200612010147
Skagit County Auditor
12/1/2006 Page 1 of 40 4:20PM

After Recording Return To: PORT OF SKAGIT COUNTY
123764-PE
P.O. BOX 348
BURLINGTON, WA 98233

LAND TITLE OF SKAGIT COUNTY

Document Title(s): **ASSIGNMENT OF LEASE WITH CONSENT THERETO AND SEVENTH AMENDMENT TO LEASE**

Reference number(s) of document(s) assigned or released: UnRecorded Lease

Grantor(s): **IRENE C. RANTEN**

Additional Name(s) on page _____ of Document.

Grantee(s): **TEAM INDUSTRIAL SERVICES, INC.**

Additional Name(s) on page _____ of Document.

Abbreviated Legal Description: Lot 29 of the Amended Skagit Regional Airport Binding Site Plan, Phase 1

Additional Legal(s) on page 2 of Document.

Assessor's Parcel/Tax ID Number: P6290/8012-000-029-0200

ASSIGNMENT OF LEASE WITH CONSENT THERETO
AND
SEVENTH AMENDMENT TO LEASE

A. RECITALS

WHEREAS, the PORT OF SKAGIT COUNTY, a Washington municipal corporation, ("Lessor"), and WILLIAM COOK AND BERNARD RANTEN DBA RANCO PARTS AND SERVICE, a Washington partnership, entered into a lease on October 10, 1978 for the real property which is now described as Lot 29 of the Amended Skagit Regional Airport Binding Site Plan, Phase 1, Recorded under Skagit County Auditor's file number 200303040030, said property being depicted in Exhibit No. 1 (the "Premises"), and

WHEREAS, said lease has been amended as follows:

Lease Amendment dated March 9, 1984,

Second Amendment to Lease dated April 20, 1987,

Assignment of Leasehold Interest dated April 13, 1987,

Third Amendment to Lease dated October 4, 1988,

Fourth Amendment to Lease dated August 1, 1989,

Fifth Amendment to Lease dated July 21, 1998,

Sixth Amendment to Lease dated February 2, 2004, and

WHEREAS, IRENE C. RANTEN and TEAM INDUSTRIAL SERVICES, INC. have reached an agreement on the sale of the building located at 11837 Water Tank Road, and

WHEREAS, IRENE C. RANTEN wishes to assign to TEAM INDUSTRIAL SERVICES, INC. all of her interest in the lease as it has been amended as set forth above, all collectively referred to herein as the "Amended Lease," and

WHEREAS, TEAM INDUSTRIAL SERVICES, INC., will utilize the property for purposes different than IRENE C. RANTEN.

NOW, THEREFORE, BASED ON THE FOREGOING, THE PARTIES NOW ACT AND AGREE AS FOLLOWS:

B. ASSIGNMENT

FOR VALUE RECEIVED, Irene C. Ranten ("Assignor"), hereby grants, bargains, sells, assigns, transfers and delivers unto Team Industrial Services, Inc. ("Assignee"), Assignor's interest in the Amended Lease, on terms and conditions acceptable to the Assignor and Assignee and approved by the Lessor.

C. CONSENT

Lessor hereby consents to the forgoing assignment of the Amended Lease subject to and contingent upon compliance with the following agreements and conditions:

1. Assignee hereby unconditionally: (a) assumes all of Assignor' s obligations contained in the Amended Lease; and (b) accepts and agrees and covenants to comply with, and guarantees performance and fulfillment of, all the terms and conditions contained in the Amended Lease attached as Exhibit No. 2 hereto.

2. Assignor hereby agrees to comply with all its financial obligations as lessee incurred to the Lessor through the date of assignment or as thereafter may be determined to have been incurred prior to the date of assignment.

3. A determination by the Lessor, at its sole discretion, that Assignee is financially responsible to meet lessee's financial obligations pursuant to the Amended Lease.

4. The Assignee hereby agrees that all notices and payments hereunder may be delivered or mailed as set forth herein. 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 Assignee: Street Address:
Team Industrial Services, Inc.
200 Hermann Drive
Alvin, TX 77512

Mailing Address:
Team Industrial Services, Inc.
P.O. Box 123
Alvin, TX 77512

Phone No.: (281) 388-5510

Fax No.: (281) 388-4411

The signature of Assignor hereinafter made constitutes evidence of Assignor's acceptance of the terms and conditions herein stated and guarantee of the matters set forth in paragraph B. ASSIGNMENT, above. The signature of the Assignee hereinafter made constitutes evidence of Assignee's acceptance of the terms and conditions herein stated and agreement to comply with the matters referenced in the paragraph B. ASSIGNMENT above and Assignee's guarantee of the performance and fulfillment of the obligations referenced in the paragraphs above.

D. SEVENTH AMENDMENT

1. Paragraph 12 of the lease, entitled Business Purpose and Type of Activity, as amended by paragraph 3 of the Fifth Amendment to Lease is hereby deleted and replaced with the following:

12. BUSINESS PURPOSE / BASE LINE ACTIVITY

a. Business Purpose: It is understood and agreed that lessee intends to use the Premises for the maintenance and storage of heating and inspection equipment 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 Amended 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: Lessee currently employs more than twelve (12) permanent full-time employees who will be based on-site, and will maintain at least that number during the term of this Amended Lease.

2. All other terms and conditions of the Amended Lease above referenced except as herein amended are confirmed, ratified and confirmed in all respects and are to remain in full force and effect.

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.

DATED this 20th day of November, 2006.

ASSIGNOR:

IRENE C. RANTEN,
AN INDIVIDUAL

By Irene C. Ranten
Signature date

ASSIGNEE:

TEAM INDUSTRIAL SERVICES, INC.,
A TEXAS CORPORATION, REGISTERED
IN THE STATE OF WASHINGTON

G T Sangalis 11-17-06
Signature date

Gregory T. Sangalis, Sr. Vice President
Print Name and Title

STATE OF WASHINGTON)
: ss
COUNTY OF SKAGIT)

On this 20th day of November, 2006, before me personally appeared Irene C. Ranten to me known to be the individual described in and who executed the within instrument and acknowledged she signed and sealed the same as his free and voluntary act and deed for the uses and purposes herein mentioned

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

SARAH M. G. HASTINGS
COMMISSION EXPIRES
NOTARY
PUBLIC
9-19-10
STATE OF WASHINGTON

(Signature)
Sarah MG Hastings
(Print Name)

NOTARY PUBLIC in and for the State of Washington,
residing at Sedro Woolley
My Commission expires: 9-19-10

STATE OF TEXAS)
: ss
COUNTY OF BRAZORIA)

On this 17th day of November, 2006, before me personally appeared Gregory T. Sangalis to me known to be the Senior VP, of Team Industrial Services, Inc., a Texas corporation, registered in the state of Washington, 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 is 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.

ANNE J. SMITH
Notary Public, State of Texas
My Commission Expires
August 10, 2010

(Signature)
Anne J. Smith
(Print Name)

NOTARY PUBLIC in and for the State of ~~Washington~~ Texas,
residing at Brazoria County, Alvin, Texas
My Commission expires: August 10, 2010

ASSIGNMENT OF LEASE WITH CONSENT THERETO
ASSIGNOR: IRENE C. RANTEN
ASSIGNEE: TEAM INDUSTRIAL SERVICES, INC.

200612010147
Skagit County Auditor

CONSENT TO ASSIGNMENT

The PORT OF SKAGIT COUNTY hereby consents to the assignment of the above referenced lease, and specifically, on the conditions hereinbefore set forth.

DATED this 1st day of December, 2006.

PORT OF SKAGIT COUNTY

Glenn B. Allen, Jr., Commission President

Jerry Kaufman, Commission Secretary

12-1-06
Date

12-1-06
Date

STATE OF WASHINGTON)
:ss
COUNTY OF SKAGIT)

On this 1st day of December, 2006, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Glenn B. Allen, Jr. and Jerry Kaufman 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.

