

FARM LEASE

LESSOR: The Pullman-Moscow Regional Airport Board, on behalf of the City of Pullman, a Washington Municipal Corporation

TENANT:

1. **PROPERTY:** Lessor hereby leases to Tenant the real estate in Whitman County, Washington, described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Premises").

Tenant acknowledges that the Premises (a map of the Premises is attached as Exhibit "B") are adjacent to an Airport runway, taxiway, Airport approach and subject to an Avigation Easement for aircraft. Tenant shall do all things reasonably necessary to protect air navigation and Airport operations from fire, dust and other hazards to Avigation. Tenant acknowledges and agrees that their farming operation is secondary and subservient to the Airport and its uses. Accordingly, the Tenant agrees to abide by all Airport Rules and Regulations or Airport Minimum Standards applicable to it and that in the event of any conflict between this Lease and Airport Rules and Regulations or Airport Minimum Standards, the Airport Rules and Regulations or Airport Minimum Standards shall prevail.

2. **TERM:** This Lease shall commence September 1st 2026, and shall terminate August 31st 2031; provided, however, that the Tenant shall have an option to extend the Lease for one (1) five (5) year term with said extension term to begin September 1st 2031 and terminating August 31st 2036. To exercise the option to extend the Tenant must inform the Lessor in writing prior to March 1, 2031. If the tenant exercises the option to extend the lease will terminate August 31st 2041. If the tenant does not exercise the option to extend, or fails to provide written notice by the March 1 deadline the lease will expire as scheduled on August 31st 2036.

Tenant agrees not to commit spoil or waste on any of the Premises and agrees to surrender peaceful possession of said Premises at the expiration of this Lease, or its sooner termination as described herein, in a clean and good condition, free and clear of all refuse and debris.

3. **RENT:** Tenant shall pay rent to Lessor the sum of \$_____ per acre times the number of farmable acres according to FSA records (approximately 503 acres). Rent shall be paid annually on or before December 1. If the term of the Lease is extended by the Tenant, the rent for the extension period shall be adjusted, but not decreased below the rent for the initial five (5) year period. The rent increase for the extension period shall be the original \$___ per acre multiplied by a fraction, the numerator of which is the CPI-U (All Items, U.S. City Average, 1982-84=100) published by the Bureau of Labor Statistics for December 2030 and the denominator of which is the CPI-U for December 2025. Should data be for these periods be unavailable by February 1, 2031 the first preceding month for which data is available will be substituted.

4. EXPENSES: Tenant shall pay Lessor the State of Washington Leasehold Excise Tax contemporaneously with the payment of rent as described in Section 3. Tenant shall pay for all expenses incurred in farming the Premises and otherwise performing the obligations of Tenant hereunder. Tenant shall control all noxious weeds at Tenant's expense.

The Tenant acknowledges that Lessor is a public entity and that the Premises are owned by the Lessor for a continuing public purpose. Any taxes levied against the Premises are attributed to the Lessee's use and Lessee agrees to properly pay all taxes owing as a result of their use and occupancy of the Premises, including the Washington State Leasehold Excise Tax.

5. INSPECTION: Tenant has inspected the Premises to Tenant's satisfaction and accepts the same and all leased improvements thereon in their "AS IS" condition. Lessor makes no warranties or representations, express or implied, regarding the quantity, condition or quality of the Premises or any of the improvements thereon or as to the fitness or suitability of the Premises for any use Tenant may make thereof.

