



201208140064

Skagit County Auditor

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LEASE AGREEMENT WITH OPTION TO PURCHASE

THIS LEASE AGREEMENT is made and entered into this 26th day of July, 2012, by and between Kathryn Frances Randall, hereinafter referred to as "Lessor", and Kathryn Hope Randall, hereinafter referred to as "Lessee". This agreement shall be recorded and shall survive the life of the Landlord

1. Description of Premises: The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, that real property commonly known as 813 - 5th Street, Anacortes, Washington, and more particularly described as follows:

TAX ID #:

P56809/3776-009-007-0000

The West 1/2 of Lot 6 and all of that unnumbered Lot lying West of said Lot 6, known as lot 7, Block 9 of "BOWMAN'S CENTRAL SHIP HARBOR WATER FRONT PLAT OF ANACORTES", Skagit County, Washington, as per plat recorded in Volume 2 of Plats, page 33, records of Skagit County

2. Term: The term of this lease shall be for a period of five (5) years commencing the 1st day of August, 2012 and termination midnight the 31st day of July, 2017. Lessee shall have the option to extend the lease and purchase option for two additional terms. Upon exercise of this option Lessee shall pay to Lessor one dollar and 00/100 Dollars (\$1.00) which shall be applied to the purchase. Notice to exercise this option shall be as provided in paragraph 21 J.

3. Rental: Lessee agrees to pay to the Lessor the sum of mortgage, taxes, insurance and upkeep as and for rent for the described premises, with such payments to be made as due. The

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Amount Paid \$ Skagit Co. Treasurer By [Signature] Deputy

payments shall be made directly to the Lessor at such place as the Lessor designate. The real estate taxes and insurance (under paragraph 14 herein) are not included in the rental payment. All rent payments shall be applied to the purchase price.

4. Use of Premises: It is understood that the leased premises shall be used as a residence by Kathryn Hope Randall and shall not be used for any illegal purposes whatsoever.

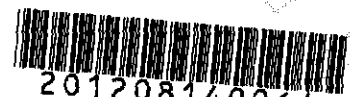
5. Laws and Regulations: Lessee agrees to conform to and abide by all lawful regulations, rules, codes, and laws of the United States, the State of Washington, and the County of Skagit, applicable to the Lessee's use and operation of said premises, including the construction of any improvements thereon, and not to permit said premises to be used in violation of any said rules, codes, laws, or regulations.

6. Commit No Waste: Lessee agrees not to commit or permit waste upon said premises and to keep the premises in a neat, clean, and orderly condition and to be responsible for all damages caused to the leased premises by Lessee, Lessee's agents, or any third party on the premises at the instance of Lessees.

7. Duties of Lessees: Lessee agrees to keep said premises in a clean and sanitary condition, to maintain the lawn and yard, to properly dispose of rubbish, garbage and waste in a clean and sanitary manner at reasonable and regular intervals and to assume all costs of extermination and fumigation of infestation caused by Lessee. Lessee further agrees to use and operate all electrical, gas, heating, plumbing facilities, fixtures and appliances, to not intentionally or negligently destroy, deface, damage, impair or remove any part of the premises that are appurtenances, facilities, equipment, furniture, furnishings, and appliances, nor to permit any member of their family, invitee, licensee, or other person action under their control to do so.

8. Inspection of Premises: Lessee agrees that they have made inspection of the premises and accept the condition of the premises in its present state, and that there are no repairs, changes or modifications to said premises to be made by the Lessor other than is listed herein.

9. Alterations: Lessee agrees not to make any alterations to the said premises, either the structure or the yard, without the prior written consent of Lessor, and in the event such consent is given all such alterations, additions or improvements shall be made at the sole expense of Lessee and shall become the property of Lessor, and shall remain in and be surrendered with the



premises as a part thereof at the termination of this lease. Repairs ordered by an inspection for sale shall be negotiated separate from this agreement.

10. Utilities: All utilities shall be the sole responsibility of and shall be paid by the Lessee. Lessor shall pay all utilities prior to signing of this lease.

