

Filed for Record at Request of:  
CSD ATTORNEYS AT LAW P.S.  
1500 Railroad Avenue  
Bellingham, WA 98225  
(360) 671-1796

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Lena Thompson  
DATE 10/14/2026

**DOCUMENT TITLE:**

LEASE TERMINATION AGREEMENT

**REFERENCE NUMBER OF DOCUMENTS ASSIGNED OR RELEASED:**

UNRECORDED LEASE

**GRANTORS:**

ROBERT PETERSON

**GRANTEE:**

PORT OF ANACORTES, a Washington municipal corporation

**ABBREVIATED LEGAL DESCRIPTION:**

BLDG ONLY ON PORT R/P P56524 3772-289-011-0006 209 T AVE

Additional Legal Description can be found on page 10 of document.

**TAX PARCEL ID #:**

P128814 / XrefID 3772-289-011-0200

## LEASE TERMINATION AGREEMENT

This **LEASE TERMINATION AGREEMENT** ("Agreement") is made by and between the **PORT OF ANACORTES**, a Washington municipal corporation (the "Lessor"), and **ROBERT PETERSON**, an individual (the "Lessee"), on this 21 day of July, 2026 (the "Effective Date"). Lessee and Lessor may collectively be referred to hereinafter as the "Parties," or individually as a "Party."

**WHEREAS**, Lessee is the successor in interest to the tenant's interest in that certain lease, dated on or about January 15, 1997, in which Lessor leased to W. Inc. real property located at 209 T. Ave., Anacortes, Washington, (the "Original Lease");

**WHEREAS**, the Original Lease has been amended by the First Amendment to Port of Anacortes/W. Inc. Lease Agreement dated March 4, 1997 (the "First Amendment"), the Second Amendment to Lease Agreement dated June 15, 1997 (the "Second Amendment"), and the Third Amendment to Lease executed February 18, 1999 (the "Third Amendment"). Collectively, the Original Lease, First Amendment, Second Amendment, and Third Amendment are the "Lease."

**WHEREAS**, Lessee is the owner of the personal property commonly described as an approximately four thousand six hundred seventy-six square foot (4,676 ft<sup>2</sup>) building commonly referred to as Skagit County Parcel No. P128814, and further described on **Exhibit A**, attached hereto, located in Skagit County, WA (the "Building");

**WHEREAS**, the Building is located on real property owned by Lessor, commonly referred to as Skagit County Parcel No. P56524 (the "Property");

**WHEREAS**, Lessee acquired its leasehold interest and the Building through a deed of trust foreclosure process; and

**WHEREAS**, Lessee desires to terminate the Lease and release any interest in the Building to Lessor and Lessor desires to terminate the Lease and to accept waiver of any interest in the Building from Lessee.

**NOW, THEREFORE**, in consideration of the covenants, promises, and agreements contained in this Agreement, the Parties agree as follows:

### **SECTION I. TERMINATION AND RELEASE**

**1.1 LEASE TERMINATION AND RELEASE OF THE BUILDING.** Lessee agrees to terminate the Lease and release any interest in the Building to Lessor, and Lessor agrees to terminate the Lease and accept the release of any interest in the Building on the terms and conditions set forth herein.

**SECTION II.**  
**TERMINATION AND PAYMENT**

**2.1 TERMINATION CONSIDERATION.** The consideration to be paid by Lessor to Lessee for termination of the Lease and release of any interest in the Building shall be One Hundred Fifty Thousand Dollars (\$150,000) ("Termination Consideration").

**2.2 PAYMENT OF TERMINATION CONSIDERATION.** The Termination Consideration shall be paid in full at Closing, as defined herein.

**SECTION III.**  
**CONTINGENCIES**

**3.1 CONTINGENCY.** The obligations of Lessor under this Agreement and consummation of Closing, as defined herein, are subject to the timing requirements set forth in the Global Settlement Agreement executed by Lessor, Lessee, and unrelated third-parties on July 21, 2026 (the "Settlement Agreement"), to wit: (i) Lessor must issue a Notice of Default to initiate foreclosure of a deed of trust on the Building no later than fourteen (14) calendar days of the Effective Date of the Settlement Agreement, as that term is defined therein; and (ii) Lessee must conclude his foreclosure action for the Building within one hundred fifty (150) calendar days after the date of this Agreement and be the successful bidder at auction.

