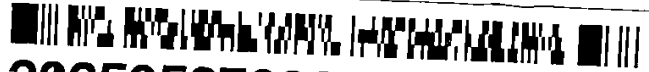


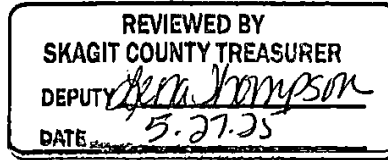
Return Address:

2661 Lower Peoh Point Rd.
Cle Elum, WA 98922



202505270060

05/27/2025 12:58 PM Pages: 1 of 15 Fees: \$317.50
Skagit County Auditor



Document Title: First Amendment To Ground Lease

Reference Number (if applicable):

Grantor(s):

☐ additional grantor names on page

- 1) Haller Farms
- 2) _____

Grantee(s):

☐ additional grantor names on page

- 1) Larry Keith Stauffer
- 2) _____

Abbreviated Legal Description:

☐ full legal on page(s)

pt Lot 1 7/33/03

Assessor Parcel /Tax ID Number:

☐ additional parcel numbers on page

P15494

FIRST AMENDMENT TO GROUND LEASE

This First Amendment to the Ground Lease is made as of January 1, 2012, by and between LARRY STAUFFER (Tenant), whose mailing address is 37005 28th Ave S Federal Way, WA 98003 and HALLER FARMS (Landlord), whose mailing address is c/o Chris Sheafe 7331 N. Finger Rock Place, Tucson AZ 85718.

WHEREAS, Landlord and Tenant entered into that certain Ground Lease effective January 1, 2002 relating to Premises situated in Skagit County, State of Washington, containing approximately 2,770 square feet and more particularly described in Exhibit A of that Ground Lease agreement; and

WHEREAS, Landlord and Tenant are now desirous of modifying a section of the Ground Lease with the intent of simplifying the rent calculations and eliminating the opportunity for rental revaluation at 10-year intervals.

NOW, THEREFORE, Landlord and Tenant agree to strike, in its entirety, the third paragraph contained within Section 4. Rent. Hereafter, Section 4. Rent shall read as follows:

4. **RENT.** Tenant shall pay to Landlord as rent for the Premises during the term an amount equal to all annual real estate taxes attributable to the Premises for improvements placed thereon by Tenant. It is agreed as of this writing that said improvements are valued at \$13,000 and that the real estate taxes attributed to such value are \$200 per year. Annual rent shall be due within thirty days of receipt of Landlord's properly documented rent calculation. Rent for any period of less than one full year shall be pro-rata portion of the last annual rent calculation.

The rent shall be changed at the expiration of each year of the term to reflect any change in the Consumer Price Index for All Urban Consumers (CPI-U), not seasonally adjusted, for Seattle-Tacoma-Bremerton, WA for All Items, said Index Base Period 1982-84=100, published by the U.S. Bureau of Labor Statistics. Rent adjustment shall occur annually on the anniversary date of this agreement based upon the percent change in the CPI-U for the most recent annual comparison available. If the CPI-U ceases to be published, Landlord and Tenant shall jointly agree on a substitute comparable economic measure for rental adjustment.

The parties hereby agree that except as expressly modified herein, the amended Ground Lease shall remain in effect.

