

Return Address:
Anderson Road, LLC
P.O. Box 650
Burlington, WA 98233



200311100004
Skagit County Auditor

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LAND TITLE COMPANY: SKAGIT COUNTY

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Document Title(s) (for transactions contained therein): 1. Land & Building Lease Agreement (Lease B-1) 2. 3. 4.	
Reference Number(s) of Documents assigned or released: (on page of documents(s))	
Grantor(s) 1. Anderson Road LLC 2. 3. 4.	SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX NOV 15 2003 Amount Paid \$ Skagit Co. Treasurer By <i>[Signature]</i> Deputy
Additional Names on page of document.	
Grantee(s) 1. Albert W. Boettcher 2. Charmaine Boettcher 3. 4.	
Additional Names on page of document.	
Legal Description (abbreviated i.e. lot, block, plat or section, township, range) A ptn of E 1/2 of SW 1/4 & of W 1/2 of SE 1/4, 28-35-3 E W.M.	
Additional legal is on page 7 of document.	
Assessor's Property Tax Parcel/Account Number 350328-3-001-0007, P34891, 350328-3-004-0012, P34905, 350328-4-004-0002, P34910, 350328-4-005-0001, P34911	
The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided	

LAND & BUILDING LEASE AGREEMENT
(Lease B-1)

This Lease Agreement is entered into this 7th day of NOVEMBER, 2003, between **ANDERSON ROAD, LLC**, a Washington Limited Liability Company ("Landlord"), and **ALBERT W. BOETTCHER and CHARMAINE BOETTCHER**, husband and wife (collectively "Tenant").

LANDLORD AND TENANT HEREBY AGREE AS FOLLOWS:

1. **PROPERTY DESCRIPTION:** In consideration of the covenants and agreements contained herein to be kept and performed by the Tenant, the Landlord does hereby lease, let, and demise unto Tenant the real property located north of Wilson Road situated in the County of Skagit, State of Washington, comprised of two residences (rental house and a residence) and two acres, more or less, of real property, together with fixtures located thereon: See Exhibit "A" attached hereto and incorporated herein by reference.

2. **LENGTH OF TERM:** The term of this lease shall be for the remainder of Albert W. Boettcher's lifetime or until he chooses to vacate, whichever comes first. In addition, Albert W. Boettcher's spouse shall have the option to extend the term of the Lease for one year beyond the date of his death should she survive him and wish to continue to reside in said house, on the same terms and conditions as in effect prior to his death.

3. **RENT:**

(a) There will be no deposit required.

(b) Tenant covenants and agrees to pay Landlord as rent for said premises **\$1.00 per year**, on the 1st day of each year during the term of this lease, commencing January 1, 2004.

(c) Payments are to be made to Landlord at: P.O. Box 650, Burlington, WA 98233, or such other place as Landlord shall direct in writing.



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4. **TRIPLE NET LEASE:** Tenant shall be responsible for all repairs, maintenance, all insurance, and for the payment of taxes attributable to the property; EXCEPT that Landlord shall pay any and all taxes, penalties and/or interest attributable to any election by Landlord to remove the Property from the "open space" tax classification. Except as provided otherwise herein, it is intended that Landlord shall have no unreimbursed expenses relating to the leased premises.

5. **PRESENT CONDITION OF PREMISES/REPAIRS:** Tenant accepts the premises in its present condition, without warranty, express or implied. Tenant will at all times keep the premises (and all fixtures) neat, clean and in a sanitary condition, and will replace any glass, windows or doors that may become cracked or broken, and will at all times preserve the premises (and all fixtures) in as good repair as the same now is or hereafter may be put to, reasonable wear and tear and damage by fire or other unavoidable casualty excepted.

6. **UTILITIES:** Tenant is to pay all utilities, including but not limited to, electricity, heat, water, and telephone.

7. **ACCESS:** Tenant will allow Landlord free access at all reasonable times to said premises for the purpose of inspection or making repairs, additions or alterations to the premises, but this right shall not be construed as an agreement on the part of Landlord to make any repairs, it being understood that the Tenant shall be responsible for all repairs and maintenance as provided in paragraph (5) above.