6. FARMING: Tenant shall use the Premises solely for the conduct of a farming business, and

6.1 Farming. Tenant shall, in a timely manner and at Tenant's sole expense, seed, fertilize, spray, care for and harvest approved crops on such portions of the Premises as are suitable therefor; use every reasonable effort to control, eradicate and prevent spreading of weeds, noxious plants, disease and pests on all portions of the Premises; till, cultivate and perform soil conservation, summer fallow and crop rotation practices consistent with FSA requirements and the practices of good farmers in the area; use reasonable efforts to prevent soil erosion and keep ditches and waterways cleaned and open; protect harvested crops from damage against weather or otherwise until delivered; promptly remove crops to a commercial warehouse or home storage after they are threshed; and provide all labor, machinery, equipment, vehicles, seed, fertilizers, chemicals, utilities, supplies, fuels and other materials required to perform such work; all in the manner performed by good farmers in the area. No hogs, sheep, livestock or other animals shall be allowed on growing crops without Lessor's consent, and then only when no crop damage will result. Tenant shall not cut live trees, burn stubble, or plow pasture or meadow land without Lessor's consent, nor commit or allow the commission of waste and, at the termination of this Lease, shall remove all property of Tenant and leave the Premises clean and free of debris.

6.2 U.S.D.A. Programs. Tenant shall comply with all mandatory provisions of any U.S.D.A. Farm Services Agency (FSA) laws, regulations and rules affecting the Premises, and all additional provisions of any such laws, regulations and rules applicable to any program or contract under which the Lessor and/or Tenant participate with respect to the Premises.

The parties shall determine by mutual agreement whether the Premises and crops shall come under any voluntary FSA program. Tenant shall be entitled to any crop program payments and the parties shall share any conservation reserve or soil conservation program payments in the same proportions as the conservation expense was shared. No portion of the Premises shall be placed in a conservation reserve or soil bank program without Lessor's written consent being first obtained.

Upon termination of Lease, Tenant shall voluntarily terminate any rights in, and execute such documents as are required, to remove Tenant from any U.S.D.A programs relating to the Premises after termination and after Tenant's last crop has been removed.

6.3 Compliance With Laws. Tenant shall abide by all applicable laws and governmental rules and regulations pertaining to Tenant's use and occupancy of the Premises and the conduct of Tenant's business operation thereon. Without limiting the generality of the forgoing,

6.3.1 Hazardous and Other Substances. Tenant shall follow and cause to be followed label directions for all chemicals used on the Premises and shall not use or apply any pesticide, herbicide or other chemical product on the Premises which may leave a residue that may adversely affect the growing of crops planted thereafter. Tenant shall not manufacture, create, store, dispose of or permit any hazardous substance on the Premises, except for temporary storage of permitted chemicals prior to use. Any fuels, oils, lubricants or other similar substances stored on the Premises shall be stored above ground in containers sufficient to prevent leakage. Tenant shall immediately notify Lessor of any release of such substances or of any Hazardous Substance. All Hazardous Substances shall be handled, used, stored and disposed of in a manner as approved by regulations and rules of the U.S. Environmental Protection Agency or, if more restrictive, the laws, regulations or rules of the State of Washington. The term Hazardous Substances means any substance or material or the residue thereof defined or designated as regulated, dangerous, hazardous, toxic or radioactive under any federal, state or local statute, regulation, ordinance or rule presently in effect or which may be promulgated during the term of this Lease.

Tenant covenants and agrees that Tenant is not, and will not become, involved in operations on the property which could lead to the imposition on Lessor or Tenant of liability under any such federal or state laws or regulations in effect at the time the operation was performed. Tenant further covenants and agrees to indemnify and hold Lessor harmless from and against all loss, liability, damage and expense, including but not limited to attorney's fees, suffered or incurred by Lessor as the owner of the property by virtue of any assertion of federal or state lien or claim brought or filed against Lessor, Tenant or the Premises as a result of any "release" of materials which occurred during the term of this Lease. In the event Tenant fails to

comply with any such requirements, Lessor may, at Lessor's option, but without obligation to do so, give such notices or cause such work to be performed on the Premises, or take any and all other action Lessor deems necessary to cure said failure

of compliance; and the amounts paid by Lessor as a result thereof, together with interest thereon at the rate of 12% per annum from the date of such payment, shall be immediately due and payable by Tenant to Lessor. Entry by Lessor upon the property for such purpose shall not waive or release Tenant from any obligations or default hereunder.

