

KITTITAS COUNTY
DEPARTMENT OF PUBLIC WORKS

AGENDA STAFF REPORT

AGENDA DATE: January 6, 2015

ACTION REQUESTED: Resolution to Approve a Subordination of Reversionary Interest with U.S. Bank National Association, Carrera Hangars Bowers Field LP and Kittitas County for Property located at Bowers Field.

BACKGROUND: The Lessee and Lender requested to amend the lease to allow for financing options on the building that is owned by Carrera Hangars Bowers Field LP which was approved on September 2, 2014.

The Subordination of Reversionary Interest grants first lien status to the lienholder, U.S. Bank National Association, and needs to be approved and recorded for the financing to be granted to Carrera Hangars Bowers Field LP.

INTERACTION: Public Works; Neil Caulkins; Carrera Hangars Bowers Field LP, U.S. Bank National Association

RECOMMENDATION: Move to approve and sign the Subordination of Reversionary Interest with U.S. Bank and Carrera Hangars Bowers Field LP.

HANDLING: Return original to Public Works, once recorded a copy will be returned to Public Works.

ATTACHMENTS: Resolution, Subordination of Reversionary Interest

LEAD STAFF: Candie Leader
Administrative Assistant

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON**

RESOLUTION

NO. _____

**RESOLUTION TO APPROVE A SUBORDINATION OF REVERSIONARY
INTEREST BETWEEN U.S. BANK NATIONAL ASSOCIATION AND
CARRERA HANGARS BOWERS FIELD LP FOR PROPERTY LOCATED AT
BOWERS FIELD**

WHEREAS: Kittitas County received a request from Carrera Hangars Bowers Field LP to amend their lease in September 2014 to allow for financing options on the hangar located at Bowers Field, described as Lot H20A of the Airport Binding Site Plan; and

WHEREAS: U.S. Bank National Association is requesting that a Subordination of Reversionary Interest be signed to grant first lien status for the financing being requested by Carrera Hangars Bowers Field LP; and

NOW, THEREFORE BE IT RESOLVED The Board of County Commissioners does hereby in the best interest of the public, move to approve said Resolution to sign the Subordination of Reversionary Interest between U.S. Bank National Association, Kittitas County and Carrera Hangars Bowers Field LP.

ADOPTED this 6th day of January, 2015, at Ellensburg, Washington

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON

Deputy Clerk of the Board

AFTER RECORDING, RETURN TO:

Kittitas County
Department of Public Works
411 N. Ruby, Suite #1
Ellensburg, WA 98926

OUR FILE NO.

GRANTOR(S): (1) Carrera Hangars Bower Fields LP
(2) Kittitas County

GRANTEE(S) (Secured Party): U.S. Bank National Association

TAX PARCEL #: 957121 & 958157

LEGAL (ABBREVIATED): PTN SW 24-18-18E, W.M., KITTITAS CO., WA

SUBORDINATION OF REVERSIONARY INTEREST

THE PARTIES HERETO are KITTITAS COUNTY, a municipal corporation of the State of Washington, called "Landlord", CARRERA HANGARS BOWERS FIELD LP, a Washington limited partnership, referred to as "Tenant", and U.S. BANK NATIONAL ASSOCIATION, hereinafter referred to as "Lender". The effective date of this Agreement is _____, 20__.

WHEREAS, Landlord and Tenant are parties to a certain Lease dated June 1, 2010 and terminating on June 1, 2050, the legal description of which is attached as Exhibit "A", hereinafter referred to as the "Lease" or "Ground Lease"; and

WHEREAS, the parties at the time of entering into said Lease contemplated that Tenant would need financing to build a structure on said property and that any financial institution would require a subordination of its reversionary interest;

WHEREAS, Lender has agreed to make a loan to an affiliate of Tenant, Carrera Aviation Holdings, LP, a Washington limited partnership, to build such structure on said property; now, therefore,

FOR AND IN CONSIDERATION of the mutual covenants hereinafter contained, the parties agree to amend the above-described Lease as follows:

1. Subordination and Matters Concerning Foreclosure. The reversionary interest of Landlord, which for purposes hereof shall mean the possession, use and enjoyment of the leased premises, is hereby subordinated to the lien of any subsequent mortgage, deed of trust or security instrument

hereafter made and executed between Tenant and Lender up to and including the amount of Two Million Eighty Six Thousand Dollars (\$2,086,000.00) plus interest, costs of realization and attorney's fees. Said subordination shall be for the entire period of the duration of the Lease. In the event of foreclosure, or realization proceedings on such mortgage, deed of trust or security instrument or conveyance of the leasehold interest of Tenant in lieu of such foreclosure, the said Lender, its assigns, and successors in interest shall be entitled to and vested with the entire leasehold estate of Tenant as if an original party to the said Lease with such additional rights and powers as are hereinafter set out.

2. Assignment by Lender. In the event the leasehold estate of Tenant shall become vested in Lender as provided above, the original Ground Lease described above may be assigned by Lender in whole only with Landlord's prior written consent. The Lender may also sublet any portion of the premises with Landlord's prior written consent. Any consent required by this paragraph shall not be unreasonably withheld. Consent shall be deemed to be unreasonably withheld if the proposed assignee or subtenant is to use the premises for such business purposes as are consistent with other business purposes operating at the Kittitas County Airport (and the Federal Aviation Administration has in writing given its prior written approval of the business to be carried on by the proposed assignee or subtenant), if the proposed assignee or subtenant is of such financial standing and responsibility at the time of such assignment or sublease as to give reasonable assurance of the payment of all rents and other amounts reserved in the Ground Lease and compliance with all of the terms, covenants, provisions and conditions of the Ground Lease. Any such assignment or subletting shall be further subject to the following conditions:

(a) At the time of making such assignment or sublease there is no default under any of the agreements, terms, covenants and conditions of the Ground Lease or this amendment on the part of the Lender; provided, that said Lender or assignee or subtenant may cure the default prior to taking possession of the premises.

(b) Landlord shall receive written notice of such assignment or sublease and the effective date thereof within ten (10) days after the execution and delivery of such assignment.

(c) Such assignment or sublease shall be in writing, duly executed and acknowledged by the Tenant. If Tenant does not sign, the Lender may give a hold harmless agreement to Landlord protecting Landlord from any claim of Tenant that the Lender, or its assigns, does not have the right of possession.

(d) Any assignment shall not be for any period less than the unexpired term of the Ground Lease.

(e) A duplicate original of any assignment or sublease shall be delivered to Landlord within ten (10) days after the execution of any such document.

(f) No assignment of the Ground Lease shall release or discharge, in whole, or in part, Tenant's liability for the full performance of the terms, covenants and conditions of the Ground Lease.

(g) If all or any part of the leased premises be sublet or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from any and all subtenants or occupants, and apply the net amount collected to the rent reserved in the Ground Lease, but no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, nor the acceptance by

Landlord of any subtenant or occupant as tenant.

3. Surrender of the Premises. No surrender of the premises or any other act of Tenant shall be deemed to terminate the Ground Lease unless the Lender has consented to the termination in writing.

