

9507310079

PORT OF SKAGIT COUNTY

LEASE AGREEMENT

This is a lease made and entered into this 19th day of July, 1995, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter referred to as "Lessor", and PACIFIC CIRCUITS, INC., a Washington corporation, hereinafter referred to as "Lessee".

W I T N E S S E T H:

In consideration of their mutual covenants, agreements and undertakings hereinafter contained, the parties hereto do mutually agree to that which is hereinafter set forth, upon and subject to the following terms, conditions, covenants and provisions:

1. Property Subject to This Lease Agreement: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, the following described premises, situated in the Bayview Business & Industrial Park within unincorporated Skagit County, Washington:

Lot No. 37 and a portion of Lot No. 36, containing approximately 333,293 square feet (7.65 acres), Port of Skagit County Binding Site Plan. Said property is more particularly described in Exhibit "A" and depicted on map attached as Exhibit "B", both of which are attached hereto and by this reference incorporated herein, and hereinafter called the "premises".

The property referenced above is subject to restrictions, easements, and reservations of record. The Lessor reserves a non-exclusive easement over and across the property to provide ingress and egress to any and all such buildings and areas and other adjacent properties owned by Lessor. Lessor shall exercise said easement so as not to unreasonably interfere with Lessee's use of the property.

2. Condition of Property. During the initial term of this lease, Lessor will commit to Lessee 120,000 gallons per day of its waste discharge allotment with the City of Burlington. Except as previously stated, Lessee accepts the property in its present condition and is not relying upon any covenants, warranties or representations of Lessor as to its condition or usability, except Lessor's right to grant a lease of the property.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

9507310079

JUL 31 1995

Amount Paid \$
By: Skagit County Treasurer
Clerk

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7/13/95

WELLS & JOHNSON
ATTORNEYS AT LAW
913 SEVENTH STREET
P. O. BOX 188
ANACORTES, WASHINGTON 98221
(206) 293-9566

BK 1461 PG 0199

1 3. Term. The initial term of this lease shall be for
2 thirty (30) years, beginning JULY 19, 1995,
3 hereinafter the "commencement date", through JULY 18,
2025, unless sooner terminated or further extended pursuant to
any provision of this lease.

4 Notwithstanding the above, Lessee shall have the right to
5 terminate this lease for any reason within ninety (90) days
6 from the commencement date. In order to make the termination
7 effective, Lessee shall pay to Lessor, together with notice of
8 termination, the sum of Twenty Thousand Dollars (\$20,000.00);
9 provided, however, in the event Lessee clears (including
removal and disposal of all stumps and downed timber) and
grades to finish grade the premises, then Lessee shall be
deemed to have satisfied its obligation to pay said Twenty
Thousand Dollars (\$20,000.00) to Lessor.

10 4. Rental. Lessee shall pay to Lessor as an initial
11 rent for the premises the sum of One Thousand Four Hundred
12 Thirty-Four Dollars and sixty three cents (\$1,434.63) per
month, plus leasehold tax, payable monthly in advance in U.S.
13 currency. Rental payments will commence on OCTOBER 1,
1995.

14 Lessee hereby acknowledges that late payment by Lessee to
15 the Lessor of rent, or any other sums due hereunder will cause
16 the Lessor to incur costs not otherwise contemplated by this
17 Lease. Accordingly, if any installment of rent or any other
18 sum due from Lessee shall not be received by the Lessor within
19 ten (10) days after such amount shall be due, then, without
20 any requirement for notice to Lessee, Lessee shall pay the
21 Lessor a late charge equal to 5% of such overdue amount. The
22 parties agree that such late charge represents a fair and
23 reasonable estimate of the costs the Lessor will incur by
24 reason of late payment by Lessee. Acceptance of such late
25 charge by the Lessor shall in no event constitute a waiver of
26 Lessee's default with respect to such overdue amount, nor
prevent the Lessor from exercising any of the other rights and
remedies granted hereunder. In the event that a late charge is
payable in this Lease or otherwise, whether or not collected,
for three (3) installments of rent in any 12-month period,
then rent shall automatically become due and payable quarterly
in advance, rather than monthly notwithstanding the preceding
section entitled "Rental" or any other provision of this Lease
to the contrary. In addition to the late charges provided for
in this section, interest shall accrue on rent, or any other
sums due hereunder, at the rate of one percent (1%) per month
from the date due until paid.

