

193/22

KATHY HILL
SKAGIT COUNTY AUDITOR

97 MAR 13 P3:53

RECORDED 99 FILED



Return To: **PORT OF SKAGIT COUNTY**
P.O. BOX 348
BURLINGTON, WA 98233

9703130122

Document Title(s): Lease Agreement

Grantor(s): Port of Skagit County: 1180 Airport Drive: Burlington, WA 98233
Telephone: (360) 757-0011; FAX: (360) 757-0014

Additional Name(s) on Page

Grantee(s): Simplified Exchange Accounting Systems, Inc. as facilitator for James P.
Sorensen and Kim W. Sorensen

Additional Name(s) on Page

Abbreviated Legal Description: Amended Lot No. 82 of Skagit Regional Airport Binding Site
Plan as recorded in Book 7 of Short Plats under Auditor's File No. 860825002

Additional Legal(s) on Page 1

Assessor's Parcel/Tax ID Number: ~~910784860~~

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

MAR 13 1997

Amount Paid \$ 6
By: W Skagit County Treasurer Deputy

P 35303

9703130122

BK1638PG0606

ORIGINAL

PORT OF SKAGIT COUNTY
LEASE AGREEMENT

THIS LEASE AGREEMENT, hereinafter referred to as "this Lease," is made as of February 28, 1997, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter referred to as "Lessor," and SIMPLIFIED EXCHANGE ACCOUNTING SYSTEMS, INC., a Washington corporation, as facilitator for James P. Sorensen and Kim W. Sorensen, husband and wife, hereinafter referred to as "Lessee."

WITNESSETH:

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. The following described property, consisting of 64,340 square feet (1.48 acres) and depicted on Exhibit "A," attached hereto, and hereinafter referred to as the "Premises":

Amended Lot 82 which consists of those portions of former Lots 81, 82, and 83 of Skagit Regional Airport Binding Site Plan as recorded in Book 7 of Short Plats, at pages 111 through 120, records of Skagit County, Washington, under Auditor's File No. 860825002, described as follows:

Commencing at the Northeast corner of said Lot 83; **thence** North 88° 58' 01" West along the North line of said Lot 83 a distance of 94.53 feet to the **TRUE POINT OF BEGINNING**; **thence** South 88° 58' 01" East along the North line of said Lots 83 and 82 a distance of 206.05 feet; **thence** along the Northerly line of said Lot 82 along a curve to the right having a radius of 50.00 feet through a central angle of 72° 01' 20" an arc distance of 62.85 feet to a point of reverse curvature; **thence** along the Northeasterly line of said Lots 82 and 81 along a curve to the left having a radius of 540.00 feet through a central angle of 19° 49' 23" an arc distance of 186.83 feet; **thence** South 53° 13' 54" West a distance of 160.89 feet; **thence** North 50° 28' 46" West a distance of 122.72 feet; **thence** South 86° 20' 19" West a distance of 30.97 feet; **thence** North 27° 29' 02" West a distance of 131.55 feet; **thence** North 36° 10' 15" West a distance of 39.21 feet; **thence** North 1° 01' 59" East a distance of 76.83 feet to the **TRUE POINT OF BEGINNING**, containing 1.48 acres, Port of Skagit County Binding Site Plan, situate in the County of Skagit, State of Washington, as depicted on Exhibits "A" and "B" attached hereto.

2. TERM. The term of this Lease shall be for thirty (30) years plus two (2) days, beginning February 28, 1997, (hereinafter referred to as the "Commencement Date"), and ending March 1, 2027, unless sooner terminated pursuant to any provision of this Lease.

9703130122

BK1638PG0607

3. **BUSINESS PURPOSE / BASE LINE ACTIVITY.**

a. **Business Purpose:** It is understood and agreed that Lessee intends to use the Premises for drying, cleaning, storing and shipping vegetable and grass seed grown in the Skagit Valley, and to conduct such other activities as are incidental and reasonably related thereto. It is further understood that the above activities are the only type of activities to be conducted upon the Premises. Failure to perform the above type of activities or cessation of such activities or the carrying on of other type(s) of unauthorized activities shall constitute a material default by Lessee of this Lease. Lessee shall at all times operate on the Premises in a manner which will assure the safe, lawful and healthful use of the Premises. Lessee agrees that it will not disturb the Lessor or any other tenant of the Lessor by making or permitting any disturbances or any unusual noise, vibration or other condition on or in the Premises.

b. **Baseline Activity:** Construct a 12,750 square foot building; \$450,000 capital investment within twelve (12) months; employ two (2) full-time, permanent employees and three (3) full-time, seasonal employees as needed throughout the year.

