



REAL ESTATE AUCTION *Miller Orchards*

MILLER ORCHARDS

169± ACRES

Cove, Oregon

ESTABLISHED 30 YEAR OPERATING CHERRY ORCHARD WITH STABLE PRODUCTION HISTORY IN HEART OF NORTHEAST OREGON'S GRANDE RONDE RIVER VALLEY

123± ACRES PLANTED IN SWEET CHERRY VARIETIES INCLUDING COMPLEX WITH WAREHOUSE, PACKING AND SEASONAL EMPLOYEE HOUSING

POTENTIAL FOR DEVELOPMENT OF ESTATE VIEW HOME SITES

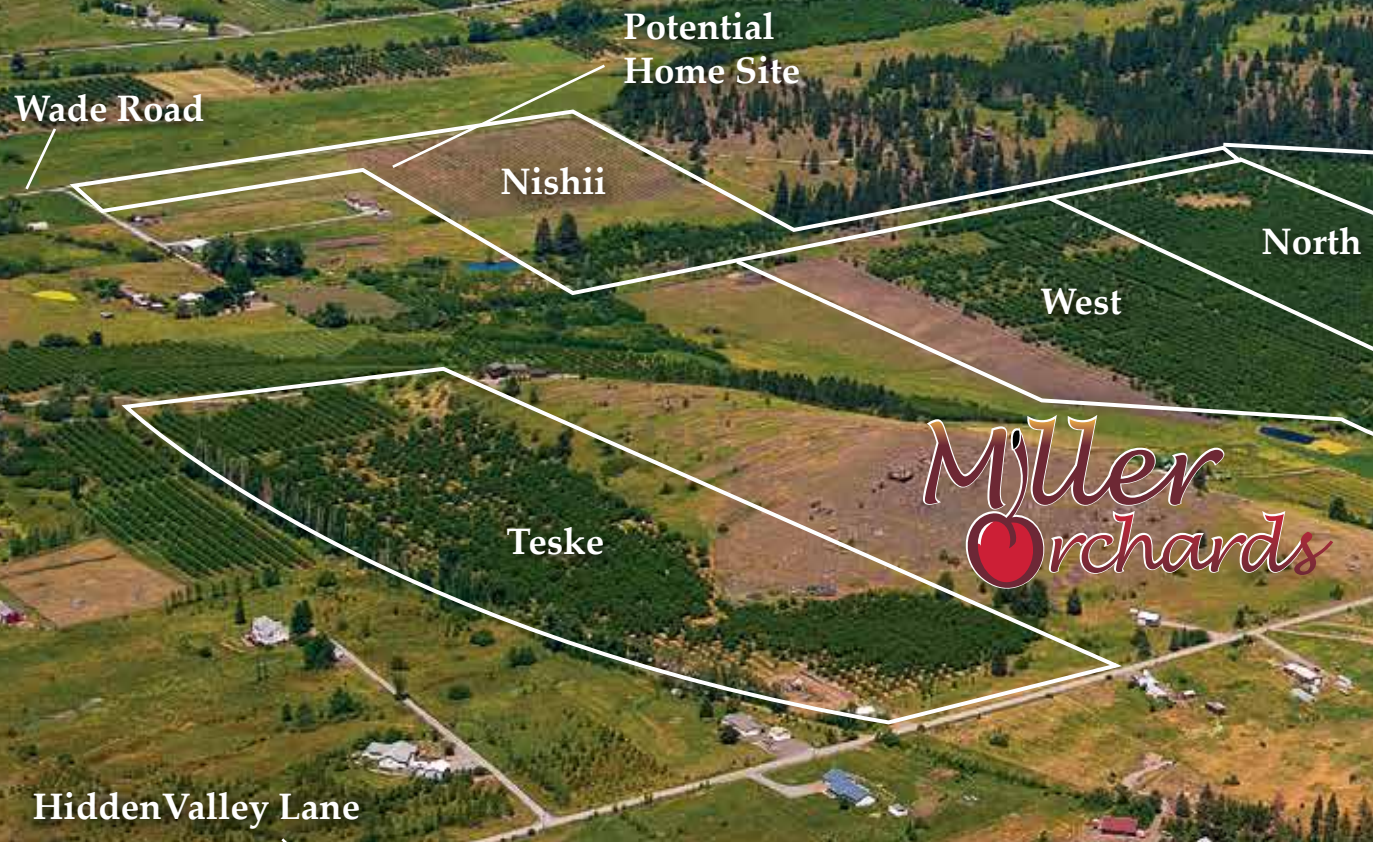
SEALED BIDS DUE SEPTEMBER 5, 2013

AUCTION CONDUCTED IN AFFILIATION WITH
RE/MAX REAL ESTATE TEAM - PATTY GLAZE, BROKER LICENSED IN OREGON



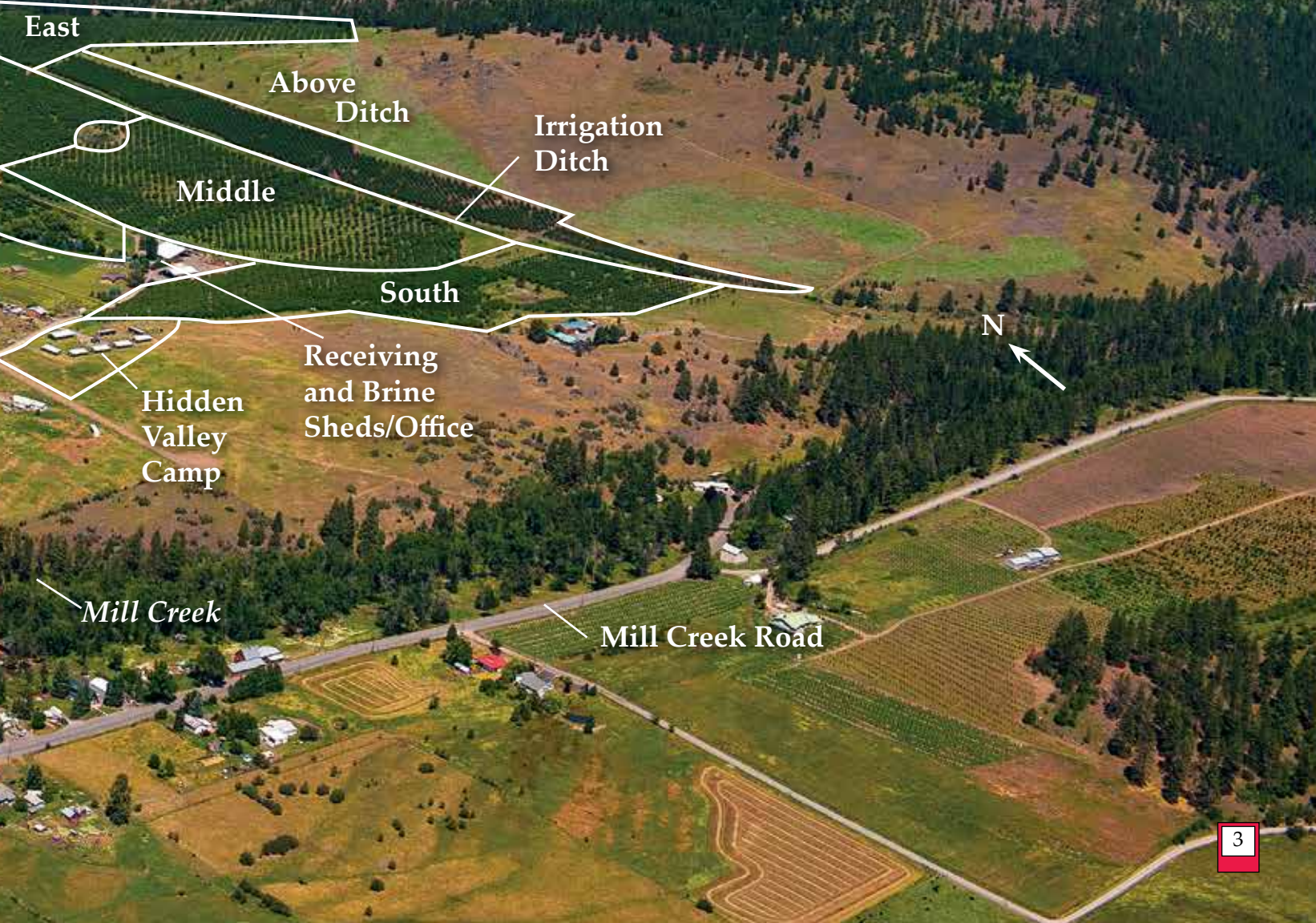
The Opportunity

Miller Orchards located in Cove, Oregon is one of the largest commercial cherry orchards in Eastern Oregon and has been operated by the Miller Family for 30 years with a stable production history and strategic relationships with packers and warehousing. The 123.3± acres planted in sweet cherry varieties is 25% of the total orchard inventory in Cove which has been a center of cherry production for over 100 years due to climate, elevation and plentiful supply of irrigation water.



Oregon is the nation's third largest cherry producer, growing 11% of the US crop. Cherry production in Eastern Oregon is targeted primarily to the fresh market.

Cherry production at Miller Orchards has ranged from 490,000± gross lbs. to 1.3± million gross lbs. over the last five years. 2012 cherry production totaled approximately 1.2 million gross lbs. 72% of the total 2012 production was Lambert and Lapin cherries.



The Location

The community of Cove in recent years has also grown in popularity due to its exceptional natural beauty overlooking the Grande Ronde River Valley and its location at the southwestern edge of the Eagle Cap Wilderness which is known for hiking, backpacking, camping, horseback riding, hunting and fishing. It has excellent proximity to the City of La Grande and I-84, which is a 20 minute drive from the property.

