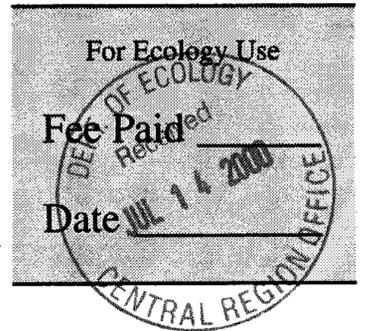




State of Washington Application for a Water Right

10.00
CK # 3491
\$1025
7/14/00
557



Please follow the attached instructions to avoid unnecessary delays.

Section 1. APPLICANT - PERSON, ORGANIZATION, OR WATER SYSTEM

Name R. BRENT HARTLEY Home Tel: (509) 786 - 1701
 Mailing Address 21301 E. REESE RD. Work Tel: (509) 786 - 1013
 City PROSSER, State WA Zip+4 99350 + _____ FAX: (509) 786 - 1020

Section 2. CONTACT - PERSON TO CALL ABOUT THE APPLICATION

Same as above

Name DAVID R. WALKER Home Tel: (509) 786 - 3687
 Mailing Address 30103 W. GWINN RD Work Tel: (509) 786 - 1013
 City PROSSER State WA Zip+4 99350 + _____ FAX: (509) 786 - 1020
 Relationship to applicant EMPLOYEE

Section 3. STATEMENT OF INTENT

The applicant requests a permit to use not more than 2205 (gallons per minute or cubic feet per second) from a surface water source or ground water source (check only one) for the purpose(s) of IRRIGATION. ATTACH A "LEGAL"

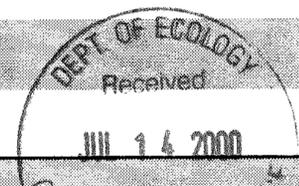
DESCRIPTION OF THE PLACE OF USE. (See instructions.) NOTE: A tax parcel number or a plat number is not sufficient. (SEE EXHIBIT B)

Estimate a maximum annual quantity to be used in acre-foot per year: 945

Check if the water use is proposed for a short-term project. Indicate the period of time that the water will be needed:

From 3/1/00 to 11/30/00 ANNUALLY

Section 4. WATER SOURCE



If SURFACE WATER	If GROUNDWATER
Name the water source and indicate if stream, spring, lake, etc. If unnamed, write "unnamed spring," "unnamed stream," etc.: <u>COLUMBIA RIVER</u>	A permit is desired for _____ well(s).
Number of diversions: <u>1</u>	
Source flows into (name of body of water): <u>PACIFIC OCEAN</u>	Size & depth of well(s):

LOCATION

Enter the north-south and east-west distances in feet from the point of diversion or withdrawal to the nearest section corner:

1100' EAST + 200' SOUTH OF NW CORNER OF SECTION 18

1/4 of	1/4 of	Section	Township	Range (E/W)	County	If location of source is platted, complete below:		
						Lot	Block	Subdivision
<u>NW 1/4</u>	<u>NW 1/4</u>	<u>18</u>	<u>SN</u>	<u>26E</u>	<u>BENTON</u>			

For Ecology Use Date Received: _____ Priority Date: _____
 SEPA: Exempt/Not Exempt _____ FERC License # _____ Dept. Of Health # _____
 Date Accepted As Complete _____ By _____ Date Returned _____ By _____ WRIA: 31

Section 5. GENERAL WATER SYSTEM INFORMATION

A. Name of system, if named: SUN HEAVEN FARMS

B. Briefly describe your proposed water system. (See instructions.)

SEE ATTACHED EXHIBIT A

C. Do you already have any water rights or claims associated with this property or system? YES NO
PROVIDE DOCUMENTATION.

54-24123 C(E), 54-27340 C, 54-25639 (J) C

Section 6. DOMESTIC/PUBLIC WATER SUPPLY SYSTEM INFORMATION

(Completed for all domestic/public supply uses.)

A. Number of "connections" requested: _____ Type of connection _____
(Homes, Apartment, Recreational, etc.)

B. Are you within the area of an approved water system? YES NO
If yes, explain why you are unable to connect to the system. Note: Regional water systems are identified by your County Health Department.

Complete C. and D. only if the proposed water system will have fifteen or more connections.

C. Do you have a current water system plan approved by the Washington State Department of Health? YES NO
If yes, when was it approved? _____ Please attach the current approved version of your plan.

D. Do you have an approved conservation plan? YES NO
If yes, when was it approved? _____ Please attach the current approved version of your plan.

