



Gate Creek Ranch

A Central Oregon Get-Away

Wamic, Oregon

OFFERING CIRCULAR

Presented by:



Neither Agri-Investment Services of Berkshire Hathaway NW Real Estate (“Broker”) or Owner make any representation or warranties as to the accuracy of the information contained in this offering circular. The offering circular was prepared using information and assumptions believed to be accurate and reasonable. However, it is the responsibility of those parties considering the offering to investigate and verify all information and the suitability for their intended uses. Owner and Broker expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from, this offering circular or any other written or oral communication regarding the offering, except for that which is set forth in a definitive contract hereafter mutually executed and delivered, if any.

All inquires regarding this offering should be directed to:



503-212-2735
info@agisg.com

Overview

The Gate Creek Ranch is a one-of-a-kind ranch set in sunny Central Oregon. Comprised of 676 acres, this beautiful property is located approximately two hours from Portland or Bend; 20 minutes from world-class fly fishing on the Deschuttes River; and a little over an hour from skiing on Mt. Hood.

This property offers a tremendous view of Mt. Hood, as well as views of Mt. Jefferson, Mt. Adams and the scenic White River Canyon. There is a 28 acre lake stocked with lots of fat bass plus a separate 10 acre lake, several ponds and frontage on Gate Creek.

Opportunities for outdoor activities are available at every turn - horseback riding, ATV's, fantastic fishing, hunting, hiking and so much more. Deer, elk, cougar, bear, coyote and other wildlife have all been seen on the ranch.

The ranch is supported by a cow-calf operation and 145 acres of commercial tree fruit orchards. The orchard is largely Honey Crisp apples consisting of young, high-density plantings. The warm days and cool nights produces a valuable 90%+ red fruit that's crisp and delicious. Other plantings include Granny Smith, Golden Delicious and Red Delicious. There is a mature block of Bing cherries and a new block of Skeena cherries. Irrigated, fenced-&-cross-fenced pastures support the cow-calf operation. The long-time, on-site farm supervisor would be open to staying on and managing the operation for new owners.

Irrigation water is sourced from Gate Creek, creek-fed lakes/ponds and the Lost & Boulder Ditch Company. The ranch holds valuable, senior water rights. All water rights are cross-filed so that water can be directed to where it is needed, when it is needed. The orchards are irrigated via solid-set systems with micro-sprinklers. Potable drinking water is sourced from private wells.

Improvements include the original farmhouse, owners quarters, a manufactured home, a duplex and 20 H2A/OR OSHA approved apartment units that are certified for up to 48 farm workers - all in good condition. There are several outbuildings, a large barn and corral.

The balance of the property not in orchards or pasture is comprised of woods and open range-land. There is access to BLM and wilderness areas. There is the potential to divide the property into 160 acres blocks.

The owners have hunted, fished, rode horseback and ATVs on this property for 45 years - sometimes catching as many as 20 bass in under an hour. They've enjoyed the gorgeous views, ample wildlife and Central Oregon solitude offered by this private get-away ranch.

Come build your dream home and enjoy a true ranch experience. Where else can you find a close-in property that offers so much and helps pay for itself? Call with questions or to arrange a private tour.