KAREN ASHLEY NOTARY PUBLIC STATE OF WASHINGTON 9-11-2010

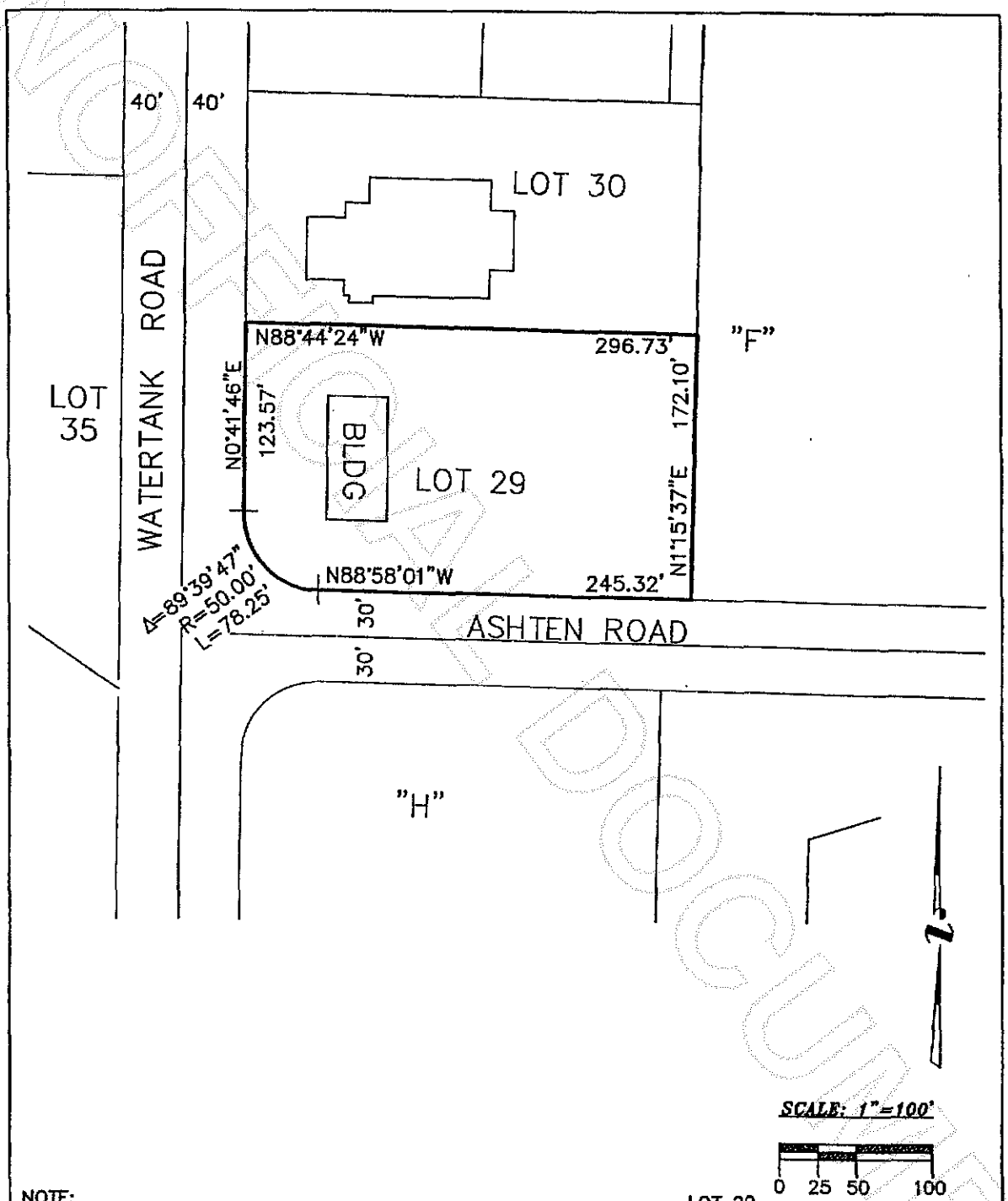
(Signature)

Karen Ashley
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Mount Vernon
My Commission expires: 9-11-2010

ASSIGNMENT OF LEASE WITH CONSENT THERETO
ASSIGNOR: IRENE C. RANTEN
ASSIGNEE: TEAM INDUSTRIAL SERVICES, INC.

200612010147
Skagit County Auditor
12/1/2006 Page 7 of 40 4:20PM



NOTE:
REFER TO AMENDED SKAGIT REGIONAL
AIRPORT BINDING SITE PLAN, PHASE 1
FOR EASEMENTS THAT MAY AFFECT THIS PROPERTY

LOT 29
11837 WATERTANK ROAD
50,565 SQ. FT. (1.16 AC.)

Leonard, Boudinot & Skodje Inc.
PROFESSIONAL ENGINEERS & LAND SURVEYORS
603 South First Street; P.O. Box 1228
Mount Vernon, WA 98273
Tel: 360-336-5751 Fax: 360-336-3981

PROJECT
EXHIBIT MAP
FOR
LOT NO. 29

DRAWING NO. 29
JOB # 99272

Exhibit No.1

SKAGIT REGIONAL AIRPORT -- BAY VIEW

L E A S E

This is a lease made and entered into this 10th day of October 1978, by and between the PORT of SKAGIT COUNTY, a municipal corporation, hereinafter called "Lessor", and WILLIAM COOK and BERNARD RANTEN a partnership, dba RANCO PARTS AND SERVICE and hereinafter called "Lessee", whose mailing address is P. O. Box 293, Mount Vernon, WA 98273.

W I T N E S S E T H:

1. Description of Property. The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following described property situated in Skagit County, State of Washington:

PROPERTY DESCRIPTION ATTACHED

SUBJECT TO: Restrictions, easements and reservations of record if any.

2. Condition of Property. Lessee accepts the above-described property in the condition prevailing on October 10, 1978, and is not relying upon any representations of Lessor as to condition or usability, except Lessor's right to grant a lease of the property.

3. Term. The term of this lease shall be for twenty (20) years, commencing on the 1st day of October 1978, and ending on the 31 day of October, 1998, both dates inclusive.

4. Option to Extend. Lessee is granted the right to extend this lease for twenty (20) years, by giving written notice of said intention to Lessor not less than ninety (90) days prior to the expiration of the initial or prior extended term, conditioned upon the fact that all terms, covenants and conditions of the initial term or previously extended term have been fully met and fulfilled. All terms and conditions of the initial lease term shall continue with the exception that the rent shall be renegotiated as hereinafter provided.

5. Rental for Initial Term. LESSEE agrees to pay LESSOR the sum of Thirty-one & 25/100 Dollars ($31.25) per month, in advance, in United States currency, the first of said payments to be made on the 1st day of October 1978.

6. Rental for Extended Term or Terms. Rental for any extended term shall be that sum agreed upon between the parties. The parties agree to negotiate in good faith in this regard. In the event the parties cannot agree, the rental shall be the then fair rental value as determined by the procedures set forth in the next succeeding paragraph, except that said rental shall consider the value of all improvements.

7. Procedure to Determine Rental. If the parties cannot agree as to the fair rental value of these premises for any extended term or for any periodic rental renegotiation period, the fair cash market value of these premises shall be determined. (Said determination shall be made as though the tract was a separate, identifiable tract). Such determination shall be made by mutual agreement of the parties, and if they are unable to agree, then by an M.A.I. appraiser whose selection shall be made by mutual agreement of the parties. If the parties are unable to agree, then such appraiser shall be appointed by the Presiding Judge of the Superior Court of Skagit County, upon petition by either party. Rental shall be 08% percent of said

Exhibit No.2

cash market value.

8. Renegotiation of Rental - Term More Than Five Years. In the event the initial lease term is for more than five (5) years, the parties shall renegotiate the fair rental value of the premises on each five-year anniversary of the initial term. If the parties cannot agree as to the fair rental value, then the same shall be determined and established as provided in the immediately preceding paragraph.

9. Operating Permits. Costs or charges for any operating permits granted by LESSOR to LESSEE pursuant to resolutions, rules and regulations of LESSOR, shall be in addition to rent.

10. Performance Bond. LESSEE agrees to secure the rent by rental insurance, bond, or security satisfactory to the Port Commission, all as required under the laws of the State of Washington. The bond, or other security if accepted by the Commission in lieu thereof, shall be in the penalty of or value of not less than the rental for one-sixth (1/6) of the total rent, but not more than an amount equal to three years' rent. Such security shall be for the term of the lease.

