

THIS AMENDMENT TO THE COMMERCIAL LEASE DATED JANUARY 29, 2019 (the “Lease”), made in duplicate this 28 day of September, 2020, by and between MATICO LLC, a Washington limited liability company, as “Lessor,” and CARRIAGE HOUSES NORTHWEST LLC., a Washington limited liability company.

1. PREMISES

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.

2. TERM AND EXTENSION OPTION

A. Extension Term. The Lessee occupies the premises and is exercising their extension option as outlined in the original lease. The New Term shall commence on **OCTOBER 1, 2020** (“Commencement Date”). The Term shall end on the last day (“Expiration Date”) of the month sixty (36) months after the Commencement Date. The Expiration Date shall be **SEPTEMBER 31, 2023**.

B. Extension. So long as Lessee is not then in default, Lessee shall have the option to extend the Term of this Lease for one (1) consecutive extension periods of three (3) years. Lessee’s right to extend the Term of this Lease must be exercised by notice given in writing to Lessor at least one hundred twenty (120) days prior to the Expiration Date of the then current term. Minimum Rent for the first extension period shall be as provided in Section 4.B.

3. RENT

A. Minimum Rent. Lessee covenants and agrees to pay the Lessor as rental for the Premises during the initial 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	\$.50	\$5006.00
Year 2	\$.60	\$6007.20
Year 3	\$.70	\$7008.40

All rentals shall be payable in lawful money of the United States during the term of the Lease. The rentals 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. Additional Rents shall be paid in the same manner. All rents shall be due and payable on the first day of each month in advance.

B. Adjustment to Minimum Rent. Subject to Section 3.B. of this Lease, the Minimum Rent payable during the first year of each extension period shall be increased by three percent (3%) from the rate of Minimum Rent for the prior year. The rate of Minimum Rent shall thereafter be increased annually by three percent (3%) from the prior year's Minimum Rent.

4. ADDITIONAL RENT

A. Lessee shall pay to Lessor Additional Rent commencing on October 1, 2020. In addition to the Minimum Rent and any additional rentals provided elsewhere in the Lease, the Lessee shall pay to the Lessor each month with Lessee's payment of the Minimum Rent a proportionate share of the Lessor's costs for real property taxes, assessments, insurance and operating costs for the Building and the Common Areas within the Real Property during the term of this Lease. The amount payable by the Lessee each month shall be (25%) twenty-five percent of the Lessee's estimated "Proportionate Share" in the amount of \$825 (eight hundred twenty five dollars) of such costs as defined in Section 4.C.iii., below.

i. Establishment of Cost. Within sixty (60) days of the end of each calendar year the Lessor shall send a statement to the Lessee setting forth the actual cost for the prior calendar year of the items included in the Lessee's Proportionate Share. At Lessee's written request, Lessor will provide supporting documentation for such costs. If the amount actually paid by the Lessee during the prior calendar year exceeds the amount of the Lessee's Proportionate Share of the actual costs, then the Lessee shall be entitled to a credit in the amount of the excess actually paid, against the costs payable during the next year. If the actual amount of costs paid by the Lessee during the prior calendar year is less than the Lessee's Proportionate Share of the costs, then the Lessee shall pay the difference to the Lessor within thirty (30) days of receipt of the statement from the Lessor. With the statement, the Lessor shall include a calculation of the estimated costs to be included within the Lessee's proportionate share during the ensuing calendar year. At any time the Lessor may issue a statement recalculating the Lessee's Proportionate Share, if the Lessor receives information that indicates the previous estimate is no longer a fair estimate of the actual costs. The Lessee shall pay the Lessee's proportionate share of such costs at the adjusted rate set forth in the statement or any recalculated statement, beginning with the next rents coming due, at least ten (10) days after receipt of the statement. Lessor shall maintain its records respecting costs allocated to Lessee for audit by Lessee for a period of three (3) years following the year to which such costs pertain. In the event Lessor overcharges Lessee for its proportionate share of such costs by five percent (5%) or more, Lessor shall pay Lessee the reasonable costs for Lessee's audit not to exceed \$500.00 in reimbursement.

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

a. Taxes and Assessments. All real property taxes and assessments of every kind and nature which are levied on the Real Property, other than taxes or assessments which are assessed separately to and payable solely by any other tenant of the Real Property.

b. Insurance. All costs of insuring the Lessor's interest under this Lease, including but not limited to all coverages required of the Lessor by this Lease, and including all property, casualty, rent, liability and similar insurance coverage actually maintained by Lessor pertaining to the equipment, buildings, Improvements and Common Areas of the Real Property. If Lessee's operations cause an increase in insurance rates, that increase shall be allocated solely to Lessee and shall not be included in the proportionate share of costs of any other tenant.