Executed this 8th day of August, 2012

LANDLORD

Chris Sheafe, Haller Farms

TENANT

Larry Keith Stauffer

COPY

GROUND LEASE

1. **PARTIES.** This Lease effective January 1, 2002 is entered into by and between The Emerald Partnership, Christopher Sheafe, Melanie Brunch and Storey Family Living Trust d/b/a Haller Farms whose mailing address is 6932 N. Pusch Peak Place, Tucson, Arizona 85718 ("Landlord") and Larry Stauffer, an individual whose address is 37005 28th Ave S., Federal Way, Washington 98003 ("Tenant").
2. **PREMISES.** Landlord leases to Tenant those Premises situated in Skagit County, State of Washington, containing approximately 2,770 square feet and more particularly described in Exhibit A ("the Premises").
 - 2.1 **ACCESS.** Access to the Premises is exclusively via the Skagit River which forms the Southern boundary of the Premises.
 - 2.2 **DOCK.** Tenant shall be permitted to maintain Tenant's floating dock immediately in front of the Premises along the edge of the river. The purpose of the floating dock is to provide Tenant direct access to the Premises by small boat. In the event Skagit River hydraulics cause temporary obstruction of small boat access to the dock the Landlord agrees to work with Tenant to provide a mutually acceptable alternate point of river access which may include temporarily relocating the floating dock. Any agreement to temporarily relocate the dock shall be evidenced by a separate written and approved lease document.
 - 2.3 **BRUSH/TREE REMOVAL.** Tenant shall be granted the right to clear that portion of the Premises sufficient to locate Tenant's cabin and outbuilding(s). Tenant to use reasonable care not to clear an area greater than necessary to place the cabin at its permanent location and to build the outbuilding(s). It is agreed that the purpose of the clearing is to accommodate the building improvements and to allow airflow around each building. It is also agreed the natural condition of the site is to be maintained to the maximum extent practical in order to minimize the area cleared. Nothing in this paragraph is intended to prevent Tenant from clearing the area between the length of the cabin and the river. The area to be cleared shall be clearly marked upon the site drawing attached as Exhibit A.
3. **TERM.**
 - 3.1 The term of this Lease shall commence January 1, 2002 and expire midnight on December 31, 2061, unless sooner terminated pursuant to any provision hereof.
 - 3.2 **HOLDING OVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term, without the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental of 200%, plus all other charges payable hereunder, and upon all the terms and conditions applicable to any extended lease term.

4. **RENT.** Tenant shall pay to Landlord as rent for the Premises during the term an amount equal to all annual real estate taxes attributable to the Premises for improvements placed thereon by Tenant. It is agreed as of this writing that said improvements are valued at \$13,000 and that the real estate taxes attributed to such value are \$200 per year. Annual rent shall be due within thirty days of receipt of Landlord's properly documented rent calculation. Rent for any period of less than one full year shall be pro-rata portion of the last annual rent calculation.

The rent shall be changed at the expiration of each year of the term to reflect any change in the Consumer Price Index for All Urban Consumers (CPI-U), not seasonally adjusted, for Seattle-Tacoma-Bremerton, WA for All Items, said Index Base Period 1982-84=100, published by the U.S. Bureau of Labor Statistics. Rent adjustment shall occur annually on the anniversary date of this agreement based upon the percent change in the CPI-U for the most recent annual comparison available. If the CPI-U ceases to be published, Landlord and Tenant shall jointly agree on a substitute comparable economic measure for rental adjustment.

Upon the expiration of each ten-year period of the Lease either Tenant or Landlord can request a revaluation of the Rent amount. In such case, a calculation shall be made as it relates to the cumulative change in Skagit County Real Property Tax Levy rate and countywide change in value of Real Property Improvements over the previous 10-year period (Recalculation). If the Recalculation evidences a difference of more than 10% (10 percent) from that of the CPI-U adjusted Rent amount, the subsequent year shall be adjusted up or down accordingly. This revaluation window shall be available to either party upon written notice to the other within ninety days of establishing the CPI-U adjusted rent for the 10th, 20th, 30th, 40th and 50th years of the term.

5. **SURRENDER.** Upon the expiration or sooner termination of this Lease as herein provided, Tenant, at its sole election, may remove from the Premises all barges, living quarters and accompanying improvements of every sort whatsoever. It is specifically understood that Tenant shall not be required to remove any improvements from the Premises upon the expiration or sooner termination of this Lease.

6. **USE.**

6.1 The Premises shall be used and occupied only for those uses and purposes allowed in Skagit County or other relevant governmental entity, except for any zoning and planning laws in conflict therewith. Tenant shall store only a moderate amount of gasoline, propane or other flammable or explosive materials on the Premises as required for the use of the improvements.

