



200305290031

Skagit County Auditor

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200304090010

Skagit County Auditor

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Return Address

SCHACHT & HICKS
ATTORNEYS AT LAW
PO BOX 1165
MOUNT VERNON WA 98273

Please print or type information

LAND TITLE COMPANY OF SKAGIT COUNTY

106098

Document Title(s) (or transactions contained therein):

5/28/03 RERECORD TO ADD
SIGNATURE OF NOTARY

1. FARM LEASE
- 2.
- 3.
- 4.

Reference Number(s) of Documents assigned or released:
(on page ___ of document(s))

Grantor(s) (Last name first, then first name and initials)

1. JUNGQUIST, Roger R.
2. JUNGQUIST, Leslie C.
3. JUNGQUIST, Robert K.
4. JUNGQUIST, Gina Marie
5. ☐ Additional names on page ___ of document.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

APR 09 2003

Amount Paid \$ 0
Skagit County Treasurer
By: Deputy

Grantee(s) (Last name first, then first name and initials)

1. YOUNGQUIST, MICHAEL A.
2. YOUNGQUIST, JEANNE M.
- 3.
- 4.
5. ☐ Additional names on page ___ of document.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 29 2003

Amount Paid \$ 0
Skagit Co. Treasurer
By: Deputy

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Lots 1 and 2, Short Plat No. 00-0062 Aud File No. 200011080112,
being ptn N 1/2 of Sec 26, T. 34 N, R. 3 E.W.M.

☒ Additional legal is on page EX A of document.

Assessor's Property Tax Parcel/Account Number

340326-1-004-0300

340326-1-004-0019

☒ Additional legal is on page EX A of document.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to
verify the accuracy or completeness of the indexing information provided herein.

FARM LEASE

THIS AGREEMENT made and entered into this day by and between ROGER R. JUNGQUIST and LESLIE C. JUNGQUIST, husband and wife, ROBERT K. JUNGQUIST and GINA MARIE JUNGQUIST, husband and wife, "Lessor," and MICHAEL A. YOUNGQUIST and JEANNE M. YOUNGQUIST, husband and wife, "Lessee,"

W I T N E S S E T H :

WHEREAS, the Lessor, for and in consideration of the rents, covenants and conditions hereinafter contained, has and does this day lease to Lessee the following described real estate situate in Skagit County, state of Washington:

The approximately 75.67 acres of land listed and described on EXHIBIT A attached hereto and by reference made a part hereof, including buildings and grounds immediately surrounding any buildings and including all raspberry plants thereon.

1. **TERM.** The terms of this lease shall be for five (5) years commencing effective the date of this lease and terminating on December 31, 2007.

2. **PURPOSE.** The purpose of this lease is to operate the premises as a farm during the term of this lease in a husbandlike and businesslike manner with proper regard for the interests of Lessors and Lessees in accordance with the reasonable standards for the operation of such farms in Skagit County, Washington.

3. **RENTAL.** The cash rental for the farm shall be two semiannual payments of Fifteen Thousand Dollars (\$15,000.00) payable on April 15 and October 15 of each year, provided the first payment of Fifteen Thousand Dollars (\$15,000.00) shall be due and payable at closing, with the next payment due October 15, 2003.



4. **REAL PROPERTY TAXES.** Lessor shall pay the real property taxes. Lessee shall reimburse Lessor the amount of said taxes. The real property taxes for the first half of 2003 shall be prorated to the date of the commencement of this lease. Lessee shall thereafter pay Lessor the amount due for the first half no later than April 1 of each year or fourteen from the date Lessor shall notify Lessee of the amount due, but in no event later than April 1 of each year. Lessee shall pay Lessor the amount due for the second half taxes each year no later than October 1 of each year.

5. **RESTRICTION ON SUBLEASING.** The Lessee shall not assign this lease or sublet the premises, or any portion thereof, during the term of this lease or any extension hereof, without the written consent of the Lessor first had and obtained, and any such assign-ment of this lease or subletting of the premises without such written consent shall be absolutely void and shall vest no right, title or interest whatsoever in and to said assignee or sublessee.

