

3/15/2004 Page

1 of

4 2:45PM

Reference Number:	
Grantor(s): [_] additional grantor names on page	
1. David B. Tjersland	
2.	
Grantee(s): [] additional grantee names on page	
1. Hulbert Farms, Inc.	
2.	
Abbreviated legal description: [] full legal on page(s).	
Let 1 of Short Plat No. 92-033	
Portion of lot 2 of Short Plat	
Assessor Parcel / Tax ID Number: [] additional tax parcel number(s) on page	
P15592	
P 15667	

FARM LEASE

This agreement is made and entered into by and between DAVID B. TJERSLAND, a married man, of 19166 Rexville Road, Mount Vernon, Skagit County, Washington 98273, hereinafter called the Lessor, and HULBERT FARMS, INC., 17297 Hulbert Road, Mount Vernon, Washington 98273, a Washington corporation, hereinafter called the Lessee, WITNESSETH:

That in consideration of the covenants and agreements hereinafter set forth by the Lessee to be kept and performed, the Lessor does hereby lease, remise and farmlet unto the Lessee the following-described real estate in the County of Skagit, State of Washington, to-wit:

Lot 1 of Short Plat No. 92-033, approved December 14, 1992, recorded December 18, 1992, in Volume 10 of Short Plats, pages 160 and 161, under Auditor's File No. 9212180014, records of Skagit County, Washington; and being a portion of the North ½ of the Northeast ¼, of Section 9 and of the Northwest ¼ of the Northwest ¼ of Section 10, ALL in Township 33 North, Range 3 East, W.M.

ALSO that portion of Lot 2 of said Short Plat, described as follows:

Beginning at the Northeast corner of said Lot 1;

Thence North 67dgr14'50" West, along the North line of said Lot 1 a distance of 622.73 feet to the true point of beginning;

Thence South 69dgr35'42" West a distance of 340.08 feet,

Thence North 25dgr59'19" East a distance of 104.51 feet;

Thence North 80dgr50'37" East a distance of 274.06 feet to the true point of beginning

Situate in the County of Skagit, State of Washington.

- 1. This lease term shall be for a period form October 1, 2003 to September 30, 2008.
- 2. The Lessee agrees to pay as rental for said premises the sum of Eight Thousand and No/100 Dollars (\$8,000.00) per year, payable as follows: Four Thousand and No/100 Dollars (\$4,000.00) on or before the 30th day of March 2004, and Four Thousand and No/100 Dollars (\$4,000.00) on or before the 30th day of September, 2004; and in each succeeding calendar year a like amount on or before the 30th day of March and on or before the 30th day of September of each year of the lease term.
- 3. The Lessee agrees to maintain the ditches in a good state of repair and to clean, at its own expense, any accumulation of brush along said ditch banks.
- 4. The Lessee agrees that it will not commit, permit or allow waste to said premises or use the same for any illegal or unlawful purpose and shall reasonably cut and remove all obnoxious weeds or growth.
- 5. The Lessor shall have the right to enter upon said premises at all reasonable times to inspect the same to see that the conditions hereof are kept and performed.

- 6. It is further expressly stipulated and agreed that the Lessee shall not sell, assign or transfer this Lease or sublet the premises or any portion thereof nor permit the same to be transferred by operation of law or otherwise without the written consent of the Lessor first had and obtained.
- 7. It is further stipulated and agreed that if the Lessee shall fail, refuse or neglect to pay the rental at the time and in the manner herein specified, time of payment being hereby declared to be of the essence of this agreement, then all rights hereunder shall be forfeited and the Lessor shall have the right to enter said premises, take possession thereof and remove all persons therefrom including the said Lessee.
- 8. I is further understood and agreed that should the Lessee become insolvent or make an assignment for the benefit of creditors or become bankrupt, that no receiver, assignee for the benefit of creditors or trustee in bankruptcy or any other person shall have or obtain any right of entry to or interest in this contract, and the lessor shall be entitled to enter upon said premises and immediately take possession thereof and remove all persons therefrom without any notice or declaration of forfeiture or temination.
- 9. The Lessee agrees to indemnify and hold harmless the Lessor from any loss claim, charge, damage, or suit of any kind whatsoever by third parties arising out of or in any way and in any manner connected with or growing out of Lessee's use of the leased premises, or any of its operations thereon.
- 10. It is further agreed that all of the provisions hereof shall extend to and include the heirs, personal representatives and assigns of the Lesser, and the successors and assigns of the Lessee.
- 11. At the expiration of this Lease, the Lessee agrees to quit and surrender up said premises in as good a state and condition as the same now are, reasonable wear and soil depletion excepted.

IN WITNESS WHEREOF, the parties hereto have executed this agreement, in duplicate, this /2 day of _______, 2004, nunc por tune to October 1, 2003.

SKAGIT COUNTY WASHINGTON Real Estate Excise Tax

MAR 1-5 2004

Amount Paid Skagit County Treasurer
By: Deputy

DAVID B. TJERSLAND

HULBERT FARMS, INC., a Washington corportion

sy Thomas B &

THOMAS B. HULBERT, CO-CEO

200403150169 Skagit County Auditor

3/15/2004 Page

3 of

4 2:45PM

STATE OF WASHINGTON) SS COUNTY OF SKAGIT On this day personally appeared before me, DAVID B. TJERSLAND, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentions. GIVEN under my hand and official seal this 12th day of 71 **Notary Public** State of Washington Notary Public in and for the State of Washington, MARELLA D. DUBUQUE MY COMMISSION EXPIRES Residing at La Conner JUNE 1, 2007 My commission expires: STATE OF WASHINGTON) : SS COUNTY OF SKAGIT) On this day personally appeared before me, THOMAS B. HULBERT AND JACK D. HULBERT, to me known to be CO-CEO'S of Hulbert Farms, Inc., a Washington corporation, the corporation that executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed of said corporation, for the uses and purposes therein mentions and on oath stated that they are authorized to execute the said instrument. GIVEN under my hand and official seal this 12Notary Public in and for the State of Washington. Notary Public Residing at Sado Somle of Washington My commission expires: 3 BILL IRVING

> 200403150169 Skagit County Auditor

3/15/2004 Page

4 of

4 2:45PM