8. **ACCIDENTS/INSURANCE:** All personal property on said leased premises shall be at the risk of Tenant. Landlord, or Landlord's agents, shall not be liable for any damage, either to person or property, sustained by Tenant or others, caused by any defects now in said premises or hereafter occurring therein, due to the happening of any accident of whatever cause in and about said building and premises, except Tenant shall not be liable for damage caused by Landlord's gross negligence. Tenant agrees to defend and hold Landlord harmless from any and all claims for damages suffered or alleged to be suffered in or about the leased premises by any persons, firm or corporation, except as to claims arising from Landlord's gross negligence. In this regard, Tenant agrees to provide and maintain liability insurance with combined single limits of \$1,000,000 naming Landlord as an additional insured and loss payee, and shall deliver to Landlord copies of said policies and certificates of insurance. The policy or policies shall contain a clause that the insurer will not cancel or change the insurance coverage without giving Landlord as least 30 days prior written notice.



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9. **FIRE INSURANCE:** Tenant shall provide and maintain full coverage replacement cost insurance, against loss or damage by fire or other casualty, on the building and other improvements located on said property. Said policy shall be written in such form with such terms and by such insurance companies as are reasonably acceptable to the Landlord and shall name Landlord as an insured and first loss payee. Said policy must specifically provide that coverage will not be cancelled without a minimum of 30 days prior written notice to Landlord.

10. **WAIVER OF SUBROGATION:** Landlord and Tenant respectively do each hereby waive their rights of recovery from the other for any loss or damage to their property caused by perils insured against to the extent permitted by the insurance policies of each.

11. **ASSIGNMENT/BANKRUPTCY/INSOLVENCY:** Tenant may sublet the rental house provided Albert W. Boettcher (or his surviving spouse, as provided herein) continues to reside in the main house. Tenant may not assign this lease or any part hereof. This lease may not be assigned by operation of law. It is agreed that this lease and all rights of the Tenant hereunder shall, at the option of the Landlord, terminate upon the Tenant being by any court adjudged bankrupt or insolvent, or upon the Tenant making any assignment for the benefit of creditors, or in the event of any assignment by operation arising out of any work performed, materials furnished, or obligations incurred by Tenant.

12. **LIENS CAUSED BY TENANT:** Tenant shall keep the demised premises and the property on which the demised premises is situated, free from any liens arising out of any work performed, materials, or obligations incurred by Tenant, and agrees to hold Landlord harmless and indemnify Landlord from any such claims or liens.

13. **DEFAULT/RE-ENTRY:** Time is of the essence with respect to all matters herein, and if any rents above reserved or any part thereof shall be and remain unpaid when the same shall become due, or if Tenant shall violate or default in any of the covenants and agreements herein contained, then Landlord shall give Tenant written notice of such default. Tenant's failure to correct said default within 5 days from receipt of such notice for a monetary default, or 30 days for any other default, shall result in the lease being cancelled and Landlord may re-enter the premises, but notwithstanding such re-entry by Landlord, the liability of Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and Tenant covenants and agrees to make good to Landlord any deficiency arising from a re-entry and reletting of the premises at a lesser rental than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord.



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14. **NON-WAIVER OF BREACH:** Failure of Landlord to insist upon strict performance of any of the covenants and agreements of the lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver of the Landlord's right to insist upon strict performance but the same shall be and remain in full force and effect.

15. **HEIRS, SUCCESSORS, AND ASSIGNS:** The covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto. Landlord shall have the absolute right to assign this lease at any time. Tenant shall not assign this lease or sublet any part of the premises without landlord's prior written consent.

16. **FIRE AND OTHER CASUALTY:** In the event the premises are destroyed or damaged by fire, earthquake, or other casualty to such an extent as to render the same unsuitable for occupation, in whole or in a substantial part thereof, Landlord shall replace, rebuild or repair the same to the extent the insurance proceeds paid to Landlord allow. Landlord shall have 30 days after learning of such casualty to notify Tenant in writing of Landlord's intention to rebuild or repair said premises (or to make other arrangements with Tenant that are suitable to Tenant). Landlord shall prosecute the work of such rebuilding or repairing without unnecessary delay, and during such period the rent of said premises shall be abated in the same ratio that portion of said premises rendered for the time being unfit for Tenant's use shall bear to the whole of the leased premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this lease terminated by written notice served upon Landlord or Landlord's agents.

17. **ALTERATION:** Tenant shall not make any alterations, additions, or improvements on said premises without the written consent of the Landlord first had and obtained, which consent will not be unreasonably withheld, and all alterations, additions, and improvements shall be made at the sole cost and expense of the Tenant. All improvements made by the Tenant shall remain a part of said premises and upon termination of this lease all said improvements shall become the absolute property of the Landlord without cost or obligation on the part of the Landlord to reimburse Tenant in any regard. The Landlord shall not be called upon to make any improvements or repairs of any kind upon the premises and the premises shall be kept and used in accordance with all state, county, federal, and city laws, rules, and regulations.

