



200102210082

Skagit County Auditor

2/21/2001 Page 1 of 5 3:50:42PM

COVER SHEET (For Multiple Documents)

RETURN TO:

ISLAND TITLE COMPANY

PO BOX 1228

ANACORTES WA 98221

ISLAND TITLE CO.

A 20257

DOCUMENT TITLE(S) (list all titles contained in document);

1. FIRST AMENDMENT TO LEASE 2.

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

1. 200102210082 2.

[] ADDITIONAL REFERENCE NUMBERS ON PAGE _____ OF DOCUMENT.

GRANTOR(S) (Last name, first name and initials):

1. PORT OF ANACORTES 1.

2. 2.

3. 3.

4. 4.

[] ADDITIONAL NAMES ON PAGE _____ OF DOCUMENT.

GRANTEE(S) (Last name, first name and initials):

1. BARTRAM, HAROLD 1.

2. BARTRAM, BETTY 2.

3. 3.

4. 4.

SKAGIT COUNTY WASHINGTON

Real Estate Excise Tax

FEB 21 2001

Amount Paid \$0
Skagit Co. Treasurer
By [Signature] Deputy

[] ADDITIONAL NAMES ON PAGE _____ OF DOCUMENT.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

PTN NE NE Sec. 27, T35N, R1EWM

[] ADDITIONAL LEGAL(S) ON PAGE _____ OF DOCUMENT.

ASSESSOR'S PARCEL/TAX I.D. NUMBER:

P32372

[] TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE _____ OF DOCUMENT.

FIRST AMENDMENT TO LEASE

IT IS HEREBY MUTUALLY AGREED, by and between the **PORT OF ANACORTES**, a Washington municipal corporation, herein referred to as "Lessor" and **Harold Bartram and Betty Bartram, husband and wife**, hereinafter referred to as "Lessee," that this Agreement amends the LEASE between the parties hereto, dated April 25, 1996, and commencing on June 1, 1996.

WITNESSETH

In consideration of the mutuality of benefit inherent hereto, the parties hereto do mutually agree as follows:

- 1. TERM.** The fourth sentence of Section 2., titled **TERM.**, shall be amended to read: "Lessee is granted the right to extend the term of this Lease for two (2) consecutive ten (10) year extension periods by giving written notice of said intention to Lessor not less than ninety (90) days prior to the expiration of the current term, conditioned upon and subject to (i) Lessee being in full compliance with all terms and conditions of this Lease when the notice is given and at the commencement of the extension period, (ii) the improvements placed on the Premises by the Lessee meeting maintenance standards common to the industry and Airport standards adopted from time to time by the Federal Aviation Administration or Lessor, (iii) the improvements in accordance with the Port of Anacortes Airport Master Plan, and (iv) the Premises not being needed for major capital improvement project by Lessor."
- 2. BUSINESS PURPOSE AND TYPE OF ACTIVITY.** Section 9., titled **BUSINESS PURPOSE AND TYPE OF ACTIVITY.**, shall be amended to read; It is understood and agreed that Lessee intends to use the Premises solely for the purpose of storage of aircraft; provided so long as Premises are being used for storage of said aircraft Lessee shall be entitled to use the Premises for storage of personal vehicles, along with related offices and crew quarters for incidental use. Failure to perform the above type of activity except for reason beyond Lessee's reasonable control, or the carrying on of other type(s) of unauthorized activities, without first obtaining a lease modification with Lessor's written approval of such other type(s) or cessation of activities, shall constitute a material default by Lessee of this Lease. Lessee specifically agrees that this section shall be strictly construed to assure that the Premises and operations or activities conducted on said Premises are in full compliance with all applicable environmental or other laws and regulations. Lessee shall at all times operate on the Premises in a manner which will assure the safe, lawful and healthful use of the Premises. Lessee agrees that it will not disturb the Lessor or any other tenant of the Lessor by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the Premises. Lessee shall not disturb or create any unsafe condition due to common use of access ways and taxiways and shall insure that the wingspan of planes parked in Lessee's taxiway shall not extend beyond Lessee's lease boundary."
- 3. LAWS AND REGULATIONS.** The first sentence of Section 12., titled **LAWS AND REGULATIONS.**, shall be amended to read: " The Lessee agrees, at its sole cost and expense, to conform to, comply with and abide by all rules, codes, ordinances, requirements, orders, directions, laws and regulations of the United States, the State of Washington, and any municipality or agency of any of said entities, including rules and regulations of Lessor



200102210082
Skagit County Auditor

(specifically the Rules and Regulations of the Anacortes Airport), including without limitation, those relating to environmental matters or the Americans with Disabilities Act, now in existence or hereafter promulgated, 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 of said rules, codes, laws or regulations."

