

Return Address:  
Donald J. Layton  
5105 S. 3<sup>rd</sup> Ave.  
Everett, WA 98203



200407190024  
Skagit County Auditor

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|   |                     |
|---|---------------------|
| <b>Document Title(s) (for transactions contained therein):</b><br>1. Bureau of Indian Affairs Lease<br>2.<br>3.<br>4.   |                     |
| <b>Reference Number(s) of Documents assigned or released:</b><br>(on page of documents(s))  |                     |
| <b>Grantor(s)</b><br>1. Bureau of Indian Affairs (Secretary of the Interior)<br>2.<br>3.<br>4.  |                     |
| <b>Additional Names on page</b>   | <b>of document.</b> |
| <b>Grantee(s)</b><br>1. The Layton Family Trust<br>2. Mr. Don Layton<br>3.<br>4.  |                     |
| <b>Additional Names on page</b>   | <b>of document.</b> |
| <b>Legal Description (abbreviated i.e. lot, block, plat or section, township, range)</b><br><br>Lot 47 of the Cobahud Waterfront Tracts within Gov't Lot 4, Section 34, Township 34 North, Range 2 East, W.M.<br>A 1998 Lot Line Adjustment has changed the dimensions of this property from the Original Plat. The property is 45 feet in width, not 50.<br><br><b>Additional legal is on page</b> |                     |
| <b>Assessor's Property Tax Parcel/Account Number</b><br>5103-000-047-0000 P95917  |                     |
| 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 herein.  |                     |

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

Lease: \$6395

Bond: \$6395

Admin. Fee: \$119

LEASE

Puget Sound Agency

Allotment # I0039

Lease # 7786 04-29

THIS CONTRACT, made and entered on this...1st....day of..July .,A.D. 2004, by and between the Indian or Indians named below (the Secretary of the Interior acting for and on behalf of the Indians) hereinafter called the "landowner" and:

The Layton Family Trust  
Mr. Don Layton  
815 Washington Avenue  
Burlington, WA 98233

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

# 3709  
JUL 19 2004

Amount Paid \$  
Skagit Co. Treasurer  
By Deputy

hereinafter called the "tenant" in accordance with the provision of existing law and the regulations (25 CFR 162) which by reference are made a part hereof.

WITNESSETH, That for and in consideration of the rents, covenants and agreements hereinafter provided, the lessor hereby lets and lease unto the lessee the land and premises described as follows, to wit:

Lot 47 of the Cobahud Waterfront Tracts within Gov't Lot 4, Section 34,  
Township 34 North, Range 2 East, Willamette Meridian, Skagit County, WA

A 1998 Lot Line Adjustment has changed the dimensions of this property from the Original Plat. The property is 45 feet in width, not 50. See Tribal Planning Office.

containing .....15.....acres, more or less, for the term of ..25+25...years, beginning on the ...1st.....day of July 2004....., to be used only for the following purposes:

Home Site & Recreation

The lessee, in consideration of the foregoing, covenants and agrees, as rental for the land and premises to pay:

| TO                                 | DATE DUE                              | AMOUNT              |
|------------------------------------|---------------------------------------|---------------------|
| .....BUREAU OF INDIAN AFFAIRS..... | 07/01/04 AND UPON.....                | \$ 6395 PER YEAR    |
| .....FOR THE LESSORS.....          | .....EACH SUCCESSIVE ANNIVERSARY..... | SUBJECT TO.....     |
|                                    | .....DATE OF THE LEASE THEREOF.....   | PROVISION #7 OF THE |
|                                    | .....FOR THE TERM OF THE LEASE.....   | LEASE.....          |

\*\*\* NOTE: IT HAS BEEN DETERMINED THAT LEASING THIS LAND WILL HAVE NO SIGNIFICANT IMPACT ON THE  
.....SURROUNDING ENVIRONMENT.....