Photos



Photos



Photos



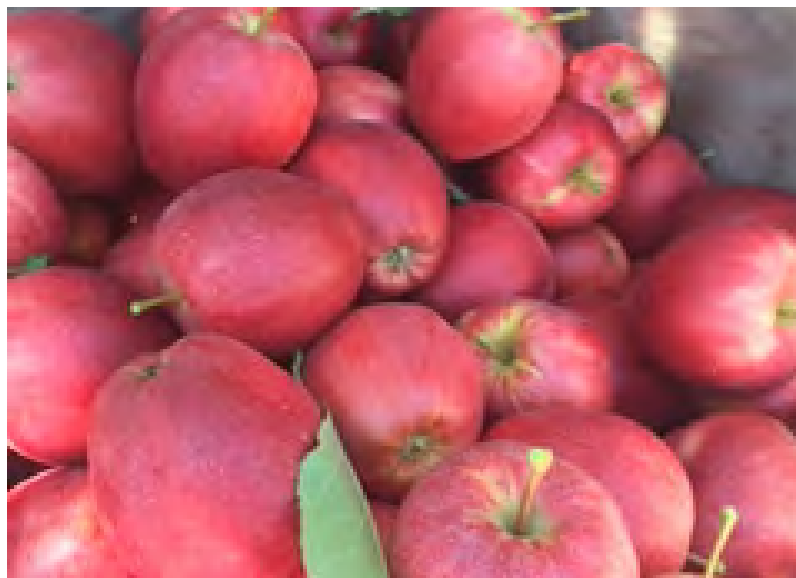
Photos



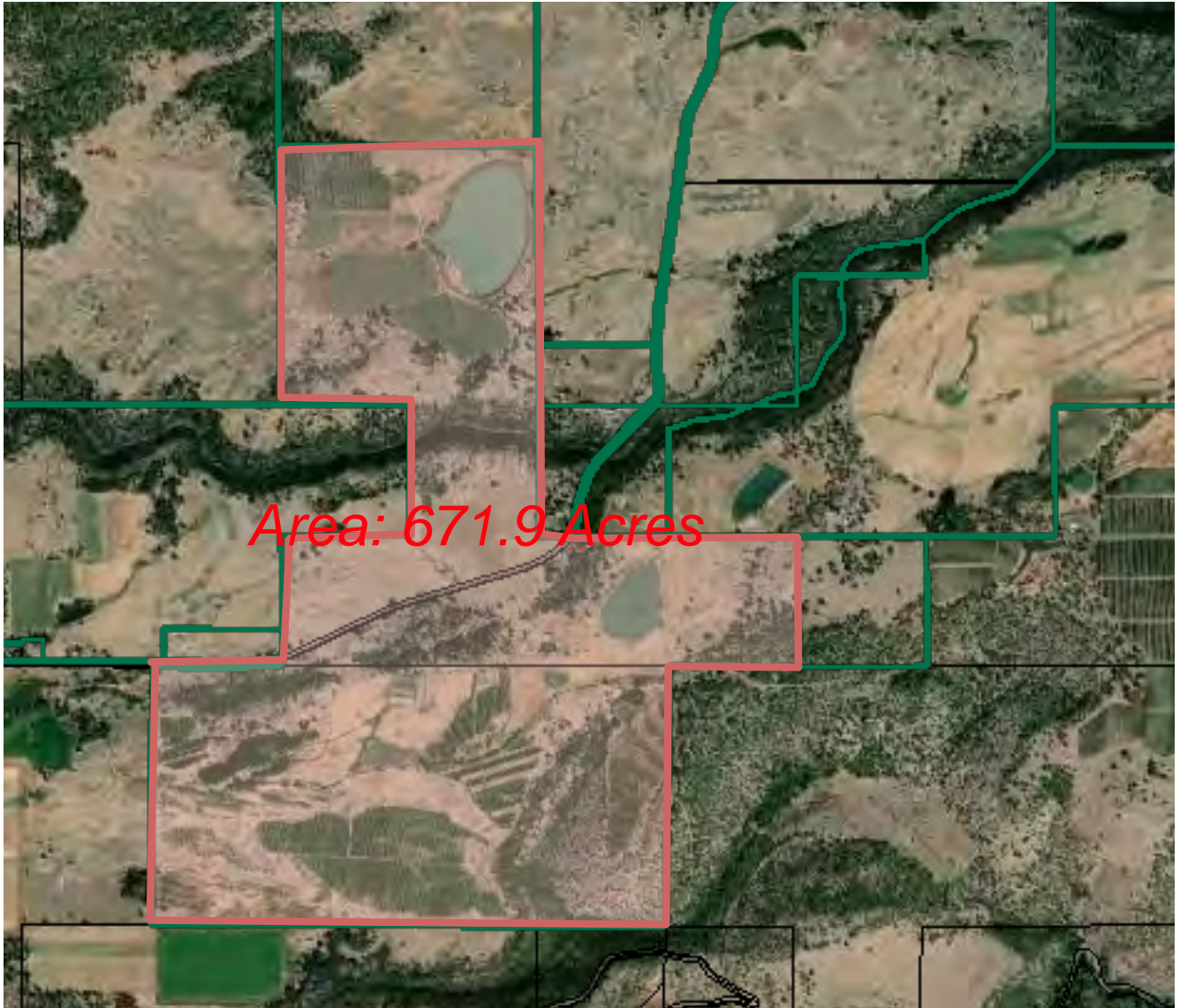