11. Hold Harmless Provisions, Liability and Indemnity. The Port, its 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 LESSEE's use of the premises, or LESSEE's performance under this lease, except where the Port is negligent. LESSEE agrees to defend and hold and save the Port, its employees and agents, harmless from all liability or expense (including expense of litigation) in connection with any such items of actual or alleged injury or damage. In addition, the LESSEE shall, at its own expense, maintain proper liability insurance with a reputable insurance company or companies satisfactory to the Port in the minimum of $100,000.00 (per accident) for property damage, and in the minimum amount of $200,000.00 (per individual)and $300,000.00 (per accident or occurrence) for personal injuries and death, (and hereafter in such increased amount to be comparable and consistent with the going or standard coverage in the area for comparable business operation), to idemnify both the LESSOR and the LESSEE against any such liability or expense. The Port 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 at LESSEE's option.

12. Business Purpose and Type of Activity. The only activity to be conducted upon the leased premises by LESSEE is that of Sales, Service and repair of all types of Heavy Equipment and Engines and related products. No other business use of said premises may be made without LESSOR's consent. Failure of LESSEE to perform the stated type of business, or cessation of said services, or carrying on other activities without first obtaining a lease modification with LESSOR's written approval of such other activities, shall constitute a material breach of this lease and cause for default.

13. Completion Schedule for Major Improvements by Lessee. LESSEE agrees to proceed with the construction and completion of major improvements, including advertising signs, in accordance with the following schedule:

a. To present suitable plans to and obtain approval from the PORT of SKAGIT COUNTY within sixty (60) days of the date of execution of this lease.

b. To commence construction of said improvements not later than ninety (90) days after date of execution of this lease.

c. To have construction of said improvements substantially complete within six (6) months of the date of initiation of this lease or a written agreed term of construction set with the LESSOR prior to the signing of this lease.

14. Disposition of Improvements at End of Lease. LESSEE shall have the right to remove all 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 the termination 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. Improvements other than trade fixtures shall be come the property of the LESSOR.

LESSEE shall remove all equipment, personal property and trade fixtures which have been placed upon the premises by LESSEE during the period of this lease. If LESSEE does not remove same and LESSOR wants the property removed, then same may be removed and stored at LESSEE's expense and LESSOR may recover any costs and expenses from the LESSEE resulting from the removal. Following removal of said described property, the premises shall be restored to their original condition or to a condition satisfactory to LESSOR, prior to termination of the lease, normal depreciation, loss by unavoidable fire or unavoidable casualty excepted.

15. Off-Street Parking. LESSEE agrees to provide space for the parking of vehicles in the number necessary to comply with applicable regulations and otherwise to accommodate its normal business 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.

16. Lessee Will Obtain Permits. LESSEE agrees to obtain and comply with all necessary permits for the operation and conduct of LESSEE's business and construction of any leasehold improvements. If LESSEE fails to obtain and comply with such permits, then LESSEE accepts full responsibility for any and all costs incurred by the PORT of SKAGIT COUNTY, including actual attorneys' fees. LESSEE agrees to hold LESSOR harmless from any liability and to fully reimburse expenses of the Port for LESSEE's failure to fully comply with any necessary permit process and requirements.

17. Maintenance of Facilities. Maintenance of the leased premises and all improvements thereon is the responsiblity of LESSEE. The premises shall be maintained in such condition so as not to be a hazard nor unsightly, and shall at all times conform to exsiting laws.

18. 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. LESSEE shall arrange and pay for all utility connections and distribution of such utilities within its leased premises, and hold LESSOR harmless from the cost thereof.

19. Advertising and Signs. Signs will be installed according to the following provision:

a. LESSEE shall place one sign on Port directory at LESSEE's expense after approval by PORT of SKAGIT COUNTY.

20. Liens and Insolvency. LESSEE shall keep the leased premises free from any lien arising out of any work performed, materials furnished, or obligations incurred by LESSEE. In the event LESSEE becomes insolvent, voluntarily 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.

21. Laws and Regulations. 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, applicable to 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.

22. Commit No Waste. LESSEE agrees not to commit or permit waste upon said above-described premises and to keep the premises in a neat, clean and orderly condition and to be responsible for all damages caused to the leased premises by LESSEE, its agents or any third party on the premises at the instance of the LESSEE.

23. Costs and Attorneys' Fees. In the event LESSOR, without any fault on its part, shall be made a party to any litigation commenced by or against LESSEE, then LESSEE agrees to pay all reasonable costs and reasonable attorneys' fees incurred by LESSOR in connection with such litigation, and LESSEE also agrees to pay all reasonable costs and reasonable attorneys' fees incurred by LESSOR in enforcing any of the convenants, agreements, terms and provisions of this lease. LESSEE shall indemnify and hold the PORT harmless from any loss in this regard and defend LESSOR, at its option, at LESSEE's expense.

24. Prohibition Against Assignment or Subletting. LESSEE shall no assgin this lease nor sublet all or any portion of the leased premises without the prior written consent of LESSOR, which consent shall not be withheld if LESSOR is satisfied such assignee or sublessee is a financially responsible party; and no rights hereunder or in or to said premises shall pass by operation of law or other judicial process or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon LESSEE's respective successors, representatives and assigns as the case may be. LESSEE will furnish LESSOR with copies of all such sublease documents.

25. 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 will surrender to LESSOR said premises peaceably and quietly and in the same condition in which the same now are, or shall hereafter be modified, reasonable depreciation and loss by unavoidable fire or other unavoidable casualty excepted.

26. Default and Re-Entry. Time is of the essence of this agreement. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if LESSEE shall violate or default in any of the covenants and agreements herein contained, the LESSOR may cancel this lease upon giving the notice required by law and re-enter said premises but notwithstanding such re-entry by the LESSOR, the liability of the LESSEE for the rent provided herein shall not be extinguished for the balance of the term of this lease and LESSEE covenants and agrees to make good to the LESSOR any deficiency arising from the re-entry and reletting of the premises at a lesser rental than herein agreed to. The LESSEE shall pay such deficiency each month as the amount thereof is ascertained by the LESSOR. If default shall be made in the payment of the rent and the same is not remedied within ten (10) days after written notice of such default, or if default shall occur in the performance of any other of the terms and

conditions of this lease and the same is not remedied within thirty (30) days after written notice of such default, the failure to so remedy such default or defaults shall be a material breach and, at the option of the LESSOR, it may terminate this lease.

27. Lessor's Right to Enter Premises. It is agreed that the duly authorized officers or agents of LESSOR may enter to view said premises at any reasonable time, and if the business or normal function of LESSOR should at any time require that it enter upon the premises to do any work or make any improvements, it may do so, but not in such manner as to materially damage LESSEE or interfere with LESSEE's normal and usual operation. Such right shall not obligate LESSOR to any duty of replacement or repair of the premises, and this paragraph shall not be construed as being inconsistent with the paragraph entitled, "Maintenance of Facilities". Any repairs or expense incurred by LESSOR to maintain the premises because of LESSEE's failure so to do shall be repaid by LESSEE within thirty (30) days of an invoice to LESSEE, and failure to repay shall constitute a material default in LESSOR to pursue such legal remedies as are available to collect reasonable costs and reasonable attorneys' fees.

28. Taxes and Assessments. LESSEE agrees to promptly pay and discharge, in addition to the rental hereinbefore provided, all taxes or charges which may be taxed, charged or imposed upon the leased premises, and all taxes which are or may be imposed upon the leasehold interest hereby created, as long as LESSEE, its successors or assigns, shall occupy said premises. In the event LESSOR is required to pay same, LESSEE will reimburse LESSOR therefor.

29. Water and Sewer Pro Rata Expense. LESSEE agrees to pay a pro rata share of assessments made against this property for installation of public water and sewer systems, based upon a reasonable overall sharing program among all properties served by the same sewer or water line.

30. Equal Opportunity. LESSEE agrees that in the conduct of activities on the leased premises, LESSEE will be an equal opportunity employer in accordance with Title 6 of the 1964 Civil Rights Act as now existing, or as the same may be hereafter amended, or with regard to any new laws regarding the same subject matter.

31. Right of Quiet Enjoyment. LESSOR acknowledges that it has ownership of the property heretofore described and that it has the legal authority to lease said property unto LESSEE. LESSOR covenants that LESSEE's right of occupancy shall not be disturbed during the term of this so long as the terms are complied with by LESSEE, and subject to that clause in this lease dealing with the right of LESSOR to enter upon the leased premises.

