

Return address:

SYB Holding Co Inc  
c/o M.B. Bowles  
PO Box 189 Ferndale WA 98248

Document Title: Lease

Reference Number:

Grantor(s):  additional grantor names on page

1. SYB Holdings Co Inc

2.

Grantee(s):  additional grantee names on page

1. Foxylady Inc

2.

Abbreviated legal description:

29-34-04 SW

Assessor Parcel / Tax ID Number:  additional tax parcel number(s) on page

08731



UNOFFICIAL DRAFT

Skagit County Auditor  
201104270082



Amount Paid \$  
Skagit Co. Treasurer  
By *CM*  
Deputy

APR 27 2011

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2014.  
term to commence on the 1<sup>st</sup> day of May, 2011, and terminate on the 30<sup>th</sup> day of April,  
2. Term. The term of this lease shall be for a period of three (3) years, said

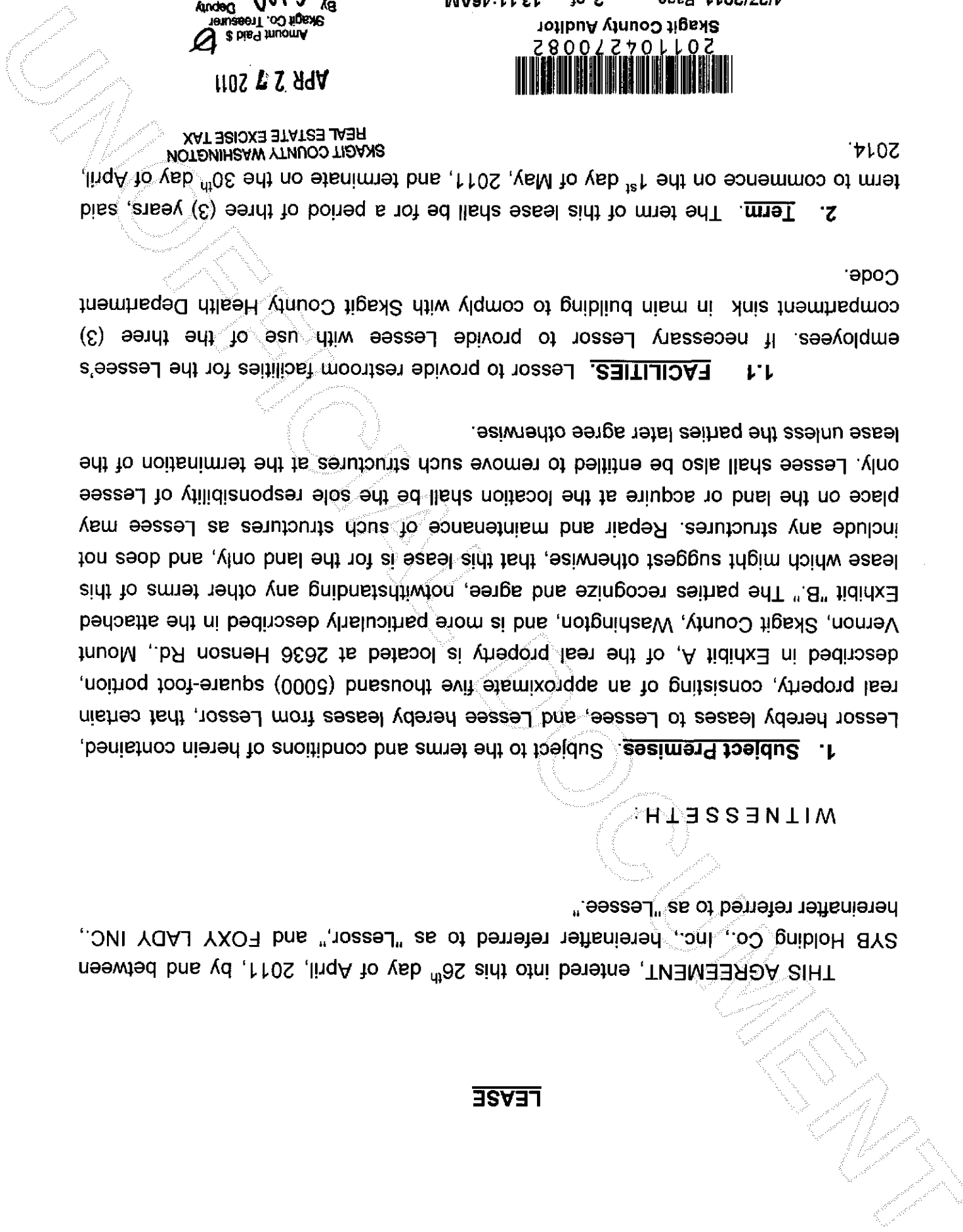
Code.  
employees. If necessary Lessor to provide Lessee with use of the three (3)  
compartment sink in main building to comply with Skagit County Health Department  
1.1 FACILITIES. Lessor to provide restroom facilities for the Lessee's

