

**When Recorded Return To:**

Hermes Law Firm, PSC  
1812 Hewitt Avenue  
Everett, WA 98201



200504220129  
Skagit County Auditor

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**MEMORANDUM OF LEASE**

Grantors: MARK WHEELER and CYNTHIA JOHNSON, Husband and Wife, as  
Lessor

Grantee: NATE JOHNSON, a Married Man,  
as Lessee

Legal Description: Govt. Lots 4 and 5 and S. ½ of SE Q of Sect. 28, and Govt. Lot 1 and NE  
Q of NW Q of Sect. 33, TWP 36N, R 3E, Skagit County, Washington

Additional Legal  
on: Exhibit 1

Assessor's Tax  
Parcel ID#s: 360328-0-005-0008; 360328-0-006-0007; 360328-0-007-0006;  
360328-4-002-0003; and 360328-4-004-0001

References Nos. of  
Documents Released  
or Assigned: N/A

Reference No. of  
Document Amended: N/A

*memorandum of lease*  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

APR 22 2005

Amount Paid \$ 0  
Skagit Co. Treasurer  
By *mm* Deputy

**MEMORANDUM OF LEASE**

BY AGREEMENT DATED April 12, 2004, MARK WHEELER and CYNTHIA JOHNSON, Husband and Wife, as Lessors, and NATE JOHNSON, a Married Man, as Lessee, did create an interest in the following described real property located in Skagit County, Washington:

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**EXHIBIT 1**



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Exhibit 1

Parcel "A":

Government Lots 4 and 5 and all of the South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of Section 28, Township 36 North, Range 3 East, W.M.

EXCEPT roads

AND EXCEPT ditch rights of way along the South line of the Southeast  $\frac{1}{4}$  and along the North line thereof

Situate in the County of Skagit, State of Washington

Parcel "B":

Government Lot 2 and the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 33, Township 36 North, Range 3 East, W.M.,

EXCEPT roads, private or public, and rights of way therefor, and ditch rights of way

ALSO that portion of Government Lot 2 and of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 33, Township 36 North, Range 3 East, W.M., described as follows:

Beginning on the North line of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  188.2 feet East of the Northwest corner;

Thence South 54 degrees 05' West 167 feet to a point 53 feet East of the West line of said Section 33;

Thence South 1,145.3 feet;

Thence South 87 degrees 03' East 195.9 feet;

Thence South 0 degrees 34' East 220 feet, more or less, to the North Samish River;

Thence Westerly along the Samish River to the Southeast corner of a tract in Lot 2, deeded to Margaret A. Druand, dated May 18, 1912 and recorded in Volume 89 of Deeds, page 193;

Thence North along the East line 2.94 chains;

Thence West to a point 33 feet East of the West line of Section 33;

Thence North to base of Dike District No. 4;

Thence Northeasterly along base of Dike to the N. line of said Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ;

Thence East 69 feet to the point of beginning

EXCEPT that portion of said premises, if any, lying within the dike right-of-way, and within road rights-of-way, public or private, other than that conveyed to Henry J. Roehl, et al, by deeds recorded in Volume 187 of Deeds, pages 88 and 90

Situate in the County of Skagit, State of Washington

Subject to easements, restrictions and covenants of record.

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**EXHIBIT 2**



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# Farm & Hunting Lease

Date and names of parties. This lease is entered into on April, 12<sup>th</sup>, 2004, between:

Lessor(s): Mark Wheeler,

whose mailing address is 4851 NE 39<sup>th</sup> Street, Seattle, WA 98105,

and

Lessee(s): NATE JOHNSON,

whose mailing address is 19209 DRY SLOUGH Rd. MOUNT VERNON, WA. 98273,

and whose Social Security Number or Employer Identification Number (if Tenant is an entity other than an individual) is 536-74-3405.

The parties to this lease agree to the following provisions.

