

WHEN RECORDED RETURN TO:

GEMS, LLC
2326 11th Street
Anacortes, WA 98221



200708240155
Skagit County Auditor

8/24/2007 Page 1 of 7 3:20PM

Chicago Title Insurance Company

3110 Commercial Avenue - Anacortes, Washington 98221

DOCUMENT TITLE(s):

1. TENANCY AGREEMENT
- 2.
- 3.

CHICAGO TITLE CO.

1643032

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

ACCOMMODATION RECORDING

☐ Additional numbers on page _____ of the document

GRANTOR(s):

1. GEMS, LLC
- 2.
- 3.

☐ Additional names on page _____ of the document

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

GRANTEE(s):

1. DE WAYNE C. WHITNEY, SR.
- 2.
- 3.

☐ Additional names on page _____ of the document

ABBREVIATED LEGAL DESCRIPTION:

Fractional Lot 1 and Lots 2, 3, 4 and 5, Block 195, MAP OF THE CITY
OF ANCORTES, 2/4-7

☐ Complete legal description is on page _____ of the document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

P56192

☐ (sign only if applicable) I am requesting an emergency nonstandard recording for an additional fee as provided in
RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part
of the text of the original document.

Signature _____

This cover sheet is for the County Recorder's indexing purposes only.
The Recorder will rely on the information provided on the form and will not read the document to verify the
accuracy or completeness of the indexing information provided herein.

TENANCY AGREEMENT

THIS TENANCY AGREEMENT between GEMS, LLC, a Florida limited liability company (hereinafter referred to as "Owner"), whose address is 1109 D. Anacortes; fax number _____ and De Wayne C. Whitney. Sr. (hereinafter "Whitney"), whose address is 1109 D Avenue, Anacortes, Washington 98221.

W H E R E A S :

A. The Owner is under contract, as Buyer, to purchase the real property and improvements, including all fixtures and appliances, located at 1109 D Avenue, Anacortes Washington 98221 and legally described as follows:

Fractional Lot 1 and Lots 2, 3, 4 and 5, block 195, CITY OF ANACORTES, according to the Plat thereof recorded in Volume 2 of Plats, Pages 4 through 7, records of Skagit County, Washington.

TOGETHER WITH the South half of the vacated alley adjacent thereto that attaches by operation of law.

Situated in Skagit County, Washington. TAX PARCEL NO.: 56192 (hereinafter the "Property");

B. Upon the Owner's acquisition of the Property, the Owner wishes to grant Whitney exclusive use and occupancy of the Property for a period of two (2) years commencing August 23, 2007 and ending at 12:00 a.m. (U.S. West Coast Time) on August 22, 2009 (the "Term"), as more particularly set forth in this agreement;

C. Owner and Whitney agree that Whitney shall retain exclusive use and occupancy of the Property, upon the Owner's purchase of the Property from the Trust, as identified below, for the Term of this Tenancy Agreement, subject to the terms of this Tenancy Agreement:

NOW **THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration given by each party to the other, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1. The Owner is under contract to purchase the Property from The De Wayne C. Whitney, Sr. and Dora V. Whitney Revocable Living Trust Agreement dated: January 30 1991, and as amended (the "Trust"), in accordance with the provisions of that certain Residential Real Estate Purchase and Sale Agreement, dated June 8, 2007, by and between the Owner, as Buyer and the Trust, as Seller.

2. The Owner agrees to grant to Whitney the right to exclusive use and occupancy of the Property for the Term and said right is subject to the transfer and conveyance of title to the Property from the Trust to the Owner.

3. So long as this Tenancy Agreement shall remain in force and effect, the terms of the Tenancy Agreement shall be as follows:

(a) Whitney shall have, exclusive right to the use and occupancy of the Property for residential use only;

(b) Whitney shall pay Owner up to Three Hundred Dollars (\$300.00) per year as a contribution towards the real property taxes by the payment of One Hundred Fifty Dollars (\$150.00) to Owner on or before October 31, and April 30 of each year, commencing on October 31, 2007.

(c) Whitney shall not commit any waste upon the Property or maintain or permit to be maintained a nuisance thereon or engage in any illegal, dangerous or hazardous activity on the Property;

(d) Whitney shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state and municipal government and rules and regulations of the City of Anacortes, Skagit County, and the State of Washington in connection with his use and occupancy of the Property;

(e) Whitney shall maintain and insure the buildings and other amenities on the Property, at Whitney's own expense, against loss, vandalism, damage or destruction or casualty including, without limitation, fire, hazard, wind, water and flood damage, equal to the replacement value of the Property throughout the Term, and shall name Owner as additional named insured under such policy. Such policy of insurance shall include an endorsement waiving the insurer's subrogation rights as against the Owner, if obtainable. Whitney shall further obtain a policy of public