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27 LESSOR: PORT OF SKAGIT COUNTY

28 LESSEE: PACIFIC CIRCUITS, INC.

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1
2 5. Option to Extend. Lessee is granted the right to
3 extend this lease for two (2) consecutive ten (10) year option
4 periods by giving written notice of said intention to Lessor
5 not less than thirty (30) days prior to the expiration of the
6 initial term or any extended term, conditioned upon the fact
that all terms, covenants and conditions of the initial or
extended term have been fully met and fulfilled. All terms
and conditions of the initial term shall continue with the
exception that the rental shall be adjusted as herein
provided.

7 6. Periodic Rental Adjustments. Commencing on the third
8 anniversary of the commencement date of this lease, and on
9 each third anniversary thereafter during the initial term or
an option period, rental shall be adjusted. The date of any
such change in rental is called the "Change Date", as defined
in paragraph 7 of this lease.

10 7. Procedure to Determine Adjusted Rental.

11 a. Definitions: The adjusted rental rate(s) shall be
12 determined in accordance with the formula set forth
13 below. In applying the formula, the following
definitions apply:

14 i. "Bureau" means the U.S. Department of Labor,
Bureau of Labor Statistics or any successor agency.

15 ii. "Change Date" herein shall be the first day of
16 the month following each 36 month period from the
17 commencement date of this lease or any extension
thereof as herein provided.

18 iii. "Price Index" means the U.S. City Average
19 Consumer Price Index for all Urban Consumers issued
20 from time to time by the Bureau, or any other
measure hereafter employed by the Bureau in lieu of
21 the price index that measures the cost of living
nationally or if said Bureau should cease to issue
22 such indices and any other agency of the United
States should perform substantially the same
function, then the indices issued by such other
agency.

23 b. Formula: The rental rate(s) being adjusted shall be
24 multiplied by a multiplier equal to the change in
25 the Price Index computed as follows: (Rental being
adjusted) times (Price Index for the most recent
month divided by the Price Index for the month of

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1 the most recent Change Date in rental). The Price
2 Index in effect at the commencement of this lease
3 is 152.2 (1982-84 = 100) for the month of May,
4 1995.

5 8. Security for Rent. To secure the rent hereunder,
6 Lessee agrees to furnish, in form and content satisfactory to
7 Lessor, rental insurance, bond or other security to the Lessor
8 in an amount equal to one (1) year's rental.

9 9. Hold Harmless Provisions, Liability and Indemnity.
10 The Lessor, its officers, employees and agents, shall not be
11 liable for any injury (including death) or damage to any
12 persons or to any property sustained or alleged to have been
13 sustained by the Lessee or by others as a result of any
14 condition (including existing or future defects in the
15 premises), or occurrence whatsoever related in any way to the
16 premises or related in any way to the Lessee's use of the
17 premises or Lessee's performance under this lease, except to
18 the extent such damage be caused by negligence of the Lessor.
19 Lessee agrees to defend and hold and save the Lessor, its
20 officers, employees and agents, harmless from any and all
21 liability or expense (including expense of litigation) in
22 connection with any such items of actual or alleged injury or
23 damage, except to the extent such items of actual or alleged
24 injury or damage are caused by the negligence of Lessor. In
25 addition, the Lessee shall, at its own expense, maintain
26 throughout the term of this lease, proper liability insurance
27 with a reputable insurance company or companies satisfactory
28 to the Lessor in the minimum of \$500,000.00 single limit
liability, including fire legal liability and a comprehensive
general liability broadening endorsement (and hereafter in
such increased amounts to be comparable and consistent with
the going or standard coverage in the area for comparable
business operations), to indemnify both the Lessor and Lessee
against any such liability or expense. The Lessor shall be
named as one of the insureds, and shall be furnished a copy of
such policy or policies of insurance or certificate of such
insurance coverage by the Lessor, or both, at the Lessor's
election. Each certificate of insurance shall provide that
the insurance policy or policies are not subject to
cancellation without at least thirty (30) days advance written
notice of such cancellation having been first given to the
Lessor.

10. Business Purpose and Type of Activity. It is
understood and agreed that Lessee intends to erect structures
and improvements upon the premises for production of
electronic circuit boards, and to conduct such other

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activities incidental and related thereto. It is further understood that the above activities are the only types of activities to be conducted upon the premises. Failure to perform the above type of business or cessation of such business or carrying on of other activities without first obtaining a lease modification with Lessor's written approval of such other activities shall constitute a default by Lessee of this lease.

