

After recording, return to:

SKAGIT LAND TRUST
PO Box 1017
Mount Vernon, WA 98273



200304180118
Skagit County Auditor

4/18/2003 Page 1 of 5 1:41PM

Lessor: Fred DeVries, DeVries Dairy L.P.

Lessee: Skagit Land Trust

Brief Legal Description: Lot 3 of Skagit County Short Plat No. 91-014 recorded as Skagit County Auditor's File No. 9104080082 in Volume 9 of Short Plats Pages 339 and 340. *(Complete legal attached as Exhibit A)*

Assessor's Parcel Numbers: P23472; P23474; P99048

LEASE AGREEMENT

THIS LEASE AGREEMENT is between Skagit Land Trust, a non-profit corporation of the State of Washington, hereinafter referred to as "Lessor", and Fred DeVries, hereinafter referred to as "Lessee".

1. PREMISES:

See Exhibit "A" and "B" attached hereto and incorporated herein by reference.

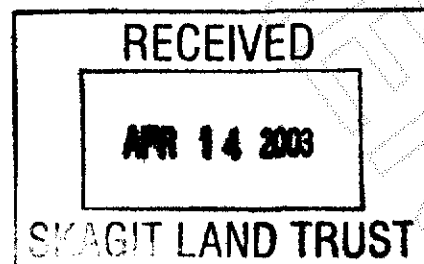
2. EFFECTIVE DATE AND DURATION: This Agreement shall be effective May 15, 2003 through May 14, 2004. The lease period is one year. Lease is renewable for one year upon mutual agreement of Lessee and Lessor. Lessee shall notify Lessor of his interest in lease renewal no later than April 1, 2004.

3. TERMINATION: Either party may terminate this agreement by giving the other party notice in writing 30 days in advance of the termination date. However, in the event of early termination by Lessor, Lessee shall have the right to the summer and fall 2003 crops.

4. RENT: Lessee agrees to pay \$3,000, for 80 acres, for the entire lease period. Rent is due on or before May 15, 2003.

5. ACCEPTABLE USES: Acceptable agricultural uses of Premises is pasture and row cropping, grazing, harvest of hay and silage, and related management such as seeding, harrowing, plowing, fertilizing, manure spreading, liming, and fencing. All other uses are not allowed without written

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permission from the Lessor. Lessee agrees to plant a cover crop of grass or winter grain after harvest, and before November 15th 2003, on any portion of the premises that are planted in corn or row crops.

6. **WET AREA:** Wet area consists of a large north-south oriented swale of approximately 15 acres that is located in the western portion of the Premises, as shown in Exhibit B. No plowing or row crop cultivation shall occur in said wet area. Lessor agrees to maintain a grass cover at all times in said wet area, and to exclude grazing animals when there is standing water present in said wet area.
7. **RIPARIAN BUFFER:** A riparian buffer area approximately 180 feet wide has been identified on the southwest portion of the property, along Nookachamps Creek, as shown in Exhibit B. Lessor intends to restore riparian vegetation in this area during the lease period. Lessee shall not interfere with these restoration efforts, and, shall exclude grazing animals from the riparian buffer area upon request of the Lessor for implementation of restoration efforts. Lessee shall exclude grazing animals from Nookachamps Creek at all times.
8. **CONDITION OF PREMISES:** Lessee agrees to care for and maintain said Premises, and to adhere to Best Management Practices recommended by the Natural Resource Conservation Service. Lessee agrees not to commit or allow to be committed any act of destruction to Premises. Lessee shall commit no waste on the premises, and shall at all times comply with all applicable local, state and federal laws and regulations.
9. **ENVIRONMENTAL PROVISION:** Lessee shall not use any hazardous or toxic chemicals as regulated by federal or state law, except appropriate herbicides, pesticides, fertilizers and manure may be used, and shall be applied in full compliance with all applicable federal state and local laws. Lessee agrees to indemnify and hold harmless Lessor for any liability for failure to comply with applicable water quality, hazardous and toxic waste and/or pesticide or herbicide regulations, including the full cost to remediate any spills or improper discharge, including the cost of attorney's fees and applicable fines, as well as damages claimed by adjoining third person property owners.
10. **SURRENDER OF PREMISES:** Lessee shall promptly yield and deliver to the Lessor, possession of the Premises at the termination of this agreement.
11. **ADMINISTRATION OF AGREEMENT:** The Lessor's representative in the administration of this Agreement shall be John S. Milnor, President, Skagit Land Trust.
12. **INDEMNIFICATION:** Each party agrees to be responsible for their own acts or omissions. Each agrees to indemnify and hold harmless the other for such acts or omissions committed by that party, its agents, or representatives.
13. **SUB-LEASE:** Sublease of the Premises is not allowed without written approval from the Lessor.

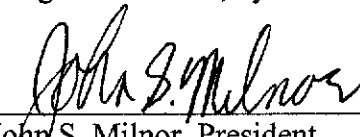


14. ENTIRE AGREEMENT: This Agreement constitutes the entire understanding between the parties with respect to the subject and agreements, oral and written, relating hereto. Any amendment hereof must be in accordance with the following paragraph on "Modification".
15. MODIFICATION: Lessor and Lessee may amend this Agreement at any time, but only upon mutual agreement in writing between the parties.
16. LEGAL PROVISIONS: This agreement shall be construed pursuant to the laws of the state of Washington. Venue for any action shall rely exclusively in Skagit County Superior Court. The prevailing party in any action shall receive an award of its attorney's fees and costs, including those incurred on appeal.

