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Skagit County Auditor

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15 3:22PM

Document Title: Lease Agreement

Reference Number:

Grantor(s):

additional grantor names on page \_\_\_

1. Chan Park

2.

Grantee(s):

additional grantee names on page \_\_\_

1. Pornchai Krua-anant

2.

Abbreviated legal description:

full legal on page(s) \_\_\_

N100ft of Its 3-6, B1K 9 Behrens + Mady's  
Add to West Mt. Vernon

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page \_\_\_

P52232

# COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT is hereby made September 26, 2007, between **Chan S. Park**, (hereinafter "Lessor" and/or "Landlord") and **Pornchai Krua-anant** (hereinafter "Lessee" and/or "Tenant"), in the County of Skagit, State of Washington. In consideration of the mutual covenants contained herein, the parties agree as follows:

## 1. PREMISES.

Lessor does hereby leases to lessee that certain Premises commonly known as **Naung Mai Thai Kitchen II**, located on **810 W Division St. Mt. Vernon, WA 98273**, and legally described on attached Exhibit A.

## 2. TERM.

The initial term of this Lease shall be effective commencing the 1 day of ~~September~~ <sup>October</sup>, 2007 and shall terminate the 30 day of September, 2012, which date shall be the "Termination Date" (i.e. approximately five (5) years)

## 3. RENT.

Lessee covenants and agrees to pay Lessor, at **814 W Division St. Mr. Vernon, WA 98273**, or at such other place as Lessor may hereinafter designate in writing to Lessee, without offsets or deductions, the following Rent ("Rent). Upon execution of this Lease, Lessee shall deliver to Lessor the sum of \$1,000.00 as prepaid rent, to be applied to the Rent due for the 4th month of the Lease, as the Lessor and Lessee have mutually agreed that the Lessee shall receive the first three months' rent free and payment shall not be due until the beginning of the 4th month of rent, i.e., ~~December 2007.~~ <sup>January 2008.</sup>

### 3.1. Rent and Payment of Rent.

The Rent Schedule shall be as following:

- 1<sup>st</sup> year: \$1,000.00 per month.
- 2<sup>nd</sup> year: \$1,000.00 + Federal Consumer Price Index Increase.
- 3<sup>rd</sup> year: 2nd year monthly rate + Federal Consumer Price Index Increase.
- 4<sup>th</sup> year: 3rd year monthly rate + Federal Consumer Price Index Increase
- 5<sup>th</sup> year: 4th year monthly rate + Federal Consumer Price Index Increase.

Rent shall be payable in advance on the first (1st) day of each and every month during the term hereof and shall be payable in lawful money of the United States of America. Should, for any reason, the term of this lease commence on any date other than the first (1st) day of the month, the Rent for the second month of the term hereof shall be payable in advance on the first (1st) day of the second month of the lease term, and shall be prorated in proportion to the number of days of the first fractional month of the Lease term.

### 3.2. Late charge.

If any sums payable by Lessee to Lessor under this Lease are not received by the fifth (5th) day of each month, Lessee shall pay Lessor in addition to the amount due, for the cost of collecting

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and handling such late payment, an amount equal to ten dollars (\$10) per day for each such day the rent is late (the "Late Fee"), starting with the sixth (6th) day of the month.

### 3.3. Rent for Renewal Term.

In the event Lessee elects to exercise any option to extend the term of this lease as provided for herein, then rent for such extended terms shall be determined in accordance with paragraph 4. of this lease.