11. Hold Harmless Agreement: Lessee agrees to hold harmless Lessor and his agents from all damages of any and every kind whatsoever that may be claimed or may arise by reason of any accident on, in or about the leased premises, or from Lessee's use or occupation of the leased premises and areas adjacent thereto, or cause by the acts or negligence of the Lessee or any agent of the Lessee. Lessee agrees to defend and hold and save the Lessor, and Lessor's agents, harmless from any and all liability or expense, including expense of litigation, in connection with any such items or actual or alleged injury or damage.

12. Sublet and Assignment: Lessee may without the consent of the Lessor let or sublet the full or any part of said premises, or assign this lease or any part thereof without the prior written consent of the Lessor or Lessor's agents. This lease shall be assignable by operation of law.

13. Surrender: Lessee agrees to quit and surrender said premises at the expiration of this lease, without notice, and in good order, condition and repair, damage by the elements or fire excepted.

14. Insurance and Liability: Lessor or Lessor's agent shall not be liable for any damage to property or personal injuries caused by an defects now in said premises or hereafter occurring on or about said premises. Lessee further agrees to provide adequate insurance coverage against fire and other casualty for the full extent of the value of the above-described property, which insurance coverage shall be subject to the approval of the Lessor.

15. Property Damage: The Lessor shall not be liable for any damage to the property of the Lessee or for the loss of or damage to any property of Lessee by theft or otherwise. Lessor shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of said building or from the pipes, appliances or plumbing works, or from the roof, street or subsurface or from



any other place or by dampness or by any other cause of whatsoever nature, unless caused by or due to the negligence of the Lessor or Lessor's employees.

16. Maintenance of Premises: Lessee agrees to keep all drainage pipes free and open, and to protect, water, heating and all other pipes so they will not freeze or become clogged, and to immediately repair the same as well as all damage that may be caused by leakage or otherwise, and to mow and water the grass, flowers and other shrubbery on said grounds and keep them in good order and condition.

17. Liens and Insolvency: Lessee shall keep the leased premises free from liens arising out of any work performed, materials furnished, or obligations incurred by Lessees.

18. Default and Reentry: Time is of the essence of this agreement. If any rents above-reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreement herein contained, the Lessor may cancel this lease upon giving the notice required by law and reenter said premises but notwithstanding such reentry by the Lessor, the liability of the Lessee for the rent provided herein shall not be extinguished for the balance of the term of this lease.

19. Right of Quiet Enjoyment: Lessor acknowledges that he has ownership of the property heretofore described and that he has the legal authority to lease said property unto Lessee. Lessor covenants that Lessee's right of occupancy shall not be disturbed during the term of this lease so long as the terms are complied with by Lessee, and subject to that clause in this lease dealing with the right of Lessor to enter upon the leased premises.

20. Waivers: It is agreed that no waiver by Lessor of a breach by the Lessee of any covenant, agreement or terms of this lease shall be construed to be a waiver of any succeeding breach of the same covenant, agreement or term; also that all covenants, agreements and terms therein contained shall extent to and be binding on the heirs, executors, administrators, successors and assigns of the respective parties hereto.

21. Binding Agreement. This agreement shall be binding upon the heirs, assignees, legatees, beneficiaries and all other of the Landlord.

22. Option to Purchase: In consideration of the payment from Lessee to Lessor of the sum of one dollar and 00/100 Dollars (\$1.00) cash which is held by Lessor hereby grant to the

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Lessee the right and option to purchase the said described real estate by giving notice to the Lessor at any time prior to the expiration of this lease, or prior to the expiration of any additional terms of this lease. Should Lessee not exercise the option before the end of the lease, he will immediately vacate the property and forfeit the option money.

In the event that the Lessee elect to exercise his option, the purchase price shall be then balance due on mortgage in cash at closing. In the event that the Lessee exercise his option to purchase, he shall be allowed a credit against the purchase price for the entire rental payment made throughout the term of this lease or any extension of this lease and the \$1.00 held by Lessor for the option.

Upon the exercise of the option by the Lessee, the parties hereto shall be bound by the additional following terms and conditions: Sale price includes appliances. Seller shall service the furnace.