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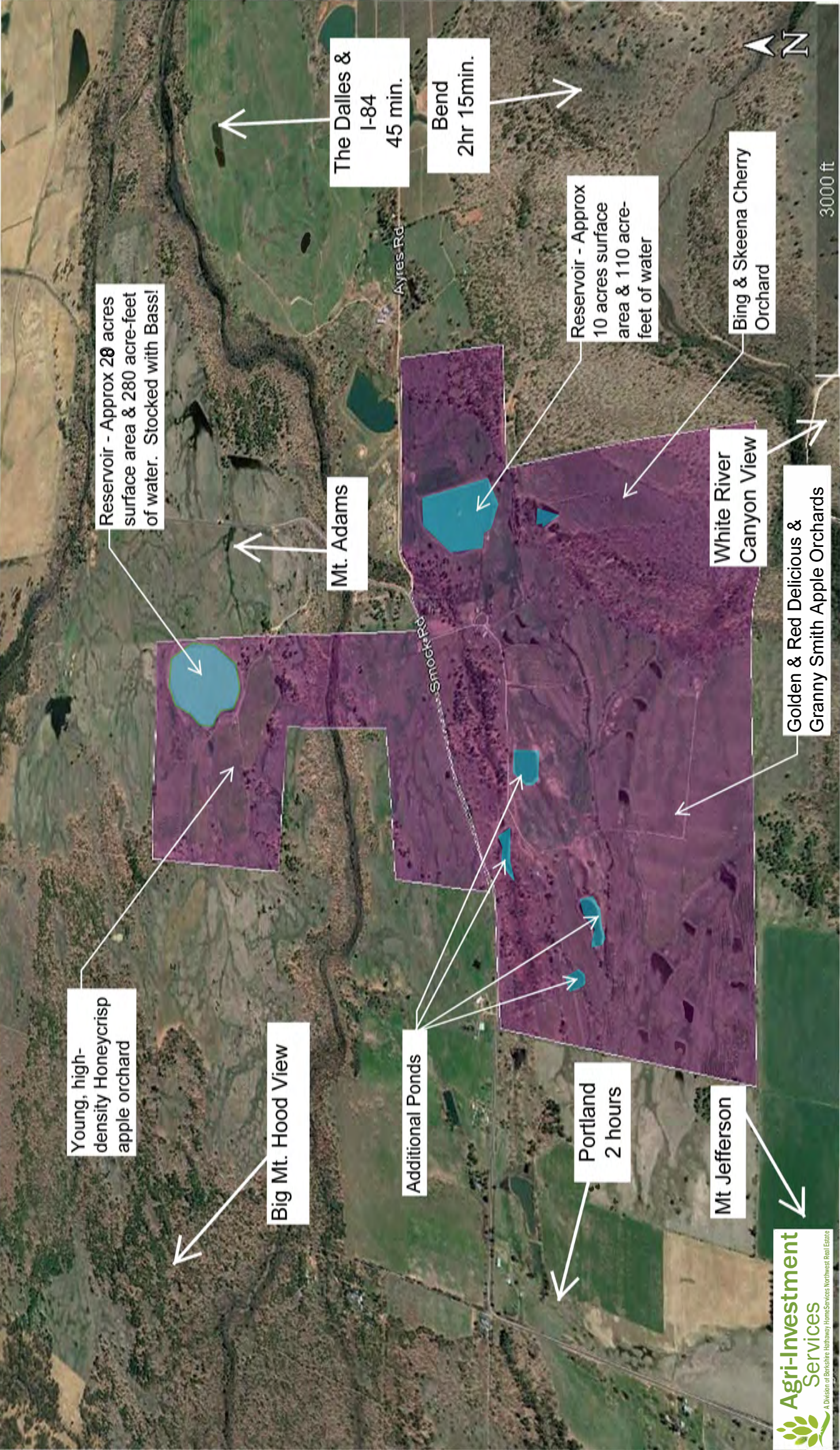


