JOHN DEERE

05 January 2005 $3000

10/28-98 Chipper

Dear Customer,

The Group want to take this opportunity to let you know that we are under going a MANDATORY Washington State Sales Tax audit. Washington State approached us about 18 months ago and after much discussion with our counsel, we allowed them access to our sales records.

You may be receiving letters from Washington State requesting information regarding your paying the sales tax for certain purchases made from one of our stores. According to law, the Group stores are only required to collect the sales tax due if we deliver, arrange delivery, or come to your place of business or residence to work on your equipment.

10/7-96

$7000

Our stores are not responsible to collect the sales tax due on any goods that you take delivery of at the stores or that you make your own delivery arrangements. However, according to State of Washington Use Tax laws, you are responsible to pay sales/use tax on goods purchased unless you have a Resale Certificate or an Exempt Certificate.

Every business in Oregon is being scrutinized by the State of Washington and will be forced to face their own audit in time.

We appreciate and value your business and look forward to doing business with you in the future. We are certainly sympathetic with your concerns with this audit and will do all we can to help you with any records you may need.

Sincerely,

President

JRmc