

Return Address:

SCHUTT S.C. Attny

POB 1032

Anacortes, Wa 98221



200606160062
Skagit County Auditor

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COMMERCIAL LEASE AGREEMENT (Short Form)

Indexing information required by the Washington State Auditor's/Recorder's Office, (RCW 36.18 and RCW 65.04) 1/97:

(please print last name first)

Reference # (If applicable):

Grantor(s) (Owner/Lessor): (1) BARTH, Jerod (2) BARTH, Amber Addl. on pg

Grantee(s) (Lessee): (1) Barth, George (2)

Addl. on pg Legal Description (abbreviated) Sec 31, Twp 35, Rg 2

Addl. legal is on pg Assessor's Property Tax Parcel / Account # 313502-1-012-0004

P0171752

THIS LEASE made this day of February 2006, by and between

(Names & Addresses): Jerod & Amber Barth POB 832

Anacortes, Wa

(hereinafter called Lessor), and George & Connie Barth 6636 Hilene

Anacortes, Wa

(hereinafter called Lessee):

WITNESSETH:

1. **PREMISES:** Lessor does hereby lease to Lessee, those certain premises commonly known as

The garage located on the property at
6636 Hilene Lane, Anacortes, Wa. Tax ID no 313502-1-012-0004

as shown on Exhibit B attached hereto, (hereinafter called "premises"), being situated upon land legally described in Exhibit A attached hereto.

2. **TERM:** The term of this Lease shall be for 36 months commencing the 5 day of June 2006, and shall terminate on the 4th day of June 2009.

3. **RENT:** Lessee covenants and agrees to pay Lessor, at Lessor's address,
as set forth in the Promissory Note dated Feb 06.
June 06

4. **UTILITIES AND FEES:** Lessee agrees to pay all charges for light, heat, water, sewer, garbage, drainage, metro and all other utilities and services to the premises during the full term of this lease. Above items, if any, included in the rent payment are None



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5. **REPAIRS AND MAINTENANCE:** Premises have been inspected and are accepted by Lessee in their present condition. Lessee shall, at its own expense and at all times, keep the premises neat, clean and in a sanitary condition, and keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessee shall permit no waste, damage or injury to the premises.
6. **SIGNS AND ALTERATIONS:** All signs or symbols placed by Lessee on or about the premises shall be subject to Lessor's prior written approval. After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at Lessee's sole cost and expense. Lessor may elect to require Lessee to remove any such alterations, additions or improvements upon termination of this lease and at Lessee's sole cost and expense.
7. **LIENS AND INSOLVENCY:** Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee, and shall indemnify and hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor may cancel this Lease at its option.
8. **SUBLETTING OR ASSIGNMENT:** Lessee shall not sublet the whole or any part the premises, nor assign this Lease, without the written consent of Lessor, which will not be unreasonably withheld. This Lease shall not be assignable by operation of law. Any assignment shall not release the lessee from liability under this lease unless the assignment states such.
9. **DAMAGE OR DESTRUCTION:** In the event the premises are rendered untenable in whole or in part by fire, the elements, or other casualty, Lessor shall notify Lessee, within thirty (30) days after such casualty, that Lessor will undertake to rebuild or restore the premises, and that such work can be completed within one hundred eighty (180) days from date of such notice of intent. If Lessor cannot restore or rebuild the premises within the said one hundred eighty (180) days, then the Lease may be terminated at Lessee's option by written ten (10) day notice to Lessor. During the period of untenability, rent shall abate in the same ratio as the portion of the premises rendered untenable bears to the whole of the premises.
10. **ACCIDENTS AND LIABILITY:** Lessor or its agent shall not be liable for any injury or damage to persons or property sustained by Lessee or other, in and about the premises. Lessee agrees to defend and hold Lessor and its agents harmless from any claim, action and/or judgment for damages to property or injury to persons suffered or alleged to be suffered on the premises by any person, firm or corporation, unless caused by Lessor's negligence.
11. **COSTS AND ATTORNEY'S FEES:** If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith, including costs and fees to collect any judgment. It is agreed that the venue of any legal action brought under the terms of this Lease may be in the county in which the premises are situated. Interest on unpaid sums shall accrue at the rate of 12 percent per annum from due date, even if unliquidated at that time.
12. **SUBORDINATION:** Lessee agrees that this Lease shall be subordinate to any mortgages or deeds of trust placed on the property described in Exhibit A, provided, that in the event of foreclosure, if Lessee is not then in default and agrees to attorn to the mortgagee or beneficiary under deed of trust, such mortgagee or beneficiary shall recognize Lessee's right of possession for the term of this Lease.
13. **NO WAIVER OF COVENANTS:** No conduct of a party shall constitute accord and satisfaction, unless contained in a writing to such effect and signed by the parties. Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.
14. **SURRENDER OF PREMISES:** Lessee agrees, upon termination of this Lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean and to deliver all keys to the premises to Lessor. If Lessor elects to require Lessee to remove alterations, additions or improvements made by Lessee, then Lessee shall restore the premises to their previous condition, less reasonable wear and tear.
15. **BINDING ON HEIRS, SUCCESSORS AND ASSIGNS:** The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.
16. **USE:** Lessee shall use the premises for the purposes of a garage and for no other purposes, without written consent of Lessor.
17. **NOTICE:** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to the Lessor at above address or to the Lessee at above address or at such other address as either party may designate to the other in writing from time to time. A facsimile transmission will suffice in lieu of mail if receipt is confirmed as to date and time.



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18. RIDERS: Riders, if any, attached hereto, are made apart of this lease by reference and are described as:

19. TIME IS OF THE ESSENCE OF THIS LEASE.

20. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-Laws of said corporation, and that this Lease is binding upon said corporation in accordance with its term. If Lessee is a corporation, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor or certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 16 2006

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

By Skagit Co. Treasurer
Name

[Signature]

[Signature]
Lessor Jerod & Amber Barth

[Signature]
Lessee(s) George & Connie Barth

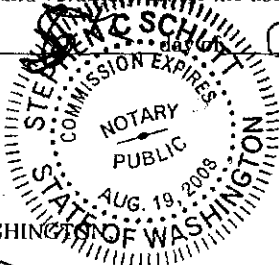
STATE OF WASHINGTON

ss. (INDIVIDUAL ACKNOWLEDGEMENT)

County of Skagit

I certify that I know or have satisfactory evidence that above named is the person who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be free and voluntary for the uses and purposes mentioned in the instrument.

Dated this June 2006



[Signature]
Print Name STEPHEN C. SCHUTT
Notary Public in and for the State of WA
My appointment expires: Aug 08

STATE OF WASHINGTON

ss. (CORPORATE ACKNOWLEDGEMENT)

County of _____

On this _____, day of _____, personally appeared before me _____ to me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he authorized to execute said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

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

Print Name _____
Notary Public in and for the State of _____
My appointment expires: _____



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