

App. Permit No. 915755



State of Oregon Water Resources Department 158 12th Street NE, Salem, OR 97310 (503)378-8455 • (800)624-3199 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. Thank you.

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APR 23 2002

WATER RESOURCES DEPT. SALEM, OREGON

1. APPLICANT INFORMATION

A. Individuals

Applicant: Earl Brown & Sons Inc.
First Last

Co-applicant: _____
First Last

Mailing address: P.O. Box 249
Milton - Free water Oregon 97862
City State Zip

Phone: 541-938-6645 Business
Home Work Other

*Fax: 1-541-938-5365 E-Mail address: _____

B. Organizations

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

Name of organization: _____

Name and title of person applying: LEONARD BROWN

Mailing address of organization: 509-520-2710

MAR - City 245 MEER State Zip
Phone: DICK GUILLERSON : 541-938-3874
Day Evening

*Fax: _____ *E-Mail address: _____

*Optional information

JOSE CARD SENT

For Department Use		
App. No. _____	Permit No. _____	Date _____

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.*

*If more than 25 landowners are involved, a list is not required. See instructions.

3. GROUND WATER DEVELOPMENT

A. Number of well(s): 1 B. Name of nearest surface water body: Lydell Ditch

C. Distance from well(s) to nearest stream or lake: 1) Lydell Ditch - 200 ft
2) Little Wallowa River - Ford Branch - 1200 ft

D. If distance from surface water is less than one mile, indicate elevation difference between nearest surface water and well head. 1) _____
2) _____ 3) _____ 4) _____

E. 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: Geo-teck Explorations

Address: 19700 S.W. Tetra - Tualatin, Ore. 97062
Water Well Developing & Surveys - P.O. Box 156

Completion date: Umatilla, Ore. 97882
Feb. 2002

2. 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
2	16.0"	steel	3530	None	Neat Groot	190	760	Air Line	1005
	12.75	steel	330-540	None	Groot				
			540 to 1005	open Rock Hole.					

F. Artesian Flows

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

None

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

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)
#2	Basalt	Irrigation	11.2 gpm/ac		4000 GPM Sec Test
	Basalt	Frost & Temp Control	15.8 gpm/ac		6.47 acs

$155.31 \text{ ac} \times 11.2 \text{ gpm/ac} = 1739.47 \text{ gpm for irrigation}$

C. Maximum Rate of Use Requested

What is the maximum, instantaneous rate of water that will be used? 1739.47 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: 1 March - 31 Oct
 (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: 155.31 ac
 (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) Turbine Pump - 200 H.P.
- Other means (describe) ~

B. Transport

How will you transport water to your place of use? See all drawings #1 to #6 for main line location and sizes.

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

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C. Application/Distribution Method *Centrifugal Pumps from 2 Bulges*
What equipment will you use to apply water to your place of use? *into Distribution Line.*
2 Centrifugal Pumps - 600 gpm each - one for each bulge.

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.

Both East & West Bulges are Lined with PVC. Pumping from the bulges with Centrifugal Pumps through main line to Distribution Line in PVC pipe to sprinkler Head - Pumping Time is monitored for each irrigation set.

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 1 Nov 01

Proposed date construction will be completed 1 May 02

Proposed date beneficial water use will begin 1 June 02

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.

See insert -

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7. Remarks – Insert

1. The lands to be irrigated are located in the Milton-Freewater gravels. This required the 11.2 gallon/minute/acre to satisfactorily irrigate the orchards.
2. This are is in Section 34 and 35 of T6N R35E W.
3. Water Management
Sub paragraph C – Describes the centrifugal pumps – 2-600 gallon/minute for normal irrigation.
4. In addition to these pumps are a centrifugal pump used for Frost and Temperature Control, having a capacity of 1500 to 2000 gallons per minute. There is one located in each pumping station for each bulge, and are powered by diesel engines.
5. The prior application File G-15614 covers much of the adjacent areas and has common use of the main line distribution pipes. The application G-15614 has as its water source, Well I.D. No. G-12816. Which is Brown #1., shown on drawing #3. This application has as its water source, Well I.D. 41929, which is Brown #2. These basalt wells Brown #1 and Brown #2 pump into the East and West bulges. Hence the whole system is interconnected.

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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

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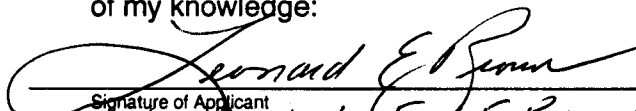
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By my signature below I confirm that I understand:

- 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 _____ Date 4/23/02
Vice President FAD E BROWN & SONS INC

Signature of Co-applicant _____ 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.



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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: 155.31 Acres

See Separate List

List the permit or certificate number of the primary water right: No. _____

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 (from: _____ to _____)
- 2. Prunes Full season Partial season (from: _____ to _____)
- 3. Cherries Full season Partial season (from: _____ to _____)
- 4. _____ Full season Partial season (from: _____ to _____)

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

155.31 ac X 4.5 ac ft/ac = 698.89 ac ft.
689.89 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: _____

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Land Use Information Form

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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: P.O. Box 249
 City: Miller Freewater State: Ore. Zip: 97862 Day Phone: 541-938-6645

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>1201</u>	<u>See Diversion (Brown #2) out</u>	<input checked="" type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used
<u>6N3535B</u>	<u>Location of Lot Nos, pipe sized.</u>	<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used
	<u>EFU-10 (Exclusive Farm Use)</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

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 of Apples, Prunes, Cherries -
 Briefly describe: on 155 acres by various sized pipes (PVC)
through 16" to 6" pipes.

D. Source

Indicate the source for the proposed water use:
 Reservoir/Pond Ground Water Surface Water Basalt Rock
 (source)

E. Quantity

Indicate the estimated quantity of water the use will require:
465 ac. ft CFS GPM Acre-Feet

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: 3-21-02
 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.)

Measuring Point

N 1/4 corner - Sec 34 T6N R35E

GR No & Lot	N-S	E-W	Remarks
Aichele GR-3809 lot 800	N 1355'	W-1340	Sec 27 - NW SW 150 GPM 32.1 ac Supplemental
Reese G-4580 - 6 lot 200	S 160'	W-770'	Sec 34 NE NW 120 gpm House Well
Reese G-4580 - 7 lot 100	S-680' (GR-2968)	W-500'	Sec 34 NE NW 122 GPM - Supplemental
Reese G-4523 (G-7392-8) lot 900	S-2180	W-30	Sec 34 - SE NW 160 GPM Supplemental
Reese G-7392-8 lot-900	S-2040 (GR 3220)	W-20	Sec 34 - SE NW 160 GPM Supplemental
Reese G-7392-10 lot-900	S-2250'	W-430	Sec. 34 - SE NW No pump - installed open casing.
Reese GR-2967 lot 100	S-640'	W-15'	Sec 34 - NE NW 20 GPM NE-NW Supplemental
Sams (Mae Ferguson) GR-1699 Tax Lot 400	S-3260	E 640	Sec 34 NW-SE 220 GPM 11 ac Supplemental

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Measuring Point

5 1/4 corner Sec 34 T6N R35E

Gibbons GR-1112 Lot 901	N 680'	E 1300'	Sec 34-SWSE 450 GPM - 10 AC. Supplemental
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Gibbons GR-1113 Lot 900	N 1330'	E 1300'	Sec 34 - NWSE 450 GPM - 10 AC Supplemental
-------------------------------	---------	---------	--

Pumps - installed - Both Well were dry
when visited on 11 March 02.

Measuring Point

East 1/4 Sec 35 T6N R35E

Waliser GR 1116 Lot 700	S 330'	E 1310'	Sec 35 NW-SW 250 GPM - 5 AC.
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Waliser GR-1393 Lot 800	S 640'	E 1310'	Sec 35 NW-SW 300 GPM - 10 AC Supplemental
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Pumps installed

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Primary Water Rights List

T6N R35E. W.M.

Sheet #1
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Section 34 - NW-NE

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Lot 1000 File (9)	1908 Ford Branch-Hydell Permit 12917-Proof 830	9.85 ac. ✓
Lot 1101 File (8)	1918 Little W.W. River Permit 3793	9.40 ac ✓

Section 34 NE-NW

Lot 100 File (2)	1938 - Little W.W. River Permit 13194	9.55 ac ✓
Lot 200 File (3)	1912 - Pleasant View Ditch Permit 1216	9.55 ac ✓
Lot 800 File (4)	1915 - Pleasant View Ditch Permit E. 241	9.85 ac ✓

Lot 900 SE-NW

File (5)	1919 - Pleasant View Ditch Permit 4342	9.85 ac ✓
Lot 2200 File (7)	1912 - Pleasant View Ditch Permit 1216	2.96 ac ✓
Lot 2300 File (6)	1912 - Pleasant View Ditch Permit 1216	2.46 ac ✓

Section 34 NW-SE

Lot 400 File (10)	1913 Pleasant View Ditch Permit E. 120	10.63 ac ✓
Lot 900 File (10)	1895 Powell - Pleasant View Ditch Permit 13204	9.8 ac ✓
Lot 901 File (13)	1912 Powell - Pleasant View Ditch Permit 10714	10.00 ac ✓
Lot 902 File (12)	1912 Pleasant View Ditch Permit 1216 / T 71.43	10.11 ac ✓

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Primary Water Rights List Sheet # 2

Section 27 NW-^{SW}NE

Lot 800 File (1)	1912 - Pleasant View Ditch Permit 1216	32.0 ac.
---------------------	---	----------

Section 35.

NW - SW

Lot 700
File (14)

1886 Lydell Ditch
Permit 13088 (5 ac)
1915 GR 1116 - 250 GPM (5 ac)

10.0 ac

Lot 800
File (15)

1919 GR 1393 - 300 GPM

10.0 ac

Sheet 1	103.39
Sheet #2	52.01
<u>Totals</u>	<u>155.40</u>

155.41

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Application No. 9 15755
Permit No.

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,

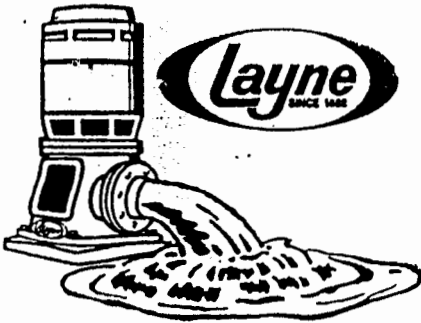


Brent Stevenson
District Manager
Walla Walla River Irrigation District



Tracy Larson
Board President
Walla Walla River Irrigation District

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SALEM, OREGON



Application No. 915753
 Permit No. _____
LAYNE OF WASHINGTON, INC.

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

UMMT 54464 KICW

Brown #2

WELL TESTING REPORT

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	

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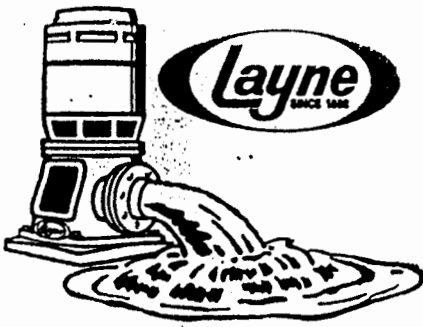
RECOVERY TIME: FT. 1 MINUTE FT. 2 MINUTES FT. 3 MINUTES

APPROVED BY:

 (LAYNE & BOWLER, INC.)

 (OWNER OF WELL)

INSTALLED BY: _____ DATE 03-13-02



Application No. 915755
 Permit No. _____
LAYNE OF WASHINGTON, INC.

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

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Brown #2

WELL TESTING REPORT

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'	S	36	S	
1530	217'		36		
1545	217'		36		
1600	217'	S	36	S	
1630	217'		1500		36
1655	226'	1700	52	3600	
1700	231'	1800	66	4000	
1730	231'	S	66	S	
1745	231'		66		
1800	231'	1800	66	4000	
End Test 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'				
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

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SALEM, OREGON

UMAT
5464
915755 Brown #2

Application No.

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

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

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 Free Water State OR Zip 97862

(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: 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"/>
Liner: 12	327	540	375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 Bailer 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 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 3 W 1/4 NW 1/4
Tax Lot 1400 Lot _____ Block _____ Subdivision _____
Street Address of Well (or nearest address) Winesap Rd
Milton Free Water

(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 Cinders	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 11-2-01 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 _____ WWC Number 1766
Date _____

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

File Copy

Proposed
Easement
to Sept 2001

DATE PERMIT FORM ISSUED: _____

ISSUED BY: _____

FEE: \$1500

UMATILLA COUNTY DEPARTMENT OF PUBLIC WORKS
3920 WESTGATE
PENDLETON, OREGON 97801

PERMIT APPLICATION FORM
FOR
INSTALLATION OF UTILITIES ON COUNTY AND PUBLIC ROADS

I (We) Earl E Brown & Sons Inc
(Please Print or Type Names)

P.O. Box 249 Milton-Freewater OR, 541-938-6645
(Address) (Telephone Number)

hereby respectfully request permission to access Umatilla County Road

No. _____, Yellowjacket Rd
(Road Name)

or Public Road Yellowjacket Loop located
NW 1/4 of (Road Name)

in the SE 1/4 of Section 34, Township 6N, Range 35E
(1/4 Section)

E.W.M. with a Water Line
(Water Line, Gas Line, Electric Line, Telephone Line, etc.)

the location of which is more particularly described by the attached sketches.

(Attach copy of assessor's map, available at Road Dept., with installation location shown and a plan of the proposed installation showing depths, trench widths, distances from existing edges of traveled roadway, etc.)

Earl E Brown
Signature of Permittee

RECEIVED
DEC 09 2002
WATER RESOURCES DEPT.
SALEM, OREGON

APPROVALS

(Section Foreman or Assistant Public Works Director)

(Date)



(Public Works Director)

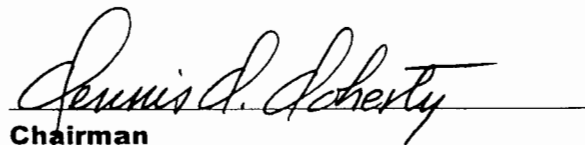


(Date)

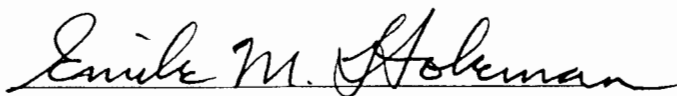
Permission is hereby granted by the Umatilla County Board of Commissioners, pursuant to Oregon Revised Statutes 375.305 to 374.325 to make the aforesaid installation in accordance with all specifications. The Permittee as indicated on Page 1 shall at all times be responsible and liable for any and all damages arising from or caused by this installation and this permit may be revoked at any time.

PERMISSION GRANTED THIS 6th DAY OF Sept., 2001.

UMATILLA COUNTY BOARD OF COMMISSIONERS



Chairman



Commissioner

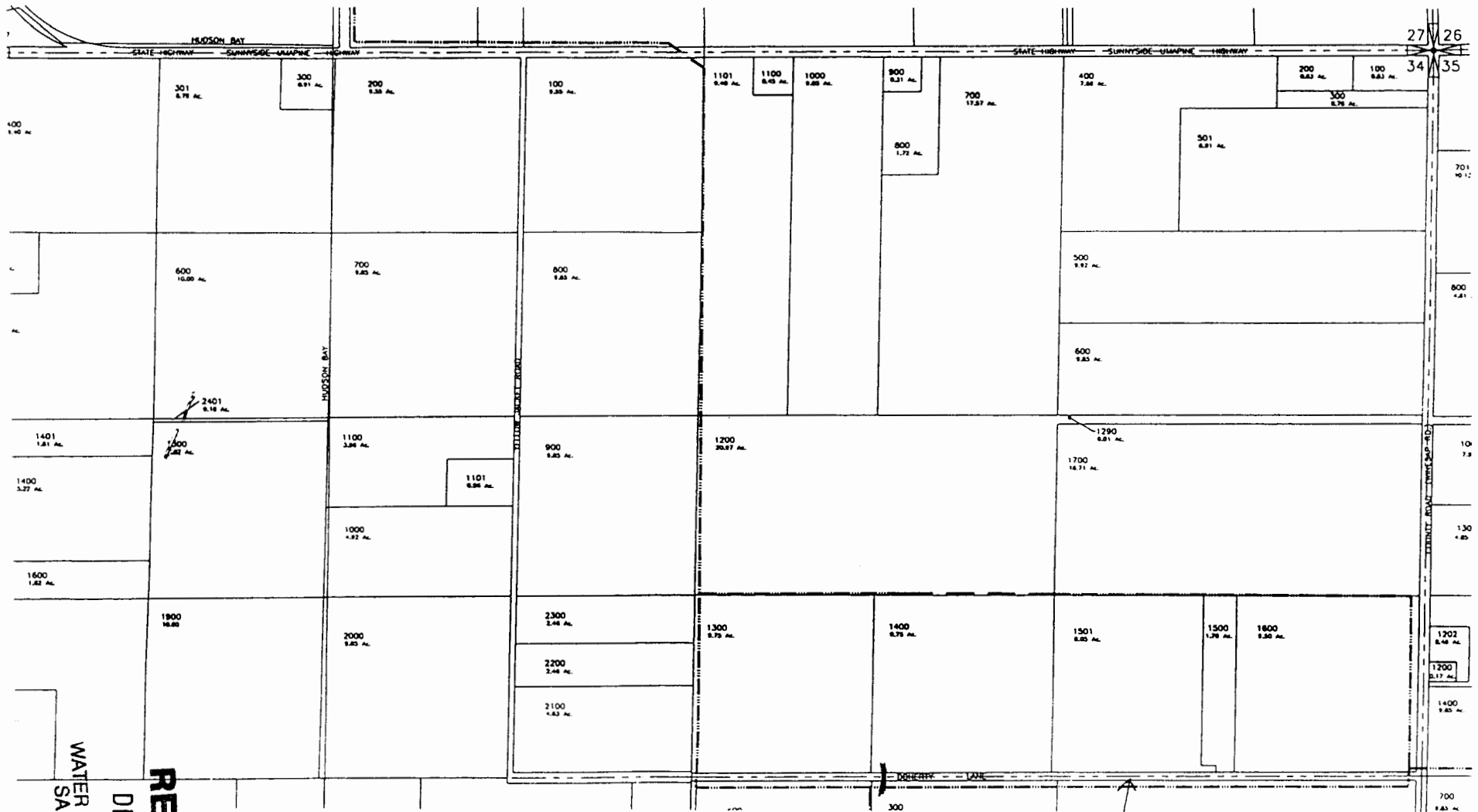
Commissioner

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DEC 09 2002

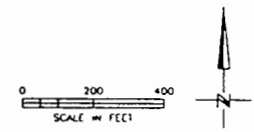
7
WATER RESOURCES DEPT.
SALEM, OREGON

NORTH 1/2 SECTION 34 TOWNSHIP 6 NORTH, RANGE 35 EAST, W.M.



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 WATER RESOURCES DEPT.
 SALEM, OREGON

yellowjacket rd
Water line Crossing
12" PVC Pipe 125PSI
and 6" PVC Pipe same trench



Existing
Easement
17 Feb 1999

9-23-UP
File Copy

DATE PERMIT FORM ISSUED: _____

ISSUED BY: Gregg Zessin

FEE: \$15⁰⁰

UMATILLA COUNTY DEPARTMENT OF PUBLIC WORKS
3920 WESTGATE
PENDLETON, OREGON 97801

PERMIT APPLICATION FORM
FOR
INSTALLATION OF UTILITIES ON COUNTY AND PUBLIC ROADS

I (We) Earl E Brown & Sons Inc
(Please Print or Type Names)
323 Evans Milton Freewater OR, 541-938-6645
(Address) (Telephone Number)

hereby respectfully request permission to access Umatilla County Road
No. 625, Winesape Rd
(Road Name)

or Public Road _____ located
NW 1/4 Polite 6N 35 E 35B (Road Name)
in the _____ of Section _____, Township _____, Range _____
NE 1/4 Brown 6N 35 E 34 A
(1/4 Section)
E.W.M. with a Water Line
(Water Line, Gas Line, Electric Line, Telephone Line, etc.)

the location of which is more particularly described by the attached sketch.

(Attach copy of assessor's map, available at Road Dept., with installation location shown and a plan of the proposed installation showing depths, trench widths, distances from existing edges of traveled roadway, etc.)

Earl E Brown
Signature of Permittee

RECEIVED
DEC 09 2002
WATER RESOURCES DEPT.
SALEM, OREGON

APPROVALS

Jeggy JWD M-F Area Supervisor 2-10-99
(Section Foreman or Assistant Public Works Director) (Date)

Paul Sherrin 2/16/99
(Public Works Director) (Date)

Permission is hereby granted by the Umatilla County Board of Commissioners, pursuant to Oregon Revised Statutes 375.305 to 374.325 to make the aforesaid installation in accordance with all specifications. The Permittee as indicated on Page 1 shall at all times be responsible and liable for any and all damages arising from or caused by this installation and this permit may be revoked at any time.

PERMISSION GRANTED THIS 17th DAY OF February, 1999.

UMATILLA COUNTY BOARD OF COMMISSIONERS

Emile M. Hoffmann
Chairman

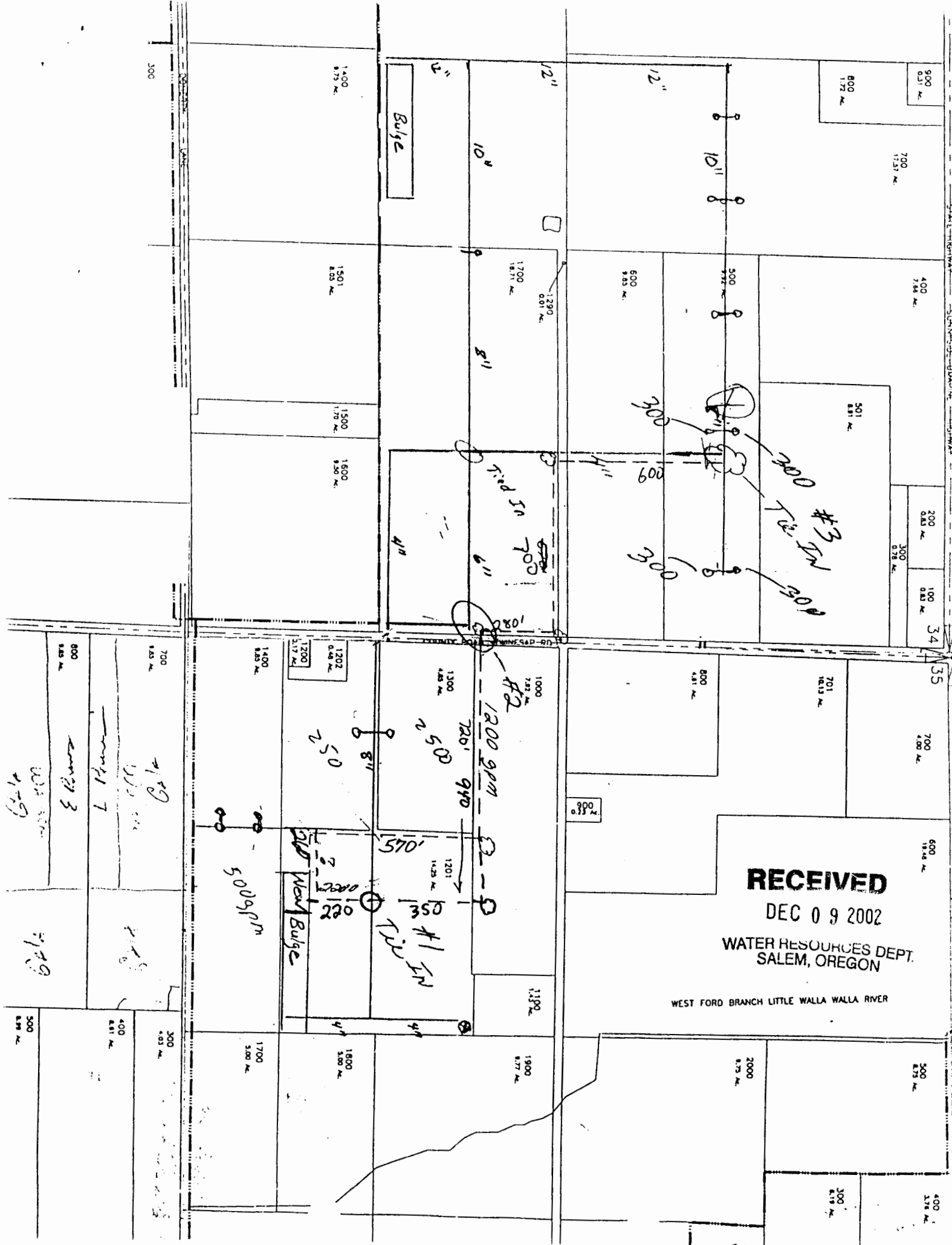
Bill Hummel
Commissioner

James C. Roberts
Commissioner

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DEC 09 2002

WATER RESOURCES DEPT.
SALEM, OREGON



RECEIVED

DEC 09 2002

WATER RESOURCES DEPT.
SALEM, OREGON

WEST FORD BRANCH LITTLE WALLA WALLA RIVER

Bulge

Tid In

New Bulge

1200 sqm

Handwritten notes in the bottom left corner, including 'Bulge', 'New Bulge', and other illegible scribbles.