### 3.4. Security Deposit and Reimbursement.

Upon execution of this Lease, Lessee shall deliver to Lessor the security deposit in the amount of the last month's rent (based upon the monthly rental rate for the *first* year), the amount of \$1,000.00. The security deposit shall be held by Lessor as security for the full and faithful performance by Lessee's successors or assignees of all the terms and conditions of this lease. In case of a sale of the Property is a part, Lessor shall have the right to transfer said security to the purchaser to be held under the terms of this lease, and the owner shall be released from the liability for the return of said security to the Lessee's successors or assignees. Lessor is not the trustee of the deposit and may commingle it, use it in ordinary business, transfer and assign it or use it in any combination of those ways. Within fourteen calendar days after the normal termination of this lease, Lessor shall return the then-remaining amount of the deposit to the Lessee, or the Lessee's successors or assignees if the Lessee's successors or assignees if they are not then in default. If the Lessor fails to return all or a portion of the deposit to the Lessee within fourteen calendar days after the termination of this Lease, the Lessor shall send a letter, by certified mail, return receipt requested, to the Lessee, which letter shall be received by the Lessee within twenty-one calendar days after the termination of this Lease, and such letter shall explain with specificity the reason(s) why the Lessor is not returning all of the deposit. The Lessor and Lessee hereby agree that if the Lessor fails to return all of the deposit to the Lessee within the time specified herein, or fails to send the aforementioned letter to the Lessee within the twenty-one days specified herein, the Lessor shall be liable to the Lessee for twice the amount of the security deposit, and such amount shall be paid to Lessee within forty-five days after the termination of this Lease and the Lessor shall reimburse the Lessee for all court costs and attorney's fees associated with collecting such security deposit. Notwithstanding the foregoing provision, the Lessor and Lessee do not waive other rights delineated in this Lease and all other rights under Washington law and federal law.

### 3.5. Pro Rata Share.

Lessor and lessee agree that the Pro Rata Share is based on the ratio of the agreed rentable area of the Premises to the agreed rentable area of the building.

### 3.6. Triple Net Costs.

As additional rent the Lessee shall pay to Lessor on the first of each month a payment of one-twelfth of the Pro Rata Share of operating costs, such as property tax, building insurance, and the common area maintenance charges. Maintenance charges include but are not limited to general maintenance and repairs, relocation of facilities, resurfacing, painting, striping, cleaning, snow removal, sweeping and janitorial services, maintenance and repair of sidewalks, landscaping, sprinkler system, and costs of security system or personnel. The Lessor shall provide advance written notice to the Lessee with an itemization of costs specifying all costs associated with

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determining the Triple Net costs. The Lessee shall only be responsible for his Pro Rata Share of the Triple Net costs that are substantiated by the Lessor's actual incurred costs and the Lessee shall not be responsible for any costs not substantiated by documentation. At the Lessee's written request, the Lessor shall provide all records to the Lessee that substantiate the Triple Net costs, including tax assessments, maintenance costs, insurance costs, and any and all other costs attributable to Triple Net. The Lessor shall make such records available for inspection and copying within seven calendar days after the Lessee's written request.

#### **4. RENEWAL OPTION**

The Lessee shall have the option to renew this Lease for one **additional five-year** period provided that the Lessee is not in default of any of the terms in this Lease Agreement. Any option to renewal, if option is exercised, shall be on same terms and conditions except with the only changes being an increase in rent and other payments as provided in this Lease but said option is applicable only if Lessee provides to Lessor written notice which is received by Lessor at least hundred twenty (120) days prior to the end of this Lease term.

Rent for renewal term: Within one hundred twenty (120) business days after Lessee has given notice of intent to exercise Lessee's option to extend the lease term for an additional renewal term, the parties agree to negotiate in good faith to establish the amount of monthly rent for such renewal term. The new monthly rental rate shall be adjusted and determined upon by the federal Consumer Price Index at the end of this Lease term.

#### **5. USE OF PREMISES.**

##### **5.1. Use.**

The Premises are to be used as a Thai and Asian mixed fast food restaurant. Lessee shall restrict its use to such purposes or related purposes and shall not use and permit the use of the Premises for any other purpose without the written consent of Lessor or Lessor's authorized agent. The Lessor and Lessee hereby agree and understand that the operation of Lessee's restaurant requires access to and use of restrooms for the Lessee and Lessee's customers and employees. Lessor hereby agrees to permit Lessee, Lessee's customers and employees use of the restrooms in the adjacent business (the mini-mart/gas station), which property is currently owned by the Lessor. Such use of the restrooms shall not be unreasonably restricted by the Lessor or any of the Lessor's agents, employees, managers, or successors or assigns. It is further understood that Lessee's operation of the Premises as a restaurant requires and includes the use of a drive-up window to serve Lessee's customers. Lessor hereby understands and agrees to grant a license to the Lessee, his customers and employees for access over and across Lessor's adjacent property in order to use Lessee's drive-up window in the normal operation of Lessee's business. Such license shall not be transferable and shall expire upon the Termination Date of this Lease, unless renewed in writing, and acknowledged by both Lessor and Lessee.

