

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Lena Thompson  
DATE 10/14/2022

GNW 22-16966

### TERMINATION OF LEASE AGREEMENT

The parties to this Termination of Lease Agreement ("Agreement") dated October \_\_\_\_, 2022 ("Effective Date") are the Port of Skagit County, a Washington municipal corporation ("Port"), and Chuckanut Building, LLC, a Washington limited liability company ("Chuckanut Building"). The Port is the lessor and Chuckanut Building is the lessee to the Restated Land Lease Agreement dated July 8, 2008 and recorded April 16, 2019 under Skagit County Auditor's File No. 201904160086 ("Lease") with respect to the lease of real property commonly referred to as 15254 Flightline Road, Burlington, Washington, and more particularly described in Exhibit A, attached hereto, and by this reference incorporated herein, located in Skagit County, Washington (the "Real Property").

### RECITALS

**WHEREAS**, Chuckanut Building is the owner of the personal property commonly described as an approximately ten thousand two hundred thirty square foot (10,230 ft<sup>2</sup>) airplane hangar building also known as Skagit County Parcel No. P129718, located on the Real Property leased by Chuckanut Building from the Port (the "Building"); and

**WHEREAS**, the Lease of the Real Property has a term of thirty (30) years with an option to extend for two consecutive ten (10) year option periods; and

**WHEREAS**, ownership of the Building is important to the Port as the Building is located on prime real estate on the Port's flightline, playing a key role in the future development of Skagit Regional Airport; and

**WHEREAS**, acquiring the Building will enhance the Port's existing portfolio of properties at Skagit Regional Airport; and

**WHEREAS**, the Port commenced purchase and sale negotiations of the Building with Chuckanut Building prior to commencing formal legal proceedings to condemn the Building by virtue of the Port's power of eminent domain; and

**WHEREAS**, the Port advised Chuckanut Building it intended to exercise its power of eminent domain to acquire the Building pursuant to the Port's power as set forth in RCW 53.25.190 and related statutory provisions and power granted to the Port under state law; and

**WHEREAS**, the Port notified Chuckanut Building via letter dated August 30, 2022 that the Port is prepared to purchase the Building using the power of eminent domain if a mutually agreeable purchase and sale agreement was not reached; and

**WHEREAS**, the Port and Chuckanut Building have reached an agreement with respect to the purchase and sale of the Building, and have executed a Commercial Building Purchase and Sale Agreement in Lieu of Condemnation dated September 1, 2022 ("Building PSA"); and

**WHEREAS**, effective upon Closing of the purchase and sale of the Building the Port and

Chuckanut Building have agreed to concurrently terminate the Lease, subject to the provisions of Section 5.1.1 of the Building PSA which shall survive Closing of the purchase and sale and Lease termination transaction and shall not merge with this Agreement ("Building PSA Section 5.1.1 Provisions").

**NOW THEREFORE**, in consideration of the mutuality of benefits to be derived here from, the parties agree as follows:

#### **AGREEMENT**

1. **Incorporation of Recitals.** The Recitals set forth above are material and by this reference are incorporated herein and made a part of this Agreement.

2. **Defined Terms.** All capitalized terms used herein that are not defined shall have the same meaning as used in the Lease and in the Building PSA.

3. **Termination.** The Lease between the parties shall be terminated as of the Effective Date of this Agreement. Subject to the Building PSA Section 5.1.1 Provisions, upon termination the parties shall have no further rights or obligations with respect to one another under the Lease, except as expressly set forth herein, nor shall Chuckanut Building have any obligation to pay to the Port rent, additional rent, utilities, property taxes, assessments, maintenance, or any other expenses with respect to the Real Property or the Building under the Lease, for the period as of and from the Effective Date. The parties further agree with one another that there have not been any defaults under the Lease. At Closing Chuckanut Building's October 2022 rent for the Real Property shall be prorated and its entire security deposit shall be credited to it at Closing.

