposed to sale to Tenant.

3. If Tenant elects not to purchase, the sale shall be closed on the date specified by Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice or at Landlord's election, on the date if any, specified as a condition of the original sale and stated in the notice of proposed sale.

4. If Tenant does not elect to purchase, Landlord may, at any time within thirty (30) days thereafter, sell to the named prospective purchaser at the price and on the terms stated in the notice of proposed sale. The purchaser shall take the Property subject to all the terms of this lease, excepting Tenant's right of first refusal with respect to subsequent sales.

SECTION IX: TERMINATION:

The parties recognize that in economic conditions in the orchard industry may require

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SALEM, OREGON

modifications of this lease. In event the parties are unable to reach an agreement concerning modification, and Tenant determines that Tenant cannot continue the lease under the existing terms and conditions, Tenant may terminate this lease upon 1 years written notice to landlord, provided, however, that if Tenant elects to terminate, Tenant shall maintain the Property and orchard in reasonable and husbandlike manner during the last year of the lease, and upon termination, Tenant shall release to Landlord all interest Tenant has in the trees or other crops growing on the Property, and said crops shall belong to Landlord free and clear of any claim of Tenant.

SECTION X: SUPPLEMENTAL WATER RIGHTS:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may, in its sole discretion, and after one year's prior written notice, supply water to the Property from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Property. If Tenant chooses to supply Groundwater to the Property, Tenant shall at its expense make application with the Water Resources Department to secure a permit authorizing the use of the Groundwater. Landlord shall cooperate with Tenant in the application process and shall not object to or otherwise oppose Tenant's application. At Tenant's request, Landlord shall sign all documents and take all actions reasonably necessary or desirable to enable Tenant to obtain from the Water Resources Department a water right authorizing the use of Groundwater on all or part of the Property.

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Property. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer to land other than the Property all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Property. At Tenant's request, Landlord shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Tenant to complete any such forfeiture, cancellation or transfer. Landlord shall not object to or otherwise oppose any such forfeiture, cancellation or transfer.

3. LANDLORD TO HAVE NO INTEREST IN GROUNDWATER. Landlord shall

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WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON



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Exhibit A

A parcel of land lying in Northeast Quarter of Southeast Quarter of Section 28, Township 6 North, Range 35, E. W. M., and described as follows:

Commencing at Quarter corner common to Sections 28 and 27; thence South $89^{\circ} 35' 35''$ West along East-West centerline of said Section 28 a distance of 20 feet to a point on West right of way line of County Road No. 597, said point being the true point of beginning for this description; thence South $0^{\circ} 13' 25''$ East along said West right of way line a distance of 476.56 feet; thence South $89^{\circ} 35' 35''$ West a distance of 823.21 feet; thence North $0^{\circ} 05' 35''$ West a distance of 476.56 feet to a point on East-West centerline of said Section 28; thence North $89^{\circ} 35' 35''$ East along said East-West centerline a distance of 822.12 feet to the point of beginning;

SUBJECT to any and all water rights of way and roads;

All being East of the Willamette Meridian, Umatilla County, Oregon.

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WATER RESOURCES DEPT
SALEM, OREGON

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 24 day of December, 2003,
LANDOWNER, KENNETH H. ARNZEN and TRACY A. ARNZEN has leased to EARL E.
BROWN & SONS, INC., an Oregon corporation, TENANT, the following described property:

All that real property described on the attached Exhibit "A" which is hereby referred to
and made a part hereof.

This memorandum is executed to evidence and confirm the lease referred to above, to
which reference is made for its terms and conditions which include the following:

1. TERM: For a period of twenty (20) years, beginning January 1, 1998 and ending at
the end of the crop year in 2023.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase
the property during the term of the Lease and any renewal thereof.

3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to
retain water rights on the property during the lease and after the lease terminates.

After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main,
Milton-Freewater, OR 97862.

DATED this 24 day of December, 2003.

Kenneth H. Arnzen
KENNETH H. ARNZEN, Landowner

Tracy A. Arnzen
TRACY A. ARNZEN, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

By: Earl E. Brown
President

By: Heidi Arnold
Secretary

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WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared before me the above named KENNETH H. ARNZEN and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Patricia G. Crawford
Notary Public for Oregon

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared before me the above named TRACY A. ARNZEN and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Patricia G. Crawford
Notary Public for Oregon

STATE OF OREGON,)
)ss.
County of Umatilla)

December 24, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of Earl Brown & Sons, Inc., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford
NOTARY PUBLIC FOR OREGON
My Commission Expires: 7-22-05



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WATER RESOURCES DEPT
SALEM, OREGON

LEASE

THIS AGREEMENT, entered into this 24 day of December, 2003, by and between RON SASSER and SUSAN SASSER, herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

WITNESSETH:

All land available for orchard purposes, which consists of orchard purposes, which consists of approximately 3.3 acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof ("Property").