Property Ownership List

See Drawings No. 1 and No. 2. for
 Lot Numbers and Lot Locations

All Sections are in T.6N. R.35E. Wm.

Drawing #1

Lot 800 NW-NE Section 34 32.01 ac
 Roy Michele 2304 S. 3rd.
 Walla Walla, Wa. 99362

Drawing #2

Lot 1000 NW NE Section 34 9.85 ac
 Dennis Burks 84452 Highway 339
 Milton-Free Water, Or. 97862 9.40 ac
 Lot 1101 NW NE Section 34
 Jim Reese 53862 Highway 332
 Milton Free Water Or. 97862

Lot 100 NE NW Section 34 9.55 ac
 Lot 200 NE NW Section 34 9.55 ac.
 Lot 800 NE NW Section 34 9.85 ac
 Lot 900 SE NW Section 34 9.85 ac
 Lot 2200 SE NW Section 34 2.46 ac
 Lot 2300 SE NW Section 34 2.46 ac
 Jim Reese 53862 Highway 332
 Milton Free Water, Or. 97862 43.72

Total 99.92

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APR 29 2002

WATER RESOURCES DEPT.
 SALEM, OREGON

Application No. 915755
Permit No.

Property Ownership List
See Drawings No. 3 and No. 4
for Lot Numbers and Lot Locations
All Sections are in T.6N. R.35E. Wm

Drawing # 3

Lot 900	NW SE Section 34	10.63 ac
Don Sams	83767 Chuckhole Lane	
	Milton Free Water, Or. 97862	
Lot 900	NW SE Section 34	10.00 ac.
Lot 901	SW SE Section 34	10.00 ac.
Lot 902	SW SE Section 34	10.00 ac.
James Gibbons	P.O. Box 2512	
Eugene, Oregon	97402	40.63 ac

Drawing # 4

Lot 700	NW-SW Section 35	9.85 ac
Lot 800	NW-SW Section 35	9.85 ac
Jim Waliser	84099 Winsap Road	
Milton Free Water, Oregon	97862	19.70 ac

<u>Total Irrigated Land</u>		60.33 ac
Drugs 384		60.33 ac
Drugs 182		94.98 ac
		<u>155.31 ac</u>

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APR 29 2002

WATER RESOURCES DEPT.
SALEM, OREGON

FARM LEASE

THIS AGREEMENT, entered into this 19th day of December 1997, by and between JIM WALISER ORCHARDS, INC., herein called LANDOWNER, and EARL BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

W I T N E S S E T H:

All land available for orchard purposes, consisting of approximately nineteen and one-half (19 1/2) acres situated on the property described below:

Tract I:

Beginning at a point 20 rods South of the Northwest corner of the Northwest Quarter of the Southwest Quarter of Section 35 Township 5 North, Range 35; running thence East 80 rods; thence South 20 rods; thence West 80 rods; thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a road 8 feet wide along the North side of the West half of the above-described tract;

EXCEPTING therefrom the residence situated on the premises;

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

ALSO EXCEPTING any and all water rights of way and roads;

TOGETHER with two wind machines.

Tract II:

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;

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

TO HAVE AND TO HOLD the said premises unto the Tenant for a period of twenty (20) years, beginning January 1, 1998, and ending December 31, 2017.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this

Application No. 915755
Permit No.

lease.

2. To furnish the land and sufficient water.
3. Pay the real property taxes.
4. Necessary replace the pump.

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said premises 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 premises.

4. To pay all pumping costs including electricity, repair and maintenance, and replacement of the irrigation system, but not the pump.

5. To give peaceful possession of the farm at the termination of this lease.

6. To pay the assessment for the ditch water.

7. Before going into possession of the premises 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:

- (a) Public liability and property damage insurance with in a responsible company with a combined single limit of not less than \$1,000,000 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 premises, 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, naming Landowner as additional insured 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 premises.

SECTION IV: RENT:

1. The Tenant agrees to pay rent as follows:
 - (a) Twenty-five percent (25%) of the gross proceeds of the crops raised on the premises.
 - (b) Payment shall be made no later than ninety (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 COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) 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 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.

(a) Any excess of (1) 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 (2) 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.

(b) 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 premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(c) 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, either party may request arbitration and appoint an arbitrator. The other party shall also choose an arbitrator and the two 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 leased 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:

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

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

B. 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 by so advising Landowner in writing. The price must equal the net return to Landowner 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.

C. 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 Landowner's election on the date, if any, specified as a condition of the original sale and stated in the notice of proposed sale.

D. If Tenant does not elect to purchase, Landowner 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.

IN WITNESS WHEREOF, the parties hereto have hereunto set their

hands in duplicate the day and year first above written.

JIM WALISER ORCHARDS, INC.,

By: /s/
President

By: Edward J. Waliser
Secretary

EARL BROWN & SONS, INC.
an Oregon corporation

By: Ronald E. Brown
President

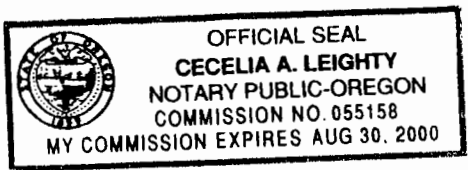
By: Kath. D. Marx
Secretary

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

12/19, 1997.

Personally appeared James L. Waliser and Edward J. Waliser, who, being duly sworn, did say that they are the President and Secretary of JIM WALISER ORCHARDS, INC., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and they acknowledged said instrument to be its voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



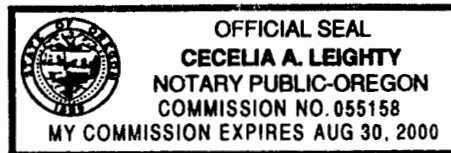
Application No. 915755
Permit No.

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

12/19, 1997.

Personally appeared Ronald E. Brown and Keith Inuaf, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC. and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and they acknowledged said instrument to be its voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

AMENDMENT TO LEASE

THIS AGREEMENT entered into this 14th day of April, 2002 by and between JIM WALISER ORCHARDS, INC., hereinafter called Landowner and EARL E BROWN & SONS, INC., an Oregon Corporation, hereinafter called Tenant;

WITNESSETH:

Landowner and Tenant have entered into a lease agreement dated December 19, 1997, and concerning the real property described on Exhibit "A". The parties are now agreeing to amend said lease agreement to add as Section IX the following:

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 Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

Application No. 915755
Permit No.

Except as specifically amended above, the original lease shall remain in full force and effect. The parties agree to sign a Memorandum of Lease consistent with this amendment.

JIM WALISER ORCHARDS, INC.,
An Oregon Corporation, Landowner

By: James L Waliser
President

By: Jennifer I Jackson
Secretary

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

By: Ronald E Brown
President

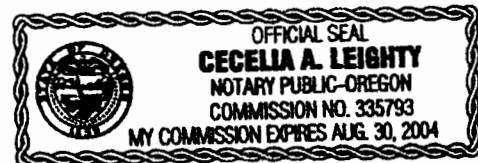
By: Keith Taylor
Secretary

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

April 23, 2002,

Personally appeared James L Waliser and Jennifer I Jackson
who, being duly sworn, did say that they are the President and Secretary of JIM WALISER
ORCHARDS, 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



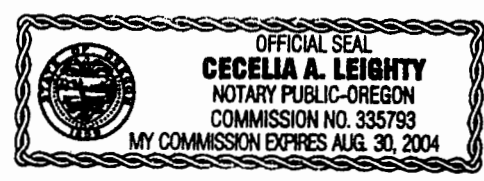
STATE OF OREGON,)
) ss.
County of Umatilla.)

Application No. 915755
Permit No.

April 19, 2002.

Personally appeared Ron Brown and Keith Inup,
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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

EXHIBIT "A"

Tract I:

Beginning at a point 20 rods South of the Northwest corner of the Northwest Quarter of the Southwest Quarter of Section 35 Township 5 North, Range 35; running thence East 80 rods; thence South 20 rods; thence West 80 rods; thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a road 8 feet wide along the North side of the West half of the above-described tract;

EXCEPTING therefrom the residence situated on the premises;

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

ALSO EXCEPTING any and all water rights of way and roads;

TOGETHER with two wind machines.

Tract II:

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;

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

BARGAIN AND SALE DEED

349941

* * * * *

JAMES L. WALISER and CLAUDETTA F. WALISER, convey to
JIM WALISER ORCHARDS, INC. an Oregon corporation, all that
real property situated in Umatilla County, State of Oregon,
described as:

Application No 915755
Permit No.

Beginning at a point 20 rods South of the
Northwest corner of the Northwest Quarter of the
Southwest Quarter of Section 35, Township 6
North, Range 35; running thence East 80 rods;
thence South 20 rods; thence West 80 rods;
thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a
road 8 feet wide along the North side of the
West Half of the above described tract;

All being EWM in the County of Umatilla
State of Oregon;

ALSO EXCEPTING any and all water rights of
way and roads.

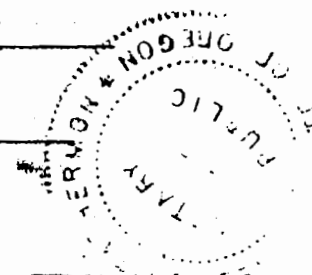
Subject to that certain Mortgage dated
February 1, 1972 between grantors herein and
Glen G. Gibbons and Elsie G. Gibbons, which
unpaid balance the grantees herein assume and
agree to pay.

Consideration for this transfer is \$ 23,000.00.

DATED this 6th day of JUNE, 1973.

James L. Waliser

Claudetta F. Waliser



STATE OF OREGON
COUNTY OF UMATILLA
JUNE 6th, 1973

Personally appeared the above named JAMES L.
WALISER and CLAUDETTA F. WALISER, h&w, and acknowledged
the foregoing instrument to be their voluntary act.
Before me:

Margaret A. West
Notary Public for Oregon
My Com. Ex. 2/1/75

Page # 1 B&S Deed
Waliser-Waliser Orchards

BOOK 329 PAGE 324

BARGAIN AND SALE DEED

349941

* * * * *

JAMES L. WALISER and CLAUDETTA F. WALISER, convey to
JIM WALISER ORCHARDS, INC. an Oregon corporation, all that
real property situated in Umatilla County, State of Oregon,
described as:

Application No. 915755
Permit No.

Beginning at a point 20 rods South of the
Northwest corner of the Northwest Quarter of the
Southwest Quarter of Section 35, Township 6
North, Range 35; running thence East 80 rods;
thence South 20 rods; thence West 80 rods;
thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a
road 8 feet wide along the North side of the
West Half of the above described tract;

All being EWM in the County of Umatilla
State of Oregon;

ALSO EXCEPTING any and all water rights of
way and roads.

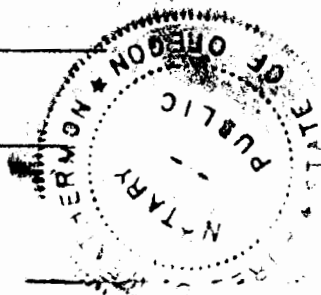
Subject to that certain Mortgage dated
February 1, 1972 between grantors herein and
Glen G. Gibbons and Elsie G. Gibbons, which
unpaid balance the grantees herein assume and
agree to pay.

Consideration for this transfer is \$ 23,000.00.

DATED this 6th day of JUNE, 1973.

James L. Waliser

Claudetta F. Waliser



STATE OF OREGON
COUNTY OF UMATILLA
JUNE 6th, 1973

Personally appeared the above named JAMES L.
WALISER and CLAUDETTA F. WALISER, h&w, and acknowledged
the foregoing instrument to be their voluntary act.
Before me:

Wesley H. Weathermon
Notary Public for Oregon

BOOK 329 PAGE 324

Application No. 915755
Permit No.

Registration No. GR - 1215

Certificate No. GR - 1293

STATE ENGINEER
SALEM, OREGON

Registration Statement

OF CLAIMANT OF RIGHT TO APPROPRIATE GROUND WATER

TO THE STATE ENGINEER OF OREGON:

I, Clyde Bradford
of Rt 2 Box 351 Milton-Freewater County of Wasmatachee

State of Oregon, do hereby make application for a certificate of registration as evidence of a right to appropriate ground water.

1. Source from which water is withdrawn is Pumpwell
(Flowing well, pump well, infiltration trench, or tunnel)

2. Location is: 1 1/2 miles North west of Milton-Freewater
(Approximate distance and direction from nearest city or town)

and is more particularly described as follows:

(a) 6.50 feet North & 6 feet West of NE Corner of NW 1/4 of SW 1/4
(Give distance and bearing to corner of section or other legal subdivision)

being within NW 1/4 of SW 1/4 of Sec. 35, Twp. 6N, Rge. 35E
(Smallest legal subdivision) (N. or S.) (E. or W.)

or (b) within limits of recorded platted property town or city:

in Lot _____, Block _____ of _____
(Name of plat or addition)

County of _____
(If within city or town, give name)

3. Construction Work was begun on 1909; was completed on 1909
(Date) (Date)

and the ground water claimed was first used for the purposes set out below on 1909
(Date)

since which time the water has been used Continuously
(Continuously or intermittently)

From May 15th to Oct 1st
(Date) (Date)

4. Quantity of water claimed and used is 300 gallons per minute; 140 acre feet per year.

5. Purpose or Purposes for which water is used Irrigation
(Domestic, irrigation, municipal, manufacturing, industrial, etc.)

6. Description of Well: Depth 73 feet. Type 3 1/2" Dug & Drilled 36"
(Dug or drilled)

Dug 8' x 8" diameter 8 inches. Elevation of ground at well site 900 feet, mean sea level.
(As near as known)

Depth to water table 20 feet.

7. Capacity of Well: _____ g.p.m. with _____ feet drawdown.
_____ g.p.m. with _____ feet drawdown.

Date of test _____

If Flowing Well: Measured discharge _____ g.p.m. on _____
(Date)

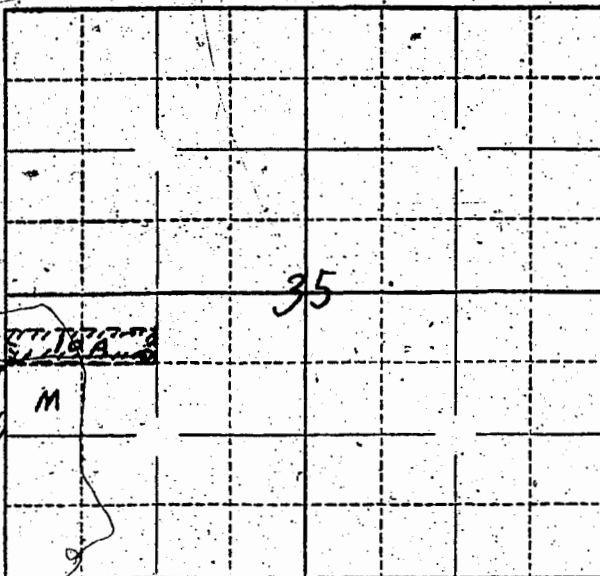
Shut-in pressure at ground surface _____ lbs. per sq. in. on _____
(Date)

Water is controlled by _____
(Cap, valve, etc.)

Walter

Application No. 915755
Permit No.

Township 6N Range 35E, W.M.
North



Well location south
650 feet south & 6 feet
west of NE corner
of NW 1/4 of SW 1/4
of Sec 35

Locate well and acreage of irrigated land on plat.

Scale: $\frac{1}{4}$ " = 1 Mile

STATE OF OREGON

County of Washington

I, Claude Bradford, being first duly sworn, do hereby certify that I have read the foregoing Registration Statement and that all of the items therein contained are true to the best of my knowledge and belief.

Claude Bradford
(Signature of Registrant)

Subscribed and sworn to before me this 6th day of March, 1952.

My commission expires July 1, 1950

(Notary Public)

(SEAL)

CERTIFICATE OF REGISTRATION

STATE OF OREGON

County of Marion

This is to certify that the foregoing Registration Statement was received in the office of the State Engineer on the 12th day of April, 1952, at 2:00 o'clock A. M. and has been duly recorded in said office in Book No. 7 of Registration Statements on page GR-1393

Witness my hand this 20th day of October, 1952.

Lewis A. Stanley
(State Engineer)

By _____
(Deputy)

GR - 1393

Application No 915755

Permit No.
CONSOLIDATED SUPPLY CO.



SPOKANE

1121 W. Gardner
328-4471

KENNEWICK

900 E. Bruneau
582-2167

WALLA WALLA

W. 126 Poplar
525-5100

*Info
Brown Place*

Jim Walisre well

8 inch Dia Well

Total depth of well 81 ft

61 ft of 0.250 wall casing

Pipe is perforated from 35 ft to 40 ft & from
53 ft to 61 ft

number of perforations 60

Size of perforations $\frac{1}{2}$ x 8 inch

120 sq inches open area

PLUMBING • HEATING • WATERWORKS SUPPLIES
PIPE • VALVES • FITTINGS

Application No. ^{W. 11. 11.} 915755
Permit No. FARM LEASE

THIS AGREEMENT, entered into this 19th day of December 1997, by and between JIM WALISER ORCHARDS, INC., herein called LANDOWNER, and EARL BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

W I T N E S S E T H:

All land available for orchard purposes, consisting of approximately nineteen and one-half (19 1/2) acres situated on the property described below:

Tract I:

Beginning at a point 20 rods South of the Northwest corner of the Northwest Quarter of the Southwest Quarter of Section 35 Township 5 North, Range 35; running thence East 80 rods; thence South 20 rods; thence West 80 rods; thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a road 8 feet wide along the North side of the West half of the above-described tract;

EXCEPTING therefrom the residence situated on the premises;

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

ALSO EXCEPTING any and all water rights of way and roads;

TOGETHER with two wind machines.

Tract II:

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;

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

TO HAVE AND TO HOLD the said premises unto the Tenant for a period of twenty (20) years, beginning January 1, 1998, and ending December 31, 2017.

SECTION I: LANDOWNER AGREES:

1. Tenant is entitled to possession upon execution of this

Application No. 915755
Permit No.

lease.

2. To furnish the land and sufficient water.
3. Pay the real property taxes.
4. Necessary replace the pump.

SECTION II: TENANT AGREES:

1. To till, farm, irrigate and cultivate said premises 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 premises.

4. To pay all pumping costs including electricity, repair and maintenance, and replacement of the irrigation system, but not the pump.

5. To give peaceful possession of the farm at the termination of this lease.

6. To pay the assessment for the ditch water.

7. Before going into possession of the premises 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:

- (a) Public liability and property damage insurance with in a resonsible company with a combined single limit of not less than \$1,000,000 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 premises, 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, naming Landowner as additional insured 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

Application No. 915755
Permit No.

hour for the purpose of inspecting the premises.

SECTION IV: RENT:

1. The Tenant agrees to pay rent as follows:
 - (a) Twenty-five percent (25%) of the gross proceeds of the crops raised on the premises.
 - (b) Payment shall be made no later than ninety (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 COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) 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 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.

Application No. 915755
Permit No.

(a) Any excess of (1) 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 (2) 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.

(b) 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 premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(c) 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, either party may request arbitration and appoint an arbitrator. The other party shall also choose an arbitrator and the two 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 leased 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:

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

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

B. 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 by so advising Landowner in writing. The price must equal the net return to Landowner 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.

C. 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 Landowner's election on the date, if any, specified as a condition of the original sale and stated in the notice of proposed sale.

D. If Tenant does not elect to purchase, Landowner 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.

IN WITNESS WHEREOF, the parties hereto have hereunto set their

Application No. 915755
Permit No.

hands in duplicate the day and year first above written.

JIM WALISER ORCHARDS, INC.,

By: /s/
President

By: Edward J. Waliser
Secretary

EARL BROWN & SONS, INC.
an Oregon corporation

By: Ronald E. Brown
President

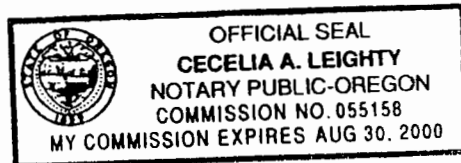
By: Kurt J. Swan
Secretary

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

12/19, 1997.

Personally appeared James L. Waliser and Edward J. Waliser who, being duly sworn, did say that they are the President and Secretary of JIM WALISER ORCHARDS, INC., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and they acknowledged said instrument to be its voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



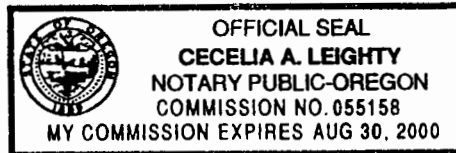
Application No. 915755
Permit No.

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

12/19, 1997.

Personally appeared Ronald E. Brown and Keith Inuy, who, being duly sworn, did say that they are the President and Secretary of EARL E. BROWN & SONS, INC. and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and they acknowledged said instrument to be its voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

AMENDED MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 19th day of April, 2002, LANDOWNER, JIM WALISER ORCHARDS, INC. 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 amended 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 December 31, 2017.
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 19th day of April, 2002.

JIM WALISER ORCHARDS, INC.,
An Oregon Corporation, Landowner

By: James L Waliser
President

By: Jennifer G Jackson
Secretary

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

By: Arnold E Brown
President

By: Keith Stuart
Secretary

Application No. 915755
Permit No.

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

April 22, 2002

Personally appeared James L. Waliser and Jennifer G. Jackson, who, being duly sworn, did say that they are the President and Secretary of JIM WALISER ORCHARDS, 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



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

April 19, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

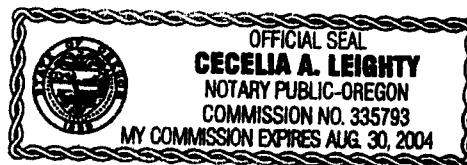


EXHIBIT "A" Application No. 915755
Permit No.

Tract I:

Beginning at a point 20 rods South of the Northwest corner of the Northwest Quarter of the Southwest Quarter of Section 35 Township 5 North, Range 35; running thence East 80 rods; thence South 20 rods; thence West 80 rods; thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a road 8 feet wide along the North side of the West half of the above-described tract;

EXCEPTING therefrom the residence situated on the premises;

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

ALSO EXCEPTING any and all water rights of way and roads;

TOGETHER with two wind machines.

Tract II:

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;

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

AMENDMENT TO LEASE

THIS AGREEMENT entered into this 14th day of April, 2002 by and between JIM WALISER ORCHARDS, INC., hereinafter called Landowner and EARL E BROWN & SONS, INC., an Oregon Corporation, hereinafter called Tenant;

WITNESSETH:

Landowner and Tenant have entered into a lease agreement dated December 19, 1997, and concerning the real property described on Exhibit "A". The parties are now agreeing to amend said lease agreement to add as Section IX the following:

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 Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

Application No. 915755
Permit No.

Except as specifically amended above, the original lease shall remain in full force and effect. The parties agree to sign a Memorandum of Lease consistent with this amendment.

JIM WALISER ORCHARDS, INC.,
An Oregon Corporation, Landowner

By: James L Waliser
President

By: Jennifer I Jackson
Secretary

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

By: Ronald E Brown
President

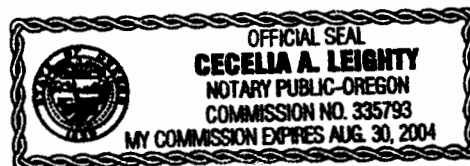
By: Kurt Sawyer
Secretary

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

April 22, 2002

Personally appeared James L Waliser and Jennifer I Jackson
who, being duly sworn, did say that they are the President and Secretary of JIM WALISER
ORCHARDS, 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



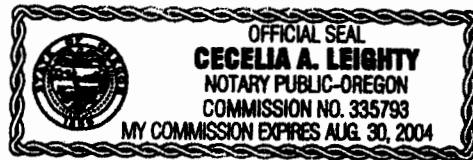
STATE OF OREGON,)
) ss.
County of Umatilla.)

Application No. 915755
Permit No.

April 19, 2002.

Personally appeared Ron Brown and Keith Inup,
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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.
EXHIBIT "A"

Tract I:

Beginning at a point 20 rods South of the Northwest corner of the Northwest Quarter of the Southwest Quarter of Section 35 Township 5 North, Range 35; running thence East 80 rods; thence South 20 rods; thence West 80 rods; thence North 20 rods to the place of beginning;

EXCEPTING therefrom a right of way for a road 8 feet wide along the North side of the West half of the above-described tract;

EXCEPTING therefrom the residence situated on the premises;

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

ALSO EXCEPTING any and all water rights of way and roads;

TOGETHER with two wind machines.

Tract II:

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;

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

WARRANTY DEED

J. H. MURPHY and BERNICE MURPHY, Husband and Wife, hereinafter called grantors convey to JIM WALISER ORCHARDS, INC., an Oregon Corporation, all that real property situated in Umatilla County, State of Oregon, described as:

See Exhibit "A" attached hereto and by such reference made a part hereof.

and covenants that grantors are the owners of the above described property free and clear of all encumbrances and will warrant and defend the same against all persons who may lawfully claim the same except as shown above.

The true and actual consideration for this transfer is \$32,500.00.


The foregoing recital of consideration is true as I believe.

DATED: January 5, 1977

J. H. Murphy
Bernice Murphy

STATE OF OREGON)
County of Umatilla) ss.
January 5, 1977

Personally appeared the above named J.H. Murphy and Bernice Murphy, Husband and Wife, and acknowledged the foregoing to be their voluntary act. Before me:

Christine M. Washburn
Notary Public for Oregon
My Commission Expires: 7-22-77


Mail tax statements;
Rt. 2 Bx 226
M-F, Ore. 97862

Application No. 915755
Permit No.