32. Federal Aviation Agency Requirements. The LESSEE agrees:

a. To furnish good, prompt and efficient service adequate to meet all demands for its service at the airport;

b. To furnish said service on a fair, equal and non-discriminatory basis to all users thereof;

c. To charge fair, reasonable and non-discriminatory prices for each unit of sale or service; provided, that the LESSEE may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers;

d. To prevent any use of the leased premises which would interfere with landing or taking off of aircraft at the Skagit Regional Airport - Bay View, or otherwise constitute an airport hazard;

e. To prevent any operation on the leased premises which would produce electromagnetic radiations of a nature which would cause interference with any air navigational or communications aid now or in the future to be installed to serve the Skagit Regional Airport - Bayview, or which would create any interfering or confusing light or cause any restrictions to visibility at the airport.

33. Retention of Airspace Rights by Lessor. LESSOR retains the public right of flight for the passage of aircraft in the airspace above the surface of the real 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 hereafter used, for navigation of or flight in the said airspace and for use of said airspace for landing on, taking off from or operating on Skagit Regional Airport - Bayview.

34. 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 to be notified at the last known post office address.

35. Notices. Any notice required to be served in accordance with the terms of this lease shall be sent by certified mail, or may be served personally, as in the case of a summons; the notice from the LESSEE to be sent to LESSOR at P. O. Box 248, Mount Vernon, WA 98273, and the notice to LESSEE to P. O. Box 293, Mount Vernon, WA 98273.

36. Waiver of Subrogation. LESSOR hereby releases LESSEE of and from every 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 sustained by LESSEE to its trade fixtures, equipment and merchandise in the premises, plus any improvements owned by LESSEE. 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.

37. Performance Standards. The LESSEE acknowledges that the subject matter of this lease shall be a facility for serving the public and is to be operated by the LESSEE at a profit and to serve the public as they enter upon public lands owned by the LESSOR. LESSEE understands that LESSOR has achieved and intends to maintain a high degree of quality of performance with the public and LESSEE accepts this lease with said understanding that they will perform to the best of their ability. It is agreed that in the event LESSOR determines that LESSEE is falling below performance standards as determined by the LESSOR, that the LESSOR shall have the right to forward a notice to LESSEE detailing items in which LESSEE is defaulting in their performance in serving the public, and in the event said detailed complaints are not corrected within ninety (90) days, LESSOR shall have the right to call upon the LESSEE to meet and discuss the termination of this lease as provided by the terms hereof.

38. Alterations. LESSEE shall have no right to make alterations to the buildings or leased premises without first obtaining the written consent of the LESSOR.

39. Industrial Park Covenants. LESSEE understands that the area leased is within LESSOR's Industrial Development District No. 1. LESSOR has or will

promulgate and adopt covenants for the orderly care, maintenance, development and control of said District and all tenants therein. LESSEE will recognize and comply with such covenants.

40. Titles to Paragraphs. Titles of paragraphs in this document are for convenience and reference purposes only and shall not be in any way construed to be a part of any of the terms and conditions of the lease nor be used with respect to interpreting or construing the purpose and intent of the document.

41. Definitions. Unless some other meaning and intent is apparent from the context, the plurals shall include the singular and vice versa, and masculine, feminine and neuter words shall be used interchangeably.

IN WITNESS WHEREOF, the parties have signed this instrument on the day and year first above written.

PORT OF SKAGIT COUNTY

(S E A L)

C. T. Magin, President

S. S. McIntyre, Secretary

"LESSOR"

"LESSEE"

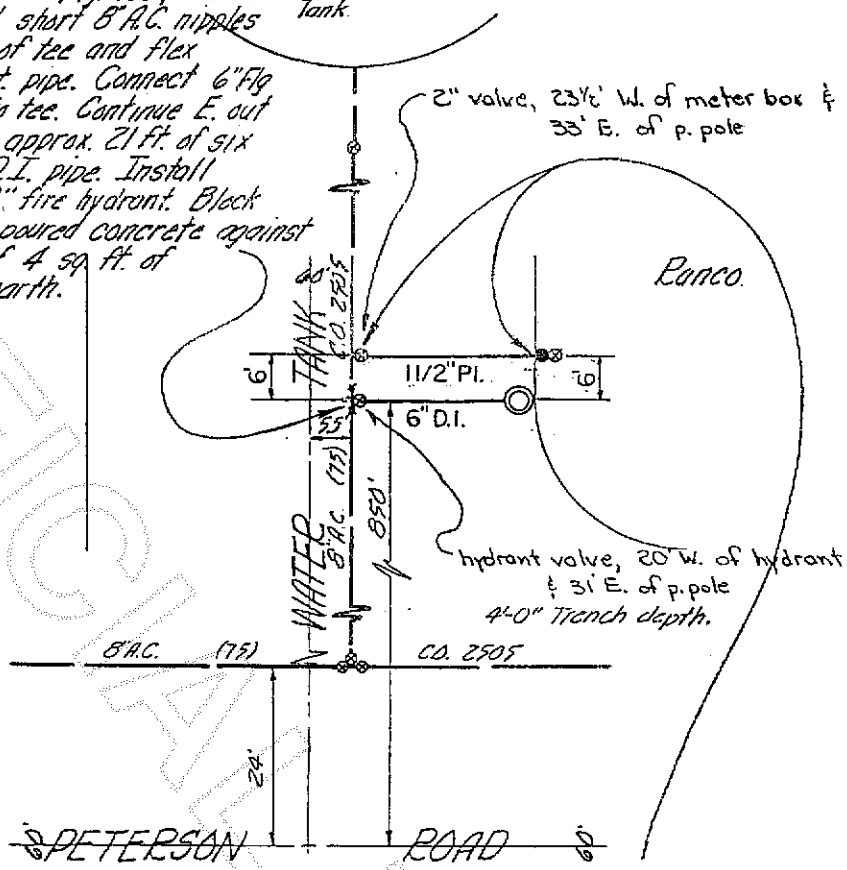
STATE OF WASHINGTON)
ss.
COUNTY OF SKAGIT)

On this 10th day of October , 1978 , before me, the undersigned a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared C. T. Magin and S. S. McIntyre, Jr., to me known to be the President and Secretary, respectively, of the PORT OF SKAGIT COUNTY, the municipal 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 authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at

Approx. 850' N. of ℄ of Pet. Rd. J.O. 2051
Install 8" P.T. × 6" Flg. tee, branch east. Install short 8" A.C. nipples N. and S. out of tee and flex couple to exist. pipe. Connect 6" Flg × M.J. valve to tee. Continue E. out of valve with approx. 21 ft. of six inch cl. 50 D.I. pipe. Install standard 4-0" fire hydrant. Block hydrant with poured concrete against a minimum of 4 sq. ft. of undisturbed earth.



Approx. 856' N. of ℄ of Peterson Rd
Install the following: 8" A.C. tap, 2" svc. clamp, 2" C.I. valve, 2" × 6" br. nipple, 1½" × 2" br. bushing, 1½" Pl. 45° ell to 6" br. nipple, 1½" Pl. 45° ell to N.E., approx. 25 ft. of 1½" cl. 200 P.V.C. pipe, 1½" Pl. 45° ell to S.W., 1½" Pl. 45° ell to E. and connect to fittings of standard 1½" meter box. Install meter box. See layout and dimensions above.

As Built 1/18/78

WATER TANK RD., SVC. TO RANCO

Install standard 1½" metered service and standard pumper type fire hydrant.

Jan. 3, 1979 D.J.L. 1" = 20'

Revised: 1-9-79; 1-10-79 C.O. 2763 W.O. 78-1228

PROPERTY DESCRIPTION

That portion of Section 34, Township 35 North, Range 3 East, Willamette Meridian described as follows:

Starting at the southeast corner of Section 34, T. 35 N., R. 3 E., W. M.; thence 3027.3 feet westerly along the southerly line of said Section 34, to a railroad spike in the center of Peterson Road, the assumed bearing of said southerly line of said Section 34 being due East and West; thence North 0° 40' West along the centerline of Watertank Road 848.3 feet; thence due East 30.0' to a point on the east right-of-way line of Watertank Road, said point being the point of beginning for this description; thence due east 306.6 feet; thence due north 147.3 feet; thence due west 308.5 feet; thence south 0° 40' east 147.3 feet to the point of beginning. The above area containing 1.0 acres more or less.

1.0399 ACRE

@ 375.00 PR

3750 /acre

3605.79/ACRE

NO DRAWING

PORT OF SKAGIT CO\ Y

LEASE AMENDMENT

This is an Amendment to that lease agreement, dated October 10, 1978, between the **PORT OF SKAGIT COUNTY**, and Messrs. **WILLIAM COOK** and **BERNARD RANTEN (dba. RANCO PARTS & SERVICE)**.