4. **RENT.** Commencing on the 1st day of August, 1997, 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 rent for the Premises of SIX HUNDRED FIFTY-FOUR DOLLARS and FORTY EIGHT CENTS (\$654.48), per month, plus leasehold tax, during the term of this Lease. 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 shall be adjusted as provided in the below section entitled **PERIODIC RENT ADJUSTMENTS.** 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.

5. **LATE CHARGES.** Lessee hereby acknowledges that late payment by Lessee to the Lessor of rent, or any other sums due hereunder will cause the Lessor to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by the Lessor within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay the Lessor a late charge equal to 5% of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs the Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by the Lessor shall in no event constitute a waiver of 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 above section entitled "Rent" 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 and one-half percent (1 1/2%) per month from the date due until paid.

6. PERIODIC RENT ADJUSTMENTS. Commencing on the third anniversary of the Commencement Date, and every three (3) years thereafter, the rent shall be adjusted.

a. Amount: The rent shall be adjusted to be the market rental value of the Premises. Lessor shall notify Lessee of the amount as determined by the Port Commission. If the rent amount is not acceptable to the Lessee, market rental value shall be established by the procedure in the succeeding paragraph.

b. Procedure If Dispute Regarding Rent Amount: If the parties cannot agree on the market rental value, then the fair cash market value of the Premises shall be determined. For purposes of setting the fair cash market value of the land, the land shall be considered as a separate, vacant, identifiable tract of real property. Such determination shall be made by a MAI appraiser whose selection shall be by mutual agreement of the parties. If they are unable to agree on the selection, then a MAI appraiser shall be selected by the Presiding Judge of the Superior Court of Skagit County upon the petition of either party. Once the fair cash market value of the Premises is determined, the rent amount shall be established based on the Lessor's then established rate of return for leased properties. The cost of the appraisal shall be borne equally by both parties.

7. SECURITY FOR RENT. To secure the rent hereunder, Lessee agrees to furnish to Lessor rental insurance, bond or other security acceptable to Lessor in an amount equal to one (1) year's rent.

8. CONSTRUCTION OF IMPROVEMENTS.

a. On the Premises: Lessee intends to construct improvements on the Premises, and the same shall be at Lessee's sole cost. Lessee shall not commence construction of any improvements or alterations (alterations include, but are not limited to: structural changes, painting of the exteriors of structures, changes to wiring and plumbing) or install any fixtures (other than fixtures which can be removed without injury to the Premises) without prior written consent of Lessor and subject to any and all conditions in such approval. Lessee shall submit to Lessor all plans and specifications relating to such construction of improvements, alterations or installation of any fixtures (other than fixtures which can be removed without injury to the Premises), in accordance with Lessor's Bayview Business and Industrial Park Development Standards. The construction of all improvements, alterations and/or installation of fixtures shall be carried out by Lessee in a first-class manner at its sole

cost and expense, and in full compliance with all federal, state, county and other governmental statutory and regulatory requirements. Until the expiration or sooner termination of this Lease, title to any improvements situated and constructed by Lessee on the Premises and any alteration, change or addition thereto, as well as title to fixtures and articles of personal property attached to or used in connection with the Premises by Lessee, shall remain solely in Lessee.

b. Adjacent to the Premises: Lessee desires the ingress/egress to the Premises to be located as essentially depicted on attached Exhibit "C." The ingress/egress will be a driveway, up to 150 feet in length, from Higgins Airport Way to the Premises. The cost to construct the driveway shall be at Lessee's sole cost, however, Lessor agrees to provide Lessee with a dump site for the overburden removed by Lessee during construction of the driveway, which is estimated to be approximately 300 cubic yards. It is mutually agreed that the driveway herein referenced shall be for Lessee's exclusive use, and not available for ingress/egress to other property owned by Lessor and to be leased to another lessee. It is also mutually agreed that at such time as Lessor desires to use the area upon which the driveway herein referenced is located, to provide ingress/egress to other property owned by Lessor and to be leased to another lessee, Lessor shall have the right to remove the driveway herein referenced to be constructed by Lessee, and develop the roadway between Lot 90 and the Premises in such a manner and to such a standard as to provide proper ingress/egress to both the Premises and other property owned by Lessor and to be leased to another lessee.

