

UNOFFICIAL DOCUMENT



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Document Title:

Farm Lease

Reference Number:

Grantor(s):

additional grantor names on page ___

1. Skagitians To Preserve Farmland
2.

Grantee(s):

additional grantee names on page ___

1. Treehouse Produce Inc
2.

Abbreviated legal description:

full legal on page(s) ___

NE 14-34-3

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page ___

P 21924

340314-1-013-0004

P 21876

340314-0-036-0009

P 21917

340314-1-011-0618

P 21880

340314-1-040-0003

P 21932

340314-1-021-0004

P 21922

340314-1-012-0013

FARM LEASE

1. PARTIES AND DATE. This Lease is entered into this 5th day of APRIL, 2005, by and between SKAGITONIANS TO PRESERVE FARMLAND, a Washington non-profit corporation, hereafter "Lessor", and TREEHOUSE PRODUCE, INC., a Washington corporation, hereafter "Lessee".

2. PROPERTY BEING LEASED. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, for agricultural crop production, the following described real property in Skagit County, State of Washington:

See Exhibit "A", attached hereto and incorporated herein as if fully set forth.

3. TERM. The term of this Lease shall be three (3) years, commencing March 1, 2005, and terminating December 31, 2007. Lessee shall pay to Lessor the sum of One Hundred Fifty and No/100 dollars (\$150.00) per acre for 35 acres, more or less, due on April 15, annually (total \$5,250.00).

4. CONDEMNATION. No taking or damaging of the subject property, or any part of it, by eminent domain or regulatory ban on farming due to critical area or salmon habitat protection shall terminate this Lease. Any damage or injury to crops occasioned by condemnation proceedings or land being removed from agricultural production shall be paid to Lessee, and all other awards for the taking, severance, or damage to real property shall be paid to the Lessor; PROVIDED, however, that ratable reduction in the future rent shall be afforded Lessee in the succeeding year or years by a fraction, the denominator of which shall be thirty-five (35) and the numerator the number of acres taken from productive use of the Lessee.



5. COVENANTS. Lessee promises to properly maintain soil fertility during Lessee's tenancy and shall not permit or allow the soil to deteriorate for lack of soil additives, including sufficient fertilizer. Lessee agrees to observe all laws governing the application of hazardous chemicals to the premises and shall not commit or allow waste of the premises. Lessee shall seasonably cut and remove Canadian thistles and growth of brush or noxious weeds on the premises. Lessee agrees to notify the responsible officials of any diking or drainage district charged with maintaining the condition of dikes and drains protecting the subject premises and to cooperate with the said district(s) to maintain good drainage of the premises. Lessee covenants that the premises shall be farmed in a manner appropriate to the crop selected by Lessee, according to the best farming practices used in Skagit County.

6. REPRESENTATIONS. Lessee acknowledges that Lessor has made no representations, warranties, or guarantees concerning the premises or their fitness for any particular purpose of the Lessee. Lessee acknowledges that it is leasing the land based on its own inspection.

7. RIGHT OF ENTRY. Lessor reserves the right to enter upon the premises at reasonable times to see that the covenants and conditions of this Lease are being kept and performed.

8. SUBLETTING. Lessee shall not have the right to sell, assign, or transfer this Lease except for the purpose of a land exchange with another responsible farmer to facilitate crop rotation. Such a crop rotation exchange shall not be permitted without the written consent of Lessor first had and obtained, which consent shall not be unreasonably withheld.

9. DEFAULT. In the event Lessee fails to perform any of the covenants of this Lease, Lessor may give written notice to Lessee of such default, and Lessee's failure to cure the said default within thirty (30) days may, at Lessor's option, result in the termination of this Lease and forfeiture of

Lessee's rights and all payments made to Lessor as liquidated damages, or Lessor may bring an action for damages against Lessee for such loss as may have been sustained by Lessor as a result of the breach of this Lease and its covenants. Provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. If Lessor opts to terminate this Lease and forfeit the same, Lessor may retake possession of the real property immediately after Lessee's failure to cure default.

10. NOTICES. Any notice required to be given under this Lease may be given by personal service or by certified mail, return receipt requested. Notice shall be deemed given when deposited in the United States mail, postage prepaid, and properly addressed as follows:

Notice to Lessor: SKAGITONIANS TO PRESERVE FARMLAND
P.O. Box 2405
Mount Vernon WA 98273

Notice to Lessee: TREEHOUSE PRODUCE, INC.
18019 Bradshaw Road
Mount Vernon WA 98273

Either party to this Lease may give notice of change of address at the last address designated by the other party.

11. COSTS AND ATTORNEY'S FEES. If any legal action is brought by either party against the other to enforce the provisions of this Lease, the prevailing party shall be entitled to recover the costs of the action, together with reasonable attorney's fees in an amount to be determined by the court.



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12. FORFEITURE. If this Lease is terminated after written notice to lessee through any fault of Lessee as set forth in this lease, or for failure of Lessee to keep or perform any covenant or condition of the Lease, Lessee shall have no right of action for any loss, damage, injury, money paid, work, labor, or materials expended upon the premises or for crops, and the whole thereof shall revert to the Lessor as liquidated damages in the event of termination and forfeiture elected by Lessor, pursuant to paragraph 9 of this Lease.

13. SURRENDER. Lessee agrees that at the expiration of this Lease, or if sooner terminated according to the terms hereof, Lessee will surrender peaceful possession of the property in as good a condition as when received, excepting any change of condition due to natural disaster or act of God which reasonable prudence could not prevent.

14. TIME OF ESSENCE. Time is of the essence of this contract.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

Lessor:

SKAGITONIANS TO PRESERVE
FARMLAND

By: Bob Rose
BOB ROSE, Executive Director

Lessee:

TREEHOUSE PRODUCE, INC.

By: Tom Shane, Jr.
TOM SHANE, Jr., President



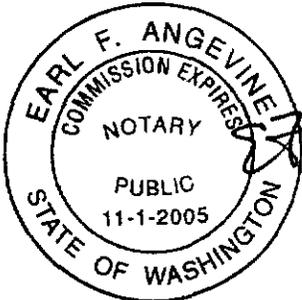
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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me BOB ROSE, to me known to be the individual described in and who executed the within and foregoing instrument for and on behalf of SKAGITONIANS TO PRESERVE FARMLAND, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of April, 2005.



Earl F. Angevine
Notary Public in and for the State
of Washington, residing at: Mount Vernon
My Commission Expires: Nov. 1, 2005

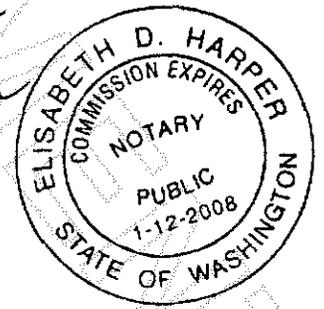
STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 5th day of April, 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared TOM SHANE, JR., to me known to be the PRESIDENT of TREEHOUSE PRODUCE, INC., the Washington corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL affixed the day and year first above written.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID
APR 12 2005
Amount Paid \$
By: [Signature]
Skagit County Treasurer Deputy

Elisabeth D. Harper
NOTARY PUBLIC in and for the State
of Washington, residing at Mt. Vernon
My commission expires: 1/12/08



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EXHIBIT "A"

LEGAL DESCRIPTION

Tract of open land suitable for agricultural production consisting of 35 acres, more or less, situated between Memorial Highway and Bennett Road in the Northeast 1/4 of Section 14, Township 34 North, Range 3 East, W.M., Skagit County, Washington.



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