

After recording return document to:

PORT OF SKAGIT COUNTY

PO BOX 348
BURLINGTON, WA 98233



199907270161
Kathy Hill, Skagit County Auditor
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Document Title: FIRST AMENDMENT TO LEASE

Reference Number of Related Document: #9905240254 ASSIGNMENT OF LEASE

Grantor(s): PORT OF SKAGIT COUNTY

Additional Grantor(s) on page N/A of document.

Grantee(s): PACIFIC MARINER, INC.

Additional Grantee(s) on page N/A of document.

Abbreviated legal description: Section 25, Township 34, Range 2; Portion Government Lot 5

Additional legal description(s) on page N/A of document.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

Assessor's tax/parcel numbers: L103622

JUL 27 1999

FIRST AMENDMENT TO LEASE

A. RECITALS

1. JAMES R. CAUDILL and MARY LOU CAUDILL, husband and wife, as Assignors, assigned their interest and position in and to the LEASE AGREEMENT ("lease") dated the 15th day of September, 1992, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, as Lessor, and JAMES R. CAUDILL and MARY LOU CAUDILL, husband and wife, as Lessee, to PACIFIC MARINER, INC., a Washington corporation, as Assignee pursuant to ASSIGNMENT OF LEASE dated May 24, 1999 recorded under Auditor's file number 9905240254. The PORT OF SKAGIT COUNTY consented to said assignment.

Amount Paid \$
Skagit County Treasurer
By: *(signature)* Deputy

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LESSOR: PORT OF SKAGIT COUNTY
LESSEE: PACIFIC MARINER, INC.

2. At the time the parties to the ASSIGNMENT OF LEASE referenced in 1. above executed the same, it was understood that there were errors in the legal description of the lease and the same should be corrected to be the same as set forth in SCHEDULE "C" of Order No. A59091 of Preliminary Commitment for Title Insurance issued by First American Title Company.
3. At the time the parties to the ASSIGNMENT OF LEASE referenced in 1. above executed the same, it was understood that there was no recorded means of ingress or egress to a public road to and from the property which is the subject of the lease, however, the Port was willing to warrant of record that there is ingress and egress to and from the property which is the subject matter of the lease to a public road by way of the Port's E. Pearl Jensen Way right-of-way bordering (lying immediately adjacent to) the premises on the east, and E. Pearl Jensen Way connecting to the Port's Pearl Jensen Way right-of-way, and Pearl Jensen Way in turn connecting to Third Street, a public road.

B. AGREEMENT

IT IS HEREBY MUTUALLY AGREED, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter referred to as "Lessor", and PACIFIC MARINER, INC., a Washington corporation, hereinafter referred to as "Lessee", that this agreement amends the LEASE AGREEMENT between the Lessor and Lessee, dated September 15, 1992, as assigned by ASSIGNMENT OF LEASE dated May 24, 1999, recorded under Auditor's file number 9905240254, concerning the property which is the subject matter of the lease.

WITNESSETH:

In consideration of the mutuality of benefit inherent hereto, the parties hereto do mutually agree as follows:

1. The legal description of the premises as set forth in paragraph 1. of the lease and as depicted on Exhibit "A" attached thereto is changed to be that which is set forth on SCHEDULE "C", a copy of which is attached hereto and incorporated herein as though fully set forth here, and is depicted on new Exhibit "A", a copy of which is attached hereto and incorporated herein as though fully set forth here.
2. Paragraph 29. of the above referenced lease is changed to read:

29. Right of Quiet Enjoyment. Lessor warrants that there is ingress and egress from the premises to a public road by way of the Lessor's E. Pearl Jensen Way right-of-way bordering (lying immediately adjacent to) the premises on the east, and E. Pearl Jensen Way connecting to the Lessor's Pearl Jensen Way right-of-way, and Pearl

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Jensen Way in turn connecting to Third Street, a public road. 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.

3. Paragraph 32. of the above referenced lease shall be changed to read:

35. Notices.

The parties hereto agree that all notices and payments hereunder are to be delivered or mailed according to that which is hereinafter set forth. If delivered by messenger, courier (including overnight air courier) or facsimile transmittal, the same 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 second business day following the date of mailing, if properly mailed to the mailing addresses provided below. The parties may designate new or additional addresses for mail or delivery by providing notice to the other party as provided in this section.

