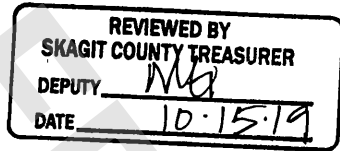




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10/15/2019 09:41 AM Pages: 1 of 15 Fees: \$117.50
Skagit County Auditor



COMMERCIAL LEASE AGREEMENT

This lease agreement was entered into with an effective date of October 7, 2019, between WMD, LLC, a Washington Limited Liability Company, whose address is 1302 K Avenue, Post Office Box 341, Anacortes, Skagit County, Washington ("Landlord"), and 2CRAZYSASSYGIRLS, LLC, a Washington Limited Liability Company, doing business as "Adrift", whose address is 510 Commercial Avenue, P.O. Box 187, Anacortes, Washington 98221 ("Tenant").

SECTION ONE DESCRIPTION OF PREMISES

Landlord leases to Tenant the Premises, which consist of a portion of the real property commonly known as 506 and 510 Commercial Avenue, Anacortes, Skagit County, Washington (the Building), legally described as follows:

The south ½ of Lots 1 and 2, Block 34, City of Anacortes, according to the recorded plat thereof in the office of the Auditor of Skagit County, Washington, in Volume 2 of Plats, page 4; ALSO, that part of Lots 1 and 2, Block 34, City of Anacortes, described as follows: Commencing at the Southeast corner of said Lot 1; thence North along the East line of said Lot 50.86 feet, more or less, to the South wall of the brick and concrete building as the same existed on October 20, 1949 and owned by W. F. McCracken, lying immediately North of the property herein described; thence Westerly along the South wall of said building to a point on the West line of said Lot 2 which is 50.50 feet North, more or less, of the Southwest corner of said Lot 2; thence South along the West line of said Lot 2 to the Southwest corner thereof; thence East along the South line of said Lots 1 and 2 to the point of beginning.

Assessor's Tax/Parcel Identification Number 3772-034-002-0007 / P55055

The Premises consist specifically of the ground floor of the Building, having an area of approximately 2,500 square feet.

SECTION TWO TERM

The term of this lease agreement is ten (10) years, beginning on October 7, 2019, and terminating on October 6, 2029 at 11:59 P.M.

SECTION THREE RENT

Tenant covenants and agrees to pay to Landlord, at Landlord's address or at such other place as Landlord may designate in writing, without prior demand and without deduction or set-off, monthly rent ("Rent") for the Premises, payable in advance of the first of each month. Rent shall be prorated on a daily basis for the partial months at the beginning and end of the lease. Through

June 2020, Rent shall be three thousand eight hundred fifty-six dollars (\$3,856.00) per month. For the remainder of the term of the lease agreement, Rent shall be calculated as follows:

A. The term "CPI" means the Consumer Price Index, All Items (CPI-U), for All Urban Consumers in the Seattle-Tacoma-Bellevue Area, as published by the United States Department of Labor, Bureau of Labor Statistics.

B. For the monthly rental payment due on July 1, 2020, monthly Rent shall be increased (or decreased) in a percentage equal to the published annual percentage change (the "over the year percent increase") in the CPI for the 12-month period ending in April 2020. On each successive July 1st thereafter, through the end of the lease agreement, Rent shall be further increased (or decreased) annually, beginning with the July Rent, in a percentage equal to the percentage change in the CPI for the 12-month period ending in April of that year [i.e., two months prior to the July 1st date of the Rent increase (or decrease)].

C. Landlord's failure to inform Tenant of any annual rent adjustment shall not constitute a waiver of Landlord's right to receive Rent in the adjusted amount.

D. If the Seattle-Tacoma-Bellevue geographic area is redefined or renamed by the Bureau of Labor Statistics (as it was on January 1, 2018—it formerly comprised a somewhat different area, and was called the Seattle-Tacoma Bremerton area), then the published CPI-U for the geographic area including the City of Seattle will be used. In the event that the compilation or publication of the CPI is transferred to any other governmental department or bureau or agency or is discontinued, then the index most nearly the same as the CPI shall be used. In the event that Landlord and Tenant cannot agree to an alternative index, the issue shall be arbitrated. The parties shall each select an arbitrator, and the two arbitrators selected shall together select a third arbitrator. The three arbitrators shall choose an alternative index, and their decision shall be binding on the parties. The parties shall divide the costs of arbitration equally between them.

