



201206290031

Skagit County Auditor

6/29/2012 Page

1 of

5 9:43AM

FURLONG ♦ BUTLER
ATTORNEYS

325 CLEVELAND AVENUE
MOUNT VERNON, WASHINGTON 98273

Document Title:

TERMINATION OF LAND LEASE AGREEMENT

Reference Number:

141271-0
141272-0
9301040071, 1999072701W, 200812310012

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 ____.

P129677

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 August, 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 780 E. 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

TERMINATION OF LAND LEASE AGREEMENT
780 E PEARLE JENSEN WAY

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SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 29 2012

Amount Paid \$
Skagit Co. Treasurer
By *[Signature]* Deputy

WHEREAS, Lessor and Lessee have conducted a walk-through of the premises and Lessor is satisfied with the premises.

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 27, 2012
Date

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

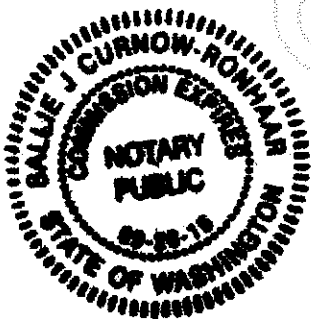


201206290031
Skagit County Auditor

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 Clallam)

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.

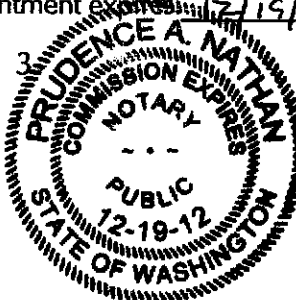
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

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
780 E 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 said Section 25;
thence North $0^{\circ}00'15''$ West along the East line of Section 25, a distance of 1,330.00 feet;
thence North $89^{\circ}47'55''$ West, a distance of 808.57 feet;
thence South $0^{\circ}00'15''$ East, parallel with the East line of Section 25, a distance of 779.86 feet;
thence North $89^{\circ}47'55''$ West, a distance of 95.00 feet;
thence South $0^{\circ}00'15''$ East along the East line of that Lease Agreement between the Port of Skagit County, Lessor, and Paul H. Beals, et al, Lessee, doing business as Triad Marine Inc., by that instrument dated January 21, 1987, and recorded February 2, 1987, under Auditor's File No. 8702020049, records of Skagit County, Washington, a distance of 145.00 feet to the Southeast corner of the Lease described hereinabove and the true point of beginning;
thence North $89^{\circ}47'55''$ West along the South line of the above described Triad Marine Inc. Lease and a projection thereof, a distance of 285.80 feet;
thence South $2^{\circ}17'05''$ West, a distance of 277.18 feet;
thence South $89^{\circ}47'55''$ East, a distance of 296.87 feet to a point which bears South $0^{\circ}00'15''$ East from 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
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