

ORCHARD VENTURE AGREEMENT

THIS AGREEMENT made this 9th day of March, 2010, by and between TALBOTT FARMS, INC., a Colorado corporation (hereinafter "OPERATOR"), and _____, as Joint Tenants, (hereinafter "OWNER").

WITNESSETH

WHEREAS, OPERATOR has been in the business of Orchard establishment, production and management for 47 years and has extensive experience, equipment, know-how and other resources for providing for the establishment, management and production of orchards, and

WHEREAS, OWNER, who has land suitable for planting an orchard, irrigation water sufficient to water an orchard on the land, and desires to take advantage of the expertise of OPERATOR in establishing and producing orchards, will offer as part consideration, 2 acres of such land which is located at

Palisade, CO 81526 (hereinafter referred to as the "property"), to be used for the establishment of such an orchard.

NOW, THEREFORE, in consideration of the premises and mutual covenants of this agreement, the parties hereto have agreed as follows:

TERMS

1. The duration of this agreement is to be for a base period beginning on the date that this agreement is executed by all the parties hereto and terminating on the 31st of December, 2019. The parties may mutually agree to extend the agreement after such base period under the same or revised terms as may be hereafter set forth.

2. OWNER agrees to furnish the Property and associated irrigation water and to pay all expenses pertaining to the purchase and maintenance of title to said Property and water including, but not limited to, taxes, water operating and maintenance costs and any associated special assessments.

3. OWNER agrees that OPERATOR will have decision-making authority as to any horticultural or agricultural decisions relative to the planting.

4. OPERATOR agrees to provide and be responsible for all horticulture and management practices concerning the development

and maintenance of this venture, including all aspects involved with the establishment and year-round caring for an orchard such as, but not limited to, planting, watering, spraying, fertilization, weed control, thinning, harvesting, and pruning. OPERATOR will also be responsible for all phases of marketing including, but not limited to, picking, sorting, packing, selling, shipping, and collecting.

5. OPERATOR will be responsible for all expenses necessary to establish and maintain the venture including, but not limited to, farm labor, professional services, supplies, chemicals, fuel and equipment.

6. OPERATOR shall be solely responsible for compliance with all labor, immigration, environmental and other laws applicable to the activities of this venture and OPERATOR agrees to indemnify and hold OWNER harmless from liability therefore including, but not limited to damages, costs, attorney fees and fines.

7. OPERATOR agrees to make lease payments to OWNER based on annual marketable orchard production per the following schedule:

\$100/acre when there is less than 200 bu./a.

\$200/acre when there is 200 to 299 bu./a.

\$300/acre when there is 300 to 399 bu./a.

\$400/acre when there is 400 to 499 bu./a.

\$500/acre when there is 500 or more bu./a.

OPERATOR will provide production records and payment is to be made prior the end of each calendar year.

8. OPERATOR also agrees to provide and care for a limited assortment of plum and cherry trees to be placed at the bottom end of the rows next to the house. These will be cared for as a part of and consistent with the rest of the orchard with the exception is harvesting which is the responsibility of OWNER. OWNER also can take as many peaches for home use as desired from the orchard.

9. Should the assets of OWNER or OPERATOR which are the subject of this agreement be affected by third party intervention, legal procedures or the like, such as divorce, foreclosure, bankruptcy, then it is the intention of the parties to this agreement that the terms of this agreement shall be binding on any such other third party, and that the benefits and obligations of this venture shall pass to such other third party. In this respect, it shall be OPERATOR'S obligation to have this instrument filed of record in the public records of Mesa County.

10. This Agreement shall be binding on the licensee, lessee, purchaser assigns, devisees, heirs, executors, administrators or personal representatives of all the parties to this agreement.

11. This contract shall not be construed as nor is it intended to be a partnership, and neither party shall be liable for the debts or obligations incurred by the other party without written consent.

12. OWNER has the right to assign this agreement to another party without the consent of OPERATOR, and OPERATOR may only assign this agreement upon the written consent of OWNER.

13. OPERATOR agrees to maintain appropriate insurance and to furnish upon request to OWNER , a certificate of insurance with combined single limits in the amount of \$500,000 for liability and \$5,000 for medical for any liability associated with this venture, the use of the above described property of equipment thereon.

14. This agreement may be terminated upon the mutual written consent of both parties hereto. OWNER may also unilaterally terminate the agreement at any time by purchasing OPERATORS incurred debt against the project and paying a \$10,000 additional penalty to OPERATOR.

15. While OPERATOR is acknowledged to be considered an expert in the establishment and operation of orchards, it is understood by both parties that the success of such an operation is dependent on many factors both in and out of the control of the parties, and that OWNER is entering into this agreement in reliance on his own personal knowledge of the reputation of OPERATOR and not upon any information or promises of OPERATOR as to the expected performance of this venture. OWNER and OPERATOR acknowledge that the raising of fruit is a business which is controlled by outside forces. Therefore, neither party shall hold the other responsible for weather, labor or market problems. If either party shall claim the damages under this Agreement, the only cause of action against the other party is willful and wanton breach of the Agreement.

16. Failure of either party to comply with the agreement shall make him liable for damages to the other party. Any such claim by either party for such damages shall be presented in writing to the other party within 60 days after the non-compliance occurs. If satisfactory settlement regarding such a claim or any other dispute between the parties cannot be made by the parties, then the parties agree that they will arrange to have the dispute mediated by a competent mediator, and that if the parties are unable to mediate any such dispute or claim, then the parties further agree to submit all matters of dispute to a board of arbitrators comprised of three disinterested persons, one of whom shall be appointed by the OWNER, one by the OPERATOR, and the third by the two thus appointed. The decision of this board shall be binding on both parties to this agreement unless a matter of law or a sum exceeding \$50,000 is involved. Any costs for such

arbitration or mediation shall be shared equally between the two parties.

Talbott Farms, Inc.
(A Colorado Corporation)

by _____
OPERATOR

Date _____

Date _____

OWNER