**3.1.1 Lessee Disclosures.** Lessor waives, to the fullest extent permissible by law, the right, if any, to receive a Lessee disclosure statement (e.g., "Form 17") if required by RCW 64.06 and its right to rescind this Agreement pursuant thereto, if any.

**SECTION IV.**  
**REPRESENTATIONS AND WARRANTIES**

**4.1 LESSEE'S REPRESENTATIONS.** Lessee represents to Lessor that the following facts are true as of the date of Lessee's execution hereof, and will be true as of Closing, as defined herein:

**4.1.1 Other Agreements.** There are no other contracts or agreements in force or effect, in which Lessee is a party, for the sale or lease of all or any portion(s) of the Building and Lessee agrees not to enter into any such contracts or agreements between the Effective Date hereof and the Closing Date, as noted herein.

**4.1.2 Litigation.** There is no action, suit, investigation, or proceeding (administrative or otherwise) pending or, to the best of Lessee's knowledge, threatened against or affecting the Building or the transactions contemplated hereby; or which might affect the right of Lessor to own, operate, develop, or possess the Building; or which might have a material effect on the business of the Building or result in any liability of Lessor with respect thereto.

**4.1.3 True and Accurate.** No representation by Lessee contained in this Agreement or in any exhibit hereto contains (or upon Closing, will contain) an untrue statement of material fact, or omits (or upon Closing, will omit to state) a material fact necessary to make the statements and facts contained therein not misleading.

4.1.4 **Encumbrances.** To the best of Lessee's knowledge, Lessee's execution, delivery, and consummation of this Agreement shall not result in any default or violation of any agreement or law by which Lessee is bound, or which will result in any lien, charge, or encumbrance on the Building.

4.1.5 **Ownership.** As of the Closing Date, Lessee owns all right, title, and interest in and to the Lease and the Building and any other related improvements installed on the Property by Lessee.

4.1.6 **Closing Contingencies.** Lessor's obligation to close this transaction shall be further conditioned upon all of Lessee's representations and warranties set forth in this Section IV hereof being true, correct, and complete as of the Closing Date, as noted herein.

4.1.7 **As-Is.** Except for the express representations and warranties in this Agreement, (a) Lessee makes no representations or warranties regarding the Lease or the Building; (b) Lessee hereby disclaims, and Lessor hereby waives, any and all representations or warranties of any kind, express or implied, concerning the Lease or the Building, or any portion(s) thereof, as to its condition, value, compliance with laws, status of permits or approvals, suitability for Lessor's intended use, or occupancy rate, or any other matter of similar or dissimilar nature relating in any way to the Building, including the warranties of fitness for a particular purpose, tenantability, habitability, and use; (c) Lessor takes the Building "AS IS" and with all faults; and (d) Lessor represents and warrants to Lessee that Lessor has sufficient experience and expertise such that it is reasonable for Lessor to rely on its own inspections and investigations.

#### **SECTION V.** **POSSESSION AND INTERIM ACTIONS**

5.1 **POSSESSION DELIVERY.** Possession of the Building shall be delivered to Lessor at Closing, as noted herein.

5.1.1 **No Commitment for Building.** Prior to Closing, Lessor shall not obligate the Building or Lessee to any development approvals, permits, or agreements.

#### **SECTION VI.** **TITLE**

6.1 **TITLE COMMITMENT AND INSPECTION.** No title examination will be required.

6.2 **RELEASE OF CLAIMS TO BUILDING.** Lessee shall release any claims to the Building at Closing via a release and bill of transfer, in the form attached hereto as **Exhibit B**, free and clear of any and all encumbrances (the "Release").

#### **SECTION VII.** **ESCROW AND CLOSING**

7.1 **CLOSING.** The "Closing" of the Release for the Building shall occur through the offices of Lessor's legal counsel, or such other location as selected by Lessor, no later than one hundred fifty days after the date of this Agreement (the "Closing Date"), or such other date as agreed upon by Lessor and Lessee in writing.