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liability insurance of no less than \$500,000.00 with the Owner as additional named insured. Whitney's performance of the foregoing insurance requirements shall be a condition to the commencement of this Tenancy Agreement and a condition to its remaining in force and effect. Such insurance shall contain endorsements that (1) such insurance may not be canceled or amended with respect to the Owner without thirty (30) days written notice by registered mail to the Owner by the insurance company; (2) Whitney shall be solely responsible for payment of premiums and the Owner shall not be required to pay any premiums for such insurance; and (3) in the event of payment of any loss covered by such policy, the Owner shall be paid first by the insurance company for its loss. Such insurance coverage shall be continued until Whitney's right under this Agreement are terminated. The Owner shall not be liable to Whitney or his guest for any damage, injury or loss to person or property from fire, flood, water leaks, rain, hail smoke, lightning, wind, explosions, interruption of utilities or other occurrences. Proceeds received on any insurance claim for insurance obtained pursuant to this section shall be payable jointly to Whitney and the Owner and shall be applied to effect all repairs any restoration of the Property for which reason the insurance proceeds have been remitted. All personal property placed or moved in the Property shall be at the risk of Whitney and the Owner shall not be liable for any damages to said personal property, or to Whitney arising from damage or destruction to the Property of any appliances or fixtures or from any act omission or negligence of any occupant of the Property or of any other person whomsoever;

(f) Whitney shall be responsible for paying all utility charges incurred for the Property. Whitney shall be required to pay for, including but not limited to, all electricity telephone, computer lines, cable television service and any other services of any sort provided to the Property. Whitney shall maintain in effect utilities for water, sewer, electricity, and heat. Whitney shall be responsible for maintenance and repairs to the Property, including all appliances and fixtures located on or in the Property, at Whitney's expense and shall effect such maintenance and repairs in a prompt and competent manner;

(g) If Whitney shall abandon or vacate the Property before the expiration of the Term, which shall be deemed to occur if Whitney vacates the Property for thirty (30) consecutive days a more, without written notice to Owner before or during said thirty (30) day period, Owner may, at Owner's option, upon written notice to Whitney, forthwith cancel this Tenancy Agreement or Owner may enter the Property as the agent of Whitney, and re-let the Property. In the event Whitney's death prior to the expiration of the Term or earlier termination of this Tenancy Agreement, the death of Whitney shall effect an immediate cancellation of this Tenancy Agreement, as if this Tenancy Agreement never existed and the Owner shall be released and discharged from any and all obligations to Whitney and the Property shall be forever released and discharged from any and all right, claim or interest of Whitney in or to the Property;

(h) Whitney shall not assign, mortgage or encumber this Tenancy Agreement nor submit or permit the Property or any part thereof to be used by others without the prior written approval of Owner. The foregoing notwithstanding, hospice, live-in caregivers, or similar persons or entities providing similar type services for Whitney may occupy the Property, as a guest of Whitney, provided and so long as such guest does not violate any term or provision of this Tenancy Agreement applicable to Whitney. Whitney shall provide the Owner with the name and address and employer, if any, of any such guest occupying the Property for greater than fifteen (15) consecutive days. Any purported assignment of this Tenancy Agreement shall be void, of no force or effect and a breach of this Tenancy Agreement. Whitney shall not have the right or authority to encumber the Property or to permit any person to claim or assert any lien for the improvement or repair of the Property made by Whitney. Whitney shall notify all parties performing work on the Property at Whitney's request that the Tenancy Agreement does not allow any liens to attach to the Owner's interest in the Property;

(i) Whitney shall not make or construct any alterations in or additions to the Property without first obtaining the Owner's written approval, which written approval may be withheld for any reason whatsoever in the Owner's sole and absolute discretion. Whitney shall not change locks to the Property without the written consent of the Owner;

(j) This Tenancy Agreement shall be subordinate to all present or future mortgages against the Property. Whitney agrees to execute, for the benefit of the Owner, any and all documents and instruments that might be required of the present or future mortgagee(s) of the Property in order to maintain the subordination position of this Tenancy Agreement to the existing mortgage or future mortgage. In the event a written instrument by Whitney is requested to further effectuate the purposes of this paragraph, Whitney does hereby constitute and appoint the Owner irrevocably, as Whitney's attorney-in-fact to execute any certificate or certificates for and in behalf of Whitney in order to fully effectuate the intent of this paragraph;

(k) Whitney acknowledges that the smoke detector or smoke detectors in the Property are in good working order as of the commencement of this Tenancy Agreement. Whitney shall be obligated to inspect and repair all smoke detectors located in the Property during the Tenancy Agreement. Whitney shall replace batteries in



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all smoke detectors on or before September 1st and March 1st of each year for the Term of this Tenancy Agreement.