4. **Miscellaneous.**

4.1 **Assignment.** The parties represent and warrant that they have not assigned, otherwise transferred, nor subrogated any interest or any claim that is the subject matter of this Agreement.

4.2 **Intended Benefit.** This Agreement shall be binding upon, and inure to the benefit of, each of the parties hereto, and their respective members, managers, successors, and assigns, and their respective affiliates.

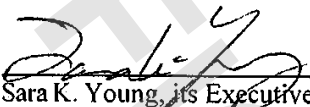
4.3 **Entire Agreement.** This Agreement sets forth the entire understanding and agreement between the parties and supersedes any prior negotiations or proposed agreements between them with respect to the subject matter hereof. There are no other representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Agreement.

4.4 **Cooperation.** The parties agree to promptly execute, acknowledge, verify, deliver, and furnish, or cause to be furnished, all documents and information and to do, or cause to be done, all other acts and things at such times and in such form and substance as are reasonably necessary to effectuate the intent of this Agreement.

4.5 Governing Law. This Agreement shall be governed by the laws of the State of Washington. Venue shall be in Skagit County.

**PORT:**

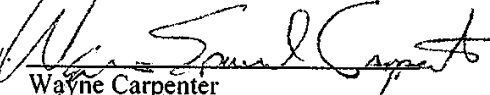
Port of Skagit County, a Washington  
municipal corporation

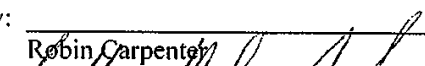
By:   
Sara K. Young, its Executive Director

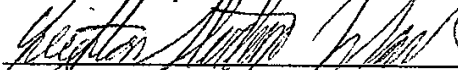
**CHUCKANUT BUILDING:**

Chuckanut Building, LLC, a Washington  
limited liability company

By: Wayne & Robin Carpenter, husband and  
wife, its Member

By:   
Wayne Carpenter

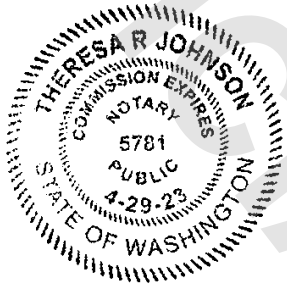
By:   
Robin Carpenter

By:   
Leighton Stedem Wood, a single man, its  
Member

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

On this 13<sup>th</sup> day of October, 2022, before me personally appeared Sara K. Young, to me known to be the executive director of the PORT OF SKAGIT COUNTY, a Washington 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.

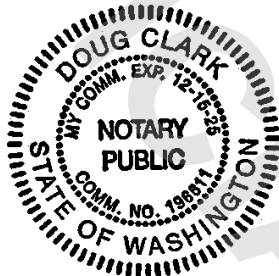
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Theresa R. Johnson

Notary Public in and for the state of  
Washington, residing at Camano Island  
My commission expires: 4-29-23  
Printed Name: Theresa R. Johnson

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

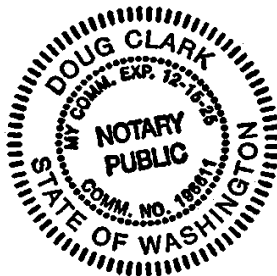



Doug Clark  
Printed Name: Doug Clark  
Notary Public in and for the State of Washington  
residing at Sedro Woolley, WA  
My commission expires: 12-15-25

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

On this 14<sup>th</sup> day of October, 2022 I certify that I know or have satisfactory evidence that ROBIN CARPENTER is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Member of Chuckanut Building, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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



  
Printed Name: Doug Clark  
Notary Public in and for the State of Washington  
residing at Sedro Woolley wa  
My commission expires: 12-15-25

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

On this 14<sup>th</sup> day of October, 2022 I certify that I know or have satisfactory evidence that LEIGHTON STEDEM WOOD is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of Chuckanut Building, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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



Doug Clark  
Printed Name: Doug Clark  
Notary Public in and for the State of Washington  
residing at Sedro Woolley, WA  
My commission expires: 12-15-25