7.2 **LEASE.** No modification to the Lease shall be required during the term of this Agreement and no rent shall be due prior to Closing.

7.3 **DEPOSIT OF CLOSING DOCUMENTS AND FUNDS.**

7.3.1 **By Lessee.** On or before Closing, Lessee shall deposit with legal counsel for Lessor:

- (a) A duly executed Release; and
- (b) Such other documents as may be reasonably required by legal counsel for Lessor to close the transaction contemplated herein.

7.3.2 **By Lessor.** On or before Closing, Lessor shall deposit with legal counsel for Lessor:

- (a) The Termination Consideration;
- (b) Such other documents as may be reasonably required by legal counsel for Lessor to close the transaction contemplated herein.

7.4 **COSTS AND PRORATIONS.** All property taxes and special assessments shall be prorated as of 12:01 a.m. on the Closing Date.

7.5 **ESCROW INSTRUCTIONS.** This Agreement is intended by the Parties to set forth the Escrow Instructions relevant to Closing. Nonetheless, Lessee and Lessor agree to execute and deliver to legal counsel for Lessor any additional instructions requested by Lessor for the purpose of consummating this transaction; provided, however, that any such additional instructions are not inconsistent herewith.

**SECTION VIII.**  
**REMEDIES**

8.1 **DEFAULT.** If the transaction fails to close due to a default by Lessor, Lessee's sole and exclusive remedy shall be to terminate this Agreement. In the event of any breach of this Agreement by Lessee, Lessor may elect, as its sole and exclusive remedies, to either (i) terminate this Agreement; or (ii) bring suit for specific performance of this Agreement.

**SECTION IX.**  
**TAX EFFECT**

9.1 **NO REPRESENTATION REGARDING TAXES.** No Party has made or is making any representations to the other concerning any of the tax effects of the transactions provided for in this Agreement. No Party shall be liable for, or in any way be responsible to, any other Party because of any tax effect resulting from the transactions provided for in this Agreement.

**SECTION X.**  
**MISCELLANEOUS**

**10.1 BROKER'S FEES OR REALTOR'S COMMISSION.** There are no brokers or realtors entitled to a broker's fee or commission with regard to this transaction. In the event of a claim for broker's fee, finder's fee, commission, or other similar compensation in connection herewith, the Party that incurred such a fee or obligation shall be solely responsible for the payment thereof.

**10.2 FURTHER DOCUMENTATION.** Each Party agrees to execute, acknowledge, and deliver, upon demand by the other, any document which such other Party reasonably deems necessary or desirable to evidence or effectuate the rights herein conferred, or to implement or consummate the purposes and intents hereof, so long as such demand imposes no different or greater burden upon such Party than is imposed hereunder.

**10.3 NO THIRD-PARTY BENEFICIARIES.** There are no third-party beneficiaries to this Agreement.

**10.4 SEVERABILITY.** This Agreement shall be interpreted and construed as a whole, all provisions of this Agreement are intended to be correlative and complementary, and the misplacement, addition, or omission of a word or character shall not change the intent of any part of this Agreement. Notwithstanding the foregoing, if any provision of this Agreement is found to be invalid by a court of competent jurisdiction, this Agreement shall be construed in accordance with the Parties' intent, as closely as possible, without such offending provision.

**10.5 GOVERNING LAW AND JURISDICTION.** This Agreement shall be interpreted, construed, and enforced pursuant to the laws of the State of Washington, without regard to its choice of law provisions. The Skagit County Superior Court shall have sole and exclusive jurisdiction concerning this Agreement.

**10.6 BINDING EFFECT.** This Agreement, and all of the terms and conditions thereof, including the obligations to pay money, shall inure to the benefit of, and shall be binding upon each of the Parties, their heirs, successors, and assigns.

**10.7 CAPTIONS.** The captions of the paragraphs of this Agreement are only to assist the Parties in reading and understanding this Agreement and shall have no effect upon the construction or interpretation of any part thereof.

**10.8 NO WAIVER.** The failure of any Party to insist upon or enforce strict performance by any other Party of any of the provisions of this Agreement, or failure to exercise any rights or remedies under this Agreement, shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provisions or rights in that or any other instance; rather the same shall remain in full force and effect.