A. Encumbrances: In addition to any encumbrances referred to above, Lessee shall take title to the property subject to: (1) real estate taxes not yet due, and (2) covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property.

B. Examination of Title: Seven (7) days from date of exercise of the option are allowed the Lessee to examine the title to the property and to report in writing any valid objections thereto. Any exceptions to the title which would be disclosed by examination of the records shall be deemed to have been accepted unless reported in writing within said seven (7) days. If Lessee objects to any exceptions to the title, Lessor shall use all due diligence to remove such exceptions at her own expense within sixty (60) days thereafter. But if such exceptions cannot be removed within the sixty (60) days allowed, all rights and obligations hereunder may, at the election of the Lessee, terminate and end, and the option payment shall be returned to Lessee, unless they elect to purchase the property subject to such exceptions.

C. Title: Evidence of title shall be in the form of a policy of title insurance to be issued by Land Title Company at Lessor's expense.

D. Close of Escrow: Within forty-five (45) days from exercise of the option, or upon removal of any exceptions to the title by the Lessor, as provided above, whichever is later,

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both parties shall deposit with the closing agent all funds and instruments necessary to complete the sale in accordance with the terms and conditions thereof. Escrow shall be Landlord or other as Buyer elects.

E. Possession: Legal possession shall be delivered to Lessee upon recordation of the deed, unless delivered prior pursuant to the terms of the foregoing lease agreement.

F. Closing Costs and Prorations: The cost of escrow shall be paid by Lessee . The Lessee shall pay for the excise taxes. Taxes for the current year, rents, Homeowners' Association dues if any, premiums on insurance acceptable to Lessee and other expenses of the property shall be paid by Lessee.

G. Notices: By acceptance hereof, Lessor warrants that she has no notice of violations relating to the property from city, county or state agencies.

H. Time: Time is of the essence of this agreement.

I. Expiration of Option: If not exercised or extended, this option shall expire upon termination of this lease and Lessor shall be released from all obligations hereunder and all of Lessee's rights hereunder, legal or equitable, shall cease.

J. Exercise of Option: The option shall be exercised by mailing or delivering written notice to the Lessor prior to the expiration of this option.

Notice, if mailed, shall be by hand delivery or certified mail, postage prepaid, to the Lessor at 813 - 5th Street, Anacortes, WA 98221 and shall be deemed to have been given upon the day following the day shown on the postmark of the envelope in which such notice is mailed.

23. Costs and Attorney's Fees: In the event it is necessary for either of the above parties herein to bring an action to enforce the terms, conditions, or covenants of this lease, then the prevailing party shall be entitled to reasonable attorney's fees, and expenses.

24. Titles of Paragraphs: Titles of paragraphs in this document are for convenience and reference purposes only and shall not in any way construe the purposes and intent of the document.



25. Definitions: Unless some other meaning and intent is apparent from the context, the plurals shall include the singular and vice versa, and masculine, feminine and neuter words shall be used interchangeably.


26. Both parties acknowledge that each has had the opportunity for independent legal counsel with regard to the consequences, ramifications, and effect of entering into this Agreement. KATHRYN FRANCES RANDALL, has been advised by attorney, STEPHEN C. SCHUTT. KATHRYN HOPE RANDALL, has been advised that they have the right to have any attorney review this agreement on their behalf.

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the day and year first above written.

LESSOR:


KATHRYN FRANCES RANDALL

LESSEES:


KATHRYN HOPE RANDALL



STATE OF WASHINGTON)
)ss
COUNTY OF SKAGIT)

On this 26th day of July, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared before me **Kathryn Frances Randall** and acknowledged to me that she signed the same as her free and voluntary act and deed as and for the uses and purposes therein mentioned, and that said principal are now living and are not incompetent.

DATED: July 26, 2012

Shelly L. Ewing
NOTARY PUBLIC in and for the
State of Washington
My commission expires: 02-04-14



STATE OF WASHINGTON)
)ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **Kathryn Hope Randall** signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: July 26, 2012

Shelly L. Ewing
NOTARY PUBLIC in and for the
State of Washington
My commission expires: 02-04-14