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This lease is subject to the following provisions:

1. **"Secretary"** as used herein means the Secretary of the Interior or his authorized representative.
2. **Improvements** – Unless otherwise provided herein, it is understood and agreed that any building or other improvements placed upon the said land by the lessee become the property of the lessor upon termination or expiration of this lease.
3. **Unlawful Conduct** – The lessee agrees that he or she will not use or cause to be used any part of said premises for any unlawful conduct or purpose.
4. **Subleases of Assignments** – Unless otherwise provided herein, a sublease, assignment or amendment of this lease may be made only with the approval of the Secretary and written consent of all parties to this lease, including the surety or sureties.
5. **Interest** – It is understood that any payment not made by the anniversary date of said lease shall accrue interest at the rate of 18% until payment is made in full.
6. **Relinquishment of Supervision By The Secretary** – Nothing contained in this lease shall operate to delay or prevent a termination of Federal trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of the lease; however, such termination shall not serve to abrogate the lease. The owners of the land and the lessee and his surety of sureties shall be notified by the Secretary of any such change in the status of the land.
7. **Rental Adjustment** – The rental provisions in all leases which are granted for a term of more than five (5) years and which are not based primarily on percentages of income produced by the land shall be subject to review and adjustment by the Secretary at not less than five-year intervals in accordance with the regulations in 25 CFR 162. Such review shall give consideration to the economic conditions at the time, exclusive of improvements or development required by this contract or the contribution value of such improvements.
8. **Interest of Member of Congress** – No Member of, Delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise here from, but this provision shall not be construed to extend to this contract if made with a corporation of company for its general benefit.
9. **Violations of Lease** – It is understood and agreed that violations of this lease shall be acted upon in accordance with the regulations of 25 CFR 162. Lessee will be charged \$15.00 for any and all notice of violations given by Bureau of Indian Affairs.
10. **Assent Not Waiver Of Future Breach Of Covenants** - No assent, express or implied, to any breach of any of the lessee's covenants, shall be deemed to be a waiver of any succeeding breach of any covenants.
11. **Upon Whom Binding** – It is understood and agreed that the covenants and agreements hereinbefore mentioned shall extend to and be binding upon the heirs, assigns, successors, executors, and administrators of the parties of this lease. While the leased premises are in trust or restricted status, all of the lessee's obligations under this lease, and the obligations of its sureties, are to the United States as well as to the owner(s) of the land.
12. **Approval** – It is further understood and agreed between the parties hereto that this lease shall be valid and binding only after approval by the Secretary.
13. **Additions** – Prior to execution of this lease, provisions(s) Number(s) 14-23 has (have) been added hereto and by reference is (are) made a part hereof.



