

Return Address:

Snohomish County Property Management
3000 Rockefeller, M/S 404
Everett, WA 98201

Document Title(s) or transactions contained therein):

Amendment No. 3 to Land Lease 17-003

Lessor(s) (Last name first, then first name and initials)

Snohomish County

Additional names on page _____ of document.

Lessee(s) (Last name first, then first name and initials)

Propeller Airports Paine Field, LLC, a Delaware limited liability company

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range, qtr./qtr.)

Portions of SE Quarter of Sec 15, TWN 28 N, Range 4E, WM and a Portion of NE Quarter of Sec 22, TWN 28 N Range 4E, WM

Additional legal is on Exhibit A of document

Reference Number(s) of Documents assigned or released:

201706230002, 201809240364,

Additional numbers on page _____ of document.

Assessor's Property Tax Parcel/Account Number

Portions of 28041500400101, 28041500400100, and 28042200100100

Property Tax Parcel ID is not yet assigned

Additional parcel numbers on page _____ of document

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information.

**Amendment No. 3 to
LAND LEASE 17-003**

Lessee:	<u>Propeller Airports Paine Field, LLC</u>
Lease No. :	<u>17-003</u>
Effective Date:	<u>January 1, 2021</u>

This Amendment No. 3 to Land Lease 17-003 is made by and between SNOHOMISH COUNTY, a political subdivision of the state of Washington, as Lessor (hereinafter "Lessor"), and Propeller Airports Paine Field LLC, a Delaware limited liability company, a corporation authorize to do business in the State of Washington, as Lessee (hereinafter "Lessee"), under that certain Land Lease 17-003, as recorded June 23, 2017 under Snohomish County Auditor's File No. 201706230002, in which Lessee leased 457,656 square feet of land known as P1-1, P1-2, P2,P3,P4 & P4-1,

As amended by Amendment No. 1 recorded on September 24, 2018 under Snohomish County Auditor's File No. 201809240364, in which Lessee leased an additional 192,963 square feet to the total existing leased property of parcels P4 and P5 & licensed area P5-1, Parcels P4 & P4-1 were combined into the one parcel P4, for a total of 654,614 square feet.

As amended by Amendment No. 2 recorded on October 7, 2019 under Snohomish County Auditor's File No. 201910070172, in which Lessee leased an additional 6,246 square feet of land for the parcel known as P2, added and additional parcel known as P1 that consisted of 11,000 square feet of land & adjusted the boundaries of Parcels P4 & P5-1 for a total of 666,823 square feet of land (collectively "the Lease") as amended as follows:

IT IS HEREBY AGREED AS FOLLOWS:

1. **Exhibit E.** **Exhibit E** is deleted in its entirety and replaced by the attached **Exhibit E**, titled Revenue Sharing Calculation.
2. **Other Terms and Conditions.** All other terms and conditions of the Lease, not inconsistent herewith, shall remain in full force and effect.

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EXHIBIT E

REVENUE SHARING CALCULATION

Definition. "Gross Revenues" as used in Revenue Sharing Section 3.02 means the total aggregate undiscounted, untaxed revenue, income, and consideration received by Propeller in respect of, in exchange for, on account of, or in consideration for its operations, concessions, licenses, subleases, parking fees and other revenue in any form and from whatever source derived.

Gross Revenue Reports. On or before the first (1st) calendar day of March each year during the Term of the Lease, Propeller shall deliver to the County a written report, signed by an authorized representative of Propeller, showing the amount of any revenue, income, and consideration received by Propeller, directly or indirectly, in respect of, in exchange for, in consideration of, or on account of its operations at Paine Field, in any form and from whatever source derived, at any time during the preceding calendar year. The report shall compute the total dollar amount due to the County which shall be the mathematical product of Propellers' Gross Revenues received in the preceding year, multiplied by the percentage share then in effect pursuant to Section 3.02 Revenue Sharing, as applicable. With each such report, Propeller shall remit to the County the total amount of the Revenue Sharing Payment indicated thereby to be due, in accordance with the provisions of this Lease.

Audited Financial Reports. Propeller shall submit to the County complete audited annual financial statements of Propeller's operations prepared by an independent certified public accountant satisfactory to the County, on or before the thirtieth (30th) calendar day of June each year during the Term of the Lease, showing the results of operations at Paine Field during said year. Such statements shall include, at a minimum, a balance sheet, profit and loss statement and statement of sources and uses of funds.