TO HAVE AND TO HOLD the said Property unto the Tenant for a period beginning on execution of this lease and ending at the end of the crop year in 2023.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this Agreement. This Agreement supercedes any prior leases between the parties concerning the Property.
2. To furnish the land, pump and water sufficient to irrigate the crops.
3. To pay the taxes on the real property.

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said Property during the term of this lease, in a good husbandlike manner and in accordance with the standards of farming practices in the area.
2. To not commit waste nor suffer waste to be committed upon the Property.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Property.

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4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping.
6. To maintain and repair the pump provided, however, if it becomes necessary to replace the pump, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Property at the termination of this lease.
8. Before going into possession of the Property Tenant shall procure and thereafter during the term of this lease, shall continue to carry the following insurance in a responsible company, at Tenant's costs: (1) Public liability and property damage insurance with limits of not less than \$150,000 for injury to one person, \$300,000 for injury to two or more persons in one occurrence and \$150,000 for damage to Property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased Property, whether or not related to an occurrence caused or contributed to by Landowner's negligence, shall protect Tenant against the claims of Landowner on account of the obligations assumed by Tenant against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landowner prior to any change or cancellation shall be furnished to Landowner prior to Tenant's occupancy of the Property.

SECTION III: INSPECTION:

The Landowner reserves the right to enter at any reasonable hour for the purpose of inspecting the Property.

SECTION IV: RENT:

1. The Tenant agrees to pay rent as follows:
 - (a) Tenant shall deliver to Tenant's warehouse or packing facility to the credit of Landlord Ten percent of the crops raised on the Property.
 - (b) Payment shall be made no later than 180 days after the sale of the crop.

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SECTION V: DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charges within thirty (30) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30- day period, this provision shall be complied with if Tenant begins correction of the default within the 30- day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. REMEDIES ON DEFAULT:

1. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Landlord. Tenant shall not be deemed in default for failure to perform any covenant or condition of this lease, as provided herein until notice of said default has been given by Landlord to Tenant and Tenant shall have failed to remedy said default within thirty (30) days after the giving of the notice. If Tenant shall fail to make the rental payment as herein provided and said failure shall continue for more than ten (10) days after the payment becomes due, Tenant shall be deemed in default and Landlord shall not be obligated to give notice to Tenant of a declaration of said default.

If the Property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

2. DAMAGES:

In the event of termination on default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages.

(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the

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reasonable rental value of the Property for the same period figured as of the date of default, the net result to be discounted to the date of default at a reasonable rate not exceeding four (4%) percent per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been or, with the exercise of reasonable efforts could have been secured.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties as to a matter which this lease says should be arbitrated, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of farm properties, comparable to the leased Property. The other party shall also choose an arbitrator with such qualifications, and the two (2) arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the lease premises are located to appoint the required arbitrator.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in the county where the leased premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorneys fees incurred in connection with the arbitration.

SECTION VII: ATTORNEY FEES:

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It is mutually agreed between the Landowner and Tenant as follows:

1. In case a suit or action is instituted to enforce any of the provisions hereof, the parties agree to pay such sum as the court may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action and on any appeal therefrom.

SECTION VIII: RIGHT OF FIRST REFUSAL:

If Landlord desires to sell the Property during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landlord shall first offer the Property for sale to Tenant as follows:

1. Landlord shall give written notice to Tenant stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. Within twenty (20) days after receipt of a notice of proposed sale, if the lease is then in good standing or is subject only to defaults which are corrected within the time provided in the lease so as to effect a reinstatement of good standing as of that time, Tenant may elect to purchase the Property on terms equally or more favorable to Landlord by so advising Landlord in writing. The price must equal the net return to Landlord under the proposed sale after adjustment for the difference, if any, in real estate commission and cost of closing payable in the event of the proposed sale as opposed to sale to Tenant.

3. If Tenant elects not to purchase, the sale shall be closed on the date specified by Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice or at Landlord's election, on the date if any, specified as a condition of the original sale and stated in the notice of proposed sale.

4. If Tenant does not elect to purchase, Landlord may, at any time within thirty (30) days thereafter, sell to the named prospective purchaser at the price and on the terms stated in the notice of proposed sale. The purchaser shall take the Property subject to all the terms of this lease, excepting Tenant's right of first refusal with respect to subsequent sales.

SECTION IX: TERMINATION:

The parties recognize that in economic conditions in the orchard industry may require

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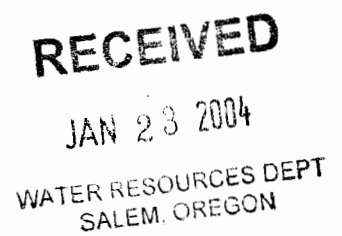
modifications of this lease. In event the parties are unable to reach an agreement concerning modification, and Tenant determines that Tenant cannot continue the lease under the existing terms and conditions, Tenant may terminate this lease upon 1 years written notice to landlord, provided, however, that if Tenant elects to terminate, Tenant shall maintain the Property and orchard in reasonable and husbandlike manner during the last year of the lease, and upon termination, Tenant shall release to Landlord all interest Tenant has in the trees or other crops growing on the Property, and said crops shall belong to Landlord free and clear of any claim of Tenant.