Photos



Maps





3000 ft

Reservoir - Approx 28 acres surface area & 280 acre-feet of water. Stocked with Bass!

The Dalles & I-84 45 min.

Bend 2hr 15min.

Reservoir - Approx 10 acres surface area & 110 acre-feet of water

Bing & Skeena Cherry Orchard

Mt. Adams

White River Canyon View

Golden & Red Delicious & Granny Smith Apple Orchards

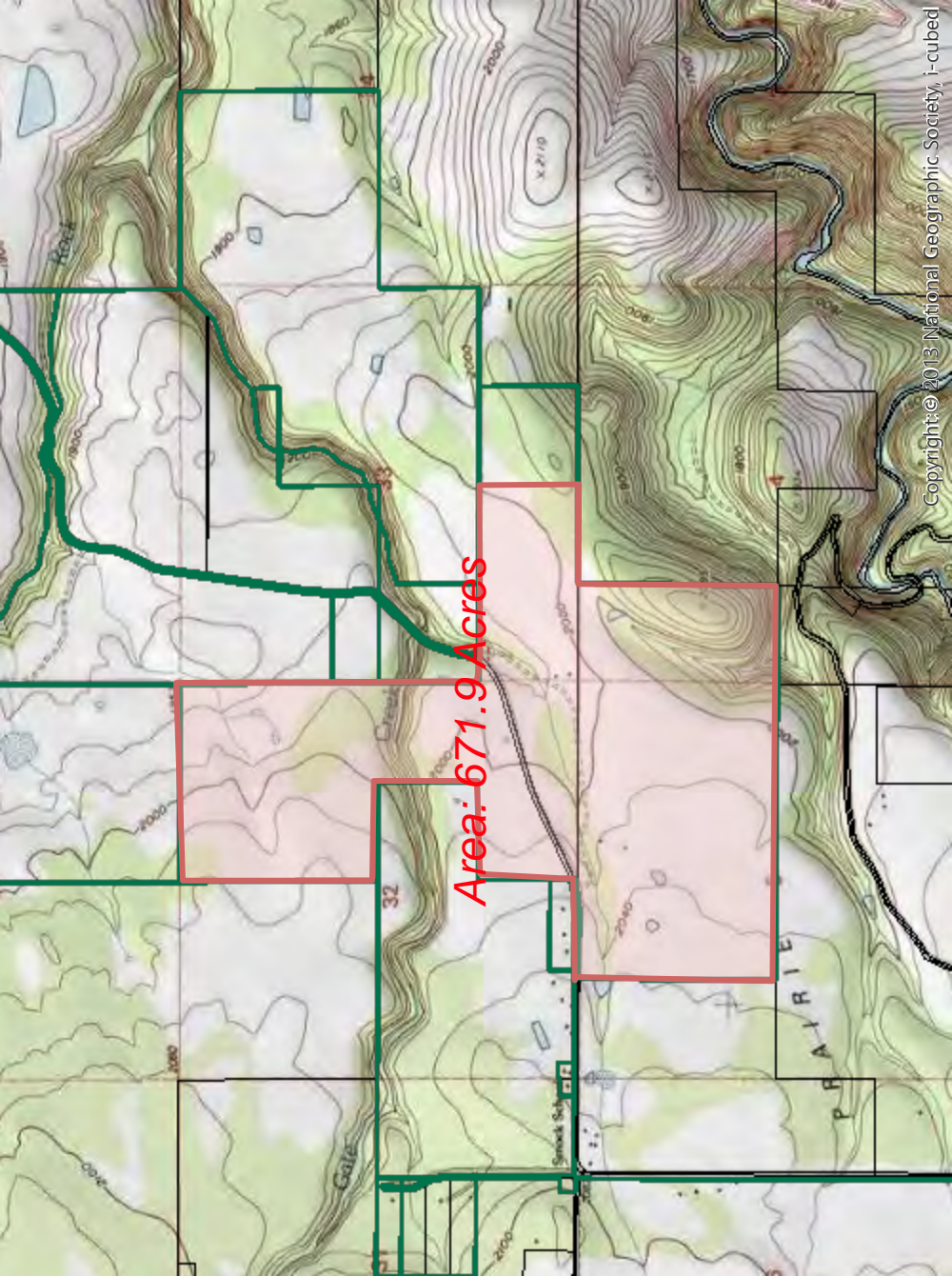
Young, high-density Honeycrisp apple orchard

Big Mt. Hood View

Additional Ponds

Portland 2 hours

Mt Jefferson



Area: 671.9 Acres

Estimated Income & Expenses (per owner)

Income

Cherries	40 tons	\$ 50,000
Granny Smith/Golden Delicious	1396 bins	\$ 275,000
HoneyCrisp	677 bins (not in full production)	<u>\$ 375,000</u>
		\$700,000

