



200606280155

Skagit County Auditor

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After Recording Return to:

Kenneth Dehn
Dehn Law Office, PLLC
5400 Carillon Point
Kirkland, WA 98033

Document title:

First Amendment of Lease

Reference numbers of related documents:

200509290125

Grantor:

Port of Anacortes (lessor)

Grantee:

48° North Aviation, LLC (lessee)

Legal Description (abbreviated form):

Ptn. SE SE, Sec. 22, T35N, R1EWM and Ptn. NE NE, Sec. 27, T35N, R1EWM

Assessor's Tax Parcel Numbers:

P32372 and P32356

FIRST AMENDMENT OF LEASE

This Agreement is made this 30th day of March, 2006 between the Port of Anacortes, a Washington municipal corporation, ("Lessor") and 48° North Aviation, LLC, a Washington limited liability company ("Lessee"), regarding the amendment of that certain lease agreement between them dated December 4, 2003 (the "Lease Agreement").

Whereas, pursuant to Section 1(b) of the Lease Agreement, Lessee has obtained a survey of the Premises by a licensed surveyor, and Lessee's survey has produced a legal description and map of the Premises, and the parties wish to incorporate the legal description and map into the Lease Agreement, and

Whereas, the parties wish to modify certain the terms of the Lease Agreement;

Now, therefore, the parties agree to the following amendments to the Lease Agreement.

1. Subsection (a) of Section 1, Property Subject to This Lease, is deleted and replaced with the following:

a. PREMISES DESCRIBED

The parties hereto acknowledge and agree that the illustration marked Exhibit "B" attached hereto and incorporated herein as though fully set forth here accurately depicts the land that forms the Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, which is the area of land labeled "Hangar Pad No. 9" and "Hangar Pad No. 10" on Exhibit "B", and which is further described as two building footprints and apron area, totaling 101,231 square feet (s.f.), measuring as follows:

	<u>Dimensions</u>	<u>Area</u>
Hangar 9 footprint	52.16' x 410.2'	21,396 s.f.
Hangar 9 apron area	27.5' x 430.2' E & W and 10' x 52.16' N & S	24,704 s.f.
Hangar 10 footprint	70.24' x 420.2'	29,515 s.f.
Hangar 10 apron area	27.5' x 440.2' E & W and 10' x 70.24' N & S	25,616

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

Total 101,231 s.f.

JUN 28 2006

Amount Paid
By Skagit Co. Treasurer Deputy



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2. Section 1(b), SURVEY, shall be deleted and replaced with the following:

Lessee has obtained a survey from a licensed land surveyor, for the purpose of fully establishing and marking the exact location and bounds of the Premises within the Property with the good-faith cooperation of Lessor. The results of the survey are reflected in Exhibit "B".

3. A new subsection (d) is added to Section 1, Property Subject to This Lease, as follows:

d. EASEMENT FOR ACCESS. During the term of this Lease Agreement: (i) the Premises shall have a non-exclusive easement for access by automobiles and trucks to and from Airport Road for ingress and egress, and (ii) the Premises shall have a non-exclusive easement for access by aircraft to the airport's runway for ingress and egress.

4. In section 2, Term, subsection (a) is deleted in its entirety and replaced with the following:

a. The term of this Lease shall be for a period of thirty (30) years, unless terminated pursuant to any provision of this Lease, commencing June 15, 2005.

5. In section 4, Rental, the table is deleted in its entirety and replaced with the following table:

\$2155.33 per month determined as follows:

A) Hangar Pad No. 9

(i) building footprint:	21,396 s.f.	
Rate*:	Land value (\$4.00/s.f.) x ROI** (8.5%/yr) =	\$0.34/s.f./yr
Rent:	21,396 s.f. x \$0.34/s.f./yr	<u>\$7,274.64/yr</u>
(ii) apron area:	24,704 s.f.	
Rate*:	50% of Building Footprint Initial Rate =	\$0.17/s.f..
Rent:	24,704 s.f. x \$0.17/s.f./yr	<u>\$4,199.68/yr</u>
Hangar Pad No. 9 Initial Rental: (i=ii)		<u>\$11,474.32/yr</u>

B) Hangar Pad No. 10

(i) building footprint: 29,515 s.f.
 Rate*: Land value (\$4.00 /s.f.) x ROI** (8.5%/yr) = \$0.34/s.f./yr \$10,035.10/yr
 Rent: 29,515 s.f. x \$0.34 /s.f./yr
 (ii) apron area: 25,615 s.f. \$4,354.55/yr
 Rate*: 50% of Building Footprint Initial Rate = \$.17/s.f.
 Rent: 25,615 s.f. x \$0.17/s.f./yr

Hangar Pad No. 10 Initial Rental: (i=ii) \$14,389.65/yr

* * Rate shown is the initial rate at levels established in the original lease term. Annual and Periodic adjustments will be made as established in Section 5.

