

After recording return document to:



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Kathy Hill, Skagit County Auditor  
5/10/2000 Page 1 of 8 1:22:43PM

Document Title: SECOND AMENDMENT TO LEASE

Reference Number of Related Document(s): #9502010066 LEASE AGREEMENT, #9512180067 AMENDMENT TO LEASE AGREEMENT, #9801230057 ASSIGNMENT OF LEASE and #9906170089 LEASE AGREEMENT, #200002230067 BINDING SITE PLAN

Grantor(s): PORT OF SKAGIT COUNTY

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

Grantee(s): CC BEVERAGE (U.S.) Corporation, a Washington State Corporation, f/k/a Cascade Clear Water Co.

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

Abbreviated legal description: Lot 22 Hopper Road Business Park Binding Site Plan NW 1/4 of Sec. 8, T34N, R4E, W.M.

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

Assessor's tax/parcel numbers: Tax ID - P24229; Parcel No. 340408-2-002-0002

**SECOND AMENDMENT TO LEASE** SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax

MAY 10 2000

**A. RECITALS**

1. On December 20, 1994 the PORT OF SKAGIT COUNTY as Lessor initially entered into a LEASE AGREEMENT with CC BEVERAGE (U.S.) CORPORATION, a Washington corporation as Lessee concerning real property then referred to as Lots 22 and 23 in the Port's Riverbend Industrial Park in Burlington, Washington.

**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 1**

**LESSOR: PORT OF SKAGIT COUNTY**

**LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.**

Amount Paid \$  
Skagit Co. Treasurer  
Deputy

2. The LEASE AGREEMENT referenced in 1. above was amended by AMENDMENT TO LEASE AGREEMENT dated December 12, 1995 to accommodate Lessee's lender.
3. On January 20, 1998 the PORT OF SKAGIT COUNTY consented to Lessee's assignment of its leasehold interest to CLEARLY ACQUISITION CORP., a Washington corporation (a wholly owned subsidiary of Clearly Canadian Beverage Corporation, a Province of British Columbia Canadian corporation), with the understanding that CLEARLY ACQUISITION CORP. was to be renamed CASCADE CLEAR WATER CO. Lessee merged with CLEARLY ACQUISITION CORP. and changed its name to Cascade Clear Water Co.
4. Effective December 31, 1998, Clearly Canadian Beverage (U.S.) Corporation (a Wyoming State corporation), merged with Lessee and Lessee changed its name to CC Beverage (U.S.) Corporation.
5. Lessee has made improvements to adjacent real property leased from Lessor which real property was referred to as Lot 21 in the Port's Riverbend Industrial Park in Burlington, Washington. Lessee's location of said improvements and Lessee's lender for said improvements have created the need to further amend the LEASE AGREEMENT by: combining original Lots 22 and 23 into one lot and addressing the need for a permanent ingress, egress, utility corridor for the benefit of Lots 22 and 23 on Lot 21; adjusting the boundary line between Lot 22 and Lot 21 to transfer 13,677 sq.ft. of area improved for parking in Lot 22 to Lot 21 and adjusting the rentals under the respective LEASE AGREEMENTS between the parties accordingly; inserting language to address matters in the event of Lessee's default; and making such other changes as are needed by the parties to implement the amendments hereinabove referenced.
6. Lessor has recently placed of record its Hopper Road Business Park Binding Site Plan (previously known as Riverbend Industrial Park) and the properties which are the subject of Lease Agreements between the Lessor and Lessee and as herein adjusted need to be renamed to coincide with said Binding Site Plan.

**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 CC Beverage (U.S.) Corporation, a Washington corporation, hereinafter referred to as "Lessee", that this agreement amends the LEASE AGREEMENT between the Lessor and Lessee, dated December 20, 1994, as amended by AMENDMENT TO LEASE AGREEMENT dated December 12, 1995, and as assigned by ASSIGNMENT OF LEASE dated January 20, 1998. This agreement and the above referenced documents shall hereafter be referred to as "the Lease", between the parties hereto and the same concerns real property which hereafter shall be referred to as "the Property" subject to the Lease.

**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 2**

**LESSOR: PORT OF SKAGIT COUNTY**

**LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.**



200005100050

**Kathy Hill, Skagit County Auditor**

**5/10/2000 Page 2 of 8 1:22:43PM**

**WITNESSETH:**

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

1. Paragraph 1. of the December 20, 1994 LEASE AGREEMENT shall be changed to read:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, the following described premises, sometimes referred to as the "Manufacturing Parcel" Property:

Lot 22 of Hopper Road Business Park Binding Site  
Plan NW 1/4 of Sec. 8, T34N, R4E, W.M. Auditor's  
#200002230067 ("Lot 22")

TOGETHER WITH an easement for vehicular ingress  
and egress over the North forty-five (45) feet of Lot  
21 of Hopper Road Business Park Binding Site Plan  
NW 1/4 of Sec. 8, T34N, R4E, W.M., sometimes  
referred to as the "Office Parcel".

