



200712130105
Skagit County Auditor

12/13/2007 Page 1 of 4 4:20PM

Document Title: Lease

Reference Number:

Grantor(s): additional grantor names on page ___

1. Llad Loop
- 2.

Grantee(s): additional grantee names on page ___

1. Knutzen Farms LP
- 2.

Abbreviated legal description: full legal on page(s) ___

15 | 35 | 03

Assessor Parcel / Tax ID Number: additional tax parcel number(s) on page ___

P34351

UNOFFICIAL DOCUMENT

AGRICULTURAL LAND LEASE

This lease is made and entered into this 1st day of January 2007, by and between **Lloyd Loop** referred to as "Lessor" and **Knutzen Farms LP**, hereinafter referred to as "Lessee".

AGREEMENT AS FOLLOWS:

The lessor does by these presents lease and demise unto the said Lessee the following described real estate situated in the County of Skagit, State of Washington.

The 94 farmable acres, located between the Samish River & Field Road. The east side of the property is bordered by the Thomas road

The term shall be for three (3) years from the 1st day of January, 2007 to the 31st day of December 2009 or through to the completion of harvest of current season's crop. Upon the completion of this lease the lessee holds the option for an additional 3 year release.

1. As and for consideration of said lease the said Lessee shall pay to the Lessor the sum of: \$ 14,100.00 per year. (\$150.00/acre)
Rent is to be paid semi-annually: one-half of the rent shall be due on or before the 15th day of April and one-half shall be due on the 15th day of October, each year.
2. The lessee shall maintain liability insurance protecting the Lessor against any claim for damages to any person or property resulting from operation of the property by the Lessee. Lessee agrees to hold the Lessor harmless from any damage or injury arising to property or persons caused by Lessee's operation of the said premises.
3. It is understood and agreed that the Lessee will operate the described premises in a good and husbandlike manner, and according to best farming practices in the vicinity of the prescribed property.
4. The lessee will return the premises to the Lessor at the expiration of the term in as good a condition as when received, reasonable use thereof excepted.
5. Time is hereby declared to be of the essence of this agreement. In the event the Lessee shall fail to make any payments of rental as herein provided promptly and when the same is due or shall fail to perform any of the covenants here in to be performed by him, then the Lessor at his option may declare this lease forfeited and may re-enter and take possession of the lease premises and remove any and all persons therefrom.
6. In the event the Lessor decides to lease the property after the expiration of this lease, the Lessor agrees to give the lessee first right of refusal of lease for future terms.

Lloyd Loop

Lloyd Loop Lessor
15694 Field Road
Bow, WA 98232
766-6894

R. Kraig Knutzen

R. Kraig Knutzen Lessee
Knutzen Farms LP
Jckanut Drive
n WA 98233
'57-6771



200712130105
Skagit County Auditor

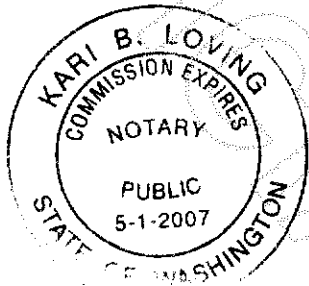
STATE OF WASHINGTON)

: SS

COUNTY OF SKAGIT)

On this day personally appeared before me, Lloyd Loop 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 mentioned.

GIVEN under my hand and official seal this 7 day of FEBRUARY, 2007.



Kari B. Loving
(Notary's printed name)

Kari B. Loving

NOTARY PUBLIC in and for the State of Washington,

Residing at Burlington

SKAGIT COUNTY WASHINGTON My Commission Expires 5-7-2007
REAL ESTATE EXCISE TAX

DEC 13 2007

STATE OF WASHINGTON)

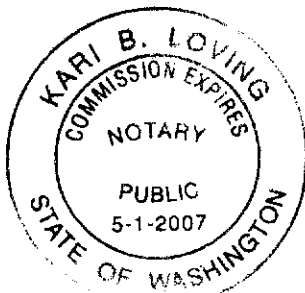
: SS

COUNTY OF SKAGIT)

Amount Paid &
By KAM Skagit Co. Treasurer Deputy

On this day personally appeared before me, R. KRAIG KNUTZEN to me known to be an officer of KNUTZEN FARMS, L.P., a Washington Corporation, and acknowledged the said instrument to be the free and voluntary act and deed of said officer for the uses and purposes therein mentioned, and on oath stated that R. KRAIG KNUTZEN was authorized to execute said instrument on behalf of said Corporation.

GIVEN under my hand and official seal this 2 day of FEBRUARY 2007.



Kari B. Loving
(Notary's printed name)

Kari B. Loving

NOTARY PUBLIC in and for the State of Washington,

Residing at Burlington

My Commission Expires 5-7-2007



200712130105
Skagit County Auditor

Farm Lease

P 34351

Legal Description Abbreviation Definitions

OPEN SPACE#300 #751860 1973-TRF#817031 DT25 DK25 THE N1/2 OF THE NE1/4 NW1/4 EXCEPT ROADS AND EXCEPT THE FOLLOWING DESCRIBED PARCELS: BEGINNING AT A POINT WHERE THE LINE BETWEEN THE NW1/4 OF THE NW1/4 AND THE NE1/4 OF THE NW1/4 OF SAID SECTION 15 INTERSECT WITH THE SOUTH LINE OF THE COUNTY ROAD; THENCE EAST 37 1/2 RODS; THENCE SOUTH 12 1/2 RODS; THENCE WEST 37 1/2 RODS TO THE WEST LINE OF SAID NE1/4 OF THE NW1/4; THENCE NORTH 12 1/2 RODS TO THE POINT OF BEGINNING. ALSO EXCEPT THE NORTH 20 RODS OF THE WEST 24 RODS OF THE NE1/4 OF THE NW1/4 OF SAID SECTION; EXCEPT THAT PORTION LYING WITH THE NORTH 12 1/2 RODS OF THAT PORTION OF SAID SUBDIVISION LYING SOUTH OF THE COUNTY ROAD

P 34357

Legal Description Abbreviation Definitions

OPEN SPACE#300 #751860 1973-TRF#817031 N1/2 SE1/4 NW1/4 & S1/2 NE1/4 NW1/4 DT25 DK25

P 34360

Legal Description Abbreviation Definitions

OPEN SPACE#300 #751860 1973-TRF#817031 N1/2 SW1/4 N OF RIV ALSO A PORTION OF THE SW1/4 NW1/4 LYING NORTH OF SAMISH RIVER & SOUTH OF A LINE 2,340 FEET SOUTH OF NORTH LINE OF SECTION ALSO INCLUDING THE S1/2 SE1/4 NW1/4 LESS EASE TO STATE DT25 DK25



200712130105
Skagit County Auditor