##### **5.2. Compliance With Applicable Laws.**

Lessee shall, at its own expense, promptly and property comply with all present and future ordinances, regulations, directions, rules, laws, and requirements of all governmental authorities (including but not limited to state, municipal, county and federal governments and their departments, boards and officials) arising from the use or occupancy of, or applicable to the

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Premises and will make any improvements and alterations required thereby. Lessee shall have the right to contest or review, by appropriate and applicable legal procedures or in such other manner as Lessee may deem suitable, at its own expense, any such order, regulation, direction, rule, law, ordinance or requirement, and if able, may have the same canceled, removed, revoked or modified, provided that Lessor is not subject to criminal prosecution and that Lessor's title to the property is not subject to forfeiture. Lessee hereby agrees to indemnify and hold Lessor harmless from and against any civil liability as a result of such contest or review. Any such proceedings shall be conducted promptly and shall include, if Lessee so decides, appropriate appeals. Whenever requirements become absolute after a contest, Lessee shall diligently comply with the same or so much thereof as shall have been judicially sustained.

### **5.3. Restrictions on use.**

Lessee shall not use the Premises in any manner that will increase risks covered by insurance on the Premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of Lessee's business purposes. Lessee shall not keep, use, or sell anything prohibited by any policy of fire insurance covering the Premises, and shall comply with all requirements of the insurers applicable to the Premises necessary to keep in force the fire and liability insurance.

### **5.4. Common Areas.**

If the Premises are part of a building occupied by other lessees, Lessee agrees to conform to Lessor's rules and regulations pertaining to the parts of the building that are in common use by Lessee.

### **6. WASTES, NUISANCE, OR UNLAWFUL ACTIVITY.**

Lessee shall not allow any waste or nuisance on the Premises, or use or allow the Premises to be used for any unlawful purpose.

### **7. UTILITIES.**

During the term of this Lease the Lessee shall be liable for and shall pay, or cause to be paid, a portion of utility charges for the Premises, including but not limited to sewage, gas, electricity, heat, lights, garbage service and any other utility services supplied to and used on the Premises. Lessee agrees to pay all such charges before delinquency and hold Lessor harmless therefrom. If any services or utilities shall be billed to Lessor and are not separately metered to the premise, an amount hereof shall be prorated, and Lessee shall pay to Lessor upon demand as additional rental thereunder, an amount equal to that proportionate number of square feet of gross square footage area leased and occupied by the Lessee. In no event shall Lessor be liable to Lessee for an interruption in service of such utilities to the Premises unless the Lessor intentionally causes the interruption of utility service when the Lessee has paid his proportionate share of the costs of such utility services.

### **8. REPAIRS AND MAINTENANCE.**

Lessee shall maintain the Premises and keep them in good repair at its expense, except that Lessor will maintain side and rear exterior walls and the roof in good condition. Lessee shall maintain and repair windows, doors, skylights, the building front, and interior walls only when such maintenance and repair is necessitated due to the acts or failure to act on behalf of the

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Lessee, its employees, and/or customers. If Lessee fails to keep and preserve the Premises as set forth above, the Lessor may, at its option put or cause the same to be put in the condition and state of repair agreed upon, and in such case, upon receipt of written statement from Lessor. Lessee shall promptly pay the entire cost thereof as additional rent. Upon reasonable advance notice of no less than twenty-four hours (except in emergency conditions), Lessor shall have the right to enter the Premises for the purpose of making such repairs upon the failure of Lessee to do so.

**9. DELIVERIES, ACCEPTANCE, AND SURRENDER OF PREMISES.**

Lessor represents that the Premises are in fit condition for use by Lessee. Lessee shall surrender the Premises at the end of the lease term, or any renewal thereof, in the same condition as when Lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms. Before delivery, Lessee shall remove all business signs placed on the Premises by Lessee and restore the portion of the Premises on which they were placed in the same condition as when received.