R 110 PAGE 948

EXHIBIT "A"

The North Half of the North Half of the Northwest Quarter of the Southwest Quarter of Section 35, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon;
SUBJECT to any and all water rights of way and roads.

M. Murphy

Application No. 915755
Permit No.

D&P

Abstract of Ground Water Registration

Registration No. GR-1152

Certificate No. GR-1116

Name J. H. Murphy
Address R.F.D. 2, Box 352
Milton-Freewater, Oregon

T.L. # 700

Source of water supply Pump Well #2

Use Irrigation

Point of diversion 320' S. and 10' W. of the NE corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, being within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 35, T. 6 N., R. 35 E., W.M., in the county of Umatilla.

Number of acres 10

glnj
nj

DESCRIPTION OF LAND TO BE IRRIGATED OR PLACE OF USE

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$			
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$
6N	35E	35									10							

L. Walla Walla K wells

Priority date 1915

Amount of water claimed 250 g.p.m.

Time limit to completely apply water completed extended to extended to

Remarks: 5 acres covered by West Ford Branch of Little Walla Walla, Walla Walla Adjudication Proceedings 1986

Basin 6,7 Vol. 1

Small well

MAR 1938
STATE ENGINEER
SALEM, OREGON

Registration No. GR - 1152
Certificate No. GR - 1116

Registration Statement

OF CLAIMANT OF RIGHT TO APPROPRIATE GROUND WATER

TO THE STATE ENGINEER OF OREGON:

I, J. H. Murphy
of R.F.D. 2, Box 352 County of Umatilla

State of Oregon do hereby make application for a certificate of registration as evidence of a right to appropriate ground water.

- 1. Source from which water is withdrawn is pump well #2
(flowing well, pump well, infiltration trench, or tunnel)
- 2. Location is: 1 1/2 mile N.W.
(Approximate distance and direction from nearest city or town)

and is more particularly described as follows:

(a) 320 feet South & 10 feet West of NE Corner of NW 1/4 of SW 1/4
NW 1/4 of SW 1/4 of Sec. 35 Twp. 6 N Rge. 35 E. N.M.
(Give distance and bearing to corner of section or other legal subdivision)
(Smallest legal subdivision) (N. or S.) (E. or W.)

or (b) within limits of recorded platted property, town or city:

in Lot _____, Block _____ of _____
(Name of plat or addition)
County of _____
(If within city or town, give name)

3. Construction Work was begun on 1915; was completed on 1915
(Date) (Date)

and the ground water claimed was first used for the purposes set out below on 1915
(Date)

since which time the water has been used continuously
(Continuously or intermittently)

from June 1 to Oct. 30
(Date) (Date)

4. Quantity of water claimed and used is 250 gallons per minute; _____ acre feet per year.

5. Purpose or Purposes for which water is used _____

Irrigation
(Domestic, irrigation, municipal, manufacturing, industrial, etc.)

6. Description of Well: Depth 40 feet. Type Dug
(Dug or drilled)

diameter 9.6 inches. Elevation of ground at well site 880 feet, mean sea level.
(As near as known)

Depth to water table 10 feet. in June - dry in winter.

7. Capacity of Well: 250 g.p.m. with 35 feet drawdown. June
150 g.p.m. with 38 feet drawdown. Sept.

Date of test _____

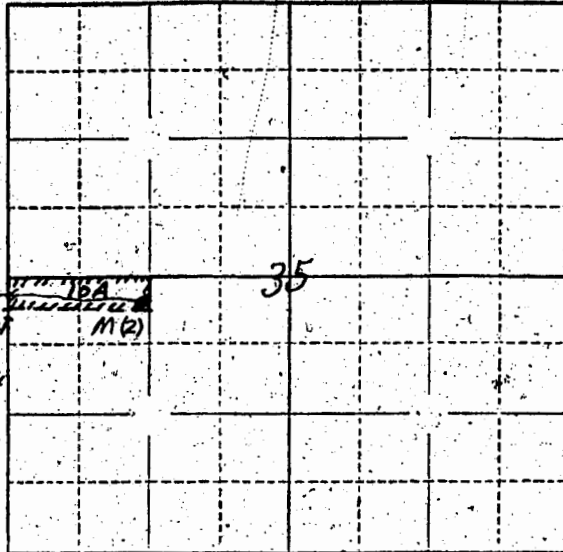
If Flowing Well: Measured discharge _____ g.p.m. on _____
(Date)

Shut-in pressure at ground surface _____ lbs. per sq. in. on _____
(Date)

Water is controlled by _____
(Cap. valve, etc.)

Application No. 915755
Permit No. _____
Walisher

Township 6N Range 35E W.M.
North



Well Location
320 feet South & 10 feet
West of NE Corner
of NW 1/4 of SW 1/4
of Sec 35

Locate well and acreage of irrigated land on plat.

Scale: $\frac{1}{4}$ " = 1 Mile

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STATE OF OREGON

County of Umatilla } ss.

I, J. H. Murphy, being first duly sworn, do hereby certify that I have read the foregoing Registration Statement and that all of the items therein contained are true to the best of my knowledge and belief.

J. H. Murphy
(Signature of Registrar)

Subscribed and sworn to before me this 12 day of March, 1958.

My commission expires 12/31/58 John A. Stanley
(Notary Public)

(SEAL)

CERTIFICATE OF REGISTRATION

STATE OF OREGON } ss.
County of Marion

This is to certify that the foregoing Registration Statement was received in the office of the State Engineer on the 12 day of March, 1958, at 3:00 o'clock P.M. and has been duly recorded in said office in Book No. 6 of Registration Statements on page GR-1116

Witness my hand this 20 day of August, 1958.

Luwis A. Stanley
(State Engineer)

By _____
(Deputy)

GR-1116

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Water District Listing

Account Number 411

TENANT
EARL
BROWN & SONS INC
PO BOX 249
MILTON-FREEWATER OR 97862
PHONE 1 938-3149
PHONE 2
FAX

LANDLORD
JIM
WALISER ORCHARDS INC
84049 WINESAP RD
MILTON-FREEWATER OR 97862

TWNSHP	6N
RANGE	35E
SECTION	35C
DISTRICT	5
SYSTEM	6

TAX LOT	700
TAX LOT ACREAGE	9.85
TAX ACCOUNT	134749
VOTING DISTRICT	5
# OF VOTES	1
REG VOTER NAME	JIM WALISER

C/O

PROPERTY NAME **WALISER**

WATER RIGHTS				
WATER RIGHT	DATE	ACRES	RATE	WATER SOURCE
13088	1886	5.00		Surface
TOTAL ACRES		5.00		

Comments:

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STATE OF OREGON

COUNTY OF UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That CLARENCE L. MORSE

of Freewater, State of Oregon, has a right to the use of
the waters of West Fork Ford Branch of Walla Walla River
for the purpose of Irrigation

and that said right has been confirmed by decree of the Circuit Court of the State of Oregon for
Umatilla County, and the said decree entered of record at Salem, in the Order
Record of the STATE ENGINEER, in Volume 12, at page 9; that the priority
of the right thereby confirmed dates from 1886;

that the amount of water to which such right is entitled, for the purposes aforesaid, is limited to an
amount actually beneficially used for said purposes, and shall not exceed one and one-half
miner's inches per acre measured at the point of diversion.

A description of the lands irrigated under such right, and to which the water is appurtenant (or,
if for other purposes, the place where such water is put to beneficial use), is as follows:

5.0 acres in the N $\frac{1}{2}$ of
N $\frac{1}{2}$ of NW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 35,
T. 6 N., R. 35 E. W. M.

AND said right shall be subject to all other conditions and limitations
contained in said decree.

The right to the use of the water for irrigation purposes is restricted to the lands or place of use
herein described.

WITNESS the signature of the State Engineer,

affixed this 5th day
of April, 1940.

CHAS. E. STRICKLIN
State Engineer.

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LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES S. GIBBONS and KIMBERLEE R. GIBBONS herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately thirty (30) acres situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021. If, for any reason, insufficient water exists to reasonably raise the crops contemplated in this lease, either party may, upon one-year's written notice terminate this lease.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps and such surface water as is available 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.

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8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall deliver to Tenant's warehouse in Milton-Freewater, Oregon, to the credit of Landlord the following portion of the crop harvested from the Premises:

- (1) Twenty percent (20%) of all prunes harvested from the Premises, and
- (2) Ten percent (10%) of all apples harvested from the Premises if the market price per bin of apples at the time of sale by packer is less than \$150 per bin,
- (3) Fifteen percent (15%) of all apples harvested from the Premises if the market price per bin of apples at the time of sale by packer is between \$150 and \$175 per bin, or
- (4) Twenty percent (20%) of all apples harvested from the Premises if the market price per bin of apples is greater than \$175 at the time of sale by packer.

SECTION V: DEFAULT:

The following shall be events of default:

1. **DEFAULT IN RENT:**

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

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2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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, and

(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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling costs, broker commissions and advertising costs.

SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer

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to land other than the Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

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SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. 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 or arbitrator may adjudge reasonable as attorneys fees to be allowed the prevailing party in said arbitration, suit or action and on any appeal therefrom.

SECTION X: SPECIAL TERMS:

The southern 10 acres, consisting of Tax Lot 900, is being leased by Patrick M. Sams. and Wanda K. Sams (Sams). The parties will approach Sams and attempt to secure an assignment of this Lease to Tenant. If Tenant is able to secure said assignment, said Lease to Sams shall terminate and this Lease shall be substituted for the lease between Landlord and Patrick Sams. In event the parties are unable to secure the assignment from Sams, this Lease shall remain in full force and effect for the remaining properties.

SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United Stated mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Gibbons
P.O. Box 2512
Eugene, OR 97402

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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



JAMES S. GIBBONS, Landowner



KIMBERLEE R. GIBBONS, Landowner

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

By: Ronald E Brown
President

By: Leonard E Brown
Vice-President

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

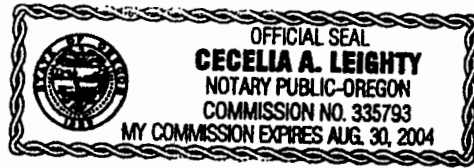
April 18, 2002.

Personally appeared the above named JAMES S. GIBBONS and KIMBERLEE R. GIBBONS and acknowledged the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

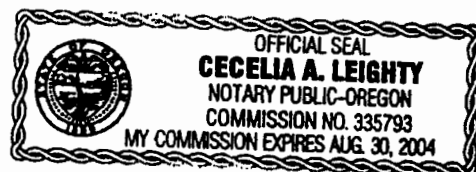
STATE OF OREGON,)
) ss.
County of Umatilla.)

April 18, 2002.



Personally appeared RONALD BROWN and LEONARD BROWN, who, being duly sworn, did say that they are the President and Vice-President 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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Permit No.

ASSIGNMENT

1. Parties: The parties to this agreement are JAMES S. GIBBONS and KIMBERLEE R. GIBBONS, Owner, and PATRICK M. SAMS and WANDA K. SAMS, Tenant.
2. Background: Owner has leased to Tenant, and Tenant has leased from Owner a portion of orchard land located at 6N 35 34D, Tax Lot 900, 901 and 902.
3. Assignment: Tenant hereby assigns transfers and conveys all of Tenant's interest in said orchard and lease to Earl E. Brown & Sons, Inc., and Landlord consents to said transfer.
4. Existing Crop and Work: Tenant relinquishes any interest Tenant has in the growing crop, agrees to waive any claims for labor, materials and services Tenant provides for the 2002 crop and relinquishes any interest Tenant has in any of the property described in the lease.

Dated: April 18, 2002.

James Gibbons
JAMES GIBBONS

Dated: April 18, 2002.

Kimberlee R. Gibbons
KIMBERLEE R. GIBBONS

Dated: 4-18, 2002.

Patrick M. Sams
PATRICK M. SAMS

Dated: April 18, 2002.

Wanda K. Sams
WANDA K. SAMS

STATE OF OREGON
COUNTY OF UMATILLA
CERTIFICATE OF WATER RIGHT

This is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Freewater, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of Little Walls Walla River a tributary of Walla Walla River for the purpose of Irrigation under Permit No. 1216 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 25, 1912;

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 9.51 cubic feet per second.

The point of diversion is located in the of Section, Township, Range, W. M. The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eightieth of one cubic foot per second per acre, or its equivalent in case of rotation.

A description of the lands irrigated under the right hereby confirmed, and to which such right is appurtenant (if for irrigation or any other purpose), is as follows:

10 acres in the NW 1/4 NW 1/4,
40 acres in the SW 1/4 NW 1/4,
40 acres in the NE 1/4 SW 1/4,
20 acres in the SE 1/4 SW 1/4,
Section 27,

28 acres in the NW 1/4 SW 1/4,
40 acres in the SW 1/4 SW 1/4,
40 acres in the SE 1/4 SW 1/4,
50 acres in the SW 1/4 SE 1/4,
Section 28,

40 acres in the NW 1/4 NW 1/4,
40 acres in the SW 1/4 NW 1/4,
40 acres in the NE 1/4 SW 1/4,
40 acres in the SE 1/4 NW 1/4,
58 acres in the NE 1/4 NW 1/4,
20 acres in the NW 1/4 NE 1/4,
40 acres in the NE 1/4 NE 1/4,
25 acres in the SE 1/4 NE 1/4,
15 acres in the SW 1/4 NE 1/4,
22 1/2 acres in the NE 1/4 SW 1/4,
15 acres in the NW 1/4 SE 1/4,
Section 35,

19 acres in the NE 1/4 NW 1/4,
10 acres in the SE 1/4 NW 1/4,
20 acres in the S 1/4 NW 1/4 SE 1/4,
10 acres in the NE 1/4 NW 1/4 SE 1/4,
10 acres in the SW 1/4 SE 1/4,
25.25 acres in the NE 1/4 SW 1/4,
~~25 acres in the SW 1/4 SW 1/4,~~
12.5 acres in the SW 1/4 SW 1/4,
56.43 acres in the SE 1/4 SW 1/4,
Section 34,

Township 6 North, Range 35 East, W. M.,
being a total of 760.68 acres.

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Sec. Cont # 323 47

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This certificate is to correct and supersede that certain water right certificate issued by the State Water Board on February 10, 1922, to the Pleasant View Irrigation Company, which certificate is recorded in State Record of Water Right Certificates, volume 4, page 3556.

The right to the use of the water for any purpose is restricted to the lands or place of use herein described.

After the expiration of fifty years from the date of this certificate or on the expiration of any federal power license issued in connection with this right, and after not less than two years notice in writing to the holder hereof, the State of Oregon, or any municipality thereof, shall have the right to take over the dams, plants and other structures and all appurtenances thereto which have been constructed for the purpose of devoting to beneficial use the water rights specified herein, upon condition that before taking possession the State or municipality shall pay not to exceed the fair value of the property so taken, plus such reasonable damages, if any, to valuable, serviceable and dependable property of the holder of this certificate, not taken over, as may be caused by the severance therefrom of the property taken in accordance with the provisions of section 5728, Oregon Laws.

WITNESS the signature of the State Engineer,

affixed this 15th day
of March 34
of 19

G.H. E. STRICKLIN

State Engineer.

Recorded in State Record of Water Right Certificates, Volume 10, page 10714

STATE ENGINEER
Salem, Oregon

UMAT
4994

TL 901
Well Record

STATE WELL NO. 6N/35-34
COUNTY Umatilla
APPLICATION NO. GR-114

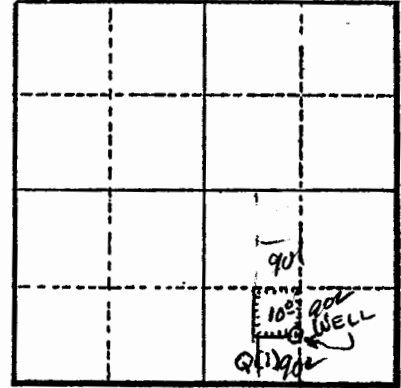
GR- 1112

OWNER: Wilbur Lawrence Gibbons Mailing Address: Rt. 2, Box 17

LOCATION OF WELL: Owner's No. CITY AND STATE: Milton-Freewater, Oregon

SW 1/4 SE 1/4 Sec. 34 T. 6 N. R. 35 E. W.M.

Bearing and distance from section or subdivision corner 660' S. & 10' W. of NE cor. of SW 1/4 SE 1/4 of Section 34.



Altitude at well 950 ft.

TYPE OF WELL: Dug & drilled Date Constructed 1916

Depth drilled 80 ft. Depth cased 15 ft.

Section 34

CASING RECORD:

6' x 6' concrete curb from 0 to 15 ft.
8 in. casing set to 80 ft.

Application No. 915755
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FINISH:

3/8 x 4 in. (4 per ft.) from 45 to 65 ft.

AQUIFERS:

WATER LEVEL:

20 ft.

PUMPING EQUIPMENT: Type F. M. 3" Cent. H.P. 5
Capacity 450 G.P.M.

WELL TESTS:

Drawdown 20 ft. after 450 (August 1957) G.I
Drawdown ft. after hours G.I

USE OF WATER Irrigation Temp. °F. 19

SOURCE OF INFORMATION G. R. Record

DRILLER or DIGGER

ADDITIONAL DATA:

Log Water Level Measurements Chemical Analysis Aquifer Test

REMARKS:

Log: Top soil 0 to 2 ft.
Loose gravel 2 to 15 ft.
Cement gravel 15 to 80 ft.

Irrigation of 10 acres.

Application No. 915755
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EXHIBIT "A"

TRACT I: Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT II: Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon EXCEPTING THEREFROM East 15 feet; SUBJECT to any and all water rights of way and roads.

TRACT III: Southeast Quarter of Northwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT IV: East 15 feet of Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County Oregon; SUBJECT to any and all water rights of way and roads.

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REEL 268 PAGE 1275

TRACT I: Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT II: Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; EXCEPTING THEREFROM East 15 feet; SUBJECT to any and all water rights of way and roads.

TRACT III: Southeast Quarter of Northwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT IV: East 15 feet of Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

STATE OF OREGON, COUNTY OF UMATILLA
I Thomas L. Great, County Clerk, certify this
instrument was received and recorded on 03-30-95
at 10:50 in the record of document code type
DE-815
Location 2268-1274
Document number 95-204682
Fee 46.00

Thomas L. Great
Umatilla County Clerk

Received by J. McHenry Deputy

Application No. 915755
Permit No.
LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES S. GIBBONS and KIMBERLEE R. GIBBONS herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately thirty (30) acres situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021. If, for any reason, insufficient water exists to reasonably raise the crops contemplated in this lease, either party may, upon one-year's written notice terminate this lease.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps and such surface water as is available 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.

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8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall deliver to Tenant's warehouse in Milton-Freewater, Oregon, to the credit of Landlord the following portion of the crop harvested from the Premises:

- (1) Twenty percent (20%) of all prunes harvested from the Premises, and
- (2) Ten percent (10%) of all apples harvested from the Premises if the market price per bin of apples at the time of sale by packer is less than \$150 per bin,
- (3) Fifteen percent (15%) of all apples harvested from the Premises if the market price per bin of apples at the time of sale by packer is between \$150 and \$175 per bin, or
- (4) Twenty percent (20%) of all apples harvested from the Premises if the market price per bin of apples is greater than \$175 at the time of sale by packer.

SECTION V: DEFAULT:

The following shall be events of default:

1. **DEFAULT IN RENT:**

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

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2. DEFAULT IN COVENANTS: Permit No.

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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, and

(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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling costs, broker commissions and advertising costs.

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SECTION VI: ARBITRATION:

1. DISPUTES TO BE ARBITRATED:

If any dispute arises between the parties related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

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SECTION IX: MISCELLANEOUS PROVISIONS
Consent No.

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. 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 or arbitrator may adjudge reasonable as attorneys fees to be allowed the prevailing party in said arbitration, suit or action and on any appeal therefrom.

SECTION X: SPECIAL TERMS:

The southern 10 acres, consisting of Tax Lot 900, is being leased by Patrick M. Sams. and Wanda K. Sams (Sams). The parties will approach Sams and attempt to secure an assignment of this Lease to Tenant. If Tenant is able to secure said assignment, said Lease to Sams shall terminate and this Lease shall be substituted for the lease between Landlord and Patrick Sams. In event the parties are unable to secure the assignment from Sams, this Lease shall remain in full force and effect for the remaining properties.

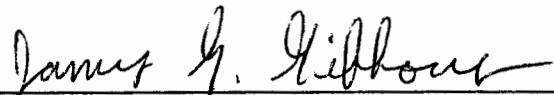
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Gibbons
P.O. Box 2512
Eugene, OR 97402

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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



JAMES S. GIBBONS, Landowner



KIMBERLEE R. GIBBONS, Landowner

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

By: Ronald E Brown
President

By: Leonard E Brown
Vice-President

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

April 18, 2002.

Personally appeared the above named JAMES S. GIBBONS and KIMBERLEE R. GIBBONS and acknowledged the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

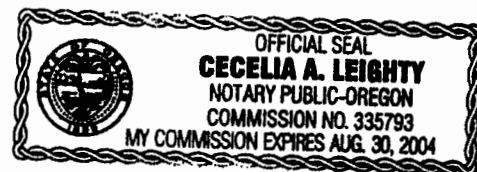
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 18, 2002.



Personally appeared RONALD BROWN and LEONARD BROWN, who, being duly sworn, did say that they are the President and Vice-President 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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EXHIBIT "A"

TRACT I: Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT II: Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon EXCEPTING THEREFROM East 15 feet; SUBJECT to any and all water rights of way and roads.

TRACT III: Southeast Quarter of Northwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT IV: East 15 feet of Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County Oregon; SUBJECT to any and all water rights of way and roads.

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REEL 268 PAGE 1275

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TRACT IV: East 15 feet of Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

STATE OF OREGON, COUNTY OF UMATILLA
I Thomas L. Groat, County Clerk, certify this
instrument was received and recorded on 03-30-95
at 10:58 in the record of document code type
BE-815
Location 2268-1274
Document number 95-204682
Fee 40.00

Thomas L. Groat
Umatilla County Clerk

Received by J. McLaughlin Deputy

STATE ENGINEER
Salem, Oregon

UMAT
5003

TL 902
Well Record
GR- 1113

STATE WELL NO. 6N/35-3
COUNTY Umatilla
APPLICATION NO. GR-11

OWNER: Wilbur Lawrence Gibbons

MAILING

ADDRESS: Rt. 2, Box 17

LOCATION OF WELL: Owner's No.

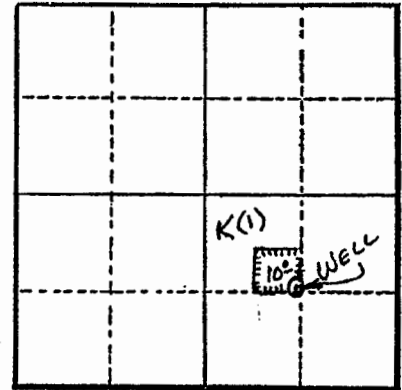
CITY AND

STATE: Milton-Freewater, Oregon

NW 1/4 SE 1/4 Sec. 34 T. 6 N. R. 34 E., W.M.

Bearing and distance from section or subdivision

corner 15' N. & 15' W. of SE cor. of NW 1/4 SE 1/4 of Section 34.



Section 34

Altitude at well 950 ft.

TYPE OF WELL: Dug Date Constructed 1912

Depth drilled 45 ft. Depth cased 10 ft.

CASING RECORD:

6' x 6' concrete from 0 to 10 ft.

FINISH:

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AQUIFERS:

WATER LEVEL:

20 ft.

PUMPING EQUIPMENT: Type F. M. 3" Cent.

H.P. 5

Capacity 450 G.P.M.

WELL TESTS:

Drawdown 15 ft. after 450 (August 15?) hours G.I

Drawdown ft. after hours G.I

USE OF WATER Irrigation Temp. °F. 19.

SOURCE OF INFORMATION G. R. Record

DRILLER or DIGGER

ADDITIONAL DATA:

Log Water Level Measurements Chemical Analysis Aquifer Test

REMARKS:

Log: Top soil 0 to 2 ft.
Gravel 2 to 15 ft.
Cement gravel 15 to 45 ft.

Irrigation of 10 acres.

STATE OF OREGON

Superseded by 4926
Cert. No.

COUNTY OF UMATILLA

CERTIFICATE OF WATER RIGHT

This is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Froewater, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of Little Walla Walla River a tributary of Walla Walla River for the purpose of Irrigation under Permit No. 170 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from May 8, 1913;

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 5.89 cubic feet per second.

The point of diversion is located in the of Section, Township, Range, W. M. The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eightieth of one cubic foot per second per acre, or its equivalent in case of rotation.