SECTION X: SUPPLEMENTAL WATER RIGHTS:

1. **TENANT'S RIGHT TO SUPPLY GROUNDWATER.** Tenant may, in its sole discretion, and after one year's prior written notice, supply water to the Property from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Property. If Tenant chooses to supply Groundwater to the Property, Tenant shall at its expense make application with the Water Resources Department to secure a permit authorizing the use of the Groundwater. Landlord shall cooperate with Tenant in the application process and shall not object to or otherwise oppose Tenant's application. At Tenant's request, Landlord shall sign all documents and take all actions reasonably necessary or desirable to enable Tenant to obtain from the Water Resources Department a water right authorizing the use of Groundwater on all or part of the Property.

2. **CESSATION OF GROUNDWATER USE.** Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Property. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer to land other than the Property all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Property. At Tenant's request, Landlord shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Tenant to complete any such forfeiture, cancellation or transfer. Landlord shall not object to or otherwise oppose any such forfeiture, cancellation or transfer.

3. **LANDLORD TO HAVE NO INTEREST IN GROUNDWATER.** Landlord shall have



no right, title or interest in or to the Groundwater, the water rights pursuant to which the Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Property.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate the day and year first above written.

Ron Sasser
RON SASSER, Landowner

Susan Sasser
SUSAN SASSER, Landowner

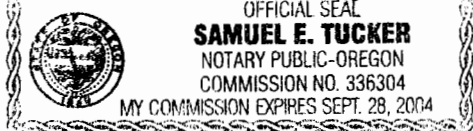
EARL E. BROWN & SONS, INC., an Oregon corporation, Tenant

BY Ronald E Brown
President

BY Keith Treat
Secretary

STATE OF OREGON,)
)ss.
County of Umatilla.)
 December 20, 2003.

Personally appeared the above named Ron Sasser and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.



Samuel E. Tucker
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
 December 30, 2003.

Personally appeared the above named Susan Sasser and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.



Patricia G Crawford
NOTARY PUBLIC FOR OREGON

LEASE - 7

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SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 20, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON



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LEASE - 8

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WATER RESOURCES DEPT
SALEM, OREGON

Exhibit A

Ron Sasser and Susan Sasser

Beginning at Northwest corner of Northeast Quarter of Southwest Quarter of Section 26, Township 4 North, Range 37; thence East 208.5 feet; thence South 417 feet; thence West 208.5 feet; thence North 417 feet to the place of beginning;

Also including rights in and to an Easement for access recorded March 24, 1993, Microfilm R-233, Page 460, Deed Records;

All being East of the Willamette Meridian, Umatilla County, Oregon.

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WATER RESOURCES DEPT
SALEM, OREGON

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 24 day of December, 2003,
LANDOWNER, RON SASSER and SUSAN SASSER has leased to EARL E. BROWN &
SONS, INC., an Oregon corporation, TENANT, the following described property:

All that real property described on the attached Exhibit "A" which is hereby referred to
and made a part hereof.

This memorandum is executed to evidence and confirm the lease referred to above, to
which reference is made for its terms and conditions which include the following:

1. TERM: For a period ending at the end of the crop year in 2023.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase
the property during the term of the Lease and any renewal thereof.
3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to
retain water rights on the property during the lease and after the lease terminates.

After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main,
Milton-Freewater, OR 97862.

DATED this 24 day of December, 2003.

Ron Sasser

RON SASSER, Landowner

Susan Sasser

SUSAN SASSER, Landowner

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY Ronald E Brown

President

BY Keith Quay

Secretary

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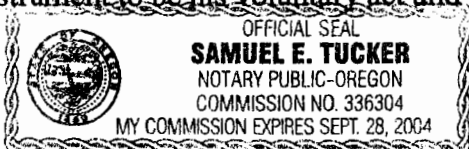
WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON,)
)ss.

County of Umatilla.)

December 23, 2003.

Personally appeared the above named Ron Sasser and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.



Samuel E. Tucker

NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.

County of Umatilla.)

December 30, 2003.

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WATER RESOURCES DEPT
SALEM, OREGON

Personally appeared the above named Susan Sasser and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.

County of Umatilla.)

December 23, 2003.



Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON



Exhibit A

Ron Sasser and Susan Sasser

Beginning at Northwest corner of Northeast Quarter of Southwest Quarter of Section 26, Township 4 North, Range 37; thence East 208.5 feet; thence South 417 feet; thence West 208.5 feet; thence North 417 feet to the place of beginning;

Also including rights in and to an Easement for access recorded March 24, 1993, Microfilm R-233, Page 460, Deed Records;

All being East of the Willamette Meridian, Umatilla County, Oregon.