SECTION FOUR USE OF PREMISES

The Premises shall be used as a Restaurant. Tenant shall restrict its use to such purpose, and shall not use or permit use of the Premises for any other purpose without the prior, written consent of Landlord.

SECTION FIVE RESTRICTIONS ON USE

Tenant shall not use or permit use of the Premises in any manner that will increase insurance premiums (other than normal increase required for restaurant use of premises) or for any illegal purpose. Tenant shall comply with all governmental rules, orders, regulations and requirements relating to the use and occupancy of the Premises. Tenant shall not allow any waste or nuisance on the Premises, nor allow smoking on the Premises.

SECTION SIX POSSESSION

The Parties acknowledge that Tenant is already in possession of the Premises as of the execution of this lease agreement.

SECTION SEVEN UTILITIES

A. Landlord's Responsibility for Utilities. Landlord agrees to contribute sixty-five dollars (\$65.00) each month during the term of this lease agreement toward the monthly water and sewer bill for the Building. Although this contribution is intended to prorate responsibility for water and sewer usage between the Premises and the remainder of the building, Tenant acknowledges that this is not a precise proration. Tenant therefore expressly agrees not to deduct, setoff, or allege a breach of this agreement on the basis that Tenant has paid or will pay more than its fair share of water and sewer for the Building. Landlord shall accomplish its contribution toward water and sewer bills by delivering to the Tenant's address each month a check made out to the City of Anacortes (or its successor, if applicable) in the amount of sixty-five dollars (\$65.00). Tenant agrees to notify Landlord of the due dates of such bills.

B. Tenant's Responsibility for Utilities. Tenant shall arrange and pay for all utilities furnished to the Premises for the term of this lease agreement, including but not limited to electricity, gas, water and sewer (except that Landlord will contribute \$65.00 per month to water and sewer, as provided above), telephone service, garbage disposal, and grease disposal.

SECTION EIGHT TAXES

Landlord shall pay, before the same shall become delinquent, all taxes and special assessments levied against the Building. Tenant shall pay, before the same shall become delinquent, all taxes assessed against Tenant's furniture, fixtures, equipment and other property in the Premises.

SECTION NINE REPAIRS AND MAINTENANCE

A. Landlord shall maintain in good condition the foundation, structural components, exterior walls, roof, and heating units of the Building, and any plumbing and electrical systems that were permanently installed within the walls and floors of the Building, including the supply lines to and from the Building, at the beginning of the lease term. Landlord shall not be responsible for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need for such repairs or maintenance is given to Landlord by Tenant. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises, or in or to the fixtures, appurtenances and equipment therein; provide, however, that in making such repairs, alterations or improvements, Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises.

B. Tenant shall, at Tenant's sole cost and expense, maintain in good condition the Premises and every part thereof and the fixtures therein, as well as the windows and doors located on the ground floor portion of the building front (except for the door to 508 1/2 Commercial, which Landlord will maintain) and the sidewalks adjacent to the building front. Tenant shall keep and maintain the premises in a clean, sanitary and safe condition in accordance with the laws of the State of Washington and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction.

C. Tenant shall not suffer or permit any lien to be filed against the Building or any part thereof or the Tenant's leasehold interest, by reason of work, labor, services or materials performed or supplied to Tenant or anyone holding the Premises or any part thereof under Tenant. If any such lien is filed against the Building or Tenant's leasehold interest, Tenant shall cause the same to be discharged of record within thirty (30) days after the filing of same.

D. Tenant, at its own expense, shall install and maintain fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction thereof and the insurance underwriters insuring the Premises.

SECTION TEN DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES

A. Landlord represents that the Premises will be in fit condition for use by Tenant as of the date that Landlord delivers possession. Acceptance of possession of the Premises by Tenant shall constitute acknowledgement by Tenant that the Premises were then in good and tenantable condition and as represented by Landlord.

B. Tenant shall surrender the Premises at the end of the lease term, or any renewal of such term, in the same condition as when Tenant took possession, allowing for reasonable use and wear, and damage by Acts of God, including fires and storms. Before surrendering the premises, Tenant shall remove all Tenant's improvements, including but not limited to trade fixtures and business signs, and repair any damages caused by the installation of such improvements.