**10. NON-LIABILITY OF LESSOR FOR DAMAGES.**

Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the Premises by Lessee, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the leased Premises during the term of this lease or any extension thereof. Lessee shall indemnify Lessor from all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature. However, Lessee shall not indemnify Lessor for damage claims arising from injury to persons and/or damage to property for the intentional acts of the Lessor, and/or the negligence which can be attributed to the Lessor.

**11. LIABILITY INSURANCE.**

Lessee shall procure and maintain in force at his expense during the term of this lease and any extension thereof liability insurance with insurers and through brokers approved by Lessor. Such coverage shall be adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the leased Premises in a minimum amount of One Million Dollars (\$1,000,000.00).

The insurance policies shall provide coverage for contingent liability of Lessor on any claims or losses. A copy of the policies shall be delivered to Lessor for keeping. Lessee shall obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any policy. If the insurance policies are not kept in force during the entire term of lease or any extension thereof, Lessor may procure the necessary insurance and pay the premium therefore, and Lessee shall reimburse the Lessor such amount the following month along with timely payment of the rent and Triple Net due.

**12. TAXES AND LICENSE.**

Lessee shall be liable for, and shall pay throughout the Lease term, all license and excise fees and occupation taxes covering the business conducted on the Premises. If any governmental authority or unit under any present or future law effective at any time during the Lease term hereof shall in any manner levy a tax on rents payable under this Lease or rents accruing from

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use of the Premises or tax in any form against Lessor because of, measured by income derived from the leasing or rental of said property, such tax shall be paid by Lessee, either directly or through Lessor, and upon Lessee's default therein, Lessor shall have the same remedies as upon failure to pay rent. It is understood and agreed, however, that Lessor shall not be liable to pay any net income tax imposed on Lessor unless, and then only to the extent that, the net income tax is a substitute for real estate taxes.

### 12.1. Personal Property Tax.

Lessee shall pay, or cause to be paid, before delinquency, any and all taxes levied, assessed and/or which become payable during the lease term hereof upon all or part of Lessee's leasehold improvements, equipment, furniture, fixtures, and other personal property located on Premises. In the event any or all of the Lessee's leasehold improvements, equipment, furniture, fixtures, and other personal property shall be assessed and taxed with the Premises, Lessee shall pay to Lessor its share of such taxes within ten (10) days after delivery to Lessee by Lessor of a statement in writing setting forth amount of such taxes applicable to Lessee's property.

### 12.2. Real Estate Tax.

During the entire term of this lease and any renewal term, Lessee shall have the financial obligation for all real property taxes levied against the Premises. Real property taxes for the first and last years of the term of the lease shall be prorated between the parties with the proration for the first year to be as of the first day of the month following commencement date and the first day of the month following the last month of this lease. However, Lessee shall *not* be responsible for payment of real property taxes for any such portion of the County's tax parcel which are *not* leased to the Lessee for Lessee's exclusive use (or that of the Lessee's customers). In the event that the Lessee's pro rata share of the Premises is anything less than the full square footage amount of the County's applicable tax parcel (P52232), the Lessor and/or Lessor's other lessees shall pay the remaining balance of real property taxes which are not due by the Lessee. All payments for Taxes shall be paid by Lessee to the Lessor at least ten (10) days prior to the date the Taxes are due to the County Treasurer. Lessee shall only be responsible for payment of Taxes for which the Lessee was actually in this Lease. The Lessor shall prorate the amount of Taxes at a daily rate for which time the Lessee was actually in this Lease. If Lessee fails to timely pay Taxes pursuant to this paragraph, Lessor may pay them, and Lessee shall repay such amount to Lessor with Lessee's next rent installment.

### 13. SIGNS.

All signs or symbols placed by Lessee in the windows and doors of the Premises, or upon any exterior part of the building, shall be subject to Lessor's prior written approval. Lessor may demand the removal of signs which are not so approved and Lessee's failure to comply with said request within seven days will constitute a breach of this paragraph and will entitle Lessor to terminate this Lease or, in lieu thereof, to cause the sign to be removed and building repaired at the sole expense of the Lessee. Lessee and Lessor hereby agree and understand that the City of Mount Vernon and/or Skagit County may have in place certain ordinances, codes and/or restrictions concerning commercial signs, and the Lessor shall not impose any greater restrictions on the Lessee than those in place imposed by the City of Mount Vernon and/or Skagit County. Lessee will remove all signs placed by Lessee upon the Premises, and will repair any damage cause by such removal. All signs must comply with sign ordinances and be placed in accordance

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with required permits, Lessee shall be solely responsible for any taxes and/or assessments regarding said sign(s).