Expenses

Manager Salary*		\$ 55,000
2 full time crew*		\$ 76,000
Pruning crew		\$ 20,000
Thinning crew		\$ 20,000
Chemicals		\$ 60,000
Fuel/Propane		\$ 15,000
Utilities		\$ 20,000
Cherry harvest crew		\$ 17,000
Golden/Granny Smith harvest crew		\$ 33,000
Honeycrisp harvest crew		\$ 23,000
Machine maintenance/repairs		\$ 10,000
Miscellaneous supplies/fees		<u>\$ 7,500</u>
		<u>\$356,500</u>
		\$343,500

* Manager & full time crew mow property, manage irrigation, prune in winter months, weed spray, build/fix fence, build/fix trellis, manage cattle herd, misc. duties

Owner Projections on Future Income (per owner)

Income | In 5 years

Cherries	40-50 tons	\$ 55,000
Golden Delicious	1200-1600 bins	\$ 300,000
Granny Smith	Increasing to 150 bins	\$ 30,000
Honeycrisp	Increasing to 2000 bins	<u>\$1,200,000</u>
		\$1,585,000

Notes: Cherries are generally stable with the Skeena crop making up for reductions in Bing production. Golden Delicious are fully mature and stable crop. Granny Smith are still young and yields will incrementally increase over next 5 years. 31 bins harvested in 2018. 69 bins in 2019. 2020 projected for 80-90 bins. Honeycrisp are young and yields will incrementally increase over next 5 years. Estimated for 2000 bins when fully mature with a projected income of between \$1M & \$1.5M on this highly desirable sub-varietal of Honeycrisp which does very well in this particular micro-climate. Red Delicious were not included in income numbers as their future is dependent upon trade relations. This is an export-dependent crop. They have averaged 700-1000 bins per year. Export market was \$250/bin and they are inexpensive to grow and harvest. If the export market comes back, then these could add another \$175,000-\$250,000 in income. The Red Delicious expenses are approximately: Cultivation, pruning & thinning - \$7k-\$9k per year. Chemicals - \$2,000 per year. Harvest - \$24 per bin (again labor costs anticipated to rise 3% per year).

Expenses

Owners are budgeting for a 3% increase per year over the next five years for labor and chemical costs. Harvest costs on the Honeycrisp is expected to double over the course of the next 5 years due to project yields and time required to harvest those yields.

Note: Owner states that this orchard has lower chemical costs/needs due to relative seclusion and a good micro-climate.

Water Rights

WASCO COUNTY, OREGON

RECEIVED

JUN 01 2001

WATER RESOURCES DEPT.
SALEM, OREGON



TAX LOT 1700

APPROXIMATE 50 FT. ZONE
AROUND DAM

TAX LOT 7600

* DIVERSION POINT, (PUMP #3)
SOUTH-330' & WEST 35' FROM
N.E. COR. SECTION 32, T.4S.,
R.12E., W.M.

WINTERTIME SURFACE DRAINAGE
APPLICATION FILE
S-84335 PENDING

TAX LOT 1700

NW 1/4, NE 1/4, NE 1/4
37.0 AC.

NE 1/4
2.3 AC.

DAM #2
7-81465

T.L. 7600

T.L. 7600 (HARVEY)

PROPOSED 8"
WATER LINE

PUMPS:

#1 = 40 H.P., 700 G.P.M.
AT 175" HEAD

#2 = 40 H.P., 700 G.P.M.
AT 175" HEAD

#3 = 25 H.P., 550 G.P.M.
AT 160" HEAD

TAX LOT 1700

32

33

GATE

NE 1/4, SE 1/4
15.6 AC.

PUMP #2 TO PERMIT 46164

TAX LOT 8201

TAX LOT 8700

EXISTING DAM

* PROPOSED DIVERSION POINT #2
(FOR DAM #2) WEST-2840' &
SOUTH 1150' FROM THE N.E. COR.
SECTION 5, T.5S., R.12E. W.M. IN
THE NE.1/4 OF NW.1/4, SEC. 5.

TAX LOT 8205
(4S-12)

SW 1/4, SE 1/4
24.5 AC.

SE 1/4, SE 1/4
15.5 AC.

SW 1/4
28.7 AC.

SE 1/4, SW 1/4
40 AC.

T.L. 8400

T.L. 8800

AIRES

TWP.4S., R.12 E. W.M.

TWP.5S., R.12 E. W.M.