lease unless the parties later agree otherwise.  
only. Lessee shall also be entitled to remove such structures at the termination of the  
place on the land or acquire at the location shall be the sole responsibility of Lessee  
include any structures. Repair and maintenance of such structures as Lessee may  
lease which might suggest otherwise, that this lease is for the land only, and does not  
Exhibit "B." The parties recognize and agree, notwithstanding any other terms of this  
Vernon, Skagit County, Washington, and is more particularly described in the attached  
described in Exhibit A, of the real property is located at 2636 Henson Rd., Mount  
real property, consisting of an approximate five thousand (5000) square-foot portion,  
Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain  
1. Subject Premises. Subject to the terms and conditions of herein contained,

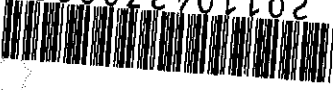
WITNESSETH:

hereinafter referred to as "Lessee."  
SYB Holding Co., Inc., hereinafter referred to as "Lessor," and FOXY LADY INC.,  
THIS AGREEMENT, entered into this 26<sup>th</sup> day of April, 2011, by and between

LEASE



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201104270082



Kirkpatrick 11016 Valley Ave E St. B, Puyallup, WA 9837

**4.2 Guarantor Name and Address: Paul Coate and Loulia**

Said amount shall be paid to Lessor on a monthly basis. shall pay to Lessor it's proportional share of the annual Skagit County real estate taxes.

**4.1 Real Estate Taxes.** In addition to the base rental rent, Lessee

Each monthly rental shall be due and payable on the first day of each month.

Months 1 through 12	\$ 700.00
Months 13 through 24	\$ 770.00
Months 25 through 36	\$ 850.00

premises, as follows:

**4. Rent.** Lessee agrees to pay the Lessor, as rent for the use of the subject

the State of Washington.

If Lessor and Lessee cannot agree within sixty (60) days of Lessee exercising the option to renew, then the parties agree to arbitrate the matter pursuant to the laws of

Lessor, that it elects to exercise said option.

To exercise this option, the Lessee must notify the Lessor in writing on or before the date of expiration of the within Lease that Lessee elects to exercise said option; provided, however, that if Lessor desires an earlier determination concerning Lessee's exercise of said option, Lessor may serve a demand upon Lessee in writing any time within 120 days from the date of expiration of said Lease, for a determination by Lessee concerning exercise of said option, in which event to exercise the option, the Lessee must notify the Lessor in writing within thirty (30) days from receipt of said demand from Lessor, that it elects to exercise said option.

**3. Option to Renew.** Lessor hereby grants to Lessee Three (3) options to renew this Lease for an additional period of three (3) years each, from expiration of the written Lease at a rental hereafter to be mutually agreed upon, but in any case, for not less than the prior term of monthly rental.

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God excepted.

condition and repair as when received, reasonable wear and damage by fire or act of  
 sooner termination thereof, they will surrender the leased premises in the same  
 cost and expense. Lessee agrees that at the expiration of the term of this lease, or  
 and sewers therein, shall be kept in good order, repair and condition at Lessee's own  
 limited to, all windows, plumbing, wiring, walls, drains, foundations, pumps, equipment  
 attractive condition during the term of this lease. The premises, including, but not  
 8. **Maintenance.** Lessee agrees to maintain the premises in good, clean and

7. **Condition of Premises.** Lessee accepts the premises in "as is" condition.

location.

any products that will compete with the convenience store operating on the same  
 compliance of all governmental laws, rules and regulations. Lessee agrees not to sell  
 and customary business hours for such type of business, in a lawful manner, with  
 agrees that they will conduct their business in the leased premises during the regular  
 purposes of operating a coffee drive-thru espresso, and no other use. The Lessee  
 agreed between the parties that the said premises may be used and occupied only for

6. **Purpose for Which the Premises May be Used.** It is understood and

5. **Delinquency Penalty.** In addition to the above rental payments, a penalty of  
 \$10.00 per day shall be charged after the payment is ten (10) or more days delinquent.