**14. ALTERATIONS.**

After prior written consent of Lessor, Lessee may alterations, additions and improvements in said Premises at Lessee's sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to hold Lessor harmless from damage, loss or expense. Upon termination of this Lease any such alterations, additions and improvements shall be considered leasehold improvements and fixtures to said Premises and shall remain with the property. PROVIDED, that should Lessor make written request of Lessee to remove all or some of said alterations, additions and/or improvements. Lessee shall remove those items so requested at Lessee's sole expense and cost and restore the Premises to its original condition no later than the Termination Date of this Lease.

**15. ASSIGNMENT, SUBLEASE OR LICENSE.**

Lessee shall not assign or sublease the Premises, or any right or privilege connected therewith, or allow any other person except agents and employees of Lessee to occupy the Premises or any part thereof without first obtaining the written consent of Lessor. Consent by Lessor shall not be consent to a subsequent assignment, sublease, or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Lessee shall be void and shall terminate the Lease at the option of Lessor. The interest of Lessee in this lease is not assignable without the written consent of Lessor.

**16. CONDEMNATION.**

In the event of a substantial part of the Premises is taken by the right of eminent domain, or purchased by the condemner, in lieu thereof, so as to render the remaining Premises economically untenable, then the Lease, including options and extensions, shall be canceled as of the time of taking at the option of either party. In the event of a partial taking which does not render the Premises economically untenable, the rent shall be reduced in direct proportion to the leased property taken. Lessee shall have no claim to any portion of the compensation for the taking of the land or building.

**17. PARKING.**

Lessee understands that parking is apportioned in conformity with controlling zoning ordinances and that Lessor shall have the right to make such regulations as Lessor deems necessary for the control of parking automobiles on the property described above, including the right to designate certain areas for parking of the Lessee, employees and sub-lessee of Lessee, and clients and customers of Lessee and Lessee's sub-lessee. Notwithstanding the foregoing, the Lessor shall make every reasonable effort to cooperate with the Lessee to ensure that there are an adequate number of parking spaces available for the efficient operation of the Lessee's business.

**18. BREACH.**

The appointment of a receiver to take possession of the assets of Lessee, a general assignment for the benefit of the creditors of Lessee, any action taken or allowed to be taken by Lessee under any bankruptcy act, or the failure of Lessee to comply with each and every term and condition of

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this lease shall constitute a breach of this lease. Lessee shall have fifteen (15) days after receipt of written notice from Lessor of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the fifteen (15) day period, Lessee shall have a reasonable time to correct the default if action is commenced by Lessee within thirty (30) days after receipt of the notice. The following other circumstances shall be a breach of this Lease:

**18.1. Vacating the Premises.**

The vacating or abandonment of the Premises by Lessee or the failure of Lessee to be open for business (except in the event of damage or destruction to the Premises which prevents Lessee from conducting any business thereon.

**18.2. Failure to pay rent.**

The failure by Lessee to make any payment of Rent, adjustments, or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of thirty (30) days after written notice thereof by Lessor to Lessee.

**18.3. Failure to perform.**

The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Lessee, where such failure shall continue for a period of thirty (30) days after written notice thereof by Lessor to Lessee; provided, however that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within thirty (30) days period and thereafter diligently prosecutes such to competition.

**18.4. Bankruptcy.**

The making by Lessee of any general assignment or general arrangement for the benefit of creditors; or by the filing by or against Lessee of a petition to have Lessee adjudged a bankruptcy, or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of petition filed against Lessee, the same is dismissed within sixty (60) days after of filing); or the appointment of a trustee or a receiver to take possession of substantially all of Lessee's assets located at the Premises, or Lessee's interest in this Lease, where such seizure is not discharged in thirty (30) days after appointment of said trustee or receiver, or the filling of a petition for the appointment of the same, whichever shall first occur. In the event Lessee becomes involved in bankruptcy, or if a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor may cancel this lease at Lessor's sole option and discretion.