6.3.2 Workers Compensation. Tenant shall maintain Workers Compensation on all employees required to be so insured under the laws of the State of Washington.

6.4 Liens. Tenant shall timely pay all sums due for labor, materials and utilities arising out of Tenant's use and occupancy of the Premises, and prevent the attachment of any liens against the Premises or crops growing thereon; provided, that Tenant may grant a security interest in Tenant's crop share to a lender to secure operating financing [for one lease year].

6.5 Property Markers. Tenant shall exercise particular care not to disturb any property markers or boundary stakes on or adjacent to the Premises. If any such markers or stakes are disturbed, Tenant will repair or replace the same as soon thereafter as is reasonably practical.

7. IMPROVEMENTS: Tenant shall maintain all improvements on the property, if any.

8. FILL SITE: There are two (2) Whitman County, Washington permitted landfill sites on the Premises. Care should be taken by the Tenant not to interfere with the operation of the landfill sites. It is anticipated that prior to Fall work on the Premises the Landfill Operator will provide a map to the Lessor showing the expected outer boundaries of the Landfill sites for the next calendar year. When the map is received by the Lessor a copy will be made available to the Tenant. Tenant shall not plant a crop, of fallm, the area within the boundaries of the land fill as shown on the map without the prior written approval of the Lessor. The obligation to reimburse the Tenant described in Section 14 hereof shall not apply to area farmed, or seeded, taken as a result of the operation or expansion of the landfill site. If more than one (1) acre of previously farmed area is rendered unfarmable due to use by, or expansion of, the landfill, then the rent shall be proportionately reduced.

9. ASSIGNMENT: Tenant shall not assign this Lease or any interest therein, or sublet any portion of the Premises without first obtaining Lessor's written consent. If Lessor consents to any assignment or subletting, the same shall not relieve Tenant of any obligations under this Lease, unless otherwise provided in such consent.

10. RISK OF LOSS: Lessor shall not be liable for death or injury to any person or damage to any property occurring on or adjacent to the Premises, including Tenant and Tenant's employees, agents, invitees and licensees, unless solely the result of the intentional act or gross negligence of Lessor.

11. INSURANCE:

11.1 Liability Insurance. Tenant shall, during the term of this Lease and any extensions or renewals thereof, and at Tenant's sole expense, procure and maintain in force a general

public liability insurance policy insuring Tenant's entire business operation and Lessor against property damage, bodily injury and death arising out of Tenant's use and occupancy of the Premises, to the extent of not less than One Million Dollars (\$1,000,000.00) for bodily injury or death, and not less than Two Million Dollars (\$2,000,000.00) for property damage.

11.2 Casualty Insurance. Lessor may maintain casualty insurance insuring buildings and improvements on the Premises with such coverage as Lessor deems appropriate. Tenant shall control weeds and grasses adjacent to buildings and not store materials or allow debris to collect around buildings to minimize fire hazard, and shall not conduct any hazardous activity within or adjacent to buildings which would increase Lessor's insurance premiums or violate any provision of Lessor's insurance policy made known to Tenant in writing.

12. INDEMNIFICATION: Tenant shall save Lessor harmless from all claims for death and injury to persons and damage to property occurring on or adjacent to the Premises, including Tenant and Tenant's employees, agents, independent contractors, invitees and licensees, sustained by reasons other than the intentional act or gross negligence of Lessor. Tenant hereby covenants and agrees to indemnify and hold Lessor and the property of Lessor free and harmless from all claims, liability, loss, damage or expenses resulting from Tenant's use and occupancy of the Premises, including any claim, liability, loss, damage or expense for death or injury to persons or damage to property arising out of the condition of the Premises, the condition of any improvement or personal property on the Premises, or any act or omission of Tenant or any person on the Premises with the express or implied consent of Tenant, and including attorney's fees and court costs.