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WATER RESOURCES DEPT
SALEM, OREGON

LEASE

THIS AGREEMENT, entered into this 24th day of December, 2003, by and between DONALD L. SLUSARENKO and DEBRA J. SLUSARENKO, herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

WITNESSETH:

All land available for orchard purposes, which consists of orchard purposes, which consists of approximately ___ acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof ("Property").

TO HAVE AND TO HOLD the said Property unto the Tenant for a period beginning on execution of this lease and ending at the end of the crop year in 2017.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this Agreement. This Agreement supercedes any prior leases between the parties concerning the Property.
2. To furnish the land, pump and water sufficient to irrigate the crops.
3. To pay the taxes on the real property.

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SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said Property during the term of this lease, in a good husbandlike manner and in accordance with the standards of farming practices in the area.
2. To not commit waste nor suffer waste to be committed upon the Property.
3. To perform all labor upon and pay all costs in connection with the production and

WATER RESOURCES DEPT
SALEM, OREGON

harvesting of the fruit on such Property.

4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping.
6. To maintain and repair the pump provided, however, if it becomes necessary to replace the pump, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Property at the termination of this lease.
8. Before going into possession of the Property Tenant shall procure and thereafter during the term of this lease, shall continue to carry the following insurance in a responsible company, at Tenant's costs: (1) Public liability and property damage insurance with limits of not less than \$150,000 for injury to one person, \$300,000 for injury to two or more persons in one occurrence and \$150,000 for damage to Property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased Property, whether or not related to an occurrence caused or contributed to by Landowner's negligence, shall protect Tenant against the claims of Landowner on account of the obligations assumed by Tenant against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landowner prior to any change or cancellation shall be furnished to Landowner prior to Tenant's occupancy of the Property.

SECTION III: **INSPECTION:**

The Landowner reserves the right to enter at any reasonable hour for the purpose of inspecting the Property.

SECTION IV: **RENT:**

1. The Tenant agrees to pay rent as follows:
 - (a) Tenant shall deliver to Tenant's warehouse or packing facility to the credit of Landlord Twenty-five percent of the crops raised on the Property.

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(b) Payment shall be made no later than 90 days after the sale of the crop.

SECTION V: DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charges within thirty (30) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30- day period, this provision shall be complied with if Tenant begins correction of the default within the 30- day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. REMEDIES ON DEFAULT:

1. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Landlord. Tenant shall not be deemed in default for failure to perform any covenant or condition of this lease, as provided herein until notice of said default has been given by Landlord to Tenant and Tenant shall have failed to remedy said default within thirty (30) days after the giving of the notice. If Tenant shall fail to make the rental payment as herein provided and said failure shall continue for more than ten (10) days after the payment becomes due, Tenant shall be deemed in default and Landlord shall not be obligated to give notice to Tenant of a declaration of said default.

If the Property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

2. DAMAGES:

In the event of termination on default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages.

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(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable rental value of the Property for the same period figured as of the date of default, the net result to be discounted to the date of default at a reasonable rate not exceeding four (4%) percent per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been or, with the exercise of reasonable efforts could have been secured.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties as to a matter which this lease says should be arbitrated, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of farm properties, comparable to the leased Property. The other party shall also choose an arbitrator with such qualifications, and the two (2) arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the lease premises are located to appoint the required arbitrator.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in the county where the leased premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorneys fees incurred in connection with the arbitration.

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SECTION VII: ATTORNEY FEES:

It is mutually agreed between the Landowner and Tenant as follows:

1. In case a suit or action is instituted to enforce any of the provisions hereof, the parties agree to pay such sum as the court may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action and on any appeal therefrom.

SECTION VIII: RIGHT OF FIRST REFUSAL:

If Landlord desires to sell the Property during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landlord shall first offer the Property for sale to Tenant as follows:

1. Landlord shall give written notice to Tenant stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. Within twenty (20) days after receipt of a notice of proposed sale, if the lease is then in good standing or is subject only to defaults which are corrected within the time provided in the lease so as to effect a reinstatement of good standing as of that time, Tenant may elect to purchase the Property on terms equally or more favorable to Landlord by so advising Landlord in writing. The price must equal the net return to Landlord under the proposed sale after adjustment for the difference, if any, in real estate commission and cost of closing payable in the event of the proposed sale as opposed to sale to Tenant.

3. If Tenant elects not to purchase, the sale shall be closed on the date specified by Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice or at Landlord's election, on the date if any, specified as a condition of the original sale and stated in the notice of proposed sale.