6.2 Tenant shall hold Landlord harmless from Tenant's failure to act or Tenant's actions to comply with all government laws, ordinances and regulations, if any, applicable to the use of the Premises and its occupancy thereof, and shall be solely responsible to respond to all governmental orders and directives for the correction, prevention, and abatement of any violations or nuisances in or upon

the Premises caused by Tenant. Any improvements required to be made to the Premises by Tenant pursuant to the preceding sentence and as a result of any governmental order or directive shall be made at Tenant's sole cost and expense. ~~Provided,~~ Landlord will not object to the Tenant Improvements and will provide assistance where necessary, at no cost to Landlord, to support the right to locate such Tenant Improvements on the Premises.

- 6.3 Tenant accepts the Premises "as is, where is", subject to all matters of record, laws, ordinances and governmental regulations and orders.
- 6.4 Landlord shall not be liable for injury or damage to the person or property of Tenant, Tenant's guest, invitee's or other person's in or about the Premises, whether such damage or injury is caused by or results from water, storm, fire, rain, falling trees, leakage or from any other cause, whether the injury or damage results from conditions arising on the Premises or upon Landlord's adjacent property or from other sources or places. Tenant is responsible for all actions and/or omissions of his guests or invitees, or other persons using the Premises with the Tenant's knowledge or express or implied permissions or consent.
- 6.5 Landlord consents to Tenant's clearing of the Premises per the description contained in Section 2.3. Thereafter additional clearing may occur from time to time only for the purpose of maintenance to protect the buildings from new growth.
- 6.6 Tenant will not encroach on Landlord's adjacent property and will request permission in advance from Landlord of any temporary uses of such property. Permission by Landlord for such use shall be evidenced only by written and signed authorization.

7. **INDEMNITY.** Except for Landlord's gross negligence and/or breach of express warranties, Tenant shall indemnify, protect, defend and hold harmless the Landlord, Landlord's agents and partners from and against any and all claims, liens, judgments, penalties, permits, attorney's fees, expenses and/or liabilities arising out of involving, or in dealing with, the occupancy of the Premises by Tenant, or resulting from any act or neglect of Tenant, or its agents or invitees. In case any action or proceeding be brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense.

8. **TAXES.**

- 8.1 **REAL PROPERTY TAXES.** Tenant shall pay as rent, pursuant to Section 4, the estimated annual real property taxes for the improvements placed on the Premises by Tenant.

8.2 **PERSONAL PROPERTY TAXES.** Tenant shall immediately reimburse Landlord all personal property taxes assessed against or levied on the property of Tenant situated on the Premises.

9. **ASSIGNMENT AND SUBLETTING.** Tenant shall not voluntarily or by operation of law assign, sublet, or otherwise transfer or encumber any part of Tenant's interest in the Lease or in the Premises without Landlord's prior written consent. Any attempted assignment, transfer, encumbrance or subletting without Landlord's consent shall be void and shall constitute an event of default hereunder. Such prohibition shall not limit or otherwise restrict the transfer to or use of the Premises by the sons of the Tenant, Eric and Keith Stauffer.

10. **DEFAULT: REMEDIES.**

10.1 **DEFAULTS.** The occurrence of any one or more of the following events shall constitute a material default and breach of the Lease by Tenant:

- (a) Vacation or abandonment of the Premises, where such vacation or abandonment shall continue for a period of not less than twelve (12) consecutive months.
- (b) Failure by Tenant to pay rent as provided in Section 4, where such failure shall continue for not less than thirty (30) days following written notice of default from the Landlord.
- (c) Failure by Tenant to perform any of the covenants or conditions of the Lease, where such failure shall continue for a period of sixty (60) days after written notice from Landlord.
- (d) Any attempt or action by Tenant or those acting on behalf of the Tenant resulting in the partial or complete transfer or assignment of Tenant's interest in this Agreement or in the Premises to any third party except as otherwise allowed herein.

