



200209250022

Skagit County Auditor

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PLEASE RETURN TO
ATTN: SUZANNE LEWIS
WASHINGTON STATE LIQUOR CONTROL BOARD
PO BOX 43081
OLYMPIA WA 98504-3081



LEASE

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

SEP 25 2002

Washington State Liquor Store No. 142
Sedro Woolley

Amount Paid \$
Skagit Co. Treasurer
By Deputy

THIS LEASE is made and entered into between Pacific Northwest Properties, its heirs, executors, administrators, successors and assigns, hereinafter called the Lessor(s) and the Washington State Liquor Control Board, hereinafter called the Lessee.

The parties desire to enter into a Lease of the premises described below. In consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY COVENANTED AND AGREED as follows:

1. The Lessor(s) hereby leases to the Lessee, a portion of the following premises, located in Crossroads Square Shopping Center at 522 Crossroads Square, and described as:

Parcel #4170-000-001-0302

PTN LTS 1 2 8 9 & 10 AKA PTN TR 2 S/P SW 2-84 AF #8501140002 DAF COM
AT SW COR SD LT 2 TH N 00-11-11 W ALG W LI SD LT 2 645.99 FT TH E
156.72 FT TO POB TH WS 52.00 FT TH W 10.00 FT TH S 16.00

situated in the City of Sedro Woolley, County of Skagit, State of Washington.

Full legal description is as follows:

THOSE PORTIONS of Lot 2, Short Plat No. SW-0284, approved January 11, 1985, recorded January 14, 1985, in Book 6 of Short Plats, at Page 200, under Auditor's File No. 8501140002, as shown on unrecorded site plan of "As built drawing of CROSSROADS SQUARE" prepared by Skagit Surveyors Inc. and dated November 28, 1990, described as follows:

Parcel 4

COMMENCING at the SW corner of said Lot 2; THENCE N 00°11'11"W along the west line of said Lot 2, a distance of 645.99 feet; THENCE east, a distance of 156.72 feet to a point on the south line of Parcel 3 described above and point of beginning of this description; THENCE south, a distance of 52.00 feet; THENCE west, a distance of 10.00 feet; THENCE south, a distance of 16.00 feet; THENCE east, a distance of 10.00 feet; THENCE south, a distance of 32.00 feet; THENCE east, a distance of 98.00 feet; THENCE north, a distance of 12.50 feet; THENCE west, a distance of 18.00 feet; THENCE north, a distance of 87.50 feet to the south line of said Parcel 3; THENCE west along said south line, a distance of 80.00 feet to the point of beginning of this description. Containing 8,385 square feet = 0.19 acres.

(said space containing approximately 3,770 square feet of floor area),

situated in the City of Sedro Woolley, County of Skagit, State of Washington.

Lessor(s) shall provide several off-street parking spaces directly in front of the liquor store designated "15 minute parking only" plus additional common customer-use shopping center parking spaces for the use of Lessee and its customers.

The premises shall be occupied by the Washington State Liquor Control Board and used solely for the retail sale of alcoholic beverages by the Board and the Board shall and may peaceably and quietly have, hold and enjoy the premises for this sole purpose.

TERM

2. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning September 1, 2002, and ending August 31, 2012.



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In the event of the issuance of any proclamation or order by any department of the executive branch of the government of the United States of America which shall prevent or make wholly unfeasible the use of the leased premises by the Washington State Liquor Control Board for the sale or storage of liquor; or in the event that the enactment of any law or the decision of any court of competent jurisdiction shall prevent either party hereto from complying with or carrying out the terms of this Lease; or in the event that the operation of a liquor store upon the above-described premises is made unlawful as the result of an election held under RCW 66.40, then this Lease shall terminate and the parties hereto shall be released from any and all liability for any damage or loss which may result from such inability to comply therewith.

RENTAL RATE

3. That Lessee pay the Lessor(s) as rent for said leased premises, the sum of Four Thousand One Hundred Sixty-three and No/100 Dollars (\$4,163.00) per month on the 1st day of September, 2002, and on the first day of each and every month thereafter during the term of this Lease. The rental aforesaid shall be paid only from the Liquor Revolving Fund and shall not be a direct obligation of the State of Washington.