The prior written consent provision, the construction standards/requirement provision and the ownership of improvements provision of paragraph 8, subparagraph a. above apply herein.

9. 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 upon conclusion of the lease and that the lease is in good standing. Any such equipment, personal property and trade fixtures not removed from the premises by the conclusion of the lease shall revert to Lessor. All other improvements shall become the property of the Lessor. If Lessee does not remove all buildings, equipment, personal property and trade fixtures which have been placed on the premises by Lessee during the period of this Lease and Lessor wants the property removed, then the same shall be removed and stored at Lessee's expense and Lessor shall recover any costs 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 approved by Lessor prior to termination of this lease.

10. CONDITION OF THE PREMISES. Lessee has inspected the property, and the sub-surface conditions, and accepts the property in its present condition; 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; and agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Lessee's use of the Premises.

11. LESSEE WILL OBTAIN PERMITS. Lessee shall be solely responsible for obtaining and complying with all permits, approvals or licenses required for the operation and conduct of Lessee's business activities and the construction, installation, erection and/or operation of any structures, facilities or equipment, including but not limited to, items constituting alterations or defined as trade fixtures on the Premises. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by the Lessor, including actual attorney's fees, occasioned by Lessor pursuing Lessee's default for its failure to obtain and/or comply with such permits. Lessee agrees to hold the Lessor harmless from any liability and to fully reimburse expenses of the Lessor for Lessee's failure to obtain and/or fully comply with any necessary permit.

12. INSURANCE COVERAGE.

a. Casualty Insurance: Lessee shall at Lessee's expense maintain on all improvements belonging to Lessor and on all of Lessee's personal property and leasehold improvements and alterations on the premises, casualty insurance, with extended coverage in the amount of their replacement value.

b. Liability Insurance: Lessee shall, at its own expense, maintain throughout the term of this lease, proper liability insurance with a reputable insurance company or companies satisfactory to the Lessor in the minimum of \$1,000,000.00 single limit 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).

c. Certificates: The Lessor shall be named as one of the insured, and shall be furnished a copy of such policy or policies or certificate(s) of coverage, 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.

13. 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 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. The waivers provided for in this paragraph shall be applicable and effective only in the event such waivers are obtained from the insurance carriers concerned.

14. HOLD HARMLESS PROVISIONS, LIABILITY AND INDEMNITY. The Lessor, its officers, employees and agents, shall not be liable for any injury (including death) or damage to any persons or to any property sustained or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises), or occurrence whatsoever related in any way to the premises or related in any way to the Lessee's use of the premises or Lessee's performance under this lease, except to the extent of such damage caused solely by negligence of the Lessor. Lessee agrees to defend and hold and save the Lessor, its officers, employees and agents, harmless from any and all liability or expense (including expense of litigation) in connection with any such items of actual or alleged injury or damage.

15. OFF STREET PARKING. Lessee agrees to provide space on the Premises for the parking of vehicles in the number necessary to comply with zoning and development/land use plan requirements; and not to use any public streets, rights of way or other properties not included in this Lease for the parking of said vehicles.

16. ADVERTISING AND SIGNS. No signs or other advertising matter, symbols, canopies or awnings shall be installed, attached to or painted on the Premises without the prior written approval of the Lessor's Executive Director, or the Executive Director's designee.

17. EQUAL OPPORTUNITY. The Lessee covenants and agrees that in the performance of this Lease, the Lessee shall conduct its activities in a manner that will assure fair, equal and nondiscriminatory treatment of all persons regardless of race, creed, sex, marital status or ethnic origin. Notwithstanding any exemption contained in the State or Federal law, the Lessee shall comply with all Federal and State laws, rules or regulations concerning hiring and employment and assuring the service of all patrons, customers, members or invitees without discrimination as to any person's race, creed, sex, marital status or ethnic origin.

18. LAWS AND REGULATIONS. The Lessee agrees, at its sole cost and expense, to conform to, comply with and abide by all lawful rules, codes, ordinances, requirements, orders, directions, 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, including without limitation those relating to environmental matters, now in existence or hereafter promulgated, 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 of said rules, codes, laws or regulations. Any fees for inspection

of the Premises during or for the term of this Lease by any federal, state or municipal officer shall be paid by Lessee. Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants of this section.