WHEREAS, the initial rental period in terms of the subject lease expired on October 1, 1983, and

WHEREAS, pursuant to Paragraph 8 of said lease, the aforementioned parties have negotiated together and have arrived at an agreed rent for the succeeding five-year rental period;

THEREFORE, BE IT RESOLVED THAT:

Land rent shall be fixed for the ensuing five-year rental period through October 1, 1988, according to the following schedule:*

Delete 4% 3/25/84

$ 78.00	(4%)	1st year	(effective 2/1/84)
$ 93.75	(5%)	2nd year	(" 10/1/84)
$112.50	(6%)	3rd year	(" 10/1/85)
$131.25	(7%)	4th year	(" 10/1/86)
$150.00	(8%)	5th year	(" 10/1/87)

* Based on a land value of $22,500/acre.

BE IT FURTHER RESOLVED THAT all other terms and conditions of the subject lease, of which this Amendment forms a part and is incorporated therein, remain in force and effect and are not altered by this Amendment.

IN WITNESS WHEREOF, the parties have signed this instrument as of the date(s) given below.

PORT OF SKAGIT COUNTY

Commission President

Dated: 3/9/84

Commission Secretary

LESSOR

RANCO PARTS & SERVICE

William Cook

Dated: 3/22/84

Bernard F. Ranten

LESSEE

SECOND AMENDMENT TO LEASE BE LEN

THE PORT OF SKAGIT COUNTY AND WILLIAM COOK AND BERNARD RANTEN,

A PARTNERSHIP, D/B/A RANCO PARTS AND SERVICE

This Second Amendment to Lease, made as of April 20, 1987, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter called "Lessor", and WILLIAM COOK and BERNARD RANTEN, a partnership, d/b/a RANCO PARTS AND SERVICE, hereinafter called "Lessee",

W I T N E S S E T H:

WHEREAS, the parties entered into a lease agreement, hereinafter referred to as the "basic lease", dated October 10, 1978 covering certain premises at Skagit Regional Airport; and

WHEREAS, the basic lease was first amended on March 3, 1984, to reflect an increase in rental pursuant to paragraph 8 of the basic lease; and

WHEREAS, the parties now wish to further amend the basic lease in order to accurately reflect the name of Lessee due to dissolution of partnership and to redefine the legal description of the leased premises.

NOW, THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. Lessee's name is hereby changed to: Bernard Ranten, d/b/a RANCO Auto Parts.

2. The legal description of the leased premises as identified in the basic lease, is hereby redefined as follows:

   Lot 32, Port of Skagit County Binding Site Plan, containing approximately 50,565 square feet (1.16 acres), and depicted on Exhibit "A" attached hereto.

3. This Amendment shall become effective November 18, 1986.

4. Except as expressly amended herein, all provisions of the Basic Lease, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first above written.

PORT OF SKAGIT COUNTY

Michael T. Crawford, Commission President

Fred R. Miller, Commission Secretary

LESSEE

RANCO PARTS AND SERVICE

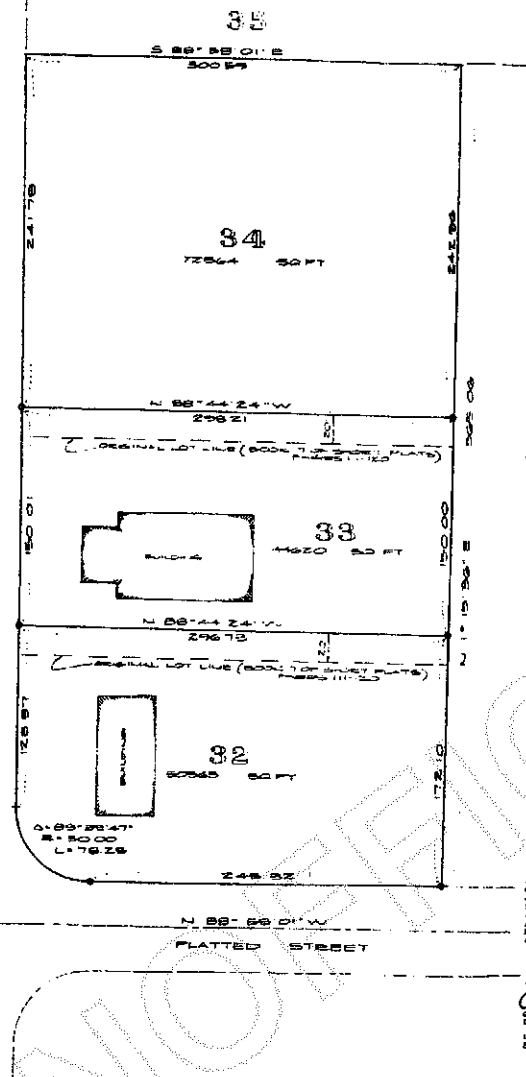
Bernard Ranten

LESSOR

PHASE 1

REVISION TO LOTS 32, 33 AND 34

SEC. 33 AND 34, TWP. 35 N., R. 3 E., W.M. & SEC. 3, TWP. 34 N., R. 3 E., W.M.



LEGEND

• DENOTES REBAR WITH YELLOW CAP MARKED "LEONARD 28972" SET THIS SURVEY

SCALE 1" = 50'

LEGAL DESCRIPTION

LOT 33, LOT 33 AND LOT 34 OF SKAGIT REGIONAL AIRPORT BUILDING SITE PLAN, PHASE 1, RECORDED IN BOOK 1 OF SHORT PLATS AT PAGES 111-120 UNDER AUDITORS FILE NO. 200312010006, RECORDS OF SKAGIT COUNTY, WASHINGTON.

31

NOTES:

ZONING: M - INDUSTRIAL DISTRICT

SURVEYOR'S CERTIFICATE

I, JOHN E LEONARD JR., REGISTERED LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS REVISION TO THE SKAGIT REGIONAL AIRPORT BUILDING SITE PLAN - PHASE 1 - IS BASED ON AN ACTUAL SURVEY WHICH IS RETRACEABLE AND BASED ON A TRUE SUBDIVISION OF THE SECTION, AND THAT THE DISTANCES, COURSES AND ANGLES ARE SHOWN THEREON CORRECTLY, AND THAT THE BOUNDARIES OF THE LAND HAVE BEEN SURVEYED AND MONUMENTED AS SHOWN ON THE PLAN.

JOHN E LEONARD JR., PLS
REGISTRATION NO. 28972
DATE 1/26/06

LEONARD & ASSOCIATES, INC
BELLINGHAM, WA

JOHN E. LEONARD JR. STATE OF WASHINGTON REGISTERED LAND SURVEYOR

CONSENT

KNOW ALL MEN BY THESE PRESENTS THAT WE THE UNDERSIGNED OWNERS HEREBY CERTIFY THAT THIS REVISION TO THE SUBDIVISION KNOWN AS SKAGIT REGIONAL AIRPORT BUILDING SITE PLAN - PHASE 1 - IS MADE AS OUR FREE AND VOLUNTARY ACT AND DEED IN ACCORDANCE WITH THE DESIRES OF THE OWNERS.

_____

_____

_____

ACKNOWLEDGMENTS

STATE OF WASHINGTON } ss
COUNTY OF SKAGIT }

ON THIS 11 DAY OF JUL, 1984 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED FRED E MILLER, JOHN FELLIN AND LUCE CRAWFORD TO ME KNOWN TO BE THE INDIVIDUALS DESCRIBED IN AND WHO EXECUTED THE WITHIN INSTRUMENT AND ACKNOWLEDGED THAT THEY SIGNED, AND SEALED THE SAME AS THEIR FREE AND VOLUNTARY ACT AND DEED, FOR THE PURPOSES THEREIN MENTIONED.

WITNESS MY HAND AND OFFICIAL SEAL HEREUNTO AFFIXED THE DAY AND YEAR ABOVE WRITTEN.

NOTARY PUBLIC

RESIDING AT Burlington, WA

APPROVALS

THE WITHIN AND FOREGOING BUILDING SITE PLAN IS APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THE SKAGIT COUNTY SUBDIVISION ORDINANCE THIS ____ DAY OF _____, 1986

_____
SKAGIT COUNTY PLANNING DIRECTOR

_____
COUNTY ENGINEER

TREASURER'S CERTIFICATE

THIS IS TO CERTIFY THAT ALL TAXES HEREINTOFORE LEVIED AND WHICH HAVE BECOME A LIEN UPON THE LANDS HEREIN DESCRIBED HAVE BEEN FULLY PAID AND DISCHARGED ACCORDING TO THE RECORDS OF MY OFFICE UP TO AND INCLUDING THE YEAR OF 1986.