DATED this 10TH day of April, 2003.

LESSOR:

Skagit Land Trust, by:


John S. Milnor, President

LESSEE:

DeVries Dairy L.P., by:


Fred DeVries

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

APR 18 2003

Amount Paid \$
Skagit County Treasurer
By: Deputy



EXHIBIT A

Francis Road:

Lot 3, of Skagit County Short Plat No. 91-014, approved April 8, 1991, and recorded April 8, 1991, as Auditor's File No. 9104080082, in Volume 9 of Short Plats, Pages 339 and 340, records of Skagit County, Washington, being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 2, and of the Northeast 1/4 of the Southeast 1/4 and the Southwest 1/4 of the Southeast 1/4 of Section 3, all in Township 34 North, Range 4 East, W.M.

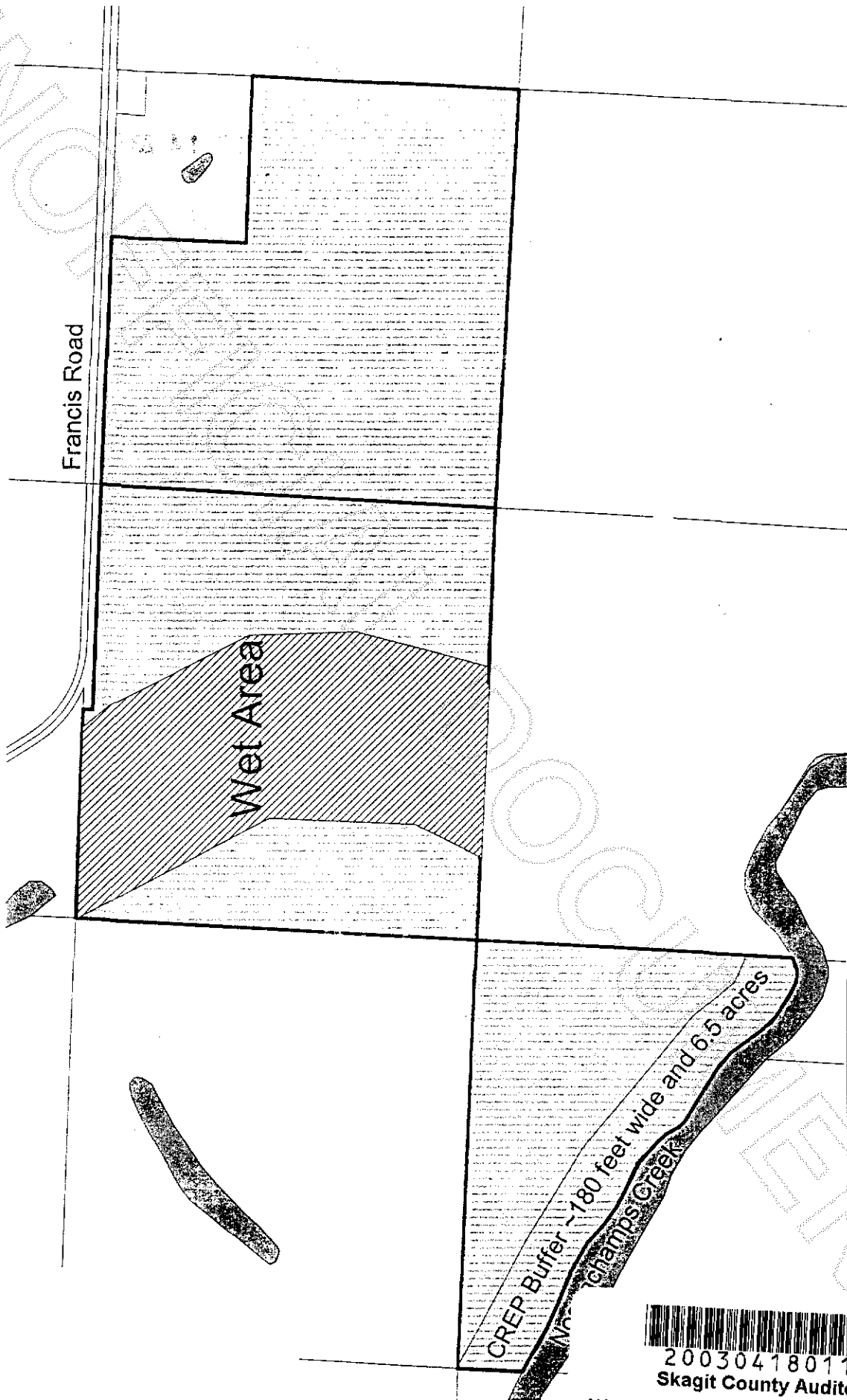


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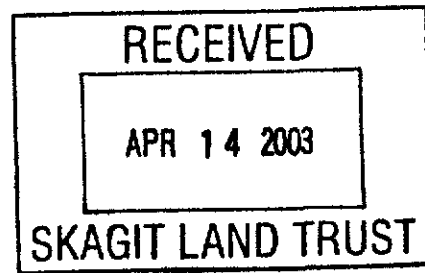
Skagit County Auditor

EXHIBIT B

Skagit Land Trust Property on Francis Road
Township 34N, Range 4E, Sections 2 and 3



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