(l) Smoking in the Property is prohibited and Whitney shall be responsible for the costs associated with removing or neutralizing smoking odors from the Property;

(m) Whitney shall keep the Property clean and sanitary, remove all garbage in a clean and sanitary manner, and keep all appliances and fixtures clean and sanitary and in repair. Whitney shall keep the Property free from all insects, pests and rodents; and

(n) All costs, expenses and payments Whitney is required to bear and pay hereunder shall be deemed, for purposes of this Agreement, as rent.

4. If at any time during this Agreement Whitney abandons the Property or fails to keep and perform any of the terms, covenants and conditions of this Agreement to be kept and performed by Whitney, such abandonment, nonperformance or noncompliance shall constitute an event of default under this Agreement. If Whitney fails to cure the default within thirty (30) days after said written notice Owner may cancel this Agreement, without further notice to Tenant, and all rights of Whitney to the use and occupancy of the Property shall forthwith and forever cease and terminate. If this Lease shall terminate or be terminated by reason of Whitney's breach of this Agreement, then the Owner, at its option, may commence an action to recover possession of the Property in the event Whitney refuses to vacate the Property and to compensate the Owner for all loss or damage sustained or suffered by the Owner due to such breach on the part of Whitney, including, without limitation, the Owner's court costs and reasonable attorney's fees. In the event, the sea to vacate the Premises, Whitney shall be deemed a holdover tenant and be required to pay the Owner \$750 per month for any month, or pro-rated portion thereof for each month Whitney remains in possession of the Property as a holdover tenant. Any action to enforce this Tenancy Agreement or for possession of the Property shall, at the Owner's option, be governed by the law of landlord tenant applicable to leases of residential premises and the Owner shall be entitled to all remedies available to a landlord to recover possession of residential property from a tenant in default under a lease agreement, in addition to all other remedies available at law or in equity to enforce this Tenancy Agreement.

5. Unless otherwise specified herein, any notice required to be given under this Tenancy Agreement by any party will be deemed to have been given if mailed by prepaid certified or registered mail, or delivered to the address of the other party set forth on the first page of this Agreement by overnight delivery service, such as FedEx, or by hand-delivery, or at such other address as the other party may from time to time direct in writing. Any such notice will be deemed to have been received and effective: (1) within 72 hours after the date of mailing, if by such notice is mailed or (2) on the date of delivery, if delivered, at evidenced by written confirmation from the overnight delivery service or by affidavit of hand-delivery.

6. Time is of the essence with respect to Whitney's performance of all terms, conditions and covenants of this Tenancy Agreement.

7. This Tenancy Agreement will inure to the benefits of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors, and permitted assignees.

8. No failure by Owner to insist upon the strict performance of any covenant, agreement, term or condition of this Tenancy Agreement or to exercise any right or remedy consequent upon an event of event of default or a breach thereof, and no acceptance by the Owner of full or partial payment of any amount due during the continuance of any such breach shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No act or omission on the part of the Owner all be deemed a waiver of any covenant or condition of this Tenancy Agreement unless such waiver is in writing and executed by the Owner. The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Tenancy Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

9. This Tenancy Agreement constitutes the complete agreement and understanding between the Owner and Whitney concerning the subject matter hereof, and no future agreement, understanding or modification of this Tenancy Agreement shall be valid, binding or enforceable against either party unless reduced to writing and signed by the Owner and Whitney. This Tenancy Agreement supersedes all prior and contemporaneous agreements and understandings of the parties in connection with the use and occupancy of the Property by Whitney.

10. The Owner, or any of its agents, shall have the right to enter the Property during all reasonable hours, upon reasonable advance notice to Whitney to examine the Property or to make such repairs, additions or alterations as may be deemed necessary for safety, comfort or preservation thereof.



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11. The taking of possession of the Property by Whitney shall be conclusive evidence that the Property is in all respects in good and satisfactory condition and acceptable to Whitney at the time that Whitney took possession thereof. Whitney further acknowledges and agrees that to the maximum extent permitted by law, Whitney is taking possession of the Property on an "AS IS/WHERE IS," "WITH ALL FAULTS" condition and basis. TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, OWNER EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, RELATING TO THE PROPERTY OR ANY FURNITURE, FURNISHINGS, EQUIPMENT OR APPLIANCES, IF ANY, IN THE, PROPERTY INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, HABITABILITY OR SUITABILITY.

12. THIS AGREEMENT IS TO BE CONTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS APPLICABLE IN THE STATE OF WASHINGTON. WHITNEY AND THE OWNER HEREBY WAIVE RIGHTS TO TRIAL BY JURY FOR ALL MATTERS ARISING OUT OF OR IN CONNECTION WITH THE CONDUCT OF THE PARTIES, THIS TENANCY AGREEMENT, INCLUDING ITS NEGOTIATION, PERFORMANCE AND ENFORCEMENT.