**10.9 NEUTRAL AUTHORSHIP.** The Parties have all had the opportunity to be represented by counsel and this Agreement is the result of negotiation between each Party. This Agreement will not be construed against any Party but will instead be considered to have been negotiated equally and at arm's length.

**10.10 AMENDMENTS.** No amendment, change, or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement, authorized, and approved by all Parties.

**10.11 ATTORNEYS' FEES AND COSTS.** If any Party files a legal action or proceeding to enforce the terms of this Agreement or for breach of this Agreement, the substantially prevailing Party(ies) shall be entitled to recover its costs incurred in such enforcement, including, but not limited to, reasonable attorneys' fees and costs, from the substantially non-prevailing Party(ies). However, each Party is responsible for any and all of its litigation expenses, including, without limitation, its attorneys' fees and costs, associated with the Foreclosure Action and negotiation of this Agreement.

**10.12 DURATION AND TERMINATION.** Except for the terms and conditions of this Agreement that expressly survive termination, this Agreement shall remain in effect until the completion of the terms and conditions of this Agreement. In the event of a material breach of this Agreement, the non-breaching Party(ies) may elect to terminate this Agreement prior to the completion of the transactions described herein.

**10.13 NOTICES.** Any notice, request, approval, direction, invoice, statement, or other communication required or permitted by this Agreement shall be (i) in writing; and (ii) shall be transmitted via hand delivery, U.S. mail, or overnight courier to the person specified in this paragraph. For purposes of this Agreement, the addresses of the Parties are as follows:

|               |                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------|
| If to Lessor: | Executive Director<br>Port of Anacortes<br>317 Commercial Avenue<br>Anacortes, WA 98221             |
| Copy to:      | Holly M. Stafford<br>CSD Attorneys at Law P.S.<br>1500 Railroad Avenue<br>Bellingham, WA 98225-4542 |
| If to Lessee: | Robert Peterson, Jr.<br>12838 Avon Allen Road<br>Burlington, WA 98233                               |
| Copy to:      | Craig Cammock<br>Skagit Law Group PLLC<br>227 Freeway Drive #B<br>Mount Vernon, WA 98273            |

Any such notice shall be effective on the earlier of the date actually received by the Party or the date three (3) days after the notice has been deposited in the U.S. mail as prescribed above. Any address may be changed by giving written notice of such change in the manner provided herein for giving notice.

**10.14 COUNTERPARTS.** This Agreement may be executed in identical counterparts, including parts received by electronic communication, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

LEASE TERMINATION AGREEMENT – 6

10.15 **TIME IS OF THE ESSENCE.** Time is of the essence of this Agreement and all of the terms, provisions, covenants, and conditions thereof.

10.16 **EFFECTIVE DATE.** The Effective Date shall be the date last signed below.

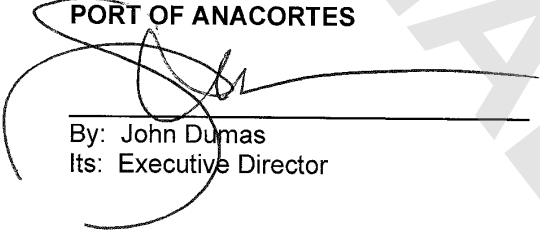
10.17 **AUTHORITY TO EXECUTE.** All Parties represent and warrant they are fully authorized to enter into and execute this Agreement. In particular, Lessor represents and warrants that the Port Commission has approved this settlement and has authorized Lessor's execution of this Agreement, as evidenced by Lessor's signature hereto.

10.18 **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof and supersedes and replaces all written and oral agreements previously made or existing with respect to the subject matter hereof.

**IN WITNESS WHEREOF,** the Parties have set their hands and executed this Agreement as of the Effective Date.

**LESSOR:**

**PORT OF ANACORTES**

  
By: John Dumas  
Its: Executive Director

**LESSEE:**

**ROBERT PETERSON**

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**IN WITNESS WHEREOF,** the Parties have set their hands and executed this Agreement as of the Effective Date.

