



202409170142

09/17/2024 12:13 PM Pages: 1 of 14 Fees: \$316.50
Skagit County Auditor

COVER SHEET

Return to:

PORT OF SKAGIT COUNTY
15400 AIRPORT DRIVE
BURLINGTON, WA 98233

Document Title(s) (or transactions contained herein):

- 1. First Amendment to Ground Lease Agreement**

Reference No. of Related Document(s): 202409170141

Grantor(s) (last name, first name and initials):

- 1. Port of Skagit County**

Grantee(s) (last name, first name and initials):

- 1. Finn Hangar, LLC**

Legal Description (abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range)

**A PORTION OF 87, OF THE ALTERATION TO AMENDED SKAGIT
REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, AF
202112100111**

Additional Legal Description(s) on pages 2, 3 and 9 of Document.

Assessor's Parcel/Tax I.D. Number: P35352

FIRST AMENDMENT TO GROUND LEASE AGREEMENT

THIS FIRST AMENDMENT TO GROUND LEASE AGREEMENT (the "First Amendment") is made this 16 day of September 2024, by and between the Port of Skagit County, a Washington municipal corporation, "Lessor," and Finn Hangar LLC, "Lessee."

RECITALS

WHEREAS, Lessor and Lessee entered into a Ground Lease Agreement for real property described as a portion of Lot 87 of Amended Skagit Regional Airport Binding Site Plan Phase 1, recorded March 4, 2003, under Skagit County Auditor's file number 200303040030, dated March 11, 2022 ("Lease"), and

WHEREAS, the Ground Lease Agreement was for a hangar lot of approximately 37,850 feet; and

WHEREAS, Lessee has completed construction of one (1) hangar building on the Premises; and

WHEREAS, the hangar building consisting of two (2) hangar spaces was constructed on the Premises; and

WHEREAS, Lessor desires to condominiumize the Premises such that it can sell individual hangar spaces to individual unit owners; and

WHEREAS, Lessee may request approval of Lessor to condominiumize the Premises; and

WHEREAS, upon approval to condominiumize, Lessee shall create and form the condominium by the execution (with consent of Lessor, as owner of the fee interest in the Premises and by Lessee, as "Declarant") and recordation of a Declaration (as defined herein), in the official land records of Skagit County, Washington; and

WHEREAS, the condominium will be formed pursuant to Revised Code of Washington Chapter 64.90, the Washington Uniform Common Interest Ownership Act ("WUCIOA") which has certain requirements related to leasehold condominiums; and

WHEREAS, pursuant to WUCIOA a condominium association will be formed to manage the affairs of the condominium; and

FIRST AMENDMENT TO LEASE AGREEMENT
PORT OF SKAGIT COUNTY, LESSOR FINN
HANGAR LLC, LESSEE

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY <u>M. [Signature]</u>
DATE <u>9-17-24</u>

WHEREAS, RCW 64.90.230(2) provides that the Declaration may allow for the collection by the condominium association of the proportionate rents paid on the Lease by the unit owners as well as designating the condominium association as the representative of the unit owners on all matters relating to the Lease; and

WHEREAS, upon recording of the Declaration and conveyance of a unit, Lessee will assign its interest in the Lease to the condominium association created under the Declaration; and

WHEREAS, Lessor requires that the condominium association be the representative for all matters under the Lease, including a collection of rent, as described in WUCIOA; and

WHEREAS, Lessor and Lessee agree that RCW 64.90.230(2) and RCW 64.90.230(3) are mutually exclusive and the parties have elected to proceed solely and exclusively under RCW 64.90.230(2); and

WHEREAS, Lessor and Lessee desire to amend the Lease to add provisions for codominiumization of the Premises; and

WHEREAS, one requirement of WUCIOA is that there be a legal description of the real property subject to the Lease; and

WHEREAS, Lessor and Lessee have agreed to modify the existing Lease as follows:

AGREEMENT

IT IS HEREBY MUTUALLY AGREED, by and between the Lessor and Lessee that:

A. The Lease is hereby amended as follows:

The provisions of Paragraph 1. entitled "PROPERTY SUBJECT TO THIS LEASE AGREEMENT", is hereby amended as follows:

1. PROPERTY SUBJECT TO THIS LEASE AGREEMENT

The following described property (the "Premises") is covered by this Lease:

A portion of Lot 87 of Amended Skagit Regional Airport Binding Site

Plan Phase 1, recorded March 4, 2003, under Skagit County Auditor's file number 200303040030, consisting of a hangar lot of approximately 43,136 square feet (actual square footage shown on exhibits) legally described on attached Exhibit 1-A as depicted on attached Exhibit 1-B. This Lease shall be subject to that certain Declaration of Easement for Ingress, Egress, and Utilities dated 9/17/2024, recorded under Skagit County Auditor's File No. 202409170143, the legal description and depiction attached here as Exhibit 2.

The non-exclusive, non-preferential, and non-discriminatory right to use any aprons or taxiways to access the Airport runways shall be considered appurtenant to the Premises and shall be considered part of the definition of Premises.

The provisions of Paragraph 4. entitled "RENT" is hereby amended as follows:

4. RENT.

a. Beginning on the Occupancy Date, Lessee shall pay to Lessor, in lawful money of the United States, without any set-off or deduction, in addition to taxes, assessments, and other charges required to be paid hereunder by Lessee, an initial monthly rent for the Premises in an amount equal to the total square footage of the Premises, which is agreed to be 43,136 square feet, times \$0.04663 per square foot, plus Washington leasehold excise tax (the "Rent"). Estimated Rent will be \$2,011.42 plus Leasehold Excise Tax of \$258.27.

b. The Rent for each month shall be paid to the Lessor in advance on or before the first day of each and every month of the term of this Lease, and shall be payable at such place as the Lessor may hereinafter designate. The Rent may be further adjusted by the addition of other sums and charges specified elsewhere in this Lease. The Lessor shall have all of the same rights and remedies with respect to any additional rent or charges in the event of nonpayment or late payment as are available to it in the event of nonpayment or late payment of the Rent. The Rent shall be adjusted as provided in the below section entitled "PROCEDURE TO DETERMINE ANNUAL ADJUSTED RENT FOR INITIAL TERM."

c. Upon condominiumization of the Premises, the Lessee (specifically the condominium association once the Lease is assigned) shall be the party that must pay Rent to Lessor. Except as provided in d. below, the parties covenant that upon condominiumization of the Premises, it shall be a default of the Lease for any unit owner

to pay Rent directly to the Lessor, as Lessee is the designated party to collect and pay the Rent and in the event of such default Lessor shall be entitled to all remedies described in Paragraph 28 and applicable law.

d. In the event that the condominium association fails to pay the entire Rent that is owed, and the Lessor declares a default under the Lease, any unit owner(s) may pay the Lessor the entire delinquent amount owed to cure the default and cure breach of any other Lease covenant. No less than the entire Rent amount owed by the Lessee will be accepted and the entire delinquent amount shall be the "unit owner's share" under RCW 64.90.230(3).

The provisions of Paragraph 29, entitled "ASSIGNMENT AND SUBLEASE", are hereby amended to add the following new sub-paragraph:

g. Lessee may develop the Premises as a condominium pursuant to the provisions of WUCIOA; provided, however, that Lessee shall obtain Lessor's prior written approval to condominiumize the Premises, which approval shall not be unreasonably withheld. The Lessor's approval will include approval of the condominium declaration (the "Declaration") and the condominium survey map (the "Survey Map") that are required under WUCIOA prior to recording of the Declaration and the Survey Map against the Premises in the official land records of Skagit County. Lessor shall have a period of thirty (30) days within which to review such documents following the date upon Lessee delivers to Lessor and to Lessor's counsel true copies of the final proposed Declaration and Survey Map. Lessor's approval of such documents shall be evidenced by signed consent of Lessor, which consent of Lessor shall be attached to the Declaration. The Declaration shall comply with the provisions of Paragraph 35 below. Notwithstanding any of the provisions above, if Lessee creates a condominium on the Premises as provided herein, this Lease shall be assigned to the condominium association upon recording of a deed transferring Lessee's interest in the first condominium unit to a unit owner other than the Lessee. The assignment shall provide that upon the assignment of this Lease to the condominium association that the condominium association shall become absolutely and for all purposes substituted for the original Lessee under this Lease, and the original Lessee shall have no further liability under this Lease for events occurring after assignment of the Lease to the condominium association. The Lessee and the condominium association shall sign the Lessor's then-standard consent to assignment form as part of any such assignment. If, for any reason, the condominium or the condominium association is terminated, each and every party with an interest in the Premises at the time of such termination shall be jointly and severally liable as Lessee under this Lease; and, upon such termination, any and all transfers, including the transfer of any interest in the former condominium units, shall be subject to the provisions of Paragraph 29 of the Lease, including Lessor's prior approval.