10.2 **REMEDIES.** In the event of any such material default or breach, Landlord may at any time, with 30 days written notice or demand and without waiving or limiting any other right or remedy:

- (a) Re-enter and remove all persons and property from the Premises.
- (b) Terminate this Lease, in which event Tenant agrees to immediately surrender possession of said Premises.

11. **TERMINATION.**

11.1 Tenant may terminate the Lease at any time by providing Landlord not less than ninety (90) days advance written notice.

11.2 Landlord may terminate this Lease at any time after the expiration of five (5) years if the Deed Conveyance set forth in Section 16 has not been completed.


12. **CONDEMNATION.** If all or any part of the Premises are taken under power of eminent domain, or sold under the threat of exercise of said power, this Lease shall terminate as to the part so taken as of the date the condemning authority takes possession. Tenant shall be entitled to any award of the Court for improvements situated on the leased Premises and for any award of the Court attributed to the value of the unrealized portion of the lease term. Landlord shall be entitled to any award for value attributable to the land.

13. **LIENS.** Tenant shall pay and discharge, and shall wholly protect and save harmless Landlord from, any and all demands or claims which may or could constitute liens on the Premises caused by Tenant's occupancy. Tenant shall not be responsible for any liens relating to the nonpayment of real estate taxes.

14. **RELOCATION.** Landlord, at Landlord's sole cost and expense, may elect to relocate Tenant's buildings and dock as described ^{herein} in Exhibit A and the Premises to another site comparable in setting to that of the Premises (Relocation Premises). Landlord shall notify Tenant not less than ninety (90) days in advance of such election and advise of the location of the Relocated Premises. Both parties shall agree to the location of such Relocated Premises, which shall be at a suitable site also fronting on the Skagit River. Landlord shall seek to relocate Tenant's improvements in such manner as to minimize the time that the Tenant's use is interrupted. Unless otherwise agreed to by Tenant, Tenant's use shall not be interrupted during the months of October, November, December or January.

15. **TENANT IMPROVEMENTS.** Tenant intends to place upon the Premises certain cabin improvements. The location, size or placement of such improvements shall be approved in advance by Landlord; provided that Landlord's consent shall not be unreasonably withheld. Notwithstanding the foregoing, Landlord specifically agrees to the placement of a cabin with a roof area measuring approximately 43' x 20', a deck and ramp area between said cabin and the river connected to Tenant's floating dock, and one or two out buildings measuring not more than a combined 116 square feet to be located in a manner consistent with that described in Exhibit A. Landlord will not interfere with Tenant's efforts to secure governmental approval to place said improvements on the Premises and to the extent necessary, will cooperate with Tenant in such effort.

16. **DEED, ESCROW.** Within thirty (30) days of the commencement of the term of this Lease, Tenant shall execute a Warranty Deed to the Landlord on all the Real Property Tenant acquired from the Landlord in the Adverse Possession lawsuit (case number Skagit County, Washington 99-2-00583-2) litigated in 2000 and place the Warranty Deed in Escrow with a mutually acceptable local Title Insurance Company.

Landlord and Tenant shall jointly execute Escrow Instructions which shall provide for conveyance of the Deed to the Landlord immediately following any three (3) year period in which there is an absence of any pending enforcement action from any competent governmental entity, concerning placement of Tenant's improvements and/or use of the Premises. For purposes of this paragraph, such enforcement action shall be defined to relate solely to the placement and use of Tenant's improvements on the Premises and shall not be held to include violations related to the design or construction of the improvements including applicable building code, electrical code, local ordinances related to health or sanitation, or other violations of a similar nature. Tenant shall supply Landlord with copies of such enforcement action within 30 days of Tenant's receipt of notice of same. Cost of the Escrow shall be shared equally between Landlord and Tenant. The Landlord shall pay all fees and charges in connection with placing the Deed of record and recording fees. During the period that the aforementioned Deed is held in Escrow, Tenant shall not alter, improve, or modify the parcel awarded him in the litigation. The aforementioned Deed shall be returned to the Tenant and the Escrow shall terminate if this Lease is terminated within the Escrow period for any reason, or if Tenant is unable to place the contemplated improvements on the Premises within the ~~three-year~~ time limit set forth above. 

