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City of Anacortes
Legal Department
PO Box 547
Anacortes, WA 98221



200508190054
Skagit County Auditor

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**AMENDMENT NO. 2
TO LEASE AGREEMENTS**

**CITY OF ANACORTES AND
RADIUS ANACORTES PROPERTIES**

(ANACORTES CINEMAS)

**Agreements previously recorded under Skagit County Auditor
File Numbers 200102120108 and 200102120109**

AUGUST 2005 LEASE AMENDMENT

**CITY OF ANACORTES AND RADIUS ANACORTES PROPERTIES, LLC
(ANACORTES CINEMA)**

RECITALS

The City of Anacortes (Lessor) and Radius Anacortes Properties L.L.C. (Lessee) desire to strengthen their direct relationship and restructure the Rent Payment Schedule.

AGREEMENT

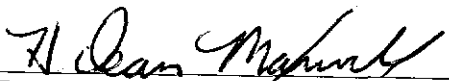
Section 4 is replaced in its entirety with the following:

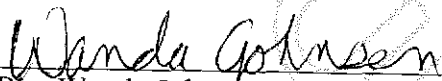
4. Rent:

- a. October 1, 2001 through September 30, 2005: Lease rent will be changed retroactively to \$800 p/month. WA State Leasehold Tax will be based on \$1,000 p/month lease rent or \$128.40 p/month through September 30, 2005.
- b. October 1, 2005 through September 30, 2009: Lease rent twill be \$1,000 p/month and WA State Leasehold Tax will be \$128.40 p/month or at whatever is the current legal rate.
- c. October 1, 2009 though September 30, 2013: Lease rent will be \$1, 200 p/month and WA State Leasehold Tax will be at whatever is the current legal rate.
- d. Thereafter, the rent shall be adjusted on April 1, 2013, 2017, 2021, and 2025 based on the percentage of change in the Consumer Price Index – All Urban Consumers (Seattle-Tacoma-Bremerton); to avoid using preliminary figures, the adjustment shall be based on the change from June the preceding year to the June four (4) years before.
- e. In no event shall the rent increase by more than 10% at each adjustment during the initial 25-year term.
- f. The City will waive all Late Fees accrued before September 30, 2005.
- g. The City will impose a \$100 Late Fee on all monthly payments not made within 15 days after the due date, which is the first of each month.
- h. The City will forgive all outstanding balances, if any, as of September 30, 2005.

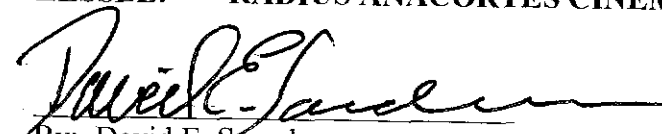
IN WITNESS WEREOF, the parties have executed this Lease Amendment effective the day and year first above written.

LESSOR: CITY OF ANACORTES


By: H. Dean Maxwell
Its: Mayor


By: Wanda Johnson
Its: City Clerk Treasurer

LESSEE: RADIUS ANACORTES CINEMAS, L.L.C.


By: David E. Saunders
Its: Manager



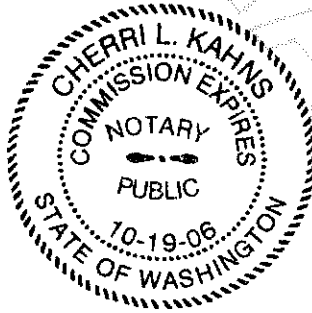
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ACKNOWLEDGMENT

STATE OF WASHINGTON)
COUNTY OF SKAGIT.....) ss.

On this 16th day of August 2005 before me, personally appeared H. Dean Maxwell, to me known to be the Mayor and Wanda Johnson, City Clerk of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument.

Given under my hand and official seal this 16th day of August, 2005.



Cherril Kahns Cherril Kahns
Notary Public in and for the State of Washington

Residing at: Mount Vernon.

My commission expires: 10-19-06.



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ACKNOWLEDGMENT

STATE OF WASHINGTON)
COUNTY OF SKAGIT.....) ss.
Grays Harbor

On this 5 day of Aug 2005 before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David E. Saunders, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 5th day of Aug, 2005.

Linda A. Ellis
Notary Public in and for the State of Washington
Residing at Aberdeen

My commission expires: 7-7-07



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Skagit County Auditor

UNOFFICIAL DOCUMENT