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. Paragraph 4. of the December 20, 1994 LEASE AGREEMENT shall be changed to read:

Lessee shall pay to Lessor, an initial basic rent for the premises, the sum of Three Thousand Two Hundred Sixty-seven Dollars and thirty-nine cents (\$3,267.39) per month, plus leasehold tax payable monthly in advance in U.S. currency. Rental payments will commence on December 1, 1999.

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**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 3**

**LESSOR: PORT OF SKAGIT COUNTY**

**LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co**



200005100050

Kathy Hill, Skagit County Auditor

5/10/2000 Page 3 of 8 1:22:43PM

Prior to creation of Lot 22 the premises was comprised of, and the basic rent as of 12/1/99 would have been calculated as follows:

Bldg. on former Parcel "A"	Former Parcel "A"	Former Parcel "B"	Totals
33,427 sq.ft.	90,604.8 sq.ft.	142,005.6 sq.ft.	232,610.4 sq.ft.
\$925.11	\$1,179.54		\$2,104.65
	\$1,179.54	\$1,303.44*	\$2,482.98
\$925.11	\$2,482.98		\$3,408.09

Upon creation of Lot 22, the premises is comprised of, and the basic rent as of 12/1/99 is calculated on the basis of the following:

Bldg. on former Parcel "A"	Former Parcel "A"	Former Parcel "B" (as adjusted)	Totals
33,427 sq.ft.	90,604.8 sq.ft.	128,300.2 sq.ft.	218,905 sq.ft.
\$925.11	\$1,179.54		\$2,104.65
	\$1,179.54	\$1,162.74*	\$2,342.28
\$925.11	\$2,342.28		\$3,267.39

\* as adjusted per CPI of December 1, 1997 of 161.3

3. Paragraph 6. of the December 20, 1994 LEASE AGREEMENT shall be changed to read:

Commencing December 1, 2000, and on each third anniversary thereafter during the initial term or an option period, rental for the premises shall be adjusted according to the procedure set forth below in paragraph 7. The date of any such change in rental is called the "Change Date", as defined in paragraph 7 of this Lease.

As initially agreed, and for purposes of making the adjustments to rental to be implemented December 1, 2000, the following is understood and agreed to.

The December 1, 2000 rental adjustment for Former Parcel "B" (Land) as adjusted in size to now be 128,300.2 sq.ft. shall be to the basic rent of \$1,162.74 for the period 12/1/97 to 12/1/00, based on the Price Index in effect at the third anniversary of this Lease being 161.2 (1982-84=100) for the month of September 1997.

The December 1, 2000 rental adjustment for Former Parcel "A" (Land) of 90,604.8 sq.ft. shall be to the basic rent of \$1,179.54 based on the Price Index in effect at the commencement of this Lease being 149.4 (1982-84=100) for the month of September 1994.

AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 4

LESSOR: PORT OF SKAGIT COUNTY

LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.



200005100050

Kathy Hill, Skagit County Auditor

5/10/2000 Page 4 of 8 1:22:43PM

The December 1, 2000 rental adjustment for the Building on Former Parcel "A" of 33,427 sq.ft. shall be to the agreed base monthly rental value of \$6,685.40 (\$.20 per square foot) based on the Price Index in effect at the commencement of this Lease being 149.4 (1982-84=100) for the month of September 1994.

4. Paragraph 32. of the December 20, 1994 LEASE AGREEMENT shall be changed to read:

32. 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  
Phone No.: (360) 757-0011

Mailing Address:

Port of Skagit County  
P.O. Box 348  
Burlington, WA 98233  
Fax No.: (360) 757-0014

To Lessee:

Street Address:

CC Beverage (U.S.) Corporation  
1600 Port Drive  
Burlington, WA 98233  
Phone No.: ( 360 ) 757-4441

Mailing Address:

CC Beverage (U.S.) Corporation  
P.O. Box 326  
Burlington, WA 98233  
Fax No.: (360) 757-3534