A description of the lands irrigated under the right hereby confirmed, and to which such right is appurtenant (if for irrigation or any other purpose), is as follows:

20 acres in the E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
20 acres in the S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$,
10 acres in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$,
10 acres in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$,
10 acres in the NE $\frac{1}{4}$ SW $\frac{1}{4}$,
Section 27,

10 acres in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$,
20 acres in the S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$,
10 acres in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$,
40 acres in the NE $\frac{1}{4}$ SE $\frac{1}{4}$,
8 acres in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$,
10 acres in the E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$,
Section 28,

20 acres in the NE $\frac{1}{4}$ NE $\frac{1}{4}$,
40 acres in the SE $\frac{1}{4}$ NE $\frac{1}{4}$,
Section 32,

20 acres in the E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$,
10 acres in the W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$,
Section 33,

5 acres in the S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$,
20 acres in the N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$,
10 acres in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$,
10 acres in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$,
Section 34,

8 $\frac{1}{2}$ acres in the S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
Section 35,
Township 6 North, Range 35 East, W. M.,
being a total of 311.5 acres.

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This certificate is to correct and supersede that certain water right certificate issued by the State Water Board on February 10, 1922, to the Pleasant View Irrigation Company, which certificate is recorded in State Record of Water Right Certificates, volume 4, page 3548.

The right to the use of the water for any purpose is restricted to the lands or place of use herein described.

After the expiration of fifty years from the date of this certificate or on the expiration of any federal power license issued in connection with this right, and after not less than two years notice in writing to the owner hereof, the State of Oregon, or any municipality thereof, shall have the right to take over the dams, plants and other structures and all appurtenances thereto which have been constructed for the purpose of devoting to beneficial use the water rights specified herein, upon condition that before taking possession the State or municipality shall pay not to exceed the fair value of the property so taken, plus such reasonable damages, if any, to valuable, serviceable and dependable property of the holder of this certificate, not taken over, as may be caused by the severance therefrom of the property taken in accordance with the provisions of section 5723, Oregon Laws.

WITNESS the signature of the State Engineer,
15th

affixed this day
of March 34
of , 19

CHAS. F. STRICKLIN

State Engineer.

Recorded in State Record of Water Right Certificates, Volume 10, page 10715

ASSIGNMENT

1. Parties: The parties to this agreement are JAMES S. GIBBONS and KIMBERLEE R. GIBBONS, Owner, and PATRICK M. SAMS and WANDA K. SAMS, Tenant.
2. Background: Owner has leased to Tenant, and Tenant has leased from Owner a portion of orchard land located at 6N 35 34D, Tax Lot 900, 901 and 902.
3. Assignment: Tenant hereby assigns transfers and conveys all of Tenant's interest in said orchard and lease to Earl E. Brown & Sons, Inc., and Landlord consents to said transfer.
4. Existing Crop and Work: Tenant relinquishes any interest Tenant has in the growing crop, agrees to waive any claims for labor, materials and services Tenant provides for the 2002 crop and relinquishes any interest Tenant has in any of the property described in the lease.

Dated: April 18, 2002.

James Gibbons
JAMES GIBBONS

Dated: April 18, 2002.

Kimberlee R. Gibbons
KIMBERLEE R. GIBBONS

Dated: 4-18, 2002

Patrick M. Sams
PATRICK M. SAMS

Dated: April 18, 2002.

Wanda K. Sams
WANDA K. SAMS

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LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES S. GIBBONS and KIMBERLEE R. GIBBONS herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately thirty (30) acres situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021. If, for any reason, insufficient water exists to reasonably raise the crops contemplated in this lease, either party may, upon one-year's written notice terminate this lease.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps and such surface water as is available 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.

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8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

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

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As rent, Tenant shall deliver to Tenant's warehouse in Milton-Freewater, Oregon, to the credit of Landlord the following portion of the crop harvested from the Premises:

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3. REMEDIES ON DEFAULT:

(a) 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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

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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, and

(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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling costs, broker commissions and advertising costs.

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If any dispute arises between the parties related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

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1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. In particular, Tenant shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel or transfer

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to land other than the Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

Application No. 915755
Permit No.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. 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 or arbitrator may adjudge reasonable as attorneys fees to be allowed the prevailing party in said arbitration, suit or action and on any appeal therefrom.

SECTION X: SPECIAL TERMS:

The southern 10 acres, consisting of Tax Lot 900, is being leased by Patrick M. Sams. and Wanda K. Sams (Sams). The parties will approach Sams and attempt to secure an assignment of this Lease to Tenant. If Tenant is able to secure said assignment, said Lease to Sams shall terminate and this Lease shall be substituted for the lease between Landlord and Patrick Sams. In event the parties are unable to secure the assignment from Sams, this Lease shall remain in full force and effect for the remaining properties.

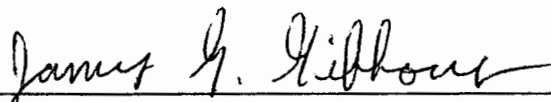
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Gibbons
P.O. Box 2512
Eugene, OR 97402

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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



JAMES S. GIBBONS, Landowner



KIMBERLEE R. GIBBONS, Landowner

Application No. 915755
Permit No.

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

By: Ronald E Brown
President

By: Leonard E Brown
Vice-President

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

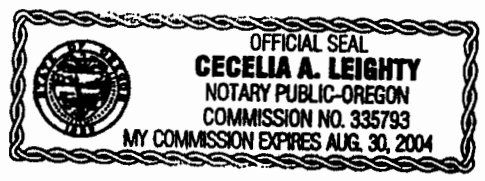
April 18, 2002.

Personally appeared the above named JAMES S. GIBBONS and KIMBERLEE R. GIBBONS and acknowledged the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

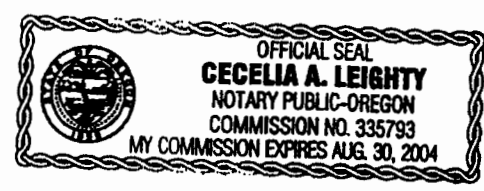
STATE OF OREGON,)
) ss.
County of Umatilla.)

April 18, 2002.



Personally appeared RONALD BROWN and LEONARD BROWN, who, being duly sworn, did say that they are the President and Vice-President 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



Application No. 915755
Permit No.

EXHIBIT "A"

TRACT I: Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT II: Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon EXCEPTING THEREFROM East 15 feet; SUBJECT to any and all water rights of way and roads.

TRACT III: Southeast Quarter of Northwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT IV: East 15 feet of Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County Oregon; SUBJECT to any and all water rights of way and roads.

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ASSIGNMENT

1. Parties: The parties to this agreement are JAMES S. GIBBONS and KIMBERLEE R. GIBBONS, Owner, and PATRICK M. SAMS and WANDA K. SAMS, Tenant.
2. Background: Owner has leased to Tenant, and Tenant has leased from Owner a portion of orchard land located at 6N 35 34D, Tax Lot 900, 901 and 902.
3. Assignment: Tenant hereby assigns transfers and conveys all of Tenant's interest in said orchard and lease to Earl E. Brown & Sons, Inc., and Landlord consents to said transfer.
4. Existing Crop and Work: Tenant relinquishes any interest Tenant has in the growing crop, agrees to waive any claims for labor, materials and services Tenant provides for the 2002 crop and relinquishes any interest Tenant has in any of the property described in the lease.

Dated: April 18, 2002.

James Gibbons
JAMES GIBBONS

Dated: April 18, 2002.

Kimberlee R. Gibbons
KIMBERLEE R. GIBBONS

Dated: 4-18, 2002.

Patrick M. Sams
PATRICK M. SAMS

Dated: April 18, 2002.

Wanda K. Sams
WANDA K. SAMS

Application No. 91575 5
Permit No. 7

REEL 268 PAGE 1275

TRACT I: Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT II: Northeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; EXCEPTING THEREFROM East 15 feet; SUBJECT to any and all water rights of way and roads.

TRACT III: Southeast Quarter of Northwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

TRACT IV: East 15 feet of Southeast Quarter of Southwest Quarter of Southeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; SUBJECT to any and all water rights of way and roads.

STATE OF OREGON, COUNTY OF UMATILLA
I Thomas L. Great, County Clerk, certify this instrument was received and recorded on 03-30-95 at 10:50 in the record of document code type DE-BBS
Location 2268-1274
Document number 95-204682
Fee 40.00

Thomas L. Great
Umatilla County Clerk

Received by G. McEnright Deputy



TL 900

STATE OF OREGON

COUNTY OF UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That S. S. SHIELDS

of Box 233, Freewater, State of Oregon, has a right to the use of the waters of Ford Branch of Walla Walla River for the purpose of Irrigation

and that said right has been confirmed by decree of the Circuit Court of the State of Oregon for Umatilla County, and the said decree entered of record at Salem, in the Order Record of the STATE ENGINEER, in Volume 12, at page 9; that the priority of the right thereby confirmed dates from 1895 for 6 acres, and 1908 for 3.8 acres;

that the amount of water to which such right is entitled, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed one and one-half miner's inches per acre measured at the point of diversion.

A description of the lands irrigated under such right, and to which the water is appurtenant (or, if for other purposer, the place where such water is put to beneficial use), is as follows:

9.8 acres in the SW 1/4 of the SW 1/4 Section 34, T. 6 N., E. 35 E., W. M.

(NOTE: The right to the use of water under date of 1908 is limited to an irrigation season beginning October 15th of each year and ending June 1st of the following year.)

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AND said right shall be subject to all other conditions and limitations contained in said decree. The right to the use of the water for irrigation purposes is restricted to the lands or place of use herein described.

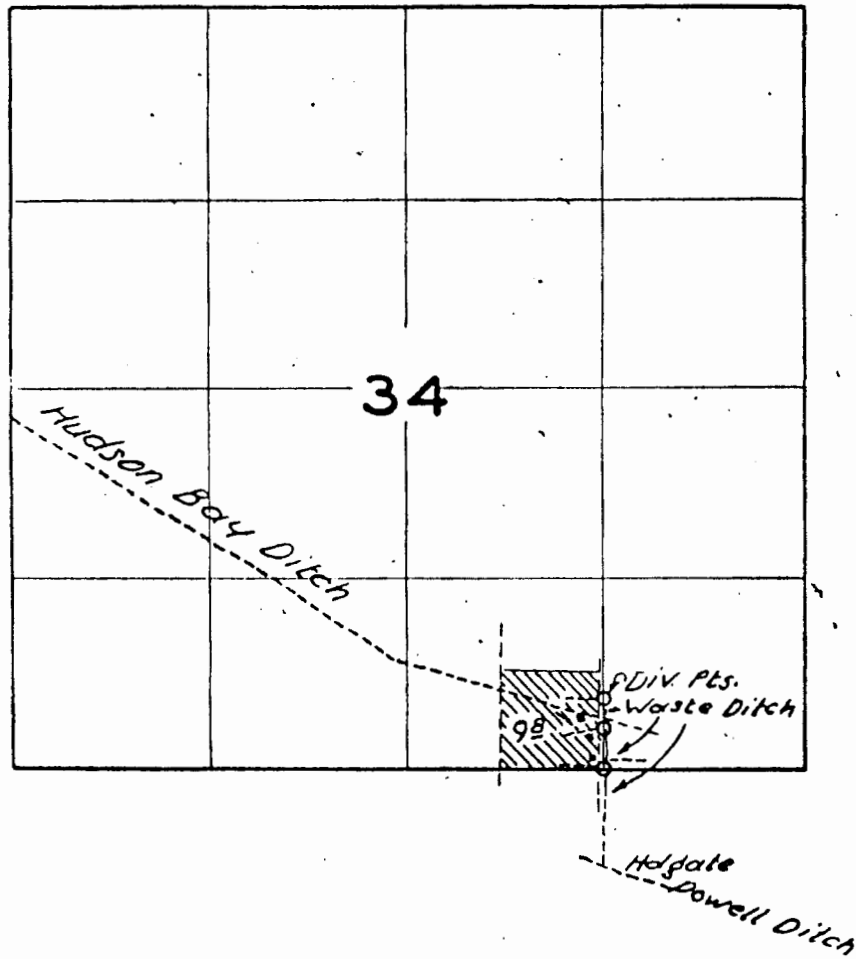
WITNESS the signature of the State Engineer, affixed this 5th day of April, 1940.

CHAS. E. STRICKLIN
State Engineer.

Recorded in State Record of Water Right Certificates, Volume 11, page 13204.

T.6N.R.35E. W.M.

Application No. 915755
Permit No.



FINAL PROOF SURVEY

UNDER

Application No. 16945..... Permit No. 18673.....

IN NAME OF

..... P. S. Gibbons, Sr.

Surveyed May 17 19 51, by H. L. Coffman

Application No. 915755
Permit No.

LEASE

THIS AGREEMENT, entered into this 19th day of April, 2002, by and between DANIEL H. SAMS herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 10.63 acres situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises Tenant shall procure and thereafter during the term of this Lease, shall continue to carry the following insurance in a responsible company, at

Application No. 915755
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Tenant's costs 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall deliver to Tenant's warehouse in Milton-Freewater, Oregon, to the credit of Landlord the following portion of the crop harvested from the Premises:

1. Ten percent of all crops harvested from the Premises during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

- (a) TERMINATION: In the event of a default, the Lease may be terminated at the option

Permit No. 915755
Permit No.

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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

SECTION IX: MISCELLANEOUS PROVISIONS

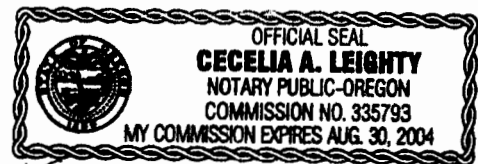
This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. 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 or arbitrator may

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

April 19, 2002.

Personally appeared Ron Brown and Keith Inup, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

EXHIBIT "A"

Commencing at the Northwest corner of the southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet, thence at right angles East 322.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, recorded in Book 117, Page 311, Deed Records; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning;

EXCEPTING THEREFROM the West 20 feet as conveyed to Jess A. Ferguson et ux, by Deed dated March 20, 1953; recorded March 23, 1953 in Book 210, Page 220, Deed Records.

EXCEPTING any and all water rights of way and roads;

All being east of the Willamette Meridian, the county of Umatilla, State of Oregon;

SUBJECT to any right of way over and across the North 15 feet for road purposes as contained in the Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 112, Page 301, Deed Records.

ALSO SUBJECT TO a right of way over and across said premises of the Pleasant View Irrigation Co., ditch and all other irrigation ditches heretofore established as contained in Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

Application No. 915755
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Permit No.

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 19th day of April, 2002,
LANDOWNER, DANIEL H. SAMS, has leased to EARL E. BROWN & SONS, INC., an Oregon
corporation, TENANT, the following described property:

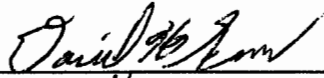
All that real property described on the attached Exhibit "A" which is hereby referred to and
made a part hereof.

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, 2002 and ending at the
end of the crop year in 2021.
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.

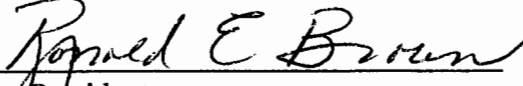
After recording, return this document to: Monahan, Grove & Tucker, 105 N. Main, Milton-
Freewater, OR 97862.

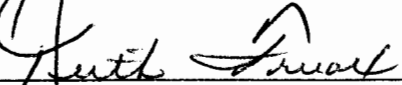
DATED this 19th day of April, 2002.



DANIEL M. SAMS, Landowner
D.S.

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

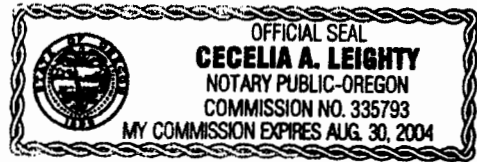
By: 

President
By: 

Secretary

Application No. 915755
Permit No.

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



April 19, 2002.

Personally appeared before me the above-named DANIEL ^{H.} SAMS and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

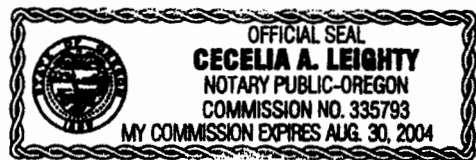
Cecelia A. Leighty
Notary Public for Oregon

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

April 19, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



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Permit No.

EXHIBIT "A"

Commencing at the Northwest corner of the southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet, thence at right angles East 322.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, recorded in Book 117, Page 311, Deed Records; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning;

EXCEPTING THEREFROM the West 20 feet as conveyed to Jess A. Ferguson et ux, by Deed dated March 20, 1953; recorded March 23, 1953 in Book 210, Page 220, Deed Records.

EXCEPTING any and all water rights of way and roads;

All being east of the Willamette Meridian, the county of Umatilla, State of Oregon;

SUBJECT to any right of way over and across the North 15 feet for road purposes as contained in the Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 112, Page 301, Deed Records.

ALSO SUBJECT TO a right of way over and across said premises of the Pleasant View Irrigation Co., ditch and all other irrigation ditches heretofore established as contained in Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

Permit A-5-231
Application No. 915755
Permit No.

SP*12957-600

STATE OF OREGON

COUNTY OF

UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Freewater, State of Oregon, has made proof to the satisfaction of the Water Resources Director, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation

under Permit No. E-170 and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from May 3, 1913

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 3.79 cubic feet per second,

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eightieth of one cubic foot per second per acre,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

SEE NEXT PAGE

915755

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20 acres E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$
20 acres S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
10 acres NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
10 acres NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
10 acres NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 27

10 acres NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
20 acres S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
10 acres NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
40 acres NE $\frac{1}{4}$ SE $\frac{1}{4}$
10 acres E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 28

20 acres NE $\frac{1}{4}$ NE $\frac{1}{4}$
40 acres SE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 32

20 acres E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$
10 acres W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 33

5 acres S $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$
20 acres N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$
10 acres NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$
10 acres NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 34

8 $\frac{1}{2}$ acres S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 35

T. 6 N., R. 35 E., W. M.
being a total of 303.5 acres

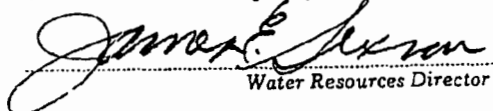
This certificate describes that portion of the water right confirmed by the prior certificate recorded at page 10713, Volume 10, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on March 18, 1980.

The issuance of this superseding certificate does not confirm the status of the water right in reference to ORS 540.610.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described., and is subject to the existing minimum flow policies established by the Water Policy Review Board.

WITNESS the signature of the Water Resources Director, affixed

this date. January 19, 1981


Water Resources Director

No

915755

Application No.
Permit No.

0113 0556

RECEIVED

JUL 24 1998

UMATILLA COUNTY
RECORDS

WARRANTY DEED

1998-3330556 1 of 2

KENNETH D. PROCK and BETTY E. PROCK, husband and wife, hereinafter called grantor, convey to LARRY D. WRIGHT and CAROL R. WRIGHT, husband and wife, all that real property situated in Umatilla County, State of Oregon, bounded and described on the attached Exhibit "A", which by reference is made a part hereof and covenants that grantor is the owner of the above described property free of all encumbrances and will warrant and defend the same against all persons who may lawfully claim the same.

The true and actual consideration for this transfer is

\$21,500.00.



DATED this 20th day of ~~August~~ ^{September}, 1973.

Kenneth Prock
Betty Prock

STATE OF OREGON

County of Umatilla

~~August~~ ^{September} 20, 1973.

Personally appeared the above named KENNETH D. PROCK and BETTY E. PROCK and acknowledged the foregoing instrument to be their voluntary act. Before me:

Gale R. Long
Notary Public for Oregon

My Commission Expires: Sept 24, 1975

DAN SAMS
83767 Chuck Hole Ln.
Milton Free Water OR 97862

Application No. 915755
Permit No. State of Oregon
County of Umatilla

This instrument was received and recorded on
07-24-98 at 3:50
in the record of document code type DE-WD

1998-3330556 2 of 2

EXHIBIT "A"

Location R333-0556
Document number 1998-3330556
Fee 40.00

Office of County Records
Received by *J. McNaughton*
Records Office

Commencing at the Northwest corner of the Southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet; thence at right angles East 332.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, recorded in Book 117, Page 311, Deed Records; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning;

EXCEPTING THEREFROM the West 20 feet as conveyed to Jess A. Ferguson et ux, by Deed dated March 20, 1953, recorded March 23, 1953 in Book 210, Page 220, Deed Records;

EXCEPTING any and all water rights of way and roads;

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

SUBJECT to a right of way over and across the North 15 feet for road purposes as contained in the Deed from Walter B. Brooke, et ex, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 112, Page 301, Deed Records.

ALSO SUBJECT TO a right of way over and across said premises of the Pleasant View Irrigation Co., ditch and all other irrigation ditches heretofore established as contained in Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

5/12

RECEIVED

JUL 24 1998

UMATILLA COUNTY RECORDS



1998-3330557 1 of 2

313 0557

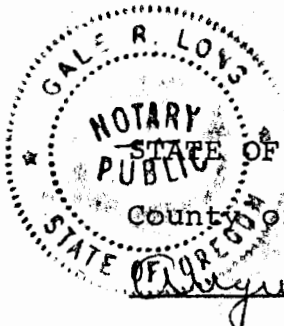
BARGAIN AND SALE DEED

LARRY D. WRIGHT and CAROL R. WRIGHT, husband and wife, convey to GLENN W. LARSON and JACQUELINE A. LARSON, husband and wife, all that real property situated in Umatilla County, Oregon described on the attached Exhibit "A", which by reference is made a part hereof.

The true and actual consideration for this transfer is \$27,500.00.

DATED this 6th day of August, 1975.

x Larry Wright
o Carol R. Wright
NO. 915755



Permit No.

County of Umatilla
August 6, 1975.

Personally appeared the above named LARRY D. WRIGHT and CAROL R. WRIGHT and acknowledged the foregoing instrument to be their voluntary act. Before me:

Gale R. Loy
Notary Public for Oregon

Send tax statements to:

My Commission Expires: Sept 24, 1975

Glenn W. Larson
Route 2 Box 356
Milton-Freewater, Oregon 97862

DAN SAMS
83767 Chuck hole Ln.
Milton Free Water OR. 9786

Application No. 915755
Permit No.



1998-3330557 2 of 2

EXHIBIT "A"

State of Oregon

County of Umatilla

This instrument was received and recorded on
07-24-98 at 3:50

in the record of document code type DE-8&S

Location R333-0557

Document number 1998-3330557

Fee 40.00

Office of County Records

Received by

J. McNamee
Records Office

Commencing at the Northwest corner of the Southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet; thence at right angles East 332.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, recorded in Book 117, Page 311, Deed Records; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning;

EXCEPTING THEREFROM the West 20 feet as conveyed to Jess A. Ferguson et ux, by Deed dated March 20, 1953, recorded March 23, 1953 in Book 210, Page 220, Deed Records;

EXCEPTING any and all water rights of way and roads;

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

SUBJECT to reservation of a right of way over and across the North 15 feet for road purposes as contained in the Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

ALSO, SUBJECT to reservation of right of way over and across said premises of the Pleasant View Irrigation Co., ditch and all other irrigation ditches heretofore established as contained in Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

ALSO SUBJECT to 1975-76 taxes.

GLENN W. LARSON and JACQUELINE A. LARSON, Husband and Wife, conveys to DANIEL H. SAMS, all that real property situated in Umatilla County, Oregon described as:

See Exhibit "A" attached hereto and by such reference made a part hereof.

The true and actual consideration for this transfer is \$69,000.00.

Dated this July 14, 1981

Application No. 915755
Permit No.

Glenn W. Larson
Jacqueline A. Larson

STATE OF OREGON)
) ss.
County of Umatilla)

Dated: July 14, 1981

Personally appeared the above named GLENN W. LARSON and JACQUELINE A. LARSON, Husband and Wife, and acknowledged the foregoing to be their voluntary act. Before me:

Henry M. Wallace
Notary Public for Oregon
My Commission Expires

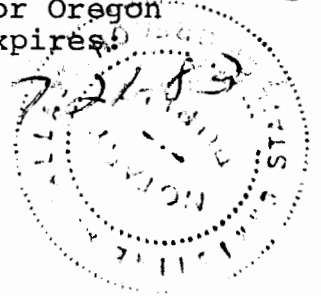


EXHIBIT "A"

Commencing at the Northwest corner of the southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet, thence at right angles East 322.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, recorded in Book 117, Page 311, Deed Records; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning;

EXCEPTING THEREFROM the West 20 feet as conveyed to Jess A. Ferguson et ux, by Deed dated March 20, 1953; recorded March 23, 1953 in Book 210, Page 220, Deed Records.

EXCEPTING any and all water rights of way and roads;

All being east of the Willamette Meridian, the county of Umatilla, State of Oregon;

SUBJECT to any right of way over and across the North 15 feet for road purposes as contained in the Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux, dated March 15, 1921, recorded June 14, 1921 in Book 112, Page 301, Deed Records.

ALSO SUBJECT TO a right of way over and across said premises of the Pleasant View Irrigation Co., ditch and all other irrigation ditches heretofore established as contained in Deed from Walter B. Brooke, et ux, to Lester A. Reinaman, et ux dated March 15, 1921, recorded June 14, 1921 in Book 113, Page 301, Deed Records.

~~2~~
2

Application No. 915755
Permit No.