h. The conveyance of Units to Owners or the granting of deeds of trusts to Unit lenders shall not require the consent of Lessor; however, the Owners shall provide notice of the same to the Lessor no later than ten (10) days after such conveyance or granting any such deeds of trust.

A new Paragraph 35. entitled "CONDOMINIUM" is hereby added as follows:

35. CONDOMINIUM

a. Declaration. In the event the condominiumization of the Premises is approved by Lessor pursuant to this Lease, then the following provision shall be included in the Condominium Declaration:

- 1) The Declaration shall comply with the requirements of RCW 64.90.230(1)(a) through (f).
- 2) The Declaration shall provide that the condominium association shall be the Lessee under the Lease and that the condominium association is designated as the representative of the unit owners on all matters related to the Lease.
- 3) The Declaration shall require the condominium association to collect from each unit owner a proportionate share of the Rent owing to the Lessor under the Lease as part of the common expenses of the condominium and condominium association shall timely pay to the Lessor all Rent owed under the Lease. The unit owners cannot pay the Lessor Rent directly, except as provided in paragraph 4.d. of this First Amendment. The Lessor has no obligation as it relates to individual unit owners. Any uncured default under the Lease, including a failure of the condominium association to pay rent or comply with Lease covenants, may result in termination of the Lease and of the condominium.
- 4) The Declaration is subject to and subordinate in all respects to the terms and conditions of the Lease, as amended. The provisions of Paragraph 35.b. will be incorporated into the Declaration.

b. Leasehold Condominium. The leasehold condominium provisions of WUCIOA are set forth in RCW 64.90.230. Subsection (2) states that the condominium declaration may provide for the collection of rents by the condominium association (See Section 35.a. above) while subsection (3) has language regarding unit owners and timely payment of unit owners' share of the rent related to termination of the Lease. The Lessor and Lessee acknowledge that the condominium association shall be responsible for all aspects of the Lease, including payment of Rent, pursuant to RCW 64.90.230(2). The

Lessor and Lessee hereby agree that (2) and (3) are mutually exclusive and RCW 64.90.230(3) is not applicable, as the condominium association will collect the rent and be the designated representative of the unit owners on all manners relating to this Lease pursuant to RCW 64.90.230(2). Additionally, except for the limited exception upon default under the Lease described in Section 4.d, the Lessee is the only party that may pay Rent to the Lessor and it is a violation of the Lease for individual unit owners to attempt to pay Rent directly to the Lessor. The unit owners will provide an irrevocable power of attorney to the condominium association. If RCW 64.90.230(3) becomes applicable or ruled to apply by a court of law against Lessor, then the condominium association and the unit owners individually at the time of such ruling shall defend, indemnify and hold harmless the Lessor from any damages or claims (including but not limited to attorneys' fees and costs) related to the invocation of RCW 64.90.230(3).

c. The condominium's association shall have no authority to take any of the following actions, or consent to the following actions, without the prior consent of Lessor:

- 1) Intentionally take any action in violation of the Lease;
- 2) Merge or consolidate the condominium association with or into any other association;
- 3) Dissolve the condominium association;
- 4) File any voluntary position under Title 11 of the United States Code, the Bankruptcy Code, or the protection of any federal or state bankruptcy or insolvency law or debtor relief statute;
- 5) Amend Section 3.4 of the condominium declaration.