4. **PERMITS.** Section 13., titled **LESSEE WILL OBTAIN PERMITS.**, shall be amended to include the following sentences at the end thereof: "Any conditions on said approvals or permits which would affect Lessor are subject to Lessor's approval, which approval shall not be unreasonably delayed or withheld. Lessee agrees that this Lease is subject to modification by a survey, at Lessor's expense, and such survey shall document adequate land necessary to provide future access and service to the adjacent and nearby Lessor owned properties."
5. **CONSTRUCTION OF IMPROVEMENTS.** Section 14., titled **CONSTRUCTION OF IMPROVEMENTS.**, shall be amended by the addition of the following sentences at the end thereof: "Lessee shall be solely responsible for all cost and expense associated with providing utilities to Lessee's premises. The Lessee shall obtain Lessor's written approval of the location of all utility locations and hook-ups on Lessor's property prior to commencing construction of any improvements, which approval shall be not unreasonably delayed or withheld."
6. **REPAIRS AND MAINTENANCE.** The first sentence of subsection a. of Section 15., titled **REPAIRS AND MAINTENANCE.**, shall be amended to read: "Lessee shall at its sole cost and expense be responsible for undertaking repairs and maintenance of the Premises and all leasehold improvements on or to the Premises, as well as utilities constructed or paid for by Lessee as part of the leasehold improvements, and shall at all times preserve the Premises and leasehold improvements in as good repair as that on date of possession, reasonable wear and tear excepted."
7. **INSURANCE.** Section 21., titled **INSURANCE.**, shall be amended to include a new paragraph 21.g. which shall read: "Lessee shall maintain, at its sole expense, at any time when improvements are being constructed, altered or placed on the Premises, builder's risk insurance (in completed value non-reporting form) in an amount not less than the actual replacement value of all improvements on the Premises."
8. **ENTIRE AGREEMENT.** All other terms and conditions of the LEASE dated April 25, 1996, except as herein amended to the contrary, are confirmed, ratified and continued in all respects and are to remain in full force and effect. This agreement shall bind and inure to the benefit of the successors and assigns of the Port, and the successor and assigns of Lessee.
9. **FIRST RIGHT OF REFUSAL.** The parties mutually agree that Lessor is hereby granted the right of first refusal to purchase Lessee's leasehold improvements on the premises, at any time during the term of the Lease and any extension thereof, at the fair market value of the improvements. The fair market value being herein defined as the amount of cash which a well-informed buyer willing, but not obliged to buy the property, would pay, and which a well-informed seller willing, but not obliged to sell it, would accept, taking into consideration all uses to which the property is adapted and might in reason be applied. In the event that Lessee during the term of this Lease or any extension thereof, elects to sell the leasehold



200102210082

, Skagit County Auditor

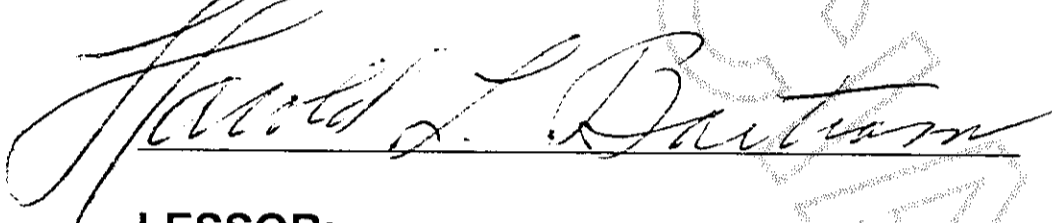
expense, shall hire an appraiser to determine the fair market value of the improvements. If the value cannot be agreed upon, the value shall be determined in the following manner:

The two appraisers shall appoint a third appraiser who shall proceed without delay to make an appraisal of the improvements in the manner herein provided. If no two appraisers can agree, the average of the valuation, shall be binding on the parties. The cost of the third appraisal shall be borne equally by both parties. Each appraiser shall have at least ten (10) years professional experience as an appraiser of properties in the Puget Sound area.