SECTION ELEVEN ENTRY ON PREMISES BY LANDLORD

A. Tenant shall permit Landlord or Landlord's agents, representatives, or employees to enter the Premises at all reasonable times to inspect them, perform required maintenance and repairs, to make additions, alterations, or modifications to any part of the Building, or for purposes of showing the Premises to prospective purchasers or tenants, and Tenant shall permit Landlord to do so. Except in the case of emergency, Landlord shall give Tenant twenty-four (24) hours notice of intent to enter the Premises. Landlord's inspection frequency shall not unreasonably impose a burden on Tenant with regard to Tenant's presence at the Premises.

B. Landlord may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all

without incurring liability to Tenant for disturbance of quiet enjoyment of the Premises, or loss of occupation of the Premises.

SECTION TWELVE SIGNS AND TRADE FIXTURES INSTALLED BY TENANT

A. Signs. Tenant may construct, place, maintain, and from time to time remove any signs in or about the Premises (including the front exterior wall of the Building up to ground floor ceiling height, except the doorway of 508 1/2 Commercial), that Tenant may deem necessary or desirable, provided that any signs constructed, placed, or maintained by Tenant shall comply with all requirements of any governmental authority with jurisdiction. Tenant shall not construct, place, maintain, or remove any signs, awnings, marquees, or other structures on any portion of the Building other than the Premises, as described in the previous sentence, without the prior, express, written consent of Landlord.

B. Trade Fixtures. Tenant may install on the Premises such equipment as is customarily used in the type of business conducted by Tenant on the Premises, so long as such equipment can be installed, operated or stored, and removed without structural damage to the Premises or the Building. Upon the expiration or sooner termination of this lease, Tenant shall, at Tenant's expense, remove from the Premises all such equipment and all other property of Tenant and repair any damage to the Premises occasioned by the removal thereof. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by Tenant and become the property of Landlord to dispose of as Landlord deems expedient without accounting to tenant therefor.

SECTION THIRTEEN NONLIABILITY OF LANDLORD FOR DAMAGES

Landlord 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 Tenant, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the Premises during the term of this lease agreement or any extension of such term. Tenant shall indemnify Landlord from any and all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature.

SECTION FOURTEEN TENANT'S LIABILITY INSURANCE

A. Tenant shall procure and maintain in force at Tenant's expense, during the term of this lease agreement and any extension of such term, public liability insurance policies adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the Premises, in a minimum amount of:

- (1) \$1,000,000.00 for injury to or death of one person and, subject to that limitation for the injury or death of one person, of not less than \$1,000,000 for injury to or death of two or more persons as a result of any one accident or occurrence; and
- (2) \$100,000.00 for damage to or destruction of any property of others.

The policies shall provide coverage for contingent liability of Landlord on any claims or losses. The insurance required under this section shall be issued by an A.M. Best rated AAA insurance company or a company approved in writing by Landlord. Tenant shall within twenty (20) days of the date of this agreement, deposit with Landlord a certificate showing the insurance to be in full force and effect. Tenant shall also obtain a written obligation from the insurers to notify Landlord in writing at least fourteen (14) days prior to cancellation or refusal to renew any policy.

B. If the insurance policies required by this section are not kept in force during the entire term of this lease agreement or any extension of such term, Landlord may procure the necessary insurance and pay the premium for it, and the premium shall be repaid to Landlord in addition to Rent for the month following the date on which the premiums were paid by Landlord.

SECTION FIFTEEN TENANT'S FIRE INSURANCE

Tenant shall, at Tenant's expense, maintain on all of Tenant's personal property and leasehold improvements and alterations on the Premises a policy of standard fire insurance, with extended coverage, in the amount of their replacement value. Such insurance shall name Landlord and Tenant as co-insureds. All proceeds of any such insurance shall be payable to the restoration of fixtures, improvements and alterations to the extent provided in Section Seventeen of this lease agreement; any proceeds of such insurance remaining after such restoration shall belong to Tenant.

SECTION SIXTEEN LANDLORD'S FIRE INSURANCE

Landlord shall, at Landlord's expense, maintain on the Building a policy of standard fire insurance with extended coverage in an amount of its replacement value. Such insurance shall name Tenant as a co-insured. All proceeds of any such insurance shall be payable to Landlord and shall be applied to the restoration of the Premises and the Building to the extent provided in Section Seventeen; any proceeds of such insurance remaining after such restoration shall belong to Landlord.

