

on of approximately 10 acres, upon which alfalfa is grown; it is contemplated that the Buyers above named shall produce on said lands and from said orchard as much as the operation of said farm in a good and husbandly manner may be produced; that such portions of the alfalfa as the Buyers may determine may be sold upon the open market, or otherwise; it is understood and agreed by and between the Sellers and the Buyers that all of the marketable apples produced on said property shall be sold through and delivered to Starr Fruit Company, a co-operative, Bingen, Washington, or to such other dealer or agency as the parties may mutually agree upon and to affect such delivery and sale the Buyers will procure such membership as may be necessary therefor; that annually the Buyers will account for prior years operation on or before the 1st of July as long as there is an unpaid balance of purchase price on this contract, for all crops, including hay, fruit, and timber on said property; the Buyers shall pay over to the Sellers one-fourth of the net value of alfalfa hay grown on said premises as aforesaid, and one-fourth of the value of the net proceeds received from the sale of apples produced on said premises, the said one-fourth of net value of said alfalfa hay and the one-fourth net received from the sale of the apples to be applied against the above mentioned purchase price; it being understood and agreed that the said one-fourth net proceeds payable as above shall include interest on unpaid balances of said purchase price at the rate of four per cent per annum. In arriving at a determination of the net proceeds aforesaid there shall be deducted from the gross receipts from the fruit all expenses as for material, and labor, other than the labor of the Vendees, for pruning, fertilization, spraying, cultivation, thinning, harvesting, packing, hauling and marketing fruit including commissions, insurance and warehouse charges. In arriving at the net proceeds from hay there shall be deducted the expense of labor and material, other than the Vendees, of plowing, harrowing, seeding, fertilization, cutting, baling and hauling. For that portion of the hay used by the Vendees upon the premises for feeding stock an accounting shall be made and the same paid for upon the same basis as they sold except that cost of hauling shall not be deducted in arriving at the amount of the net value; and provided further that in case no hay is sold from said premises the market value thereof shall be taken and considered as the sale price in arriving at the amount to be paid by the Vendees therefor. In arriving at the net proceeds from the sale of timber there shall be deducted from the sale price the cost and expense of material and labor, except Vendees in harvesting and marketing the same.

The vendees shall farm the premises above described in a good and husband-like manner and particularly prune, spray, cultivate, and care for the apple orchard thereon in the usual approved manner.

The Vendees shall keep a full and complete account of their receipts and disbursements and shall annually render to the Vendors a full and complete accounting.

It is understood and agreed that the Vendors are indebted to the Federal Land Bank of Spokane and the Land Bank Commissioner on account of mortgages upon the premises above described, and that the said indebtedness secured by said mortgages shall be paid by the Vendors as and when the payments thereon become due, and for the purpose of the statement of a fact it is understood that the unpaid balances on said mortgages as of the 1st day of April, 1947, was the sum of \$3862.71.

It is further understood and agreed that the Buyers shall keep and maintain upon the premises fire insurance in a sum of not less than \$4000.00, loss payable to the Sellers as their interest may appear.

It is further understood and agreed that the Buyers shall pay the taxes regularly assessed against said property as the same become due and before delinquency.