11016 Valley Ave E St. B, Puyallup, WA 98372

4.5 **Lessee's Billing and Notice Address:**

P.O. Box 189, 1440 Admiral Place, Ferndale, WA 98248  
4.4 **Lessor's Notice and Payment Address:**

All Deposits to be paid at the time of signing the lease.

4.3	<b>Deposit:</b>	Rent deposit:	\$700.00
		Additional Rent	\$43.76 RE Taxes (one month)
		Security Deposit	\$850.00

Skagit County Auditor

201104270082



**13. Covenant to Hold Harmless.** The Lessee agrees to indemnify and save harmless the Lessor against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations arising from the conduct or management of the business conducted in the demised premises, and will further indemnify and save the Lessor harmless against and from any and all claims arising during the initial term of this lease or any renewal term from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed, pursuant to the terms of this lease, or arising from any act

**12. Damage Occasioned by Lessee.** In the event any damage or injury shall occur to the premises of any kind or nature whatsoever, said damage or injury being caused by carelessness, negligence or improper conduct on the part of the Lessee, his agents, employees, guests, invitees or licensees, then in each of such instances Lessee shall promptly cause the said damage or injury to be fully repaired at Lessee's own cost and expense. In the event Lessee fails to accomplish such repairs, Lessor may accomplish same and add the cost thereof to rentals hereunder.

**11. Defects.** Lessor shall not be liable to Lessee or to any person for claims arising from any defect in the construction or condition of said building or of the premises, whether known or hidden, or for any damage by storms, rains, leakage or other cause, or by reason of any act or negligence of any other tenant of said building or occupancy of the premises, or any agent, servant or employee of the Lessee.

**10. Assignment.** Lessee shall not assign this lease or any interest therein, or sublet the premises or part with the possession thereof, without the consent in writing of Lessor, nor shall any such assignment of this lease take place by operation of law, bankruptcy or receivership. The filing of any Petition under the bankruptcy law by Lessee may, at the sole discretion of the Lessor, constitute a termination of this lease.

**9. Waste.** Lessee will not make or suffer any unlawful, improper, or offensive use of the premises, nor any use thereof which shall be injurious to any person or property.

or negligence of the Lessee, or any of its agents, contractors, servants, employees or licensees in or about the demised premises, and from and against all costs, counsel fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon and in case any action or proceeding be brought against the Lessor by reason of any such claim, the Lessee upon notice from Lessor, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Lessor. The Lessee shall not suffer or give cause for the filing of any lien against the herein demised premises.

**14. Successors and Assigns.** The covenants and agreements herein contained shall apply to and bind and inure to the benefit of the personal representatives and assigns of Lessor and to the Lessee's personal representatives or assigns properly accepted and confirmed according to the provisions herein contained.

**15. Repossession.** Lessee expressly covenants and agrees to pay the rental above reserved and in the manner as set forth above, and to perform each and all of the matters and things required of him hereunder, promptly as provided, and agrees that in the event of his failure to perform any of the covenants and agreements on his part herein stated, strictly in accordance with the provisions of this lease and the agreements herein contained, then Lessor may, at its option, terminate this lease and re-enter and take possession of said premises and remove all persons and property therefrom, with or without process of law, and thereupon this lease shall cease and terminate. In the event Lessor shall exercise such option following any breach of this agreement by Lessee, any and all advance payments of rental shall be regarded as liquidated damages for such breach.

**16. Taxes and Insurance.** The Lessee shall be responsible for paying all taxes, including, but not limited to, real estate and personal property, and for maintaining all insurance, both liability and property, on the subject premises or with respect to the operation of the business. The Lessee shall be responsible for obtaining such insurance coverages in the amount of One Million Dollars for liability insurance. The Lessor shall be named as an additional insured on such policies with evidence of same being provided to the Lessor.



