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03/31/2025 03:29 PM Pages: 1 of 7 Fees: \$309.50
Skagit County Auditor

REVIEWED BY SKAGIT COUNTY TREASURER DEPUTY <u>Bern Thompson</u> DATE <u>3.31.25</u>
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COVER SHEET

Return to:

PORT OF SKAGIT COUNTY
15400 AIRPORT DRIVE
BURLINGTON, WA 98233

Document Title(s) (or transactions contained herein):

1. **Second Amendment to Ground Lease Agreement**

Reference No. of Related Document(s): 202410180029

Grantor(s) (last name, first name and initials):

1. **Port of Skagit County**

Grantee(s) (last name, first name and initials):

1. **Joseph W. Fisher and Barbara Ann Fisher Trust**

Legal Description (abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range)

**A PORTION OF 87, OF THE ALTERATION TO AMENDED SKAGIT
REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, AF
202112100111**

Additional Legal Description(s) on pages:

Assessor's Parcel/Tax I.D. Number: 35352

SECOND AMENDMENT TO GROUND LEASE AGREEMENT

THIS SECOND AMENDMENT TO GROUND LEASE AGREEMENT (the "Second amendment") is made this 26th day of March 2025, by and between the Port of Skagit County, a Washington municipal corporation, "Lessor," and Fisher Executive Hangars Condominium Owners Association, "Lessee."

RECITALS

WHEREAS, Lessor and the original Lessee entered into a Ground Lease Agreement for real property described as a portion of Lot 87 of Amended Skagit Regional Airport Binding Site Plan Phase 1, recorded March 4, 2003, under Skagit County Auditor's file number 200303040030, dated September 14, 2021 ("Lease"), which Lease has been amended by the First Amendment to Ground Lease Agreement dated October 14, 2024, recorded under Skagit County Auditor's file number 202410180030; and

WHEREAS, the First Amendment to Ground Lease Agreement dated October 14, 2024 provided the ability for Lessee to condominiumize the Premises such that it could sell individual hangar spaces to individual Unit Owners;

WHEREAS, original Lessee subjected the Premises and the Lease to the condominium regime by recording the Condominium Declaration for Fisher Executive Hangars Condominium under Skagit County Auditor's File Number 202410180034, along with the Survey Map for Fisher Executive Hangars Condominium recorded under Skagit County Auditor's File Number 202410180035;

WHEREAS, in accordance with RCW 64.90.400 the Fisher Executive Hangars Condominium Owners Association was created to act as the unit owner's association for the Fisher Executive Hangars Condominium;

WHEREAS, Lessee intends on selling individual condominium units and some of these owners will desire to lease their unit to third parties;

WHEREAS, Lessee desires to not have to obtain Lessor's approval every time a unit owner wants to sublet their condominium unit to another party;

WHEREAS, Lessor agrees to allow the sublet of condominium units within the Premises without advanced approval obtained so long as the requirements of the

Ground Lease are abided by and the Lessor receives notice;

WHEREAS, Lessor and Lessee have agreed to modify the existing Lease as follows:

AGREEMENT

IT IS HEREBY MUTUALLY AGREED, by and between the Lessor and Lessee that:

A. The Lease is hereby amended as follows:

The provisions of Paragraph 29. entitled "ASSIGNMENT AND SUBLEASE", are hereby amended to add a new sub-paragraph i. as follows:

29. ASSIGNMENT AND SUBLEASE

Lessee shall not, by operation of law or otherwise, assign or sublease any portion of the Premises except as set forth below.

a. Lessee may assign this Lease to a successor person or entity after approval by the Lessor subject to the following process:

1) Lessee shall provide to Lessor notice of intent to assign Lease no less than sixty (60) days prior to the intended assignment. Such notice shall be in writing and shall at a minimum include: The assignee's name, representative, mailing and e-mail addresses, telephone and facsimile numbers.

2) The Assignee shall, at least forty-five (45) days prior to the intended assignment date, provide: (i) full and complete information, as requested by Lessor, as to Lessee's financial ability and operational/business experience to successfully conduct business in the Premises and meet the obligations, financial and otherwise, under this Lease, including references; and (ii) assignee's proposed business plan for operations under the Lease in the Premises (collectively, "Assignee's Documentation").

3) Lessor shall, within thirty (30) days of receipt of the complete Assignee's Documentation, approve or approve with conditions the assignment/assignee unless it articulates in writing a reasonable basis for rejection consistent with its then-current approval criteria for tenants at Bayview Business Park or it articulates in writing the basis for its

reasonable determination that the assignee cannot meet the terms of this Lease; provided, that Lessor's consent may, in any event, be conditioned on the requirement that there be no uncured defaults in the Lessee's obligations under this Lease by or at the date of the assignment and/or that the assignee meet certain reasonable conditions to assure compliance with the terms of the Lease, regulatory requirements, the Lessor's mission, vision and/or development standards.

b. The consent of Lessor to any assignment or sublease shall not in any manner be construed to relieve Lessee from: 1) the requirement to obtain Lessor's express written consent to any other or further assignment; 2) its duties and obligations under the Lease.

c. Lessee will not permit any use or activity to be conducted upon the Premises that is not allowed by the Lease, Skagit County zoning ordinances or Port of Skagit County rules and regulations. Lessee will not enter into any sublease agreement when the proposed use of the Premises requires a Special Use Permit, rezone, variance of any kind, environmental impact statement or any other use that requires special permission by a governing body, without prior written consent of the Lessor, which shall not be unreasonably withheld.