Wm H S

RECORDED

STATE OF OREGON
COUNTY OF UMATILLA

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DAN H. SAMS
83767 CHUCKHOLE LANE
MILTON FREEWATER, OREGON 97862

PHONE: (541) 938-4652

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-14885

SOURCE OF WATER: A WELL IN THE LITTLE WALLA WALLA RIVER BASIN

PURPOSE OR USE: SUPPLEMENTAL IRRIGATION AND TEMPERATURE CONTROL ON 10.5 ACRES

MAXIMUM RATE: 0.298 CUBIC FOOT PER SECOND (CFS), BEING 0.131 CFS FOR IRRIGATION AND 0.167 CFS FOR TEMPERATURE CONTROL

PERIOD OF USE: MARCH 15 THROUGH OCTOBER 15

DATE OF PRIORITY: DECEMBER 17, 1998

POINT OF DIVERSION LOCATION: NW 1/4 SE 1/4, SECTION 34, T6N, R35E, W.M.; 38 FEET SOUTH AND 60 FEET EAST FROM C1/4 CORNER, SECTION 34

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 3.0 acre-feet for each acre irrigated during the irrigation season of each year.

The amount of water used for TEMPERATURE CONTROL is limited to a diversion of 0.15 cubic foot per second per acre.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW 1/4 SE 1/4 10.5 ACRES
SECTION 34
TOWNSHIP 6 NORTH, RANGE 35 EAST, W.M.

Application No. 915755

Permit No.

the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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

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

The Director finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Actual construction of the well shall begin by June 29, 2000. Complete application of water to the use shall be made on or before October 1, 2003. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued October 11 1999

Martha O. Pagel
Martha O. Pagel, Director
Water Resources Department

Application G-14885
Basin 7
LKS

Water Resources Department
Volume 1 WALLA WALLA R
MGMT.CODES 3BW 7BG 7BR

PERMIT G-13747
District 5

SOUTH 1/2 SECTION 34
TOWNSHIP 6 NORTH, RANGE 35 EAST, W.M.

6-13747

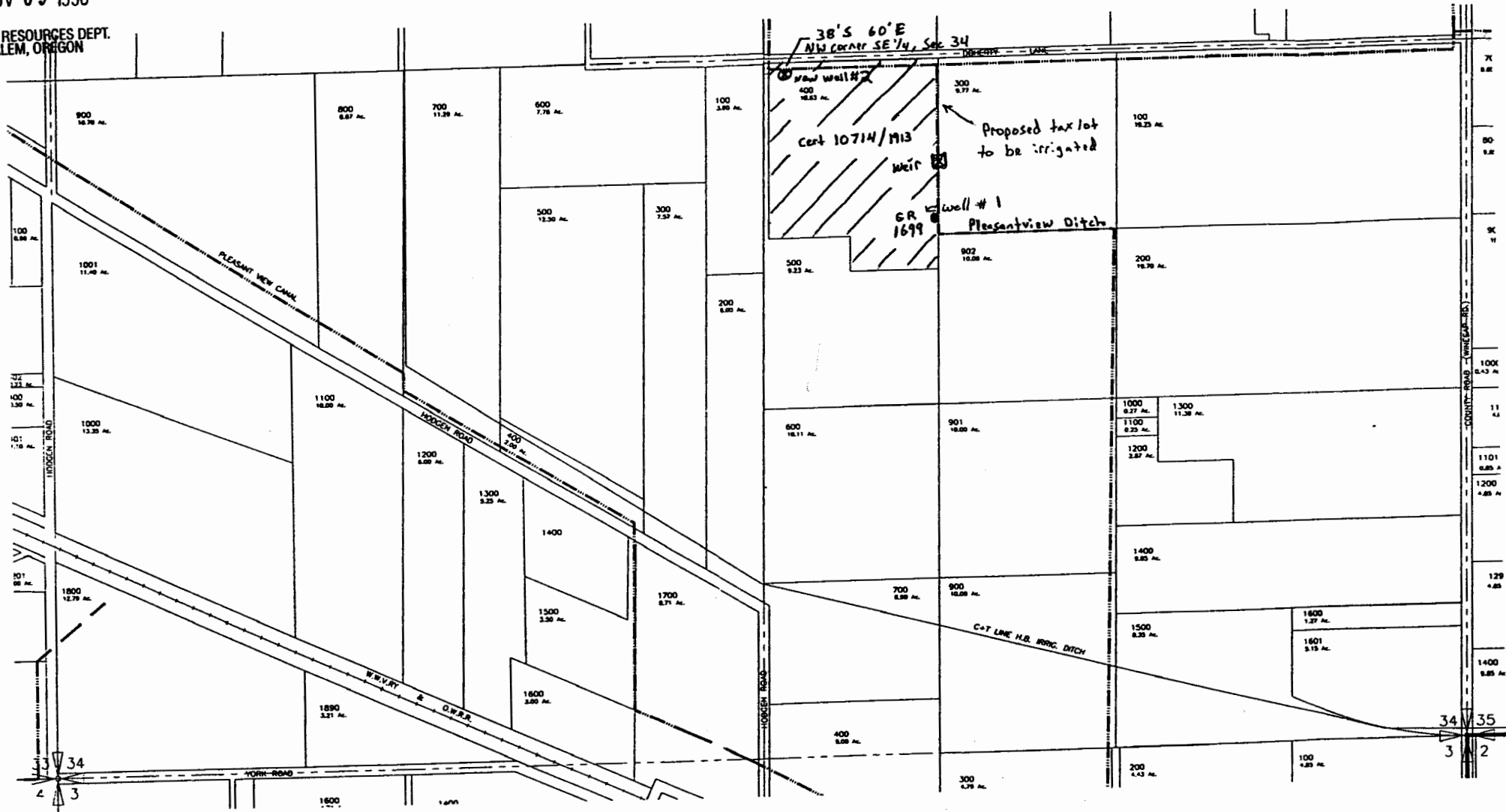
RECEIVED.
DEC 17 1998
WATER RESOURCES DEPT.
SALEM, OREGON

RECEIVED

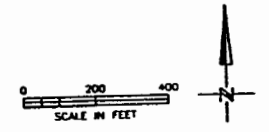
NOV 09 1998

WATER RESOURCES DEPT.
SALEM, OREGON

Application No. 915755
Permit No.



Application No. 6-14885
Permit No. 6-13747



DWG 34S

WALLA WALLA RIVER IRRIGATION DISTRICT

4376.015 4376-34S.DWG

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

UMAT
 50953

RECEIVED

FEB - 2 1998

WATER RESOURCES DEPT. (START CARD) # W 53495

(1) OWNER: Well Number L13682
 Name DAN SAMS
 Address RT 2 Box 18 Chuckhole Lane
 City Milton Freewater State ORE Zip 97162

SALEM, OREGON
 (9) LOCATION OF WELL by legal description:
 County Umatilla Latitude _____ Longitude _____
 Township 6 or S. Range 35 or W. WM.
 Section 34 NW ¼ SE ¼
 Tax Lot 00400 Lot _____ Block _____ Subdivision _____
 Street Address of Well (or nearest address) Rt 2 Box 356
Yellow Jacket Lane

(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 250 ft.
 Explosives used Yes No Type _____ Amount _____

HOLE			SEAL			Amount sacks or pounds
Diameter	From	To	Material	From	To	
<u>10</u>	<u>0</u>	<u>22</u>	<u>Bent chips</u>	<u>0</u>	<u>22</u>	<u>26</u>
<u>6</u>	<u>22</u>	<u>250</u>				

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

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
<u>6</u>	<u>+2</u>	<u>249</u>	<u>.250</u>	<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"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) 249

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

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
<u>30</u>	<u>241</u>	<u>1/4" 10"</u>	<u>378</u>	<u>6"</u>		<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"/>

(8) WELL TESTS: Minimum testing time is 1 hour
 Pump Bailer Air Flowing Artesian
 Yield gal/min 10 Drawdown 147 Drill stem at _____ Time 1 hr.

Temperature of Water 58 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: _____

(10) STATIC WATER LEVEL:
48 ft. below land surface. Date 1-24-98
 Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:
 Depth at which water was first found 65

From	To	Estimated Flow Rate	SWL
<u>55</u>	<u>65</u>	<u>5</u>	<u>50</u>
<u>100</u>	<u>104</u>	<u>5</u>	<u>48</u>

(12) WELL LOG:
 Ground elevation _____

Material	From	To	SWL
<u>LARGE Rocks and Topsoil</u>	<u>0</u>	<u>30</u>	
<u>Gravel</u>	<u>30</u>	<u>81</u>	<u>48</u>
<u>Gravel + Brown Clay</u>	<u>81</u>	<u>100</u>	
<u>Gravel</u>	<u>100</u>	<u>108</u>	<u>48</u>
<u>Gravel + Brown Clay</u>	<u>104</u>	<u>170</u>	
<u>Gravel</u>	<u>170</u>	<u>176</u>	
<u>Gravel + Brown Clay</u>	<u>176</u>	<u>199</u>	
<u>Gravel</u>	<u>199</u>	<u>204</u>	
<u>Gravel + Brown Clay</u>	<u>204</u>	<u>250</u>	

Application No. 915755
 Permit No. _____

Date started 12-29-97 Completed 1-28-98

(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 Mike Handberg WWC Number 1639
 Date 1-29-98

Application No. 915755
 Permit No.

Abstract of Ground Water Registration

Registration No. GR-1752

Certificate No. GR-1699

Name Mae Ferguson
 Address Route 2, Box 356
 Milton-Freewater, Oregon

Source of water supply Pump Well

Use Irrigation

Point of diversion A pt. 605' S., from a pt. 656' E., NW cor. SE $\frac{1}{4}$, Sec. 34; being within the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 34, T. 6 N., R. 35 E., W.M., in the county of Umatilla.

Number of acres
 11

DESCRIPTION OF LAND TO BE IRRIGATED OR PLACE OF USE

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
6 N	35 E	34																	11
Property in name of Mae Ferguson, surviving spouse of Bert Ferguson, an Estate by Entirety.																			
Commencing at the Northwest corner of the Southeast Quarter of Section 34, Township 6 North, Range 35 E., running thence South 665.23 feet; thence at right angles East 332.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, by deed recorded in Book 177 at Page 311, Deed Records of Umatilla County, Oregon; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 664.8 feet to the place of beginning.																			
All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;																			
Excepting the North 15 feet thereof for road purposes; and also excepting any and all water rights of way. + 20 feet for road along West side.																			

Priority date 1916

Amount of water claimed 220 g.p.m.

Time limit to completely apply water Completed extended to extended to

Remarks: Supplemental to permit from Pleasantview Irr. Co. 1912

ugh

with reference to...

Basin 7.0 Vol. 1

915755

RECEIVED
JUN 19 1958
STATE ENGINEER
SALEM, OREGON

Permit No.

Registration No. GR. 1752

Certificate No. GR. 1699

Registration Statement

OF CLAIMANT OF RIGHT TO APPROPRIATE GROUND WATER

TO THE STATE ENGINEER OF OREGON:

I, Mac Ferguson

of Wilton-Fraewater, R. #2, box 356, County of Umatilla

State of Oregon, do hereby make application for a certificate of registration as evidence of a right to appropriate ground water.

1. Source from which water is withdrawn is PUMP WELL
(Flowing well, pump well, infiltration trench, or tunnel)

2. Location is: 2 miles Northwest from Wilton-Fraewater, Ore.
(Approximate distance and direction from nearest city or town)

and is more particularly described as follows:

(a) a point 605 ft. South from point 656 ft East NW Cor/SE 1/4
Sec. 54 TP. 6 N. R. 35 E. W. 52
(Address and bearing to corner of section or other legal subdivision)
being within NW 1/4 of SE 1/4 of Sec. 34, Twp. 6 N., Rge. 35 E.
(Smallest legal subdivision) (N. or S.) (E. or W.)

or (b) within limits of recorded platted property, town or city:

In Lot _____, Block _____ of _____
(Name of plat or addition)

County of Umatilla
(If within city or town, give name)

3. Construction Work was begun on 1916; was completed on 1916
(Date) (Date)

and the ground water claimed was first used for the purposes set out below on 1916
(Date)

since which time the water has been used continuously
(Continuously or intermittently)

from MAY 1916 to 11 SEPT. 1957
(Date) (Date)

4. Quantity of water claimed and used is 220 gallons per minute; 90 acre feet per year.

5. Purpose or Purposes for which water is used Irrigation

(Domestic, irrigation, municipal, manufacturing, industrial, etc.)

6. Description of Well: Depth _____ feet. Type Dug 38", drilled 160 ft.
(Dug or drilled)

Dug part 7' X 7' X 15'
diameter 8 inches. Elevation of ground at well site Approx 900 feet, mean sea level.
(As near as known)

Depth to water table 30 feet. June 1st.

7. Capacity of Well: 220 g.p.m. with 30 feet drawdown.

_____ g.p.m. with _____ feet drawdown.

Date of test unknown

If Flowing Well: Measured discharge _____ g.p.m. on _____
(Date)

Shut-in pressure at ground surface _____ lbs. per sq. in. on _____
(Date)

Water is controlled by _____
(Cap, valve, etc.)

If log of well is not available, give name and address of driller

Driller unknown

11. Infiltration Trench: Covered or open _____

Dimensions: Length _____ ft. Minimum depth _____ ft. Maximum depth _____ ft.

Bottom width _____ ft. Discharge _____ g.p.m. Date of test _____

12. Tunnel: Type of lining _____

Dimensions: _____
(Length, length, and cross sectional size)

Position of water bearing stratum with reference to portal of tunnel: _____

Log of tunnel: (Preceding table for log of well may be used, if desired. Give footage from portal and character of materials, as pertinent.)

13. Pumping Equipment:

(a) Pump 2, 1/2 or 3 in pump (Make, type and size) Capacity 300 g.p.m.

(b) Motor 3 H.P. 3 phase motor (Type and horsepower)

14. Location of area irrigated or to be irrigated, or place of use if for purposes other than irrigation.

Township North or South	Range E. or W. of Willamette Meridian	Section	Four-acre Tract	Number Acres To Be Irrigated	Date of Reclamation
6 n.	35 E.	34	nW of SE 1/4	11	1916

Property in name of Mae Ferguson, surviving spouse of Bert Ferguson, an Estate by Entirety.

Commencing at the Northwest corner of the Southeast Quarter of Section 34, Township 6 North, Range 35; running thence South 665.23 feet; thence at right angles East 332.4 feet; thence at right angles South 131.05 feet; thence at right angles East 332.4 feet to the East line of that tract of land conveyed to C. W. Rasmussen and Marieta L. Rasmussen, husband and wife, by deed recorded in Book 177 at page 211, Deed Records of Umatilla County, Oregon; thence North along the East line of said Rasmussen tract a distance of 796.28 feet to the Northeast corner thereof; thence West 661.3 feet to the place of beginning.

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

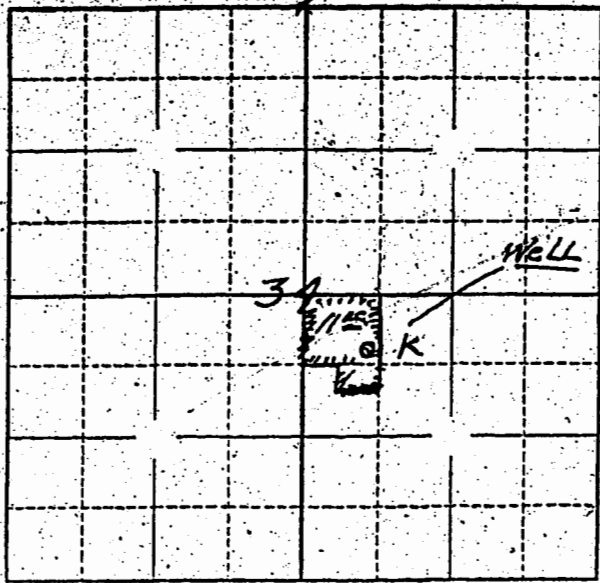
Excepting the North 15 feet thereof for road purposes, and also excepting any and all water rights of way, 420 feet for road along west side

15. If the ground water supply is supplemental to an existing water supply, identification of any application for a permit, permit, certificate or adjudicated right to appropriate water made or held by the registrant

Supplemental to permit from Pleasantview Irr. CO. 1912

Registration No. 915755
Permit No.

Township 6N Range 35E W.M.
North



2640
620
S - 3260
E - 690'

Locate well and acreage of irrigated land on plat.

Scale: $\frac{1}{4}$ " = 1 Mile

4" = 1 M.

STATE OF OREGON

County of Umatilla } ss.

I, Mae Ferguson, being first duly sworn, do hereby certify that I have read the foregoing Registration Statement and that all of the items therein contained are true to the best of my knowledge and belief.

Mae Ferguson
(Signature of Registrant)

Subscribed and sworn to before me this 16th day of June, 1950.

My commission expires 1/25/1952

G.H. Binley
(Notary Public) OF OREGON
My commission expires 1/25/1952

(SEAL)

CERTIFICATE OF REGISTRATION

STATE OF OREGON

County of Marion } ss.

This is to certify that the foregoing Registration Statement was received in the office of the State Engineer on the 19th day of June, 1950, at 1:00 o'clock P.M. and has been duly recorded in said office in Book No. 8 of Registration Statements on page GR-1699

Witness my hand this 7th day of January, 1959

Alvin A. Stanley
(State Engineer)

#1520

By _____ (Deputy)

GR-1699

STATE ENGINEER
Salem, Oregon

Well Record

UMAT 4945

STATE WELL NO. 6N/35-34K
COUNTY Umatilla
APPLICATION NO. GR-1752

GR- 1699

OWNER: Mae Ferguson

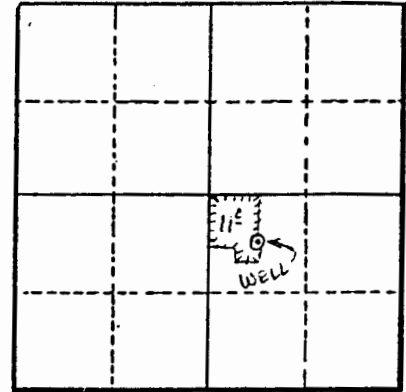
MAILING ADDRESS: Rt. 2, Box 356

LOCATION OF WELL: Owner's No.

CITY AND STATE: Milton-Freewater, Oregon

NW 1/4 SE 1/4 Sec. 34 T. 6 N. R. 35 E. W.M.

Bearing and distance from section or subdivision corner 605' S. & 656' E. from Center Sec. 34.



Section 34

Altitude at well 900'

TYPE OF WELL: Dug & Drill Date Constructed 1916

Depth drilled 198' Depth cased

CASING RECORD:

Dug- 7' x 7' x 38'
Drilled- 8" for 160'

Application No. 915755
Permit No.

FINISH:

AQUIFERS:

WATER LEVEL:

30' in June

PUMPING EQUIPMENT: Type 2 1/2" x 3" H.P. 3
Capacity 300 G.P.M.

WELL TESTS:

Drawdown 30 ft. after 220 hours G.P.M.

Drawdown ft. after hours G.P.M.

USE OF WATER Irrigation Temp. °F. 19

SOURCE OF INFORMATION GR Record

DRILLER or DIGGER

ADDITIONAL DATA:

Log N.A. Water Level Measurements Chemical Analysis Aquifer Test

REMARKS:

Irrigation of 11 acres.

AMENDMENT TO LEASE

THIS AGREEMENT entered into this 19th day of April, 2002, by and between DENNIS M. BURKS, hereinafter called Landlord, SAM LEFORE FRUIT FARMS, INC., hereinafter called Tenant, and EARL E. BROWN & SONS, INC., hereinafter called Brown.

WITNESSETH

Landlord and Tenant have entered into a farm lease agreement dated July 3, 1998, ("Lease") and concerning the real property described on Exhibit "A", attached hereto and by this reference incorporated herein (the "Premises"). Brown has groundwater available and the parties wish to contractually agree to allow a supplemental water right to be placed on the Premises from Brown's Groundwater source pursuant to the terms of this agreement, and this agreement shall amend and supplement the Lease described above.

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

2. PAYMENT FOR WATER. Any year during the initial term of the Lease, Tenant shall pay to Brown \$1,083.50 on or before the first day of November. In exchange for said payment, Brown shall provide to Tenant, Groundwater supplemental to Tenant's primary rights, and consistent with the Groundwater permit to the fullest extent that water is available through Brown's well.

3. CESSATION OF GROUNDWATER USE. Brown may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. In particular, Brown shall at all times have the right, in its sole discretion and at its expense, to forfeit, cancel

Permit No.

or transfer to land other than the Premises all or any part of the water rights pursuant to which the Groundwater is taken from Brown's well and used on the Premises. At Brown's request, Landlord and Tenant shall promptly sign all documents and take all actions reasonably necessary or desirable to enable Brown to complete any such forfeiture, cancellation or transfer. Landlord and Tenant shall not object to or otherwise oppose any such forfeiture, cancellation or transfer.

4. LANDLORD AND TENANT TO HAVE NO INTEREST IN GROUNDWATER.

Landlord and Tenant 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 Premises.

5. WATER DELIVERY SYSTEM: Landlord and Tenant shall be responsible for all expenses associated with hooking Tenant's water delivery system to Brown's existing water delivery system at a mutually acceptable location as close is reasonably practicable to Brown's existing Groundwater delivery system. Tenant shall be responsible for maintaining the water delivery system from the point it hooks into Brown's irrigation system.

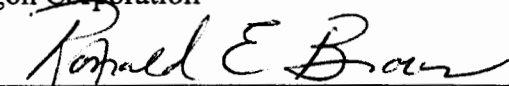
Except as specifically amended and supplemented above, the original lease shall remain in full force and effect. The parties agree to sign a Memorandum of Lease consistent with this amendment.



DENNIS M. BURKS, Landlord

SAM LEFORE FRUIT FARMS, INC.
An Oregon Corporation, Tenant

By: 
President

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

By: 
President

By: 
Secretary

Application No. 915755
Permit No.

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

April 18, 2002

Personally appeared the above named DENNIS M. BURKS, and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

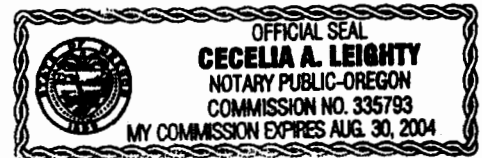


STATE OF OREGON,)
) ss.
County of Umatilla.)

April 18, 2002

Personally appeared SAM LEFORE, who, being duly sworn, did say that he is the President of SAM LEFORE FRUIT FARMS, INC., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be his voluntary act. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



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

April 19, 2002

Personally appeared Ron Brown and Keith Inup, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

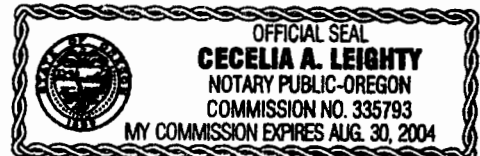


EXHIBIT "A"

East Half of the West Half of The Northwest Quarter of the Northeast Quarter of
Section 34, Township 6 North, Range 35, East of the Willamette Meridian,
Umatilla County, Oregon; subject to any & all water rights of way & roads.

Application No. 915755
Permit No.

Application No. 915755
Permit No.

AMENDMENT TO MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 19th day of April, 2002, LANDOWNER, DENNIS M. BURKS, has leased to SAM LEFORE FRUIT FARMS, 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.

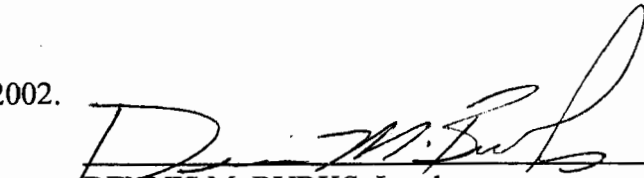
Earl E. Brown & Sons, Inc. has agreed to provide irrigation water to the property under the terms of an Amendment to Lease.

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:

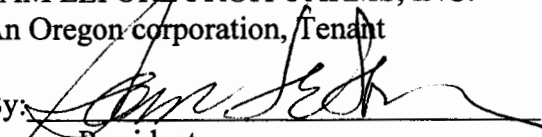
1. TERM: For a period of fifteen (15) years, beginning November 1, 1998.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the property during the term of the Lease and any renewal thereof.
3. WATER RIGHTS: This lease has provisions which may affect Landlord's rights to 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 19th day of April, 2002.


DENNIS M. BURKS, Landowner

SAM LEFORE FRUIT FARMS, INC.
An Oregon corporation, Tenant

By: 
President

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

By: 
President

By: 
Secretary

Application No 915755
Permit No.

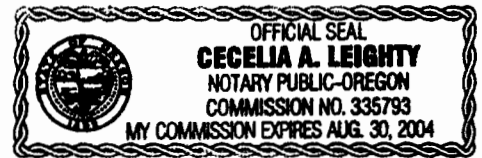
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 18, 2002.

Personally appeared before me the above-named DENNIS M. BURKS 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.)

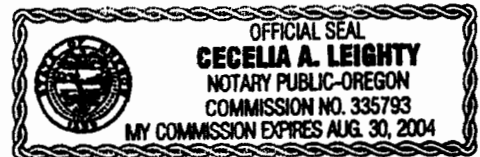


April 18, 2002.

Personally appeared SAM LEFORE, who being duly sworn, did say that he is the President of Sam LeFore Fruit Farms, Inc., an Oregon Corporation, and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

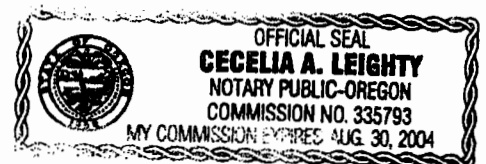
STATE OF OREGON,)
)ss.
County of Umatilla.)