EXPENSES

4. During the term of this Lease, Lessor(s) shall pay all real estate taxes, all property assessments, insurance, water, sewer, storm water, and maintenance and repair as described in Appendix A attached hereto and incorporated herein by this reference.
 - 4A. Lessee shall pay for the following, only if they are separately metered: electricity, gas, garbage, and telephone.
 - 4B. Lessor(s) shall pay all real estate taxes when due on premises herein leased, then submit voucher(s) with proof of payment to the Lessee for reimbursement. The Lessee will reimburse the Lessor(s) for its pro rata share of any real estate tax increase over base year 2002 if:
 - (1) Lessor(s) provides Lessee with copies of all assessed valuation notices and/or value change notices within 30 days of receipt by Lessor(s); and



- (2) If Lessee elects to contest the assessed valuation, Lessor(s) agrees to either initiate such action if required by law to do so or to join Lessee in such action.

Lessee occupies 3,770 square feet, or 53.857 percent of the total shop space covered by Tax Parcel #4170-000-001-0302, and shall reimburse Lessor(s) 53.857 percent of any increase in real estate taxes over base year 2002.

TENANT IMPROVEMENTS

- 5. Lessor(s) shall complete the repairs and improvements as referenced in its proposal letter to Suzanne Lewis, dated April 26, 2002, within thirty to sixty (30-60) days following receipt of ~~the proposal of the proposal~~ by Lessor(s), a Mutually executed Lease. *AK BH NC*

RENEWAL/TERMINATION

- 6. The Lease may not be terminated during the ten (10) years of the lease term, except pursuant to Paragraph 2, if applicable, or if Lessor(s) is in default under this agreement and fails to cure such default within 30 days after receipt of written notice of the default.

FIXTURES AND PERSONAL PROPERTY

- 7. That all personal property of whatsoever kind or description, including furniture, fixtures, appliances and appurtenances, as well as stocks of merchandise which the Lessee may have on said premises, shall be and remain at all times the property of the Lessee and upon termination of this lease may be removed by the Lessee, its agents or servants.

DISCRIMINATION

- 8. Lessor(s) assures and certifies that s/he will comply with all applicable provisions of the Americans With Disabilities Act of 1990 (42 U.S.C. 12101-12213) and the Washington State law against discrimination, Chapter 49.60 RCW, as well as the regulations adopted thereunder.

DISASTER

- 9. In the event the leased premises are destroyed or injured by fire, earthquake or other casualty as to render the premises unfit for occupancy, and the Lessor(s) neglects and/or refuses to restore said premises to their former condition, then the Lessee, may



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terminate this Lease and shall be reimbursed for any unearned rent that has been paid. In the event said premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time or occurrence of such destruction or injury until the premises are again restored to their former condition, and any rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of rent to be paid. It is understood that the terms "abated" and "abatement" mean a pro rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total rented area.

HAZARDOUS SUBSTANCES

10. Lessor(s) warrants to his/her knowledge that no hazardous substance, toxic waste, or other toxic substance has been produced, disposed of, or is or has been kept on the premises hereby leased which if found on the property would subject the owner or user to any damages, penalty, or liability under an applicable local, state or federal law or regulation. Lessor(s) shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorney fees, and penalties arising from the presence of any hazardous or toxic substances on the premises, except for such substances as may be placed on the premises by the Lessee.

PREVAILING WAGE

11. Lessor(s) agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract when required by state law to do so, and to comply with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where this contract will be performed, as determined by the Industrial Statistician of the Department of Labor and Industries, are by reference made a part of this lease as though fully set forth herein.

DATE COMPLIANCE

12. All building systems controls which are time or date sensitive shall operate correctly with dates in the 20th or 21st century, so that the functions, calculations, and other computing processes of the systems controls perform in a consistent manner regardless of the



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date in time on which the systems controls are actually performed and regardless of the Date Data input to the systems controls, whether before, during or after the year 2000, and whether or not the Date Data is affected by leap years.

"Date Data" means any data, formula, algorithm, process, input or output which includes, calculates, or represents a date, a reference to a date, or a representation of a date; including, but not limited to the following:

- a) No value for current date will cause any interruption in operation. Current date means today's date as known to the equipment or product.
- b) Date-based functionality will behave consistently for dates prior to, during, and after year 2000.
- c) In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or inference rule.

NO GUARANTEES

- 13. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee unless endorsed herein in writing. And it is further understood that this Lease shall not be valid and binding upon the State of Washington, unless same has been approved by the Washington State Liquor Control Board and approved as to form by the Office of the Attorney General.

