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02/16/2024 02:41 PM Pages: ! of 7 Fees: \$309.50 Skagit County Auditor

Lessors: Phillip A. Del Nagro, Lester Francis, and R. Lorrie Francis

Lessees: Windsong Ranch Estates Homeowners Association

Legal: Ptn Lot 13 "PLAT OF WINDSONG RANCH ESTATES"

Tax Parcel Nos.: P42280, P42294, P135182

Lease Agreement

This Lease Agreement is entered into on this 22 day of _________, 2023, by and between Phillip A. Del Nagro, Lester Francis, and R. Lorrie Francis ("Lessors"), and Windsong Ranch Estates Homeowners Association, a Washington non-profit corporation, as lessee ("Lessee"), for the Lease of certain portions of land of Lot 13 of Windsong Ranch Estates, LongCard PL05-0457 and described in attached Exhibit A.

I. Prologue and Statement of Purpose

Whereas both parties share a mutual interest in the long-term maintenance of the residential development of Lots 1-12 and the open space portions of Lot 13 with possible future development of Lot 13, and whereas the parties agree to additional buffers to Lots 2-12, as follows:

II. Description of Leased Premises

The Premises shall consist of portions of the OS-NRL Middle portion of Lot 13 and described in Exhibit A.

III. Lease Term

The term of this Lease shall be for a period of ninety-nine (99) years commencing January 1, 2024.

IV. Lease Fee

Lessee, on or before the first day of the Lease term, shall pay Lessor a Lease fee of \$99.00. The Lease will be considered paid in full at that time.

V. Permitted Uses and Use Restrictions

- a) Lessee is hereby permitted all normal activities associated with open space purposes consistent with the uses and limitations set forth in the Amended Declaration and Conditions, Covenants, Restrictions, Easements and Reservations for Windsong Ranch Estates, and the Natural Resource Land Easement Agreement recorded on April 9, 2008 under Skagit County AF# 200804090086.
- b) Lessor retains the right to install a water line through the western edge of the leased property west of Lot 7 at Lessor's discretion.
- c) Lessor and Lessee may conduct joint inspections of the premises on an annual basis if requested. In the interests of fostering frequent communication and a positive working relationship between the parties, Lessor may, at any time, and from time to time, designate one or more individuals to act as the Lessor's representative to the Lessee on all issues related to this Lease, including, without limitation, property management and stewardship standards.
- d) Lessee agrees to abide by all local, state and federal laws and regulations.
- e) Lessee agrees to apply for all applicable permits at Lessee's expense for projects done on leased property.
- f) Lessor reserves the right to enter the property for the purposes of inspection with 24 hours prior notification to the Lessee.

VI. Maintenance, Repairs and Improvements

- a) Lessee is responsible for normal maintenance of the leased property. The Lessee will also take reasonable efforts to keep the premises free of trash.
- b) The Lessee shall be responsible for all improvements constructed or installed after the date of this Lease.
- c) Subject to the provisions of any specific agreements between the parties made in accordance with the provisions of Section VI(b), above, at the termination of the Lease, the Lessee may have the right to remove certain improvements constructed or installed after the date of this Lease, or may be required by the Lessor to do so, and return the property to its prior condition. Alternatively, the improvement may remain and become the property of the Lessor. The Lessor shall not be obligated to compensate the Lessee for the remaining improvements; however, the Lessor and the Lessee may establish alternative agreements set forth in writing and signed by both parties.

VII. Insurance

- a) Lessee is responsible for maintaining general liability insurance with coverage of at a minimum \$2 million aggregate/\$1 million per occurrence during the period of the Lease.
- b) Lessee shall provide Lessor with evidence of the above insurance coverage within 30 days of the commencement of the Lease term and make documentation of such coverage available to Lessor annually.

VIII. Transfer, Sale, Assignment and Sublease

- a) Lessee may not sublease or assign the Lease without written permission from the Lessor. Lessor may, in Lessor's sole discretion, refuse to grant such permission or may stipulate conditions for such assignment or sublease.
- b) The terms of this Lease shall remain with the land; sale of the premises or portions thereof shall not invalidate the Lease terms except that within Section IX (ii) below. However, Lessee agrees to abide by terms of any conservation easement placed upon the premises or portions thereof. Such terms shall not unduly restrict normal open activities.

IX. Termination and Default

- a) Either party may terminate this Lease only upon default by the other as specified below. If either party shall default in the performance of any of its obligations, covenants or agreements under this lease and such default shall not be cured within sixty (60) days after a written notice to the defaulting party, then the non-defaulting party may declare the Lease terminated.
- b) Events of default by Lessee shall include, without limitation, the failure to: (i) pay the Lease fee when due, (ii) comply with repair and maintenance standards under Section VI, and (iii) maintain the insurance coverage required under Section VII.
- c) Not withstanding the above provisions, the Lease shall terminate at such time that: (i) The Windsong Ranch Estates Homeowners Association is dissolved; or (ii) Skagit County laws allow for further residential structures to be constructed upon the OS-NRL Middle portion of Lot 13. At which time, the leased areas shall be conveyed to the Windsong Ranch Homeowners Association as common area for the enrichment and enjoyment of the larger community.

X. Dispute Resolution

Both parties agree to the best of their abilities to resolve any disputes regarding the interpretation and performance of this Lease through mutual good faith effort. All disputes that cannot be resolved through such efforts shall be determined and settled by arbitration in Skagit County, Washington, accordance with rules and procedures of the American Arbitration Association then in effect, and judgement upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, except that each party shall pay the cost of its own experts, evidence and legal counsel.

XI. Severability

If any part of this Lease is invalid or unenforceable, the balance of this Lease shall remain effective, absent such provisions.

XII. Amendments

No change in this Lease shall be effective unless it is in writing and signed by both parties.

IN WITNESS THEREOF, the parties have executed this Lease to be effective as of the date first set forth above.

LESSEE:	<u>LESSORS:</u>
WINDSONG RANCH ESTATES	A
HOMEOWNERS ASSOCIATION,	Phyllip a Del Jane
a Washington Corporation	Phillip A. Del Nagro
By:	Oster /
President Jason Brisson	Lester Francis
resident Jacob Grisson	Lester Francis
By: Kall Ci Bri Son	Thisees the marin
Secretary	R. Lorrie Francis
	R. Lottic Planeis
Kalie Brisson	
STATE OF WASHINGTON) SS:	
COUNTY OF SKAGIT)	
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On this day personally appeared before me Jason &	
Windsong Ranch Estates and Kalie Brisson	, the Secretary of Windsong Ranch
Estates who executed the within and forgoing instrument	and acknowledged that they signed the
same as their free and voluntary act and deed for the uses	and purposes mentioned.
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GIVEN UNDER my hand official seal on this 22 day o	f January, 2028
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Lease Agreement - Page	1015

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COUNTY OF SKAGIT)	
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STATE OF WASHINGTON) SS:	
COUNTY OF SKAGIT)	
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