The 169± acre Miller Orchards property has 20± acres that has buried mainline and could be planted for additional orchard production. There are no existing water rights for this acreage. There are several excellent view home sites that could be developed for an owner's residence with land that could also accommodate a horse barn and arena.

The seller has a Published Reserve Price for the auction of \$995,000 or over a 30% price reduction, providing a significant investment opportunity to acquire the entire 169± acre property with 123± acres of orchards, priority water rights for irrigation, complex of office/warehouse/the seasonal employee housing, all at a price of less than \$5800 per acre.

Equipment is inventoried and available for purchase to the buyer, providing a turnkey operation. The purchase of the equipment is not included in the sale.

Northwest Farm Credit Services is the preferred lender with attractive financing available to a new owner as an added incentive to accelerate a sale, with closing in October 2013.

THE LOCATION

The small community of Cove is located in the Eastern section of the Grande Ronde River Valley approximately 16 miles east of La Grande, and is along the foothills of the Wallowa Mountains. The City of La Grande, County seat of Union County, is home to Eastern Oregon University and has a historic commercial district which has been listed on the National Register of Historic Places since September of 2001. Cove has been a fruit production center for over 100 years. Today there are approximately 500 acres of commercial orchards on the hillsides above the town. Livestock production, wheat, mint and a variety of other crops make up the remaining farm operations. The Cove Cherry Fair, established in 1910, occurs every August, celebrating the rich local history of the surrounding orchard operations. Cove is located at the south edge of the Eagle Cap Wilderness with the Moss Springs Trailhead off Forest Service Road 6220 a 10 minute drive from the property.



Oregon and Washington are the largest producers of cherries in the Western United States

