

FARM LEASE

THIS AGREEMENT, made and entered into, in duplicate, this 26 day of August, 1996, by and between Charles R Hyatt 1250 RA.S - SE Moreslk, Lessor, and Michael and/or Denise Hyatt 98837, Lessee.

WITNESSETH:

9608270144 I.

The Lessor, for and in consideration of the reservation of the rent herein provided for and of the agreements and covenants herein contained and specified, hereby lease(s) unto the Lessee, the following described lands and premises in Skagit County, Washington, to-wit: (insert full legal description(s))

2529 Hoehn Rd
Sedro Woolley WA 98284

LEGAL DESCRIPTION... PEAVEY'S AC E 310FT LT 35 BLK 2 LESS S 145FT OF E 270FT THOF & LESS N 132FT THOF 2.84AC M/L

LEGAL DESCRIPTION... PEAVEY'S AC W 350FT LT 35 BLK 2 - 5.32AC M/L

LEGAL DESCRIPTION... PEAVEYS AC S 145FT OF E 270FT LT 35 BLK 2 .70AC M/H INC M/H 1435 PARKWAY 69 56X24

with the appurtenances and buildings thereon, for a term of 25 years, beginning the 26 day of August, 1996, and ending on the 26 day of August, 2021.

II.

All work is to be done, and all tools and equipment necessary to carry out the provisions of this lease in first-class, farmer-like manner and in proper season, and all seed and expenses shall be furnished, by the Lessee.

III.

Lessee agrees to and with the Lessor to pay as rent for the above mentioned premises, for and during the term of this lease, the sum of \$150,000 (one hundred fifty thousand) Dollars (\$ 50000 / mo) payable at 50000 / mo in the following manner:

CRH 12/1/96
1/1/97 Payment to be waived until such time that property is sold

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

AUG 27 1996

Amount Paid
Skagit County Treasurer Deputy

Taxes assessed against said premises and lands during the term of this lease are to be paid by the Lessor, and are to be paid before the same become delinquent.

Lessee agrees not to make or suffer any waste on the lands or premises. Lessee agrees not to assign this lease, or sublet the lands and premises or any part thereof, without the written consent of the Lessor, and at the expiration of this lease Lessee agrees to surrender peaceable possession, in good condition, to Lessor. Lessee also agrees not to encumber said lands and premises and to maintain and keep up the fences so as to adequately protect the leased lands and premises and the lands and premises adjacent thereto from injury or occurrence from said leased lands and premises. Lessee agrees to protect the fruit and shade trees on the leased lands and premises, and to cut no green trees or suffer none to be done without the written permission of Lessor; and to keep up and maintain in good repair all buildings, stables, cribs and improvements on said farm. Lessor to furnish any new material required therefore except for damage caused by Lessee; and not to remove any straw or manure from said farm, but to spread upon said lands all manure made thereon.

V.

The Lessor and Lessee agree that the Lessor has the right to go upon the lands and premises at any reasonable time during the term hereof and perform work thereon or cause work to be done, so long as that does not interfere with or prevent the Lessee carrying out the terms hereof.

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CRIT 12/14/94 VI.

Lessee S agree S to plow, cultivate and harrow a portion of the land as summer fallow each year, and to prune, treat and cultivate any orchard trees whenever necessary. Lessee S agree S to cut and destroy all noxious weeds growing on the said lands and premises and along the roads and fences adjacent thereto, before the same go to seed, and to comply strictly with the laws of the State of Washington regarding the destruction of noxious weeds on these lands and premises and along the roads and fences adjacent thereto, during the term of this lease.

VII.

It is FURTHER AGREED, by and between the parties, that should Lessee S fail to make the above mentioned payments as hereinbefore specified when due, or fail to fulfill any of the covenants and agreements herein contained, then and in that case said Lessor may re-enter and take possession of the above leased lands and premises, and hold and enjoy the same without such re-entering working a forfeiture of the rents to be paid by Lessee S for the full term of this lease. That if the Lessor sell S said lands and premises during the term of this lease and before the crop is in the ground, and desires to give possession to the purchaser, that the Lessee S will forthwith surrender possession of said leased lands and premises upon the payment of Lessee S of the sum of _____ Dollars (\$ _____) per acre for each acre of said

lands newly plowed by Lessee S at the time said possession is demanded; if sold after the crop is in, then Lessee S shall have the right to remove such crop when ready to be harvested. That if said lands and premises are sold by Lessor during the term of this lease, the purchaser may at any reasonable time enter upon the leased premises for the purpose of plowing, breaking more land, summerfallowing, cultivating, clearing or otherwise improving any part of said premises not in actual cultivation by Lessee S, and without such entry working any forfeiture of the rents herein agreed to be paid.

And the said Lessor agree that the Lessee S, on paying the rent and performing the covenants and agreements aforesaid, shall peaceably and quietly have, hold and enjoy the said leased lands and premises for the term of this lease.

That in case the buildings on said leased lands and premises shall, without any fault or neglect on the part of Lessee S or of Lessee S servants or employees, be destroyed, or be so injured by the elements or any cause, as to be untenable and unfit for occupancy, then the liability of Lessee S for the rent of said lands and premises thereafter, and all right to the possession thereof, shall cease at once.

Net proceeds from sale of property will be held in trust for DENNIS AND JESSIE HYATT until youngest turn, 25 yrs old with HAROLD AND OLIVE GREENE AS TRUSTEES

AND IT IS MUTUALLY AGREED, that all covenants, terms and conditions of this lease shall extend, apply to and firmly bind the heirs, executors, administrators and assigns of the respective parties hereto as fully as the respective parties are themselves bound.

IN WITNESS WHEREOF, the Lessor and Lessee S have hereunto set their hands the day and year first above written.

Charles R Hyatt
Lessor(s)

KATHY HILL
SKAGIT

Mike Hyatt
Denise L Hyatt
Lessee(s)

96 AUG 27 P4:03

STATE OF WASHINGTON

RECORDED & FILED

County of SKAGIT

REQUEST OF ss. (Individual Acknowledgement)

This is to certify on this 26 day of AUGUST, 1996, before me DIANE KELLY, Notary Public in and for the State of Washington, duly commissioned and sworn personally came CHARLES HYATT, MIKE HYATT & DENISE NYATT to me known to be the individual S described in and who executed the within instrument, and acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS MY HAND AND OFFICAL SEAL, the day and year in this certificate first above written.

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Diane Kelly
Notary Public in and for the state of WASHINGTON
My appointment expires: 9-29-99



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