4. If Tenant does not elect to purchase, Landlord may, at any time within thirty (30) days thereafter, sell to the named prospective purchaser at the price and on the terms stated in the notice of proposed sale. The purchaser shall take the Property subject to all the terms of this lease, excepting Tenant's right of first refusal with respect to subsequent sales.

SECTION IX: TERMINATION:

LEASE - 5

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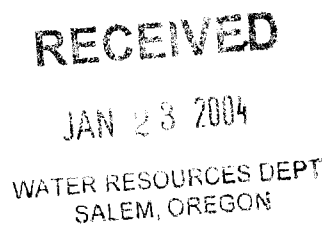
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The parties recognize that in economic conditions in the orchard industry may require modifications of this lease. In event the parties are unable to reach an agreement concerning modification, and Tenant determines that Tenant cannot continue the lease under the existing terms and conditions, Tenant may terminate this lease upon 1 years written notice to landlord, provided, however, that if Tenant elects to terminate, Tenant shall maintain the Property and orchard in reasonable and husbandlike manner during the last year of the lease, and upon termination, Tenant shall release to Landlord all interest Tenant has in the trees or other crops growing on the Property, and said crops shall belong to Landlord free and clear of any claim of Tenant.

SECTION X: SUPPLEMENTAL WATER RIGHTS:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may, in its sole discretion, and after one year's prior written notice, supply water to the Property from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Property. If Tenant chooses to supply Groundwater to the Property, Tenant shall at its expense make application with the Water Resources Department to secure a permit authorizing the use of the Groundwater. Landlord shall cooperate with Tenant in the application process and shall not object to or otherwise oppose Tenant's application. At Tenant's request, Landlord shall sign all documents and take all actions reasonably necessary or desirable to enable Tenant to obtain from the Water Resources Department a water right authorizing the use of Groundwater on all or part of the Property.

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Property. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer to land other than the Property all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Property. At Tenant's request, Landlord shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Tenant to complete any such forfeiture, cancellation or transfer. Landlord shall not object to or otherwise oppose any such forfeiture, cancellation or transfer.



3. LANDLORD TO HAVE NO INTEREST IN GROUNDWATER. Landlord shall have no right, title or interest in or to the Groundwater, the water rights pursuant to which the Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Property.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate the day and year first above written.

Donald L. Slusarenko
DONLAD L. SLUSARENKO, Landowner

Debra J. Slusarenko
DEBRA J. SLUSARENKO, Landowner

EARL E. BROWN & SONS, INC., an Oregon corporation, Tenant

BY Ronald E. Brown
President

BY Keith Grant
Secretary

STATE OF OREGON,)
)ss.
County of Umatilla.)
 December 19, 2003.

Personally appeared the above named Donald L. Slusarenko and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Patricia G. Crawford
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
 December 19, 2003.



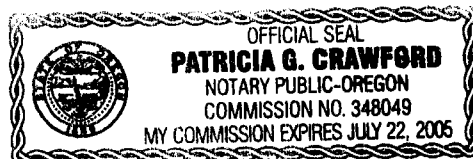
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SALEM, OREGON

Personally appeared the above named Debra J. Slusarenko and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Patricia Crawford

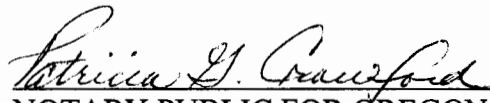


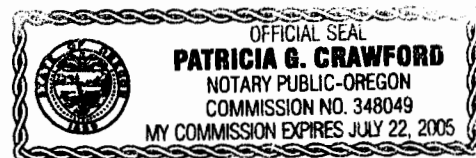
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 19, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.


NOTARY PUBLIC FOR OREGON



D:\tc\Leases,\Brown, Earl & Sons\Slusarenko, Don\lease 11-16-03. Debra wpd.wpd

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MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 24 day of December, 2003,
LANDOWNER, DONALD L. SLUSARENKO and DEBRA J. SLUSARENKO has leased to
EARL E. BROWN & SONS, INC., an Oregon corporation, TENANT, the following described
property:

All that real property described on the attached Exhibit "A" which is hereby referred to
and made a part hereof.

This memorandum is executed to evidence and confirm the lease referred to above, to
which reference is made for its terms and conditions which include the following:

1. TERM: For a period ending at the end of the crop year in 2023.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase
the property during the term of the Lease and any renewal thereof.

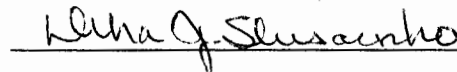
3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to
retain water rights on the property during the lease and after the lease terminates.

After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main,
Milton-Freewater, OR 97862.

DATED this 24 day of December, 2003.



DONLAD L. SLUSARENKO, Landowner



DEBRA J. SLUSARENKO, Landowner

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SALEM, OREGON

EARL E. BROWN & SONS, INC., an
Oregon corporation, Tenant

BY *Ronald E Brown*
President

BY *Keith Grant*
Secretary

STATE OF OREGON,)
)ss.
County of Umatilla.)
December 19, 2003.