19. MAINTENANCE / COMMIT NO WASTE. The Lessee shall at all times during the term of this Lease maintain the Premises in good condition and shall, at its sole cost and expense, keep the Premises and the adjoining driveways and walkways neat, clean and in a safe and sanitary condition. Lessee agrees not to allow conditions of waste and refuse to exist on the premises.

20. UTILITIES. Lessee agrees to pay for all public utilities which shall be used in or charged against the premises, and to hold the Lessor harmless from such charges.

21. LIENS AND INSOLVENCY. Lessee shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by Lessee. In the event Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this Lease at Lessor's option.

22. TAXES. Lessee shall pay any taxes on the Premises and/or on the leasehold interest created by this lease and/or any activity arising under this Lease.

23. COSTS AND ATTORNEYS' FEES. If by reason of default on the part of either party to this Lease agreement it becomes necessary to employ an attorney to recover any payments due hereunder or to enforce any provision of this Lease, the prevailing party, whether such party be the successful claimant or the party who successfully defended against the claim of the other party, shall be entitled to recover a reasonable attorney's fee and to be reimbursed for such costs and expenses as may have been incurred by such prevailing party.

24. TERMINATION. Upon termination of this lease or any extension thereof, whether by expiration of the stated term or sooner termination thereon as herein provided, Lessee shall surrender to Lessor said premises peaceably and quietly and in the condition required under the paragraphs entitled MAINTENANCE/COMMIT NO WASTE and DISPOSITION OF IMPROVEMENTS AT END OF LEASE.

25. DEFAULT AND RE-ENTRY. Time is of the essence of this agreement. (i) If (a) any rent or other payment due from Lessee hereunder remains unpaid for more than ten (10) days after the date it is due; (b) Lessee files a voluntary petition in bankruptcy or makes a general assignment to the benefit of, or a general arrangement with, creditors; (c) there is an involuntary bankruptcy filed against Lessee that has not been dismissed within thirty (30) days of filing; (d) Lessee becomes insolvent; or (e) a receiver, trustee, or liquidating officer is

appointed for Lessee's business; or (ii) If Lessee violates or breaches any of the other covenants, agreements, stipulations or conditions herein, and such violation or breach shall continue for a period of thirty (30) days after written notice of such violation or breach is sent to Lessee, then Lessor may at its option, declare this Lease forfeited and the term hereof ended, or without 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 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 eighteen percent (18%) 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.

26. 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. 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. As a condition to any assignment or sublease, Lessor may revise the rental to be consistent with its then current rental policy.

27. LESSOR'S RIGHT TO ENTER PREMISES. Lessor and/or its authorized representatives shall have the right to enter the premises at all reasonable times 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;
- d. To repair, maintain or improve the Premises; and
- e. To do any other act or thing necessary for the 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 section. 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.

28. BAYVIEW BUSINESS AND INDUSTRIAL PARK COVENANTS, ORDINANCES AND REGULATIONS. Lessee understands that the property hereinbefore described is within the Lessor's Bayview Business and Industrial Park, situated in Industrial Development District No. 4. Lessor has or may promulgate and adopt resolutions, regulations and covenants for the orderly development, maintenance, care and control of all property within said district. The same effect Lessee's use of the property hereinbefore described. Lessee agrees to comply with such resolutions, regulations and covenants in force as of the date of this Lease and all other resolutions, regulations and covenants which may be promulgated by Lessor.

29. 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 property 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.

30. FEDERAL AVIATION ADMINISTRATION REQUIREMENTS.

Lessee agrees:

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

31. NOTICES. All notices or payment hereunder may be delivered or mailed. If mailed, they should be sent to the following respective addresses:

LESSOR: Port of Skagit County
P. O. Box 348
1180 Airport Drive
Burlington, WA 98233
Phone: (360) 757-0011 FAX: (360) 757-0014

LESSEE: SEAS, Inc. c/o Jim & Kim Sorensen
1134 Walker Road
Mount Vernon, WA 98273
Phone: (360) 757-4409 FAX: (360)

32. 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 by United States Mail addressed to the party identified in the paragraph entitled NOTICES of this lease.

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

LESSOR:

PORT OF SKAGIT COUNTY

Thomas F. Perkins
Thomas F. Perkins, Commission President

John E. Henriot
John E. Henriot, Commission Secretary

LESSEE:

SIMPLIFIED EXCHANGE ACCOUNTING SYSTEMS, INC.