TAX LOT 1000

NE 1/4, NW 1/4
22.3 AC.

NW 1/4, NE 1/4
25.4 AC.

NE 1/4, NE 1/4
37.6 AC.

NW 1/4, NW 1/4
40 AC.

TAX LOT 500 (5S-12)

* PROPOSED DIVERSION POINT #1 (FOR DAM #1)
EAST-860' & SOUTH 120' FROM THE N.W.
CORNER SECTION 4, T.5S., R.12E. W.M. IN
THE NW.1/4 OF NW.1/4, SECTION 4.

RECEIVED

MAY 22 2001

WATER RESOURCES DEPT.
SALEM, OREGON

TAX LOT 600

SE 1/4, NW 1/4
40 AC.

SW 1/4, NE 1/4
40 AC.

SE 1/4, NE 1/4
29.8 AC.

SW 1/4, NW 1/4
8.6 AC.

3

4

TAX LOT 900 (5S-12)

T.L. 701

T.L. 300

STATE OF OREGON

COUNTY OF WASCO

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BLAINE LIMITED PARTNERSHIP
P.O. BOX 450
PARKDALE, OREGON 97041

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

APPLICATION FILE NUMBER: R-84768

SOURCE OF WATER: LOST & BOULDER DITCH, TRIBUTARY TO GATE CREEK

STORAGE FACILITIES: RESERVOIR 1 AND RESERVOIR 2 (ENLARGEMENT, ORIGINALLY CONSTRUCTED UNDER PERMIT R-14054)

PURPOSE OR USE OF THE STORED WATER: STORAGE FOR SUPPLEMENTAL IRRIGATION OF 462.1 ACRES TO BE APPROPRIATED UNDER PERMIT S-54669

MAXIMUM VOLUME: 160.0 ACRE FEET (AF), BEING 80.0 AF IN RESERVOIR 1 AND 80.0 AF IN RESERVOIR 2

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: JANUARY 1 THROUGH APRIL 14

DATE OF PRIORITY: JUNE 1, 2001

THE AREA SUBMERGED BY RESERVOIR 1, WHEN FULL, WILL BE 10.3 ACRES AND THE MAXIMUM DEPTH OF WATER WILL BE 14.0 FEET. THE MAXIMUM HEIGHT OF THE DAM SHALL NOT EXCEED 16.0 FEET.

THE AREA SUBMERGED BY RESERVOIR 2, WHEN FULL, WILL BE 23.0 ACRES AND THE MAXIMUM DEPTH OF WATER WILL BE 20.0 FEET. THE MAXIMUM HEIGHT OF THE DAM SHALL NOT EXCEED 22.0 FEET.

DAM LOCATIONS:

RESERVOIR 1: SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 33, T4S, R12E, W.M.; 1070 FEET NORTH & 1000 FEET EAST FROM SW CORNER, SECTION 33

RESERVOIR 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 32, T4S, R12E, W.M.; 330 FEET SOUTH & 35 FEET WEST FROM NE CORNER, SECTION 32

POINTS OF DIVERSION LOCATIONS:

POD #1 (FOR DAM #1): NW $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 4, T5S, R12E, W.M.; 120 FEET SOUTH & 860 FEET EAST FROM NW CORNER, SECTION 4

POD #2 (FOR DAM #2): NE $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 5, T5S, R12E, W.M.; 1150 FEET SOUTH & 2840 FEET WEST FROM NE CORNER, SECTION 5

THE AREA TO BE SUBMERGED BY THE RESERVOIRS IS LOCATED AS FOLLOWS:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ RESERVOIR 2

SE $\frac{1}{4}$ NE $\frac{1}{4}$ RESERVOIR 2

SECTION 32

SW $\frac{1}{4}$ SW $\frac{1}{4}$ RESERVOIR 1

SECTION 33

TOWNSHIP 4 SOUTH, RANGE 12 EAST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. The permittee shall maintain the meter or measuring device in good working order.
- B. The permittee shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.
- C. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where any meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe (with a minimum diameter of 8" for any in-channel reservoir). This requirement may be waived if the Department determines other means have been provided to evacuate water when necessary.

The permittee shall pass all live flow outside the storage season described above.

The Director may require the user to measure inflow and outflow, above and below the reservoir respectively, to ensure that live flow is not impeded outside the storage season. Measurement devices and their implementation must be acceptable to the Director, and the Director may require that data be recorded on a specified periodic basis and reported to the Department annually or more frequently.