THIS _____ DAY OF _____, 1986

_____
SKAGIT COUNTY TREASURER

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS ____ DAY OF ____, 19__ AT ___ M IN BOOK ___ OF SHORT PLATS AT PAGE ___ AT THE REQUEST OF LEONARD AND ASSOCIATES, INC

_____
SKAGIT COUNTY AUDITOR

BY _____ DEPUTY

ASSIGNMENT OF LEASEHOLD INTEREST

FOR VALUE RECEIVED, **WILLIAM J. COOK**, a Partner of **RANCO PARTS AND SERVICES**, as assignor, hereby grants, bargains, sells, assigns, transfer and delivers unto **BERNARD RANTEN**, a Partner of **RANCO PARTS AND SERVICES**, all right, title, estate and interest of assignor in and to the following:

That certain lease and all extensions and amendments thereof entered into on the 10th day of October, 1978, by and between the **PORT OF SKAGIT COUNTY**, as Lessor and **WILLIAM J. COOK and BERNARD RANTEN, d/b/a RANCO PARTS AND SERVICES**, as Lessee, covering property described as follows:

See attached Exhibit "A"

Dated this 13th day of April, 19 87.

WILLIAM J. COOK

William J. Cook

BERNARD RANTEN

Bernard F. Ranten

State of Washington)
) ss.
County of Skagit)

On this 13th day of April, 1987, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared WILLIAM J. COOK, to me known to be a partner, RANCO PARTS AND SERVICE. The partner that executed the foregoing, and acknowledged the said instrument to be the free and voluntary act and deed for the purposes and use therein mentioned and on oath stated that he is authorized to execute said instrument. Witness my hand and official seal hereto affixed the day and year first above written.

Cheryl Kay Parker
Notary Public in and for the State of Washington,
residing at Sedro Woolley

State of Washington)
) ss.
County of Skagit)

On this 13th day of April, 1987, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared BERNARD RANTEN, to me known to be a partner, RANCO PARTS AND SERVICE. The partner that executed the foregoing, and acknowledged the said instrument to be the free and voluntary act and deed for the purposes and use therein mentioned and on oath stated that he is authorized to execute said instrument. Witness my hand and official seal hereto affixed the day and year first above written.

Patricia A. Burkhart
Notary Public in and for the State of Washington,
residing at Burlington

EXHIBIT "A"

PROPERTY DESCRIPTION

That portion of Section 34, Township 35 North, Range 3 East, Willamette Meridian described as follows:

Starting at the southeast corner of Section 34, T. 35 N., R. 3 E., W.M.; thence 3027.3 feet westerly along the southerly line of said Section 34, to a railroad spike in the center of Peterson Road, the assumed bearing of said southerly line of said Section 34 being due East and West; thence North 0°40' West along the centerline of Watertank Road 848.3 feet; thence due East 30.0' to a point on the east right-of-way line of Watertank Road, said point being the point of beginning for this description; thence due east 306.6 feet; thence due north 147.3 feet; thence due west 308.5 feet; thence south 0°40' east 147.3 feet to the point of beginning. The above area containing 1.0 acres more or less.

TH) AMENDMENT TO LEASE BETWI

THE PORT OF SKAGIT COUNTY AND BERNARD RANTEN D/B/A

RANCO PARTS AND SERVICE

This Third Amendment to Lease made as of October 4, 1988, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter called "Lessor", and BERNARD RANTEN, d/b/a RANCO PARTS AND SERVICE, hereinafter called "Lessee",

W I T N E S S E T H:

WHEREAS, the parties entered into a lease agreement, hereinafter referred to as the "Basic Lease", dated October 10, 1978 covering certain premises at Skagit Regional Airport; and

WHEREAS, the parties executed a Lease Amendment dated March 9, 1984 to reflect an increase in rental pursuant to Paragraph 8 of the Basic Lease; and

WHEREAS, the parties executed a Lease Amendment dated April 20, 1987 to accurately reflect the name of Lessee due to dissolution of partnership and to redefine the legal description of the lease premises; and

WHEREAS, Paragraph 8 of the Basic Lease provides for renegotiation of the rental effective as of each five year anniversary of the initial lease, or any extended term; and

WHEREAS, the parties have renegotiated the rental and now wish to amend the terms of the Basic Lease to provide for a rental increase; and

WHEREAS, Paragraph 11 of the Basic Lease requires that Lessee maintain proper liability insurance in the minimum of $100,000.00 (per accident) for property damage, $200,000.00 (per individual) and $300,000.00 (per accident or occurrence) for personal injuries and death; and

WHEREAS, Lessor has subsequently increased the amount of minimum liability insurance required to $500,000.00 Single Limit Liability.

NOW, THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. Rental shall be increased to $183.50 per month, plus leasehold tax, for the one-year period October 10, 1988 through October 9, 1989.

2. Rental shall be increased to $217.85 per month, plus leasehold tax, effective October 10, 1989.

3. The amount of liability insurance required by Lessor shall be increased to $500,000.00 Single Limit Liability.

4. This amendment shall become effective October 10, 1988.

5. Except as expressly amended herein, all provisions of the Basic Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the day and year first above written:

PORT OF SKAGIT COUNTY

Thomas F. Perkins

Thomas F. Perkins, Commission President

John R. Ferlin

John R. Ferlin, Commission Secretary

LESSOR

BERNARD RANTEN

Bernard F. Ranten

By:

LESSEE

200612010147

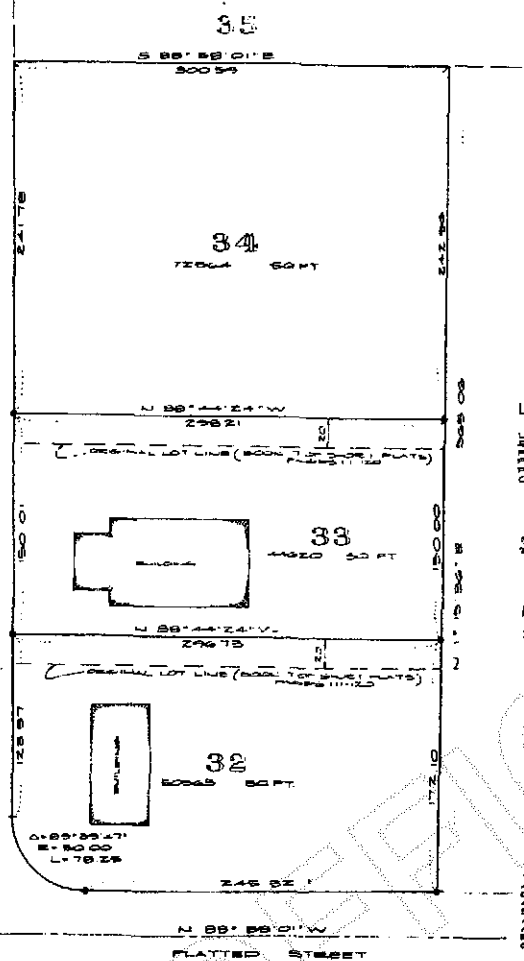
Skagit County Auditor

PHASE 1

REVISION TO LOTS 32, 33 AND 34

SEC. 33 AND 34, TWP. 35 N., R. 3 E., W.M. & SEC. 3, TWP. 34 N., R. 3 E., W.M.

Exhibit "A"



LEGEND

• - DENOTES REBAR WITH YELLOW CAP MARKED "LEONARD" SET THIS SURVEY

SCALE 1" = 50'

LEGAL DESCRIPTION

LOT 32, LOT 33 AND LOT 34, OF SKAGIT REGIONAL AIRPORT BUILDING SITE PLAT - PHASE 1, RECORDED IN BOOK 1 OF SHORT PLATS AT PAGES 111-120 UNDER AUDITOR'S FILE NO. 200612010146, RECORDS OF SKAGIT COUNTY, WASHINGTON.