**LESSOR:**

**PORT OF ANACORTES**

**LESSEE:**

**ROBERT PETERSON**

\_\_\_\_\_  
By: John Dumas  
Its: Executive Director

\_\_\_\_\_  


**EXHIBIT A  
DESCRIPTION OF BUILDING**

THAT APPROXIMATELY 4,676 SQUARE FOOT BUILDING REFERRED TO AS SKAGIT COUNTY PARCEL NO. P128814 WHICH IS LOCATED ON THE FOLLOWING REAL PROPERTY:

Those portions of Block 288, 289, vacated 2nd Street and a portion of vacated "T" Avenue, within the Plat of the City of Anacortes, according to the Plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington, and a portion of Tract 8, of Plate 9, Anacortes Tide and Shorelands, being in a portion of Section 18, Township 35 North, Range 2 East, more particularly described as follows:

Commencing at the intersection of "T" Avenue and 6th Street, within the Plat of the City of Anacortes; **thence** North 0° 35' 27" East, along the centerline of "T" Avenue, 591.17 feet, to the intersection of 4th Street and "T" Avenue, in said Plat; **thence** continue North 0° 35' 27" East, 452.00 feet to a point of intersection with the North line of the 16 foot alley within said Block 288, produced Westerly; **thence** South 89° 24' 51" East, along said line, a distance of 15.29 feet to the **TRUE POINT OF BEGINNING**; **thence** North 0° 35' 27" East, 243.07 feet; **thence** South 89° 18' 26" East, 109.61 feet; **thence** South 0° 35' 27" West, 242.86 feet to the North line of said alley; **thence** North 89° 24' 51" West, along said line and said line extended a distance of 109.60 feet to the **TRUE POINT OF BEGINNING**.

Containing 26,630 square feet.

Situate in the County of Skagit, State of Washington.

EXHIBIT B  
RELEASE OF CLAIMS  
BUILDING ON LEASEHOLD

**KNOW ALL MEN BY THESE PRESENTS:** That for and in consideration of the payment of One Hundred Fifty Thousand Dollars (\$150,000), and other good and valuable consideration, **ROBERT PETERSON**, an individual (the "Lessee"), does hereby agree to termination of that certain Lease, as such Lease is identified in that certain Lease Termination Agreement between the parties, and further agrees to release any and all rights, privileges and all other claims, to the **PORT OF ANACORTES**, a Washington municipal corporation (the "Lessor"), which claims arise out of or relate to the Lease and/or the approximately four thousand six hundred seventy-six square foot (4,676 ft<sup>2</sup>) building commonly referred to as Skagit County Parcel No. P128814, and any related improvements (collectively, the "Building"), located on a leasehold at the "Property," legally described as follows:

THAT APPROXIMATELY 4,676 SQUARE FOOT BUILDING REFERRED TO AS SKAGIT COUNTY PARCEL NO. P128814 WHICH IS LOCATED ON THE FOLLOWING REAL PROPERTY:

Those portions of Block 288, 289, vacated 2nd Street and a portion of vacated "T" Avenue, within the Plat of the City of Anacortes, according to the Plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington, and a portion of Tract 8, of Plate 9, Anacortes Tide and Shorelands, being in a portion of Section 18, Township 35 North, Range 2 East, more particularly described as follows:

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Containing 26,630 square feet.

Situate in the County of Skagit, State of Washington.

The Building is transferred subject to the terms and conditions of that certain Lease Termination Agreement, dated July 21, 2026 (the "LTA").

The Building is transferred pursuant to those representations and warranties set forth in the LTA, which are expressly incorporated herein as if specifically set forth. In addition, Lessee hereby warrants that it has good and legal title to the Building, and that the Building is transferred free and clear of all liens, security interests, and encumbrances of any kind and nature.

IN WITNESS WHEREOF, Lessee hereunto set its signature, hand, and seal this \_\_\_\_\_  
day of \_\_\_\_\_, 2026.

LESSEE:

ROBERT PETERSON

**EXHIBIT**

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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

On this day personally appeared before me **ROBERT PETERSON** to me known to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

**GIVEN** under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**EXHIBIT**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the  
State of Washington, Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_