11. Construction of Improvements. Lessee will spend over nine million dollars (\$9,000,000) for improvements and equipment to be situated on the premises. Said improvements and equipment will remain the property of Lessee during the term of the lease. Lessee will not commence construction of any improvements without prior written consent of Lessor. Lessee shall submit to Lessor all plans and specifications relating to such construction of improvements, in accordance with Lessor's Bayview Business and Industrial Park Development Standards. Lessee shall comply with all regulations of federal, county, and state governments in the construction of all improvements.

12. Disposition of Improvements at End of Lease. Lessee shall have the right to remove all buildings, equipment, personal property and trade fixtures which may have been placed upon the premises by Lessee during the period of this lease, provided that the same are removed by the conclusion of the lease and that the lease is in good standing. All improvements not removed from the premises by the conclusion of the lease shall become the property of the Lessor. If Lessee does not remove by the conclusion of this lease all equipment, personal property and trade fixtures which have been placed on the premises by Lessee and Lessor wants the same property removed, then Lessor after thirty (30) days written notice to Lessee, shall thereafter remove and store the same at Lessee's expense and Lessor shall recover any cost and expenses from the Lessee resulting from the removal. Following removal of said described property, the premises shall then be restored by Lessee to a condition requiring Lessor to only undertake normal excavation for construction of a new building, or to such other condition satisfactory to Lessor prior to termination of this lease.

13. Off Street Parking. Lessee agrees to provide space for the parking of vehicles in the number necessary to comply with zoning and development/land use plan requirements on property included within this lease; and not to use any public streets, rights of way or other properties not included in this lease for the parking of said vehicles.

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1 14. Lessee Will Obtain Permits. Lessee agrees to obtain
2 and comply with all necessary permits for the operation and
3 conduct of Lessee's business and construction of any leasehold
4 improvements. If Lessee fails to obtain and comply with such
5 permits, then Lessee accepts full responsibility for any and
6 all costs incurred by the Lessor, including reasonable
7 attorney's fees, occasioned by Lessee failing to obtain and/or
8 comply with such permits. Lessee agrees to hold the Lessor
9 harmless from any liability and to fully reimburse expenses of
10 the Lessor for Lessee's failure to obtain and/or fully comply
11 with any necessary permit.

12 15. Maintenance of Facilities. Lessee shall be
13 responsible for all maintenance and/or repair of the leased
14 premises and all improvements thereon. The premises shall be
15 maintained in such condition so as not to create a hazard nor
16 be unsightly, and shall at all times conform to existing laws.

17 16. Utilities. Lessee agrees to pay for all public
18 utilities which shall be used in or charged against the
19 premises, and to hold the Lessor harmless from such charges.

20 17. Advertising and Signs. No signs or other
21 advertising matter, symbols, canopies or awnings shall be
22 installed, attached to or painted on the premises without the
23 prior written approval of the Lessor's Executive Director.

24 18. Liens. Lessee shall keep the leased premises free
25 from any liens arising out of work performed, materials
26 furnished, or obligations incurred by Lessee.

27 Lessee may contest any lien of the nature set forth in
28 the preceding sentence hereof or any tax, assessment, or other
charge which Lessee shall pay under sections entitled
"Utilities" and/or "Taxes", provided that Lessee notifies the
Lessor, in writing, of its intention to do so within sixty
(60) days of the filing of such lien or within thirty (30)
days of receipt of notice of such tax, assessment, or other
charge; and provided further that Lessee posts a bond or other
security with the Lessor, prior to the contest, in an amount
equal to the amount of the contested lien or tax, assessment,
or other charge.

Within sixty (60) days of the determination of the
validity thereof, Lessee shall satisfy and discharge such
lien or pay and discharge such tax, assessment, or other
charge and all penalties, interest, and costs in connection
therewith. Satisfaction and discharge of any such lien shall
not be delayed until execution is had on any judgment rendered

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thereon, nor shall the payment and discharge of any such tax, assessment, or other charge be delayed until sale is made of the whole or any part of Lessee's property on account thereof. Any such delay shall be a default of Lessee hereunder.

In the event of any such contest, Lessee shall protect and indemnify the Lessor against all loss, expense, and damage resulting therefrom.