SECTION SEVENTEEN DAMAGE OR DESTRUCTION

A. If the Premises or the Building are partially or totally destroyed by fire or any cause other than any act or omission of Tenant, its employees, agents, invitees or licensees, Landlord shall restore the Premises and the Building, except for such fixtures, improvements and alterations as installed by Tenant, as nearly as practicable to their condition immediately prior to such damage or destruction. Tenant, at Tenant's expense, shall so restore the Premises and the Building with respect to all damage caused by any act or omission of Tenant, its employees, agents, invitees or licensees, and Tenant agrees to reimburse Landlord upon demand for all sums expended from time to time for such restoration. The obligations to restore provided in this paragraph shall be subject to the termination rights provided in paragraph (B) of this Section.

B. Partial destruction of the Premises shall not render this lease agreement void or voidable, nor terminate it except as specifically provided in this lease agreement. If the Premises are partially destroyed during the term of this lease agreement, Landlord shall repair them when such repairs can be made, in conformity with governmental laws and regulations, within ninety (90) days of the partial destruction. Written notice of the intention of Landlord to repair shall be given to Tenant within thirty (30) days after any partial destruction. Any restoration shall be promptly commenced and diligently prosecuted. If the repairs cannot be made within the time specified above, Landlord shall have the option to make them within a reasonable time and continue this lease agreement in effect with proportional Rent rebate to Tenant as provided for in this lease agreement. If the repairs cannot be made in ninety (90) days, and if Landlord does not elect to make them within a reasonable time, either party shall have the option to terminate this lease agreement.

C. If Landlord undertakes to restore the Premises and the Building as provided above in this Section, then commencing with the date of the damage or destruction and continuing through the period of restoration, the rent for the Premises shall be abated for such period in the same proportion as the un-tenantable portion of the Premises bears to the whole thereof, except that there shall be no abatement to the extent that any such damage or destruction is caused by any act or omission of Tenant, its employees, agents, invitees or licensees. In no event shall Landlord be liable for any consequential damages associated with damage or destruction to the building.

D. Disputes between Landlord and Tenant relating to provisions of this section shall be arbitrated. The parties shall each select an arbitrator, and the two arbitrators selected shall together select a third arbitrator. The three arbitrators shall determine the dispute, and their decisions shall be binding on the parties. The parties shall divide the costs of arbitration equally between them.

SECTION EIGHTEEN WAIVER OF SUBROGATION

Landlord and Tenant shall each procure, whether or not payment of an additional premium is required, an appropriate clause in, or an endorsement on, any policy of fire or extended coverage insurance covering the Premises and the Building, and the personal property, fixtures, and equipment located in or on the Premises, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery, and, conditioned upon a party having obtained such clauses or endorsements or waiver of subrogation or consent to a waiver of right of recovery, such party hereby agrees that it shall not make any claim against or seek to recover from the other for any loss or damage to its property, or the property of the other, resulting from fire or other hazards covered by such insurance, notwithstanding other provisions of this Lease; provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the terms and provisions of the waiver of subrogation clauses or endorsements consenting to a waiver of right of recovery, and shall be coextensive therewith. If either Landlord or Tenant is unable to obtain such clause or endorsement, such party shall promptly give the other party notice of such inability, in which event this Section shall be inoperative.

**SECTION NINETEEN
RESTRICTION AGAINST ASSIGNMENT OR SUBLEASE**

- A. Tenant shall not assign, sublease, or otherwise encumber the Premises, or any right or privilege connected with the Premises, or any of the improvements that may now or hereafter be constructed or installed on the premises, without first obtaining the written consent of Landlord. Landlord's consent to one assignment, sublease, or encumbrance shall not constitute consent to a subsequent assignment, sublease, or encumbrance.
- B. An unauthorized assignment, sublease, or encumbrance caused or suffered by Tenant shall be void and shall terminate this lease agreement at the option of Landlord.
- C. The interest of Tenant in this lease agreement is not assignable by operation of law without the written consent of Landlord.
- D. In the event Tenant proposes an assignment or sublease, it shall be reasonable for Landlord to require a thorough credit search regarding the proposed assignee/subtenant at Tenant's expense, and a personal guarantee as to Tenant's obligations under this lease agreement from the assignee/subtenant. If Landlord approves an assignment or sublease, Landlord shall be authorized to charge Tenant the a processing fee for the transaction. A processing fee of \$1,000 shall be deemed reasonable, regardless of Landlord's actual out-of-pocket cost.