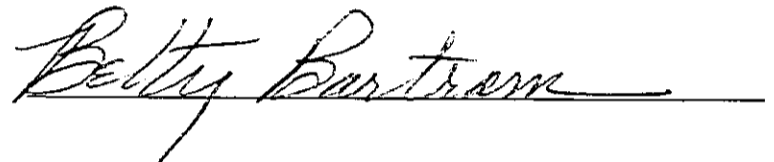
IN WITNESS WHEREOF, the parties hereto have set their hand and seals to this agreement this 19th day of February, 2000.

LESSEE:

HAROLD BARTRAM



BETTY BARTRAM



LESSOR:

PORT OF ANACORTES



Dan Stahl, Acting Executive Director

(Notary Acknowledgments Next Page)



200102210082
Skagit County Auditor

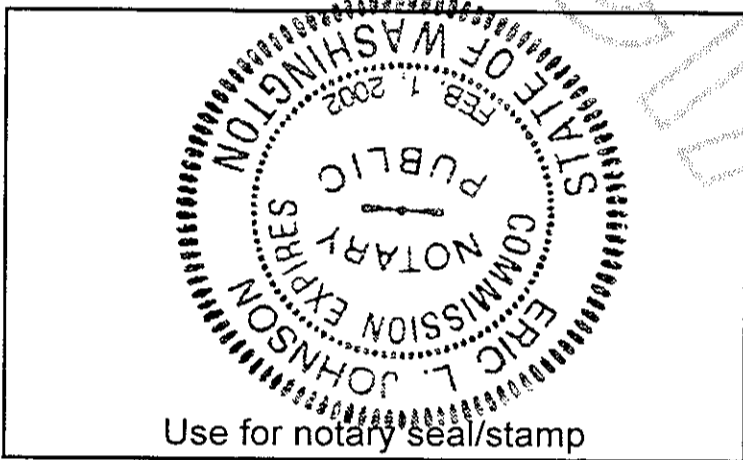
2/21/2001 Page 4 of 5 3:50:42PM

LESSOR ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 18th day of May, 2000, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn personally appeared **DAN STAHL**, to me known to be the **Acting Executive Director for the Port of Anacortes**, a municipal corporation organized under the laws of the State of Washington, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year in this certificate first above written.



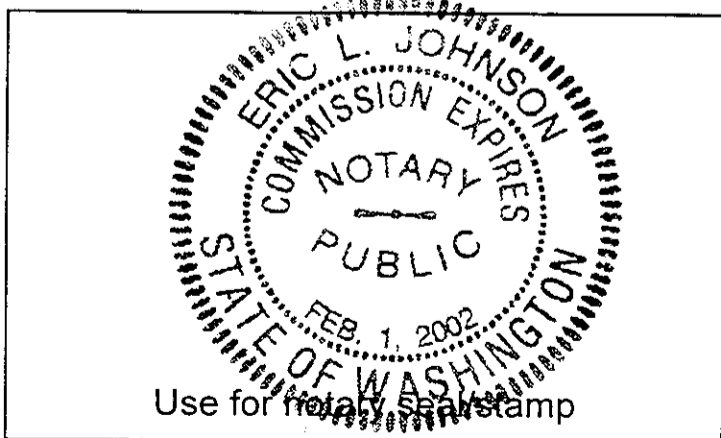
[Signature]
Notary Public
Print Name Eric Johnson
My Commission Expires: 2/1/02

ACKNOWLEDGEMENT FOR LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **HAROLD BARTRAM & BETTY BARTRAM** are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument, on oath stating that they signed this instrument as their free and voluntary act and deed for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal this 18th day of May, 2000.



[Signature]
Notary Public
Print Name Eric Johnson
My Commission Expires: 2/1/02



200102210082
Skagit County Auditor