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**19. Non-Payment of Rent.** If any rental or other sums payable by the Lessee to the Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if the Lessee shall violate or default in the performance of any of the other covenants, stipulations or conditions herein, and such violation or default shall continue for a period of thirty (30) days after written notice by the Lessor to the Lessee of such violation or default, then without prejudice to any other remedies which the Lessor might have, it shall be optional for the Lessor to declare this lease forfeited and the said term ended, and to re-enter said premises, with or without process of law, using such force as may be necessary to remove all persons or chattels therefrom, and the Lessor shall not be liable for damages by reason of such re-entry or forfeiture, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for

**18. Access.** The Lessor shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting the same, or of making repairs, additions or alterations to the demised premises or any property owned or controlled by the Lessor. If the Lessor deems any repairs reasonably required to be made by the Lessee necessary, it may demand that the Lessee make the same forthwith, and if the Lessee refuses or neglects to commence such repairs and complete the same without reasonable dispatch, the Lessor may make or cause such repairs to be made and shall not be responsible to the Lessee for any loss or damage that may accrue to his stock or business by reason thereof, and if the Lessor makes or causes such repairs to be made, the Lessee agrees that they will forthwith, on demand, pay to the Lessor the cost thereof, with interest at twelve percent (12%) per annum, and if they shall default in such payment, the Lessor shall have the remedies provided in this lease.

**17. Utilities.** Lessee is to pay all utilities for the premises, including, without limiting the generality of the foregoing, the water and sewer bill for the premises. Upon execution of this Lease the Lessee shall declare and pay all personal property taxes assessed against equipment and personal property located upon the premises or placed upon the premises by or under the direction of Lessee thereafter. Failure of Lessee to promptly pay any charges or taxes due to be paid by Lessee hereunder shall constitute a breach of this lease.

the rent provided for herein shall not be relinquished or extinguished for the balance of the term of this lease. And it is further understood that the Lessee will pay, in addition to the rentals, other sums as the Court may adjudge reasonable as attorney's fees in any suit or action instituted by the Lessor to enforce the provisions of this lease, or the collection of the rentals due the Lessor hereunder.

**20. Eminent Domain.** If the whole or any part of the premises hereby leased shall be taken by any public authority under the power of eminent domain, then the terms of this lease shall cease on the part so taken from the day the possession of that party shall be taken for any public purpose, and the rent shall be paid up to that day, and if such portion of the demised premises is so taken as to destroy the usefulness of the premises for the purpose for which the premises were leased, then from that day the Lessee shall have the right either to terminate this lease by written notice given by the Lessee to the Lessor within thirty (30) days after such day, or to continue possession of the remainder of the same under the terms herein provided, except that the minimum rent shall be reduced in proportion to the amount of the premises taken. All damages awarded for such taken shall belong to and be the property of the Lessor, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the premises herein leased; provided, however, that the Lessor shall not be entitled to any portion of the award made to the Lessee for cost of removal of stock and fixtures.

**21. Holding Over.** In the event the Lessee remains in possession of the herein leased premises after the expiration of this lease and without the execution of a new lease, they shall be deemed to be occupying said premises as a tenant from month to month, subject to all of the conditions, provisions and obligations of this lease insofar as the same are applicable to a month to month tenancy.

**22. Waiver.** No waiver of any breach or breaches of any provision, covenant or condition of this lease shall be construed to be a waiver of any preceding or succeeding breach of such provision, covenant or condition, and time is of the essence of each and every provision, covenant and condition herein contained and on the part of either Lessor or Lessee to be done and performed.



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**23. Construction.** Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of a principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provisions contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of Lessor and Lessee. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

**24. Litigation.** In the event any action be brought by either party against the other to recover any rent or other sum, or on account of the breach of any provision, covenant or condition herein contained, or for the termination of this lease, or for the recovery of the possession of the premises or any part thereof, the prevailing party in said action shall be paid by the other party a reasonable sum as fees for the attorneys of said prevailing party in said action, to be assessed and fixed by the Court wherein said action shall be brought.

**25. Limited Liability Authority.** If Lessee is a Limited Liability Company (LLC) each individual executing this Lease on behalf of said LLC represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said LLC, in accordance with a duly adopted resolution of the Members of said LLC authorizing and consenting to this Lease; specifically authorizing the designated Managing Member signing this Lease to execute, acknowledge and deliver the same without the consent of any other member or members; resolving that such action and execution is in accordance with the bylaws or operating agreement of said LLC; and, resolving that this Lease is binding upon said LLC in accordance with its terms.

**25.1 Guarantor.** In the event that there is a Guarantor of this Lease, the Guarantor shall have the same obligations as Tenant under this Lease.