**SECTION TWENTY
BREACH**

- A. Breach Defined. The occurrence of any of the following shall constitute a material default and breach of this agreement by Tenant:
- (1) Any failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant under this agreement;
 - (2) The abandonment or vacation of the premises by Tenant of thirty (30) consecutive days;
 - (3) A failure by Tenant to observe and perform any other provision of this agreement to be observed or performed by Tenant; or
 - (4) if Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition under the Bankruptcy Code of 1978 or under any other law for the relief of debtors; or if an involuntary petition is filed against Tenant under any such law and is not dismissed within sixty (60) days after filing; or an order for relief is entered for or against Tenant under The Bankruptcy Code; or if a receiver by appointed for the property of Tenant and is not discharged or removed within sixty (60) days; or if any department of any government or any officer thereof shall take possession of the business or property of Tenant.

B. Notice of Breach; Opportunity to Cure. Tenant shall have ten (10) days after receipt of written notice from Landlord of any breach to correct the conditions specified in the notice, provided that if the nature of that breach is such that it cannot reasonably be cured within a ten (10) day period, Tenant shall not be deemed to be in breach if Tenant commences that cure within that ten (10) day period and thereafter diligently prosecutes it to completion.

SECTION TWENTY-ONE REMEDIES OF LANDLORD FOR BREACH BY TENANT

Landlord shall have the following remedies in addition to its other rights and remedies in the event Tenant breaches this lease agreement and fails to make corrections as set forth in Section Sixteen:

- A. Landlord may reenter the Premises immediately and remove the property and personnel of Tenant, store the property in a public warehouse or at a place selected by Landlord, at the expense of Tenant.
- B. After reentry, Landlord may terminate this lease agreement on giving thirty (30) days' written notice of termination to Tenant. Without such notice, reentry will not terminate this lease agreement. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including, but not limited to, the cost of recovering the Premises and the balance of the Rent payments remaining due and unpaid under this lease agreement.
- C. After reentering, Landlord may relet the Premises or any part of the Premises for any term without terminating this lease agreement, at such Rent and on such terms as Landlord may choose. Landlord may make alterations and repairs to the Premises. The duties and liabilities of the parties if the Premises are relet shall be as follows:
- (1) In addition to Tenant's liability to Landlord for breach of this lease agreement, Tenant shall be liable for all expenses of the re-letting, for the alterations and repairs made, and for the difference between the Rent received by Landlord under the new lease agreement and the Rent installments that were due for the same period under this lease agreement.
 - (2) Landlord, at its option, shall have the right to apply the Rent received from reletting the premises (a) to reduce Tenant's indebtedness to Landlord under this lease agreement, not including indebtedness for Rent, (b) to expenses of the re-letting and alterations and repairs made, (c) to Rent due under this lease agreement, or (d) to payment of future Rent under this lease agreement as it becomes due.

If the new Tenant does not pay a rent installment promptly to Landlord, and the rent installment has been credited in advance of payment to the indebtedness of Tenant other than rent, or if rentals from the new Tenant have been otherwise applied by Landlord as provided for in this section, and during any rent installment period, are less than the rent payable for the corresponding installment period under this lease agreement, Tenant shall pay Landlord the deficiency, separately for each rent installment deficiency period, and before the end of that period. Landlord may, at any time after such re-letting, terminate this lease agreement for the breach on which Landlord based the reentry and relet the Premises.

After reentry, Landlord may procure the appointment of a receiver to take possession and collect rents and profits of the business of Tenant. If necessary to collect the rents and profits, the receiver may carry on the business of Tenant and take possession of the personal property used in the business of Tenant, including inventory, trade fixtures, and furnishings and use them in the business without compensating Tenant. Proceedings for appointment of a receiver by Landlord, or the appointment of a receiver and the conduct of the business of Tenant by the receiver, shall not terminate this lease agreement unless Landlord has given written notice of termination to Tenant as provided in this lease agreement.

SECTION TWENTY-TWO LANDLORD'S RIGHT TO CURE BREACH

If Tenant breaches or fails to perform any of the covenants or provisions of this agreement, Landlord may, but shall not be required to cure Tenant's breach. Any sum expended by Landlord, with the then maximum legal rate of interest, shall be reimbursed by Tenant to Landlord with the next due Rent payment under this agreement.

SECTION TWENTY-THREE ATTORNEY FEES

If Landlord or Tenant files an action to enforce any provision contained in this lease agreement, or for breach of any covenant or condition, the prevailing party shall be entitled to recover its reasonable attorney fees and costs of suit in the action, all such fees to be fixed by the court.