PUBLISHED RESERVE PRICE: \$995,000

LAST ASKING PRICE: \$1,450,000

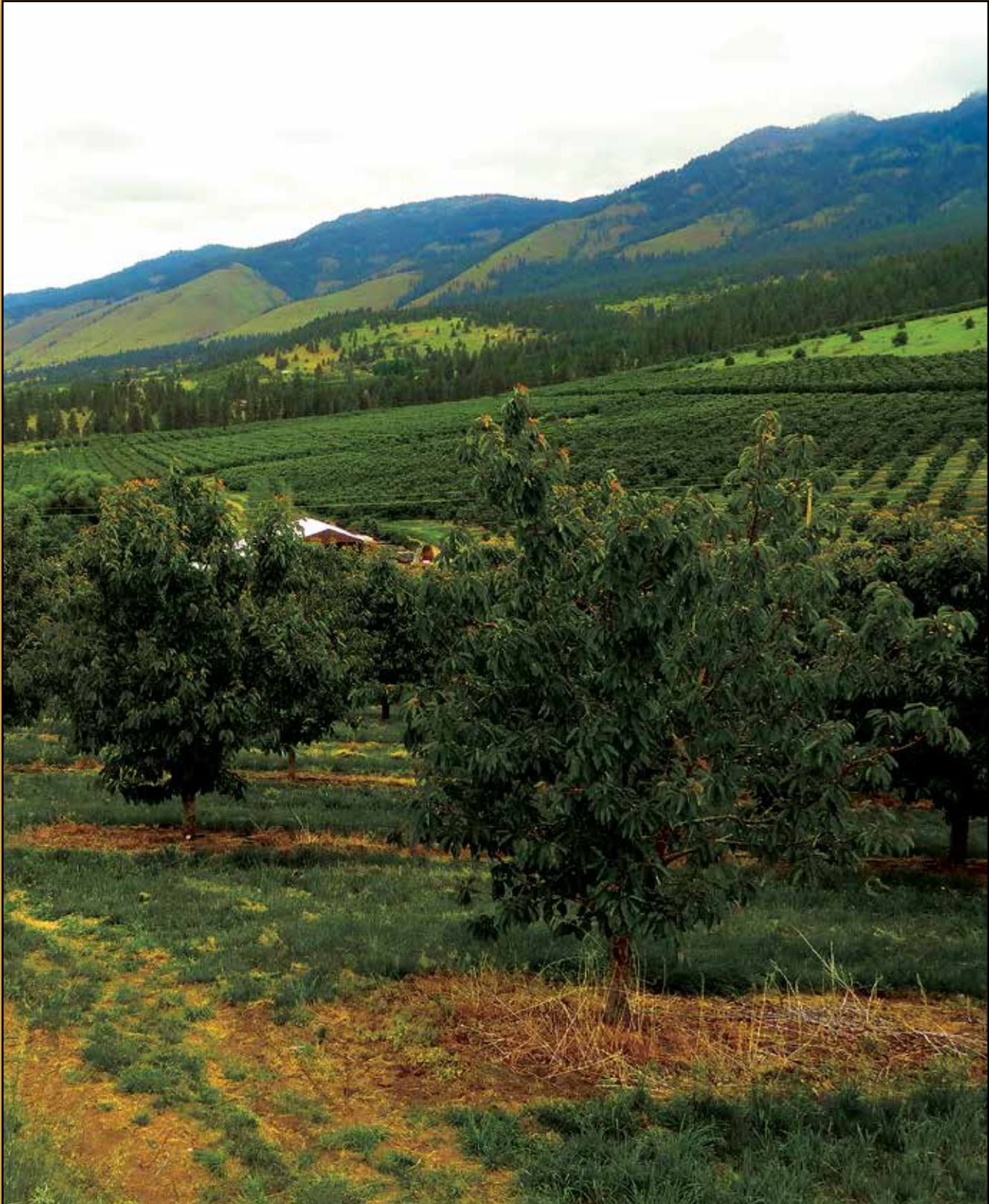
FINANCING: None. All cash to seller at closing. Northwest Farm Credit Services is the preferred lender, and may have financing available to qualified parties. Please see Supplemental Information Package for details.



INSPECTION: By appointment only. Active harvest operations are ongoing. Any party wishing to inspect must be accompanied by Sellers Agent. Please call the Auction Information Office to schedule an appointment on the following dates:

August 15/16 Between 9am – 5pm

August 22/23 Between 9am – 5pm



View northwest to Receiving/Brine Sheds and Middle Orchard

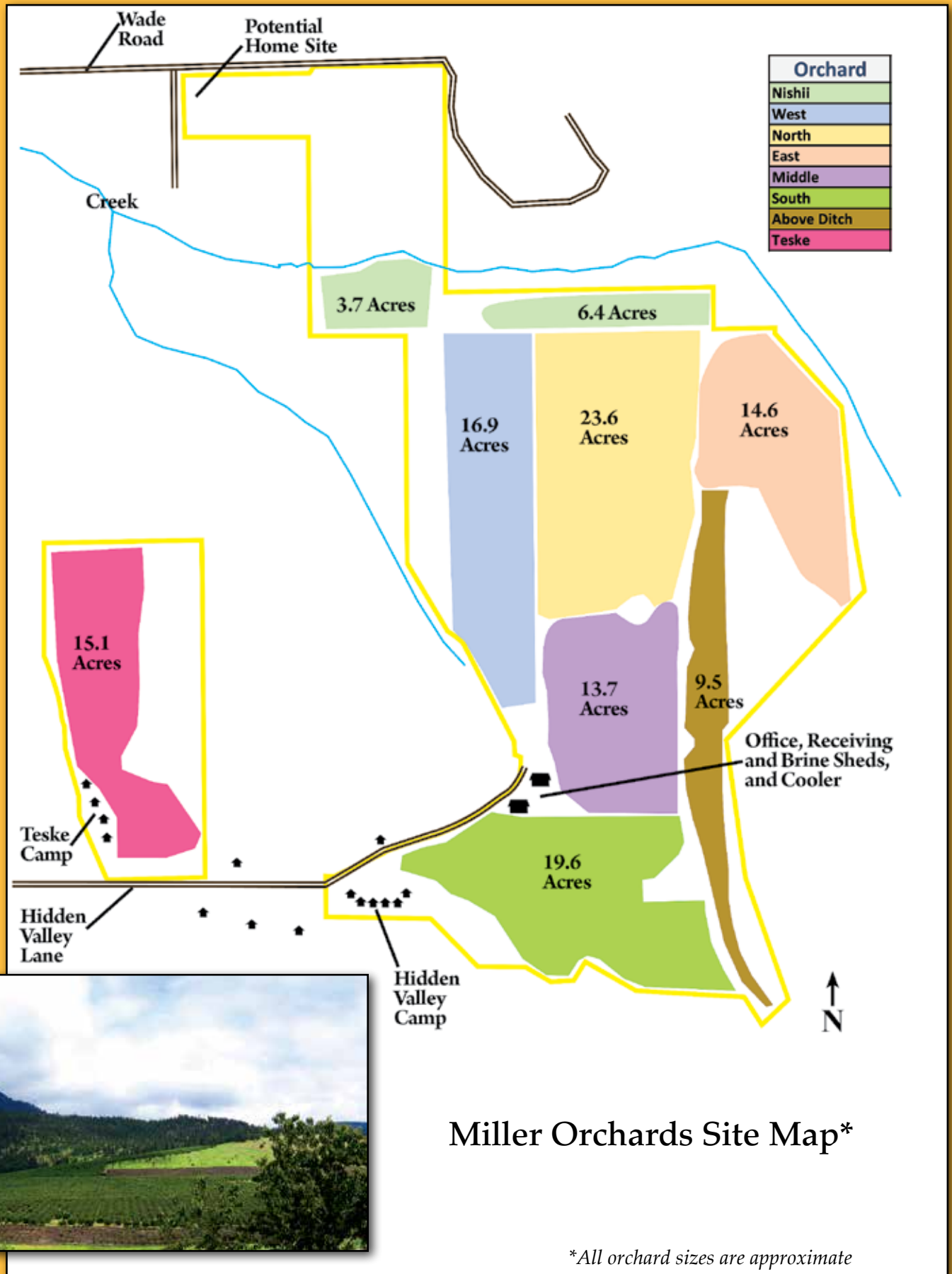
CALL 1-800-845-3524

The Orchard

THE ORCHARDS

Miller Orchards is made up of eight individual orchards. The location of the orchards at elevations ranging from 3300± feet to 3700± feet provide a later harvest season which is sold primarily to the fresh market.