** ROI = Return on investment established by Port Policy.

Hangar Pads No. 9 & 10 Total

	Bldg. Footprint s.f.	Bldg. Footprint rent	Apron s.f.	Apron Rent	Total
Hangar Pad No. 9	21,396	\$7,274.64/yr	24,704	\$4,199.68/yr	\$11,474.32/yr
Hangar Pad No. 10	29,515	\$10,035.10/yr	25,615	\$4,354.55/yr	\$14,389.65/yr
Total	50,911	\$17,309.74/yr	50,319	\$8,554.23/yr	\$25,863.97/yr

Monthly rent: \$25,863.97/12 = \$2,155.33

Plus applicable Washington State lease hold tax.

6. Section 9(d), Parking, shall be amended by adding the following sentence at the end of the existing text:

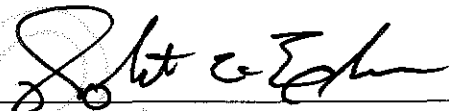
It shall not be considered a breach of this lease for Lessee or its employees, agents, contractors or invitees to use pay-parking lots furnished by Lessor for public use on the Property.

7. Exhibit B of the Lease Agreement, Map of Lease Area, shall be deleted in its entirety and replaced with the attached document entitled Exhibit B, Map of Lease Area.

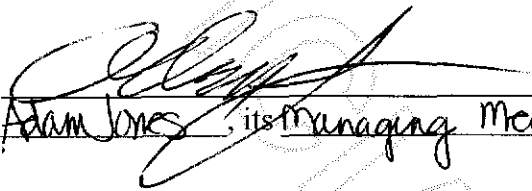
8. Except as modified herein, the Lease Agreement shall remain in full force and effect, and all other terms and conditions of the Lease agreement are ratified and confirmed in all respects.



SIGNATURE OF LESSOR
Port of Anacortes

By: 
Robert Elsner, its Interim Executive Director

SIGNATURES FOR LESSEE
48° North Aviation, LLC

By: 
Adam Jones, its Managing Member

Acknowledgement of Corporate Lessor

First Amendment of Lease
Port of Anacortes &
48° North Aviation, LLC



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Skagit County Auditor

State of Washington)
) ss.
County of SKAGIT)

On this day personally appeared before me **Robert Elsner**, to me known to be the Interim Executive Director of the municipal corporation that executed the within and foregoing instrument, and acknowledged 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 he was authorized to execute said instrument.

Given under my hand and official seal this 14th day of JUNE, 2006.



Julienne M. Lindsey
Notary Public in and for the State of Washington
Residing at Anacortes
My appointment expires: 07-24-08

First Amendment of Lease
Port of Anacortes &
48° North Aviation, LLC



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Acknowledgements of Limited Liability Company Lessee

State of Washington)
County of Snohomish) ss.

On this day personally appeared before me Adam Jones to me known to be a member of the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated he was authorized to execute said instrument.

Given under my hand and official seal this 12 day of June, 2006.