CAPTIONS

- 14. The captions and paragraph headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

NOTICES

- 15. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: Pacific Northwest Properties
P O Box 271
Burlington, WA 98233-0271



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LESSEE: Washington State Liquor Control Board
Attn: Store Leasing
P O Box 43081
3000 Pacific Avenue SE
Olympia, WA 98504-3081

IN WITNESS WHEREOF, The parties have subscribed their names.

PACIFIC NORTHWEST PROPERTIES

By: *Gerald Christensen*
~~Gerald Christensen~~, General Managing Partner
GERALD CHRISTENSEN,

Date: 9/5/02

WASHINGTON STATE LIQUOR CONTROL BOARD

By: _____
Merritt D. Long, Chairman

By: *Vera Ing*
Vera Ing, Board Member

By: *Roger Hoan*
Roger Hoan, Board Member

Date: 9-11-02

Approved As To Form

Mayone Smith
Assistant Attorney General

Date: 9-11-02



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AREAS OF RESPONSIBILITY

A. Lessor responsible to:

1. Maintain and repair roof(s), gutter(s), downspout(s), walls, foundation, floor(s), marquee(s), canopy(s).
2. Patch, repair, repaint any stained/damaged ceilings and/or walls and/or replace stained/damaged ceiling tiles, floor tiles/mouldings and/or fixtures/equipment, which has been damaged/stained as a consequence of water leaks from any source, unless caused by Board employees.
3. Repair/replace any damaged window or door glass, unless damaged by the Board's employees.
4. Maintain and repair all structural portions of the building, stairways, sidewalks.
5. Maintain continuous satisfaction of all governmental requirements generally applicable to similar retail buildings in the area (example: fire, building, energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for people with disabilities, etc.)
6. Maintain the parking area, to include:
 - a. Trash/clutter removal.
 - b. Snow removal.
 - c. Planter or landscaped areas.
 - d. Patching and resurfacing any holes or cracks.
 - e. Repair and/or replace damaged bumpers, curbs, medians and/or posts.
 - f. Repainting (striping) or parking spaces every approximate 24 to 36 months.
7. Provide for the scheduled maintenance/service, and repair:
 - a. Heating, ventilating and/or air-conditioning system(s) (including replacement of filters as recommended in equipment service manual).
 - b. Automatic door system.
8. Pay for the cost to repair/replace and/or service/maintain:
 - a. Water Heater(s).
 - b. Exterior building and/or parking lot lighting systems.
 - c. Floor coverings (does not include janitorial or normal wear and tear).
 - d. Mechanical, plumbing and electrical (Over \$25.00*).

LESSOR	LESSEE
<i>JAC</i>	<i>RTB VCI</i>

B. The Board will:

1. Pay for the replacement of interior lighting ballasts and replacement of interior light bulbs/tubes.

* This does not represent a deductible amount. If the cost to repair/replace/service and/or maintain exceeds this amount, it shall be paid in full by the Lessor.



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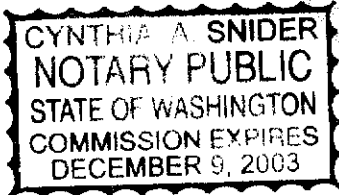
ACKNOWLEDGMENT

State of WASHINGTON

ss.

County of SKAGIT

On this 5TH day of SEPTEMBER, 2002, personally appeared before me GERALD CHRISTENSEN, to me known to be the individual who executed the within and foregoing instrument as duly appointed Managing General Partner for PACIFIC NORTHWEST PROPERTIES, and acknowledges that he signed the same as his free and voluntary act and on oath stated that his powers authorizing the execution of this instrument have not been revoked. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Cynthia A. Snider

Notary Public in and for the State of WASHINGTON
Residing at BOW, WASHINGTON
Commission Expires 12/9/03

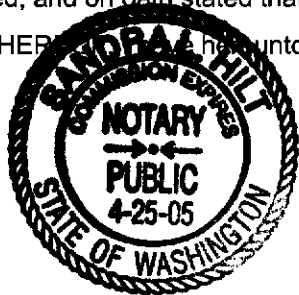
State of Washington,

ss.

County of Thurston

On this 11TH day of September, 2002, personally appeared before me Vera Ing + Roger Noen to me known to be the members of the WASHINGTON STATE LIQUOR CONTROL BOARD, State of Washington, and the individuals who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the Lessee herein, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Sandra L Hill

Notary Public in and for the State of Washington
Residing Thurston Co
Commission Expires 4-25-05



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UNOFFICIAL DOCUMENT