31

NOTES:

ZONING: M - INDUSTRIAL DISTRICT

SURVEYOR'S CERTIFICATE

I, JOHN E. LEONARD JR., A REGISTERED LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS DEVISION TO THE SKAGIT REGIONAL AIRPORT BUILDING SITE PLAN - PHASE 1 - IS BASED ON AN ACTUAL SURVEY, WHICH IS RETRACEABLE AND BASED ON A TRUE SUBDIVISION OF THE SECTION AND THAT THE DISTANCES, COURSES AND ANGLES ARE SHOWN THEREON CORRECTLY, AND THAT THE BOUNDARIES OF THE LAND HAVE BEEN SURVEYED AND MONUMENTED AS SHOWN ON THE PLAN.

JOHN E. LEONARD JR., PLS AND PLS

CERTIFICATE NO. 27972

DATE 7/12/06

LEONARD & BOUDINOT, INC

BURLINGTON, WA

JOHN E. LEONARD JR. STATE OF WASHINGTON 27972 REGISTERED PROFESSIONAL LAND SURVEYOR

CONSENT

KNOW ALL MEN BY THESE PRESENTS THAT WE THE UNDERSIGNED SUBDIVIDERS HEREBY CERTIFY THAT THIS DEVISION TO THE SUBDIVISION KNOWN AS SKAGIT REGIONAL AIRPORT BUILDING SITE PLAN - PHASE 1 - IS MADE AS OUR FREE AND VOLUNTARY ACT AND DEED IN ACCORDANCE WITH THE DESIRES OF THE OWNERS.

ACKNOWLEDGMENTS

STATE OF WASHINGTON } SS
COUNTY OF SKAGIT

ON THIS 11th DAY OF July, 2006 BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED FRED E. MILLER AND JOHN E. LEONARD TO ME KNOWN TO BE THE INDIVIDUALS DESCRIBED IN AND WHO EXECUTED THE WITHIN INSTRUMENT AND ACKNOWLEDGED THAT THEY SIGNED AND SEALED THE SAME AS THEIR FREE AND VOLUNTARY ACT AND DEED, FOR THE PURPOSES THEREIN MENTIONED.

WITNESS MY HAND AND OFFICIAL SEAL HEREIN AFFIXED, THE DAY AND YEAR ABOVE WRITTEN.

John E. Leonard Jr.
NOTARY PUBLIC

RESIDING AT Burlington, WA

APPROVALS

THE WITHIN AND FOREGOING BUILDING SITE PLAN IS APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THE SKAGIT COUNTY SUBDIVISION ORDINANCE THIS ____ DAY OF ____, 1986

SKAGIT COUNTY PLANNING DIRECTOR

COUNTY ENGINEER

TREASURER'S CERTIFICATE

THIS IS TO CERTIFY THAT ALL TAXES HERETOFORE LEVIED AND WHICH HAVE BECOME A LIEN UPON THE LANDS HEREIN DESCRIBED HAVE BEEN FULLY PAID AND DISCHARGED ACCORDING TO THE RECORDS OF MY OFFICE UP TO AND INCLUDING THE YEAR OF 1986

THIS ____ DAY OF ____, 1986

SKAGIT COUNTY TREASURER

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS ____ DAY OF ____, 19__, AT ____ M., IN BOOK ____ OF SHORT PLATS AT PAGE ____ AT THE REQUEST OF LEONARD AND BOUDINOT, INC.

SKAGIT COUNTY AUDITOR

BY: ____ DEPUTY

FOURTH AMENDMENT TO LEASE BETWEEN

THE PORT OF SKAGIT COUNTY AND BERNARD RANTEN D/B/A

RANCO PARTS AND SERVICE

This Fourth Amendment to Lease made as of August 1, 1989, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter called "Lessor", and BERNARD RANTEN, d/b/a RANCO PARTS AND SERVICE, hereinafter called "Lessee",

W I T N E S S E T H:

WHEREAS, the parties entered into a lease agreement, hereinafter referred to as the "Basic Lease", dated October 10, 1978 covering certain premises at Skagit Regional Airport; and

WHEREAS, the parties executed First Amendment To Lease dated March 9, 1984, to reflect an increase in rental pursuant to Paragraph 8 of the Basic Lease; and

WHEREAS, the parties executed Second Amendment To Lease dated April 20, 1987, to accurately reflect the name of Lessee due to a dissolution of partnership, and to redefine the legal description of the lease premises; and

WHEREAS, the parties executed Third Amendment To Lease dated October 4, 1988, to reflect an increase in rental pursuant to Paragraph 8 of the Basic Lease, and to increase the required minimum liability insurance amount pursuant to Paragraph 11 of the Basic Lease; and

WHEREAS, the parties have negotiated and agree that an eight foot (8') high, sight obscuring chain-link fence should be erected to enclose Lessee's yard area, along the east, south and west perimeter of Lessee's premises; and

WHEREAS, the parties agree that Lessor will construct the fence, at Lessor's expense, and amortize the cost of said fence over the remaining term of the lease, plus an annual return on investment of 10 percent; and that Lessee will be responsible for all maintenance of the chain-link fence; and

WHEREAS, the parties wish to amend the terms of the Basic Lease to provide for repayment by Lessee of Lessor's cost of $6,342.00 (including sales tax) to erect an eight foot (8') high, sight obscuring chain-link fence along portions of Lessee's leased premises.

NOW, THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. Effective September 1, 1989 through October 31, 1998 Lessee shall pay, in addition to monthly premises rental, the sum of $63.42 per month, plus leasehold tax. The $63.42 per month represents an annual return on investment of 10 per cent of the $6,342.00 cost to construct a chain-link fence on portions of Lessee's premises.

New Monthly Rental:	
Basic Lease	$183.50/month
Chain-Link Fence	63.42
Revised Monthly Rental -	$246.92

2. Lessee will be responsible for all maintenance and repair of the chain-link fence, and will keep the fence maintained and repaired to the satisfaction of Lessor.

3. This Amendment shall become effective September 1, 1989.

4. Except as expressly amended herein, all provisions of the Basic Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment as of the day and year first above written.

PORT OF SKAGIT COUNTY

Fred R. Miller, Commission President

Thomas F. Perkins, Commission Secretary

LESSOR

BERNARD RANTEN

By: Title:

LESSEE

STATE OF WASHINGTON)
: SS
COUNTY OF SKAGIT)

On this 1st day of August, 1989, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Fred R. Miller and Thomas F. Parker 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 Kay Parker
NOTARY PUBLIC in and for the State of Washington, residing at Mount Vernon
My appointment expires: _____

PORT OF SKAGIT COUNTY CORPORATE SEAL 1964 WASHINGTON

STATE OF WASHINGTON)
: SS
COUNTY OF Skagit)

On this 27th day of July, 1989, before me, personally appeared Bernard F Rantzen ~~and~~ _____, to me known to be the proprietor that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said proprietor, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

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

Cheryl Kay Parker
NOTARY PUBLIC in and for the State of Washington, residing at Mount Vernon
My appointment expires: 3/1/90

After recording return document to:

_____
_____
_____

Document Title: **FIFTH AMENDMENT TO LEASE**

Reference Number of Related Document: **#860825002 (SKAGIT REGIONAL AIRPORT BINDING SITE PLAN)**

Grantor(s): **PORT OF SKAGIT COUNTY**

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

Grantee(s): **IRENE C. RANTEN, as her separate property f/k/a Bernard Ranten d/b/a RANCO Auto Parts**

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

Abbreviated legal description: **LOT 32, SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, SEC. 3, T 35, R3E., W.M.**

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

Assessor's tax/parcel numbers: _____

FIFTH AMENDMENT TO LEASE

A. RECITALS

1. Until this FIFTH AMENDMENT TO LEASE is signed by all parties hereto, the name of Lessee is Bernard Ranten d/b/a RANCO Auto Parts. Bernard Ranten died and by right of inheritance, his wife, Irene C. Ranten, succeeded to the rights and obligations of the leasehold interest of Lessee. When this FIFTH AMENDMENT TO LEASE is signed by all parties hereto, the name of Lessee shall be Irene C. Ranten, as her separate property.

2. The Port of Skagit County received timely notice of Lessee's desire to exercise the option to *extend the term of the LEASE until October 31, 2018.*

3. The LEASE contains a rental cap of eight percent (8%) of cash market value of the property. Based on the fact that the property's current market value is $60,000.00, per acre per year and the total leased land is 1.16 acres, basic monthly rent, exclusive of leasehold tax for the five (5) year period beginning October 1, 1998 through October 31, 2003 shall be FOUR HUNDRED ELEVEN DOLLARS AND FORTY-NINE CENTS ($411.49).