4. Notice to Lender and Cure Right. The Ground Lease shall not be terminated by Landlord for any cause, whether in the Ground Lease or this Amendment or otherwise, unless and until the Lender and Tenant are simultaneously and in writing by registered or certified United States mail, notified of the exact nature and detail of Tenant's default or breach of condition. If Tenant fails to remedy a default or breach of condition within sixty (60) days of receipt of said notification ("Default Notice"), and upon being notified by Landlord to such effect, the Lender may, as set forth below, remedy said default or breach of condition and upon so doing shall be substituted in Tenant's place and stead as if it were Tenant's assignee. Any failure to remedy a default or breach of condition of the Lease by Tenant shall be deemed by all parties a material breach of the mortgage, deed of trust or security instrument then existing between Tenant and Lender, and the balance then due and owing on the secured indebtedness shall be accelerated and the Lender shall be entitled, but not obligated, to foreclose or realize on its mortgage, deed of trust, or security instrument. The purchaser of the leasehold interest so foreclosed or realized upon, be the same the Lender or a third party, shall have all of the rights and privileges contained in this agreement, including the right to assign the purchase leasehold subject to those provisions concerning assignment contained in paragraph 2 above. Should the mortgage, deed of trust or security agreement of Lender be extinguished by any such sale, the Ground Lease as amended herein shall remain in full force and effect with the purchaser of said sale being in all respects deemed the successor in interest of Tenant, subject to the provisions concerning assignment and subletting contained above. Failure of the Lender to remedy the breach of a condition or default claimed within the time period provided below shall entitle the Landlord to thereafter proceed to enforce any remedies at law available to it and pursuant to the terms of the Ground Lease and this amendment, and Landlord's reversionary interest shall no longer be subordinated to the lien of Lender's mortgage, deed of trust or security instrument as held by it, its assigns and successors. If the Lender does make timely remedy of any default or breach after proper notice, the Lender shall be subrogated in all respects to the rights, remedies available to Landlord under and pursuant to the said Ground Lease, including, but not limited to, the right to enter into possession of the leasehold premises and to collect rent due to Tenant from any subtenant then in possession. Such exercise of rights under and by virtue of subrogation shall not be deemed a merger of the leasehold estate with the encumbrance of the Lender, but, rather, an additional remedy available to Lender for purposes of protecting its security interest.

If Tenant fails to remedy a default or breach of condition within sixty (60) days of receipt of the Default Notice, Landlord may not terminate the Lease unless, after the expiration of the Tenant's 60 day cure period, Landlord provides sixty (60) days prior written notice to Lender of its intent to terminate the Lease. The notice must specify the nature of the default and, if the default includes a failure to pay rent or other amounts, the amounts owing on the date of the notice and the dates other amounts will be due, if any, during such sixty (60) day period. If during such sixty (60) day period Lender: (i) notifies Landlord of its intent to remedy the default to the extent the default is reasonably curable by Lender; (ii) pays or causes to be paid to Landlord the rent or other amounts as and when due; and (iii) complies with or in good faith, with reasonable diligence, commences to comply with all non-monetary obligation under the Lease then in default which may reasonably be cured by Lender (which, for greater certainty, shall exclude remedying the insolvency, bankruptcy or similar financial condition of Tenant); then the date for termination of the Lease shall be extended provided that during such extension the Lender: (i) pays or causes to be paid to Landlord the rent and other amounts due under the Lease as and when due; (ii) continues its good faith efforts to perform all Tenant's other obligations under the Lease (except any

obligation to discharge any lien or other encumbrance ranking junior in priority to Lender's Leasehold Mortgage); and (iii) unless enjoined or stayed, takes steps to acquire or sell Tenant's interest under the Lease by foreclosure of the Leasehold Mortgage or other appropriate means and prosecutes the same to completion with reasonable diligence and continuity. If the default specified in the notice is cured and Lender discontinues such foreclosure proceedings, the Lease shall continue in full force and effect as if Tenant had not defaulted. Nothing in this Section 4 shall be construed to extend the Lease beyond the term specified in Section 3 of the Lease.

Nothing herein contained shall require Lender or its designee as a condition to its exercise of right hereunder to cure any default of Tenant not reasonably susceptible of being cured by Lender or its designee in order to comply with the provisions of this Section 4 or as a condition of entering into the New Lease provided for by Section 5. No default, the cure of which, and no obligation of Tenant, the performance of which, requires possession of the Premises shall be deemed reasonably susceptible of cure or performance by Lender or successor to Tenant's interest under the Lease or a New Lease not in possession of the Premises, provided such holder is complying with the requirements described in this Section 4, nor shall Lender be required to cure the bankruptcy, insolvency, or any related or similar condition of Tenant.