Barbara Gayl Spilman

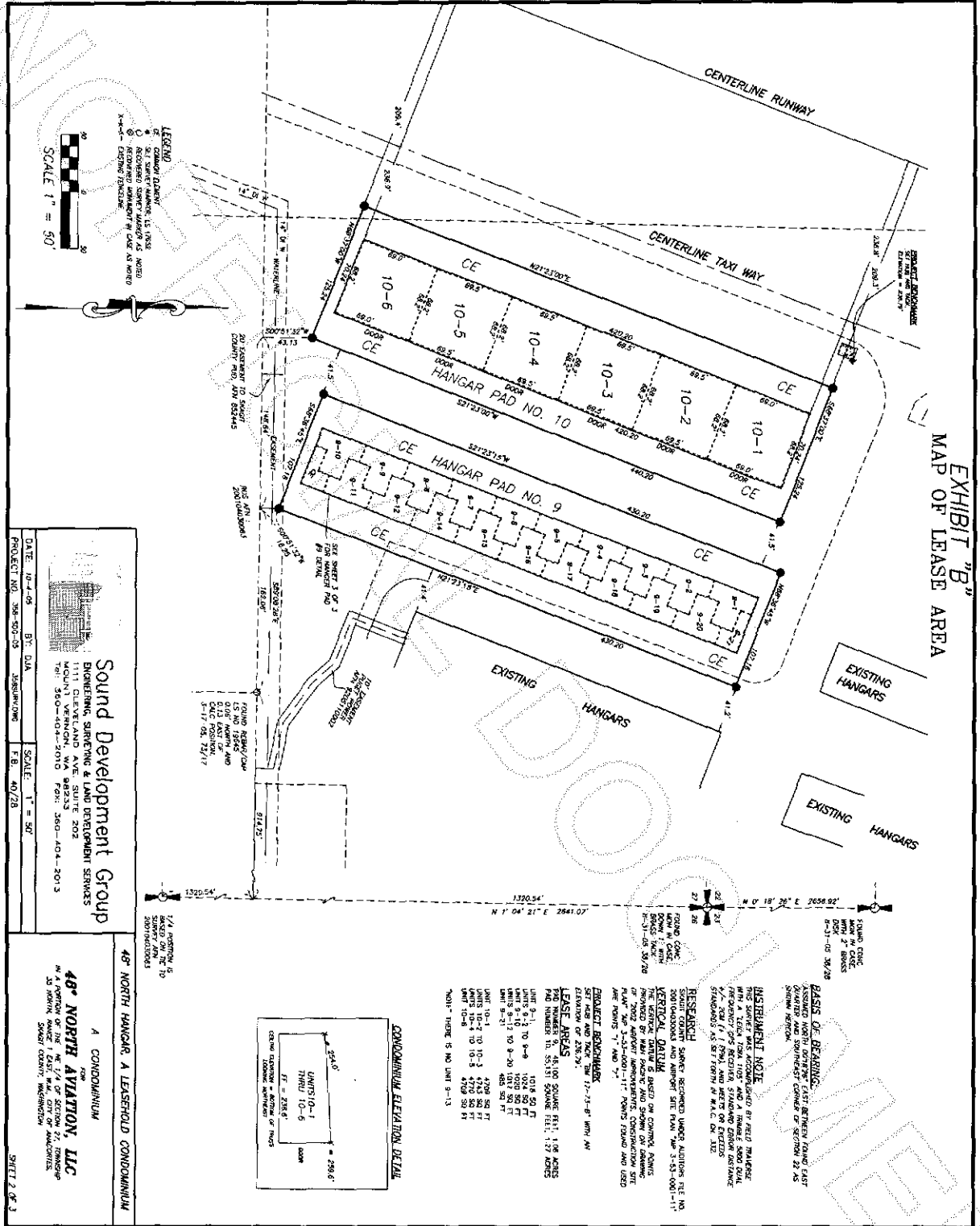
Notary Public in and for the State of Washington

Residing at Leavenworth

My appointment expires: 3/16/08



EXHIBIT "B"
MAP OF LEASE AREA



Sound Development Group
ENGINEERING SURVEY & LAND DEVELOPMENT SERVICES
1111 CLEVELAND AVE SUITE 502
MOUNT VERNON, WA 98233
TEL: 360-404-2010 FAX: 360-404-2013

DATE: 12-4-06 BY: DAA
PROJECT NO: 206-50-05 JURISDICTION: F.B. 40/78
SCALE: 1" = 30'

48th NORTH HANGAR, A LEASEFIELD CONDOMINIUM
A CONDOMINIUM
48th NORTH AVIATION, LLC
A PARTNER OF THE 1st, 1st 1/4th OF SECTION 21, TOWNSHIP 20 NORTH, SKAGIT COUNTY, WASHINGTON

SHEET 2 OF 3

CONDOMINIUM ELEVATION DETAIL

UNIT 10-1
UNIT 10-2
UNIT 10-3
UNIT 10-4
UNIT 10-5
UNIT 10-6

UNIT 9-1
UNIT 9-2
UNIT 9-3
UNIT 9-4
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UNIT 9-100

BASE OF BEARING:
ASSUMED NORTH DIRECTION EAST-BEARING FROM EAST-SOUTH LINE OF SECTION 21, TOWNSHIP 20 NORTH, SKAGIT COUNTY, WASHINGTON.

INSTALLMENT NOTE:
THIS SURVEY WAS ACCOMPLISHED BY FIELD MEASUREMENT WITH A TOTAL STATION TOTAL STATION AND A TRIMBLE 3000 DUAL 4" x 4" TOTAL STATION AND A TRIMBLE 3000 DUAL STATION AS SET FORTH IN W.A.C. OR. 112.

REFERENCE:
SURVEY RECORDED UNDER AUDITOR FILE NO. 2007-0000000000 AND MAPPER SITE PLAN MAP 3-53-0001-117.

VERTICAL DATUM:
THE VERTICAL DATUM IS BASED ON COMMON PRACTICE FOR THE AREA AND IS ASSUMED TO BE THE MEAN SEA LEVEL DATUM.