Section 7. IRRIGATION/AGRICULTURAL/FARM INFORMATION

(Completed for all irrigation and agriculture uses.)

A. Total number of acres to be irrigated: 315

B. List total number of acres for other specified agricultural uses:

Use _____ Acres _____

Use _____ Acres _____

Use _____ Acres _____

C. Total number of acres to be covered by this application: 315

D. Family Farm Act (Initiative Measure Number 59, November 3, 1977)

Add up the acreage in which you have a controlling interest, including only:

‡ Acreage irrigated under water rights acquired after December 8, 1977;

‡ Acreage proposed to be irrigated under this application;

‡ Acreage proposed to be irrigated under other pending application(s).

1. Is the combined acreage greater than 2000 acres? YES NO

2. Do you have a controlling interest in a Family Farm Development Permit? YES NO

If yes, enter permit no.: _____

E. Farm uses:

Stockwater - Total # of animals _____ Animal Type _____ (If dairy cattle, see below)

Dairy - # Milking _____ # Non-milking _____

Section 8. WATER STORAGE

Will you be using a dam, dike, or other structure to retain or store water?

YES NO

NOTE: If you will be storing 10 acre-feet or more of water and/or if the water depth will be 10 feet or more at the deepest point, and some portion of the storage will be above grade, you must also apply for a reservoir permit. You can get a reservoir permit application from the Department of Ecology.

Section 9. DRIVING DIRECTIONS

Provide detailed driving instructions to the project site.

15 MILES SOUTH ON HWY 221 FROM PROSSER. TURN ~~RIGHT~~ ^{LEFT} ON SELLARDS ROAD. TRAVEL 6 MILES TO TRAVIS ROAD. TURN RIGHT AND GO 1 1/2 MILES TO REESE ROAD. TURN RIGHT - 1ST TWO CIRCLES ON RIGHT.

Section 10. REQUIRED MAP

A. Attach a map of the project. (See instructions.)

Section 11. PROPERTY OWNERSHIP

A. Does the applicant own the land on which the water will be used? YES NO
If no, explain the applicant's interest in the place of use and provide the name(s) and address(es) of the owner(s):

APPLICANT IS LESSEE
PEARSON FARMS
52906 S. TRAVIS RD.
PROSSER, WA 99350

B. Does the applicant own the land on which the water source is located? YES NO
If no, submit a copy of agreement:

I certify that the information above is true and accurate to the best of my knowledge. I understand that in order to process my application, I grant staff from the Department of Ecology access to the site for inspection and monitoring purposes. Even though I may have been assisted in the preparation of the above application by the employees of the Department of Ecology, all responsibility for the accuracy of the information rests with me.

Brent Hartley
Applicant (or authorized representative)

July 12, 2000
Date

William S Pearson
Landowner for place of use (if same as applicant, write "same")

7/12/00
Date

Application for Permit
R. Brent Hartley and Pearson Farms

Item 6: Description of System Proposed or Installed

There have been no changes to the existing irrigation system because of the addition of these proposed acres. The facilities for water delivery are the same that were described in Surface Water Certificates No. S4-24123C(A), S4-24123C(B), S4-24123C(C), S4-24123C(D), S4-24123C(E) and S4-24123C(F). These facilities were completed during the Spring of 1977 and consist of six 2000 HP pumps at the river station located one mile southwest of Paterson, Washington. Water is pumped through a 54 inch mainline to a system of booster pumps that deliver the water to the proposed place of use. In 1999 we added a seventh 2000 HP pump at the river station as a back-up in the event we loose one of the original six pumps.