SECTION TWENTY-FOUR CONDEMNATION

Eminent domain proceedings resulting in the condemnation of a part of the Premises, but leaving the remaining premises usable by Tenant for the purposes of Tenant's business, will not terminate this lease agreement unless Landlord, at Landlord's option, terminates this lease agreement by giving written notice of termination to Tenant. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate this lease agreement as to the portion of the Premises condemned, and the lease of the remainder of the Premises shall remain intact. The Rental for the remainder of the lease term shall be reduced by the amount that the usefulness of the Premises has been reduced for the business purposes of Tenant. Tenant assigns and transfers to Landlord any claim it may have to compensation for damages as a result of any condemnation.

SECTION TWENTY-FIVE FORCE MAJEURE

The failure or delay of either party to perform any of its obligations under this Lease shall be excused if due to causes beyond the control and without the fault or negligence of the party, including but not restricted to acts of God, acts of the public enemy, acts of government, fires, floods, epidemics and strikes. However, nothing contained in this section shall excuse the prompt

performance of any act rendered difficult solely because of the financial condition of the party required to perform the act.

SECTION TWENTY-SIX WAIVER OF BREACH

Waiver by Landlord of any breach of any covenant or duty of Tenant under this lease is not a waiver of a breach of any other covenant or duty of Tenant, or of any subsequent breach of the same covenant or duty.

SECTION TWENTY-SEVEN GOVERNING LAW

It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Washington.

SECTION TWENTY-EIGHT VENUE

Venue for any cause under this agreement is Skagit County, Washington.

SECTION TWENTY-NINE PARTIAL INVALIDITY

Should any provision of this lease agreement be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this agreement shall remain in full force and effect unimpaired by the holding.

SECTION THIRTY ENTIRE AGREEMENT

This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.

SECTION THIRTY-ONE MODIFICATION OF AGREEMENT

Any modification of this lease agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party.

SECTION THIRTY-TWO INTERPRETATION

This lease agreement has been submitted to the scrutiny of all parties hereto and their counsel if desired, and shall be given a fair and reasonable interpretation in accordance with the words

hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

SECTION THIRTY-THREE NOTICES

A. Except as otherwise expressly provided by law, all notices, demands, or other writings that this lease agreement permits or requires to be given by either party to the other, shall be deemed to have been fully given when personally delivered to the party to whom they are directed. Personal service to Tenant shall be effective when made to either Governor of 2CRAZYSASSYGIRLS, LLC, namely Kaia Matheny or Nora Lamphiear. Personal service to Landlord shall be to Gene Derig, manager of WMD, LLC. In lieu of personal service, either party may provide any notices, demands, or other writings to the other via regular U.S. mail, and service shall be effective upon deposit in the United States mail, first-class postage prepaid, addressed as follows:

To Landlord: WMD, LLC, c/o Gene Derig, Manager
1302 K Avenue
Post Office Box 341
Anacortes, Washington 98221

To Tenant: 2CRAZYSASSYGIRLS, LLC
510 Commercial Avenue
Post Office Box 187
Anacortes, Washington 98221

B. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

SECTION THIRTY-FOUR BINDING EFFECT

This lease agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties.

SECTION THIRTY-FIVE TIME OF THE ESSENCE

It is specifically declared and agreed that time is of the essence of this lease agreement.

SECTION THIRTY-SIX PARAGRAPH HEADINGS AND CAPTIONS

The titles to the paragraphs and other captions within this lease agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this lease agreement.

**SECTION THIRTY-SEVEN
MEMORANDUM OF LEASE**

Unless both parties consent thereto in writing, this lease shall not be placed of record. Landlord and Tenant agree to execute and place of record an instrument, in recordable form, substantially in the form attached hereto as Exhibit A, evidencing the beginning date and termination date of this lease. At the expiration or sooner termination of this lease, Tenant shall execute in recordable form and deliver to Landlord a quit claim deed covering the Building.

**SECTION THIRTY-EIGHT
AUTHORITY TO BIND**

Gene Derig represents that he has the authority to legally bind WMD, LLC with his signature and to execute this Lease Agreement on its behalf. Kaia Matheny and Nora Lamphear represent that, acting together, they have the authority to legally bind 2CRAZYSASSYGIRLS, LLC and to execute this Lease Agreement on its behalf.