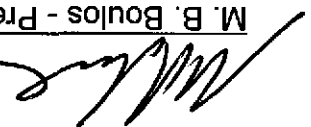


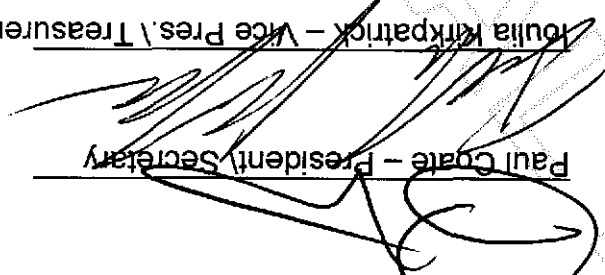
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26. **Entire Agreement.** This instrument constitutes the entire and only agreement between the parties and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This lease shall not be modified in any way except by a writing executed by both parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 22 day of April, 2011.

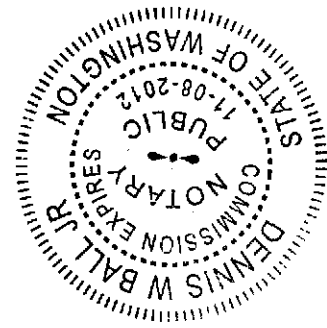
**LESSOR / LANDLORD:**  
SYB Holding Co., Inc.  
  
M. B. Boulos - President

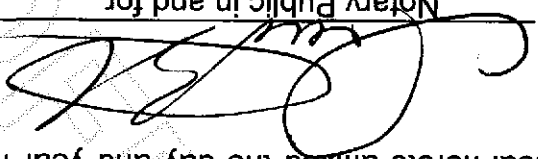
**LESSEE / TENANT:**  
FOXY LADY INC.  
  
Paul Coate - President/Secretary  
Loulia Kirkpatrick - Vice Pres. / Treasurer

STATE OF WASHINGTON )  
ss. )  
COUNTY OF WHATCOM )

On this 22 day of April, 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Loulia Kirkpatrick**, to me known to be the individuals who executed the foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



  
Notary Public in and for  
the State of Washington,  
Residing at Bellingham,  
Appointment expires: 11-08-2012



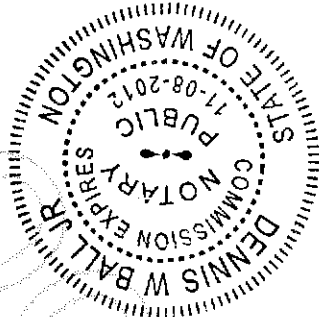
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[Signature]  
Notary Public in and for  
the State of Washington,  
Residing at Bellingham.  
Appointment expires: 11-08-2012



WITNESS my hand and official seal hereto affixed the day and year first above written.

On this 26 day of April, 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Paul Coate**, to me known to be the individuals who executed the foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed for the uses and purposes therein mentioned.

STATE OF WASHINGTON )  
COUNTY OF WHATCOM )  
ss.

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201104270082



5/10/15  
New U-Store

Coffee Stand

approximately  
60' x 75'

North

Henson Road

Henson Road

approximately 1" = 22'

Scale approximately 1" = 22'

- Zone 1
- Zone 2
- Zone 3
- Zone 4
- Zone 5
- Zone 6

- Shrub
- Shrub
- Shrub
- Spare
- Spare

Exhibit "A"

EXHIBIT "B"

That portion of the Southwest Quarter of Section 29, Township 34 North, Range 4 East of the  
Williamette Meridian, described as follows:

Beginning at a point 50 feet Southeastly (when measured radially) from Highway Engineer's  
Station F 9 2+00, as shown on Washington State Highway Department right of way map SR 5  
MP22.08 to MP22.62, Johnson Road to Blackburn Street, Sheet 9 of 23 sheets, latest  
revision date September 10, 1971, said point being on a 250 foot radius curve concave to the  
Southeast, a radial at said point bearing South 74°58'06" East;

Thence Northerly along said curve 132.00 feet;  
Thence South 45°07'01" East, 145.49 feet to a point on the Northwesternly margin of the DL  
Ramp, as shown on said map;

Thence South 24°15'30" West, 96.00 feet to a point 110 feet Northerly from (when measured at  
right angles to) Highway Engineer's Station A16+00;  
Thence South 84°40'07" West, 100.50 feet to a point 100 feet Northerly from (when measured  
at right angles to) Highway Engineer's Station 15+00;

Thence North 18°34'00" West, 91.47 feet to the point of beginning.  
Situated in Skagit County, Washington



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