6. **ENTRY OF LESSOR.** The Lessor shall have the right to enter upon said premises at any reasonable time for the purpose of inspecting the same or for the purpose of doing anything that may be required under this lease, or for the purpose of doing anything Lessee may be required to do and shall fail to do.

7. **MAINTAINING THE FARM.** To improve the farm, conserve its resources, and maintain it in a high state of cultivation, the parties agree as follows:

- a. General Maintenance. The Lessee will maintain the farm during the tenancy in as good condition as at the beginning, normal wear and depreciation and damage from causes beyond the Lessee's control excepted.
- b. Good Husbandry. The Lessee will operate the farm in an efficient and husbandlike way, and will do the plowing, seeding, cultivating and harvesting in a manner that will conserve the Lessor's property.
- c. Waste. The Lessee will not commit waste on or damage to the farm, and will use due care to prevent others from so doing.
- d. Noxious Weeds. The Lessee will use diligence to prevent noxious weeds, quack grass and thistles from going to seed on the farm and will destroy the same, and will keep the weeds, berry vines, brush, thistles and grass cut or destroyed on the fields, farmstead, ditches, roadside and fence rows.
- e. Maintenance of Drainage Ditch. The Lessee will keep clean and maintain in good, efficient and operating condition the drainage ditches, if any, located upon or adjoining the demised premises and shall keep the same free from brush growth, vines, foliage and other growth.
- f. Fences. The Lessee covenants and agrees to keep in good condition and to maintain, at his own cost and expense, all line and interior fences now located or hereafter placed upon said premises.
- g. Improvements. The Lessee agrees to maintain the buildings existing upon the leased premises in good condition and repair, reasonable wear and tear excepted in all respects. Lessee shall further keep and maintain the grounds surrounding any improvements in a reasonable condition considering the use to which the buildings and surrounding grounds are put.
- h. Premises Condition. The premises have been inspected and are accepted by Lessee in their present condition. Lessee agrees that at the expiration of this Lease, Lessee will quit and surrender the premises without notice in a neat and clean condition. The Lessee has listed all deficiencies in the buildings which exist at the time of the commencement of Lessee's tenancy and has caused Lessor to sign the list indicating Lessor's agreement with the contents of the list. Lessee shall provide Lessor with a copy or duplicate original of the list.



- i. Maintenance. Lessee will promptly make all repairs required and promptly pay for all repairs and maintenance that may become necessary during the term of this lease, which repairs, maintenance and replacement shall be equal in quality to the original work. Lessee shall keep the leased premises free from any liens arising out of any work performed, materials furnished or obligations incurred by the Lessee for any repairs or maintenance.

8. CASUALTY INSURANCE. Lessor shall maintain broad form property insurance, which insurance shall insure the structures against loss or damage by fire or other casualties. Tenant shall, upon the execution of this lease pay to Lessor the annual premium as reimbursement for the cost of the insurance for the first year. Thereafter, Lessee shall annually reimburse Lessor the annual premium for such insurance.

9. UTILITIES. Lessee shall pay all costs for all utilities consumed upon the premises and hold Lessor harmless therefrom.

10. COVENANT TO HOLD HARMLESS. Lessee shall indemnify and hold harmless Lessor and/or Lessor's agents or assigns from all damages of every kind and nature whatsoever and all expenses arising therefrom that may be claimed to accrue by reason of any accident upon or about the premises. All personal property in the premises shall be at Lessee's sole risk. Lessee agrees to indemnify and hold Lessor harmless from any and all claims by or on behalf of any person, firm or corporation arising from the conduct or management of the business conducted in or about the premises by Lessee or from work or things done by Lessee in or about the premises, and will further indemnify and save Lessor harmless against and from any and all claims arising during the term of this



lease of any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed hereunder or arising from any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees in or about the premises, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim, action or proceeding brought thereon, and in case of any action or proceeding to be brought against Lessor by reason of any such claim, Lessee, upon notice by Lessor, covenants to resist or defend such action or proceeding by attorneys reasonably satisfactory to Lessor. Lessee shall at its own expense maintain proper and adequate liability insurance in the amount of \$1,000,000.00 with a reputable insurance company or companies rated A VIII or better by "Best's Insurance Guide". Lessor shall be named in said insurance policies as one of the named insureds and Lessor shall be furnished with a copy of the policy or policies of insurance and all renewals.