The orchards range in size from 9.5± to 23.6± acres and provide seven different sweet cherry varieties. 53% of the orchards are planted with Lambert, 20% Lapin and the balance in Rainier, Sweet Heart, Bing, Skeena and Royal Ann. The average age of the orchards are 23.6 years, with 35% of the orchard 6 to 10 years old.



View east of the five main orchards



Harvest Window

Orchard	July			August	
	Start	End	End	Start	End
Nishii		7/23		8/8	
West	7/15	8/1			
North	7/10	7/30			
East		7/26	7/30		
Middle	7/17			8/5	
South			7/30	8/5	
Above Ditch				8/4	8/7
Teske	7/16	7/24			

Late harvest season is targeted to fresh market

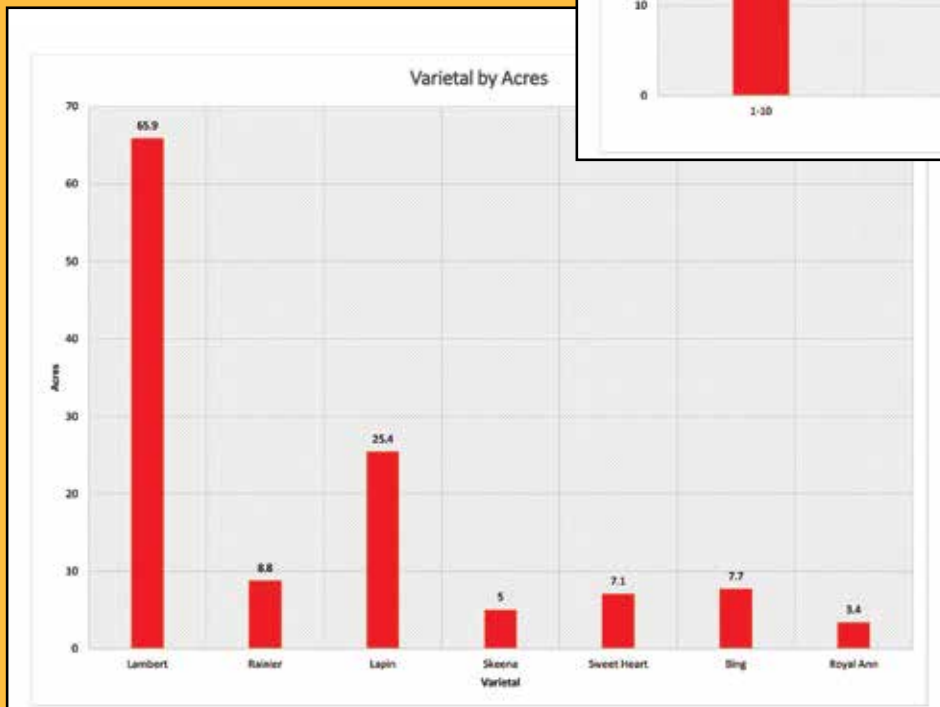
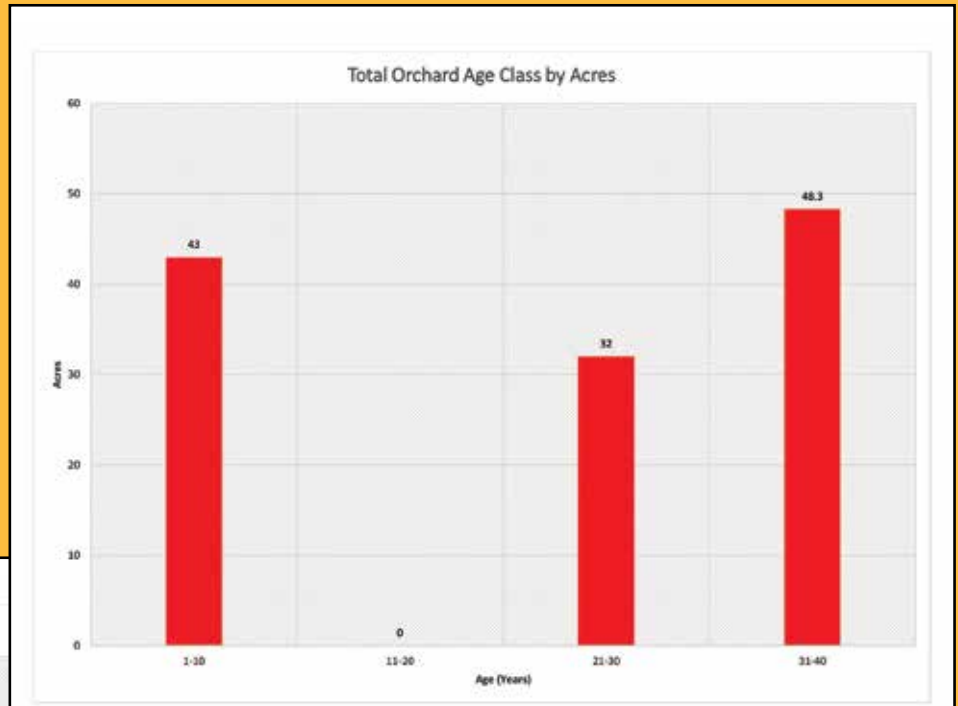
Varietal Acres* by Orchard

Orchard	Lambert	Rainier	Lapin	Skeena	Sweet Heart	Bing	Royal Ann	Total
Nishii	6.4		3.7					10.1
West	13.9					3		16.9
North	18.9					4.7		23.6
East	14.6							14.6
Middle		3.4	6.9				3.4	13.7
South			14.8	5				19.8
Above Ditch		2.4			7.1			9.5
Teske	12.1	3						15.1
Total Acres	65.9	8.8	25.4	5	7.1	7.7	3.4	123.3