April 19, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



Application No. 915755
Permit No.

EXHIBIT "A"

East Half of the West Half of The Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; subject to any & all water rights of way & roads.

Application No. 915755 Permit No.

Name and Postoffice Address of Appropriator	Date of Relative Priority	Amount Cubic Feet Per Second	Number Acres	Use	Name of Ditch	Stream	Description of Land or Place of Use
12917 Miller, S. L. Roseburg, Ore. (Proof #280) (Successor in interest of Geo. Tillotson) See also page 183	1902 1908	19.42	10.28	Irrigation	Lydall	Ford Branch of Walla Walla River.	23.7 acres in NW ¹ / ₄ of Section 34, T. 5 N., R. 35 E., W. 2 E., being within the NE ¹ / ₄ of NW ¹ / ₄ and the E ¹ / ₂ of NE ¹ / ₄ of said Sec. 34.
(NOTE: The use of water is limited to the water available in excess of what is required to fill the permanent rights having a priority of 1908 or earlier. SEE Findings, Paragraph 69, Page 53.)							
12918 Miller, W. L. Milton, Ore. (Proof #560)	1908	2.16		Irrigation	McIntyre Ditch & laterals also pipe line	Walla Walla River	2.16 acres in SW ¹ / ₄ of Section 12, T. 5 N., R. 35 E., W. 2 E., being within the following described tracts: Beginning at a point on the north boundary of the SW ¹ / ₄ of Sec. 12, T. 5 N., R. 35 E., W. 2 E.; which point is 558.5 ft. east of the northwest corner of the SW ¹ / ₄ of said Sec. 12; thence S. 65° W. 234 ft.; thence S. 25° E. 314.8 ft.; thence N. 65° E. 156.4 ft.; thence S. 81° 20' E. 69.5 ft.; thence N. 81° 20' E. 66.6 ft.; thence N. 25° E. 295 ft. more or less to the north boundary of said SW ¹ / ₄ of said Sec. 12; thence west along said boundary 31.6 ft. to place of beginning, containing 2.16 acres.
12919 Milton City, a municipal corporation, Milton, Ore. (Proof #564)	1872	1.0		Irrigation	Tap from Miller Bros.' Pipe Flume	Walla Walla River	1 acre in SE ¹ / ₄ of Section 12, T. 5 N., R. 35 E., W. 2 E., being within the following described tracts: Commencing at a point on the line of the County road 99 ft. east of the northwest corner of the land of E. S. Brown in the SW ¹ / ₄ of Sec. 12, T. 5 N., R. 35 E., W. 2 E.; running thence from said point of beginning west 99 ft.; thence south 181.5 ft.; thence east 115 ft.; thence northerly about 181.5 ft. to point of beginning. ALSO: Commencing at the northwest corner of the SW ¹ / ₄ of Sec. 12, T. 5 N., R. 35 E., W. 2 E., running thence south 205.5 ft.; thence east 800 ft. to the point of beginning; running thence north 181.5 ft.; thence east 90 ft.; thence south 181.5 ft.; thence southwesterly in a direct line to the point of beginning.
(NOTE: SEE Findings, Paragraph 63, Page 44; also Paragraph 64, Page 75.)							
12920 (Proof #562)	1890	7.24 Sec. Ft.		Domestic and municipal	Dam, pipe line, and flume	Walla Walla River	PLACE OF USE: Within the boundaries of the CITY OF MILTON, Oregon.
(NOTE: See Findings, Paragraph 64, Page 77.)							
12921 (Proof #562) power. cl. #53	1902	82.0 Sec. Ft.		Dev. of 699 H.P.	Municipal power flume & plant	Walla Walla River	PLACE OF USE: Within Section 12, T. 5 N., R. 35 E., W. 2 E.
(NOTE: SEE Findings, Paragraph 64, Page 75.)							
(Proof #561)	(NOTE: Rights acquired under State Engineer's Permit No. 7880) 1926 100.0 power & dom. (N.W. 1/4) 564 NW 1/4 Sec. 18 54R36						

Application No. 915755

Permit No.

FEB- 398 14:08 P.R. TITLE P.01/01

390 0395
KNOW ALL MEN BY THESE PRESENTS, That Ned H. Feigner

herinafter called grantor,
 for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto
Dennis M. Burks
 herinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County of **Umatilla**, State of Oregon, described as follows, to-wit:

~~See Attached Legal Description~~



East Half of the West Half of The Northwest Quarter of the Northeast Quarter of Section 134, Township 6 North, Range 35, East of the Willamette Meridian, Umatilla County, Oregon; subject to any & all water rights of way & Roads

RECEIVED

JUN 12 2001

UMATILLA COUNTY RECORDS

LN 35 34A
 1000
 7-14

Handwritten note:
 Next letter to what happened to Alice

Umatilla 1004220
 Umatilla has placed the accounts of record in a separate category and account as follows:

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 0.

However, the actual consideration consists of or includes other property or value given or promised which is the whole part of the consideration (indicate which). (The sentence between the symbols @, if not applicable, should be deleted. See ORS 91.236.)

In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals. 2001

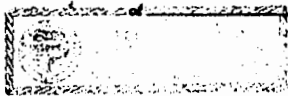
In Witness Whereof, the grantor has executed this instrument this 5 day of June, 192001; if a corporate grantor, it has caused its name to be signed and its seal affixed by an officer or other person duly authorized to do so by order of its board of directors.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FURNISHING OR FOREST PRACTICES AS DEFINED IN ORS 30.535.

Handwritten signature: Ned H Feigner

STATE OF OREGON, County of Umatilla, 2001
 This instrument was acknowledged before me on June 5, 192001,
 by Ned H. Feigner

This instrument was acknowledged before me on _____, 19____,
 by _____
 as _____



Terri K Lyford
 Notary Public for Oregon
 My commission expires 8-28-2007

Ned H Feigner
53408 Hwy 332
Milton-Freewater, OR 97132
 Grantor's Name and Address

Dennis M. Burks
84452 Hwy 339
Milton-Freewater, OR 97132
 Grantee's Name and Address

Dennis M. Burks
84452 Hwy 339
Milton-Freewater, OR 97132
 All required clerks and all the statements by Name, Address, City

STA: State of Oregon }
 County of Umatilla }
 CO: This instrument was received and recorded on
 month: 06-12-01 at 11:48
 at: In the record of document
 info: code type DE-015
 page: _____
 Location: R398-0595
 Document number: 2001-3900595
 Record Fee: 28.00
 Office of County Records
 Coun: _____
 By: Terri Lyford
 Records Officer

2/17

NA

BARGAIN AND SALE DEED

390 0595
KNOW ALL MEN BY THESE PRESENTS, That Ned H. Feigner

hereinafter called grantor,
for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto
Dennis M. Burks
hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the
tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County
of Umatilla, State of Oregon, described as follows, to-wit:



2001-3900595 1 of 1

~~See Attached Legal Description~~

East Half of the West Half of The Northwest Quarter of the Northeast
Quarter of Section 234, Township 6 North, Range 35, East of the
Willamette Meridian, Umatilla County, Oregon; subject to any & all
water rights of way & Roads

AmeriTitle
AmeriTitle has placed the document of record
as a customer courtesy and accepts no liability
for the accuracy or validity of the document.

RECEIVED

JUN 12 2001

UMATILLA COUNTY
RECORDS

Application No. 915755
Permit No.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 0

However, the actual consideration consists of or includes other property or value given or promised which is
the whole part of the consideration (Indicate which). (The sentence between the symbols (H), if not applicable, should be deleted. See ORS 93.030.)

In construing this deed and where the context so requires, the singular includes the plural and all grammatical
changes shall be implied to make the provisions hereof apply equally to corporations and to individuals. 2001

In Witness Whereof, the grantor has executed this instrument this 5 day of June, 2001

if a corporate grantor, it has caused its name to be signed and its seal affixed by an officer or other person duly author-
ized to do so by order of its board of directors.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS
INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS.
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE
TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY
PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY
LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN
ORS 309.30.

Ned H. Feigner

STATE OF OREGON, County of Umatilla ss
This instrument was acknowledged before me on June 5, 2001
by Ned H. Feigner
This instrument was acknowledged before me on _____, 19____,
by _____
as _____



Terri L Lyford
Notary Public for Oregon
My commission expires 8-28-2002

Ned H. Feigner
53908 Hwy 332
Milton-Freewater, OR 97802
Grantor's Name and Address
Dennis M. Burks
84452 Hwy 339
Milton-Freewater, OR
Grantee's Name and Address 97862
After recording return to (Name, Address, Zip):
Dennis M. Burks
84452 Hwy 339
Milton-Freewater, OR 97862
Unless requested otherwise send all tax statements to (Name, Address, Zip):
Dennis M. Burks
84452 Hwy 339
MILTON-FREEWATER, OR 97862

SPACE RESERVED
FOR
RECORDERS USE

STA: State of Oregon)
County of Umatilla)
Co: This instrument was received
ment and recorded on
ment 06-12-01 at 11:48
at in the record of document
in box code type DE-B&S
page Location R390-0595
ment Document number 2001-3900595
Reca: Fee 25.00
Office of County Records
Coun
By: Jean Hemphill
Records Officer

3

Lot 1101

Application No. 915 755
Permit No.

LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises Tenant shall procure and thereafter during the term of this Lease, shall continue to carry the following insurance in a responsible company, at

Application No. 915755
Permit No.

Tenant's costs 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. **DEFAULT IN RENT:**

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

2. **DEFAULT IN COVENANTS:**

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. **REMEDIES ON DEFAULT:**

(a) **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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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

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Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

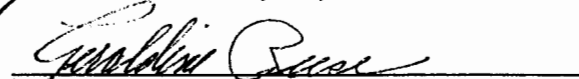
Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

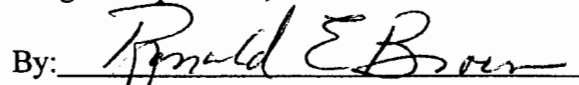


JAMES A. REESE, JR., Landowner




GERALDINE REESE, Landowner

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

By: 

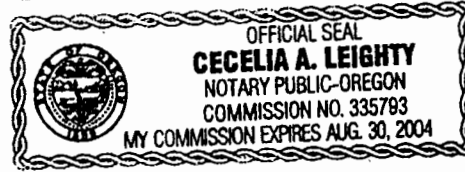
President

By: 

Secretary

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

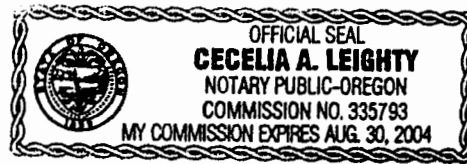


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, 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.)

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

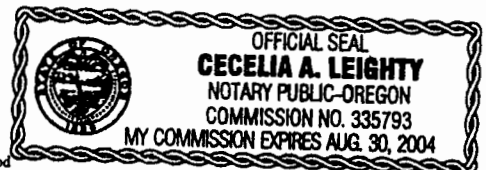


EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

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of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E. W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Lot 110)

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

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in Quit Claim Deed from L.S. Roseberry, a single man,
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All being East of the Willamette Meridian, Umatilla
County, Oregon;

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

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Application No. 915755
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EXHIBIT "A"

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together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

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The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

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Application No. 915755
Permit No.

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Application No. 915755
Permit No.

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

April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

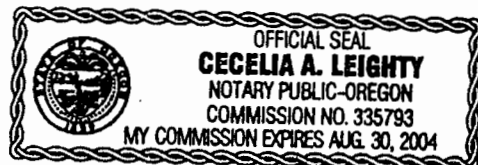
STATE OF OREGON,)
)ss.
County of Umatilla.)



April 19, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



Application No. 915755
Permit No.
MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Paul A. Aival
Secretary

Application No. 915755
 Permit No.

STATE OF OREGON
 COUNTY OF UMATILLA

1101

CERTIFICATE OF WATER RIGHT

This Is to Certify, That WORLD WAR VETERANS' STATE AID COMMISSION

of Salem, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of Waste water a tributary of Walla Walla River for the purpose of Irrigation under Permit No. 3795 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from April 3, 1918;

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 0.15 cubic foot per second.

The point of diversion is located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 35, Township 6 N, Range 35E, W. M. The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eightieth of one cubic foot per second per acre, or its equivalent in case of rotation.

A description of the lands irrigated under the right hereby confirmed, and to which such right is appurtenant (if for irrigation, or any other purpose), is as follows:

10 acres in the NW $\frac{1}{4}$ NE $\frac{1}{4}$,
 Section 34,
 Township 6 North, Range 35 East, W. M.

The right to the use of the water for any purpose is restricted to the lands or place of use herein described.

After the expiration of fifty years from the date of this certificate or on the expiration of any federal power license issued in connection with this right, and after not less than two years notice in writing to the holder hereof, the State of Oregon, or any municipality thereof, shall have the right to take over the dams, plants and other structures and all appurtenances thereto which have been constructed for the purpose of devoting to beneficial use the water rights specified herein, upon condition that before taking possession the State or municipality shall pay not to exceed the fair value of the property so taken, plus such reasonable damages, if any, to valuable, serviceable and dependable property of the holder of this certificate, not taken over, as may be caused by the severance therefrom of the property taken in accordance with the provisions of section 47-508, Oregon Code 1930.

WITNESS the signature of the State Engineer,

affixed this 27th day
 of February, 1934

CHAS. E. STRICKLIN

State Engineer

Recorded in State Record of Water Right Certificates, Volume 10, page 10652.

Lot 2200

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LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises Tenant shall procure and thereafter during the term of this Lease, shall continue to carry the following insurance in a responsible company, at

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Tenant's costs 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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

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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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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

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Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

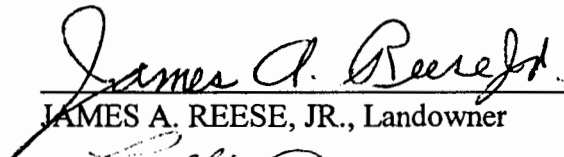
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

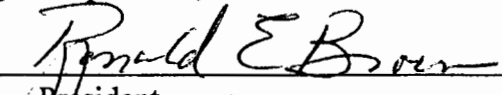


JAMES A. REESE, JR., Landowner

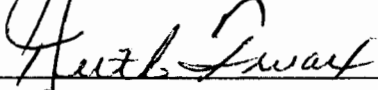


GERALDINE REESE, Landowner

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

By: 

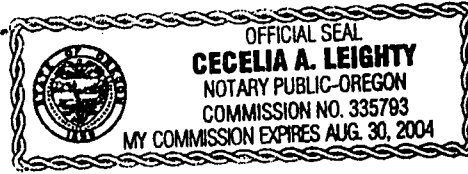
President

By: 

Secretary

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

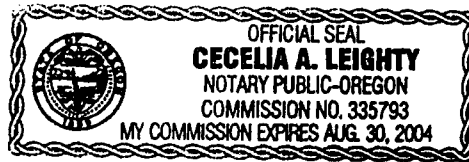


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, 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.)

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

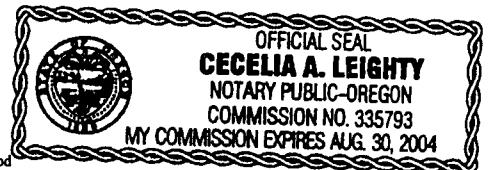


EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

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of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Lor 2200 + ~~3000~~

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
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All being East of the Willamette Meridian, Umatilla
County, Oregon;

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

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Excepting the East ten (10) feet thereof for road purposes.

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Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

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

April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

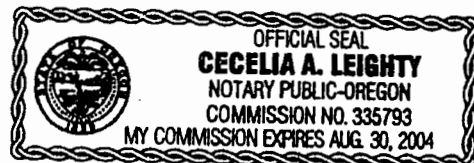
STATE OF OREGON,)
)ss.
County of Umatilla.)



April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



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MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heath Fawal
Secretary

STATE OF OREGON

Permit No. ⁹¹⁵⁷55 COUNTY OF UMATILLA
 Permittion No. CERTIFICATE OF WATER RIGHT

This Is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Milton-Freewater, State of Oregon 97862, has made proof to the satisfaction of the Water Resources Director, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation of 607.68 acres

under Permit No. 1216 and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 25, 1912

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 7.60 cubic feet per second

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE 1/4 SE 1/4, Section 35, T6N, R3E, WM; 5 feet North and 1,100 feet West from SE Corner, Section 35.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eighth of one cubic foot per second per acre,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

SEE NEXT PAGE

2.43 acres NE 1/4 NW 1/4
Section 3
Township 5 North, Range 35 East, WM

10.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
20.00 acres SW 1/4 SW 1/4
Section 27

→ Lot 800
A. e. e. h. e. l. e.

40.00 acres SE 1/4 SW 1/4
30.00 acres SW 1/4 SE 1/4
Section 28

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35.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
38.00 acres NE 1/4 NW 1/4
20.00 acres NW 1/4 NE 1/4
40.00 acres NE 1/4 NE 1/4
6.00 acres SW 1/4 NE 1/4
22.50 acres NE 1/4 SW 1/4
13.00 acres NW 1/4 SE 1/4
Section 33

→ Lot 200 + 700
→ Lot 2300
+
2800

14.20 acres NE 1/4 NW 1/4
10.00 acres SE 1/4 NW 1/4
20.00 acres S 1/2 NW 1/4 SE 1/4
10.00 acres NE 1/4 NW 1/4 SE 1/4
10.00 acres SW 1/4 SE 1/4
25.25 acres NE 1/4 SW 1/4
38.00 acres NW 1/4 SW 1/4
12.50 acres SW 1/4 SW 1/4
30.80 acres SE 1/4 SW 1/4
Section 34

Township 6 North, Range 35 East, WM

This certificate describes that portion of the water right confirmed by the prior certificate recorded at page 48989, Volume 42, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on March 18, 1980 and is issued to correctly describe the location of the point of diversion.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described, and is subject to the existing minimum flow policies established by the Water Policy Review Board.

WITNESS the signature of the Water Resources Director, affixed

this date. December 3, 1981


Water Resources Director

Recorded in State Record of Water Right Certificates, Volume 44, page 50401

Lot 2300

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LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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

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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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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.

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SECTION VIII: RIGHT OF FIRST REFUSAL:

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. 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 or arbitrator may
adjudge reasonable as attorneys fees to be allowed the prevailing party in said arbitration, suit or
action and on any appeal therefrom.

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this
Lease.

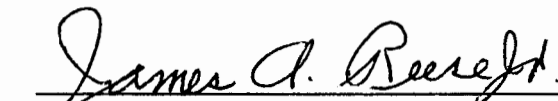
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered
or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

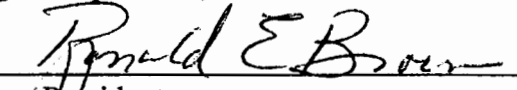


JAMES A. REESE, JR., Landowner

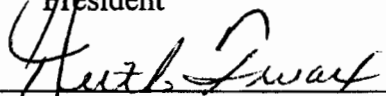


GERALDINE REESE, Landowner

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

By: 

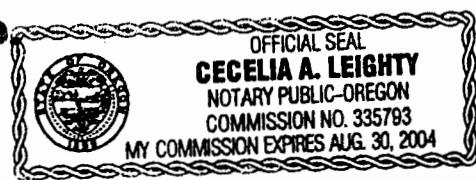
President

By: 

Secretary

Application No. 915755
Permit No

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

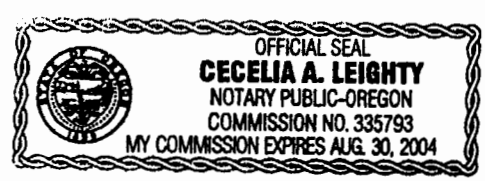


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

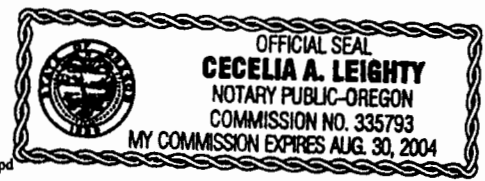
Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

Section No. 915755
Permit No.

of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

Application No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Application No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

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Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

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Southeast Quarter of Northwest Quarter;

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All being East of the Willamette Meridian, Umatilla
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SUBJECT to any and all water rights of way and roads.

Application No. 915755
Permit No.

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Application No. 915755
Permit No.

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Application No. 915755
Permit No.

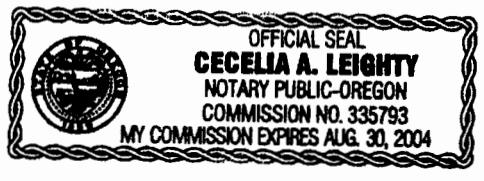
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)

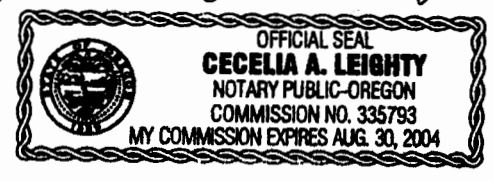


April 18, 2002.

Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

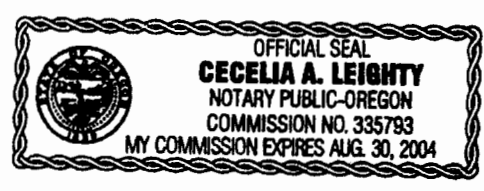
STATE OF OREGON,)
)ss.
County of Umatilla.)



April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heidi Saval
Secretary

Lot 2300

STATE OF OREGON

COUNTY OF

UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Milton-Freewater, State of Oregon 97862, has made proof to the satisfaction of the Water Resources Director, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation of 607.68 acres

under Permit No. 1216 and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 25, 1912

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 7.60 cubic feet per second

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE 1/4 SE 1/4, Section 35, T6N, R35E, WM; 5 feet North and 1,100 feet West from SE Corner, Section 35.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eighth of one cubic foot per second per acre,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

Application No. 915755
Permit No.

SEE NEXT PAGE

Application No.
Permit No.

915755

2.43 acres NE 1/4 NW 1/4
Section 3
Township 5 North, Range 35 East, WM

10.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
20.00 acres SW 1/4 SW 1/4
Section 27

→ Lot 800
A. e. e. h. e. l. e.

40.00 acres SE 1/4 SW 1/4
30.00 acres SW 1/4 SE 1/4
Section 28

35.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
38.00 acres NE 1/4 NW 1/4
20.00 acres NW 1/4 NE 1/4
40.00 acres NE 1/4 NE 1/4
6.00 acres SW 1/4 NE 1/4
22.50 acres NE 1/4 SW 1/4
13.00 acres NW 1/4 SE 1/4
Section 33

→ Lot 200 + 700
→ Lot 2300
+
2800

14.20 acres NE 1/4 NW 1/4
~~10.00 acres SE 1/4 NW 1/4~~
20.00 acres S 1/2 NW 1/4 SE 1/4
10.00 acres NE 1/4 NW 1/4 SE 1/4
10.00 acres SW 1/4 SE 1/4
25.25 acres NE 1/4 SW 1/4
38.00 acres NW 1/4 SW 1/4
12.50 acres SW 1/4 SW 1/4
30.80 acres SE 1/4 SW 1/4
Section 34

Township 6 North, Range 35 East, WM

This certificate describes that portion of the water right confirmed by the prior certificate recorded at page 48989, Volume 42, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on March 18, 1980 and is issued to correctly describe the location of the point of diversion.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described. and is subject to the existing minimum flow policies established by the Water Policy Review Board.

WITNESS the signature of the Water Resources Director, affixed

this date. December 3, 1981


Water Resources Director

Recorded in State Record of Water Right Certificates, Volume 44, page 50401

STATE OF OREGON
COUNTY OF UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That KYLE H. HUBBS

of Route 2, Box 330, Milton-Freewater, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of a well

a tributary of Little Walla Walla River for the purpose of supplemental irrigation of 12.17 acres

under Permit No. G-4523 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from February 24, 1969

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 0.15 cubic foot per second

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE 1/4 NW 1/4, Section 34, T. 6 N., R. 35 E., W. M., 500 feet North and 30 feet West from Center, Section 34.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-fortieth of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 4 1/2 acre feet per acre for each acre irrigated during the irrigation season of each year; provided further that the right allowed herein shall be limited to any deficiency in the available supply of any prior right existing for the same land and shall not exceed the limitation allowed herein,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

12.17 acres SE 1/4 NW 1/4
Section 34
T. 6 N., R. 35 E., W. M.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described.