17. **ADJACENT PROPERTY.** At the commencement of the Lease the Tenant is granted permission to place the disposal remains of improvements currently on the Premises on Landlord's adjacent property. Tenant shall use reasonable care in such disposal.

18. **GENERAL PROVISIONS.**

18.1 **TIME OF ESSENCE.** Time is of the essence.

18.2 **PRIOR AGREEMENTS, AMENDMENTS.** The Lease contains all agreements of the parties with respect to any matter mentioned, and may be modified only in writing signed by the parties in interest at the time of the modification.

18.3 **WAIVERS.** Waiver by Landlord or Tenant of any provision shall not waive any other provision or any subsequent breach on the same or any other provision.

18.4 **RECORDING.** Tenant may record a memorandum of this Lease. Upon the termination or early termination of this Lease, Tenant agrees to execute such documents as may be required to extinguish Tenant's leasehold interest in the Premises and upon failure to do so, grants Landlord limited Power of Attorney solely for the purpose of recording such documents as may be necessary to extinguish Tenant's leasehold interest.

18.5 **SUBORDINATION.** The Lease, at Landlord's option, shall be subordinate to any mortgage, deed of trust or other security arrangement now or later placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications,

consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default. Tenant agrees to execute any documents required to effectuate such subordination. Landlord will not subordinate its interests to any financing or any other encumbrance of Tenant.

- 18.6 **ATTORNEY'S FEES.** In the event either party requires the services of an attorney in connection with enforcing the terms and conditions of this Lease, the prevailing party will be entitled to a reasonable sum of attorney's fees and court costs, including costs of appeal, discovery and expert witness fees.
- 18.7 Tenant shall not do anything or permit anything to be done which will in any way unreasonably or unlawfully obstruct or interfere with the rights of the Landlord or other tenants or occupants of the area adjacent to the Premises, or injure or annoy them, or use or allow the Premises to be used for any unlawful purposes, nor shall Tenant maintain or permit any trespass or nuisance. Tenant shall have quiet and peaceful possession and enjoyment of said Premises during the term of the Lease.
19. **ADDRESSES.** The initial addresses of the parties are:

LANDLORD: MAIL TO: Haller Farms
c/o Chris Sheafe
6932 N. Pusch Peak Place
Tucson, Arizona 85718

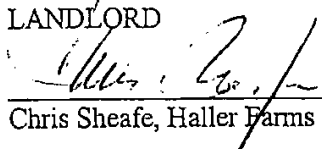
TENANT: MAIL TO: Larry Stauffer
37005 28th Ave. S.
Federal Way, Washington 98003

20. **NOTICES.** All notices required or permitted under the Lease shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid. Notices to Landlord and Tenant shall be sent to the address stated in Section 19 or such other address which may be applicable. All notices shall be effective upon delivery. Either party may change its notice address upon written notice to the other party.


21. **SUCCESSORS AND ASSIGNS.** The terms, conditions, and agreements contained in this Ground Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease, their respective heirs, personal representative, successors and assigns.

EXECUTED this 14th day of January, 2002.

LANDLORD


Chris Sheafe, Haller Farms

TENANT


Larry Keith Stauffer

STATE OF WASHINGTON
COUNTY OF KING

I certify that I know or have satisfactory evidence that **Larry Keith Stauffer** is the person who appeared before me, and said person acknowledged that he signed this instrument, titled Ground Lease, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: January 14, 2002



Ingrid I. Bates
Signature

Ingrid I. Bates, Notary Public
Name, Title

My appointment expires: 02-14-04

LANDLORD:

Melanie Sheafe Bruch
Melanie Sheafe Bruch

Storey Family Living Trust

Keith Storey
Keith Storey

Nancy Storey
Nancy Storey

The Emerald Partnership

Dr. Martin N. Chamberlain
Dr. Martin N. Chamberlain

STATE OF ARIZONA
County of Pima

On this 16 day of January, 2002, before me, the undersigned, a Notary Public in and for the State of Arizona, duly commissioned and sworn, personally appeared CHRIS SHEAFE, to me known and who executed the foregoing instrument.