## Section 1. Description of Rented Land and Length of Tenure

**Description of Land.** The Landowner (Lessor) rents and leases to the Tenant (Lessee), to occupy and to use for agricultural and hunting purposes only, the following real estate located in the County of Skagit and the State of Washington, and described as follows:

Wildlife Habitat – Approximately 65.2 acres (see Appendix A for legal description; see Appendix E for map)

Agricultural Land – approximately 160 acres (see Appendix B for legal description; see Appendix E for map)

**Length of tenure.** The term of this lease shall be from April 1, 2004, to April 1, 2009, and the Lessee shall surrender possession at the end of this term or at the end of any extension thereof. Extensions must be in writing and attached to this lease, and both parties agree that failure to execute an extension at least 6 months before the end of the current term shall be constructive notice of intent to allow the lease to expire.

## Section 2. Fixed Cash Rent

Tenant agrees to pay Landowner an annual fixed cash rent as identified below;

**Fixed Rent:** The annual cash rent shall be the sum of \$ 10,000. This represents 160 acres of cropland at \$37.50 per acre, plus a \$4,000 fee for hunting rights on both the Wildlife Habitat and the Agricultural Land.

## Section 3. Investments and Expenses

A. The Landlord agrees to furnish the property and to pay the items of expense listed below:

1. The above-described Wildlife Habitat and Agricultural Land, including fixed improvements.
2. Materials for necessary repairs and improvements to buildings and permanent fences except as agreed to in B4 and amendments to this lease.
3. Skilled labor employed in making and repairing improvements.
4. Taxes on land, improvements, and personal property owned by the Lessor.
5. Other items:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. The Lessee agrees to furnish the property and to pay the items of expense listed below:

1. All the machinery, equipment, labor, fuel, and power necessary to farm the premises properly.
2. The hauling to the farm, except when otherwise agreed, of all material which the Lessor furnishes for making repairs and minor improvements, and the performing of labor, except skilled, required for such repairing and improving.
3. All seed, inoculation, disease-treatment materials, and fertilizers, except that which the Lessor agrees to furnish above.
4. The following described items and all other items of expense not furnished by the Lessor as provided in A:



## Section 4. Tenant's Duties in Operating Farm

The Tenant further agrees to perform and carry out the stipulations below.

### A. Activities required:

1. To cultivate the farm faithfully and in a timely, thorough, and businesslike manner.
2. To prevent noxious weeds from going to seed on said premises and to destroy the same and keep the weeds and grass cut.
3. To haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements.
4. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
5. To preserve established watercourses or ditches, and to refrain from any operation that will injure them.
6. To keep the building, fences (including hedges), and other improvements in good repair and condition as they are when the Tenant takes possession or in as good repair and condition as they may be put by the Lessor during the term of the lease – ordinary wear, loss by fire, or unavoidable destruction excepted.
7. To take proper care of all trees, vines, and shrubs, and to prevent injury to the same.
8. To keep the farmstead neat and orderly.
9. To prevent all unnecessary waste, or loss, or damage to the property of the Lessor.
10. To comply with pollution control and environmental protection requirements as required by local, state, and federal agencies, as well as to implement soil erosion control practices to comply with the soil loss standards mandated by local, state, and federal agencies.
11. To use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other

chemicals and similar substances; to read and follow label instructions for the use of such materials in order to avoid injury or damages to persons or property or both on the leased premises and adjoining areas; and to comply with state pesticide training, licensing, storing, and usage.

12. Any chemicals for weed or insect control or other use, when used, should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved. The Tenant agrees to provide to the Lessor, annually, a written report indicating the product name, amount, date of application and location of application of all pesticides, fertilizers, and seed used on the farm.
13. No chemicals will be stored on the property for more than one year. When chemicals or petroleum products are stored on the farm, they will be only those planned to be used on the farm and they will be in closed, tight containers above ground and clearly marked. No chemicals or chemical containers will be disposed of on the property.
14. To generally follow Natural Resource Conservation Service and Farm Service Agency recommendations and to maintain all other requirements necessary to qualify current and future farm operators to participate in federal farm programs. (Please note Appendix C with contains the approved NCRS Conservation Plan for the Agricultural Land).
15. Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### B. Activities restricted. The Tenant further agrees, unless the written consent of the Lessor has been obtained:

1. Not to assign this lease to any person or persons or sublet any part of the premises herein leased.
2. Not to erect or permit to be erected any structure or building or to incur any expense to the Lessor for such purposes.
3. Not to add electrical wiring, plumbing, or heating to any building. (If consent is given such additions must meet standards and requirements of power and insurance companies.)
4. Not to plow permanent pasture or meadowland.
5. Not to allow any stock on any tillable land except by annual agreement.
6. Not to burn or remove cornstalks, straw, or other crop residues grown upon the farm.
7. Not to cut live trees for sale purposes or personal uses.
8. Not to erect or permit to be erected any commercial advertising signs on the farm, other than seed variety signs.

9. Not to enter into any agreement, contract, or other farming or business arrangement that alters rights in the Lessor's security interest, right of entry, default or possession.
10. Not to permit, encourage, or invite other persons to use any part or all of this property for any purpose or activity not directly related to its use for agricultural production, except that wildfowl hunting is allowed as long as all pertinent Washington State Department of Fish and Wildlife laws are followed.

11. Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Section 5. Management and Business Procedures

The Lessor and Tenant agree that they will observe the following provisions :



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**A. General Cropping System.** Except when mutually decided otherwise, the land use and cropping shall be approximately as follows:

160 acres for rotated crops  
\_\_\_\_\_ acres in permanent pasture  
\_\_\_\_\_ acres in non-grazed woodland  
\_\_\_\_\_ acres in building and lots  
65 acres in hunting/waterfowl habitat

**B. Insurance.** For the term of the lease, Tenant shall maintain insurance with a carrier acceptable to the Landlord, insuring Tenant while performing on these premises hereunder for the following types and in stated minimum amounts:

Liability		
Insurance:	\$1,000,000	per person
	\$1,000,000	per occurrence
Property		
Damage:	\$100,000	per occurrence
Workers Compensation:	As required by statute	

Tenant shall furnish Landlord with a Certificate of Insurance and give notice of termination of coverage.

Tenant agrees that all applicable insurance policies name the Landlord as an additional insured

**C. Financial and production records.** The Tenant agrees to keep financial and production records of the farm business and to furnish an a report to the Lessor, if requested, on such forms as the Lessor may provide.

**D. Cash Rent Installments.** The cash rent shall be paid each year in the following installments:

Dollars of rent due  
\$5000.00  
\$5000.00

Date Due  
April 1 of each year  
October 1 of each year

**E. Land use in last year of lease.** If, during the last six months of the lease term, or after notice to terminate has been given if this lease has become a year to year lease, the parties fail to agree on questions of land use, cropping system, fertilizer applications, or any deviations from the lease provisions, then the specific agreements in this lease shall prevail or, in the absence of agreements in the lease, the Lessor shall decide and the Tenant agrees to abide by the Lessor's decisions. The Lessor's decisions shall not contradict any provisions in this lease or violate good farming procedures.

**F. Conservation.** Both Lessor and Tenant affirm the goals of minimizing soil erosion losses and preserving the productivity of the land in ways that are consonant with their needs and desires for acceptable current returns to their individual inputs on the leased premises. To these ends they agree to implement as far as possible the best management practices recommended by the Natural Resource Conservation Service and to cooperate with that agency's soil and water conservation programs (see Appendix C).

**G. Tenant responsible for hired labor.** The Tenant shall be solely responsible for all employer obligations on hired labor with respect to safety requirements and social security and workers' compensation contributions, and the Lessor shall have no responsibilities therefore.

**H. Other management agreements:** Tenant agrees to abide by the Ducks Unlimited easement provisions enumerated in Appendix D in the Wildlife Habitat.

## Section 6. Default, Possession, Landlord's Lien, Right of Entry, Mineral Rights, Liability, Extent of Agreement

The Lessor and Tenant agree to the following provisions.