EXHIBIT A

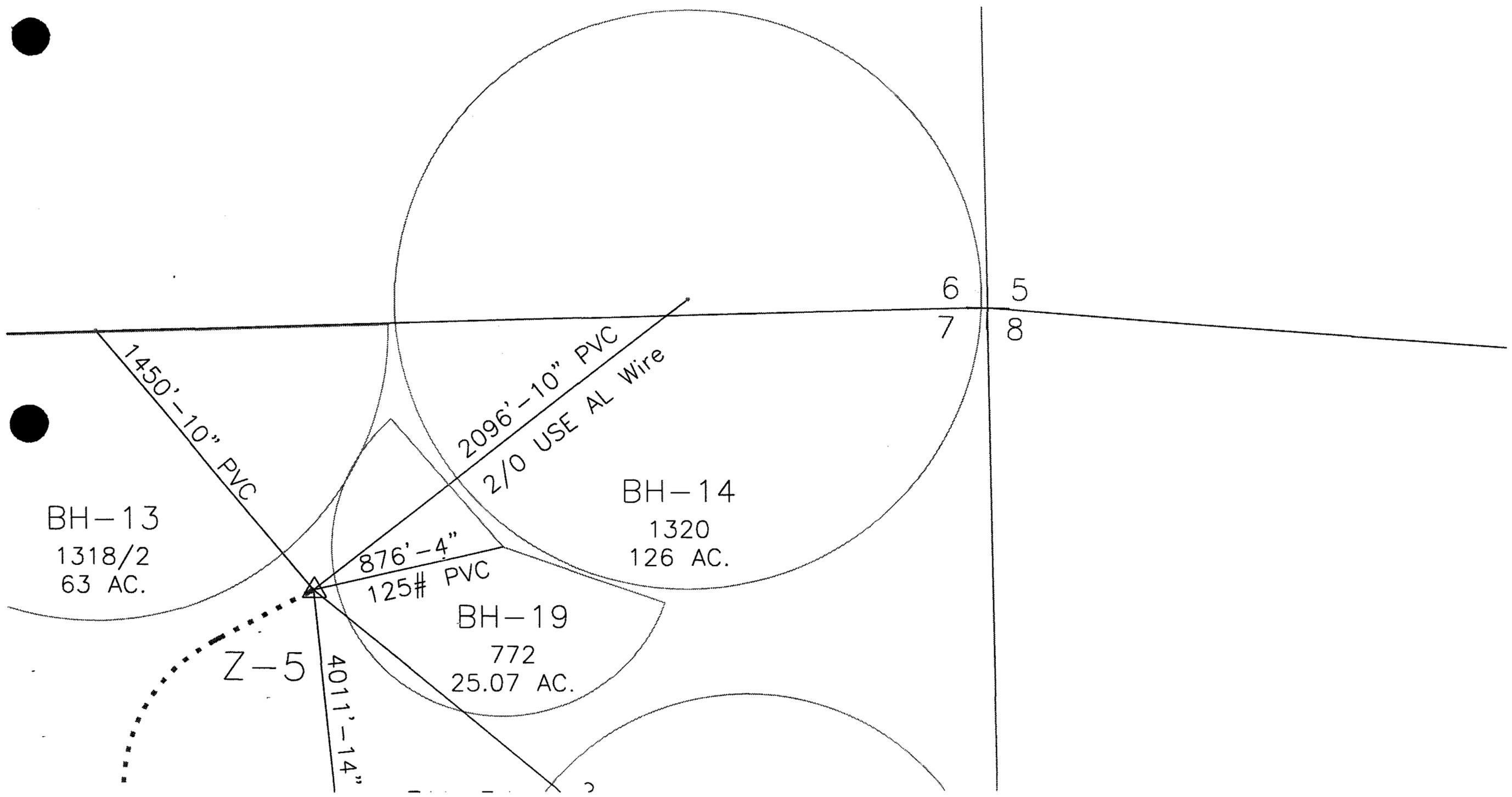
Section 3: STATEMENT OF INTENT

Description of the Place of Use:

SE ¹/₄ Section 6, Township 7 North, Range 27E W.M.
(Parcel #: 1-0677-300-0000-000)

S1/2 Section 8, Township 7 North, Range 27E W.M.
(Parcel #: 1-0877-000-0000-000)

EXHIBIT B



BH-13
1318/2
63 AC.

BH-14
1320
126 AC.

BH-19
772
25.07 AC.

6
7

5
8

1450'-10" PVC

2096'-10" PVC
2/0 USE AL Wire

876'-4"
125# PVC

4011'-14"

Z-5

AGREEMENT

This agreement made and entered into this 15th day of MARCH, 2000 by and between Pearson Farms, Inc. David W. Pearson, President designated in this agreement as Lessor, and R. Brent Hartley and Berniel Hartley, husband and wife, as Lessees.

RECITALS: The Lessor is currently leasing from Bill Pearson the following described section of real property located in Benton County, State of Washington, more particularly described as follows:

SE 1/4, Section 6, Township 7 North, Range 27 E. W. M., whereon the circle designated as BH14 is located.

S 1/2, Section 8, Township 7 North, Range 27 E. W. M., whereon the circles designated as BH16 and BH22 are located.

WITNESSETH: Now, therefore, in consideration of the payments of rents and the terms and conditions contained herein, it is hereby agreed by and between the parties hereto that the Lessor will lease unto the Lessee and the Lessee will lease from the Lessor a portion of the following described real property located in Benton County, State of Washington, more particularly described as follows:

SE 1/4, Section 6, Township 7 North, Range 27E.W.M
S 1/2, Section 8, Township 7 North, Range 27 E.W.M.