11. ADDITION OF IMPROVEMENTS. The Lessee will not, without written consent of the Lessor, erect or permit to be erected on the farm any non-removable structure or building or incur any expense to the Lessor for such purpose, or add electrical wiring, plumbing or heating to any buildings; and if consent is given, Lessee will make such additions, meet standards and requirements of power and insurance companies and public authorities.

12. CONSERVATION PRACTICES. The Lessee will control



soil erosion as completely as practicable by filling in or otherwise controlling small washes or ditches that may form, and following modern and efficient conservation practices.

13. COMPENSATION FOR DAMAGES. When the Lessee leaves the farm, they will pay the Lessor reasonable compensation for any damages to the farm for which the Lessee is responsible, except ordinary wear and depreciation and damage beyond the Lessee's control.

14. BREACH OF COVENANT. Time is of the essence hereof. Lessee further covenants with the Lessor that if rent or any part thereof is not paid when it becomes due, or if Lessee shall violate or neglect any covenant, agreement or stipulation herein contained on their part to be kept, performed or observed, and any such default shall continue for thirty (30) days after written notice thereof is given by the Lessor to the Lessee, then in addition to the other courses of action now or hereafter provided by law, the Lessor may, at its option, cancel and annul this lease. If the Lessee is in default, the Lessor may, at the expiration of the said thirty (30) days, cancel and annul this lease and thereafter may enter and take possession of the leased premises. Such entry shall not operate as a waiver of satisfaction in whole or in part of any claim or demand arising out of or connected with any breach or violation by the Lessee of any covenants or agreements on Lessee's part to be performed. Lessor shall retain the right to forfeit this lease after acceptance of subsequent rents even if prior rents remain unpaid.



15. **HEIRS AND SUCCESSORS.** The terms of this lease shall be binding upon the heirs, executors, administrators and successors of the Lessor and Lessee in like manner as upon the original parties.

16. **COSTS OF ENFORCEMENT.** The parties agree that the non-prevailing party shall pay a reasonable sum as attorneys' fees, whether or not suit is commenced, and all costs, including but not limited to court costs, costs of searching records, costs of process service and costs of serving any notices required by law, in the event the services of an attorney are incurred to enforce any covenant, condition or term of this lease or to procure a nonjudicial, an adjudicated, involuntary or voluntary termination of any party's rights here-under, and the failure to pay said attorneys' fees shall be deemed a breach of this lease.

17. **NOTICE BY MAIL.** Service of all demands and notices upon default or breach of any term of this lease may be made upon the defaulting or breaching party or assigns by registered or certified mail at the election of the notice-giving party, to the last known address of the defaulting or breaching party. The parties agree that a reasonable attorney's fee as set forth in said notice or demand shall be paid by the non-prevailing party and the failure to so pay shall be deemed a breach of this lease.

18. **OPTION TO PURCHASE.** Lessor grants to Lessee the exclusive right and option to purchase for all cash at closing, the premises at any time during the term of this Lease or any agreed extension or renewal thereof for the sum of Four Hundred Sixty

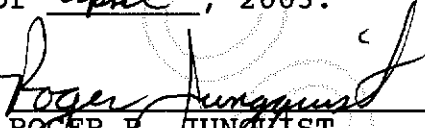



Thousand Dollars (\$460,000.00) plus, from the date of this lease, three percent (3%) compounded annually. Lessee shall pay in addition to the purchase price all costs of sale, including title insurance, excise tax, recording fees, escrow fees and any other costs or expense associated with said sale.

Lessee in order to exercise said option must give Lessor ninety (90) days notice prior to the date Lessee intends to close the purchase that is granted by this option. Failure to give ninety (90) days notice shall work a forfeiture of the right to purchase.

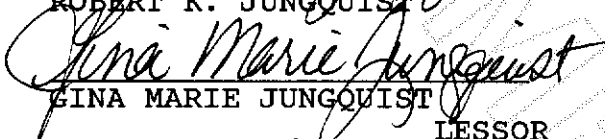
Lessee, in order to exercise this Option, must pay all sums due and owing Lessor upon the Promissory Note secured by Lessee's property in Burlington, which note was executed contemporaneously with this Lease/Option.