WITNESS the signature of the State Engineer, affixed

this date. September 19, 1974

Chris L. Wheeler
State Engineer

Little Walla Walla River
Shells

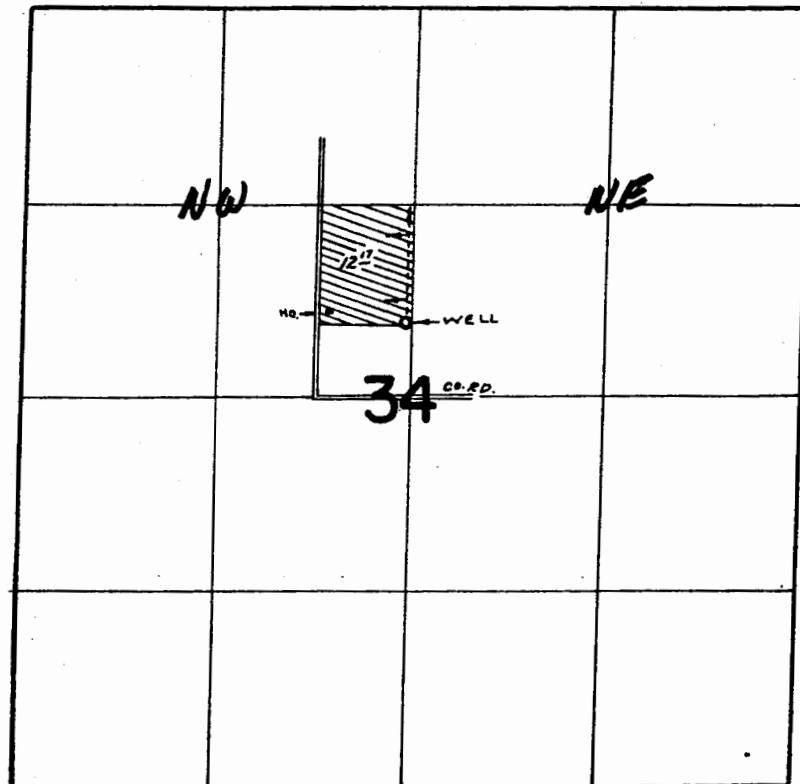
Dawn L. Vannum

G-4523

40928

Application No. 915755
Permit No.

T.6N.R.35E.W.M.



WELL LOC: 500' N & 30' W. FROM GEN. SEC. 34

FINAL PROOF SURVEY
UNDER

Application No. ~~G-4798~~ Permit No. ~~G-4523~~
IN NAME OF

.....KYLE H. HUBBS.....

Surveyed APR. 11, 1973, by R. MUCKEN

NOTICE TO WATER WELL CONTRACTOR

The original and first copy of this report are to be filed with the

STATE ENGINEER, SALEM, OREGON 97310

within 30 days from the date of well completion.

RECEIVED STATE ENGINEER SALEM OREGON
 RECEIVED STATE ENGINEER SALEM OREGON
 SEP 18 1968 STATE OF OREGON NOV 4 1968
 Do not write above this line

State Well No. 6N/35-34b
 Permit No. G-4798

(1) OWNER:

Name Kyle Hubbs
 Address Rt. 1 Box 330 - M-F, Ore.

(2) TYPE OF WORK (check):

New Well Deepening Reconditioning Abandon

If abandonment, describe material and procedure in Item 12.

(3) TYPE OF WELL:

Rotary Driven
 Cable Jetted
 Dug Bored

(4) PROPOSED USE (check):

Domestic Industrial Municipal
 Irrigation Test Well Other

(5) CASING INSTALLED:

Threaded Welded
 10" Diam. from 0 ft. to 24 ft. Gage 277
 8" Diam. from 0 ft. to 88 ft. Gage 277

PERFORATIONS:

Perforated? Yes No
 Type of perforator used Cutting Torch
 Size of perforations 1/4 in. by 6" to 8" in. long
 387 perforations from 36 ft. to 88 ft.

(7) SCREENS:

Well screen installed? Yes No
 Manufacturer's Name _____
 Type _____ Model No. _____
 Diam. _____ Slot size _____ Set from _____ ft. to _____ ft.

(8) WATER LEVEL: Completed well.

Static level 40 ft. below land surface Date 9/12/68
 Artesian pressure _____ lbs. per square inch Date _____

(9) WELL TESTS:

Drawdown is amount water level is lowered below static level
 Was a pump test made? Yes No If yes, by whom?
75 gal./min. with 100 ft. drawdown after 1 hrs.
pumped well with Rotary
A. good chance it will ping 120-200
 Baller test _____ gal./min. with _____ ft. drawdown after _____ hrs.
 Artesian flow _____ g.p.m. Date _____
 Temperature of water 57 Was a chemical analysis made? Yes No

(10) CONSTRUCTION:

Well seal—Material used Cement
 Depth of seal 28 ft.
 Diameter of well bore to bottom of seal 10 in.
 Were any loose strata cemented off? Yes No Depth _____
 Was a drive shoe used? Yes No
 Did any strata contain unusable water? Yes No
 Type of water? _____ depth of strata _____
 Method of sealing strata off _____
 Was well gravel packed? Yes No Size of gravel: 3/8 in.
 Gravel placed from 80 ft. to 28 ft.

(11) LOCATION OF WELL:

County Umatilla Driller's well number _____
 1/4 Section 34B T. 6N R. 35E W.M.
 Bearing and distance from section or subdivision corner _____

(12) WELL LOG:

Diameter of well below casing 8"
 Depth drilled 180 ft. Depth of completed well 180 ft.
 Formation: Describe color, texture, grain size and structure of materials; and show thickness and nature of each stratum and aquifer penetrated, with at least one entry for each change of formation. Report each change in position of Static Water Level as drilling proceeds. Note drilling rates.

MATERIAL	From	To	SWL
Brown soil & gravel	0	5	
Brown sandy & loamy	5	15	
Brown loam	15	21	
Gray cemented gr.	21	36	
lit. of Boulder	36	48	w.
Brown H.P. & Cobble	48	49	
Loose gr. some water	49	60	w.
Gray cemented gr.	60	60 1/2	w.
small layer gr.	60 1/2	80	w.
Brown H.P. & Cobble	80	81	w.
fine gravel & sand	81	100	w.
Brown clay & gr.	100	120	w.
small layer of pebbles	120	142	w.
Brown H.P. & Cobble	142	164	w.
small layer gr.	164	174	w.
Light Brown clay gr.	174	180	w.
small layer clay & gr.	180		

Work started 8, 29 1968 Completed 9/12 1968
 Date well drilling machine moved off of well 9/12 1968

Drilling Machine Operator's Certification:

This well was constructed under my direct supervision. Materials used and information reported above are true to my best knowledge and belief.
 [Signed] Rudd W. Davis Date 9/12, 1968
 (Drilling Machine Operator)

Drilling Machine Operator's License No. 147

Water Well Contractor's Certification:

This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.
 NAME Rudd W. Davis (Type or print)
 Address Rt. 1 Box 162 M-F, Ore.
 [Signed] Rudd W. Davis (Water Well Contractor)
 Contractor's License No. 159 Date 9/13, 1968

SEE FILE NO 2 – LOT 100 FOR OWNERS LAND DEEDS

Application No. 915755

Lot 900

Application No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
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All being East of the Willamette Meridian, Umatilla
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SUBJECT to any and all water rights of way and roads.

Application No. 915755
Permit No.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

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All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

Application No. 915755
Permit No.

EXHIBIT "A"

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together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

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

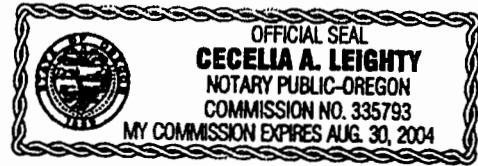
April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)

April 18, 2002.



Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

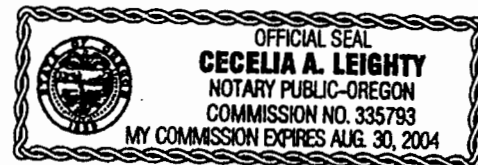
Cecelia A. Leighty
Notary Public for Oregon

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heidi Fawal
Secretary

Permit No.

STATE OF OREGON

COUNTY OF UMATILLA

CERTIFICATE OF WATER RIGHT

This is to Certify, That J. A. ADAIS

of Froewater, State of Oregon, has made proof to the satisfaction of the STATE WATER BOARD of Oregon, of a right to the use of the waters of Little Walla Walla River, through Pleasant View Ditch, a tributary of Columbia River for the purpose of irrigation, under Permit No. 4342 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon and duly confirmed by order of the STATE WATER BOARD of Oregon, made and entered of record in the Record of Proceedings of said Board, at Salem, in Volume 1, at page 410, on the 17th day of October, 1921; that the priority of the right hereby confirmed dates from December 15, 1919

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 0.13 cubic feet per second, or its equivalent in case of rotation. The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the lands under such right, and to which the water hereby confirmed is appurtenant, or, if for other purposes, the place where such water is put to beneficial use, is as follows: 10 acres in the Northeast quarter of Southeast quarter of Northwest quarter of Section Thirty-four, Township Six North, Range Thirty-five East of Willamette Meridian, in Umatilla County, Oregon,

The right to the use of the water for irrigation purposes is restricted to the lands or place of use herein described.

Rights to the use of water for power purposes are limited to a period of forty years from the date of priority of the right, as herein set forth, subject to a preference right of renewal under the laws existing at the date of the expiration of the right for power purposes, as hereby confirmed and limited.

WITNESS the seal and signature of the State

Water Board, affixed this 17th day
of October, 1921

STATE WATER BOARD

(Seal of State Water Board)

By PERCY A. CUPPER
State Engineer, President

Attest: R. W. PCTIER
Secretary

Lot 900

Application No. 915755
Permit No
LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

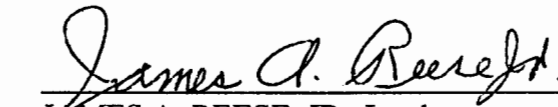
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

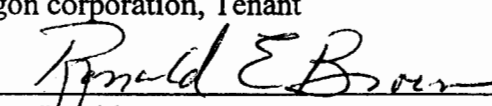


JAMES A. REESE, JR., Landowner

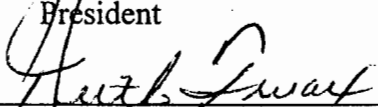


GERALDINE REESE, Landowner

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

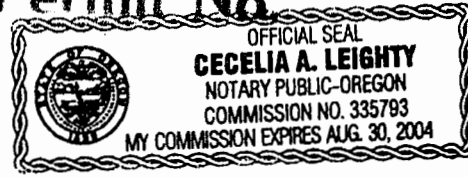
By: 

President

By: 

Secretary

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

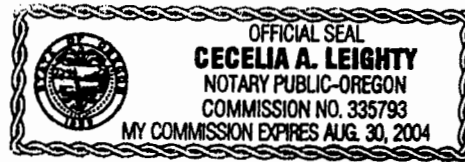


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

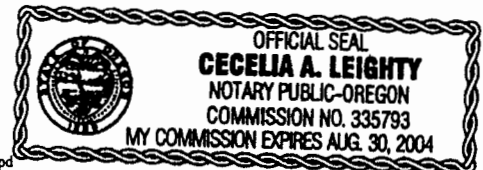
Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



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EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

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of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

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SEE FILE NO 2 – LOT 100 FOR OWNERS LAND DEEDS

Lot 800 Application No. 915755
Permit No.

LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises Tenant shall procure and thereafter during the term of this Lease, shall continue to carry the following insurance in a responsible company, at

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Tenant's costs 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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

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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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

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within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. **TENANT'S RIGHT TO SUPPLY GROUNDWATER.** Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. **CESSATION OF GROUNDWATER USE.** Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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

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Permit No.

Groundwater is used, or the wells, pumps, pipelines or any other equipment or assets by which the Groundwater is supplied to the Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

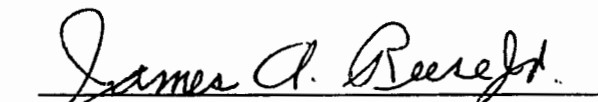
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

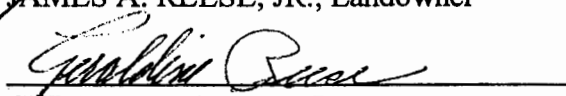
Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

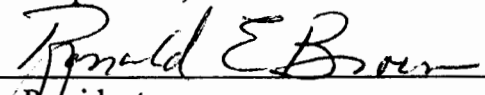


JAMES A. REESE, JR., Landowner

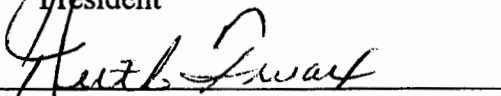


GERALDINE REESE, Landowner

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

By: 

President

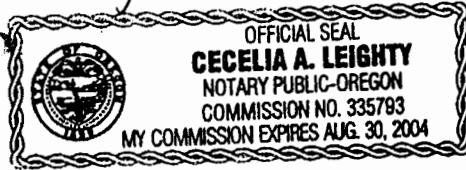
By: 

Secretary

Application No. 915755

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

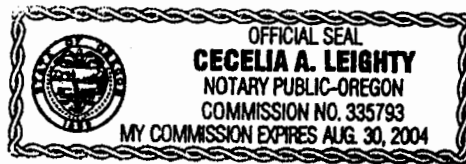


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

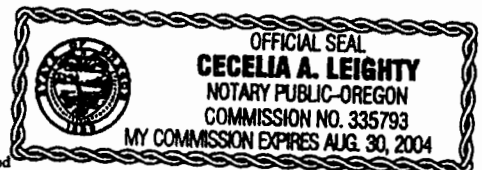
Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truaf, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



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EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

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of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Lot 800

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EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

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

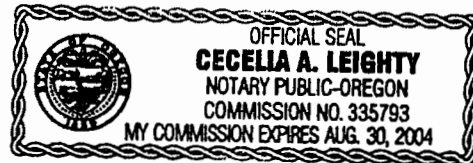
April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)

April 18, 2002.

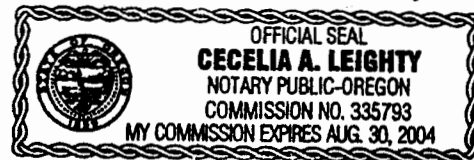


Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

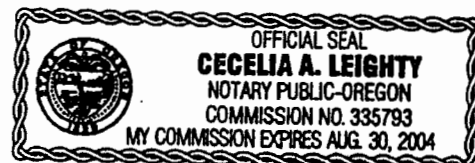
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 19, 2002.



Personally appeared Ron Brown and Keith Truap, 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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the end of the crop year in 2021.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heath Swail
Secretary

Application No. ⁹¹⁵⁷⁵⁵ STATE OF OREGON
 Permit No. COUNTY OF UMATILLA

800

CERTIFICATE OF WATER RIGHT

This is to Certify, That PLEASANTVIEW IRRIGATION CO., Inc.

of Milton, State of Oregon, has made proof to the satisfaction of the STATE WATER BOARD of Oregon, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation under Permit No. E.241 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon and duly confirmed by order of the STATE WATER BOARD of Oregon, made and entered of record in the Record of Proceedings of said Board, at Salem, in Volume 1, at page 429, on the 9th day of February, 1922; that the priority of the right hereby confirmed dates from June 24, 1915

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 0.96 cubic feet per second, or its equivalent in case of rotation. The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the lands under such right, and to which the water hereby confirmed is appurtenant, or, if for other purposes, the place where such water is put to beneficial use, is as follows: 10 acres in the Southeast quarter of Northeast quarter and 27 acres in the Southwest quarter of Northeast quarter of Section Thirty-three; 10 acres in the Northeast quarter of Northwest quarter of Section Thirty-four and 30 acres in the Southeast quarter of Southwest quarter of Section Thirty-five, Township Six North, Range Thirty-five East of Willazette Meridian, in Umatilla County, Oregon. Being a total of 77 acres of land,

The right to the use of the water for irrigation purposes is restricted to the lands or place of use herein described.

Rights to the use of water for power purposes are limited to a period of forty years from the date of priority of the right, as herein set forth, subject to a preference right of renewal under the laws existing at the date of the expiration of the right for power purposes, as hereby confirmed and limited.

WITNESS the seal and signature of the State

Water Board, affixed this 10th day

of February, 1922

STATE WATER BOARD

(Seal of State Water Board)

By PERCY A. CUPPER
 State Engineer, President

Attest: R. W. POTTER
 Secretary

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Permit No.

SEE FILE NO 2 – LOT 100 FOR OWNERS LAND DEEDS

Lot 200

Application No. 915755
LEASE Permit No.

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises Tenant shall procure and thereafter during the term of this Lease, shall continue to carry the following insurance in a responsible company, at

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Tenant's costs 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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

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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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner's election on the date, if any, specified as a condition of the original sale and stated in the notice of proposed sale.

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5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

Application No. 915055
Permit No.

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

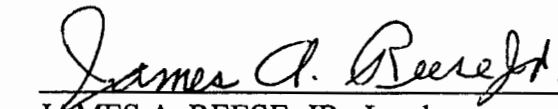
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

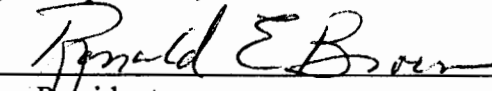


JAMES A. REESE, JR., Landowner

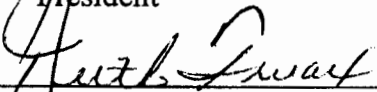


GERALDINE REESE, Landowner

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

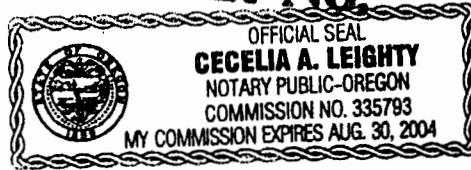
By: 

President

By: 

Secretary

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

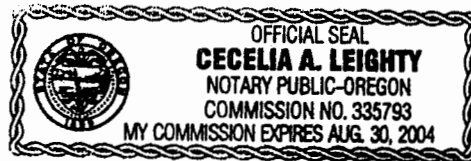


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

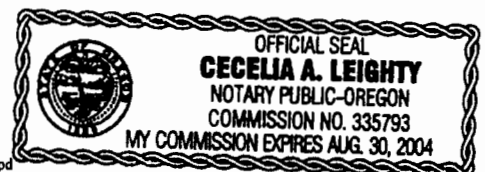
Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No.

EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

Application No. 915755
Permit No.

of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

Applicant No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Lot 200

Application No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
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All being East of the Willamette Meridian, Umatilla
County, Oregon;

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

Application No. 915755
Permit No.

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Excepting any and all water rights of way.

Application No. 915755
Permit No.

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Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

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Application No. 915755
Permit No.

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

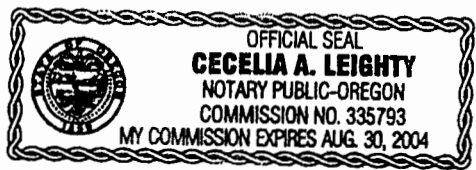
April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)

April 18, 2002.

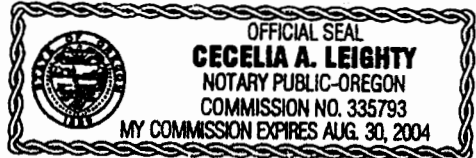


Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

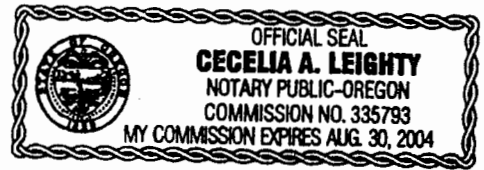
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 19, 2002.



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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



Application No. 915755
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MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.
- 2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heidi Javal
Secretary

Application No. 915 755
Permit No.

SEE FILE NO 2 – LOT 100 FOR OWNERS LAND DEEDS

Application No. 915

STATE OF OREGON

Permit No.

COUNTY OF

UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Milton-Freewater, State of Oregon 97862, has made proof to the satisfaction of the Water Resources Director, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation of 607.68 acres

under Permit No. 1216 and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 25, 1912

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 7.60 cubic feet per second

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE 1/4 SE 1/4, Section 35, T6N, R35E, WM; 5 feet North and 1,100 feet West from SE Corner, Section 35.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eighth of one cubic foot per second per acre,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

SEE NEXT PAGE

Permit No.

2.43 acres NE 1/4 NW 1/4
Section 3
Township 5 North, Range 35 East, WM

10.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
20.00 acres SW 1/4 SW 1/4
Section 27

→ Lot 800
A. e. e. h. e. l. e.

40.00 acres SE 1/4 SW 1/4
30.00 acres SW 1/4 SE 1/4
Section 28

35.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
38.00 acres NE 1/4 NW 1/4
20.00 acres NW 1/4 NE 1/4
40.00 acres NE 1/4 NE 1/4
6.00 acres SW 1/4 NE 1/4
22.50 acres NE 1/4 SW 1/4
13.00 acres NW 1/4 SE 1/4
Section 33

→ Lot 200 + 700
→ Lot 2300
+
2800

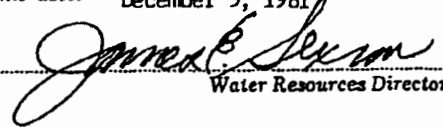
14.20 acres NE 1/4 NW 1/4
10.00 acres SE 1/4 NW 1/4
20.00 acres S 1/2 NW 1/4 SE 1/4
10.00 acres NE 1/4 NW 1/4 SE 1/4
10.00 acres SW 1/4 SE 1/4
25.25 acres NE 1/4 SW 1/4
38.00 acres NW 1/4 SW 1/4
12.50 acres SW 1/4 SW 1/4
30.80 acres SE 1/4 SW 1/4
Section 34

Township 6 North, Range 35 East, WM

This certificate describes that portion of the water right confirmed by the prior certificate recorded at page 48989, Volume 42, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on March 18, 1980 and is issued to correctly describe the location of the point of diversion.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described, and is subject to the existing minimum flow policies established by the Water Policy Review Board.
WITNESS the signature of the Water Resources Director, affixed

this date. December 3, 1981

Water Resources Director

Recorded in State Record of Water Right Certificates, Volume 44, page 50401

Lot 100

Application No. 915755
Permit No.

LEASE

THIS AGREEMENT, entered into this 1st day of Jan, 2002, by and between JAMES A. REESE, JR. and GERALDINE REESE herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation herein called TENANT;

WITNESSETH:

Landlord leases to Tenant and Tenant leases from Landlord all land available for orchard purposes, which consists of approximately 38.35 acres of apples situated on the property described on the attached Exhibit "A" ("Premises") under the terms of this agreement ("Lease").

TO HAVE AND TO HOLD the said Premises unto the Tenant for a period of twenty (20) years, beginning January 1, 2002, and ending at the end of the crop year in 2021.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under an oral agreement.
2. To furnish the land, pumps 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 Premises 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 Premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such Premises.
4. To maintain the sprinkling system.
5. To furnish and pay for the electricity for pumping
6. To maintain and repair the pumps provided, however, if it becomes necessary to replace pumps provided by Landlord, it shall be the responsibility of the Landowner.
7. To give peaceful possession of the Premises at the termination of this Lease.
8. Before going into possession of the premises 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 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 premises, 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, naming Landowner as additional insured 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 Premises.

SECTION III: INSPECTION:

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

SECTION IV: RENT:

As rent, Tenant shall pay to Landowner \$300.00 per acre of apples on the Premises. Rent shall be paid before June 1st of each year during the term of this Lease.

SECTION V: DEFAULT:

The following shall be events of default:

1. DEFAULT IN RENT:

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

2. DEFAULT IN COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease 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 thirty-day (30) period, this provision shall be complied with if Tenant begins correction of the default within the thirty-day (30) period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

3. REMEDIES ON DEFAULT:

(a) 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

Permit No. 915755

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 written notice that the payment is due, Tenant shall be deemed in default and Landlord shall not be obligated to give further 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.

(b) 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 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 leave the premises upon termination and to leave the Premises in the required condition, any remodeling 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 related to or arising out of this Lease, it shall be settled by arbitration. The party requesting arbitration shall submit in writing the request for arbitration and the names of potential arbitrators acceptable to said party. The other party shall have 15 days to select one of the proposed arbitrators. Said person shall serve as arbitrator. If the party does not agree to any of the arbitrators proposed, said party shall notify the other party in writing

within said time period and both parties shall select an arbitrator within 10 days and notify the other party in writing. The two arbitrators shall choose a third arbitrator within 20 days.

2. PROCEDURE FOR ARBITRATION:

The arbitration shall proceed according to the Oregon Statutes including ORS Chapter 36, or any such successor statute, and court rules governing arbitration and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Umatilla County, Oregon. Unless otherwise ordered by the arbitrator, costs of the arbitration shall be shared equally by the parties, each party shall pay its own attorneys fees incurred in connection with the arbitration, and if more than one arbitrator is used, each party will pay the arbitrator that the party selected.

SECTION VII: WATER:

1. TENANT'S RIGHT TO SUPPLY GROUNDWATER. Tenant may in its sole discretion supply water to the Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may, in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

SECTION VIII: RIGHT OF FIRST REFUSAL:

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

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

2. Within thirty 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 Premises on terms equally or more favorable to Landowner by so advising Landowner in writing. The price must equal the net return to Landowner 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 Tenant in the notice of election, not less than ten (10) nor more than thirty (30) days after the notice, or at Landowner'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 may, at any time within forty-five 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.

5. Landlord further gives to Tenant the first right to lease the Cherry Orchard if Landlord chooses to lease it during the term of this Lease.

SECTION IX: MISCELLANEOUS PROVISIONS

This agreement will be binding on the parties, their successors and assigns. This Lease contains the entire agreement between the parties concerning the Premises and supercedes any previous agreements communications, or representations, whether written or oral and may not be modified except by written agreement signed by the parties. In case a suit or action is instituted to

Application No. 915755
Permit No.

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

SECTION X: SPECIAL TERMS:

Landlord gives to Tenant the first right to Lease the Cherry Orchard during the term of this Lease.

