

MEMO

TO: 22-7697

FROM: Cherie Padilla

DATE: June 14, 2010

RE: Phone Conversation with Sidney Highnote; Ownership

Today Sidney Highnote contacted me today to discuss the ownership and split of permit 22-7697 and split portion 22-13973. I informed him that the assignment of permit gave NW Farm Credit partial ownership of the rights and will become owners when these permits are licensed.

Sidney emphasized that NW Farm Credit should only have an interest in the permits, not owners, and would like NW Farm Credit to be reflected on these rights as having security interest only.

I told him he will have to rescind his assignment of permit and that NW Farm would need to submit something to that effect as well. I informed him that the form NW Farm should submit is called a Notice of Security Interest.

6/15/10 Today I spoke with Lori @ Northwest Farm and suggested she submit a Notice of Security Interest and an Assignment of Permit to place the owner as Sidney only on the permit. I will plan on undoing the split.