



201307300128

WHEN RECORDED RETURN TO:

Land Title and Escrow
3010 Commercial Avenue
Anacortes, WA 98221

Skagit County Auditor

\$78.00

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LAND TITLE OF SKAGIT COUNTY

DOCUMENT TITLE(S):

Reservation

147079 -
SAE

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTORS:

STOWE LAND, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY

GRANTEE:

PORT OF ANACORTES, A WASHINGTON MUNICIPAL CORPORATION

ABBREVIATED LEGAL DESCRIPTION:

TAX PARCEL NUMBER(S):

P55354/3772-066-006-0005, P55358/3772-066-018-0001, P55359/3772-066-020-0007

RESERVATION

THIS RESERVATION (the "Reservation") is made and entered into on this 30th day of July, 2013, by and between STOWE LAND, LLC, a Washington limited liability company (hereinafter referred to as "Grantor") and the PORT OF ANACORTES, a Washington municipal corporation (hereinafter referred to as "Grantee").

WHEREAS, pursuant to a Purchase and Sale Agreement dated 6/20/13 and Statutory Warranty Deed of a date even herewith, Grantor has conveyed to Grantee certain real property, situated in Skagit County, Washington (the "Property"), that is legally described in Exhibit "A" attached hereto, subject to the reservation of certain exclusive rights and non-exclusive rights described herein until two (2) years from the date of execution of this Reservation (the "Reservation Period"), at which time the reservation shall automatically terminate.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that during the Reservation Period, the following conditions shall apply:

1. **Rents.** Grantor shall retain all rents related to the Property.
2. **Use of Property and Improvements.** Grantor will use the Property according to its accustomed use and shall abide by all laws and regulations in connection with its use of the Property during the Reservation Period. Grantor will, at Grantor's sole expense, reasonably maintain the improvements located on the Property in the condition the improvements are in at the time of execution of this Reservation.
3. **Property Access.** Upon reasonable notification to Grantor (not less than 24 hours), Grantee and its consultants shall be entitled to access the Property to perform environmental testing as further set forth in the Purchase and Sale Agreement.
4. **Insurance.** Grantor covenants and agrees that it will, at all times during the Reservation Period, carry a comprehensive general liability insurance policy in an amount of not less than Five Hundred Thousand Dollars (\$500,000.00) combined, single limit coverage, naming Grantee as an additional insured with coverages reasonably satisfactory to Grantee. Grantor shall provide evidence of such insurance to Grantee.
5. **Taxes and Assessments.** Grantor shall pay its pro rata share of all taxes and assessments including, but not limited to, storm water assessments assessed against the Property during the Reservation Period. Without limiting the foregoing, Grantor shall be responsible for all real or personal property taxes due for rights and uses it has maintained on the Property during the term of this Reservation.
6. **Litigation Against Grantor.** In the event that Grantee shall be made a party to any litigation commenced by or against Grantor arising from this Reservation, then Grantor agrees to pay all costs, expert witness fees, and attorneys' fees, including all customary charges,

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incurred by Grantee in connection with such litigation. This paragraph shall not apply to any dispute solely between Grantor and Grantee concerning this Reservation.

7. **Indemnification and Hold Harmless.** Grantor covenants and agrees that it will protect, save, and keep Grantee forever harmless and indemnified from any damages (including fines or penalties) related to the Property or Grantor's use of the Property arising as a result of accidents, injuries, or other occurrences, whether occasioned by the negligence or willful conduct of Grantor, or those on the Property in connection with Grantor, regardless of who the injured party may be, during the term of this Reservation.

8. **Vacation of Property.** Prior to expiration of the Reservation Period, Grantor will vacate the Property and ensure that all tenants have vacated the Property. Vacation of the Property by Grantor and the tenants shall include removal of all furniture, fixtures, equipment, and other personal property unless Grantee otherwise consents. The Property will be delivered in "broom clean" condition which means vacant, with all personal property items removed and all debris removed.

9. **Environmental Investigation.** Grantor shall cooperate with Grantee to locate any records that may be in Grantor's possession concerning past owners of and operators at the Property and past commercial general liability insurance policies which may be able to respond to any environmental contamination.

10. **Leasehold Excise Tax.** If leasehold excise tax is required pursuant to Chapter 82.29A RCW, Grantee will be responsible for such tax.