Personally appeared the above named Donald L. Slusarenko and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Patricia G. Crawford
NOTARY PUBLIC FOR OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)
December 19, 2003.



Personally appeared the above named Debra J. Slusarenko and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Patricia G. Crawford
NOTARY PUBLIC FOR OREGON



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JAN 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON,)
)ss.
County of Umatilla.)

December 24, 2003.

Personally appeared RON BROWN and KEITH TRUAX, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and they acknowledged said instrument to be their voluntary act. Before me.

Patricia G. Crawford

NOTARY PUBLIC FOR OREGON



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EXHIBIT A

Donald L. Slusarenko and Debra J. Slusarenko

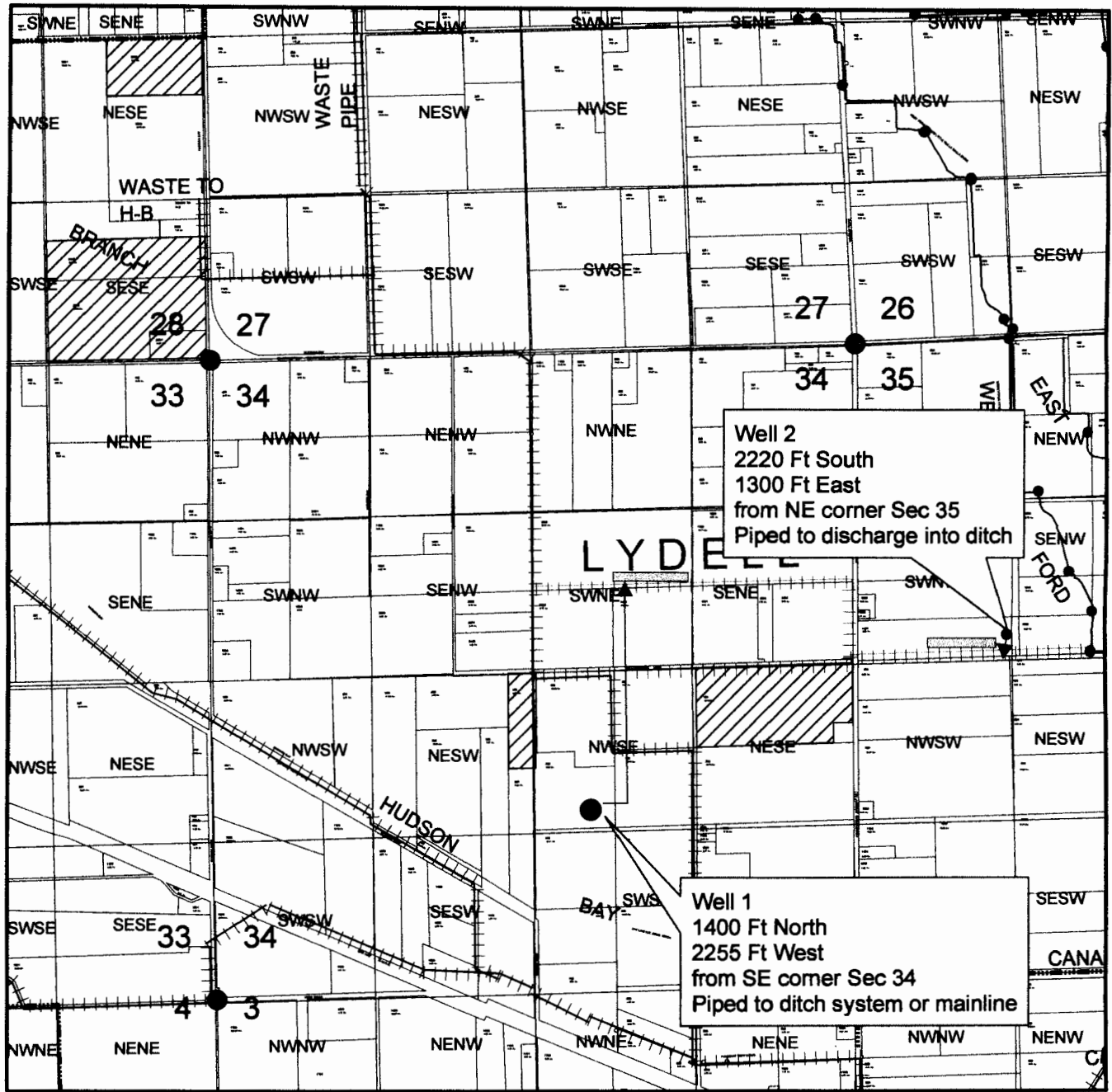
The South Half of the North Half of the Southeast Quarter of the Southeast Quarter of Section 28, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon.

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SALEM, OREGON

Walla Walla River Irrigation District 6N 35E Umatilla Co.



