

SECOND AMENDMENT TO COMMERCIAL LEASE
(4400 88th Street NE, Marysville, WA 98270)

This SECOND AMENDMENT TO COMMERCIAL LEASE (the "Second Amendment"), is made to be effective the 13 day of July 2023 (the "Effective Date"), by and between MATICO LLC, a Washington limited liability ("Lessor"), and CARRIAGE HOUSES NORTHWEST LLC, a Washington limited liability company ("Lessee") (collectively the "Parties").

RECITALS

WHEREAS, Lessor owns certain real property located in Snohomish County, Washington (the "Property"). The Property is commonly known as 4400 88th Street NE, Marysville, WA 98270.

WHEREAS, Lessee entered into that Commercial Lease of the Property executed on January 29, 2019 (the "Original Lease"), and that First Extension and Amendment to Commercial Lease, dated September 28, 2020 ("First Amendment") (the Original Lease and the First Amendment shall be referenced herein collectively as the "Lease"). Pursuant to the Lease, Lessor agreed to lease that portion of the Property described at Exhibit B of the Lease located at 3824 88th Street NE, Marysville, WA, commonly known as 4400 88th Street NE, Marysville, WA (the "Premises").

WHEREAS, the term of the First Amendment shall expire on September 31, 2023. Lessor and Lessee desire to amend the Lease to extend the term and as otherwise provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the Parties agree as follows:

1. **Amendment of Section 1 Premises.** The Parties hereby amend Section 1 of the Lease (as modified at Section 1 of the First Amendment). The Amended Section 1 shall read as follows (changes underlined for ease of reference):

A. **Lease.** The Lessor does hereby Lease to the Lessee and the Lessee does hereby Lease from the Lessor the "Premises" as described below. The Premises are commonly known as **4400 88th Street NE, Marysville, WA 98270**, and are a part of a commercial building (the "Building"). The Building may contain other tenant units. The Premises consist of approximately 10,012 square feet of floor area. The fenced area adjacent to the building is not calculated in the square footage. **In addition,**

Lessor does hereby agree to Lease to the Lessee and Lessee does hereby agree to Lease from the Lessor the half-acre of land to the west of the building more particularly described at Exhibit A to the Lease (the "Expanded Premises"). The rental for the Expanded Premises shall be Three Hundred Seventy-Five and No/100s Dollars (\$375.00) per month. For the avoidance of doubt, the rental rate for the Expanded Premises shall be paid in addition to the Base Rent and Additional Rent discussed below.

2. **Amendment of Section 3 Term & Extension Option.** The Parties hereby amend Section 3 of the Lease as modified by the First Amendment at Section 2. The Amended Section 3 shall read as follows (changes underlined for ease of reference):

A. Extension Term. Lessor and Lessee have agreed to an additional three (3) year extension, to commence on October 1, 2023 and to terminate on September 30, 2026 (the "Second Extension"). The parties acknowledge that the Lease contains no additional extension options.

B. Additional Options to Renew The Parties hereby acknowledge that the Lease does not provide for any additional renewal options.

3. **Rent During Second Extension.** Lessee covenants and agrees to pay the Lessor as rental for the Premises during the Second Extension Term a minimum monthly rental ("Minimum Rent") pursuant to the following schedule:

<u>Period (Lease Years)</u>	<u>Monthly Per Square Foot Rental</u>	<u>Monthly Min. Rent</u>
Year 1	\$0.721	\$7,218.65
Year 2	\$0.742	\$7,435.21
Year 3	\$0.764	\$7,658.27

All rents shall be payable in lawful money of the United States during the Second Extension Term of the Lease. The rental shall be payable to: Matico LLC, 1355 State Ave., Marysville, WA 98270 or to such other person and/or at such place as the Lessor may designate in writing from time to time.

4. **Amendment of Section 4 Additional Rent.** The Parties hereby amend Section 4.A(ii) of the First Amendment to Lease as follows (changes underlined for reference):

ii. Costs. The monthly installment of costs are estimated to be twenty five percent (25%) of Lessee's Proportionate Share of the actual costs of the Lessor for all of the following items for one (1) calendar year:

5. **Modification of Section 5 First Right of Refusal.** The parties hereby amend Section 5 of the First Amendment to Lease as follows (changes underlined for reference):