**A. Termination upon default.** If either party fails to carry out substantially the terms of this lease in due and proper time, the lease may be terminated by the other party by serving a written notice citing the instance(s) of default and specifying a termination date of 30 days from the date of such notice. Settlement shall then be made in accordance with the provisions of Clause B of this section, the reimbursement agreements of Section 5, and any amendments to this lease.

**B. Yielding possession.** The Tenant agrees at the expiration or termination of this lease to yield possession of the premises to the Lessor without further demand or notice, in as good order and condition as when they were entered upon by the Tenant, loss by fire, flood, or tornado, and ordinary wear excepted. If the Tenant fails to yield possession, the Tenant shall pay to the Lessor a penalty of \$75.00 per day or the statutory double rent, whichever is less, for each day the Tenant remains in possession thereafter, in addition to any damages caused by the Tenant to the Lessor's land or improvements, and said payments shall not entitle the Tenant to any interest of any kind or character in or on the premises.

**C. Landlord's lien.** The Landlord's lien provided by statute on crops grown or growing, together with any other security agreement(s) created by Tenant in favor of Landlord, shall be the security for the rent herein specified and for the faithful performance of the terms of the lease. Tenant consents to any filing required by law to perfect the statutory landlord's lien upon crops. If the Tenant fails to pay the rent due or fails to keep any of the agreements of this lease, all costs and attorney fees of the Lessor in enforcing collection or performance shall be added to and become a part of the obligations payable by the Tenant.

**D. Landowner's right of entry.** The Lessor reserves the right personally or by agents, employees, or assigns to enter upon the premises at any reasonable time to view them, to work or make repairs or improvements thereon, to care for and dispose of the Lessor's share of crops, to develop mineral resources as provided in Clause E below, or, after constructive notice has been given that the lease may not be extended, and following severance of crops, to plow and prepare a seed bed, apply fertilizers, and any other operation necessary to good farming by the succeeding operator, these operations not to interfere with the Tenant in carrying out the regular farming operations.

**E. Mineral rights.** Nothing in this lease shall confer upon the Tenant any right to minerals underlying the land. Such mineral rights are hereby reserved by the Lessor together with the full right to enter upon the premises and to bore, search, excavate, work, and remove the minerals, to deposit excavated rubbish, to pass over the premises with vehicles, and to lay down and work any railroad track or tracks, tank, pipelines, power lines, and structures as may be necessary or convenient for the above purpose. The Lessor agrees to reimburse the Tenant for any actual damage the Tenant may suffer for crops destroyed by these activities and to release the Tenant from obligation to continue farming this property when development of mineral resources interferes materially with the Tenant's opportunity to make a satisfactory return.

**F. Landowner liability.** The Tenant takes possession of the leased premises subject to the hazards of operating a farm and assumes the liability for the safety of the premises and the safety of employees or in performing the work.



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**G. Binding on heirs, etc.** The terms of this lease shall be binding on the heirs, executors, administrators, and assigns of both

Lessor and Tenant in like manner as upon the original parties.

**Signatures of parties to lease:**

\_\_\_\_\_  
*Mark Whuler* Landowner

\_\_\_\_\_  
*Mark Whuler* Landowner

By \_\_\_\_\_ Agent

*Dale Johnson* Tenant

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Date

*April 20, 2004* Date

\_\_\_\_\_  
Date

*April, 12<sup>th</sup>, 2004* Date

\_\_\_\_\_  
Date



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**Nate Johnson Hunting Club**

19209 Dry Slough Rd.  
Mount Vernon, Wa. 98273  
(360)445-6015

9-26-02

Land Lease Agreement

This is an agreement between Mark Wheeler

Hereinafter designated as "Owner" and Nate Johnson Hunting Club referred to

as Lessee. Lessee agrees to pay the sum of 2000<sup>00</sup>

per year for the period of 1 years for all hunting privileges on said

land described below. Lessee also agrees to be responsible for any damages

pertained upon the land by club activities.

\*Lease will be automatically terminated if the Club terminates

Parcel #s: 48451, 48452, 48453, 48462, 48464

Total acres: 200

Period of contract 1 Year 2002-03 Season

Mark Wheeler  
Owner

Nate Johnson  
Lessee



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