IN WITNESS WHEREOF the parties hereto have executed this Farmland Lease this 4th day of April, 2003.


ROGER R. JUNGQUIST


LESLIE C. JUNGQUIST


ROBERT K. JUNGQUIST


GINA MARIE JUNGQUIST
LESSOR


MICHAEL A. YOUNGQUIST

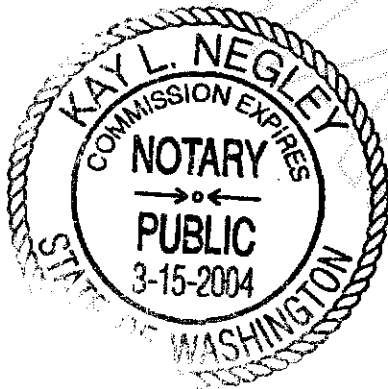

JEANNE M. YOUNGQUIST
LESSEE



STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) ss.

On this day personally appeared before me ROGER R. JUNGQUIST and LESLIE C. JUNGQUIST, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of April, 2003.

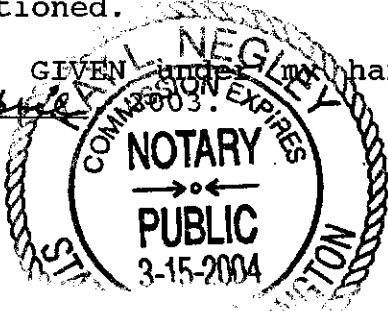


Kay L. Negley
Printed name: KAY L. NEGLEY
Notary Public in and for the state of
Washington, residing at Mount Vernon
My appointment expires: 3-15-2004

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) ss.

On this day personally appeared before me ROBERT K. JUNGQUIST and GINA MARIE JUNGQUIST, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of April, 2003.



Kay L. Negley
Printed name: KAY L. NEGLEY
Notary Public in and for the state of
Washington, residing at Mount Vernon
My appointment expires: 3-15-2004



Tax parcel Nos: 340326-1-004-0300 and 34026-1-004-0019

Lots 1 and 2, Short Plat No. 00-0062, approved November 6, 2000, recorded November 8, 2000, under Auditor's File No. 200011080112 and being a portion of the North 1/2 of Section 26, Township 34 North, Range 3 East, W.M.

SUBJECT TO: Last half general real estate taxes for 2003.

EXCEPTIONS:

A. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee:	Puget Sound Power & Light Company
Purpose:	Electric transmission and/or distribution line, together with necessary appurtenances
Area Affected:	Southern portion of said premises
Recorded:	July 15, 1987
Auditor's No.:	8707150052

B. TERMS AND CONDITIONS OF THAT NOTICE OF ON-SITE SEWAGE SYSTEM STATUS AND THE TERMS AND CONDITIONS THEREOF:

Recorded:	March 20, 1990
Auditor's No.:	9003200007

C. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF

Recorded:	December 23, 1908
Auditor's No.:	Volume 5 of Miscellaneous records, page 333
Providing:	Maintenance of drainage ditch
Affects:	North boundary of said premises

- D. Any prohibition of or limitation of use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any portion which is now, or has formerly been, covered by water
- E. Right of use, control, or regulation by the United States of America in the exercise of power over navigation.
- F. Any question that may arise due to shifting or change in the course of the Drainage District No. 15 Slough as delineated by Skagit County Assessor Map or due to said slough having shifted or changed its course.
- G. Right of the State of Washington in and to that portion of the property described herein, if any, lying in the bed or former bed of the Drainage District No. 15 Slough, as delineated by Skagit County Assessor Map, if navigable.
- H. Any question that may arise due to shifting or change in the course of the unnamed drainage ditch or due to said ditch having shifted or changed its course.
(Affects North boundary of said premises)
- I. Right of the State of Washington in and to that portion of the property described herein, if any, lying in the bed or former bed of the unnamed drainage ditch, if navigable.
(Affects North boundary of said premises)

EXHIBIT A



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Skagit County Auditor

EXCEPTIONS CONTINUED:

J. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee:

Purpose:

Skagit County, a political subdivision of the State of Washington
To assure that the Protected Property will be retained forever for
(1) agricultural productivity and use, to ensure no net loss of
agricultural lands, and (2) protection of critical and to prevent
any use of, or activity on, the Protected Property that will
significantly impair or interfere with the Conservation Values of
the Protected Property.