In witness whereof I have herewith set my hand and affixed my official seal the day and year first above written.



Notary Public State of Arizona
Pima County
Theresa Simpson
Expires May 9, 2003

Theresa Simpson
Notary Public in and for the State of Arizona

Residing at Tucson, Arizona

My commission expires: May 9, 2003

STATE OF WASHINGTON
County of King

On this 1 day of February, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MELANIE SHEAFE BRUCH, to me known and who executed the foregoing instrument.

In witness whereof I have herewith set my hand and affixed my official seal the day and year first above written.

Denise A. Chambers
Notary Public in and for the State of Washington

Residing at 205 Newport Way NW #F-2
Issaquah, WA 98027

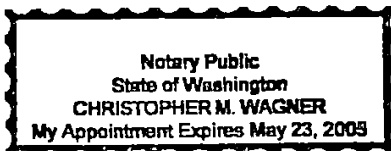
My commission expires: 11/19/05



STATE OF WASHINGTON
County of King

On this 26th day of January, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared KEITH STOREY, to me known and who executed the foregoing instrument.

In witness whereof I have herewith set my hand and affixed my official seal the day and year first above written.



Christopher M. Wagner
Notary Public in and for the State of Washington

Residing at King County

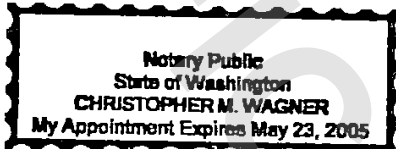
My commission expires: May 23rd, 2005

STATE OF WASHINGTON

County of King

On this 26th day of January, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared NANCY STOREY, to me known and who executed the foregoing instrument.

In witness whereof I have herewith set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of Washington

Residing at King County

My commission expires: May 23rd, 2005

California
STATE OF ~~HAWAII~~
County of San Diego

On this 6th day of February, 2002, before me, the undersigned, a Notary Public in and for the State of ~~Hawaii~~, duly commissioned and sworn, personally appeared DR. MARTIN N. CHAMBERLAIN, to me known and who executed the foregoing instrument.

In witness whereof I have herewith set my hand and affixed my official seal the day and year first above written.