19. Taxes. Lessee shall be liable for, and shall pay throughout the term of this lease, all license fees and excise taxes payable for, or on account of, the activities conducted on the premises and all taxes on the property of Lessee on the premises and any taxes on the premises and/or on the leasehold interest created by this lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rental payable hereunder, whether imposed on Lessee or on the Lessor. With respect to any such taxes payable by the Lessor which are on or measured by the rent payments hereunder, Lessee shall pay to the Lessor with each rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Lessor is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Lessor at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days written notice of the amounts payable by it.

20. Laws and Regulations. The Lessee agrees to conform to and abide by all lawful rules, codes, 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, where 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 said rules, codes, laws or regulations.

21. Alterations. Lessee shall not make material alterations to the leased premises without first obtaining the written consent of the Lessor.

22. Commit No Waste. Lessee agrees not to allow conditions of waste and refuse to exist on the premises and to keep the premises in a neat, clean, and orderly condition.

23. Costs and Attorneys' Fees. In the event it is necessary for either party herein to bring an action to enforce the terms, conditions or covenants of this lease, then

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1 the prevailing party shall be entitled to reasonable
2 attorneys' fees, costs and necessary disbursements.

3 24. Equal Opportunity. Lessee agrees that in the
4 conduct of activities on the premises it will be an equal
5 opportunity employer in accordance with Title 6 of the 1964
6 Civil Rights Act.

7 25. Termination. Upon termination of this lease or any
8 extension thereof, whether by expiration of the stated term or
9 sooner termination thereon as herein provided, Lessee shall
10 surrender to Lessor said premises peaceably and quietly and in
11 the restored condition required under paragraph 12 herein.

12 26. Default and Re-Entry. Time is of the essence of
13 this agreement. If (i) (a) any rent or other payment due from
14 Lessee hereunder remains unpaid for more than thirty (30) days
15 after the date it is due; (b) Lessee files a voluntary
16 petition in bankruptcy or makes a general assignment to the
17 benefit of, or a general arrangement with, creditors; (c)
18 there is an involuntary bankruptcy filed against Lessee that
19 has not been dismissed within thirty (30) days of filing; (d)
20 Lessee becomes insolvent; or (e) a receiver, trustee, or
21 liquidating officer is appointed for Lessee's business; or
22 (ii) Lessee violates or breaches any of the other covenants,
23 agreements, stipulations or conditions herein, and such
24 violation of breach shall continue for a period of forty-five
25 (45) days after written notice of such violation or breach is
26 sent to Lessee, then Lessor may at its option, declare this
27 lease forfeited and the term hereof ended, or without
28 terminating this lease elect to re-enter and attempt to relet,
in which event Lessee authorizes Lessor to relet the premises
or any part thereof for such term or terms (which may be for
a term extending beyond the term of this lease) and at such
rental or rentals and upon such other terms and conditions as
Lessor in its sole discretion deems advisable. Upon each such
reletting, all rentals received by Lessor from such reletting
shall be applied, first, to the payment of any amounts other
than rent due hereunder from Lessee to Lessor; second, to the
payment of any costs and expenses of such reletting and
renovation, including brokerage fees and attorneys' fees;
third, to the payment of rent due and unpaid hereunder, and
the residue, if any shall be held by Lessor and applied to
payment of future rent as the same may become due and payable
hereunder. If rental received from such reletting during any
month are less than that to be paid during that month by
Lessee hereunder, Lessee shall pay any such deficiency to
Lessor, and Lessee covenants and agrees to pay Lessor for all
other expenses resulting from its default, including, but not

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limited to, brokerage commissions, attorneys fees and the reasonable cost of converting the premises for the benefit of the next Lessee. Delinquent rental and other payments shall bear interest at the rate of twelve percent (12%) per annum from the date due until paid. In the event of any default hereunder and entry in, or taking possession of, the premises, Lessor shall have the right, but not the obligation, to remove from the premises all personal property located therein, and may store the same in any place selected by Lessor, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, with the proceeds of such sale to be applied to the cost of such sale and to the payment of charges for storage, and to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof.

27. Assignment and Sublease. Lessee shall not, by operation of law or otherwise, assign or sublease any portion of the premises without Lessor's prior written consent, which consent shall not be unreasonably withheld, provided, as a condition to any assignment or sublease, Lessor may revise the rental to be consistent with its then current rental policy. The consent of Lessor to any assignment or sublease shall not in any manner be construed to relieve Lessee from obtaining Lessor's express written consent to any other or further assignment or sublease.