The provisions of Exhibit 1 are hereby amended as follows:

Exhibit 1 of the Lease is amended and replaced with Exhibit "1-A" and Exhibit "1-B" both of which are attached hereto and incorporated herein by this reference:

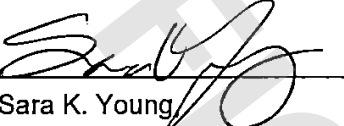
B. In partial consideration for the Lessor consenting to this First Amendment, the Lessee does hereby forever release, indemnify, and hold harmless the Lessor and its commissioners, employees, and agents from any and all Claims arising from, or connected with, the Lease, or the Premises through the date of this First Amendment. For purposes of this paragraph, the term "Claims" means any and all claims, demands, lawsuits, judgments, demands, fines or penalties, whether known or unknown and whether liquidated or unliquidated on the date of this First Amendment.

C. All other terms and conditions of the Lease, except as herein amended, are ratified and confirmed in all respects and are to remain in full force and effect. This

First Amendment shall bind and inure to the benefit of the successors and assigns of the Lessor and Lessee.

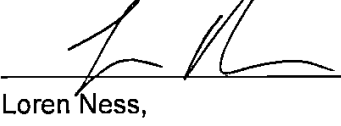
IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be signed on the dates written below.

LESSOR:
PORT OF SKAGIT COUNTY


Sara K. Young,
Executive Director

9/16/2024
Date

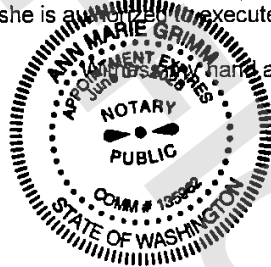
LESSEE:
FINN HANGAR LLC


Loren Ness,
Managing Member

9/16/2024
Date

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 16 day of September 2024, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Sara K. Young, to me known to be the Executive Director of the Port of Skagit County, a municipal corporation, the corporation that executed the 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 she is authorized to execute the said instrument,



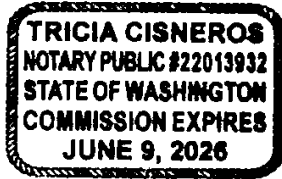
Witness my hand and official seal hereto affixed the day and year first above written.

Ann Marie Grimm
Notary Public in and for the state of Washington
Residing at Bellingham
My commission expires: 6-7-28
printed Name: Ann Marie Grimm

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 16 day of September 2024, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Loren Ness, to me known to be the Managing Member that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Tricia Cisneros
Notary Public in and for the state of Washington
Residing at Burlington, WA
My commission expires: 6-9-2026
printed Name: TRICIA CISNEROS



Pacific Surveying & Engineering, Inc

land surveying • civil engineering • consulting • environmental
 909 Squalicum Way #111, Bellingham, WA 98225
 Phone 360.671.7387 Facsimile 360.671.4685 Email info@psurvey.com

EXHIBIT '1-A' FINN HANGAR LEASE AREA DESCRIPTION

A PORTION OF LOT 87, ALTERATION TO AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN PHASE 1, ACCORDING TO THE MAP THEREOF, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 202112100111, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 1, BINDING SITE PLAN FOR BAYVIEW HANGARS LLC, ACCORDING TO THE MAP THEREOF, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200706180136; THENCE SOUTH 35°45'12" WEST, 181.29 FEET TO THE **POINT OF BEGINNING**; THENCE NORTH 52°53'25" WEST, 80.87 FEET; THENCE AT RIGHT ANGLES NORTH 37°06'35" EAST, 12.00 FEET; THENCE AT RIGHT ANGLES NORTH 52°53'25" WEST, 15.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°06'35" WEST, 19.46 FEET; THENCE SOUTH 52°25'41" EAST, 118.03 FEET; THENCE AT RIGHT ANGLES, NORTH 37°34'19" EAST, 10.00 FEET; THENCE AT RIGHT ANGLES, NORTH 52°25'41" WEST, 31.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 10.00 FEET; THENCE AT RIGHT ANGLES, NORTH 52°25'41" WEST, 89.46 FEET; THENCE AT RIGHT ANGLES, NORTH 37°34'19" EAST, 18.00 FEET; THENCE AT RIGHT ANGLES, NORTH 52°25'41" WEST, 8.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 23.60 FEET; THENCE AT RIGHT ANGLES, NORTH 52°25'41" WEST, 23.50 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 6.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 23.50 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 43.40 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 13.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 29.00 FEET; THENCE AT RIGHT ANGLES, NORTH 52°25'41" WEST, 33.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 6.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 33.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 20.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 5.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°34'19" WEST, 16.35 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 230.20 FEET; THENCE AT RIGHT ANGLES, NORTH 37°34'19" EAST, 9.47 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 50.00 FEET; THENCE AT RIGHT ANGLES, NORTH 37°34'19" EAST, 9.50 FEET; THENCE AT RIGHT ANGLES, SOUTH 52°25'41" EAST, 48.48 FEET; THENCE NORTH 37°52'46" EAST, 103.59 FEET; THENCE AT RIGHT ANGLES, NORTH 52°07'14" WEST, 5.00 FEET; THENCE AT RIGHT ANGLES, NORTH 37°52'46" EAST, 12.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 43,136 SF, MORE OR LESS.