[Signature]
Notary Public in and for the State of ~~Hawaii~~ California

Residing at San Diego County

My commission expires: 2/17/04

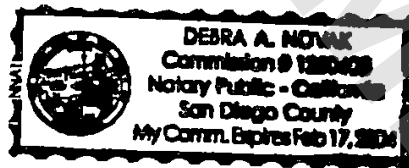
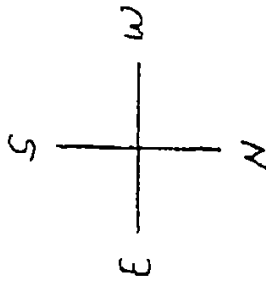
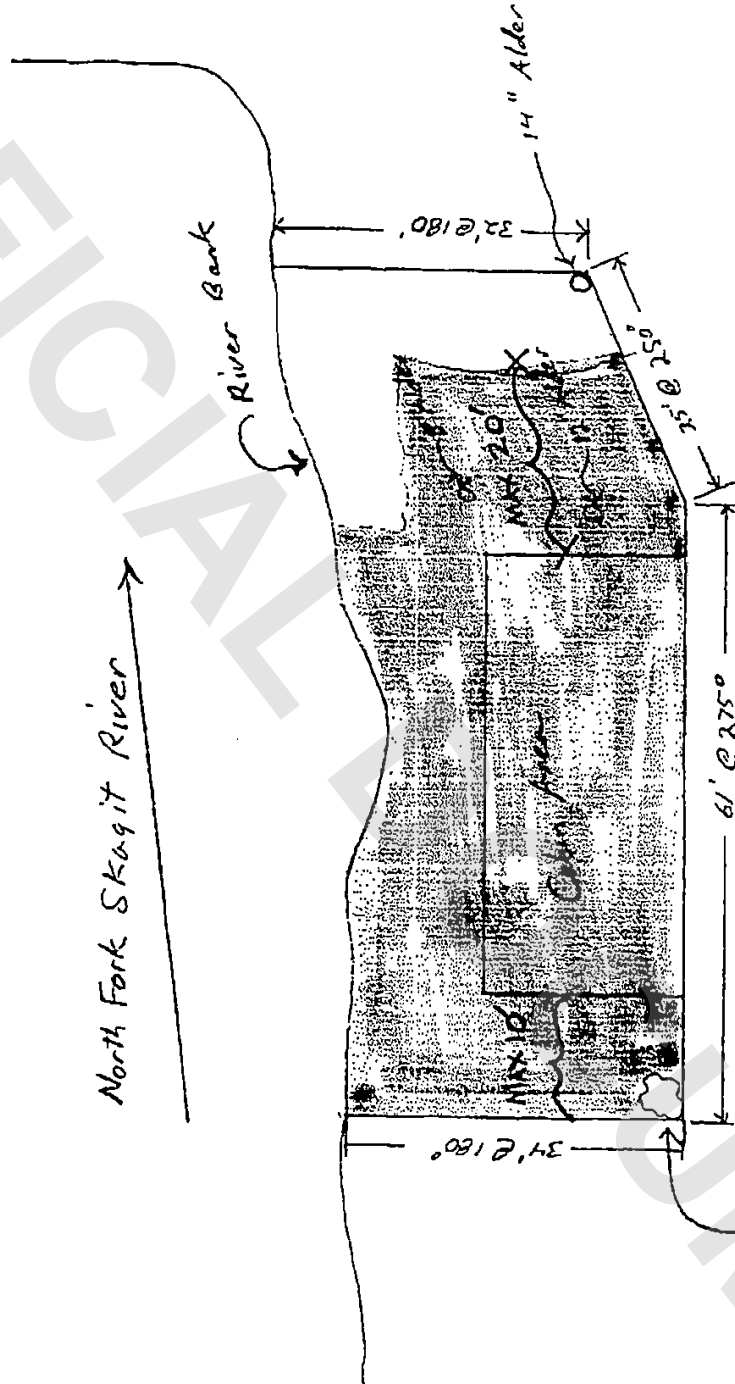


Exhibit A, page 1 of 2

Premises Description
Approximately 3770 sq. ft.



North Fork Skagit River



4' diameter maple tree
480 21' 52"
122° 20' 17"