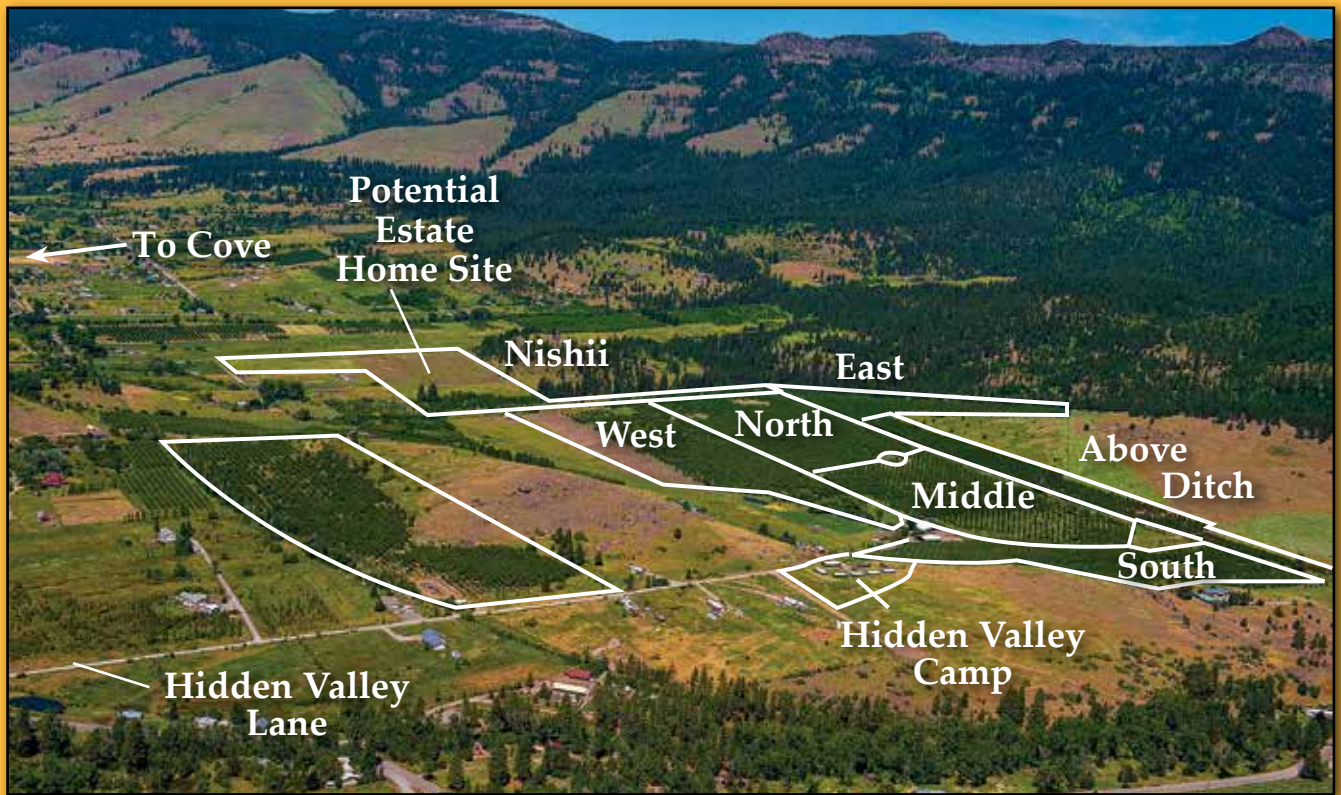
Lambert varieties are planted in five of the orchards and total 65.9± acres, or 53% of the total orchard acreage