BASIS OF BEARINGS PER ALTERATION TO AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 202112100111.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

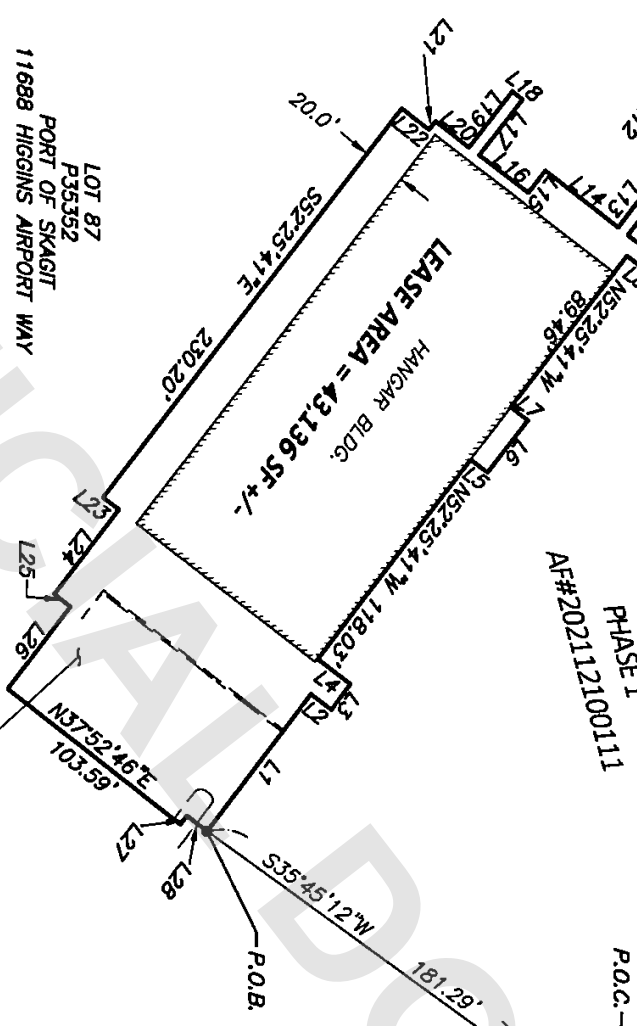


ALTERATION TO
AMENDED SKAGIT REGIONAL
AIRPORT BINDING SITE PLAN

FINN HANGAR LEASE EXHIBIT '1-B'
SITUATE IN A PORTION OF THE SE 1/4 OF THE SW 1/4 OF SECTION 34,
TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M., SKAGIT COUNTY, WASHINGTON

PHASE 1
AF#202112100111

BINDING SITE PLAN FOR
BAYVIEW HANGARS LLC
AF#200706180136

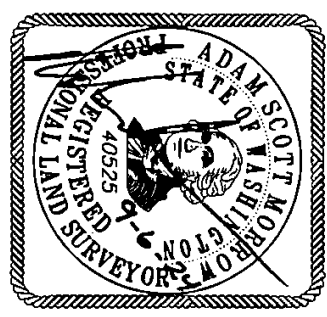
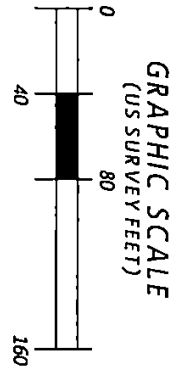


