

Recorded at the Request of,
After Recording Return to:
Thomas L. Gilman
BARRETT & GILMAN
66 S. Hanford Street, Suite 300
Seattle WA 98134

Grantor: Jerry L. Smith, Incorporated
Grantee: 101 North Hill, LLC
Legal Descr.: Ptn. SW Section 29, Township 35 North, Range 4 East (aka Tract 16,
BURLINGTON HILL BUSINESS PARK BSP).
Parcel No.: P105951/8002-000-016-0005

AGREEMENT TO TERMINATE AND SURRENDER TENANCY

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This Agreement to Terminate and Surrender Tenancy ("Agreement") is entered into effective September __, 2024 by and between 101 North Hill LLC, a Washington limited liability company ("Landlord") and Jerry L. Smith, Incorporated, a Washington corporation ("Tenant"). Landlord and Tenant will sometimes be referred to herein as the "Parties".

RECITALS

WHEREAS, the Parties entered into a series of written leases dated January 1, 2011, January 1, 2014, and November 1, 2021 (the "Leases") certain real property situated in Skagit County, Washington (the "Premises"); and

WHEREAS, none of the Leases have been recorded but collectively they are referenced in various agreements recorded under Skagit County Auditor's File Nos. 201107050095, 201407020019 and 202206130916

the Premises are legally described as follows:

Tract 16. of BURLINGTON HILL BUSINESS PARK, BINDING SITE PLAN, approved September 7, 1994, recorded September 8, 1994 in Volume 11 of Short Plats, pages 109 through 112, under Auditor's File No. 9409080052, records of Skagit County, Washington; being a portion of the Southwest ¼ of Section 29, Township 35 North, Range 4 East, W.M.

and

WHEREAS, the Term of the Leases has not yet expired; and

WHEREAS, Landlord and Tenant have agreed to an early termination of the Leases and all of Tenants right to occupy the Premises effective September 30, 2024 ("Termination Date"), subject to the terms and conditions set forth in this Agreement; and

WHEREAS, Landlord and Tenant desire to enter into this Agreement for the purpose of agreeing to terminate the Leases; establishing their relative rights, duties and obligations under the Lease up through and including the Termination Date; and establishing their relative rights, duties and obligations following the termination of the Leases.

NOW, THEREFORE, the Parties hereby acknowledge and agree as follows:

1. Return of Possession of Premises. Tenant will surrender and return possession of the Premise to Landlord on or before September 24, 2024: (i) in the same condition as exists as of the date of this Agreement, ordinary wear and tear excepted, and free and clear of all Tenant's personal property, except that personal property that Tenant is selling to BOFK, Inc. pursuant to an Asset Purchase Agreement dated, June 7, 2024 as amended by that certain Agreement dated August 2, 2024..

2. Lease Termination. Landlord and Tenant each acknowledge and agree that the Leases and all of the Parties' right, title and interest thereunder and any estate created thereby shall be deemed terminated effective on the Termination Date; provided, however, that the following obligations of the Tenant and/or Landlord shall not be released and shall survive termination of the Leases: (i) Tenant's obligations which arise under the Leases and, as specifically set forth therein, survive its termination; and (iii) Tenant's obligation to pay rent, expenses, real estate taxes, triple net charges and other amounts due from Tenant to Landlord under the Leases through the Termination Date. Until the Termination Date, Landlord and Tenant shall continue to perform their respective duties and obligations under the Lease. Nothing herein waives or releases any of the Landlord's rights or remedies in the event of any default of Tenant under the Leases arising prior to the Lease Termination Date. Real estate taxes and other triple net expenses shall be paid up through and including the Termination Date.

3. Disposition of Security Deposit. Landlord and Tenant agree that Tenant's security deposit, if any, will be applied, credited or refunded in compliance with the Leases. Tenant affirms that no other additional deposits or prepaid rent or other sums are currently to be credited to Tenant's account or refunded to Tenant.

4. Entire Agreement. This Agreement constitutes the entire agreement of the parties. The Parties agree that each entered into this Agreement without reliance upon any statement, representation, promise, inducement, or agreement not expressly contained within this Agreement. This Agreement supersedes all prior oral or written agreements concerning or arising from the Leases.