28. Lessor's Right to Enter Premises. Lessor and/or its authorized representatives shall have the right to enter the premises upon three days written notice for any of the following purposes:

- a. To determine whether or not the premises are in good condition or whether the Lessee is complying with its obligations under this lease;
- b. To do any necessary maintenance and to make any restoration to the premises that the Lessor has the right or obligation to perform;
- c. To post "For Rent" or "For Lease" signs during any period that the Lessee is in default; and
- d. To repair, maintain or improve the premises;

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and upon reasonable notice to do any other act or thing necessary for the immediate safety or preservation of the premises.

Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's entry onto the premises as provided in this paragraph. Lessor shall conduct its activities on the premises as provided herein in a manner that will cause the least inconvenience, annoyance or disturbance to the Lessee.

29. Right of Quiet Enjoyment. Lessor acknowledges that it has ownership of the premises heretofore described and that it has the legal authority to lease said premises unto Lessee. Lessor covenants that Lessee's right of occupancy shall not be disturbed during the term of this lease so long as the terms are complied with by Lessee and subject to the provisions of paragraph 28.

30. Time is of the Essence. It is mutually agreed and understood that time is of the essence of this lease and that a waiver of any default of Lessee shall not be construed as a waiver of any subsequent default, and that any notice required to be given under this lease may be given in accordance with that which is set forth in paragraph 34 of this lease.

31. Waiver of Subrogation. Lessor hereby releases Lessee from any and all right, claim and demand that Lessor may hereafter have against Lessee, or Lessee's successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies, and does hereby waive all rights of subrogation in favor of insurance carriers against Lessee arising out of any losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies and sustained by Lessor in or around the premises. Lessee hereby releases Lessor from any and all right, claim and demand that Lessee may hereafter have against Lessor or Lessor's successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies, and does hereby waive all rights of subrogation in favor of insurance carriers against Lessor arising out of any losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies and sustained by Lessee in or around the premises. The waivers provided for in this

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paragraph shall be applicable and effective only in the event such waivers are obtained from the insurance carriers concerned.

32. Federal Aviation Administration Requirements.

Lessee agrees:

- a. To prevent any operation on the leased premises which would produce electromagnetic radiations of a nature which would cause interference with any existing or future navigational aid or communication serving Skagit Regional Airport, or which would create any interfering or confusing light or in any way restrict visibility at the Airport.
- b. To prevent any use of the leased premises which would interfere with landing or taking off of aircraft at Skagit Regional Airport, or otherwise constitute an airport hazard.

33. Retention of Airspace Rights by Lessor. Lessor retains the public and private right of flight for the passage of aircraft in the airspace above the surface of the premises hereinbefore described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or as hereinafter used, for navigation of or flight in said airspace and for use of said airspace for taking off from, landing on or operating at Skagit Regional Airport.

34. Notices. All notices and payments hereunder may be delivered or mailed. If delivered by messenger, courier (including overnight air courier) or facsimile transmittal, they shall be deemed delivered when received at the street addresses or facsimile numbers listed below. All notices and payments mailed, whether sent by regular post or by certified or registered mail, shall be deemed to have been given on the third business day following the date of mailing, if properly mailed to the mailing addresses provided below, and shall be conclusive evidence of the date of mailing. The parties may designate new or additional addresses for mail or delivery by providing notice to the other party as provided in this section.

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ANACORTES, WASHINGTON 98221
(206) 293-9586

To Lessor:

Street Address:

Port of Skagit County
Attention: Executive Director
1180 Airport Drive
Burlington, WA 98233

Phone No.: (360) 757-0011
FAX No.: (360) 757-0014

Mailing Address:

Port of Skagit County
Attention: Executive Director
P.O. Box 348
Burlington, WA 98233

To Lessee:

Street Address:

Pacific Circuits, Inc.
Attention: Trey Coley,
President
Pacific Circuits, Inc.
17550 N.E. 67th Court
Redmond, WA 98052

Phone No.: (206) 883-7575
FAX No.: (206) 882-1268

Mailing Address:

Pacific Circuits, Inc.
Attention: Trey Coley,
President
Pacific Circuits, Inc.
17550 N.E. 67th Court
Redmond, WA 98052

and to

Don E. Dascenzo
Inslee, Best, Doezie & Ryder, P.S.
777 - 108th Avenue N.E., Suite 1900, P.O. Box C-90016
Bellevue, WA 98009-9016

Phone No.: (206) 455-1234
Fax No.: (206) 635-7720

35. Lessee's Fire Insurance Coverage. Lessee shall at Lessee's expense maintain on all of Lessee's personal property and leasehold improvements and alterations on the premises, a policy of standard fire insurance, with extended coverage in the amount of their replacement value.