Marcie K. Paleck
Signature

Marcie K. Paleck, Vice President
Print Name & Title

Signature

Print Name & Title

LEASE AGREEMENT

LESSOR: PORT OF SKAGIT COUNTY

LESSEE: SIMPLIFIED EXCHANGE ACCOUNTING SYSTEMS, INC.

Page 10 of 11

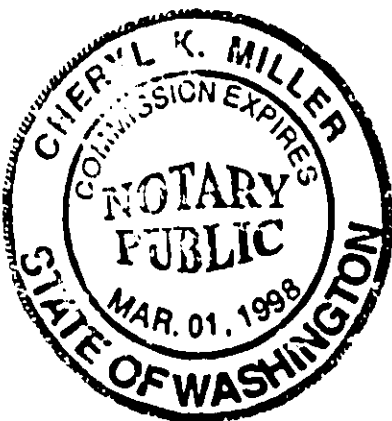
9703130122

BK1638PG0616

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 12TH day of MARCH, 1997, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Thomas F. Perkins and John E. Henriot, to me known to be the President and Secretary, respectively, of the Port Commission of the Port of Skagit County, a municipal corporation, the corporation that executed the 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 they were duly authorized to execute the same and that the seal affixed is the corporate seal of said corporation.

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

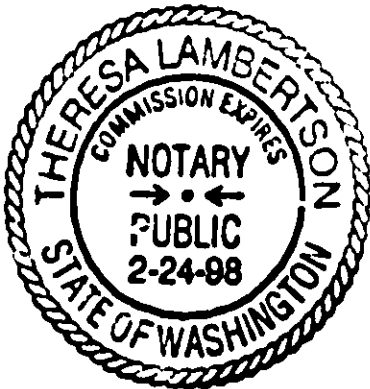


Cheryl K. Miller
(signature)
CHERYL K. MILLER
(print name)
NOTARY PUBLIC in and for the State of Washington,
residing at BELLINGHAM
My appointment expires: 3/1/98

STATE OF WASHINGTON)
) SS
COUNTY OF Skagit)

On this 12 day of March, 1997, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marcie K. Paleck and _____ to me known to be the Vice President and _____, respectively, of the corporation that executed the 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 they were duly authorized to execute the same and that the seal affixed is the corporate seal of said corporation.

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



Theresa Lambertson
(signature)
Theresa Lambertson
(print name)
NOTARY PUBLIC in and for the State of Washington,
residing at Camano Island
My appointment expires: 2/24/98



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

March 6, 1997

Amended Lot 82

Those portions of Lots 81, 82, and 83 of Skagit Regional Airport Binding Site Plan as recorded in Book 7 of Short Plats, at pages 111 through 120, records of Skagit County, Washington, under Auditor's File No. 860825002, described as follows:

Commencing at the Northeast corner of said Lot 83; thence North 88° 58' 01" West along the North line of said Lot 83 a distance of 94.53 feet to the **TRUE POINT OF BEGINNING**; thence South 88° 58' 01" East along the North line of said Lots 83 and 82 a distance of 206.05 feet; thence along the Northerly line of said Lot 82 along a curve to the right having a radius of 50.00 feet through a central angle of 72° 01' 20" an arc distance of 62.85 feet to a point of reverse curvature; thence along the Northeasterly line of said Lots 82 and 81 along a curve to the left having a radius of 540.00 feet through a central angle of 19° 49' 23" an arc distance of 186.83 feet; thence South 53° 13' 54" West a distance of 160.89 feet; thence North 50° 28' 46" West a distance of 122.72 feet; thence South 86° 20' 19" West a distance of 30.97 feet; thence North 27° 29' 02" West a distance of 131.55 feet; thence North 36° 10' 15" West a distance of 39.21 feet; thence North 1° 01' 59" East a distance of 76.83 feet to the **TRUE POINT OF BEGINNING**.

(Containing 1.48 acres.)