PROJECT BACKGROUND:
THE PROJECT IS A LEASEFIELD CONDOMINIUM DEVELOPMENT OF 100 UNITS, 48th NORTH AVIATION, LLC, SKAGIT COUNTY, WASHINGTON.

LEASE AREAS:
LEASE AREAS 9-1, 9-2, 9-3, 9-4, 9-5, 9-6, 9-7, 9-8, 9-9, 9-10, 9-11, 9-12, 9-13, 9-14, 9-15, 9-16, 9-17, 9-18, 9-19, 9-20, 9-21, 9-22, 9-23, 9-24, 9-25, 9-26, 9-27, 9-28, 9-29, 9-30, 9-31, 9-32, 9-33, 9-34, 9-35, 9-36, 9-37, 9-38, 9-39, 9-40, 9-41, 9-42, 9-43, 9-44, 9-45, 9-46, 9-47, 9-48, 9-49, 9-50, 9-51, 9-52, 9-53, 9-54, 9-55, 9-56, 9-57, 9-58, 9-59, 9-60, 9-61, 9-62, 9-63, 9-64, 9-65, 9-66, 9-67, 9-68, 9-69, 9-70, 9-71, 9-72, 9-73, 9-74, 9-75, 9-76, 9-77, 9-78, 9-79, 9-80, 9-81, 9-82, 9-83, 9-84, 9-85, 9-86, 9-87, 9-88, 9-89, 9-90, 9-91, 9-92, 9-93, 9-94, 9-95, 9-96, 9-97, 9-98, 9-99, 9-100.

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**EXHIBIT C
SURVEY**

LEGAL DESCRIPTION OF LEASED AREA

Those portions of the Northeast Quarter of Section 27, Township 35 North, Range 1 East, WM described as follows:

Parcel 1, Hangar Pad No. 9

Commencing at the East Quarter corner of Section 22, Township 35 North, Range 1 East, WM; Thence South $0^{\circ} 18' 26''$ West, along the East line of said Section 22, a distance of 2656.92 feet to the Southeast Corner of said Section 22; Thence South $1^{\circ} 04' 21''$ West, along the East line of said Section 27 a distance of 1320.54 feet to the Southeast corner of the Northeast Quarter of the Northeast Quarter of said Section 27; Thence North $89^{\circ} 08' 28''$ West, along the South line of said Northeast Quarter of the Northeast Quarter, 1076.81 feet; Thence North $0^{\circ} 51' 32''$ East 16.25 feet to a set rebar and cap with survey number 17652 and the **TRUE POINT OF BEGINNING**; Thence North $21^{\circ} 23' 15''$ East 430.20 feet to a set rebar and cap with survey number 17652; thence North $68^{\circ} 36' 45''$ West 107.16 feet to a set rebar and cap with survey number 17652; Thence South $21^{\circ} 23' 15''$ West 430.20 feet to a set rebar and cap with survey number 17652; Thence South $68^{\circ} 36' 45''$ East 107.16 feet to the **TRUE POINT OF BEGINNING**.

Containing 46,100 Square feet or 1.06 Acres

Situate in the County of Skagit, State of Washington

Parcel 2, Hangar Pad No. 10

Commencing at the East Quarter corner of Section 22, Township 35 North, Range 1 East, WM; Thence South $0^{\circ} 18' 26''$ West, along the East line of said Section 22, a distance of 2656.92 feet to the Southeast Corner of said Section 22; Thence South $1^{\circ} 04' 21''$ West, along the East line of said Section 27 a distance of 1320.54 feet to the Southeast corner of the Northeast Quarter of the Northeast Quarter of said Section 27; Thence North $89^{\circ} 08' 28''$ West, along the South line of said Northeast Quarter of the Northeast Quarter, 1225.45 feet; Thence North $0^{\circ} 51' 32''$ East 43.13 feet to a set rebar and cap with survey number 17652 and the **TRUE POINT OF BEGINNING**; Thence North $21^{\circ} 23' 00''$ East 440.20 feet to a set rebar and cap with survey number 17652; Thence North $68^{\circ} 37' 00''$ West 125.24 feet to a set rebar and cap with survey number 17652; Thence South $21^{\circ} 23' 00''$ West 440.20 feet to a set rebar and cap with survey number 17652; Thence South $68^{\circ} 37' 00''$ East 125.24 to the **TRUE POINT OF BEGINNING**.
Containing 55,131 Square feet or 1.27 Acres

Situate in the County of Skagit, State of Washington

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Port of Anacortes &
48° North Aviation, LLC



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