*Approximate only

35% of the orchards are in the 6-10 year age class

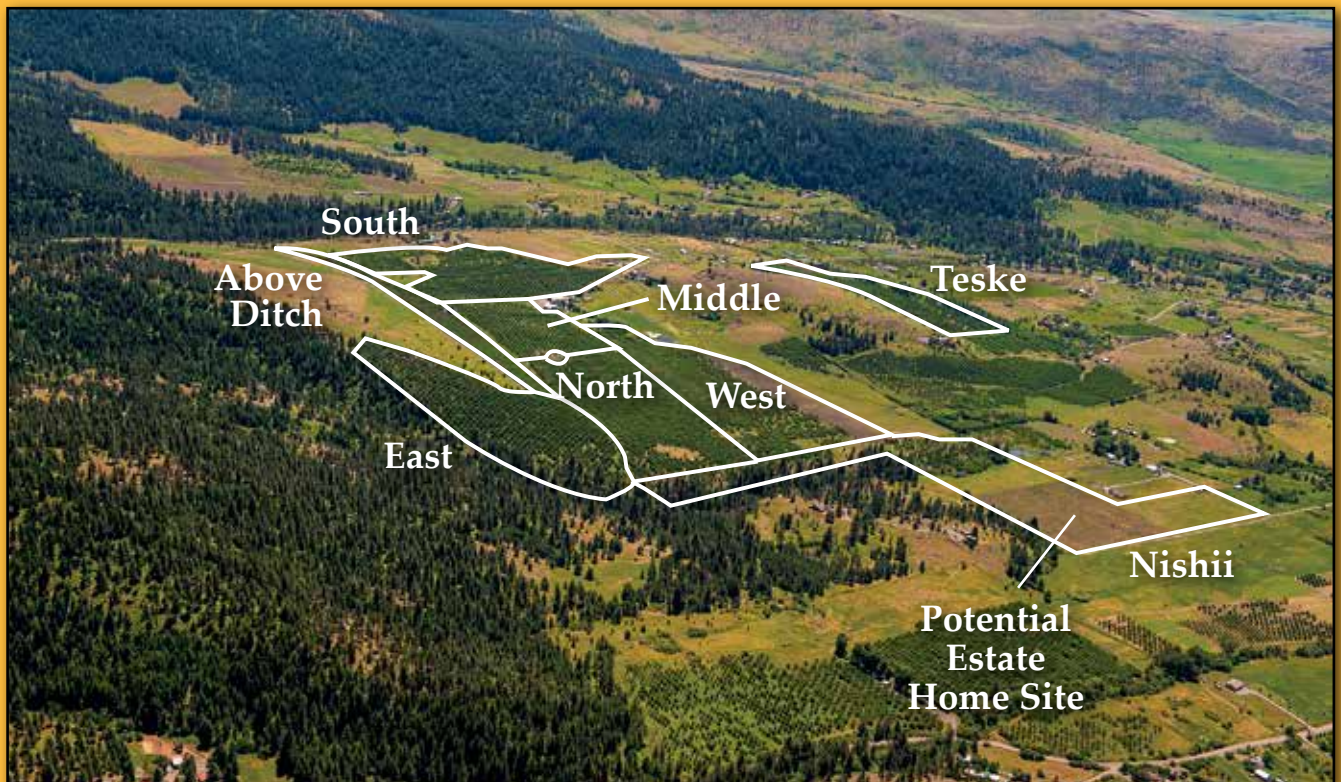


73% of the orchards are planted with Lambert and Lapin varieties



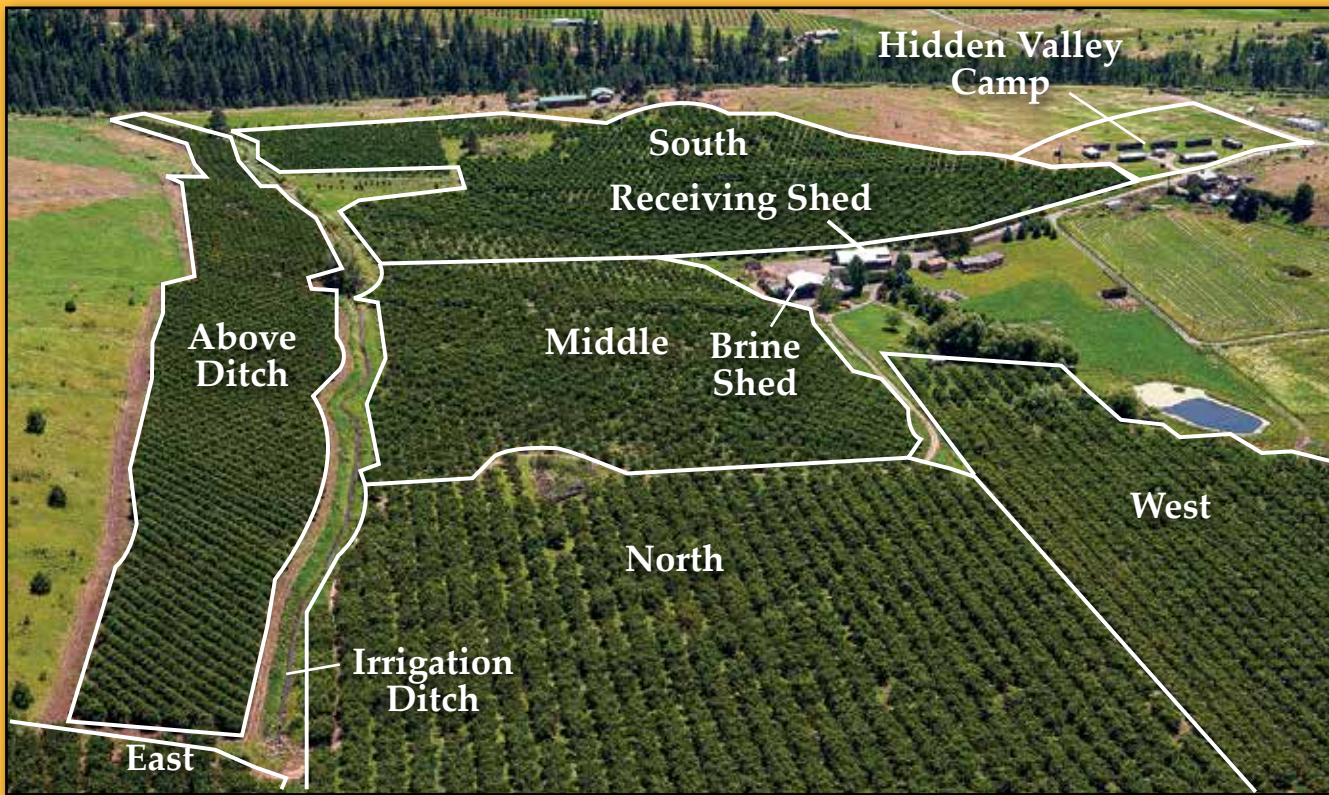
NISHII ORCHARD

Located in the northwest corner of the orchard operations, this orchard is accessed by Wade Road and provides opportunity for development of an estate homesite. It is a total of 33.1± acres, with 3.7± acres planted in Lapin Cherries and 6.4± acres planted in Lambert Cherries. Approximately 20± acres are ready to be planted with irrigation in place. Tree spacing in this orchard is 27' X 24'. Trees were planted in 1980 and irrigation is a combination of hand pack pipe and turbo Rain Bird R-10 micro sprinklers. The normal harvest window in this orchard is between July 23 and August 5.



WEST ORCHARD

This orchard is in the main block, and is approximately 23.9± acres in size. An estimated 13.9± acres are planted in Lambert Cherries and 3± acres planted in Bing Cherries. There is potential for an additional 7± acres of orchard ground. These trees were planted in 1990 with spacing between 12' X 24'. The irrigation is handled in this orchard by hand pack pipe. The normal harvest window in this orchard is between July 15 and August 1.



NORTH ORCHARD

This orchard, estimated at 23.6± acres in size, has approximately 18.9± acres planted in Lambert Cherries and 4.7± acres planted in Royal Ann Cherries. These trees were planted in 1972 with spacing between 24' X 27'. The irrigation in this orchard is managed by hand pack pipe. The normal harvest window in this orchard is between July 10 and July 30.

