

ACORD ORCHARD ASSET

275.15 +/- DEEDED ACRES | BENTON COUNTY, WA | OFFERED AT \$6,850,000

This offering is comprised of 275.15 +/- deeded acres across two non-contiguous orchard assets that are less than one mile apart. There are 215.90 +/- planted acres per crop insurance records and 1.80 +/- acres available to plant for a total of 217.70 +/- acres of orchard property. The property consists of conventional and organic apple and conventional cherry plantings and is currently managed by a professional orchard management company. The property has surface water rights from both the Roza Irrigation District (RID) and Benton Irrigation District (BID), as well as groundwater rights from an irrigation well. The RID block, within which this asset lies, has been paid off and is not subject to the Reclamation Reform Act limitations.

In addition to the deeded acres, there are 2 leases in place with adjacent neighbors; one lease is for 46.25 +/- acres, providing additional surface water rights from the Roza Irrigation District. This 46+ acre lease is with the Bonneville Power Administration (BPA) and consists of acres owned by BPA that are fallowed, allowing the associated Roza water rights to be used for irrigation of deeded acres on the North parcel of the orchard being sold. This lease can be assumed by or reissued directly to a new owner, subject to approval by BPA.

The second lease is for 0.46 +/- acres where the South orchard parcel overlaps onto a neighboring property. This 0.46-acre lease is a 99-year lease and a one-time rent payment was made at the beginning of the lease for these acres.

There are numerous general-purpose agricultural buildings, an H2-A housing unit permitted to hold 15 workers, and a manufactured home for the orchard manager located on the property and included in the sale of this asset. All of the buildings are leased to the management company and the lease renews annually on December 31st unless either party terminates the agreement in writing.



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OVERVIEW DETAILS

TOTAL ACRES

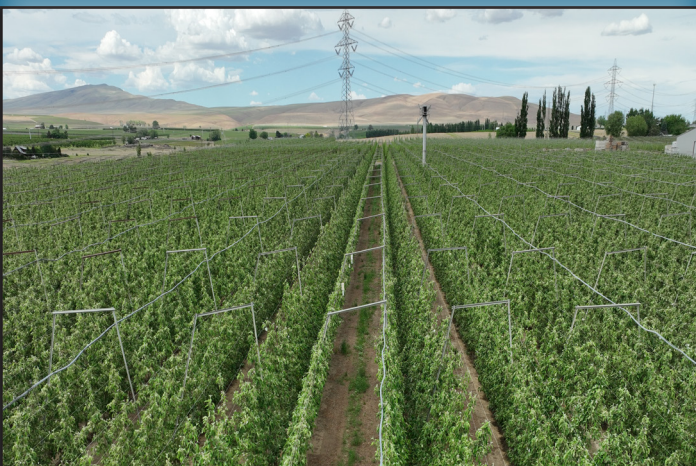
- Per the Benton County Assessor, there are 275.15 +/- deeded acres included in the sale of this asset.
 - » The deeded property consists of five tax parcels. See Exhibit A for a full list of tax parcels and associated information.
 - » The total property taxes for 2023 are \$28,303.28.
- There are 217.70 +/- orchard acres, per crop insurance records, broken down as follows:
 - » 136.10 +/- acres are currently planted to cherries.
 - » 45.40 +/- acres are currently planted to conventional apples.
 - » 34.40 +/- acres are currently planted to organic apples.
 - » 1.80 +/- acres are currently open and ready to be planted.
- There are 57.45 +/- acres which are out ground, roads, windbreaks, and other acres.
- There are an additional 46.71 +/- acres that are leased by the current owner. These leases would be assumable by and/or reissued to a new owner subject to BPA approval.

ZONING

- Per the Benton County Planning Department, the property is zoned in a 'Rural Lands Five Acre District' and 'Growth Management Act Agricultural District.'

CURRENT FARM OPERATION & YIELDS

- The current farming operation consists of organic and conventional apples and conventional cherries.
 - » The orchard is managed by a professional orchard management company.
 - » The fruit is delivered to and sold via various local packing warehouses.
- Access to the data room, which contains production records and other confidential information, will be granted upon execution of a Non-Disclosure Agreement.





WATER RIGHTS & IRRIGATION

- Irrigation water for the entire asset is provided by the Roza Irrigation District (RID), Benton Irrigation District (BID), and an irrigation well.
 - » The RID block, within which this asset lies, has been paid off and is not subject to the Reclamation Reform Act limitations.
- There are 154.40 +/- irrigable acres from the RID. The 2023 irrigation assessment is \$29,938.16.
- There are 33.10 +/- irrigable acres from the BID. The 2023 irrigation assessment is \$7,337.00.
- There are an additional 40.40 +/- irrigable acres from the RID that are leased from a neighbor to supplement the northern unit. This lease is with the Bonneville Power Administration and can be assumed by or reissued to a new owner subject to BPA approval.
 - » The 2023 irrigation assessment for these acres is \$7,833.56.
 - » The leased property, containing these irrigable acres, is rented under an evergreen 5-year lease term. The current lease expires on August 30, 2025.
 - » On this leased property, the Seller is responsible for paying the total annual irrigation assessment fee to the RID and is also required to establish and maintain an effective weed control program for the property.



INCOME SOURCES – CURRENT AND POTENTIAL

- Current income sources:
 - » Fruit sales.
- Potential, additional income sources:
 - » Develop open acres with new plantings.

STRUCTURES

- There are six general-purpose agriculture and shop buildings, one H2-A housing building, and one manufactured home located on the property and included in the sale of this asset. See Exhibit A for a full list of associated information.
 - » The H2-A unit is permitted for 15 workers.
 - » The manufactured home is currently occupied by the orchard manager for the management company.
- There are 11 wind machines located on the property and included in the sale of this asset.
- All of the buildings are leased to the management company and the lease renews annually on December 31st unless either party terminates the agreement in writing.
 - » The monthly cash rent is currently \$1060.90/month, and it increases by 3% per annum.
 - » The Lessee is responsible for utilities.

ASSET ATTRIBUTES

- Elevation: 723 to 952 Feet
- Soil Type: Mainly consists of Scooteny Silt Loam
- Slope: 0%-45% throughout
- Rainfall: 7-8 inches per year