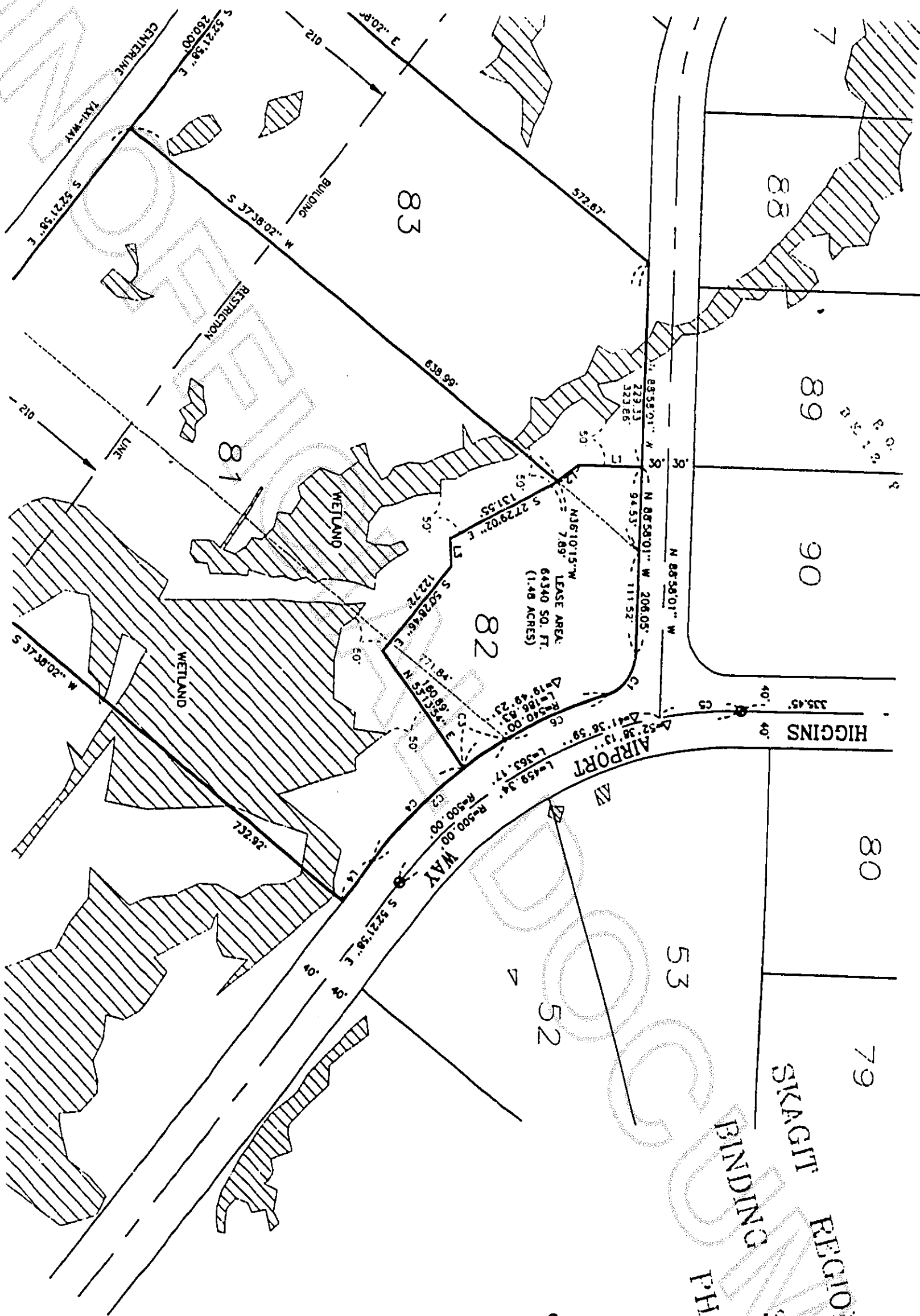
Situate in the County of Skagit, State of Washington.

J:\97014\SUM7014LEG.128

Mount Vernon Office: 603 South First Street, Mount Vernon, WA 98273, (360) 336-5751/FAX (360) 336-3981
Mailing Address: P.O. Box 1228 Mt. Vernon, WA 98273 • E-mail Address: lbs1@scs.net

9703130122

BK1638PG0618



NUMBER	R
C1	5
C2	5
C3	5
C4	5
C5	5
C6	5

NUMBER	R
L1	5
L2	5
L3	5
L4	5

LEGEND
● - DENOTES FOUND MONUMENT

BASE OF BEARING
THE CENTER LINE OF HIGGINS' AND PT. AS SHOWN HEREON BE SITE PLAN RECORDED IN BOOK 120, RECORDS OF SKAGIT COU

LEGEND
● - DENOTES FOUND MONUMENT

REGIONAL AIRPORT
SKAGIT SITE
PENDING PHASE 1

Figure 1 consists of two scatter plots. The left plot shows a positive correlation between the number of children and the number of children in the household. The right plot shows a negative correlation between the number of children and the number of children in the household.



BK 1638 PG 0620