This permit allows an annual appropriation (not to exceed the specified volume). This permit does not provide for the appropriation of water for out-of-reservoir uses, the maintenance of the water level or maintaining a suitable freshwater condition. If any water is to be used for out-of-reservoir purposes, a secondary water right is required. If any additional live flow is to be appropriated to maintain either the water level or a suitable freshwater condition, an additional water right is required.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

Notwithstanding that Oregon Department of Fish and Wildlife has made a determination that fish screens and/or by-pass devices are not necessary at the time of permit issuance, the permittee may be required in the future to install, maintain, and operate fish screening and/or by-pass devices to prevent fish from entering the proposed diversion, and to provide adequate upstream and downstream passage for fish.

Use of water under this permit ~~is contingent~~ on designated scenic waterway flows being met downstream. The user is required to monitor streamflow at USGS gage 14103000, Deschutes River at Moody, near Biggs, OR, and discontinue diversion when the flows specified below are unmet. At the discretion of the Director, the location and nature of streamflow monitoring required to protect scenic waterway flows is subject to change. In addition, the watermaster may regulate diversion under this right if it is determined by the Department that the flows listed below are unmet.

Deschutes River Scenic Waterway	
Month	Minimum Bypass Flow (cfs)
January	4500
February	4500
March 1-15	4500
March 16-31	4000
April	4000

DAM CONDITIONS

The outlet gate shall be cycled at least once each year and shall be fully operational at all times. The embankment and spillway shall be kept clear of brush, debris, and burrowing animals.

Routine maintenance of the dam, spillway and appurtenant structures shall be performed as necessary to remove trees, brush and debris, and to repair slumps, areas of erosion, or defective equipment.

The earthen dam, concrete spillway and resultant reservoir shall be constructed and maintained according to the approved plans and specifications dated October 4, 1996, on file with Oregon Water Resources Dam Safety program. Any changes in the approved design prior to construction shall be documented in a letter to Dam Safety.

All construction shall be performed under the supervision of a professional engineer licensed in Oregon. No fill shall be placed until excavation of the foundation has been completed and examined in its entirety by the engineer of record, or by the Water Resources Dam Safety Engineer.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that construction has been completed in accordance with the approved plans and specifications.

If construction deviates from the approved design, a set of as-built drawings must accompany the engineer's written certification of completion.

The completed structure shall not be enlarged, modified, altered or otherwise changed without the prior written approval of the Director of the Water Resources Department or the Director's authorized representative. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed engineer are required for any modification to the dam, spillway or appurtenant structures.

STANDARD CONDITIONS

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.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

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 allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Construction shall be completed and the permitted volume of water shall be stored within five years of the date of permit issuance. If additional time is needed, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

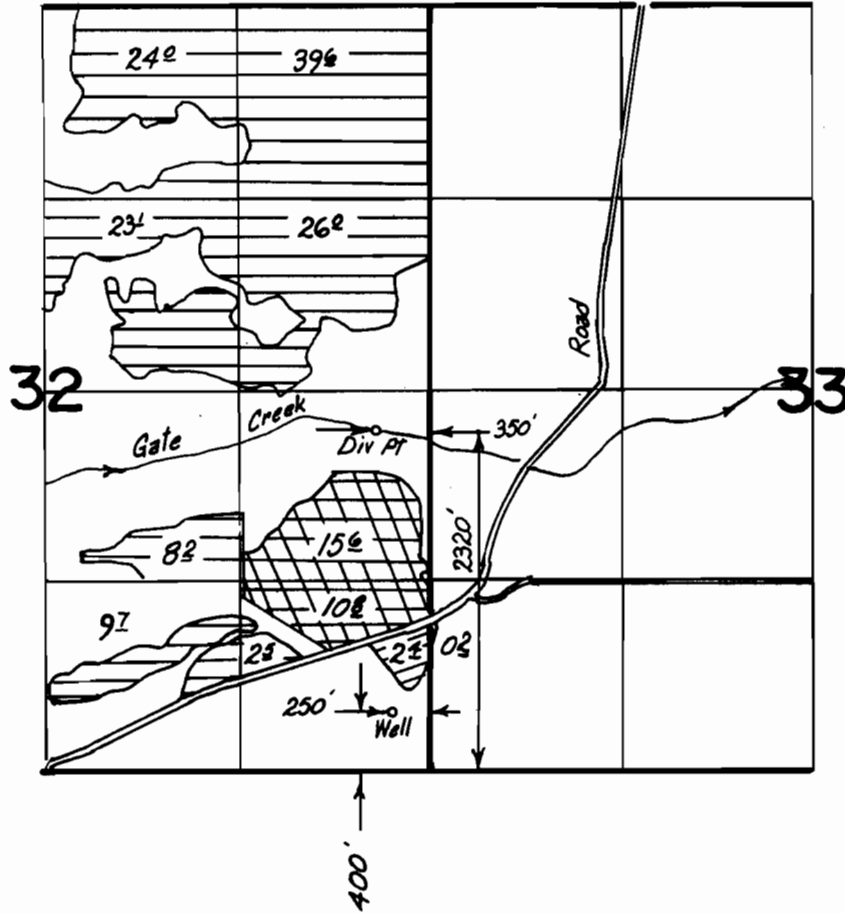
Within one year after storage of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued August 5, 2010