5. A new paragraph is added to the Lease which reads as follows:

If a Leasehold Mortgage granted by Lessee is foreclosed upon or a deed is

**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 5**

**LESSOR: PORT OF SKAGIT COUNTY**

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200005100050

Kathy Hill, Skagit County Auditor

5/10/2000 Page 5 of 8 1:22:43PM

given by Lessee in lieu of foreclosure, the purchaser at the foreclosure sale or the grantee of a deed in lieu of foreclosure and its successors in interest are referred to as a "Successor Tenant". A Successor Tenant may segregate the use of the Property from that of the Office Parcel upon written notice to Lessor executed by the Successor Tenant. Upon such notice, the following provisions shall become effective to amend the Lease:

(a). Subparagraph c. in paragraph 11. of the December 20, 1994 LEASE AGREEMENT is amended so that Lessee is required to maintain only at least thirty (30) direct full-time equivalent employees at all times.

(b). Notwithstanding paragraph 10. of the December 20, 1994 LEASE AGREEMENT, the Property may be used for any purpose permitted under applicable zoning law.

(c). Notwithstanding any provision in the Office Parcel Lease which may be to the contrary, no default under the Office Parcel Lease shall constitute a default under the Lease.

6. All other terms and conditions of the December 20, 1994 LEASE AGREEMENT above referenced, as amended and assigned, 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:**

**CC Beverage (U.S.) Corporation**

By: Jay Duffy  
Jay Duffy, President

By: Tom Koltai  
Tom Koltai, Vice President Operations

**LESSOR:**

**PORT OF SKAGIT COUNTY**

By: Glen Ballen  
Glen Ballen, Commission President

By: Jerry Koster  
Jerry Koster, Commission Secretary

**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 6**

**LESSOR: PORT OF SKAGIT COUNTY**

**LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.**

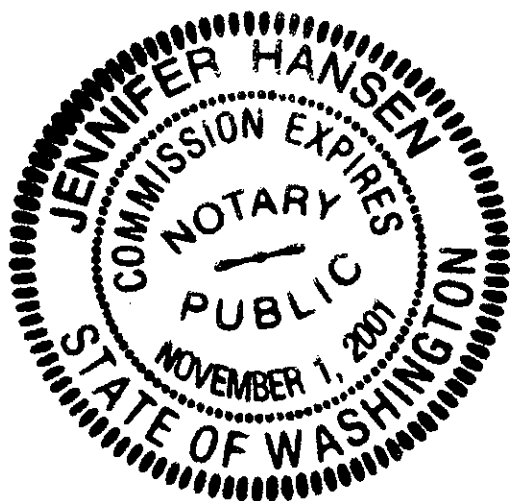


**KEYBANK NATIONAL ASSOCIATION,**  
a national banking association

FRED J. HOLUBIK, VICE PRESIDENT  
Print name and title

STATE OF WASHINGTON )  
 : ss.  
COUNTY OF SKAGIT )

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



**AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 7**  
**LESSOR: PORT OF SKAGIT COUNTY**  
**LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.**



200005100050

**Kathy Hill, Skagit County Auditor**

5/10/2000 Page 7 of 8 1:22:43PM



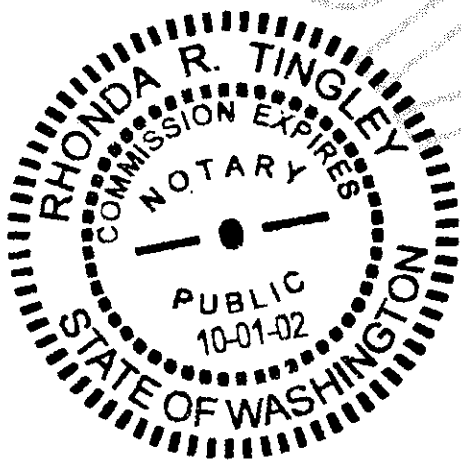
STATE OF WASHINGTON )

:SS.

COUNTY OF SKAGIT )

On this 13<sup>th</sup> day of April, 2000, before me personally appeared JAY DUFFY and TOM KOLTAI, to me known to be the President and Vice President Operations, 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.



Rhonda R. Tingley  
(Signature)  
Rhonda R. Tingley  
(Print Name)  
Notary Public in and for the State of  
Washington, residing at Burlington  
My Commission expires: 10-01-02

AMENDMENT TO MANUFACTURING PARCEL LEASE AGREEMENT 2/17/00 - Page 8

LESSOR: PORT OF SKAGIT COUNTY

LESSEE: CC Beverage (U.S.) Corporation f/k/a Cascade Clear Water Co.



200005100050

Kathy Hill, Skagit County Auditor

5/10/2000 Page 8 of 8 1:22:43PM