5. New Lease. In the event of the termination of the Lease as a result of Tenant's default or Tenant's failure to exercise a renewal option, Landlord shall, in addition to providing the notices as required by Section 4, provide Lender with written notice that the Lease has been terminated, together with a statement of all sums which would at the time be due under the Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("New Lease") of the Premises with the Lender or its designee for the remainder of the term of the Lease, as of the date of termination, at the rent and additional rent, and upon the terms, covenants, and conditions (including all options to renew but excluding requirements which are not applicable or which have already been fulfilled) of the Lease, provided: (i) Lender shall make written request upon Landlord for such New Lease within ninety (90) days after the date such Lender receives Landlord's Notice of Termination of the Lease given pursuant to this Section 5; (ii) Lender or its designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which are at the time of execution and delivery thereof due pursuant to the Lease regardless of such termination and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; provided that upon execution of such New Lease, Landlord shall allow to the tenant named therein as an offset against the sums otherwise due under this Section 5 or under the New Lease, an amount equal to the net income derived by Landlord from the Premises during the period from the date of termination of the Lease to the date of the beginning of the term of such New Lease; (iii) Lender or its designee shall agree to remedy any of Tenant's defaults of which said Lender was notified by Landlord's Notice of Termination and which are reasonably susceptible of being so cured by Lender or its designee; (iv) any New Lease made pursuant to this Section 5 shall be prior to any mortgage or other lien, charge or encumbrance on the fee of the Premises, and the tenant under such New Lease shall have the same right, title and interest in and to the Premises and the buildings and improvements thereon as Tenant had under the Lease; and (v) the tenant under any such New Lease shall be liable to perform the obligations imposed on the tenant by such New Lease only during the period such person has ownership of such Leasehold Estate.

6. Bankruptcy. In the event of any proceeding by either Landlord or Tenant under the United States Bankruptcy Code (Title 11 U.S.C.) as now or hereafter in effect ("Bankruptcy Code"):

(a) If the Lease is rejected in connection with a bankruptcy proceeding by the Tenant or a trustee in bankruptcy for the Tenant, such rejection shall be deemed an assignment by Tenant to the Lender of the leasehold estate under the Lease and all of Tenant's interest under the Lease, in the nature of an assignment in lieu of foreclosure, and the Lease shall not terminate and the Lender shall have all the rights of the Lender under this Agreement and the Lease as if such bankruptcy proceeding had not occurred unless the Lender shall reject such deemed assignment by notice in writing to Landlord within thirty (30) days following rejection of the Lease by Tenant or Tenant's trustee in bankruptcy. If any court of competent jurisdiction shall determine that the Lease shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by Tenant or the trustee in connection with any such proceeding, the rights of Lender to a new lease from Landlord pursuant to Section 5 hereof shall not be affected thereby.

(b) If the Lease is rejected by Landlord or by Landlord's trustee in bankruptcy: (i) Tenant shall not have the right to treat the Lease as terminated except with the prior written consent of Lender; and the right to treat the Lease as terminated in such event shall be deemed assigned to Lender, whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of Tenant and Lender shall be required as a condition to treating the Lease as terminated in connection with such proceeding; and (ii) if the Lease is not treated as terminated, then the Lease shall continue in effect upon all of the terms and conditions set forth herein, including rent, additional rent and all options to renew, but excluding requirements that are not then applicable pertinent to the remainder of the term hereof. Thereafter, Tenant or its successors shall be entitled to any offsets against rent and additional rent payable hereunder for any damages arising from such rejection and any such offset properly made shall not be deemed a default under the Lease. The lien of any leasehold mortgage then in effect shall extend to the continuing possessory rights of Tenant following such rejection with the same priority with respect to each such leasehold mortgage as it would have enjoyed had such rejection not taken place.

7. Casualty Insurance. All casualty insurance shall name Lender as an insured to the extent of its interest and all proceeds thereof shall be paid to Lender and applied to the reduction of the indebtedness then due it by Tenant; provided that if the premises, by reason of partial destruction can be restored to their original condition without loss of security for the indebtedness then owing, such proceeds may be applied to the costs of restoration pursuant to plans and specifications first approved in writing by Lender and then by it disbursed to the reconstruction contractor as restoration work progresses on a schedule satisfactory to Lender.

8. Condemnation. In the event of condemnation of any part or all of the premises leased, the entire amount of just compensation awarded shall be applied to the secured indebtedness to the extent that the security of Lender shall be deemed by it to be impaired by said taking for public use; provided, however, that damages awarded for land condemned shall belong to Landlord and not be applied to the secured indebtedness.

