

Return Address:

**Bradford E. Forlong
Attorney at Law
825 Cleveland Avenue
Mount Vernon, WA 98273**



200403170073
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

110834 SE

Document Title(s) (for transactions contained therein): 1. Third Amendment to Lease Agreement 2. 3. 4.
Reference Number(s) of Documents assigned or released: (on page of documents(s)) 9304230096
Grantor(s) 1. Port of Skagit County 2. 3. 4.
Additional Names on page _____ of document.
Grantee(s) 1. David M. Addie 2. Jerry Welch 3. 4.
Additional Names on page _____ of document.
Legal Description (abbreviated i.e. lot, block, plat or section, township, range) Lot 22, Amended Skagit Regional Airport Ph. 1
Additional legal is on page _____ of document.
Assessor's Property Tax Parcel/Account Number 8012-000-022-0200, L105273
The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

**THIRD AMENDMENT TO LEASE AGREEMENT BETWEEN THE
PORT OF SKAGIT COUNTY AND DAVID M. ADDIE AND JERRY WELCH
(Deleting Jerry Welch As Tenant And Modifying Legal Descriptions)**

This Third Amendment to Lease Agreement is made as of
March 16th, 2004 by and between the PORT OF SKAGIT
COUNTY, a Washington municipal corporation, hereinafter referred to as
"Lessor," and DAVID M. ADDIE, an individual, and Jerry Welch, an individual,
hereinafter referred to as "Lessees."

WITNESSETH:

WHEREAS, on April 20, 1993, Lessor entered into a Lease Agreement, recorded
under Skagit County Auditor's File No. 9304230096 ("Basic Lease"), which
identified Lessees as Jerry Welch and David M. Addie d/b/a International Aero,
Inc., a Washington corporation; and

WHEREAS, the Basic Lease pertained to and described a certain premises within
the Bayview Business & Industrial Park, to wit: Lot No. 23, Skagit Regional
Airport Binding Site Plan, Phase 1, recorded August 25, 1986, under Skagit
County Auditor's File No. 860825002, records of Skagit County, Washington
("Initial Premises"), containing approximately 211,670 square feet (4.859 acres);
and

WHEREAS, on July 20, 1993 the parties entered into a First Amendment to Lease
Agreement ("First Amendment") for the purpose of: (a) removing all references
to International Aero, Inc., as Lessee, (thereby leaving Jerry Welch and David M.
Addie as Lessees); and (b) naming International Aero, Inc., as Guarantor; and

WHEREAS, on August 3, 1993 the parties entered into a Second Amendment to
Lease Agreement between the Lessor and Lessees ("Second Amendment") for the
purpose of: (a) leasing additional contiguous premises from Lot No. 24 Skagit
Regional Airport Binding Site Plan, Phase 1, recorded August 25, 1986, under
Skagit County Auditor's File No. 860825002, records of Skagit County,
Washington (the "Added Premises"), containing approximately 14,043.3 square
feet (.3224 acres); and (b) incorporating an "Expansion Area" into the Basic
Lease, with said Expansion Area being the remaining area of said Lot No. 24 and
comprising 323,401 square feet (7.4243 acres); and

WHEREAS, the Lessor has caused the preparation and recordation of an amended
binding site plan pertaining to the premises, which amended binding site plan: (1)
revised and combined the legal descriptions of the Initial Premises and the Added
Premises into a single legal description, to wit: Lot No. 22, AMENDED SKAGIT
REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, recorded March 4,
2003, under Auditor's File No. 200303040030, records of Skagit County,
Washington, said combined lot depicted in Exhibit A hereto; and (2) revised the
legal description the Expansion Area, to wit: Lot No. 23, AMENDED SKAGIT
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REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, recorded March 4, 2003, under Auditor's File No. 200303040030, records of Skagit County, Washington, said Expansion Area depicted in Exhibit B hereto; and

WHEREAS, David M. Addie is acquiring the interest of Jerry Welch in the buildings, fixtures, and improvements on the real property subject to the Basic Lease, First Amendment and Second Amendment (collectively, the "Amended Lease Agreement"), and is acquiring the shares of Jerry Welch in International Aero, Inc., a Washington corporation, which is the Guarantor of the Amended Lease Agreement, and David M. Addie and Jerry Welch have requested that Jerry Welch be removed from the Amended Lease Agreement as a Lessee and, further, be released from all future liability under the Amended Lease Agreement.

NOW, THEREFORE, in consideration of their mutual promises, the parties hereby agree that the Basic Lease, First Amendment and Second Amendment are amended as follows:

1. All references to Jerry Welch as Lessee are hereby deleted in their entirety, including, without limitation that which is specifically set forth on pages 1, 7, and 8 of the Basic Lease, and in the First Amendment and Second Amendment.
2. The legal description of the Initial Premises and the Added Premises shall be Lot No. 22, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, recorded March 4, 2003, under Auditor's File No. 200303040030, records of Skagit County, Washington, as depicted in Exhibit A hereto and the legal description of the Expansion Area shall be Lot No. 23, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, recorded March 4, 2003, under Auditor's File No. 200303040030, records of Skagit County, Washington, as depicted in Exhibit D hereto
3. This Third Amendment to the Lease Agreement shall become effective as of the date of the last signature below.
4. Except as expressly amended herein, all provisions of the Basic lease, as amended by the First Amendment and Second Amendment, shall remain in full force and effect.
5. Jerry Welch will remain responsible, as co-Lessee, to the Port of Skagit County for unsatisfied liabilities as Lessee pursuant to the Amended Lease Agreement, if any, through the date hereof.
6. This amendment may be executed in counterparts.