**SECTION THIRTY-NINE
EFFECTIVENESS**

This Lease Agreement shall be effective only upon execution by all parties, and by execution of the Termination of Lease Agreement regarding the current Lease Agreement with Cookery Adrift, LLC attached hereto.

IN WITNESS, each party to this lease agreement has caused it to be executed at Anacortes, Washington on the date indicated above.

WMD, LLC, Landlord

2CRAZYSASSYGIRLS, LLC, Tenant

By 
Gene Derig, Manager

By 
Kaia Matheny, Governor

By: 
Nora Lamphear, Governor

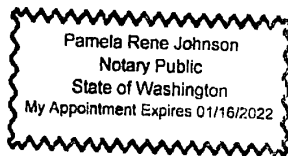
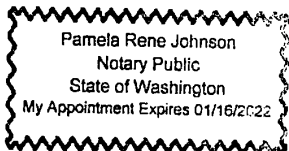
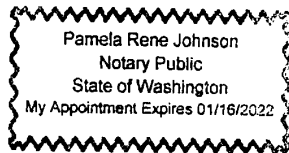
ACKNOWLEDGEMENTS

STATE OF WASHINGTON)
) ss.
 COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that GENE DERIG is the person who appeared before me, and said person acknowledged that he signed the foregoing instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it, as Manager of WMD, LLC, to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 04 day of Oct, 2019.

Pamela Rene Johnson
 Print Name: Pamela Rene Johnson
 NOTARY PUBLIC in and for the State of Washington,
 residing at Anacortes
 My appointment expires 1.16.2022



STATE OF WASHINGTON)
) ss.
 COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that KAIA MATHENY is the person who appeared before me, and said person acknowledged that she signed the foregoing instrument, on oath stated that she was authorized to execute the instrument, and acknowledged it, as Governor of 2CRAZYSASSYGIRLS, LLC to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of Oct, 2019.

Pamela Rene Johnson
 Print Name: Pamela Rene Johnson
 NOTARY PUBLIC in and for the State of Washington,
 residing at Anacortes
 My appointment expires 1.16.2022

STATE OF WASHINGTON)
) ss.
 COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that NORA LAMPHIEAR is the person who appeared before me, and said person acknowledged that she signed the foregoing instrument, on oath stated that she was authorized to execute the instrument, and acknowledged it, as Governor of 2CRAZYSASSYGIRLS, LLC to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of Oct, 2019.

Pamela Rene Johnson
 Print Name: Pamela Rene Johnson
 NOTARY PUBLIC in and for the State of Washington,
 residing at Anacortes
 My appointment expires 1.16.2022

TERMINATION OF LEASE AGREEMENT

WMD, LLC (Landlord) and COOKERY ADRIFT, LLC (Tenant) hereby terminate that certain lease agreement dated July 1, 2013, and scheduled to run through June 30, 2023, for the ground floor of the real property commonly known as 506 and 510 Commercial Avenue, Anacortes, Skagit County, Washington.

Each of the parties releases the other from all remaining obligations under the Lease Agreement, represents that the other party has fulfilled all obligations under the Lease Agreement to date.

DATED this 7th day of October, 2019.

WMD, LLC, Landlord

COOKERY ADRIFT LLC, Tenant

By

Gene Derig
Gene Derig, Manager

By

Nicole M. Holbert
Nicole M. Holbert, Manager

ACKNOWLEDGEMENTS

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that GENE DERIG is the person who appeared before me, and said person acknowledged that he signed the foregoing instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it, as Manager of WMD, LLC, to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

I certify that I know or have satisfactory evidence that NICOLE M. HOLBERT is the person who appeared before me, and said person acknowledged that she signed the foregoing instrument, on oath stated that she was authorized to execute the instrument, and acknowledged it, as Manager of COOKERY ADRIFT LLC, to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

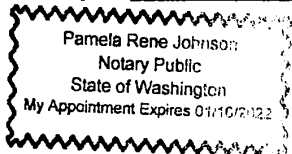
GIVEN under my hand and official seal this 4th day of Oct., 2019.

GIVEN under my hand and official seal this 14th day of Oct., 2019.

Pamela Rene Johnson
Print Name: Pamela Rene Johnson

NOTARY PUBLIC in and for the State of Washington,
residing at Anacortes

My appointment expires 1.16.2022



Pamela Rene Johnson
Print Name: Pamela Rene Johnson

NOTARY PUBLIC in and for the State of Washington,
residing at Anacortes

My appointment expires 1.16.2022