**19. LIENS AND ENCUMBRANCES.**

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 hold Lessor harmless against the same. The Lessee shall not cause or suffer to be placed, filed or recorded against the title to the Premises, the Building of which the Premises is a part, or any other part thereof, any mortgage, deed of trust, security agreements, financing statement or other encumbrance; and in no event shall the lien of Lessee's mortgage, deed of trust, or other security agreement, or financing statement cover the Premises.

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**20. REMEDIES OF LESSOR FOR BREACH BY LESSEE.**

Lessor shall have the following remedies in addition to its other rights and remedies in the event Lessee breaches this Lease agreement and fails to make corrections as set forth.

**20.1.** No sooner than thirty days after the Lessee receives written notification of the breach from the Lessor, the Lessor may re-enter the Premises and remove the property and personnel of Lessee, store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. In such event, within seven calendar days after such removal of items, the Lessor shall provide a separate written notification from the Lessor itemizing with particularity all such items that were removed from the Premises by the Lessor.

**20.2.** After re-entry Lessor may terminate the Lease upon giving fifteen (15) days written notice of termination of the Lease. On termination Lessor may recover from Lessee all damages resulting from the breach, including the cost of recovering the Premises and the balance of this Lease over the reasonable rental value of the Premises for the remainder of the Lease term, which sum shall be due Lessor from Lessee within sixty calendars days after the termination.

**20.3.** After re-entering, Lessor may relet out the Premises or any part thereof for any term without terminating the lease, at such rent and on such terms as it may choose. Lessor may make alterations and repairs to the Premises. The duties and liabilities of the parties if the Premises are relet as provided herein shall be as follows:

**20.3.a.** In addition to Lessee's liability to Lessor for breach of the lease, Lessee shall be liable for all expenses of the reletting, for the alterations and repairs made, and for the difference between the rent received by Lessor under the new lease agreement and the rent installments that are due for the same period under this lease.

**20.3.b.** Lessor at its option shall have the right to apply the rent received from reletting the Premises (1) to reduce Lessee's indebtedness to Lessor under the lease, not including indebtedness for rent, (2) to expenses of the relating and alterations and repairs made, (3) to rent due under this lease, or (4) to payment of future rent under this lease as it becomes due. If the new Lessee does not pay a rent installment promptly to Lessor, and the rent installment has been credited in advance of payment to the indebtedness of Lessor other than rent, or if rentals from the new Lessee have been otherwise applied by Lessor as provided for herein, and during any rent installment period, are less than the rent payable for the corresponding installment period under this lease, Lessee shall pay Lessor the deficiency, separately for each rent installment deficiency period, and before the end of that period. Lessor may at any time after such reletting terminate the lease for the breach on which Lessor based the re-entry and reletting of the Premises.

**21. NOTICE.**

Any notice required to be given by either party to the other shall be deposited in the United State mail, postage prepaid, addressed to:

**The Lessor at: 814 West Division Street, Mount Vernon, Washington 98273.**

**The Lessee at: 3015 Commercial Avenue, Suite C, Anacortes, Washington 98221.**

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**22. COSTS AND ATTORNEY'S FEES.**

If either the Lessor or the Lessee files an action to enforce any provision contained in this Lease, or for breach of any covenant or condition, the other party shall pay the prevailing party its costs and reasonable attorney's fees actually incurred by such prevailing party. The foregoing shall apply whether the matter goes to arbitration, is litigated at trial, is appealed to the Superior Court, Court of Appeals, and/or Washington Supreme Court.

**23. TOTAL AGREEMENT.**

This lease contains the entire agreement between the parties and cannot be changed or terminated except by written instrument subsequently executed by the parties hereto. This lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of both parties.

**24. TIME IS OF THE ESSENCE.**

Time is of the essence in all of the provisions of this lease.

**25. SUCCESSORS AND ASSIGNS.**

The provisions in this Lease shall apply to and bind and benefit the heirs, executors, administrators, successors and assigns of the parties hereto.