ROTATION: The parties hereby agree that the Lessee shall farm and actually occupy 140 acres in any given year and shall rotate his crop on an annual basis. The parties hereto agree that except for the land being farmed by the Lessee in any given year and necessary access to it, the Lessor shall have the use and possession of the remainder of the above described section of land.

TERM: The term of this lease will be based on individual circles as follows:

BH14 - period of six (6) year beginning April 1, 2000 and ending
December 31, 2005 *DWP*

BH16 - period of six (6) years beginning April 1, 2000 and ending
December 31, 2005

BH22 - period of six (6) years beginning April 1, 2000 and ending
December 31, 2005 *DWP*

EXTENSION OF LEASE: Upon mutual agreement of the parties, Lessee may extend this lease, at the expiration of the original rental term as set forth above for an additional six (6) year term under the existing terms and conditions, provided that Lessee is in compliance with all of the terms and conditions.

The Lessee, to extend this option, must give written notice to the Lessor at least thirty (30) days in advance of the termination date above stated. Should the Lessee exercise this option, the rotation of crop shall be the same as in years one (1) through four (4) of the original lease.

RENTAL: The parties hereto agree that the annual rent for each lease year will be based on the following : BH 16 and BH 22 will be calculated at 140 acres each and BH 14 will be calculated at 70 acres. For all crops, the rental rate will be \$70 per acre per year based on the acres defined above.

On circle BH14 located at SE1/4, Section 6, Township 7 North, Range 27 E.W.M., Lessee will use 12 acres each year and will pay \$100.00/Ac each year for said acreage.

Said annual rental shall be payable one-half upon signing and one-half on October 15th, and payable one-half on April 15th and one-half on October 15th of each lease year. The parties further agree that the rental amount shall be reviewed every two years during the term of this lease and any extension thereof. The rental amount shall be increased or decreased only by agreement of the parties hereto. If the parties are unable to reach an agreement then they shall choose an arbitrator who shall make the decision. If the parties are unable to choose an arbitrator agreeable with each party, then each party shall choose an arbitrator and then those two arbitrators shall choose a third arbitrator. The third arbitrator shall then receive evidence from the parties and then decide whether an increase or decrease in rent is justified and to what extent

PROPERTY TAXES: The parties hereto agree that the Lessor shall be responsible for all of the real property taxes due to Benton County except as provided herein. Should Benton County increase the property tax assessments because of Lessee's cultivation or lease of the premises, then in that event the Lessee agrees to pay any increase assessed in any given year of the lease term up to \$1110.00 per year. Any amount of increase which exceeds \$1110.00 per shall be divided one-half to each party. The obligation of Lessee shall begin with the second year of this Lease and shall continue through the year following the termination of this lease.

If the real property taxes assessed for the year following the termination of this Lease are increased because of Lessee's cultivation or lease of the premises, then in that event the parties hereto agree that any increase in the real property taxes shall be paid and provided for as set forth above. Provided, however, that Lessor takes whatever action is necessary to insure that the property taxes are not improperly increased. This action to be taken shall include attendance at such hearings wherein the increase in property taxes can be contested.

HERBICIDE AND INSECTICIDE: Due to the close proximity of the parties farming operations, the rotation of crops and continuous farming by both parties of the lease premises, the parties agree to use only those herbicides and insecticides that are compatible with each other's farming of the above described section of land. This compatible use includes not only the types of such herbicides and insecticides that are compatible with each other's crops but also the amount used and the time of such use.

In order to comply with this provision, the parties agree to foster open communication with each other, to give timely notice prior to the use of any herbicides and insecticides and to amicably and efficiently resolve any difference that may arise in regards to the use or time of use of any herbicide or insecticide.

WATER: The parties hereto agree that Lessee will provide necessary water for Lessee's farming of the leased property. In that regard Lessee will arrange for and provide the necessary water pipeline, cement pads, electrical hook-up plus pumps, motors, center pivot irrigation systems and other equipment necessary to irrigate Lessee's growing crop. Lessee will further apply for and obtain all permits and licenses necessary to this farming operation.

The parties further agree that at the termination of this lease, all such pipe, pads, electrical lines, poles, pump, motor, center pivot irrigation system together with all permits and licenses shall be the sole property of the Lessee and shall not become the property of the Lessor.

At termination, Lessee shall be given reasonable and adequate time necessary to remove such pipe, pads, poles and pivot irrigation system and equipment. Lessee is not obligated to provide water in non-farm years to lessor's ground. If surplus water is available, at Lessor's request, Lessee may provide water at Lessee's discretion. This would apply only to BH14.