36. Bayview Business and Industrial Park Covenants, Ordinances and Regulations. Lessee understands that the area leased is within the Lessor's Bayview Business and Industrial Park, situated in Industrial Development District No. 1. Lessor has or may promulgate and adopt ordinances, regulations and covenants for the orderly care, maintenance, development

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1 and control of all property within said district and all
2 Lessee's use thereof. Lessee agrees to comply with such
3 covenants, ordinances and regulations in force as of the date
4 of this lease and all other covenants, ordinances and
5 regulations which may be promulgated by Lessor.

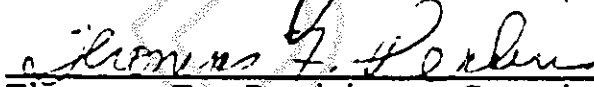
6 37. Validation. IN WITNESS WHEREOF, Lessor has caused
7 this instrument to be signed by its President and Secretary,
8 on the date and year first above written.

9 LESSOR:

10 PORT OF SKAGIT COUNTY

11 

12 Brian J. Rolison, Commission President

13 

14 Thomas F. Perkins, Commission Secretary

15 LESSEE:

16 PACIFIC CIRCUITS, INC.

17 By: 

18 Lewis O. Coley, III (Trey), Its President

19 LEASE AGREEMENT

20 LESSOR: PORT OF SKAGIT COUNTY

21 LESSEE: PACIFIC CIRCUITS, INC.

22 Page 13 of 15

23 S:\LEASES\JHPACIFC.CIR
24 7/13/95

25 9507310079

26 BK1461PG0211

27 WELLS & JOHNSON
28 ATTORNEYS AT LAW
913 SEVENTH STREET
P. O. BOX 156
ANACORTES, WASHINGTON 98221
(206) 293-9566

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STATE OF WASHINGTON)
COUNTY OF King) SS

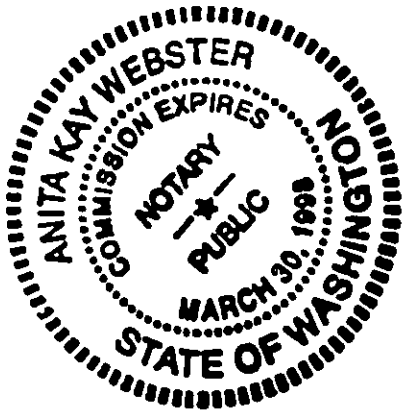
On this 19th day of JULY, 1995, before me personally appeared Lewis O. Coley, III (Trey) to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Anita K. Webster
(Signature)

ANITA K. Webster
(Print Name)

NOTARY PUBLIC in and for the State of WASHINGTON
Residing at Redmond / KING
My appointment expires: 3-30-98



LEASE AGREEMENT
LESSOR: PORT OF SKAGIT COUNTY
LESSEE: PACIFIC CIRCUITS, INC.
Page 14 of 15

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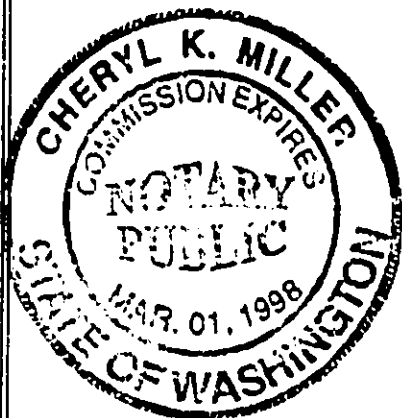
BK1461PG0212