4. Given the fact that Lessee does not intend to operate a business per se on the premises, rather, Lessee desires to sublet the same, paragraph 12. of the LEASE entitled "Business Purpose and Type of Activity." needs to be revised.

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 IRENE C. RANTEN, as her separate property, hereinafter referred to as "Lessee", that this agreement amends the LEASE between the Lessor and Lessee, dated October 10, 1978, (as amended March 9, 1984, April 20, 1987, October 4, 1988 and August 1, 1989) concerning the real property first above described.

WITNESSETH:

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

1. Lessee is Irene C. Ranten, as her separate property.

2. Basic monthly rent for the five (5) year period beginning October 1, 1998 through October 31,2003 shall be FOUR HUNDRED ELEVEN DOLLARS AND FORTY-NINE CENTS ($411.49), plus applicable leasehold excise tax.

3. Paragraph 12. of the above referenced LEASE shall be changed to read:

   12. Business Purpose and Type of Activity.

   a. Business Purpose: It is understood and agreed that Lessee intends to use the Premises for light manufacturing; sales, service and repair of all types of vehicles, heavy equipment and engines and related products; 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: Lessee expects to employ four (4) full time persons within the first six (6) months and will maintain at least that number during the initial term and any extended term of this Lease.

4. Paragraph 35. 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:	Mailing Address:
Port of Skagit County 1180 Airport Drive Burlington, WA 98233	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:	Mailing Address:
Irene C. Ranten 12141 Cohoe Drive Burlington, WA 98233	Irene C. Ranten 12141 Cohoe Drive Burlington, WA 98233

Phone No.: (360) 757-6887 Fax No.: ( )

5. All other terms and conditions of the LEASE dated October 10, 1978 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:

IRENE C. RANTEN, as her separate property

By: Irene C. Ranten
Irene C. Ranten

LESSOR:

PORT OF SKAGIT COUNTY

By: Brian Rolfson
Brian J. Rolfson, Commission President

By: Glenn B. Allen Jr.
Glenn B. Allen, Jr., Commission Secretary

STATE OF WASHINGTON)
: ss.
COUNTY OF SKAGIT)

On this 21st day of July, 1998, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared BRIAN J. ROLFSON and GLENN B. ALLEN, JR., 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 COMMISSION EXPIRES NOTARY PUBLIC NOVEMBER 1, 2001 STATE OF WASHINGTON

Jennifer Hansen
(Signature)
Jennifer Hansen
(Print Name)
Notary Public in and for the State of Washington, residing at Whatcom County
My Commission expires: Nov. 1, 2001

STATE OF WASHINGTON)
:SS
COUNTY OF SKAGIT)

On this 20th day of July, 1998, before me, personally appeared IRENE C. RANTEN, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged she signed and sealed the same as her free and voluntary act and deed for the uses and purposes herein mentioned.

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

DAVID A. SVAREN COMMISSION EXPIRES NOTARY PUBLIC 5-1-2002 STATE OF WASHINGTON

(Signature)
DAVID A. SVAREN
(Print Name)
Notary Public in and for the State of Washington, residing at Burlington
My Commission expires: 5-1-98

C:\JOHNSON\POS\LEASES\RANTEN.AMD

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

Document Title(s): SIXTH AMENDMENT TO LEASE AGREEMENT

Reference No. of Related Document(s): _____

Grantor(s): PORT OF SKAGIT COUNTY

Additional Name(s) on page _ of Document.

Grantee(s): Irene C. Ranten

Additional Name(s) on page _ of Document.

Abbreviated Legal Description: _____

Additional Legal(s) on page _____ of Document.

Assessor's Parcel/Tax ID Number: _____

RECITALS

WHEREAS, the Commissioners of the Port of Skagit County ("Port") adopted Resolution No. 03-11 dated September 23, 2003 revising Port leasing policies; and

WHEREAS, Resolution No. 03-11 reflected the determination by the Commissioners that annual Consumer Price Index (CPI) adjustments and triple net lease charges are an accurate reflection of current rental adjustment practices and better serve Port tenants than does the use of existing lease adjustment provisions calling for market rate adjustments on a three or five year basis; and

WHEREAS, Resolution No. 03-11 provides rental amounts in new Port leases should be adjusted annually based on the CPI; and

WHEREAS, it is prudent that existing and future Port leases have common and consistent provisions where possible; and

WHEREAS, the Port and the below signed tenant have agreed that their existing lease agreement be modified to be consistent with Resolution No. 03-11,

AGREEMENT

IT IS HEREBY MUTUALLY AGREED, by and between the PORT OF SKAGIT COUNTY, a Washington municipal corporation, hereinafter referred to as "Lessor," and Irene C. Ranten, an individual hereinafter referred to as "Lessee," that:

A. The LEASE AGREEMENT between the Lessor and Lessee, dated October 10, 1978 and as amended as follows: First Amendment to Lease on March 3, 1984; Second Amendment to Lease on April 20, 1987; Assignment of Lease dated April 21, 1987; Third Amendment to Lease on October 4, 1988; Fourth Amendment to Lease on August 1, 1989; Fifth Amendment to Lease on July 21, 1998 concerning the following described property situated in Burlington, Skagit County, State of Washington

> Lot 29 of the Amended Skagit Regional Airport Binding Site Plan, Phase 1, Recorded under Skagit County Auditor's file Number 200303040030.

is hereby amended as follows:

1. The provisions of paragraphs entitled, (6) Rental for Extended Term or Terms, (7) Procedure to Determine Rental and (8) Renegotiation of Rental – Term more Than Five Years, of LEASE AGREEMENT are hereby deleted and replaced with the following:

ANNUAL CPI ADJUSTMENTS TO RENT. The procedure for determining annual rental rate adjustments is as follows:

a. Definitions: The adjustment to the rental rate shall be determined in accordance with the Formula set forth below. The following definitions apply to the Formula:

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

2) "Price Index" means the Consumer Price Index for all Urban Consumers (Seattle-Tacoma-Bremerton) issued from time to time by the Bureau, or any other measure hereafter employed by the Bureau in lieu of the price index that measures the cost of living or if said Bureau should cease to issue such indices and any other agency of the other agency.

3) "Current Index" means the Price Index for the month of June most recently preceding the Change Date.

4) "Prior Year Index" means the Price Index for the month of June one year prior to the Current Index.

b. Formula: On October 1 of each year during the lease term, the adjusted rent shall be determined by multiplying the rent rate(s) being adjusted by a multiplier equal to the change in the Price Index since the last adjustment computed as follows:

- (Current Index) ÷ (Prior Year Index) = (Change in Price Index)
- (Change in Price Index) x (Rent being adjusted) = (Adjusted Rent)
- The Price Index (1967 = 100) for June 2003 was 192.3.

2. The provisions of paragraph entitled Utilities of LEASE AGREEMENT are hereby deleted or replaced with the following:

Lessee agrees to contract with the appropriate provider and pay for all public utilities which shall be used in or charged against the Premises, and to hold the Lessor harmless from such charges. With regard to utilities provided by the Lessor including drainage, Lessee will pay to Lessor according to the Lessor's or Skagit County Drainage Utility/Drainage District 19's established rate.

3. All other terms and conditions of the LEASE AGREEMENT above referenced except as herein amended are confirmed, ratified and confirmed 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 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:

Irene C. Ranten

By: Irene C. Ranten
Irene C. Ranten

Date 1-29-2004

LESSOR:

PORT OF SKAGIT COUNTY

By: Jerold W. Heller
Jerold W. Heller
Executive Director

Date 2/2/04

STATE OF WASHINGTON)
: ss.
COUNTY OF SKAGIT)

On this 29th day of January, 2004, before me, personally appeared Irene C. Ranten, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged she signed and sealed the same as her free and voluntary act and deed for the uses and purposes herein mentioned.

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

Deborah D. Hamilton
(Signature)

Deborah D. Hamilton
(Print Name)
Notary Public in and for the State of Washington,
residing at Skagit County
My Commission expires: 10-24-06

STATE OF WASHINGTON)
) Ss
COUNTY OF SKAGIT)

On this 2nd day of February 2004, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jerold W. Heller to me known to be the Executive Director 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.

Deborah D. Hamilton
(signature)

Deborah D. Hamilton
(print name)

NOTARY PUBLIC in and for the State of Washington, residing at Skagit County
My appointment expires: 10-24-04