



201206290030

Skagit County Auditor

6/29/2012 Page

1 of

5 9:42AM

FURLONG ♦ BUTLER
ATTORNEYS

825 CLEVELAND AVENUE
MOUNT VERNON, WASHINGTON 98273

141271.0
141272.0

Document Title:

TERMINATION OF LAND LEASE AGREEMENT

Reference Number: 89200, 8604010026, 8612110022, 200808070012

Grantor(s):

☐ additional grantor names on page ____.

1. PORT OF SKAGIT COUNTY

2.

Grantee(s):

☐ additional grantee names on page ____.

1. WESTPORT SHIPYARD, INC.

2.

Abbreviated legal description:

☒ full legal on page(s) 4.

Ptn Gov. Lot 5, 25-34-2 E W.M.

Assessor Parcel / Tax ID Number:

☐ additional tax parcel number(s) on page ____.

P128818, P129816

TERMINATION OF LAND LEASE AGREEMENT

THIS AGREEMENT dated the 27th day of June, 2012, is between the Port of Skagit County, the "Lessor" and Westport Shipyard, Inc., the "Lessee."

I. RECITALS

WHEREAS, effective on 1st day of July, 2008, the Port of Skagit County, as "Lessor" and Westport Shipyard, Inc., as "Lessee," entered under that certain land lease agreement (the "Lease") located on property legally described in Exhibit A; and

WHEREAS, in July, 2010, Lessee consolidated its entire boat building operation in Port Angeles and Westport; and

WHEREAS, the Lease provided remedies in the event Lessee ceased to operate or fell below the minimum employment level of 50 full-time employees; and

WHEREAS, Lessor notified Lessee of its violation of the Lease via letter dated December 9, 2010; and

WHEREAS, Lessor notified Lessee of its violation of the Lease via notice to conform with lease or vacate dated January 9, 2012; and

WHEREAS, Lessor and Lessee pursued other remedies including Lessee's sale of its building and improvements to the Lessor, direct sublease arrangements with potential tenants and restarting its maritime trade activities; and

WHEREAS, Lessee continued to pay rent including leasehold excise tax from January 2012 through June 2012 while Lessor applied to the Community Economic Revitalization Board (CERB) for funding to purchase Lessee's building and was successful in an award of funds from CERB; and

WHEREAS, Lessor and Lessee have entered into a Building Purchase and Sale Agreement dated May 21, 2012, wherein Lessor will purchase Lessee's building located at 918 W. Pearle Jensen Way, La Conner, Washington; and

WHEREAS, the purchase and sale will close no later than June 29, 2012; and

WHEREAS, the parties agree to terminate the Lease effective upon the date of the closing of Lessor's purchase of the building; and

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 29 2012

TERMINATION OF LAND LEASE AGREEMENT
918 W PEARLE JENSEN WAY



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Amount Paid \$
Skagit Co. Treasurer
By *ham* Deputy

WHEREAS, Lessor and Lessee have conducted a walk-through of the premises and Lessor is satisfied with the premises, conditioned upon roof repairs, electrical repairs and exterior wood painting as specified in the Building Purchase and Sale Agreement dated May 21, 2012.

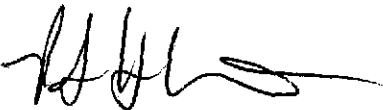
II. AGREEMENT

NOW THEREFORE, in consideration of the mutuality of benefits to be derived herefrom, the parties agree:

The Lease is terminated as of midnight, June 29, 2012; *provided*, that any accrued but unknown obligations between the parties under the terms of the Lease, shall survive to the extent otherwise permitted by law, including in particular paragraphs 15, "HOLD HARMLESS PROVISIONS, LIABILITY AND INDEMNITY;" 21, "ENVIRONMENTAL PROVISIONS;" 26, "COSTS AND ATTORNEYS' FEES."

Dated this 27th day of June, 2012.