LOT 87
P35352
PORT OF SKAGIT
11688 HIGGINS AIRPORT WAY

**PACIFIC SURVEYING
& ENGINEERING, INC.**

909 Squakam Way, Suite 111 | BELLEVUE, WA 98225
T: 360.671.7387 | F: 360.671.4685
WWW.PSE.SURVEY.COM | INFO@PSE.SURVEY.COM

DWG: 2024024_FINN_LEASE.dwg DATE: 9/6/24 JOB#: 2024024 SCALE: 1"=80' SHEET: 1 OF 2



FINN HANGAR LEASE EXHIBIT '1-B'
SITUATE IN A PORTION OF THE SE 1/4 OF THE SW 1/4 OF SECTION 34,
TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M., SKAGIT COUNTY, WASHINGTON

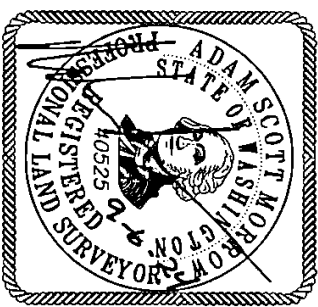
LINE TABLE		
LINE	BEARING	LENGTH
L1	N52°53'25"W	80.87
L2	N37°06'35"E	12.00
L3	N52°53'25"W	15.00
L4	S37°06'35"W	19.46
L5	N37°34'19"E	10.00
L6	N52°25'41"W	31.00
L7	S37°34'19"W	10.00
L8	N37°34'19"E	18.00
L9	N52°25'41"W	8.00
L10	S37°34'19"W	23.60
L11	N52°25'41"W	23.50
L12	S37°34'19"W	6.00
L13	S52°25'41"E	23.50
L14	S37°34'19"W	43.40

LINE TABLE		
LINE	BEARING	LENGTH
L15	S52°25'41"E	13.00
L16	S37°34'19"W	29.00
L17	N52°25'41"W	33.00
L18	S37°34'19"W	6.00
L19	S52°25'41"E	33.00
L20	S37°34'19"W	20.00
L21	S52°25'41"E	5.00
L22	S37°34'19"W	16.35
L23	N37°34'19"E	9.47
L24	S52°25'41"E	50.00
L25	N37°34'19"E	9.50
L26	S52°25'41"E	48.48
L27	N52°07'14"W	5.00
L28	N37°52'46"E	12.00



**PACIFIC SURVEYING
& ENGINEERING, INC.**
909 Southcum Way, Suite 111 | BELLEVUE, WA 98225
T: 360.671.7387 | F: 360.671.4685
WWW.PSE-SURVEY.COM | INFO@PSE-SURVEY.COM

DWG: 2024024_FINN_LEASE.dwg DATE: 9/6/24 JOB#: 2024024 SCALE: 1"=80' SHEET: 2 OF 2





Pacific Surveying & Engineering, Inc
land surveying • civil engineering • consulting • environmental
909 Squalicum Way #111, Bellingham, WA 98225
Phone 360.671.7387 Facsimile 360.671.4685 Email info@pseurvey.com

EXHIBIT '2'
INGRESS, EGRESS & UTILITIES EASEMENT DESCRIPTION
FINN LEASE AREA

A 22.00-FOOT-WIDE INGRESS, EGRESS AND UTILITIES EASEMENT LOCATED WITHIN A PORTION OF LOT 87, ALTERATION TO AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN PHASE 1, ACCORDING TO THE MAP THEREOF, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 202112100111, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 1, BINDING SITE PLAN FOR BAYVIEW HANGARS LLC, ACCORDING TO THE MAP THEREOF, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200706180136; THENCE SOUTH 41°10'26" WEST, 181.70 FEET TO THE POINT OF BEGINNING; THENCE NORTH 52°53'25" WEST, 22.00 FEET; THENCE AT RIGHT ANGLES, SOUTH 37°06'35" WEST, 115.30 FEET; THENCE SOUTH 52°25'41" EAST, 22.00 FEET; THENCE NORTH 37°06'35" EAST, 115.48 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS PER ALTERATION TO AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 202112100111.

SITUATE IN SKAGIT COUNTY, WASHINGTON.