9. Conflicts with Ground Lease. All provisions in the Ground Lease which are in direct conflict with the terms of this agreement shall be null and void with respect to the rights of the Lender as set forth herein or Lender's successors in interest or purchasers at realization proceedings. Any additional amendments to the Ground Lease between Landlord and Tenant shall have no force and effect unless approved in writing by Lender except for periodic rental readjustments required by the Terms of the Ground Lease.

10. Notice to Lender. All notices to be sent to Lender shall be sent to the address below, or any substitute address furnished to the Landlord by Lender in writing.

11. Limitation of Liability. Notwithstanding any of the provisions contained in this Agreement, the Lender shall have no obligation under the Ground Lease, even if Lender forecloses on its security interest, unless said Lender notifies the Landlord in writing that it desires to substitute itself as Tenant. Until Lender makes that election, said Lender may cure any and all defaults to keep said Lease current so as to preserve the Lender's right to make an election to be substituted as Tenant at some later date.

12. Fire Insurance. The paragraph in the Ground Lease relative to fire insurance shall be modified as follows: Tenant shall at all times carry, at its own expense, fire insurance and extended coverage on all buildings constructed on the leasehold estate in the amount of not less than 80% of the actual cash value, with a company acceptable to Landlord and Lender. Any such policy shall name Landlord and Lender as the insureds, with loss payable to the Landlord and Lender as their interests may appear. Tenant shall provide evidence of such insurance to the Landlord. Said policy shall provide that the policy may not be cancelled without the company first giving Landlord and Lender at least thirty (30) days' written notice prior to cancellation. No such policy shall contain a deductible clause greater than \$1,000.00 per claim. In the event of loss, Tenant shall pay such deductible sum. Landlord may, with approval of the Lender and with the consent of Tenant, cover said buildings on a master fire insurance policy and charge Tenant its share of the premium, which share of the premium shall be paid within ten (10) days after demand. Failure to comply with any terms of this paragraph shall be considered a material breach of the Ground Lease.

13. Application of Insurance Proceeds in the Event of Loss. The provisions in the original Ground Lease dealing with the application of insurance is amended as follows: In the case of a loss covered by insurance set forth in the preceding paragraph, whether total or partial, and subject to the terms and conditions of any secured instruments on said premises relating to the application of insurance proceeds, Tenant shall exert its best efforts to have the insurance proceeds applied to a reconstruction or repair of the loss or damage to improvements. If Tenant elects not to rebuild, the proceeds of any insurance payable shall be distributed, first to the retirement of any security interest on the improvements, and the balance shall be payable to Landlord. Tenant shall give notice of any loss to Landlord and Lender immediately and of intention to rebuild within sixty (60) days of loss. If Tenant fails to give notice of intention to rebuild within the time specified, Landlord shall then have the option to rebuild and shall give Lender and Tenant notice in writing of such intention within one hundred twenty days (120) after receiving written notice of loss from Tenant, subject to such policy conditions governing the replacement cost provisions of any such policy. If either Landlord or Tenant elects to rebuild as above provided, such party shall initiate the work of such rebuilding or repairing without delay. If both Landlord and Tenant fail to give notice of intention to rebuild within the time specified, both Landlord and Tenant shall have the right to declare the Lease terminated by written notice served upon the other party by mail as in the Ground Lease provided. It is understood that if Tenant sublets the premises with the prior written consent of Landlord, and passes the expense of fire, earthquake or other casualty insurance or of liability insurance on to its subtenant, then it will require all insurance policies to name Landlord, Lender and Tenant as insured parties as their interests may appear. Any sublease shall contain the exact provisions of this agreement as to the standards applied to the selection of the insurer and in the amount and nature of coverage. Prior to the termination of the Ground Lease, either by expiration of the term or by notice as provided in the Ground Lease, rent for the premises shall not abate as between Landlord and Tenant in the event of loss or destruction of any buildings placed on the premises.