13. Whitney and the Owner and their respective advisors believe that this Tenancy Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either Whitney or the Owner.

14. If any one or more sections, clauses, sentences or parts of this Tenancy Agreement shall for any reason be adjudged invalid, such determination shall not affect, impair or invalidate the remaining provisions of this Tenancy Agreement, but shall be confined in its operations to the specific provisions so held invalid, and the inapplicability or invalidity of any such section, clause, provision or part shall not be taken to affect or prejudice in any way the remaining part or parts of this Tenancy Agreement.

15. ~~Neither this Tenancy Agreement nor any summary or memorandum thereof shall be recorded.~~
This Agreement may be executed in counterparts with each counterpart deemed to be an original. ~~In that event, both of the counterparts shall be recorded at Owner's expense.~~ Fax signatures shall be deemed original signature

15. Tenancy agreement will be recorded

DLW. [Signature]

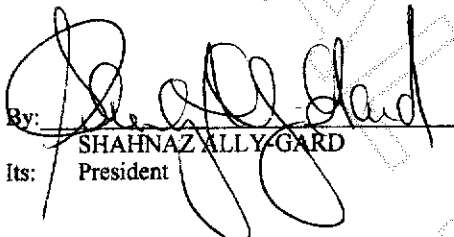


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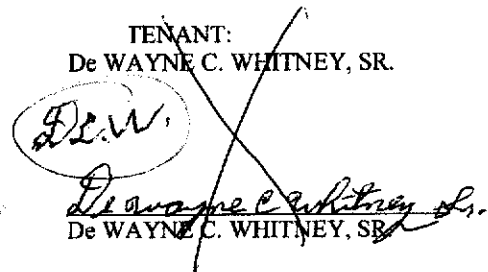
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IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

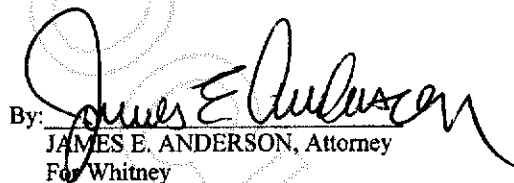
OWNER:
GEMS LLC, a Florida limited
liability company
by GEMS SERVICES, INC., a Florida
corporation, as its Managing Member

By: 
Its: SHAHNAZ ALLY-GARD
President

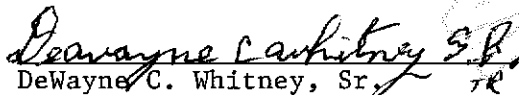
TENANT:
De WAYNE C. WHITNEY, SR.


De WAYNE C. WHITNEY, SR.

The undersigned attorney for Whitney hereby confirms, pursuant to RCW 59.18.415, that this Life Tenancy Agreement is exempted from the Revised Washington Code, CHAPTER 59.18 RESIDENTIAL LANDLORD-TENANT ACT.

By: 
JAMES E. ANDERSON, Attorney
For Whitney

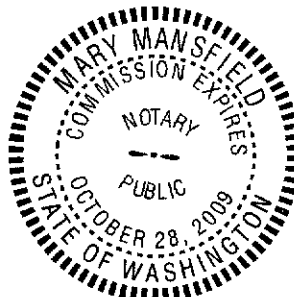
TENANT:
DeWayne C. Whitney, Sr.


DeWayne C. Whitney, Sr.



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STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

Sworn to before me this 23 day of August, 2007, by
SHAHNAZ ALLY-GARD, as President of GEMS SERVICES, INC., a Florida corporation,
on behalf of the corporation, as Managing Member of GEMS LLC, a Florida limited liability
company.

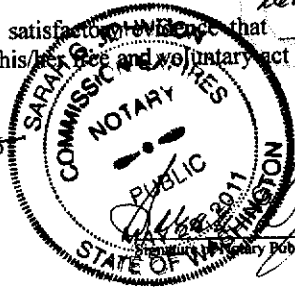
Mary Mansfield
Signature of Notary Public - State of Washington
Mary Mansfield
Print, Type or Stamp Commissioned Name of Notary
Public

My Commission Expires: _____
Personally Known: _____ Produced Identification: _____
Type of Identification Produced: Dr. License

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Debra A. Whitney signed this
instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes
mentioned in the instrument.

DATED: 8/23/07, 2007



Sarah G. Johnson
Signature of Notary Public - State of Washington
SARAH G. JOHNSON
Print, Type or Stamp Commissioned Name of Notary
Public

My Commission Expires: 5-29-11
Personally Known: _____ Produced Identification: _____
Type of Identification Produced: Dr. License