**26. RIGHTS AND REMEDIES.**

The rights and remedies under this Lease are cumulative, and either party's using any one right or remedy, or failure to use any one right or remedy at any period of time within the term of this Lease will not preclude or waive that party's right to use any other. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

**27. GOVERNING LAW AND VENUE.**

This Lease shall be governed, construed and interpreted by, through and under the Laws of the State of Washington. Both the Lessor and Lessee hereby agree that in the event that a cause of action is filed to enforce the terms of this Lease, that venue shall be in Skagit County, and the Superior Court thereof shall have jurisdiction over such matter.

**28. SEVERABILITY.**

If any provision of this Lease or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Lease nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

**29. CONSTRUCTION.**

The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.

**30. MODIFICATION.**

The parties hereby agree that this document contains the entire agreement between the parties and this Lease shall not be modified, changed, altered or amended in any way except through a written amendment signed by all of the parties hereto.

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**31. INTEGRATION.**

This agreement constitutes the entire understanding between the parties and supercedes all prior or contemporaneous understandings and representations. No modification of this Lease shall be effective unless agreed in writing and signed by the Lessor and the Lessee. There are no verbal agreements or understandings which modify this Lease. This Lease states the full understanding between Lessor and Lessee.

IN WITNESS WHEREOF, the parties have read all of the above provisions within, such provisions are understood by the parties, they hereby agree to be bound by the terms within, and both Lessor and Lessee have executed this Lease on the day and year first written above.

**Lessor :**



\_\_\_\_\_  
**Chan S. Park**  
814 West Division Street  
Mount Vernon, Washington 98273

**Lessee:**



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**Pornchai Krua-anant**  
3015 Commercial Avenue, Suite C  
Anacortes, Washington 98221

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(There are no other terms below this line on this page)



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Lessor's Initials: PS

Lessee's Initials: [Signature]

**ACKNOWLEDGEMENTS**

STATE OF WASHINGTON )  
 ) SS:  
COUNTY OF SKAGIT )

On this day personally appeared before me **Chan S. Park**, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 26 day of September, 2007.

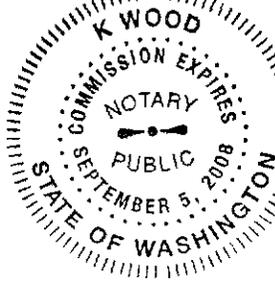


K Wood  
Notary Public in and for the state of  
Washington,  
Residing at: Mount Vernon  
My Commission Expires: 9-5-08

STATE OF WASHINGTON )  
 ) SS:  
COUNTY OF SKAGIT )

On this day personally appeared before me **Pornchai Krua-anant**, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 26 day of September, 2007.



K Wood  
Notary Public in and for the state of  
Washington,  
Residing at: Mount Vernon  
My Commission Expires: 9-5-08



200712110059  
Skagit County Auditor

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Lessor's Initials: PS

Lessee's Initials: [Signature]

**EXHIBIT "A"**

**Legal Description of Premises:**

The North 100 feet of Lots 3, 4, 5 and 6, Block 9, "BEHRENS & MOODY'S ADDITION TO WEST MOUNT VERNON, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 101, records of Skagit County, Washington. (Also known as Tract "A" of that certain Short Plat No. MV-27-76 recorded September 10, 1976 under Auditor's File No. 842405 in Volume 1 of Short Plats, page 166, records of Skagit County, Washington).

Situate in the County of Skagit, State of Washington.

Subject to all easements, covenants, conditions, and restrictions on record.



200712110059

Skagit County Auditor

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Lessor's Initials: *PS*

13

Lessee's Initials: *[Signature]*

**EXHIBIT "A"**  
**List of Items Sold to Pornchai Krua-anant by Chan S. Park**

<u>Item Description:</u>	<u>Quantity:</u>
Hood System.	1
Dining Table.	7
Chairs.	31
Microwave Ovens.	2
Cashier Counter.	1
Salad Bar.	1
Steel Tables.	3
Steamers (warmers).	2
Fryer.	1
Two-Way Open Burner.	1
Grill.	1
Open Burner.	1
Rice Cookers.	3
Two-Door Cooler.	1
Two-Door Freezer.	1
Office Desk.	1
Drive-Through Cashier Table.	1
_____	_____
_____	_____
_____	_____

Maker's Initials: CS  
 Holder's Initials: PK