E. Timothy Wall

for Phillip C. Ward, Director
Water Resources Department

T.4S., R.12E., W.M.



Scale: 1" = 1320'




FINAL PROOF SURVEY

UNDER

G-9577 G-9254
 Application No. 58513 Permit No. 46164
 IN NAME OF

RICHARD T. BLAINE

Surveyed ...6-21... 1984.. by Larry Tall.....

-  Gate Creek
-  Gate Creek, Well (Suppl')
-  Well (Primary)

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON

COUNTY OF WASCO

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

RICHARD T. BLAINE
4676 HUTSON DRIVE
PARKDALE, OREGON 97041

confirms the right to use the waters of ONE WELL in the COLUMBIA RIVER BASIN for IRRIGATION OF 2.6 ACRES AND SUPPLEMENTAL IRRIGATION OF 26.4 ACRES.

This right was perfected under Permit G-9254. The date of priority is JANUARY 27, 1981. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.363 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SE 1/4, SECTION 32, T 4 S, R 12 E, W.M.; 400 FEET NORTH
AND 250 FEET WEST FROM THE SE CORNER, SECTION 32.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to ONE-EIGHTIETH 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 3.0 acre-feet per acre for each acre irrigated during the irrigation season of each year. The right shall be limited to any

G-9577.JWG

Certificate Number 83022

deficiency in the available supply of any prior right for the same land and shall not exceed the limitation allowed herein.

A description of the place of use to which this right is appurtenant is as follows:

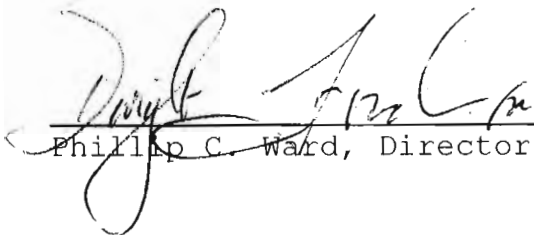
	<u>PRIMARY</u>	<u>SUPPLEMENTAL</u>
NE 1/4 SE 1/4		15.6 ACRES
SE 1/4 SE 1/4	2.4 ACRES	10.8 ACRES
SECTION 32		
SW 1/4 SW 1/4	0.2 ACRE	
SECTION 33		
TOWNSHIP 4 SOUTH, RANGE 12 EAST, W.M.		

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described.

WITNESS the signature of the Water Resources Director, affixed

FEB 09 2007



Phillip C. Ward, Director

Recorded in State Record of Water Right Certificates number 83022.

The Owner reserves the right to negotiate with parties of the Owner's choice. The Owner reserves the right to terminate the process if Owner is not satisfied with negotiations. Terms of this offering may be altered by Owner at any time without notice.

Neither the Owner or Broker assume any liability to any interested party as a result of either the rejection of any proposal or the modification of any information or terms contained in this offering circular or any other communication, either written or oral, nor shall Owner or Broker be responsible for the reimbursement of any costs incurred by any interested party while evaluating the Farm or connection with any proposal made.

No party shall be bound by any offer or notice of interest and no agreement shall be considered made, until such time as the parties have executed and delivered definitive, written transactional documents.

The Owner requests that all inquiries be made to Agri-Investment Services Group and that no contact be made with employees of the Farm or its vendors, suppliers, customers or other parties without express, written permission from the Owner.



503-212-2735
info@agisg.com