LESSOR:
PORT OF SKAGIT COUNTY

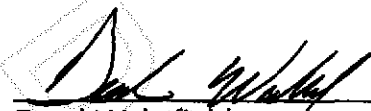


Patricia H. Botsford-Martin
Executive Director

6/28/12

Date

LESSEE:
WESTPORT SHIPYARD, INC.



Daryl Wakefield
President

June 27th, 2012

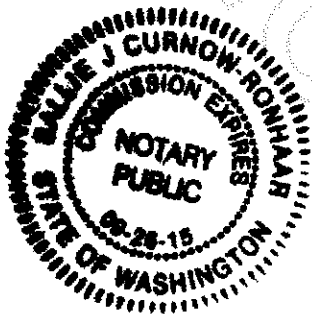
Date



STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

On this 28th day of JUNE, 2012 before me personally appeared Patricia H. Botsford-Martin, to me known to be the Executive Director 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 she was 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.



Sallie J. Curnow-Ronhaar
(Signature)

SALLIE J. CURNOW-RONHAAR
(Print Name)

Notary Public in and for the State of Washington,
residing at MOUNT VERNON
My appointment expires: 9-26-15

STATE OF WASHINGTON)
) SS.
COUNTY OF _____)

On this 27 day of June, 2012, before me personally appeared Daryl Wakefield to me known to be the President 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 he was authorized to execute said instrument 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.

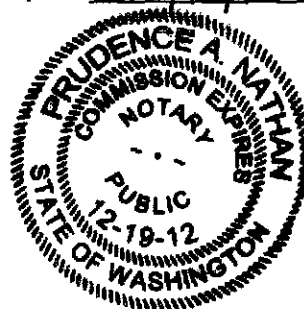
Prudence A. Nathan
(signature)

Prudence A. Nathan
(print name)

NOTARY PUBLIC in and for the State of Washington,
residing at Clallam County
My appointment expires: 12/19/12

LESSOR: PORT OF SKAGIT COUNTY
LESSEE: WESTPORT SHIPYARD, INC.
TERMINATION OF LAND LEASE AGREEMENT
918 W PEARLE JENSEN WAY

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EXHIBIT "A"

A leasehold interest in the following described tract:

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

Beginning at the Southeast corner of Section 25;
thence North $0^{\circ}00'15''$ West a distance of 1,330.00 feet to a 1 ½ inch pipe marking the 1/16 corner;
thence North $89^{\circ}47'55''$ West a distance of 1,822.56 feet to an iron pipe;
thence South $2^{\circ}11'29''$ West a distance of 442.04 feet;
thence South $89^{\circ}47'55''$ East a distance of 84.72 feet to the Southwest corner of that certain leased tract of land described under Exhibit A of that Bill of Sale between J. Orin Edson, Grantor, and Pacific Marine Management, Inc., Grantee, by that document dated December 8, 1986, and recorded December 18, 1986, under Auditor's File No. 8612180026, records of Skagit County, Washington, said point being the true point of beginning;
thence continuing South $89^{\circ}47'55''$ East along the South line of the above described tract, a distance of 115.00 feet to the Southeast corner thereof;
thence North $2^{\circ}12'25''$ East along the East line and its Northerly extension thereof, a distance of 355.85 feet;
thence North $89^{\circ}47'55''$ West a distance of 53.55 feet to the beginning point of a curve to the left, having a central angle of $87^{\circ}59'40''$ and a radius of 74.00 feet;
thence Westerly and Southerly, following said curve to the left an arc distance of 113.65 feet to its end;
thence South $2^{\circ}12'25''$ West a distance of 284.39 feet to a point which bears North $89^{\circ}47'55''$ West from the true point of beginning;
thence South $89^{\circ}47'55''$ East a distance of 10.01 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington

LESSOR: PORT OF SKAGIT COUNTY
LESSEE: WESTPORT SHIPYARD, INC.
TERMINATION OF LAND LEASE AGREEMENT
918 W PEARLE JENSEN WAY



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