14. Removal of Property. The provisions in the Ground Lease relating to removal of property shall be amended as follows:

In the event that Landlord shall take possession of the leased premises, Landlord shall have the right, but not the obligation, to remove from the leased premises all personal property located therein or thereon and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of Tenant, with the right to sell such stored property, following written notice to the Lender, after it has been stored for a period of at least thirty (30) days. The proceeds of any such sale, the payment of any charges for storage, to Lender for any items specifically securing Tenant's debt to Lender, to the payment of any sums due Landlord from Tenant under any of the terms of the Ground Lease, to the payment of any other sums of money which may then be due Lender from Tenant, and last, to the Tenant.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective duly authorized signatories as of the date first above written.

LANDLORD:

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON

Name:_____

Name:_____

Name:_____

Attest:

Clerk of the Board

TENANT:

CARRERA HANGARS BOWERS FIELD LP, a
Washington limited partnership

By: Carrera Pacific Corporation, a
Washington corporation, its general partner

By Charlene Dizon
Name: Charlene Dizon
Title: Vice-President

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By: 

Name: Jordan R. Carroll

Title: Assistant Vice President

(Address for Notice Purposes)

U.S. Bank National Association
One Fifth Street, Suite 350
Wenatchee, Washington 98801-2015
Attn: Zenia Esparza

STATE OF WASHINGTON)
 : ss
COUNTY OF KITTITAS)

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of the Board of county Commissioners Kittitas County, Washington, a municipal 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 herein mentioned, and on oath stated that she was authorized to execute the said instrument on behalf of said municipal corporation.

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

NOTARY PUBLIC in and for the
State of Washington, residing
at _____.
My commission expires: _____
Name: _____

STATE OF WASHINGTON)
 : ss
COUNTY OF KITTITAS)

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of the Board of county Commissioners Kittitas County, Washington, a municipal 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 herein mentioned, and on oath stated that she was authorized to execute the said instrument on behalf of said municipal corporation.

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

NOTARY PUBLIC in and for the
State of Washington, residing
at _____.
My commission expires: _____
Name: _____

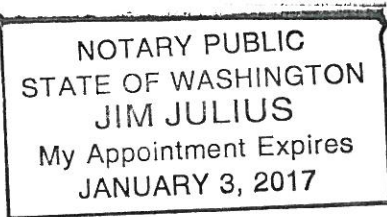
STATE OF WASHINGTON)

: ss

COUNTY OF Willamette

I certify that I know or have satisfactory evidence that Christiane Gregory is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as a Vice-President of Carrera Pacific Corporation, a Washington corporation, the general partner of CARRERA HANGARS BOWERS FIELDS LP, a Washington limited partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 22, 2014.



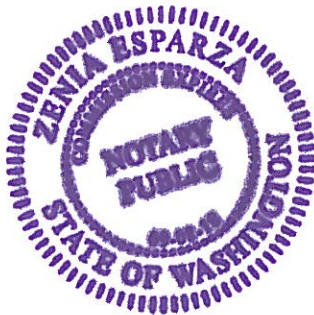
Jim Julius
NOTARY PUBLIC in and for the State of
Washington, residing at 14101 1st Ave SE
My commission expires: 01/03/2017
Name: Jim Julius

STATE OF WASHINGTON)

COUNTY OF Chelan : ss

I certify that I know or have satisfactory evidence that Jordan Carrell is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the Ref Manager of U.S. BANK NATIONAL ASSOCIATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/17, 2014.



NOTARY PUBLIC in and for the State of
Washington, residing at East Wenatchee
My commission expires: 9-8-18
Name: Zenia Esparza

**EXHIBIT A
LEGAL DESCRIPTION**

LOT H-20A, AS SHOWN ON KITTITAS COUNTY AIRPORT AMENDED BINDING SITE PLAN 85-10-00001, RECORDED JUNE 28, 2010, UNDER RECORDING NO. 201006280055, IN VOLUME 11, PAGE 249, RECORDS OF KITTITAS COUNTY, WASHINGTON;

TOGETHER WITH A PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID DESCRIBED LOT H-20A;

THENCE SOUTH 87°47'26" WEST 120.00 FEET;

THENCE NORTH 02°12'34" WEST 60.00 FEET;

THENCE NORTH 97°47'26" EAST 120.00 FEET;

THENCE SOUTH 02°12'34" EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.