

AFTER RECORDING, RETURN TO:

Keith W. Dearborn  
Bogle & Gates  
601 Union Street, Suite 4700  
Seattle, WA 98101-2346

AVIGATION EASEMENT

Grantor, PIONEER TOWING COMPANY, INC., in consideration of the covenants contained herein, Grantor hereby conveys to Grantee, KENMORE AIR HARBOR, INC., a non-exclusive easement of the air space over and above the real property described in Addendum 1, attached hereto and incorporated herein by reference, and any and all improvements constructed or to be hereafter constructed thereon (the "Property"), for purposes of Grantee's normal operations of flying aircraft through said easement and for the purpose of emitting noise and odors through said easement as is normal to aircraft in start-up, taxi, flight, and on land and take-off regardless of whether said noise or odor emanates from aircraft taxiing, or flying through or outside of said easement. "Normal operations" are defined as operations existing as of the effective date of this agreement and includes the Grantee's right to continue in its present and future course of growth in airport business and activity, other than stated below in condition 3, in its future selection of aircraft. Grantee agrees that operational noise levels will at no time exceed those airport noise compatibility guidelines established by the FAA and EPA. Normal operations include but are not limited to the following:

1. existing flight pattern,
2. no aircraft takeoffs prior to 7:00 am weekdays and 7:30 am weekends and holidays
3. no commercial seaplane operations can be conducted with any aircraft that exceeds single event noise levels above that of a three blade de Havilland Beaver.

This easement is intended to make use of the Property over which this easement is conveyed subject to the normal noise and odors emitted from aircraft, in start-up, taxi, in flight, in land approaches, and in take-offs. Nothing herein shall limit Grantor's right to make such use of the Property or to construct structures at such heights and in such locations on the Property as may be permitted by applicable laws. Grantee also agrees to comply with the commitments contained in a separate agreement executed by the parties on May 21, 1996.

This easement is for the benefit of Grantee, its successors and assigns and is appurtenant to and for the benefit of the land described in Addendum 2, attached hereto and incorporated herein by reference. This easement shall run with the land and inure to the benefit of and be binding upon the heirs, successors and assigns of the Grantor and Grantee herein. In its use of this easement Grantee shall be required to comply with all applicable laws. This easement shall be permanent but shall automatically terminate upon Grantee's permanent cessation of flight operations from the property described in Addendum 2.

DATED: 5/28, 1996

PIONEER TOWING COMPANY, INC.

KENMORE AIR HARBOR, INC.

By Gary W. Sergeant  
Gary W. Sergeant, President

[Signature]

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12.00

960830-1783 02:59:00 PM KING COUNTY RECORDS 005 JD

Its PRESIDENT

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Gary W. Sergeant is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he, as President, was authorized to execute the instrument and acknowledged it as President of PIONEER TOWING COMPANY, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 28, 1996

Leslie M. Banks  
(Signature)

Leslie M. Banks  
(Name legibly printed or stamped)

(Seal or stamp)

Notary Public in and for the State of Washington,  
residing at Bellevue  
My appointment expires 2/20/98

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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that R. B. Munro is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she, as President, was authorized to execute the instrument and acknowledged it as President of KENMORE AIR HARBOR, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 19, 1996

Leslie M. Banks  
(Signature)

Leslie M. Banks  
(Name legibly printed or stamped)

(Seal or stamp)

Notary Public in and for the State of Washington,  
residing at Bellevue  
My appointment expires 2/20/98

ADDENDUM 1

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF GOVERNMENT LOTS 1 AND 5 IN SECTION 11, TOWNSHIP 26 NORTH, RANGE 4 EAST W.M. AND OF SECOND CLASS SHORE LANDS ADJOINING LYING NORTHERLY OF A LINE AS DESCRIBED IN DEED DATED OCTOBER 26, 1959, RECORDED DECEMBER 17, 1959, UNDER RECORDING NO. 5113469, AND LYING WESTERLY OF JULIA BLINN COUNTY ROAD (NOW KNOWN AS 58TH AVENUE NORTHEAST) AS CONVEYED BY DEED RECORDED UNDER RECORDING NO. 1025008, AND LYING SOUTHERLY OF A LINE DESCRIBED AS:

BEGINNING AT A POINT OF THE WEST LINE OF SAID COUNTY ROAD, 320 FEET SOUTH OF THE SOUTH LINE OF THE NORTHERN PACIFIC RAILROAD RIGHT-OF-WAY AS CONVEYED BY DEED RECORDED UNDER RECORDING NO. 13204; THENCE WESTERLY AT RIGHT ANGLES, A DISTANCE OF 145 FEET, TO A POINT HEREAFTER REFERRED TO AS THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO J.B. KEENER, JR. BY DEED RECORDED UNDER RECORDING NO. 5114883; THENCE SOUTHERLY PARALLEL WITH THE WEST MARGIN OF SAID COUNTY ROAD 150 FEET TO THE SOUTHWEST CORNER OF SAID TRACT; THENCE EASTERLY AT RIGHT ANGLES, 145 FEET TO THE WEST MARGIN OF SAID COUNTY ROAD, SAID POINT BEING THE SOUTHEAST CORNER OF SAID TRACT AND THE COMMENCEMENT OF SAID LINE; THENCE WESTERLY AND NORTHERLY ALONG THE AFORESAID BOUNDARIES OF THE KEENER TRACT TO RETURN TO THE NORTHWEST CORNER THEREOF; THENCE WESTERLY AT RIGHT ANGLES TO THE WESTERN MARGIN OF SAID COUNTY ROAD 60 FEET TO A POINT ON THE EAST LINE OF A TRACT OF LAND CONVEYED TO STRATHY BROS., INC. BY DEED RECORDED UNDER RECORDING NO. 5060910; THENCE SOUTH TO THE SOUTHEAST CORNER OF SAID TRACT, BEING A POINT 440 FEET SOUTH OF SAID RAILROAD RIGHT-OF-WAY; THENCE WESTERLY AT RIGHT ANGLES TO THE WESTERLY MARGIN OF SAID COUNTY ROAD, 100 FEET TO THE SOUTHWEST CORNER OF SAID TRACT; THENCE NORTHERLY PARALLEL WITH THE WESTERLY MARGIN OF SAID COUNTY ROAD, ALONG THE WEST LINE OF SAID TRACT, TO THE SOUTHERLY MARGIN OF N.E. 175TH STREET AS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NO. 5429742; THENCE NORTHWESTERLY ALONG SAID SOUTH MARGIN ON A CURVE TO THE RIGHT HAVING A RADIUS OF 311.48 FEET, THE RADIAL CENTER OF WHICH BEARS NORTH 05°41'49" EAST, THROUGH A CENTRAL ANGLE OF 29°17'40" AN ARC DISTANCE OF 159.26 FEET TO THE SOUTHEAST CORNER OF THAT TRACT OF LAND CONVEYED TO THE MUNICIPALITY OF METROPOLITAN SEATTLE BY INSTRUMENT RECORDED UNDER RECORDING NO. 5671305; THENCE NORTH 87°28'06" WEST ALONG THE SOUTH LINE OF SAID TRACT 290.00 FEET; OF A TRACT OF LAND CONVEYED TO KENMORE BUILDING MATERIALS CO., INC. BY DEED RECORDED UNDER RECORDING NO. 6526707, TO THE WEST LINE OF SAID GOVERNMENT LOT 1 AND THE TERMINUS OF SAID LINE;

EXCEPT THAT PORTION THEREOF LYING WESTERLY OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF SAID GOVERNMENT LOT 1;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

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PARCEL B:

THAT PORTION OF GOVERNMENT LOTS 2 AND 5 IN SECTION 11, TOWNSHIP 26, RANGE 4 EAST, W.M. AND OF SECOND CLASS SHORE LANDS ADJOINING LYING NORTHERLY OF A LINE AS DESCRIBED IN DEED DATED OCTOBER 26, 1959, RECORDED DECEMBER 17, 1959, UNDER RECORDING NO 5113469 AND LYING SOUTHERLY OF THE DREDGED CHANNEL LEADING FROM LAKE WASHINGTON INTO SAID GOVERNMENT LOT; EXCEPT ANY PORTION THEREOF LYING WESTERLY OF THE INNER HARBOR LINE;

AND EXCEPT THAT PORTION THEREOF LYING EASTERLY OF THE SOUTHERLY EXTENSION OF THE EAST LINE OF SAID GOVERNMENT LOT 2;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

PARCEL C:

THAT PORTION OF GOVERNMENT LOT 1 IN SECTION 11, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M., LYING SOUTHERLY OF A LINE 40 FEET SOUTHERLY OF AND CONCENTRIC WITH THE SOUTHERLY LINE OF RIGHT-OF-WAY OF THE NORTHERN PACIFIC RAILROAD, AS CONVEYED BY DEED RECORDED UNDER RECORDING NO. 13204 AND NORTHEASTERLY OF A TRACT CONVEYED TO KING COUNTY FOR NORTHEAST 175TH STREET BY INSTRUMENT RECORDED UNDER RECORDING NO. 5429742; EXCEPT THE EAST 335 FEET THEREOF;

TOGETHER WITH THAT PORTION OF VACATED NORTHEAST 175TH STREET (VACATED UNDER VAULT FILE NO. 4246876 AND VOLUME 73 OF COMMISSIONER'S RECORDS, PAGE 35) ADJOINING WHICH, UPON VACATION, ATTACHES TO SAID PROPERTY BY OPERATION OF LAW;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

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ADDENDUM 2

PARCEL 1

THAT PORTION OF THE EAST 250 FEET OF THE WEST 580 FEET OF GOVERNMENT LOT 2, SECTION 11, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING SOUTH OF THE NORTHERN PACIFIC RAILROAD RIGHT OF WAY, EXCEPT THE NORTH 40 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD BY DEED RECORDED UNDER RECORDING NUMBER 2964553 AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT-OF-WAY OF NE 175TH ST. AS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NUMBER 5411234.

TOGETHER WITH SECOND CLASS SHORELANDS ADJOINING LYING NORTH OF THE CENTERLINE OF THE DREDGED CHANNEL.

PARCEL 2

THAT PORTION OF THE EAST 300 FEET OF THE WEST 880 FEET OF GOVERNMENT LOT 2 IN SECTION 11, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, BOUNDED ON THE NORTH BY THE SOUTH LINE OF THE 40 FOOT ROAD ADJACENT TO AND SOUTH OF THE NORTHERN PACIFIC RAILROAD RIGHT-OF-WAY CROSSING SAID LOT, AND BOUNDED ON THE SOUTH BY THE NORTH LINE OF THE DREDGED CHANNEL LEADING FROM LAKE WASHINGTON INTO SAID GOVERNMENT LOT 2;

ALSO THAT PORTION OF THE BED OF SAID DREDGED CHANNEL BETWEEN THE CENTERLINE THEREOF AND THE NORTH LINE THEREOF, AND BETWEEN THE SIDE LINES OF THE ABOVE-DESCRIBED PROPERTY;

ALSO THAT PORTION OF THE EAST 25 FEET OF THE WEST 905 FEET OF SAID GOVERNMENT LOT 2 LYING NORTH OF SAID DREDGED CHANNEL; EXCEPT THE NORTH 385 FEET THEREOF, TOGETHER WITH THE BED OF THE CHANNEL, AS DESCRIBED ABOVE.

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