



200511150141

Skagit County Auditor

11/15/2005 Page

1 of 10 2:55PM

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

NOV 15 2005

Amount Paid \$
By Skagit Co. Treasurer
Deputy

Washington State Liquor Store No. 018

Mount Vernon

HP MARKET STREET, LLC

THIS LEASE is made and entered into between ~~Smiley Properties, LLC~~, a Washington limited liability company, 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, the following premises, located at 1930 Market Street, and described as:

Tax Parcel #8005-000-004-0003

BINDING SITE PLAN MV-1-94 BSP (COLLEGE WAY MARKETPLACE), LOT 4,
ACRES 0.68, (DK17) EXCEPT THE NORTH 100.00 FEET

situated in the City of Mount Vernon, County of Skagit, State of Washington.

Full legal description is as follows:

Parcel A

LOT 1A of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, pages 77 to 81, inclusive, records of Skagit County, Washington, being a portion of the NE ¼ of Section 18, Township 34 North, Range 4 East, W.M.

Parcel B

LOT 4 of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, pages 77 to 81, inclusive, records of Skagit County, Washington, EXCEPT the north 100 feet of said Lot 4, being a portion of the NE ¼ of Section 18, Township 34 North, Range 4 East, W.M.

Parcel C

THAT PORTION of Lot 2B of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's file No. 9405310129, in Volume 11 of Short Plats, pages 77, more particularly described as follows:

BEGINNING at the SE corner of said Lot 2B of said Binding Site Plan; THENCE north 0°00'00" east, 145.20 feet; THENCE south 90°00'00" west, 129.04 feet; THENCE south 0°00'00" west 145.20 feet to a point on the south line of said Lot 2B; THENCE south 90°00'00" east, 129.04 feet to the POINT OF BEGINNING.

Parcel D

THAT PORTION of Lot 2B and Lot 2 of the City of Mount Vernon Binding Site Plan MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, pages 77, more particularly described as follows:

BEGINNING at the SW corner of said Lot 2B of said Binding Site Plan; THENCE north 0°20'56" west along the west line of said Lot 2B and said west line produced northerly, 175.00 feet; THENCE south 90°00'00" east, 93.06 feet; THENCE south 0°00'00" west, 175 feet to a point on the south line of said Lot 2B; THENCE north 90°00'00" west along said south line 92.00 feet to the POINT OF BEGINNING. (said space containing approximately 5,831 square feet of floor area),

situated in the City of Mount Vernon, County of Skagit, State of Washington.

31 DAS BAK MR
Lessor(s) shall provide ~~30~~ exclusive off-street 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 October 1, 2005, and ending September 30, 2015.

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 Ten Thousand Two Hundred Four and 25/100 Dollars (\$10,204.25) per month during the first five (5) years and Eleven Thousand One Hundred Seventy-six and 08/100 Dollars (\$11,176.08) per month during the second five (5) years 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, 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, natural gas, water, sewer, garbage, recycle and telephone.

TENANT IMPROVEMENTS

5. Lessor(s) shall construct the premises to conform to the Washington State Liquor Control Board's "General Specifications for Self-Service Stores" (revised 10/02) as well as a floor plan, dated 12/25/04, provided by Store Development and contained in Lessee's files at Olympia office.

RENEWAL/TERMINATION

6. The Lease may not be terminated during the initial 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.
- 6A. The Lease may, at the option of the Lessee, be renewed for one (1) consecutive ten (10) year term, with rent to be negotiated at least ninety (90) days prior to expiration of the initial lease term. Deferred maintenance, repairs and additional improvements may be subject to negotiation in the event of lease renewal.

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.

SIGNAGE

8. Lessor shall provide lighted signage to Lessee over its storefront and on the south side of the building. In addition, Lessor shall provide signage for Lessee on a lighted, double-sided pole sign. Lessor shall, at its sole cost and expense, be responsible for all fabrication, installation, maintenance, and repair of these signs. Electrical service for the exterior signs shall be on Lessee's electric meter.



DISCRIMINATION

9. 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

10. 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 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

11. 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

12. 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

13. 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 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

14. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee unless endorsed herein in writing. Any amendment or modification of this Lease must be in writing and signed by both parties. 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

15. 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

16. 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. *DAS*

LESSOR:

HP MARKET STREET, LLC *AK* *MDL*
~~Smiley Properties, LLC~~

1616 North 18th Street, Suite 160

Mount Vernon, WA 98273-2600

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. *DAS*

HP MARKET STREET, LLC *AK*

~~SMILEY PROPERTIES, LLC~~ *MDL*

a Washington limited liability company

By: *Dean A. Smiley*
DAS *V. Ruth Smiley, Managing Member*
DEAN A. SMILEY

Date: *9/20/05*



200511150141

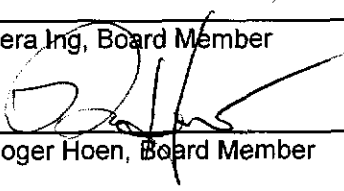
Skagit County Auditor

Lease

Store No. 018

WASHINGTON STATE LIQUOR CONTROL BOARD

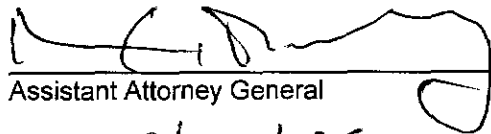
By: 
Merritt D. Long, Chairman

By: 
Vera Ing, Board Member

By: 
Roger Hoen, Board Member

Date: 9/30/05

Approved As To Form


Assistant Attorney General

Date: 9/27/05



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) and doors (both interior and exterior).
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 damage caused by employee neglect).
 - d. Plumbing and electrical (Over \$25.00*).
 - e. Vertical blinds in lobby area.

LESSOR	LESSEE
DA5	ML RHS

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.



200511150141
Skagit County Auditor

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT	UNOFFICIAL DOCUMENT

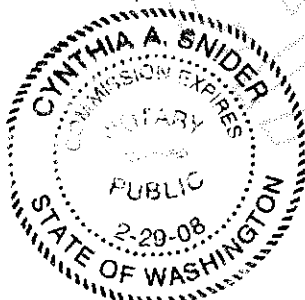
ACKNOWLEDGMENT

STATE OF WASHINGTON

SS.

COUNTY OF SKAGIT

On this 20TH day of SEPTEMBER, 2005, personally appeared before me
DEAN A. SMILEY to me known to be the person who
executed the within and foregoing instrument, and on oath stated that she was authorized to execute the
instrument and acknowledged it, as Managing Member of SMILEY PROPERTIES, L.L.C., to be the free
and voluntary act of such party for the uses and purposes mentioned in the instrument
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first
above written.

Cynthia A. SniderNotary Public in and for the State of WASHINGTONResiding at MT VERNON, WACommission Expires 2-29-08

STATE OF WASHINGTON,

SS.

COUNTY OF THURSTON

On this 30TH day of September, 2005, personally appeared before me
Merritt D Long & Roger Haen
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 CoCommission Expires 4/25/09