FARMING: The Lessee further agrees to farm the leased premises in a good husbandlike manner. Lessee further agrees that each year following harvest, Lessee will rip, water if necessary and work down the Lessee occupied acreage one time. In addition Lessee agrees to flag or otherwise mark the concrete pads when not in use by the Lessee.

TERMINATION: This agreement shall automatically terminate on the expiration date of this lease or the expiration date of any extension hereof without notice to either party. In addition, this agreement may be terminated by agreement of the parties hereto.

The parties further agree that if either party be in default or breach of any of the terms or conditions of this lease, the non-defaulting party may terminate this agreement upon giving written notice to the defaulting or breaching party at least sixty (60) days prior to the termination date. Said notice shall specify the default or the breached terms or conditions. The defaulting or breaching party shall have the opportunity to correct or cure the default or breach, provided that such cure or corrections is completed prior to termination date. If such cure or correction is not completed prior to the termination date, then from and after such termination date, this agreement shall be terminated and of no further force or effect, except for any obligations of Lessee prior to termination.

SUPPLEMENTARY AGREEMENT TO LEASE

THIS SUPPLEMENTAL AGREEMENT made this 1st day of MARCH, 2000, by and between PEARSON FARMS, INC. as Lessor, and R. BRENT HARTLEY and BERNIEL HARTLEY, husband and wife, as Lessee, is made part of the lease dated 3/1/00, entered into by and between the Lessor and Lessee.

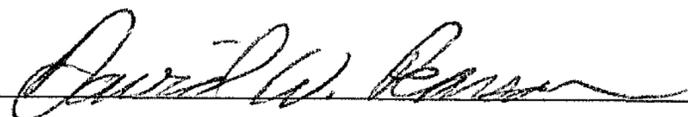
NOW THEREFORE in consideration of the mutual terms and conditions contained herein and other good and valuable consideration, the undersigned agree to the following terms and agree to said terms will be part of the above described existing Lease, and agree as follows:

1. Lessor and Lessee will make no warranty, express or implied, as to the fitness or suitability of any other farmlands subject to the Lease, or Sublease, for the growing of any crops including potatoes. Without limiting the generality of the foregoing disclaimer of warranties, Lessor and Lessee will make no warranty, express or implied, of the absence, significance, or in any wise pertaining to residual chemicals, or any chemicals, in upon, or affecting the soil or any crop including potatoes grown upon the premises.

2. Lessor and Lessee will make no warranty, assurance, representation or guarantee, as to the performance of any contract chemical (all kinds) applicators, whether air, ground or other, nor will lessor be responsible for what may be applied.

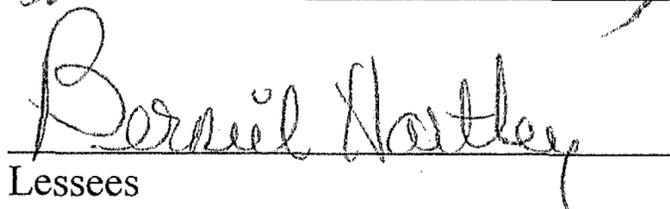
3. Lessor and Lessee continue to agree to consultations and/or written permission to obtain access to records of hired applicators as far as State laws permit, or that the applicator may or may not furnish records. Lessor and Lessee make no warranty as to the accuracy of information acquired.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this date.



Lessors

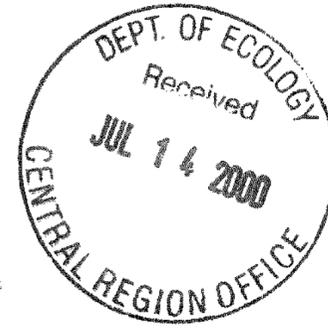



Lessees



July 12, 2000

Department of Ecology
Central Regional Office
15 W. Yakima Avenue
Yakima, WA 98902-3387



CK #'s
3492-16 90
3491-10
7/14/00
TAM

Re: Application for Water Rights – Clyde W. Bybee/Jim Moon
R. Brent Hartley/William Pearson

Gentlemen:

Please find enclosed our completed Application for a Water Right for Clyde Bybee who is leasing land from Jim Moon and R. Brent Hartley who is leasing land from William Pearson. We have enclosed the appropriate fees.

If you have any questions regarding these applications, please feel free to call me at 509-786-1013.

Sincerely,

SUNHEAVEN FARMS

David R. Walker

Encl.