Port of Skagit County, Lessor
David M. Addie/Jerry Welch, Lessees
Third Amendment to Lease

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Skagit County Auditor

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SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
DATE

MAR 17 2004

Amount Paid \$
Skagit County Treasurer
By: Deputy

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Lease Agreement as of the day and year last below written:

LESSOR:

PORT OF SKAGIT COUNTY

Attest:

Glenn B. Allen / 3/16/04 / Karen Shue / 3/16/04
Commission Secretary Date Commission President Date

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 16th day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Glenn B. Allen, to me known to be, or have shown satisfactory evidence of being, the individual described in the foregoing instrument and known to me to be the Commission Secretary of the Port of Skagit County, a Washington municipal corporation and, on behalf of such corporation, having on oath stated that he/she was authorized to execute the instrument, acknowledged to me that he/she signed and sealed the foregoing instrument as the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

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

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Port of Skagit County, Lessor
David M. Addie/Jerry Welch, Lessees
Third Amendment to Lease

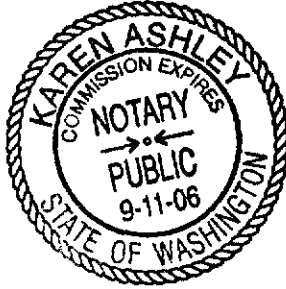


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Karen Ashley

Karen Ashley
Print/Type Name
NOTARY PUBLIC in and for the
State of Washington,
residing at Sedro-Woolley
My appointment expires 9/11/06



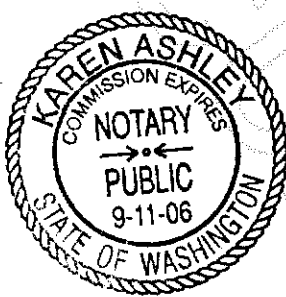
STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 16th day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kevin E. Ware, to me known to be, or have shown satisfactory evidence of being, the individual described in the foregoing instrument and known to me to be the Commission President of the Port of Skagit, a Washington municipal corporation and, on behalf of such corporation, having on oath stated that he/she was authorized to execute the instrument, acknowledged to me that he/she signed and sealed the foregoing instrument as the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

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

Karen Ashley

Karen Ashley
Print/Type Name
NOTARY PUBLIC in and for the
State of Washington,
residing at Sedro-Woolley
My appointment expires 9/11/06



Port of Skagit County, Lessor
David M. Addie/Jerry Welch, Lessees
Third Amendment to Lease



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Skagit County Auditor

UNOFFICIAL DOCUMENT

LESSEE:

David M. Addie 13-16-04
David M. Addie, Individually Date

STATE OF WASHINGTON)
)ss.
COUNTY OF Skagit)

On this 16th day of March, 2004, before me personally appeared David M. Addie, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

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

Karen Ashley

Karen Ashley

Port of Skagit County, Lessor
David M. Addie/Jerry Welch, Lessees
Third Amendment to Lease

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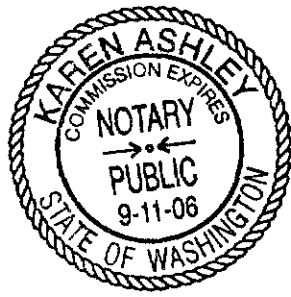
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2:31PM

Print/Type Name
NOTARY PUBLIC in and for the
State of Washington,
residing at Sedro-Woolley
My appointment expires 9/11/06



LESSEE:

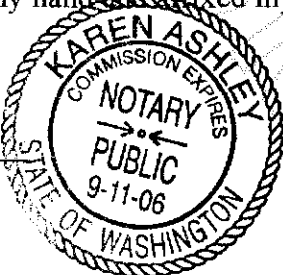
J. Welch 13-16-04
Jerry Welch, Individually Date

STATE OF WASHINGTON)
)ss.
COUNTY OF Skagit)

On this 16th day of March, 2004, before me personally appeared Jerry Welch, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

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

Karen Ashley



Karen Ashley
Print/Type Name
NOTARY PUBLIC in and for the

State of Washington
Residing at Sedro-Woolley
My appointment expires 9/11/06

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Port of Skagit County, Lessor
David M. Addie/Jerry Welch, Lessees
Third Amendment to Lease



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GUARANTOR:

All of that which is heretofore set forth is approved and agreed to.

INTERNATIONAL AERO, INC.

David M. Addie 3-16-04
Bob Lancaster DAVID M. ADDIE Date
~~Secretary/Treasurer~~ Secretary/Treasurer

STATE OF WASHINGTON)
)ss.
COUNTY OF Skagit)

On this 16th day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ~~Bob Lancaster~~, to me known to be, or have shown satisfactory evidence of being, the individual described in the foregoing instrument and known to me to be the ~~Secretary/Treasurer~~ of International Aero, Inc., a Washington corporation and, on behalf of such corporation, having on oath stated that he was authorized to execute the instrument, acknowledged to me that he signed and sealed the foregoing instrument as the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

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

*David M. Addie
*Secretary/Treasurer

Karen Ashley

Karen Ashley
Print/Type Name
NOTARY PUBLIC in and for the
State of Washington,
residing at Sedro-Woolley
My appointment expires 9/11/06