11. **Non Waiver.** Neither the acceptance of rent nor any other act or omission of Grantor or Grantee shall operate as a waiver or be construed to prevent Grantor or Grantee from promptly exercising any other right or remedy it has under this Reservation.

12. **Notices.** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses as follows:

To Grantor: Stowe Land, LLC
Attn: Thomas Stowe, Managing Member
PO Box 847
Anacortes, WA 98221

To Grantee: Robert Hyde
Executive Director
Port of Anacortes
PO Box 297
Anacortes, WA 98221

or other address as may have been specified by notifying the other party, in writing, of such change of address. Notice shall be deemed served on the date of actual delivery or the first

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attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

13. **Interpretation.** In any dispute between the Grantor and the Grantee, the language of this Reservation shall in all cases be construed as a whole according to its fair meaning and not for or against either the Grantor or the Grantee. If any provision is found to be ambiguous, the language shall not be construed against either the Grantor or the Grantee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Reservation.

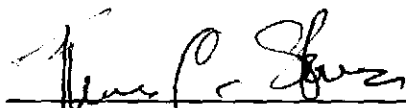
14. **Survival.** All obligations of the Grantor and the Grantee, as provided for in this Reservation, shall not cease upon the termination of this Reservation and shall continue as obligations until fully performed. All clauses of this Reservation which require performance beyond the termination date shall survive the termination date of this Reservation until fully performed.

15. **Entire Agreement.** This Reservation contains all of the understandings between the Grantor and the Grantee with regard to the reservation of exclusive rights and non-exclusive rights for the continued possession of the Property. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Reservation which have not been reduced to writing herein or contained in the Purchase and Sale Agreement. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Reservation executed with all necessary legal formalities by the Commission of the Port of Anacortes.

IN WITNESS WHEREOF, the parties have executed this Reservation as of the date set forth above.

GRANTOR:

STOWE LAND, LLC

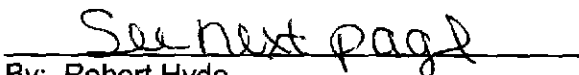


By: Thomas Stowe
Its: Managing Member



GRANTEE:

PORT OF ANACORTES



By: Robert Hyde
Its: Executive Director

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GRANTOR:

STOWE LAND, LLC

By: Thomas Stowe
Its: Managing Member

GRANTEE:

PORT OF ANACORTES

By: Robert Hyde
Its: Executive Director

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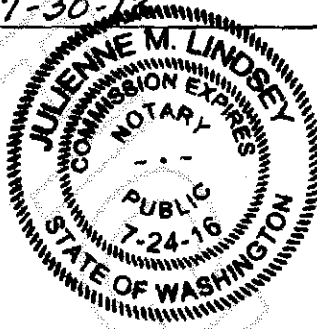
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STATE OF Washington }
County of Skagit , SS:

I certify that I know or have satisfactory evidence that Robert W. Hyde, Port of Anacortes, Executive Director signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Executive Director of Port of Anacortes, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 07-30-13



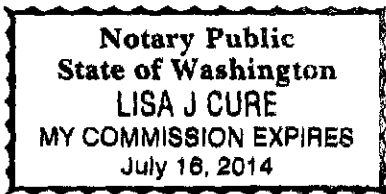
Julienne M. Lindsey

Notary Public in and for the State of Washington
Residing at Anacortes, WA
My appointment expires: 07-24-16

STATE OF Washington }
County of Skagit , SS:

I certify that I know or have satisfactory evidence that Thomas C. Stowe and Patricia R. Stowe signed this instrument, on oath stated that They are authorized to execute the instrument and acknowledged it as the Co-Managers of Stowe Land, L.L.C. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 7/30/13



Lisa J. Cure
Notary Public in and for the State of Washington
Residing at Mt Vernon
My appointment expires: 7-16-14



Lots 1 through 6, inclusive and Lots 16 through 20, inclusive, Block 66, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington.

TOGETHER WITH that portion of the North ½ of the vacated alley adjacent to Lots 1 through 6, inclusive, and that portion of the South ½ of said vacated alley adjacent to Lots 16 through 20, inclusive, which has reverted to said premises by operation of law. Situate in the City of Anacortes, County of Skagit, State of Washington.



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