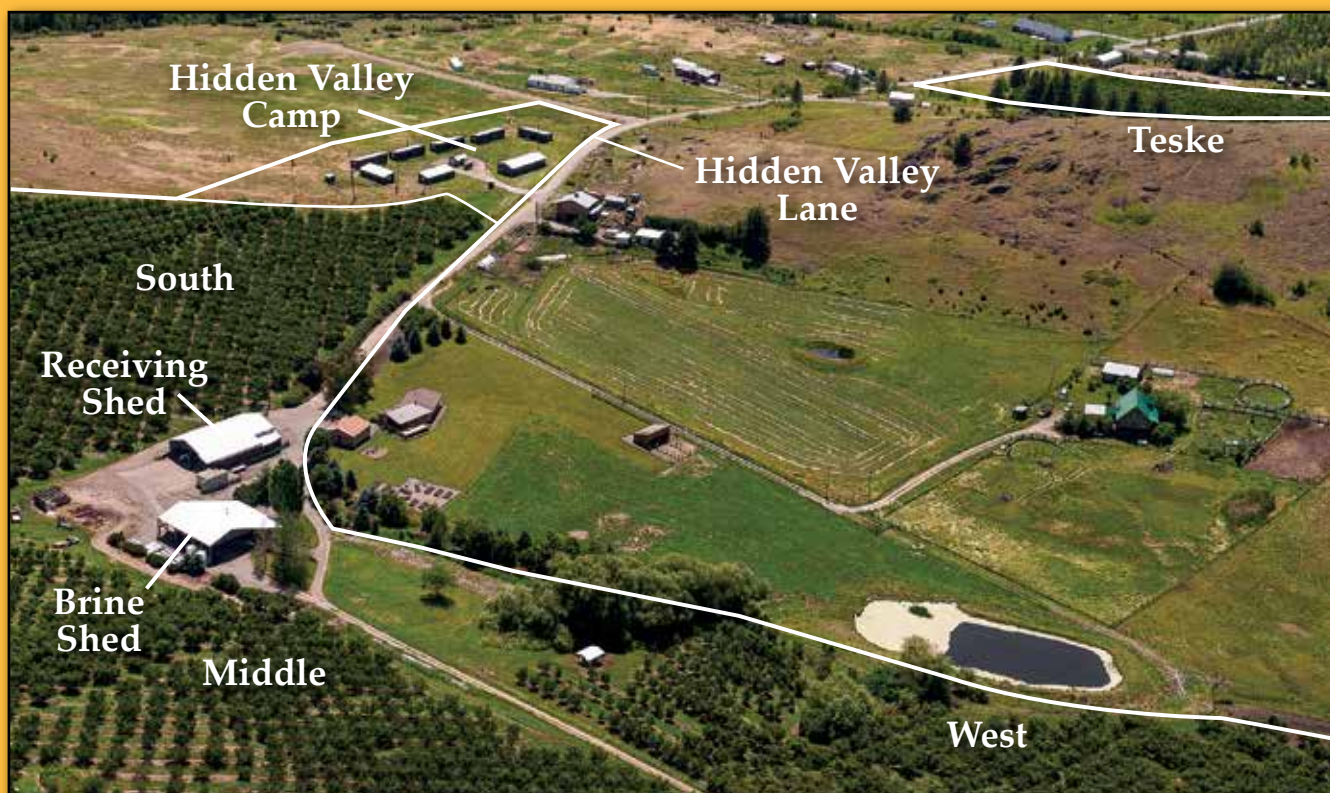
EAST ORCHARD

This orchard, as outlined on page 8, is approximately 20.6± acres in size is planted with 14.6± acres of Lambert Cherries planted in 1972. There is potential for an additional 3± acres of orchard ground. The tree spacing is between 24' x 27'. The irrigation is managed by hand pack pipe. The normal harvest window is between July 26 and July 30.



MIDDLE ORCHARD

This orchard, estimated at 13.7± acres in size, is planted with 6.9± acres of Lapin Cherries, 3.4± acres of Royal Ann Cherries and 3.4± acres of Rainier Cherries. These trees were planted in 2002 with spacing between 16' X 18'. The irrigation is managed with micro sprinklers and a Rain Bird R-10 turbo system. The normal harvest window is between July 17 and August 5.



SOUTH ORCHARD

This orchard, 21.8± acres in size, is planted with 14.8± acres of Lapin Cherries and 5.0± acres of Skeena Cherries. These trees were planted in 2003. The spacing of trees in this orchard is approximately 16' X 16'. The irrigation is managed by micro sprinklers and a Rain Bird R-10 turbo system. The normal harvest window is between July 30 and August 5.

ABOVE DITCH

This orchard, approximately 13.5± acres in size, is planted with 7.1± acres of Sweet Heart Cherries and 2.4± acres of Rainier Cherries. These trees were planted in 2006. Tree spacing in this orchard is 14' X 14'. The irrigation is managed by micro sprinklers and a Rain Bird R-10 turbo system. The normal harvest window is between August 4 and August 7.

TESKE ORCHARD

This orchard is located west of the main block along Hidden Valley Lane. This 25.1± acre orchard is planted with 12.1± acres of Lambert Cherries and 3.0± acres of Rainier Cherries. These trees were planted in approximately 1982. The spacing of trees in this orchard is between 24' X 26'. The irrigation is managed with hand pack pipe. The normal harvest window in this orchard is between July 16 and July 24.

THE IMPROVEMENTS

RECEIVING AND BRINE SHEDS

Centrally located, the Receiving and Brine Sheds are at the end of the Hidden Valley Road Easement on approximately one acre. The Brine Shed is a 3,168± square foot pole building utilized for placing a brine solution into the cherry bins. The Brine shed adjoins a 2,592± square foot general purpose building which also includes the Miller Orchards office. There is power and water to the building. The Brine Shed contains a chain drive conveyor system that is utilized to fill the bins.

The Receiving Shed is approximately 3,780 square feet, and is also a pole building. The Receiving Shed houses the orchards hydro-cooler and a scale. The hydro-cooler is an Evapco condenser hydro-cooler that contains a Larkin heat craft condenser unit. The building is served by



From east end of property overlooking valley, main block of orchards and receiving and brine sheds

power and water. Water is piped through the building in addition to other conduit and refrigeration lines.

HIDDEN VALLEY CAMP

Hidden Valley Camp is located along Hidden Valley Lane adjacent to the South Orchard. The camp has four living units, two multi-purpose sheds and a hay cover. Hidden Valley Camp has been used to house seasonal harvest staff. There is potential to lease this camp out for other seasonal uses. Water is provided by a private well. A copy of the Well Log can be found in the Supplemental Information Package. The property is served by a septic system for gray water and chemical services are leased for seasonal occupancy. Power is metered separately for Hidden Valley Camp.



Hidden Valley Camp used to house seasonal staff

WATER RIGHTS AND IRRIGATION

The property is served by seven Water Right Certificates. Copies are included in the Supplemental Information Package. These rights are for irrigation water provided by Mill Creek and an unnamed stream. There are 123.4 acres of Primary Water Rights and 126 acres of Supplemental Water Rights.

Irrigation is a combination of hand packed sprinkler lines and micro sprinklers with 80% being gravity fed. Powers costs in 2012 were approximately \$4500.



Irrigation canal in West orchard with 80% of system being gravity fed

ZONING

Miller Orchards contains 3 separate zoning designations which boundaries are defined approximately by combinations of orchards:

- Teske Orchard – The zoning designation is R-2 (Rural Residential Use Zone). The minimum lot size is 2 acres.
- Nishii and West Orchards – The zoning designation is R-3 (Farm Residential Zone). The minimum lot size is 10 acres.
- North, Middle, South, East and Above Ditch Orchards – The zoning designation is A-4 (Timber-Grazing Zone). For farmland not designated rangeland, the minimum parcel size is 160 acres.