18. **ATTORNEYS' FEES/COSTS:** If by reason of any default on the part of either Landlord or Tenant in the performance of any of the provisions of this lease, it becomes necessary for either party



Handwritten signature

to employ an attorney, the losing party agrees to pay all reasonable costs, expenses and attorneys' fees expended or incurred by the prevailing party in connection therewith.

19. **NOTICES:** Any notice required to be served in accordance with the terms of this lease shall be sent hand delivered or by registered or certified mail, with return receipt requested, and to be delivered to addressee only as follows:

Notice to Tenant: Albert W. Boettcher
14379 Josh Wilson Road
Burlington, WA 98233

Notice to Landlord: Mike Fohn
P.O. Box 650
Burlington, WA 98233

unless, by prior notice hereunder, a different person or address shall have been specified for such purpose, in which event, notice and payments shall be made as so specified. All notices shall be in writing and shall be deemed to have been effectively given upon the receipt thereof if delivered by hand or sent by regular mail or three days after mailing if mailed by certified mail, return receipt requested, postage prepaid, addressed as above specified.

20. **SURRENDER OF PREMISES:** Tenant agrees that on the expiration or sooner termination of this lease, Tenant will quit and surrender the premises, without notice, in a neat and sanitary condition and will deliver up all keys belonging to said premises to the Landlord or Landlord's agent.

IN WITNESS WHEREOF, the parties have executed this lease the day and year first above written.

ANDERSON ROAD, LLC

By: *Michael V. Fohn*

Michael V. Fohn

Its: *Manager*
LANDLORD

Albert W. Boettcher

Albert W. Boettcher, Tenant

Charmaine Boettcher

Charmaine Boettcher, Tenant



STATE OF WASHINGTON)
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Albert W. Boettcher and Charmaine Boettcher, husband and wife, are the persons who appeared before me and that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: October 31, 2003.

Deborah Lee Steiner
NOTARY PUBLIC

Deborah Lee Steiner
(Print or Type Name of Notary)

My Appointment Expires: 8/01/03

STATE OF WASHINGTON)
COUNTY OF SKAGIT)

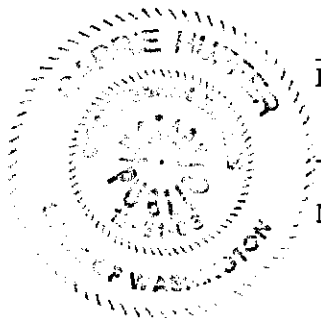
I certify that I know or have satisfactory evidence that Michael V. Fohn is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as general manager of **ANDERSON ROAD, LLC**, a Washington Limited Liability Company, to be the free and voluntary act of such parties for the uses and purposes mentioned in the instrument.

DATED: November 7, 2003.

Carrie Huffer
NOTARY PUBLIC

Carrie Huffer
(Print or Type Name of Notary)

My Appointment Expires: 12-31-03



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EXHIBIT A

the following described real estate, situated in the County of Skagit
together with all after acquired title of the grantor(s) therein.

State of Washington.

The west Three feet (3') of the South East quarter (SE 1/4) of the Southwest quarter (SW 1/4) of Section Twenty-eight (28), Township Thirty-five (35) North, Range Three (3) East of the Willamette Meridian, except Road. And the Southwest (SW) Three foot (3') by Three foot (3') corner of the Northeast quarter (NE 1/4) of the Southwest quarter (SW 1/4) of Section 28, Township Thirt (35) North, Range Three (3) East of the Willamette Meridian for the purpose of installing five and maintaining a water line. Grantor, Albert Boertcher reserves and retains farming rights to said real property.

The East half (E1/2) of the Southwest quarter (SW1/4) of Section Twenty-eight (28), Township Thirty-five (35) North, Range Three (3) East of the Willamette Meridian, EXCEPT road, and

The West half (W1/2) of the Southeast quarter (SE1/4) of Section Twenty-eight (28), Township Thirty-five (35) North, Range Three (3) East of the Willamette Meridian. EXCEPT road and EXCEPT the East 330 feet of the South 1330 feet thereof.

* ALSO EXCEPT those portions of the West 3 feet thereof conveyed to James C. Murphy, et ux, by deed recorded 11-16-1990 as Auditor's File No. 901160026; TOGETHER WITH farming rights reserved on said West 3 feet by said Auditor's File No. 901160026.



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