5. **First Right of Refusal.** Subject to the terms and conditions of the Lease, from and after the date of the Lease and continuing during the Term (including any Renewal Term), Landlord has granted Tenant a one-time right of first refusal to purchase the Premises for which Landlord receives a third-party offer that Landlord desires to accept, to be exercised in accordance with the terms and conditions of the Lease. Within five (5) business days after Tenant's receipt of Landlord's Offer Notice, Tenant shall exercise the foregoing right of first refusal by delivering written notice of its intention to purchase the Building on equal or better terms and conditions than those set forth in Landlord's Offer Notice ("Tenant's Acceptance Notice"). Tenant's failure to provide Tenant's Acceptance Notice within the foregoing five (5) business day period shall be deemed rejection of Landlord's Offer Notice. If Tenant fails to deliver a response within the five-day time period, then Tenant will be deemed to have declined to exercise the right of first refusal. The right of first refusal shall automatically terminate at the end of the first year of the Second Extension.

6. **Amendment of Exhibit B.** Exhibit B attached to the Lease is hereby deleted and replaced with Exhibit B attached to this Second Amendment.

7. **Amendment of Section 17 Insurance.** The Parties hereby amend Section 17 of the Lease. The Amended Section 17 shall read as follows (language removed stricken for ease of reference):

C. **Lessor's Insurance on Premises.** Lessor may carry a policy or policies of extended coverage insurance covering the Building. Lessor may cause to be endorsed on its fire insurance, and on any extended coverage policy or policies, the waiver of right of subrogation.

8. **Remaining Provisions.** To the extent that this Second Amendment modifies or is inconsistent with the Lease as amended, the terms of this Second Amendment shall control. All other provisions of the Lease shall remain in full force and effect.

9. **EstoppeL** Lessee hereby represents and warrants that (a) no event of default by Lessor under the Lease exists as of the date hereof, nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute an event of default by Lessor, and (b) Lessee has no defenses as to the observance and performance

by Lessee of any provision of the Lease and asserts no offsets, claims or counterclaims against Lessor.

10. **Modification.** The Lease and this Second Amendment cannot be altered, modified, or extended hereafter except in writing signed and acknowledged by the parties.

11. **Counterparts.** This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Second Amendment to
Commercial Lease to be effective this 13 day of July, 2023.

LESSOR:
MATICO, LLC

Mark A. Work

By: Michael Warden
Its: Manager

LESSEE:
CARRIAGE HOUSES NW LLC

By: Marko Jukanovich
Its:

APPROVED BY GUARANTORS:

Marko Jukanovich, Guarantor

HALBIRW 3472192
PICTA VENUS
DAGMAR H. 1978
3472192 RM 00.

By: Kurt Galley
Its: Owner


Kurt Galley, Guarantor



LESSOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

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

GIVEN UNDER my hand and official seal this 13 day of July, 2023.



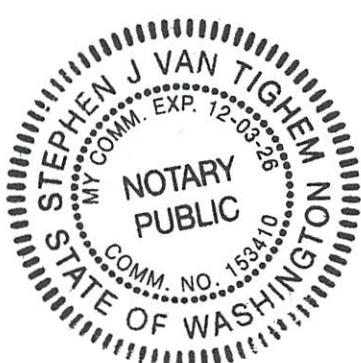
KW113
Print Name: Michael Warden Kristine Wheeler
NOTARY PUBLIC in and for the State of Washington.
My Commission Expires: 4/14/25

LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that MARKO JUKANOVICH is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged as the MEMBER of Carriage Houses NW LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER my hand and official seal this 13th day of July, 2023.



SVT
Print Name: Stephen J. Van Tighem
NOTARY PUBLIC in and for the State of Washington.
My Commission Expires: 12/3/2026

LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that KURT GALLEY is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged as the MEMBER of Carriage Houses NW LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER my hand and official seal this 13th day of JULY, 2023.



STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that MARKO JUKANOVICH is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged that he signed the same as his free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN UNDER my hand and official seal this 13th day of JULY, 2023.




NOTARY PUBLIC in and for the
State of Washington
Residing at Edmonds
My Commission Expires: 12/3/2026


NOTARY PUBLIC in and for the
State of Washington
Residing at Edmonds
My Commission Expires: 12/3/2026

GUARANTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that KURT GALLEY is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged that he signed the same as his free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN UNDER my hand and official seal this 13th day of JULY, 2023.




NOTARY PUBLIC in and for the
State of Washington
Residing at Edmonds
My Commission Expires: 12/3/2026



EXHIBIT B

SITE PLAN OF PREMISES

RAILROAD