c. Operating Costs. All of Lessor's operating costs in operating, managing, policing, insuring, securing, cleaning, inspecting, maintaining, replacing and repairing the buildings, Improvements, Common Facilities and Common Areas, including without limitation all costs for: lighting, signing, cleaning and painting the buildings and Common Areas; the costs and expenses of repair, replacement and maintenance of all awnings, exterior and storefront glass; operation and maintenance of sprinkler systems; operation and maintenance of elevators; cleaning, maintenance, repair and replacement of roof drains, downspouts and drainage facilities and cleaning and minor repairs of roof coverings and membranes; inspection, maintenance, repair and replacement of all building mechanical, plumbing, drainage, heating, ventilating and air conditioning systems; removal of water, snow, ice, trash and debris from the buildings and Common Areas; costs of inspecting and depreciation of machinery and equipment used in the operation and maintenance of the buildings and Common Areas and the maintenance and repair to such equipment, together with personal property taxes and other charges (including but not limited to financing, leasing or rental costs) incurred in connection with such equipment; costs and expenses for cleaning, maintaining, repairing, replacing, striping or resurfacing the paving, curbs, walkways, gutters, drainage facilities, pipes, ducts, conduits and similar items; planting, replanting, replacing and maintaining all landscaping, flowers, shrubbery and planters; lighting, policing and securing the buildings and Common Areas; exterior signage and lighting facilities of the buildings and Common Areas; all costs for cleaning, maintaining, repair and replacement of the pylon sign (but not costs for the fabrication, installation, repair or replacement of any actual signage for individual tenants); regulation of traffic within the Common Areas; all charges and costs for utilities, gas, light, heat, power, telecommunications, garbage or water services, if any, furnished by the Lessor for the non-exclusive use of tenants of the Real Property that are not separately metered; all operating costs and similar charges which relate to the buildings and Common Areas of any commercial center which may come into existence in the future and includes the Real Property; all costs and expenses relating to monitoring and maintaining good indoor air quality in the buildings and regularly inspecting, monitoring, maintaining, and repairing the buildings' HVAC systems, hiring outside consultants to investigate and identify the sources of any suspected indoor air quality problems that may be identified, remedying any such problems, modifying, renovating, or encapsulating any portion of the buildings, building systems, or components reasonably required to continuously and efficiently maintain acceptable indoor air quality in the buildings,

and complying with any and all local, state and federal regulations or real estate industry standards relating to indoor air quality; auditor's or accountant's fees for providing the accountings for the operation and maintenance for the Real Property; any legal fees, costs and disbursements that would normally be incurred in connection with the operation, maintenance and repair of the Real Property; all reasonable fees for management services provided by a management company, or by Lessor or an agent of Lessor, not to exceed five percent (5%) of the rental income from the Real Property; the annual amortization (amortized over their useful life as reasonably determined by Lessor, but in no event less than five (5) years) of costs, including financing costs, if any, incurred by Lessor for any capital improvements installed or paid for by Lessor; the annual amortization (amortized over their useful life as reasonably determined by Lessor, but in no event less than five (5) years) of costs, including financing costs, if any, of any equipment, device or capital improvement purchased or incurred as a labor saving measure or to effect other economies in the operation or maintenance of the Real Property. Except as otherwise provided herein, any of the above Operating Costs may be amortized over their useful life in order to maintain reasonably consistent Additional Rent payments, as determined by the Lessor, whether completed after the Commencement Date or prior.

iii. **Lessee's Proportionate Share.** Except as otherwise provided in this Lease, the Lessee's Proportionate Share of all such costs shall be the same percentage as the square footage of the floor area of the Premises is, of the total square footage of the leasable floor area within the Real Property. At the Commencement Date, the Lessee's percentage is 20% (twenty percent). The Lessee's Proportionate Share shall be adjusted for increases or decreases in the total leasable square footage of floor area within the Real Property. The Lessor shall have the right, from time to time, to allocate some or all of the operating costs for the Real Property among uses within the Real Property ("Cost Pool") in accordance with generally accepted accounting and management practices. Cost Pools shall be allocated and charged to the tenants within that Cost Pool based upon the square footage of each tenant's floor area compared to the total square footage of the leaseable floor area within that Cost Pool.

a. **Floor Area.** The term floor area means the aggregate amount of square feet of leasable floor area that is designed for the exclusive use and occupancy by tenants. The leasable floor area does not include common areas, mezzanine areas and areas for management and promotion offices by the Lessor.

b. **Gross Up.** If less than 100% of the leasable floor area within the Real Property is occupied during any calendar year, then the variable portion of the operating costs for that period shall be adjusted to an amount that is equal to the total of the variable operating costs that would have been incurred by Lessor, if 100% of the leasable floor area within the Real Property had been occupied for the entire calendar year. In calculating the operating costs the Lessor would have incurred in implementing this "gross up provision," the calculation shall assume

that all tenants of the Real Property pay full rent, as contrasted with free rent, half rent or otherwise reduced rent. For purposes of this section, the variable portion of operating costs are those costs that vary with occupancy such as utilities that are not separately metered.

c. **Exclusions from Additional Rent.** Notwithstanding any provision of this Lease to the contrary, the following items shall be excluded from Additional Rent to be reimbursed or paid by Lessee:

- i. Repairs or other work occasioned by fire, windstorm or other casualty of an insured nature (but not including the deductible portion) or by the exercise of eminent domain or any expenditures for which Lessor is entitled to and actually is reimbursed from any source including without limitation, insurance and condemnation proceeds;
- ii. All costs and expenses associated with leasing to other tenants, including tenant improvement allowances, attorney's fees, brokerage commissions and architectural fees, if any;
- iii. Renovating or otherwise improving or decorating, painting or redecorating space for other tenants;
- iv. Lessor's cost of electricity and any other services that are sold to other tenants and for which Lessor is entitled to reimbursement by such other tenants as an additional charge or rental over and above the base rent payable under the leases with such other tenants, if any;
- v. All items and services for which Lessee or other tenants reimburse Lessor or pays third parties;
- vi. Depreciation;
- vii. All costs related to Lessor's ground lease or financing, if any;
- viii. Income taxes or other taxes personal to the Lessor;
- ix. Expenses for repairs or maintenance related to the Building which were reimbursed to Lessor pursuant to warranties or service contracts;
- x. Legal, auditing, consulting, and professional fees paid or incurred in connection with negotiations for leases, financings, refinancings, sales, acquisitions, or further development of the Property; and

xi. The cost of any disputes (other than tax disputes and those which generally benefit the tenants of the Building) including, without limitation, legal fees, between Lessor, any employee or agency of Lessor, or any mortgagees of Lessor.

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 an ongoing 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 5-business day period shall be deemed rejection of Landlord's Offer Notice.

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

LESSOR:
MATICO, LLC



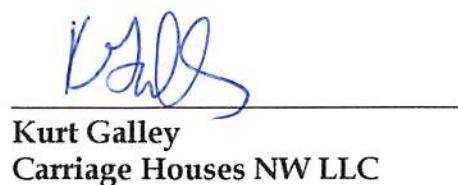
Michael Warden
Matico LLC, Managing Member

LESSEE:



Marko Jukanovich
Carriage Houses NW LLC

LESSEE:

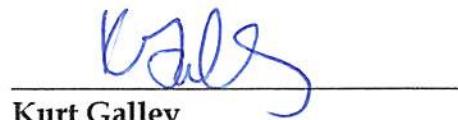


Kurt Galley
Carriage Houses NW LLC

GUARANTORS



Marko Jukanovich



Kurt Galley

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 28 day of September, 2020.

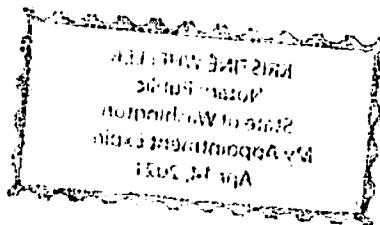


K Wheeler
Print Name: Kristine Wheeler
NOTARY PUBLIC in and for the State
of Washington. My Commission
Expires: 4/14/21

7. 2014/01/01 10:00:00
8. 2014/01/01 10:00:00

9. *FIG. 11. The 100% calibration of the detector was carried out with a 100% detector efficiency and a 100% signal acquisition for the entire detector. The detector efficiency was measured with a detector efficiency of 100% and a signal acquisition of 100% (2014/01/01 10:00:00). The detector efficiency was measured with a detector efficiency of 100% and a signal acquisition of 100% (2014/01/01 10:00:00).*

10. *FIG. 12. The 100% calibration of the detector was carried out with a 100% detector efficiency and a 100% signal acquisition for the entire detector. The detector efficiency was measured with a detector efficiency of 100% and a signal acquisition of 100% (2014/01/01 10:00:00). The detector efficiency was measured with a detector efficiency of 100% and a signal acquisition of 100% (2014/01/01 10:00:00).*



LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this day personally appeared before me [MARKO JUKANOVICH], to me known to be the individual described above and who executed the within and foregoing instrument and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal this 28 day of Sept, 2020.



K Wheeler
Print Name: Kristine Wheeler
NOTARY PUBLIC in and for the State
of Washington. My Commission
Expires: 4/14/21

LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this day personally appeared before me [KURT GALLEY], to me known to be the individual described above and who executed the within and foregoing instrument and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal this 28 day of Sept, 2020.



K Wheeler
Print Name: Kristine Wheeler
NOTARY PUBLIC in and for the State
of Washington. My Commission
Expires: 4/14/21

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GUARANTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this day personally appeared before me [MARKO JUKANOVICH], to me known to be the individual described above and who executed the within and foregoing instrument and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal this 28 day of Sept, 2020.



K Wheeler
Print Name: Kristine Wheeler
NOTARY PUBLIC in and for the State
of Washington. My Commission
Expires: 4/14/21

GUARANTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this day personally appeared before me [KURT GALLEY], to me known to be the individual described above and who executed the within and foregoing instrument and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal this 28 day of Sept, 2020.



K Wheeler
Print Name: Kristine Wheeler
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of Washington. My Commission
Expires: 4/14/21