Dated:

July 5, 2000

Recorded:

November 8, 2000

Auditor's No.:

200011080113

K. Notes contained on the face of Short Plat No. 00-0062, as follows:

- 1.) The Short Plat number and date of approval shall be included in all deeds and contracts;
- 2.) All maintenance and construction of roads is the responsibility of the Homeowners Association with the lot owners as members;
- 3.) No building permit shall be issued for any residential and/or commercial structure which are not, at the time of application, determined to be within an official designated boundary of Skagit County Fire District.
- 4.) Change in location of access may necessitate change of address, contact Skagit County Planning and Permit Center.
- 5.) Water will be supplied from Skagit County PUD: Lots 1 and 2 will not be used for residential purposes. Therefore, no domestic water services are proposed for this Short Plat at this time.
- 6.) Comprehensive Plan -- Agricultural -- NRL;
- 7.) The owner/developer is Mike Youngquist: 16402 Jungquist Road Mount Vernon, Washington 98273.
- 8.) Sewer Disposal is by an on-site individual system. It is intended that the two parcels created on this Short Plat will not be used for residential uses and both parcels will be placed in a conservation easement. Therefore, no additional soils were done for these two parcels.
- 9.) This survey was performed in the field using a liet set 4 electronic total station.
- 10.) Lot corners were monumented and found corner monuments were visited on April 8, 2000.
- 11.) Basis of bearings -- Bearing from the found center of Section to the found West quarter corner is North 89°22'54" West, as shown on Skagit County Short Plat. 46-81, Book 5 at page 149, AF No. 8108250001.
- 12.) This parcel is subject to the conditions as outlined under Skagit County Variance VA99-0539, approved Dec. 13, 1999 and Resolution No. 17708.

EXHIBIT A - 2



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Skagit County Auditor

EXCEPTIONS CONTINUED:

L. (continued):

13.) This property lies within an area designed as agricultural by Skagit County. A variety of commercial agricultural activities occur in the area that may be inconvenient or cause discomfort to area residents. This may arise from the use of agricultural chemicals, including herbicides, pesticides, and fertilizers, or from spraying, pruning, and harvesting, which occasionally generate dust, smoke, noise, and odor. Skagit County has established agricultural as a priority use on designated agricultural lands, and residents of adjacent property should be prepared to accept such inconveniences or discomfort from normal, necessary farm operations when performed in compliance with best management practices and local, state and federal law.

14.) Buyer should be aware that this short subdivision is located in the flood plan and significant elevation may be required for the first living floor of residential construction;

15.) Ongoing agricultural activities are provided for on Lots 1 and 2 without standing critical area review pursuant to Chapter 14.06.090(2) Skagit County Code, which states, "Existing activities defined as ongoing agricultural on designated agricultural land, including related development and activities which do not result in expansion into a critical area or its buffer and which do not result in significant adverse impacts to a critical area or its buffer, provided that such activities comply with the provisions of Section 14.06.095 of this Chapter."

New development and/or expansion of existing agricultural operations shall comply with both the substantive and procedural provisions of this Chapter. Existing and ongoing agricultural activities that result in significant adverse impacts to a critical area or its buffer shall not be allowed without standing review under this Section.

Agricultural or agricultural activities is defined by SCC 14.06.040(4) as "means those activities directly pertaining to the production of crops or livestock including but not limited to cultivation harvest, grazing animal waste storage and disposal fertilization. The operation and maintenance of farm and stock ponds, drainage ditches, irrigation systems, and canals, and normal maintenance. Operation and repair of existing serviceable structures, facilities, or improved areas activities that bring an area into agricultural use are not considered agricultural activities.

16.) New proposals or structural development shall comply with the substantive and procedural provisions of Chapter 14.06 of the Skagit County Code including the standard riparian buffer provisions of 14.06.530 the standard riparian buffer for Type 4 waters is 50 feet.

EXHIBIT F



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