d. Lessor reserves the right to adopt a policy or policies which specifically exclude certain types of business activities that are inconsistent with Lessor's planned development of the Skagit Regional Airport or the Bayview Business Park. Lessee hereby agrees to comply with all such policy or policies that are not inconsistent with the paragraph entitled "BUSINESS PURPOSE."

e. As a condition to any assignment or sublease, Lessor may revise the rent to be consistent with its then current rent policy. The sale or transfer (whether in a single transaction or cumulatively) of fifty percent (50%) or more of the equity in Lessee shall be considered an assignment.

f. Lessee, and any of its permitted successors and assigns, may encumber its interest in this lease in favor of a third party lender ("Leasehold Mortgagee") with Lessor's prior written consent, substantially in the Port's standard form of consent to assignment, as set forth in Exhibit 2 attached hereto.

g. Lessee may develop the Premises as a condominium pursuant to the provisions of WUCIOA; provided, however, that Lessee shall obtain Lessor's prior written approval to condominiumize the Premises, which approval shall not be unreasonably withheld. The Lessor's approval will include approval of the condominium declaration (the "Declaration") and the condominium survey map (the "Survey Map") that are required under WUCIOA prior to recording of the Declaration and the Survey Map against the Premises in the official land records of Skagit County. Lessor shall have a period of thirty (30) days within which to review such documents following the date upon Lessee delivers

to Lessor and to Lessor's counsel true copies of the final proposed Declaration and Survey Map. Lessor's approval of such documents shall be evidenced by signed consent of Lessor, which consent of Lessor shall be attached to the Declaration. The Declaration shall comply with the provisions of Paragraph 35 below. Notwithstanding any of the provisions above, if Lessee creates a condominium on the Premises as provided herein, this Lease shall be assigned to the condominium association upon recording of a deed transferring Lessee's interest in the first condominium unit to a unit owner other than the Lessee. The assignment shall provide that upon the assignment of this Lease to the condominium association that the condominium association shall become absolutely and for all purposes substituted for the original Lessee under this Lease, and the original Lessee shall have no further liability under this Lease for events occurring after assignment of the Lease to the condominium association. The Lessee and the condominium association shall sign the Lessor's then-standard consent to assignment form as part of any such assignment. If, for any reason, the condominium or the condominium association is terminated, each and every party with an interest in the Premises at the time of such termination shall be jointly and severally liable as Lessee under this Lease; and, upon such termination, any and all transfers, including the transfer of any interest in the former condominium units, shall be subject to the provisions of Paragraph 29 of the Lease, including Lessor's prior approval.

h. The conveyance of Units to Owners or the granting of deeds of trusts to Unit lenders shall not require the consent of Lessor; however, the Owners shall provide notice of the same to the Lessor no later than ten (10) days after such conveyance or granting any such deeds of trust.

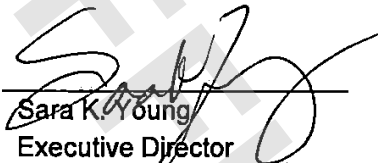
i. Notwithstanding the above, the sublease of Units from Owners to third parties (each a "Subtenant") shall not require the consent of Lessor, however, (i) the Owners shall provide notice of the same to Lessor no later than ten (10) days after execution of a sublease, (ii) the Owner and Subtenant complies with all of the terms of the Condominium Declaration; (iii) the Owner provides a copy of the condominium documents and the complete Ground Lease to the Subtenant; (iv) subparagraphs b-d above shall be abided by the Owner and Subtenant to the extent applicable.

[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be signed on the dates written below.

LESSOR:

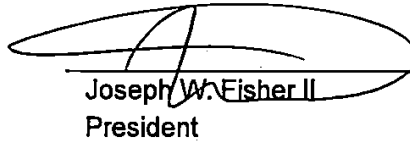
PORT OF SKAGIT COUNTY


Sara K. Young
Executive Director

3/25/2025
Date

LESSEE:

FISHER EXECUTIVE HANGARS
CONDOMINIUM OWNERS ASSOCIATION


Joseph W. Fisher II
President

03-26-25
Date

SECOND AMENDMENT TO LEASE AGREEMENT
PORT OF SKAGIT COUNTY, LESSOR
FISHER EXECUTIVE HANGARS CONDOMINIUM
OWNERS ASSOCIATION, LESSEE

Page 5 of 6

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

On this 25th day of March 2025, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Sara K. Young, 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 the 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 is authorized to execute the said instrument,

Witness my hand and official seal hereto affixed the day and year first above written.



Shelley L. Nevitt
 Notary Public in and for the state of
 Washington
 Residing at Bow
 My commission expires: 6-19-2027
 printed Name: Shelley L. Nevitt

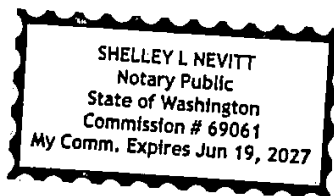
STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

On this 26 day of March 2025, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Joseph W. Fisher II to me known to be the President of Fisher Executive Hangars Condominium Owners Association, a nonprofit corporation, that executed the foregoing instrument, and acknowledged the 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 authorized to execute the said instrument,

Witness my hand and official seal hereto affixed the day and year first above written.



Shelley L. Nevitt
 Notary Public in and for the state of
 Washington
 Residing at Bow
 My commission expires: 6-19-2027
 printed Name: Shelley L. Nevitt