WELLS & JOHNSON
ATTORNEYS AT LAW
913 SEVENTH STREET
P.O. BOX 188
ANACORTES, WASHINGTON 98221
(206) 293-9566

1 STATE OF WASHINGTON)
2) SS
3 COUNTY OF SKAGIT)

4 On this 20th day of July, 1995, before
5 me, the undersigned Notary Public in and for the State of
6 Washington, duly commissioned and sworn, personally appeared
7 Brian J. Rolfson and Thomas F. Perkins to me known to be the
8 President and Secretary, respectively, of the Port Commission
9 of the PORT OF SKAGIT COUNTY, a municipal corporation, the
10 corporation that executed the foregoing instrument, and
11 acknowledged said instrument to be the free and voluntary act
12 and deed of said corporation, for the uses and purposes
13 therein mentioned, and on oath stated that they were duly
14 authorized to execute the same and that the seal affixed is
15 the corporate seal of said corporation.

16 WITNESS my hand and official seal hereto the day and year
17 in this certificate first above written.



18 Cheryl K. Miller
19 (Signature)

20 CHERYL K. MILLER
21 (Print Name)

22 NOTARY PUBLIC in and for the State of WASHINGTON
23 Residing at BELLINGHAM
24 My appointment expires: 3/1/98

25 [c:\posc\3leasef.pac]

26 LEASE AGREEMENT
27 LESSOR: PORT OF SKAGIT COUNTY
28 LESSEE: PACIFIC CIRCUITS, INC.
Page 15 of 15

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7/13/95

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WELLS & JOHNSON
ATTORNEYS AT LAW
913 SEVENTH STREET
P. O. BOX 158
ANACORTES, WASHINGTON 98221
(206) 293-9566

EXHIBIT "A"



Leonard, Boudinot & Skodje Inc.
PROFESSIONAL ENGINEERS & LAND SURVEYORS

JOHN E. LEONARD, JR., P.E. & P.L.S.
ROBERT C. BOUDINOT, JR., P.L.
JEFFREY A. SKODJE, P.L.S.

Job No. 84234

September 16, 1994

LEGAL DESCRIPTION FOR: Port of Skagit County

Lot 37 of "Skagit Regional Airport Binding Site Plan" recorded in Book 7 of Short Plats, Pages 111 through 120, records of Skagit County, Washington, under Auditor's File No. 860825002.

TOGETHER WITH that portion of Lot 36 of said "Skagit Regional Airport Binding Site Plan" described as follows:

Beginning at the Southeast corner of said Lot 36; thence North $1^{\circ} 01' 59''$ East, along the East line of said Lot 36, a distance of 640.00 feet to the Northeast corner of said Lot 36; thence North $88^{\circ} 58' 01''$ West, along the North line of said Lot 36, a distance of 63.59 feet; thence South $7^{\circ} 47' 51''$ West 644.49 feet to a point on the South line of said Lot 36; thence South $88^{\circ} 58' 01''$ East, along said South line of Lot 36, a distance of 139.49 feet to the POINT OF BEGINNING.

SITUATE in the County of Skagit, State of Washington.

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Mount Vernon Office: 303 South First Street, Mount Vernon, WA 98273. (206) 336-5751/FAX (206) 336-7987
Anacortes Office: 505 Commercial Avenue, Anacortes, WA 98221. (206) 293-4508
Mailing Address: P.O. Box 1226, Mount Vernon, WA 98273

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EXHIBIT "B"

WESTSTAR LANE

S 88°58'01" E

435.65'

372.08'

63.59'

$\Delta = 90^{\circ}25'24"$
 $L = 78.91'$
 $R = 50.00'$

268,311 S.F.

37

WESTSTAR LANE

589.65'

N 1°27'25" E

640.00'

N 1°01'59" E

64,982 S.F.

844.49'

N 7°47'51" E

SCALE: 1"=100'

417.73'

557.22'

S 88°58'01" E

135.45'

LOT 37

SKAGIT REGIONAL AIRPORT BINDING SITE PLAN

Leonard, Boudinot & Skodje Inc.

PROFESSIONAL ENGINEERS & LAND SURVEYORS

603 South First Street; P.O. Box 1228

Mount Vernon, WA 98273

Tel: 206-336-5751 Fax: 206-336-3681

NOTE: PROPERTY LINES
SHOWN HEREON ARE 5
FEET OR GREATER DISTANCE
FROM WETLANDS.

9507310079

NOTE THE WETLANDS
DEPICTED WERE DELINEATED
BY "PENTAC ENVIRONMENTAL"
AS MAPPED BY L.B.C.

BK1461PG0215