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**SWINOMISH WATERFRONT LOTS****SUPPLEMENTAL SHEET**

14. It is understood and agreed that this lease is subject to existing and future rights-of-way granted by the lessor.
15. It is understood and agreed that the lessee shall submit by mail to the Tribal Planning Commission, Box 416, LaConner WA 98257, plans and specifications for any proposed improvements. The Tribal Planning Commission will establish the conditions for improvements and issue a building permit if the Planning commission so rules.
16. It is understood and agreed that it shall be the Lessee's responsibility to ascertain any improvements, including landscaping constructed on the leased premises are within the lot boundary lines. In the event the Lessee violates this provision, he shall be liable for all costs incurred in moving said improvements.
17. It is understood and agreed that any improvements owned by the Lessee may be removed by him at any time within sixty (60) days after the expiration or termination of this lease. In the event the improvements are not removed within the specified sixty (60) day period, they shall become the property of the Lessor. The Lessee shall restore the premises to the same condition as that existing at the time of entering upon the same under this lease, reasonable and ordinary wear and tear and damages by the elements or by circumstances over which the Lessee has no control excepted. It is further understood and agreed that if the Superintendent finds there is damage to the Lessors property, once this lease expires; the lessee is obligated to pay such amount as appraised by the Superintendent.
18. It is a condition of this lease that the Lessee shall faithfully comply with all ordinances or resolutions, as approved by the Secretary of the Interior, enacted by the tribal governing body of the particular reservation, relating to the use of the above described premises.
19. Liens, Taxes, Assessments, Utility Charges--Lessee shall not permit to be enforced against the leased premises or any part thereof, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee, and Lessee shall discharge or post bond against all such liens before any action is brought to enforce same. Lessee shall pay, when and as the same become due and payable all taxes, assessments, licenses, fees and other like charges levied during the term of this lease upon or against the leased land, all interests therein and property thereon. Lessee shall also promptly pay all taxes, assessments, license fees and other like charges levied against the Lessee by the Tribe during the term of this lease. Upon written request, the Lessee shall furnish to the Secretary written evidence, duly certified, that any and all taxes required to be paid by Lessee have been paid, satisfied or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax, or assessment against the property by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless the Lessor, the Secretary and the leased premises and all interests therein and improvements thereon from any and all claims, taxes, assessments and like charges and from any lien therefore or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by the Lessee. Lessee shall hold harmless the Lessor for all charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises as they become due.
20. It is understood and agreed that this lease includes beach privileges, for recreational uses only and no improvements shall be built upon the tidelands without the written permission of the Swinomish Tribe. There is reserved to the Swinomish Indian Tribal Community, and to it's members, the right to use or cross said tidelands at any time. The Lessee does not have the right to dig clams or harvest oysters on the tidelands.
21. That the Lessee is authorized to encumber his leasehold interest in the premises for the purpose of borrowing capital for the development and improvement of the leased premises. The encumbrance instrument must be approved by the Secretary. If a sale or foreclosure under the approved encumbrance occurs and the encumbrancer is the purchaser, he may assign the leasehold without the approval of the Secretary or the consent of the other parties to the lease, provided; however, that the assignee accepts and agrees in writing to be bound by all the terms and conditions of the lease. If the purchaser is an party other than the encumbrancer, approval by the Secretary of any assignment will be bound by the terms of the lease and will assume in writing all obligations thereunder.
22. Septic and water systems shall meet Tribal standards which are  
Skagit County Health Department.



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23. 25 + 25 Year Option - Lessee has the option to lease the subject property for an additional 25 years (July 1<sup>st</sup>, 2029 - June 30<sup>th</sup>, 2044) by simple written notice to the Agency Superintendent. That notice should be given at least two months in advance of the expiration of the first 25 years. The first 25 years will end on June 30<sup>th</sup>, 2029 hence reasonable notice should be given by May 1<sup>st</sup>, 2029. Lessee must be current with all rent and utility payments and also be in good standing to renew for an additional 25 years.

I agree to the these terms and conditions.

Wenda Layton  
Lauren Layton  
5018 157<sup>th</sup> St SW  
Edmonds WA  
(425) 743-1934

Don Layton  
Mr. Don Layton  
For The Layton Family Trust  
Lessee

Trust Signatories:

Ethel Marie Barber  
Ethel Marie Barber  
17536 1<sup>st</sup> Street  
LaConner, WA  
(360) 466-2381

Donald W. Damien  
Don Damien  
PO Box 764  
LaConner, WA  
(360) 466-0489

Helen Lewis  
Helen Lewis  
2085 Lummi Shore Rd.  
Bellingham, WA  
(360) 758-3741

This new lease is hereby approved and declared to be made in accordance with the law and the rules and regulations prescribed by the Secretary of the Interior thereunder, and now in force.

Date approved: 5/14/04

Steph R. Prince  
Superintendent, Puget Sound Agency

Approved pursuant to 209 DM 8, 230  
DM 1, 3 IAM 4, and Northwest  
Regional Office 10 BIAM Bulletin  
No. 401 Addendum to 10 BIAM 12,  
Bulletin 9901.



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