Well 2
2220 Ft South
1300 Ft East
from NE corner Sec 35
Piped to discharge into ditch

Well 1
1400 Ft North
2255 Ft West
from SE corner Sec 34
Piped to ditch system or mainline

Legend

- section_mrk
- ++++ Lydell_ditch
- LWWR_ditches
- LWWR_pods
- Layer**
- WALLA-WALLA-RIVER
- FROST
- WALLA-PIPE1
- wwid_boundary
- ++++ Powell_PV
- taxlot

New Supplemental rights from wells 1 & 2
28.9 acres SE1/4 SE1/4 Sec 28
3.9 acres NE1/4 SW1/4 Sec 34
9 acres NE1/4 SE1/4 Sec 28
18 acres NE1/4 SE1/4 Sec 34

1 inch equals 1,320 feet



The water rights shown on this map have been interpreted by the District's staff from information in the District's files and are intended to represent that interpretation graphically. Locations shown are only approximate and should not be used in legal, financial, or real estate decisions. For more accurate legal location information, please contact the Water Resources Department.

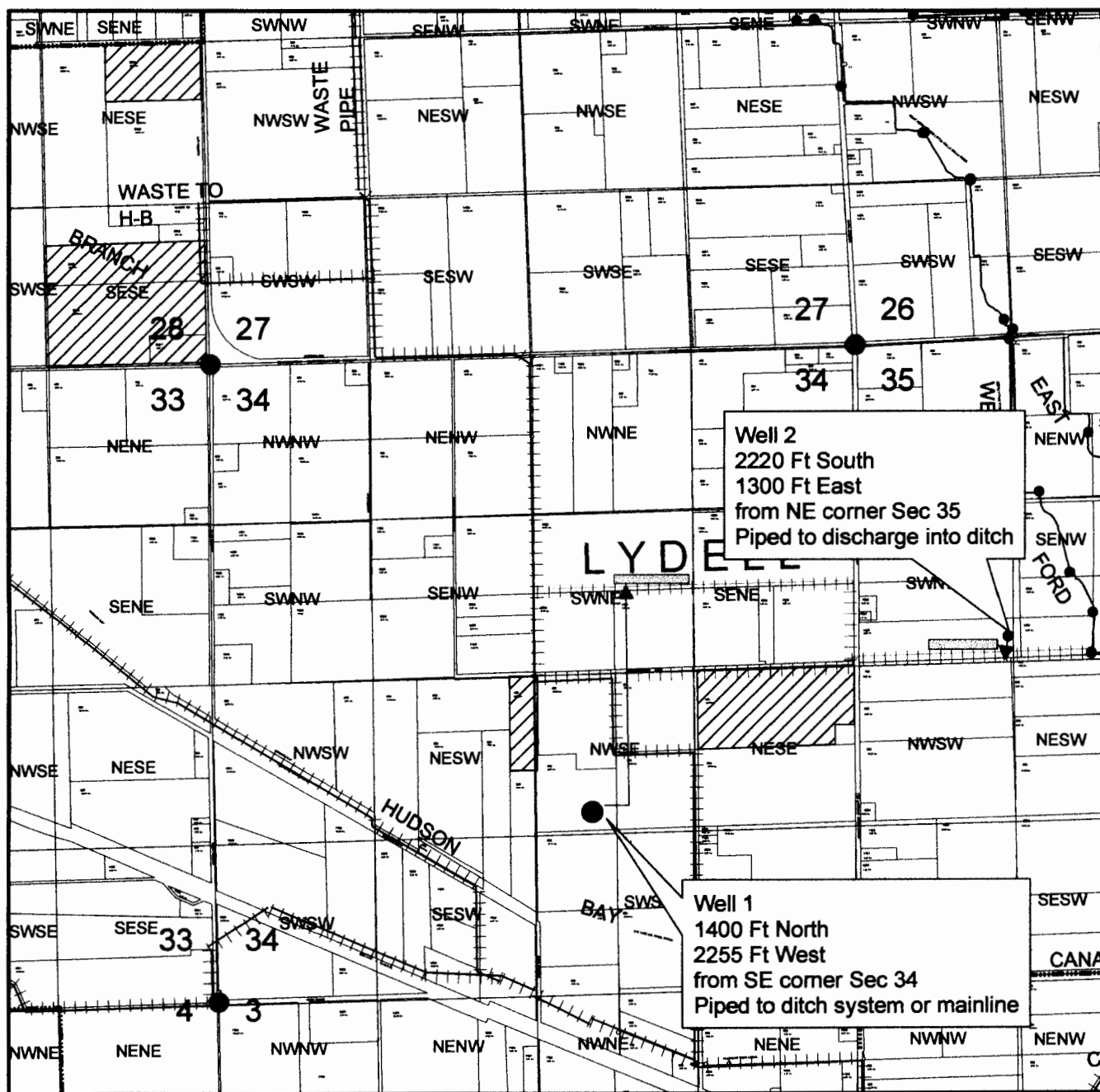
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 WATER RESOURCES DEPT
 SALES

App No G-16174

Walla Walla River Irrigation District 6N 35E Umatilla Co.