To Lessor:

Street Address:

Port of Skagit County
15400 Airport Drive
Burlington, WA 98233

Mailing Address:

Port of Skagit County
P.O. Box 348
Burlington, WA 98233

Phone No.: (360) 757-0011

Fax No.: (360) 757-0014

To Lessee:

Street Address:

PACIFIC MARINER, INC.
800 Pearl Jensen Way
La Conner, WA 98257

Mailing Address:

PACIFIC MARINER, INC.
P.O. Box 1382
La Conner, WA 98257

Phone No.: (360) 466-1189

Fax No.: (360) 466-1147

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4. All other terms and conditions of the lease dated September 15, 1992 above referenced, except as herein amended to the contrary, are confirmed, ratified and continued in all respects and are to remain in full force and effect. This agreement shall bind and inure to the benefit of the successors and assigns of the Lessor and the successors and assigns of the Lessee.

IN WITNESS WHEREOF, the parties hereto have set their hand and seals to this agreement. This agreement shall be effective between the parties upon execution of the last party.

LESSEE:

PACIFIC MARINER, INC.

By: [Signature]
John M. Edson

By: [Signature]
Mark A. Edson

LESSOR:

PORT OF SKAGIT COUNTY

By: [Signature]
John E. Henriot, Commission President

By: [Signature]
Brian J. Rolfson, Commission Secretary

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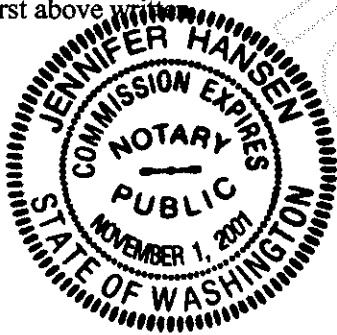
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STATE OF WASHINGTON)
 : ss.
COUNTY OF SKAGIT)

On this 15 day of June, 1999, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN E. HENRIOT and BRIAN J. ROLFSON, 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.

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



Jennifer Hansen

(Signature)

Jennifer Hansen

(Print Name)

Notary Public in and for the State of

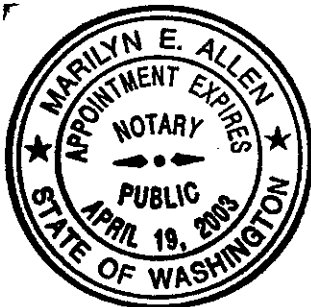
Washington, residing at Bellingham, WA

My Commission expires: November 1, 2001

STATE OF WASHINGTON)
 : ss.
COUNTY OF SKAGIT)

On this 17 day of May, 1999, before me personally appeared JOHN M. EDSON and MARK A. EDSON, to me known to be the President and Vice President, respectively, 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 they were duly authorized to execute the same and that the seal affixed 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.



Marilyn E. Allen

(Signature)

MARILYN E. ALLEN

(Print Name)

Notary Public in and for the State of

Washington, residing at LA CONNER, WA

My Commission expires: APRIL 19, 2003

T:\JOHNSON\POS\LEASES\PM\MARINER.AMD

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SCHEDULE "C"

The land referred to herein is situated in the County of Skagit, State of Washington, and is described as follows:

A leasehold interest in the following described tract:

That portion of Government Lot 5, Section 25, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at the Southeast corner of said Section 25; thence North 0 degrees 00'15" West along the East line of Section 25, a distance of 1,330.00 feet; thence North 89 degrees 47'55" West, a distance of 808.57 feet; thence South 0 degrees 00'15" East, parallel with the East line of Section 25, a distance of 779.86 feet; thence North 89 degrees 47'55" West a distance of 95.00 feet; thence South 0 degrees 00'15" East along the East line of that Lease Agreement between the Port of Skagit County, Lessor, and Paul H. Beals, et al, Lessee, doing business as Triad Marine Inc., by that document dated January 19, 1987 and recorded October 7, 1992 under Auditor's File No. 9210070034, records of Skagit County, Washington, a distance of 145.00 feet to the Southeast corner of the Lease described hereinabove and the true point of beginning; thence North 89 degrees 47'55" West along the South line of the above described Triad Marine Inc., Lease and a projection thereof, a distance of 285.80 feet; thence South 2 degrees 17'05" West, a distance of 277.18 feet; thence South 89 degrees 47'55" East, a distance of 296.87 feet to a point which bears South 0 degrees 00'15" East from the true point of beginning; thence North 0 degrees 00'15" West to the true point of beginning.



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