13. SUMMERFALLOW: The Tenant shall not be compensated for any summer fallow that Tenant may leave. Tenant is not obligated to leave summer fallow at the termination of this Lease.

14. EARLY ENTRY: Tenant acknowledges that Lessor reserves the right to enter upon the Premises at any time without compensation to Tenant for lost crop income or disruption of Tenant's operation and that Lessor, at Lessor's sole discretion and option, may remove any portion of the Premises at any time during the period of this Lease provided, however that the rent will be reduced proportionally for the portion of the Premises taken by Lessor, if any, and Lessor shall reimburse to Tenant the expenses incurred by Tenant for the crop damaged or destroyed as shown by receipts and records provided by Tenant.

15. NON-WAIVER: A party's failure to timely enforce any obligation owing by the other party hereunder shall not constitute a waiver of the right to enforce performance or recover damages arising from non-performance, nor shall the waiver of any breach constitute a waiver of a further breach.

16. DEFAULT: Time is of the essence hereof.

16.1 If Tenant neglects, abandons or fails to timely seed, care for or harvest the crops, fertilize, spray or otherwise control weeds, disease or pests, or work summer fallow ground, and Tenant has not commenced and diligently pursued good faith efforts to cure such default within ten (10) days following notice to Tenant, Lessor or others designated by Lessor may enter the Premises without further notice and perform such work or cause the same to be

performed. The expense therefor shall be repaid to Lessor within three days following notice to Tenant of the amount thereof.

16.2 If Tenant fails to pay the rent as and when due and such default is not cured within ten (10) days following notice of default to Tenant, or Tenant defaults in the performance of any other term of this Lease and such default is not cured within thirty (30) days following notice of default to Tenant, Lessor shall at the expiration of said ten or thirty-day period, without further notice, be deemed to have declared a forfeiture of this Lease, this Lease shall terminate, and Lessor may immediately take possession of the Premises and all crops growing and stored thereon, with or without process of law. Tenant shall in such case immediately vacate the Premises and, if Tenant fails to do so, Lessor shall have the right to eject or remove Tenant and any other person or persons on the Premises. Lessor shall have the further right to remove any property of Tenant's located on the Premises and place the same in storage at the expense of Tenant. Lessor may, following the taking of possession, harvest or cause to be harvested any crops then growing and retain all crop harvested and relet the Premises, or any portion thereof, upon such terms as Lessor shall determine, without any obligation to pay or reimburse Tenant for any expense incurred by Tenant prior to such forfeiture and termination.

17. **NOTICES:** Any notice to be given by one party to the other hereunder shall be in writing and delivered personally or mailed by certified mail, postage prepaid, to the following addresses:

LESSOR: The Pullman-Moscow Regional Airport Board
on behalf of the City of Pullman, a Washington Municipal Corporation
c/o Airport Manager, 3200 Airport
Complex North Pullman, WA 99163

TENANT:

or at such other address as any party may from time to time direct by notice given to the other party. A notice so given shall be effective and deemed to have been given at the time the same is delivered personally or three (3) days after deposited in the mail.

18. **RELATIONSHIP:** The relationship hereby created is that of landlord and tenant and no other. Nothing contained herein shall create or be construed as creating a partnership, joint venture, agency or employment relationship between Lessor and Tenant. Neither Lessor nor Tenant shall be liable for any obligations or liabilities incurred by the other, except as otherwise provided herein.

19. **LEGAL FEE - VENUE:** In the event either party hereto, institutes suit against the other to enforce any rights herein, the venue of such action shall be in the Superior Court of Whitman County, Washington, and the prevailing party shall receive from the other reasonable attorneys' fees in addition to costs allowed by law and costs of title search, if any.

20. **CONSTRUCTION:** This Lease is made under and shall be construed in accordance with the

instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Sign here: _____

Print Name here: _____

Notary Public in and for the State of Washington

residing at _____

My commission expires: _____