Well 2
2220 Ft South
1300 Ft East
from NE corner Sec 35
Piped to discharge into ditch

Well 1
1400 Ft North
2255 Ft West
from SE corner Sec 34
Piped to ditch system or mainline

Legend

- section_mrk
- Lydeil_ditch
- LWWR_ditches
- LWWR_pods

Layer

- WALLA-WALLA-RIVER
- FROST
- WALLA-PIPE1
- wwid_boundary
- Powell_PV
- taxlot

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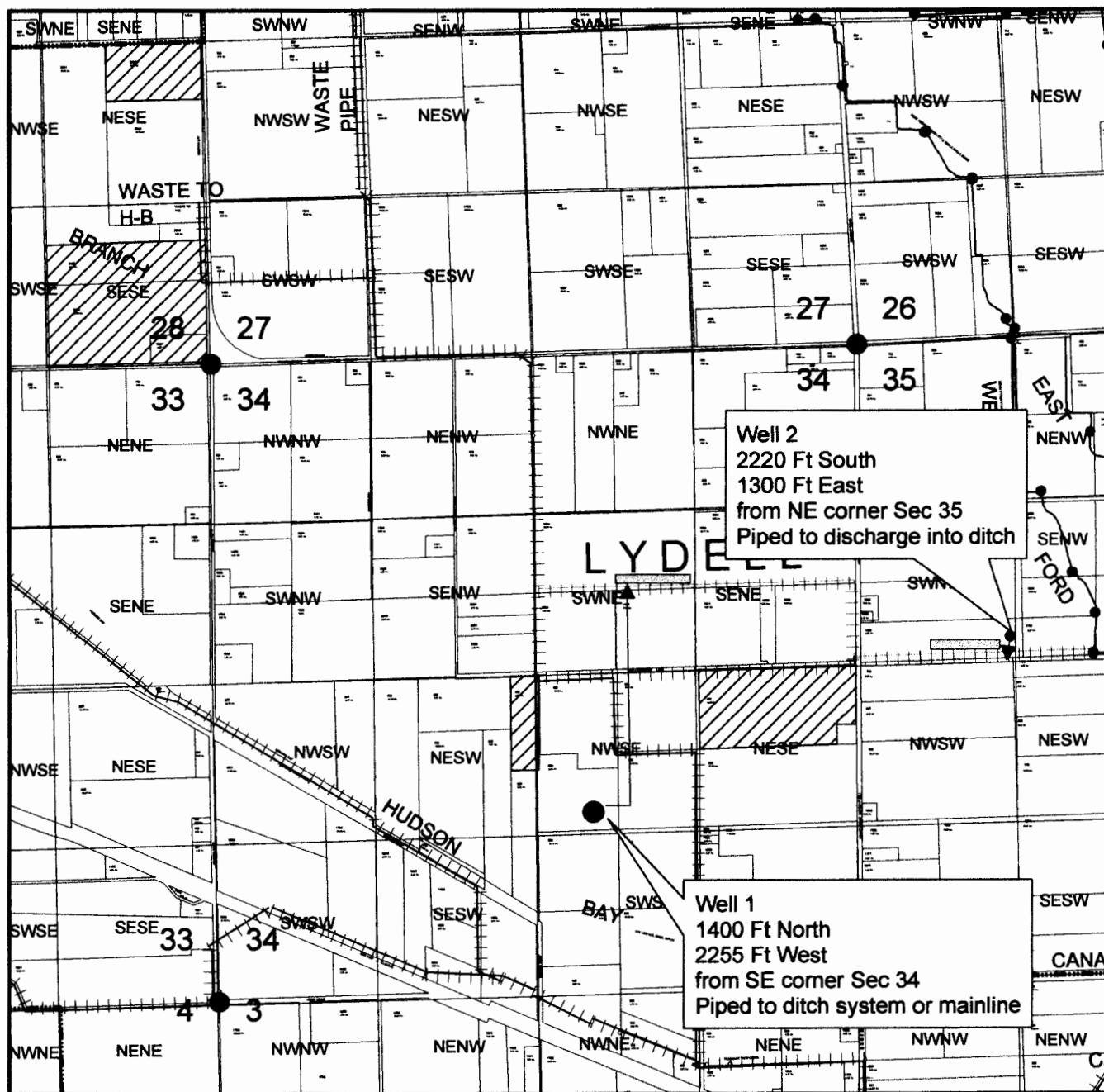
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WATER RESOURCES DEPT
SALEM, OREGON

App No G-16174

Walla Walla River Irrigation District 6N 35E Umatilla Co.



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WATER RESOURCES DEPT
SACRAMENTO

App No G 16174