The shaded area

represents the area
allowed to be cleared

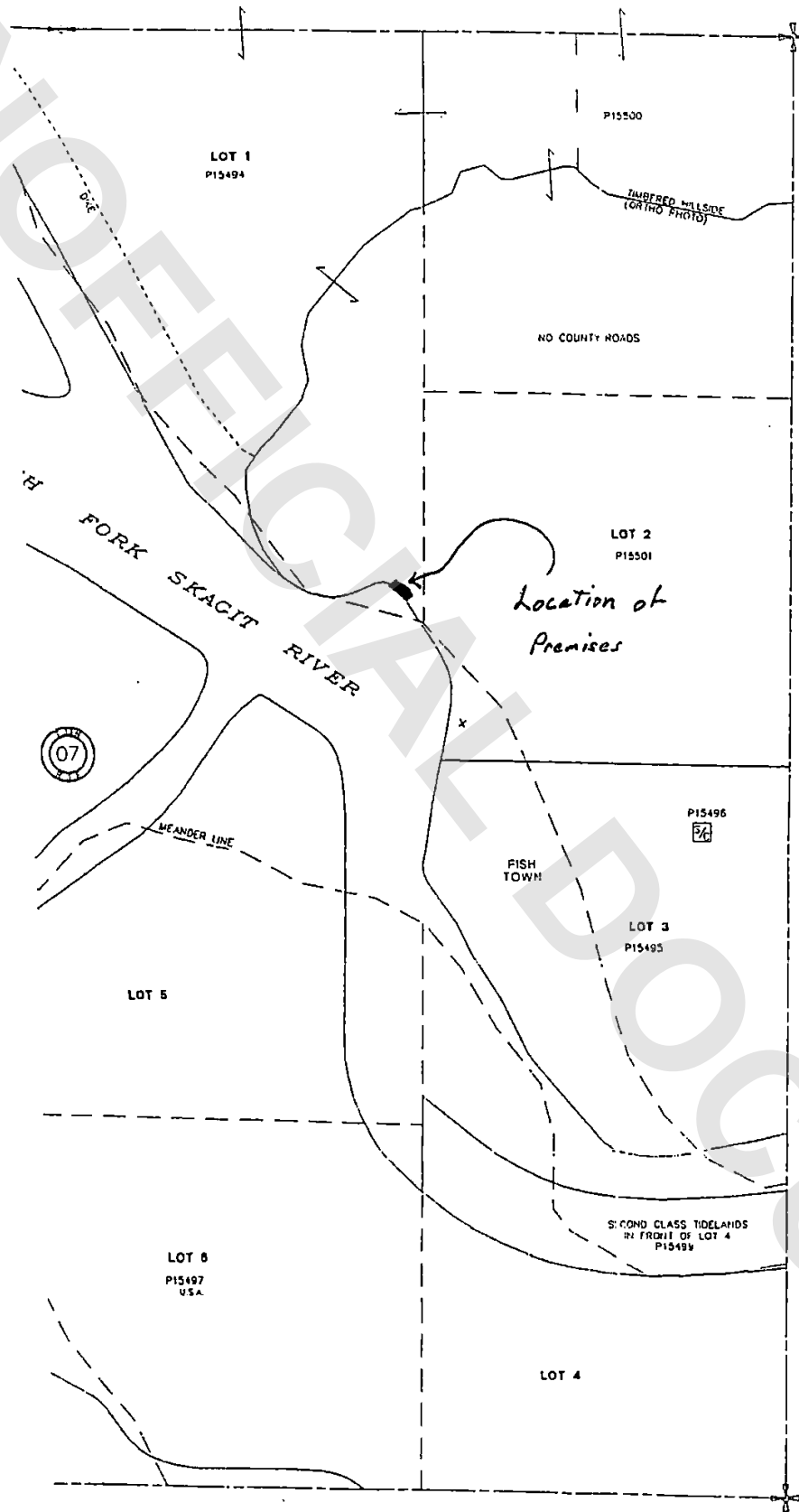
1) CURRENT PATH AND TOWNHALL
DOES NOT ENCROACH UPON
LEASED SITE.

2) SECONDARY BUILDINGS TO
BE LOCATED W.N. . . .

3) MAXIMUM AREA TO BE CLEARED
EAST SIDE OF MAIN CANAL 10'

11/14/02
11/16/02
11/16/02
11/16/02

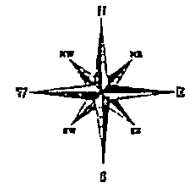
11/16/02
11/16/02
11/16/02
11/16/02



**SKAGIT
COUNTY**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

T 33 N R 3 E



0 400
Scale in feet

MAP USAGE WARNING
This map was prepared with the intention of giving the user a general understanding of the geography in this area. This map was not intended to be used for purposes which require precise measurements.

	DATE	INIT.
DRAWN BY	3/28/95	LHS
REVISION	4/25/95	p
PLOTTED	04/17/95	RAS
MAP PRODUCED BY SKAGIT COUNTY MAPPING SERVICES		

Section 7
T 33 N R 3 E