EQUIPMENT

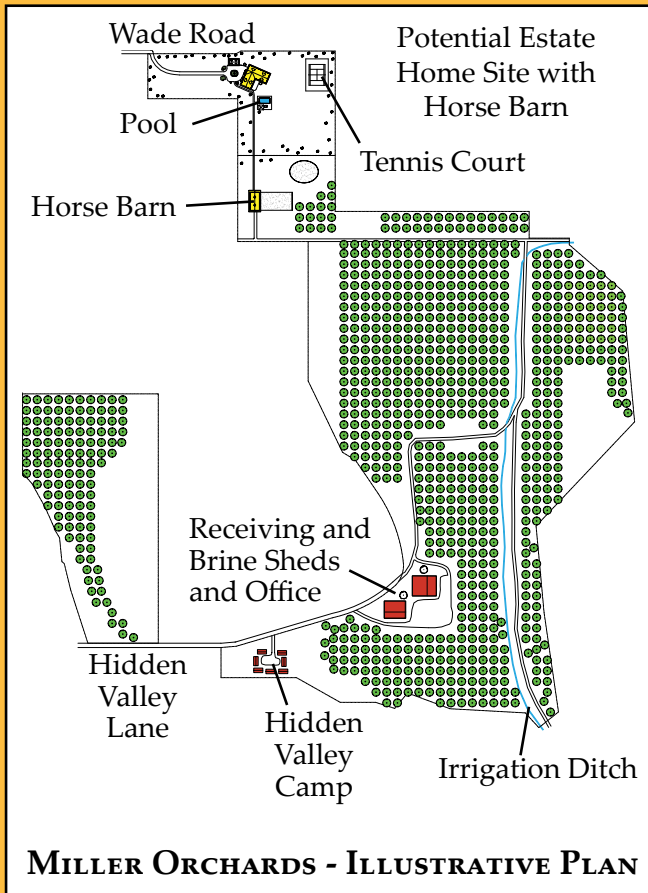
Equipment used for orchard operations including vehicles, forklifts, tractors, sprayers, trailers, spreaders and ladders is listed and available for sale. This equipment list was appraised in April of 2012 for approximately \$195,000. The successful bidder will have the option to negotiate purchase of the equipment.

LOCATION

Cove, Oregon. Union County. Section 23, Township 3 South, Range 40 East.

TAXES

Real Estate Taxes for 2013 are approximately \$3,750 prior to any early payment discounts.



Please Note: Sketch plan is conceptual only. Neither the Seller nor its agents have submitted plan or made any applications to a public agency.

MILLER ORCHARDS - ILLUSTRATIVE PLAN



CONDITIONS OF THE AUCTION #1307, MILLER ORCHARDS

REALTY MARKETING/NORTHWEST AUCTION INFORMATION OFFICE

Oregon Office:
522 SW Fifth Avenue, Suite 1250
Portland, Oregon 97204

Phones during regular business hours -
8:30 AM to 5:00 PM Pacific Time:

Portland Metro Area (503) 228 3248
Toll Free (800) 845-3524
Facsimile (503) 242-1814
Email: info@rmnw-auctions.com

SUPPLEMENTAL INFORMATION PACKAGE, WITH BID DOCUMENTS

More detailed information is available on the Miller Orchards property. A Supplemental Information Package which includes maps, zoning information, detailed 2012 harvest information, well logs, water right certificates, list of equipment (not included in sale), Purchase and Sale Agreement and Bid Documents provided by Seller is available either in hard copy form, or by email. To request a copy of the Supplemental Information Package, please contact the Auction Information Office at 1-800-845-3524.

PUBLISHED RESERVE

The property is being offered with a Published Reserve Price of \$995,000. When bidding reaches, or exceeds, the amount \$995,000, the Seller is committed to sell the property to the high bidder. Should the bidding fail to reach the amount of the Published Reserve Price, the Seller reserves the right to accept, counter or reject the high bid no later than five business days following the Sealed Bid due date of September 5, 2013.

SEALED BID DUE DATE

Sealed Bids are due no later than 5:00 PM., Thursday, September 5, 2013.

FINANCING

None - All Cash. Northwest Farm Credit Services is the preferred lender, and may have financing available to qualified parties. Please see Supplemental Information Package for details.



COOPERATING BROKERS

Broker cooperation is invited. A commission of 2% will be paid to the real estate agent whose Buyer closes on the purchase of the Property. The real estate agent must be a broker currently licensed by his/her state of residence, or a salesperson licensed under such broker. Cooperating broker commission will be paid only upon close of escrow. Cooperating brokers will not share in any payment of liquidated damages.

No commission will be paid to any real estate agent participating as a principal in the purchase of the property. The commission will be earned and paid only upon full and final closing by the Buyer on the conveyance of the property and the receipt of the full purchase price by Seller.

CLOSING

Closing must occur no later than October 11, 2013, unless extended by the Seller in writing. Prior to making a bid, refer to the Supplemental Information Package with regard to customary closing costs including, but not limited to, recording fees, normal prorations, title fees, transfer and/or excise taxes (if applicable), sales tax on personal property (if applicable), local improvements and irrigation district assessments (if applicable), and document preparation fees. Buyers will be responsible for any real estate compensation taxes or rollback taxes and penalties as a result of a change in use or designation of the property including, but not limited to, a change from open space, agriculture, forest land or recreation.

ADDITIONAL CONDITIONS

(A) No claim will be considered for allowance, adjustment or rescission based on failure of the property to correspond to any particular expectation or standard, except for the Preliminary Title Report.

(B) Title insurance is available, ensuring title of the property to be in fee simple, subject to no encumbrances except current taxes and assessments, easements, right of ways, reservations, covenants, conditions and restrictions of record, purchase money financing and printed exceptions in the standard form Owner's Title Policy. A copy of the Preliminary Title Report for the property should be inspected prior to the Auction.

(C) To the extent permitted by law, the property will be sold "As Is". Prospective buyers should examine the property and all supporting documentation carefully. Each bidder is responsible for evaluating the property and shall not rely on the Seller or sales agents. All buyers will take possession at close of escrow.

(D) Sizes and square footages set forth are approximations only, based on the best information available, but the actual sizes and square footages may be different. All sketch plans are conceptual in nature and neither Seller nor its agents have submitted plan or made applications to any public agency.

(E) Agency Disclosure. The selling and listing agent, Realty Marketing/Northwest and RE/MAX REAL ESTATE TEAM Patty Glaze, Broker Licensed in Oregon, represent the Seller in this transaction.

(F) Seller has the right to postpone or cancel the Auction in whole or in part, at its sole discretion, and to modify or add any terms and conditions of sale.

(G) Offer void where prohibited. Catalog will not be mailed to the residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.

(H) The information contained herein has been gathered from sources deemed reliable; however, Realty Marketing/Northwest makes no warranties expressed or implied as to the accuracy of the information contained herein.

Need Help?

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www.rmnw-auctions.com