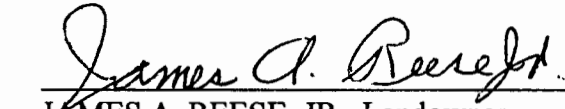
SECTION XI: NOTICES

Any notices required or permitted under this Lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

Landlord: Mr. and Mrs James Reese
53862 Hwy 332
Milton-Freewater, OR 97862

Tenant: Earl E. Brown & Sons, Inc.
P.O. Box 249
Milton-Freewater, OR 97862

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

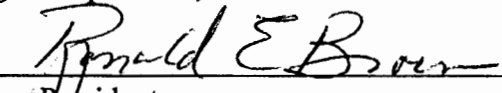


JAMES A. REESE, JR., Landowner




GERALDINE REESE, Landowner

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

By: 

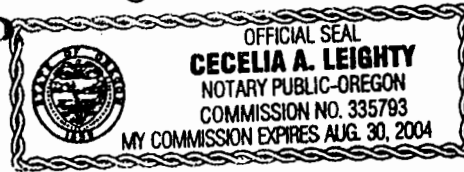
President

By: 

Secretary

Application No. 915755
Permit No.

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

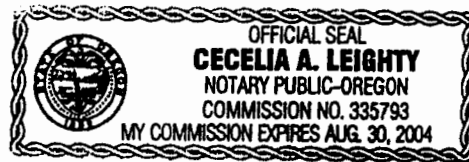


April 18, 2002.

Personally appeared the above named JAMES A. REESE, 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.)



April 18, 2002.

Personally appeared the above named GERALDINE REESE, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

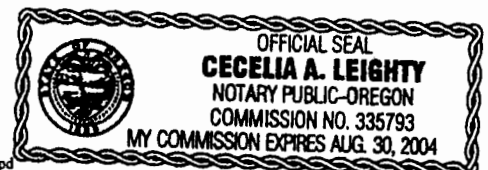
Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 19, 2002.

Personally appeared Ron Brown and Keith Truap, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915755
Permit No
EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line

Application No. 915755
Permit No.

of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

Application No. 915755
Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Lot 100

Application No. 915755

Permit No.

EXHIBIT "B"

Cherry Orchard

Tract IV:

The South Half of the West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road.

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.

Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also

North Half of North Half of Southeast Quarter of
Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on
which is located on well and pumping plat as described
in Quit Claim Deed from L.S. Roseberry, a single man,
to F.W. Cockburn, dated February 26, 1912, recorded
March 19, 1912, in Book 78, Page 124, Deed Records;

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

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

Application No. 915755
Permit No.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

Tract V:

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35),

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

EXHIBIT "A"

Apple Orchard

Tract I:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

A strip of land extending along the entire N side of the N1/2 of the SE1/4 of the NE 1/4 of said Section 34, in Township 6 North, Range 35, E.W.M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

Tract II:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

Tract III:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

Tract IV:

The North Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South centerline of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Application No. 915755
Permit No.

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

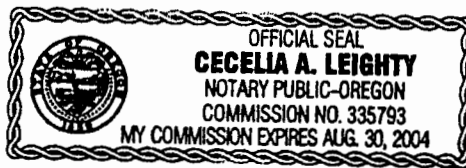
April 18, 2002.

Personally appeared before me the above-named JAMES A. REESE, 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.)

April 18, 2002.



Personally appeared before me the above-named GERALDINE REESE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

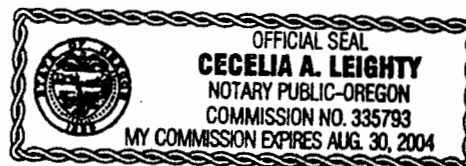
STATE OF OREGON,)
)ss.
County of Umatilla.)

April 19, 2002.



Personally appeared Ron Brown and Keith Truap, 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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



Application No. 915755
Permit No.

MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 1st day of January, 2002,
LANDOWNER, JAMES A. REESE, JR., and GERALDINE REESE, 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" and Exhibit "B" 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, 2002 and ending at the
end of the crop year in 2021.

2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property described on Exhibit A and to lease or purchase the property described on Exhibit B 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 19th day of April, 2002.

James A. Reese Jr.
JAMES A. REESE, JR., Landowner

Geraldine Reese
GERALDINE REESE, Landowner

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

By: Ronald E Brown
President

By: Heath Javal
Secretary

BARGAIN AND SALE DEED

308341

JESSIE REESE, surviving Widow of ALPHA REESE, Deceased, conveys to JAMES ALPHA REESE and GERALDINE FAY REESE, Husband and Wife, all that real property situated in Umatilla County, State of Oregon, described as:

The irrigation well, with sufficient ground surrounding same together with the right of ingress and egress, now located upon the following described premises in Umatilla County, Oregon, to-wit:

the A strip of land extending along the entire N side of the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of said Section 34, in Township 6 North, Range 35, E. W. M.

together with the right of ingress and egress for the full use and enjoyment of the well located on said premises above described being of sufficient width for road purposes, not exceeding four rods in width.

The true and actual consideration for this transfer is \$*none*.

The foregoing recital of consideration is true as I verily believe.

DATED this *11* day of December, 1968.

Jessie Reese

BOOK 297 PAGE 581

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

December *11*, 1968.

Personally appeared the above-named JESSIE REESE, surviving Widow of ALPHA REESE, Deceased, and acknowledged the foregoing instrument to be her ~~voluntary~~ voluntary act. Before me:



W. D. Schubert
Notary Public for Oregon

My Commission Expires: *1-27-71*

R 191 PAGE 730

Records Return to:
BAKER BOYER BANK
ESCROW DEPT.
P.O. Box 1796
Walla Walla, WA 99362
J. Quinn #103359

WARRANTY DEED

153606

KYLE HUBBS and AILEEN HUBBS, Husband and Wife, hereinafter called grantors, convey to JAMES A. REESE and GERALDINE F. REESE, Husband and Wife, and JAMES RANDALL REESE, A single man, all that real property situated in Umatilla County, State of Oregon described as:

1/4 Section

TOWNSHIP 6 NORTH, RANGE 35, E.W.M.
Section 34: Northeast Quarter of Southeast Quarter of Northwest Quarter, also,

2 1/4 Section

North Half of North Half of Southeast Quarter of Southeast Quarter of Northwest Quarter;

Excepting outstanding interest in tract of land on which is located a well and pumping plat as described in Quit Claim deed from L. S. Roseberry, a single man, to F. W. Cockburn, dated February 26, 1912, recorded March 19, 1912 in Book 78, Page 124, Deed Records;

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

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

and covenants that grantor is the owner of the above described property free and clear of all encumbrances and will warrant and defend the same against all persons who may lawfully claim the same.

The true and actual consideration for this transfer is \$55,000.00

The foregoing recital of consideration is true as I believe.

DATED: October 21, 1976

Kyle Hubbs
Aileen Hubbs

STATE OF OREGON)
) ss.
County of Umatilla)

Personally appeared the above named KYLE HUBBS and AILEEN HUBBS, Husband and Wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:

Christine M. [Signature]
Notary Public for Oregon
My Commission Expires

Application No. 915755
Permit No.

WARRANTY DEED

265858

JESSIE REESE, a Widow, hereinafter called Grantor, conveys to ALPHA JAMES REESE and GERALDINE REESE, Husband and Wife, all that real property situated in Umatilla County, State of Oregon, described as:

Callahan

The Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section Thirty-Four (34), Township Six (6) North, Range Thirty-Five (35);

All being East of the Willamette Meridian, in the County of Umatilla and State of Oregon;

Excepting any and all water rights of way.

and covenants that Grantor is the owner of the above described property free of all encumbrances, and will warrant and defend the same against all persons who may lawfully claim the same.

DATED this 31st day of January, 1964.

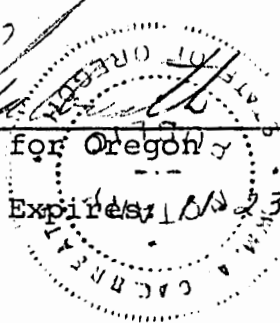
Jessie Reese _____

BOOK 27A PAGE 660

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

January 31st, 1964.

Personally appeared the above-named JESSIE REESE, a Widow, and acknowledged the foregoing instrument to be her voluntary act. Before me:

Walter H. Smith
Notary Public for Oregon
My Commission Expires 1/15/68


Filed for record FEB. 13. 1964 at 1:00 P. M.
JACK FOLSOM Recorder of Conveyances

Application No. 915755
Permit No.

WARRANTY DEED

308236

JESSIE REESE, a Widow, hereinafter called Grantor, conveys to JAMES ALPHA REESE and GERALDINE FAY REESE, Husband and Wife, all that real property situated in Umatilla County, State of Oregon, described as:

TRACT I:

The Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting the East ten (10) feet thereof for road purposes.

TRACT II:

The Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Subject to an easement ten (10) feet wide along the West side thereof for road purposes and a right-of-way on the East side for ditch purposes.

TRACT III:

The West Half of the West Half of the Northwest Quarter of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M.

Excepting therefrom any portion lying within the public road right-of-way.

Also excepting therefrom the following described portion of real property, to-wit:

Commencing at the Northwest corner of the Northeast Quarter of Section 34, Township 6 North, Range 35, E.W.M., thence South along the North-South center line of Section 34, to a point on the South highway right-of-way line; thence East along said highway right-of-way line a distance of 190 feet to the point of beginning of this description; thence South and parallel with the West line of said Northeast Quarter 140 feet; thence East and parallel with the North line of the Northeast Quarter 140 feet; thence North and parallel with the West line of the Northeast Quarter 140 feet to a point on the South highway right-of-way line; thence West along said South highway right-of-way line a distance of 140 feet to the point of beginning of this description, all being E.W.M. in the County of Umatilla, State of Oregon.

Granting unto Grantees herein an easement for roadway purposes across the East eight (8) feet of said tract.

and covenants that it is free from encumbrances created or suffered by Grantor, and that Grantor will warrant and defend the same against all persons who may lawfully claim by, through or under Grantor.

BOOK 297 PAGE 540

LEASE

Application No. 915755
Permit No.

THIS AGREEMENT, entered into this 5th day of January, 1999, by and between ROY L. AICHELE and PATRICIA AICHELE, herein called LANDOWNER, and EARL E. BROWN & SONS, INC., an Oregon corporation, herein called TENANT;

W I T N E S S E T H:

All land available for orchard purposes, which consists of approximately thirty-two (32) acres situated on the property described on the attached Exhibit "A", which is by reference made a part hereof.

TO HAVE AND TO HOLD the said premises unto the Tenant for a period of twenty (20) years, which began January 1, 1999, and ends at the end of the crop year in 2018.

SECTION I: LANDOWNER AGREES:

1. Tenant is now in possession under a prior lease agreement.
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 premises 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 premises.
3. To perform all labor upon and pay all costs in connection with the production and harvesting of the fruit on such premises.
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 farm at the termination of this lease.
8. Before going into possession of the premises 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:

- (a) 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 premises, 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 premises.

SECTION IV: RENT:

As rent, Tenant shall deliver to Tenant's warehouse in Milton-Freewater, Oregon, twenty (20%) percent of all crops grown on the premises.

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 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 premises 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 premises. 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 leased 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:

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 premises during the original term or any renewal term and receives from a prospective purchaser a bonafide offer to buy, Landlord shall first offer the premises 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.

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

Roy L. Aichele
ROY L. AICHELE, Landowner

Patricia Aichele
PATRICIA AICHELE, Landowner

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

BY Donald E. Brown
President

BY Kurt Swarf
Secretary

Application No. 15755
Permit No.

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

April 18, ²⁰⁰²~~1999~~.

Personally appeared the above named ROY L. AICHELE 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.)

April 18, ²⁰⁰²~~1999~~.

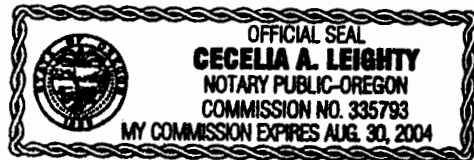


Personally appeared the above named PATRICIA AICHELE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

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

April 18, ²⁰⁰²~~1999~~.



Personally appeared Ron Brown and Keith Truay, 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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

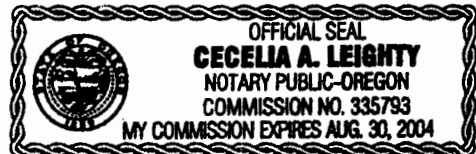


EXHIBIT "A"

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods, thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

STATE OF OREGON

COUNTY OF

UMATILLA

CERTIFICATE OF WATER RIGHT

This Is to Certify, That PLEASANT VIEW IRRIGATION COMPANY

of Milton-Freewater, State of Oregon 97862, has made proof to the satisfaction of the Water Resources Director, of a right to the use of the waters of Little Walla Walla River

a tributary of Walla Walla River for the purpose of irrigation of 607.68 acres

under Permit No. 1216 and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 25, 1912

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 7.60 cubic feet per second

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE 1/4 SE 1/4, Section 35, T6N, R3E, WM; 5 feet North and 1,100 feet West from SE Corner, Section 35.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eighth of one cubic foot per second per acre,

and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

SEE NEXT PAGE

2.43 acres NE 1/4 NW 1/4
Section 3
Township 5 North, Range 35 East, WM

10.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
20.00 acres SW 1/4 SW 1/4
Section 27

→ Lot 800 Sect 27

40.00 acres SE 1/4 SW 1/4
30.00 acres SW 1/4 SE 1/4
Section 28

35.00 acres NW 1/4 NW 1/4
40.00 acres SW 1/4 NW 1/4
40.00 acres NW 1/4 SW 1/4
38.00 acres NE 1/4 NW 1/4
20.00 acres NW 1/4 NE 1/4
40.00 acres NE 1/4 NE 1/4
6.00 acres SW 1/4 NE 1/4
22.50 acres NE 1/4 SW 1/4
13.00 acres NW 1/4 SE 1/4
Section 33

14.20 acres NE 1/4 NW 1/4
10.00 acres SE 1/4 NW 1/4
20.00 acres S 1/2 NW 1/4 SE 1/4
10.00 acres NE 1/4 NW 1/4 SE 1/4
10.00 acres SW 1/4 SE 1/4
25.25 acres NE 1/4 SW 1/4
38.00 acres NW 1/4 SW 1/4
12.50 acres SW 1/4 SW 1/4
30.80 acres SE 1/4 SW 1/4
Section 34

Township 6 North, Range 35 East, WM

This certificate describes that portion of the water right confirmed by the prior certificate recorded at page 48989, Volume 42, State Record of Water Right Certificates, NOT canceled by the provisions of an order of the Water Resources Director entered on March 18, 1980 and is issued to correctly describe the location of the point of diversion.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described, and is subject to the existing minimum flow policies established by the Water Policy Review Board.

WITNESS the signature of the Water Resources Director, affixed

this date. December 3, 1981

James E. Saxon
Water Resources Director

Recorded in State Record of Water Right Certificates, Volume 44, page 50401

Permit No. 915755

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,

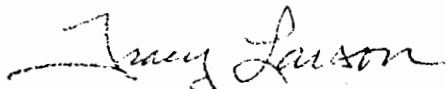
Earl Brown and Sons, Inc. has made application with your department for ground water appropriation for two basalt wells. The application proposes diverting water from the basalt wells into their west bulge by pipeline. The applicants are also proposing to monitor and divert water from the west bulge 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

WARRANTY DEED

ERNEST A. SCHEUCH and MARY E. SCHEUCH, husband and wife, hereinafter called grantor, convey to ROBERT W. McNAMARA, a single man; ROY L. AICHELE and PATRICIA AICHELE, husband and wife, all that real property situated in Umatilla County, State of Oregon, described as:

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, in Township 6 North, Range 35; and running thence North 65 rods; thence West 80 rods, more or less, to the West line of said Section 27; thence south 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

and covenant that grantor is the owner of the above described Property free of all encumbrances and will warrant and defend the same against all persons who may lawfully claim the same.

The true and actual consideration for this transfer is \$46,000.

Dated this 13th day of July, 1968.

Ernest A. Scheuch
Mary E. Scheuch

STATE OF OREGON

County of Umatilla

July 13, 1968.

Personally appeared the above named ERNEST A. SCHEUCH and MARY E. SCHEUCH, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:



John A. Brown
Notary Public for Oregon
My Commission Expires: 3-27-77

BARGAIN AND SALE DEED

ROBERT W. McNAMARA, conveys to ROY L. AICHELE and PATRICIA AICHELE, husband and wife, all that real property situated in Umatilla County, State of Oregon described as:

An undivided one-half interest in the following:

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods; thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also, excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, page 208 of the Deed Records of Umatilla County, Oregon.

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

Consideration for this transfer is none.

DATED this 15th day of December, 1971.

Robert W. McNamara

STATE OF OREGON
County of Umatilla
December 15, 1971.

Personally appeared the above named ROBERT W. McNAMARA and acknowledged the foregoing instrument to be his voluntary act. Before me:

Eula L. Howard
Notary Public for Oregon

My Commission Expires: 5-9-73



BARGAIN AND SALE DEED
McNamara - Aichele

Application No. 915755
Permit No.

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

AMENDED MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 18th day of April, 2002
LANDOWNER, ROY L. AICHELE and PATRICIA AICHELE 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 amended 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:

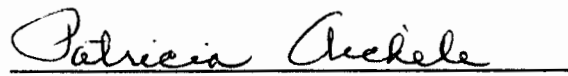
1. TERM: For a period of twenty (20) years, beginning January 1, 1999, and ending at the
end of the crop year in 2018.
2. RIGHT OF FIRST REFUSAL: Tenant is granted a right of first refusal to purchase the
property during the term of the Lease and any renewal thereof.
3. WATER RIGHTS: This lease has provisions 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 18th day of April, 2002.

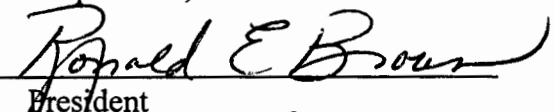


ROY L. AICHELE, Landowner



PATRICIA AICHELE, Landowner

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

By: 
President

By: 
Secretary

Application No. 915755
Permit No.

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

April 18, 2002.

Personally appeared before me the above-named ROY L. AICHELE 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.)

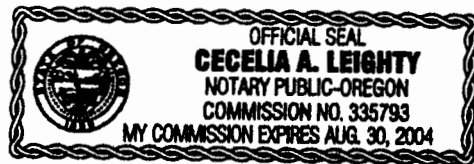


April 18, 2002.

Personally appeared before me the above-named PATRICIA AICHELE and acknowledged the foregoing instrument to be her voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

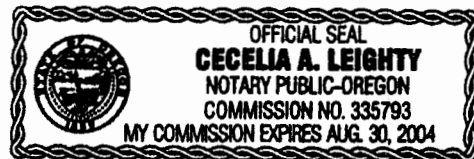
STATE OF OREGON,)
)ss.
County of Umatilla.)



April 18, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon



Application No. 915755
EXHIBIT "A" Permit No.

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods, thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

AMENDMENT TO LEASE

THIS AGREEMENT entered into this 18th day of April, 2022 by and between ROY L. AICHELE and PATRICIA AICHELE, hereinafter called Landowner and EARL E BROWN & SONS, INC., an Oregon Corporation, hereinafter called Tenant;

WITNESSETH:

Landowner and Tenant have entered into a lease agreement dated _____, and concerning the real property described on Exhibit "A". The parties are now agreeing to amend said lease agreement to add as Section IX the following:

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 Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

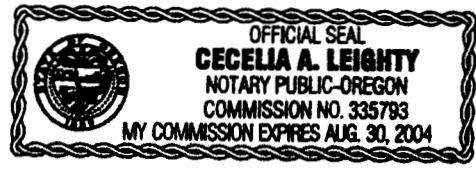
Application No. 315755
Permit No.

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

April 18, 2002

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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON



Application No. 915955
EXHIBIT "A" Permit No.

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods, thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

Application No. 915755
Permit No.

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

Application No.
Permit No.

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

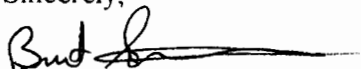
RE: Potential distribution of supplemental basalt water

To whom it may concern,

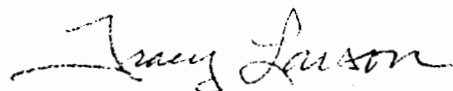
Earl Brown and Sons, Inc. has made application with your department for ground water appropriation for two basalt wells. The application proposes diverting water from the basalt wells into their west bulge by pipeline. The applicants are also proposing to monitor and divert water from the west bulge 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

Application No. 915755
Permit No.

AMENDMENT TO LEASE

THIS AGREEMENT entered into this 18th day of April, 2023, by and between ROY L. AICHELE and PATRICIA AICHELE, hereinafter called Landowner and EARL E BROWN & SONS, INC., an Oregon Corporation, hereinafter called Tenant;

WITNESSETH:

Landowner and Tenant have entered into a lease agreement dated _____, and concerning the real property described on Exhibit "A". The parties are now agreeing to amend said lease agreement to add as Section IX the following:

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 Premises from a well or wells that Tenant owns or controls (the "Groundwater"). Tenant has no obligation to provide Groundwater to the Premises. If Tenant chooses to supply Groundwater to the Premises, 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 Premises,

2. CESSATION OF GROUNDWATER USE. Tenant may in its sole discretion, and after one year's prior written notice, cease supplying Groundwater to the Premises. 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 Premises all or any part of the water rights pursuant to which the Groundwater is taken from Tenant's well and used on the Premises. 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 Premises.

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

Instrument No. 915755
Instrument No.

April 18, 2002

Personally appeared Ron Brown and Keith Inup,
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.

Cecelia A. Leighty
NOTARY PUBLIC FOR OREGON

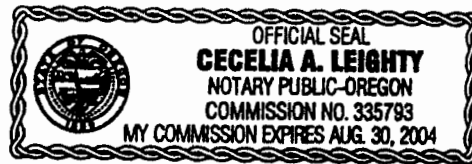


EXHIBIT "A"

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods, thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

AMENDED MEMORANDUM OF FARM LEASE

By an instrument in writing dated the 18th day of April, 2002
LANDOWNER, ROY L. AICHELE and PATRICIA AICHELE 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 amended 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, 1999, and ending at the
end of the crop year in 2018.
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 18th day of April, 2002.

Roy L. Aichele
ROY L. AICHELE, Landowner

Patricia Aichele
PATRICIA AICHELE, Landowner

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

By: Ronald E Brown
President

By: Heidi Truax
Secretary

Appointed Notary Public 9/15/755
Portland, Oregon

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

April 18, 2002.

Personally appeared before me the above-named ROY L. AICHELE 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.)



April 18, 2002.

Personally appeared before me the above-named PATRICIA AICHELE 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.)



April 18, 2002.

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 the foregoing instrument to be their voluntary act and deed. Before me.

Cecelia A. Leighty
Notary Public for Oregon

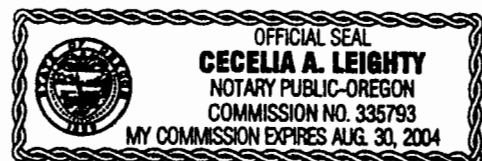


EXHIBIT "A"

915755
No.

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods, thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

WARRANTY DEED

ERNEST A. SCHEUCH and MARY E. SCHEUCH, husband and wife, hereinafter called grantor, convey to ROBERT W. McNAMARA, a single man; ROY L. AICHELE and PATRICIA AICHELE, husband and wife, all that real property situated in Umatilla County, State of Oregon, described as:

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, in Township 6 North, Range 35; and running thence North 65 rods; thence West 80 rods, more or less, to the West line of said Section 27; thence south 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, Page 208 of the Deed Records of Umatilla County, Oregon.

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

and covenant that grantor is the owner of the above described Property free of all encumbrances and will warrant and defend the same against all persons who may lawfully claim the same.

The true and actual consideration for this transfer is \$46,000.

Dated this 13th day of July, 1968.

Ernest A. Scheuch
Mary E. Scheuch

STATE OF OREGON

County of Umatilla

July 13, 1968.

Personally appeared the above named ERNEST A. SCHEUCH and

MARY E. SCHEUCH, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:



John A. Brown
Notary Public for Oregon
My Commission Expires: 3-27-71

BARGAIN AND SALE DEED

ROBERT W. McNAMARA, conveys to ROY L. AICHELE and PATRICIA AICHELE, husband and wife, all that real property situated in Umatilla County, State of Oregon described as:

An undivided one-half interest in the following:

Commencing at the Southeast corner of the Northwest Quarter of the Southwest Quarter of Section 27, Township 6 North, Range 35; and running thence North 65 rods; thence West 80 rods, more or less, to the West line of said Section 27; thence South 65 rods; thence East along the line running East and West through the center of the Southwest Quarter of said Section 27, a distance of 80 rods, more or less, to the place of beginning.

Excepting, however, a right of way for an irrigation ditch 5 feet wide along the East and South line of said land.

Also, excepting that portion conveyed to the County of Umatilla, State of Oregon, for road purposes by Deed recorded in Book 120, page 208 of the Deed Records of Umatilla County, Oregon.

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

Consideration for this transfer is none.

DATED this 15th day of December, 1971.

Robert W. McNamara

STATE OF OREGON

County of Umatilla

December 15, 1971.

Personally appeared the above named ROBERT W. McNAMARA and acknowledged the foregoing instrument to be his voluntary act. Before me:

Earl L. Howard
Notary Public for Oregon

My Commission Expires: 5-9-73



BARGAIN AND SALE DEED
McNamara - Aichele