



200402200062

Skagit County Auditor

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7 9:18AM

RETURN TO:

**LAW OFFICE**

of

BRADFORD E. FURLONG, P.S.  
825 CLEVELAND AVENUE  
MOUNT VERNON, WASHINGTON 98273  
(360) 336-6508

Document Title: Recognition Nondisturbance & Attornment Agreement

Reference number of documents assigned or released: 200401200180

Lessee: Skagit County Public Hospital District No. 1

Secured Party: Horizon Bank

Partial Legal Description: (Full legals attached as Exhibit 1 and 2.)

Lots 1 and 2, Block 11, and Lot 1 & ptn of Lots 7 and 8, Block 8, "Map of Mount Vernon, Gates 1<sup>st</sup> and 2<sup>nd</sup> Addition to Mount Vernon."

Assessor's Parcel/Tax I.D. Number: 3700-008-008-0002/P52059; 3700-008-008-0101/P52060; 3700-011-002-0002/P52069

**RECOGNITION, NONDISTURBANCE  
AND  
ATTORNMEN T AGREEMENT**

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**I.**

**RECITALS**

**WHEREAS**, Skagit County Public Hospital District No. 1, a Washington municipal corporation ("PHD No. 1"), has agreed to lease from MYKA LLC ("MYKA") the premises described in Exhibit No. 1, attached hereto, and to sublease from MYKA the premises described in Exhibit No. 2, attached hereto (collectively, the "Premises") pursuant to the Lease Agreement, a copy of which has been received by Horizon Bank, (the "Lease Agreement"); and

**WHEREAS**, Horizon Bank ("Horizon"), is the beneficiary of that certain Deed of Trust recorded under Skagit County Auditor's File No. 200401200179, and the assignee of an Assignment of Rents recorded under Skagit County Auditor's File No. 200401200180 (collectively, the "Encumbrance[s]"), each of which is an encumbrance against the ownership and sublessee interests of MYKA ("MYKA's Interests") in the Premises and each of which secures indebtedness from MYKA to Horizon; and

**WHEREAS**, PHD No. 1 and Horizon wish to set forth their agreement with respect to their respective obligations and rights in the event that Horizon or a third party succeed to MYKA's Interest by virtue of either Encumbrance;

**THEREFORE**, Horizon and PHD No. 1 hereby agree as follows:

1. In the event that Horizon shall succeed to MYKA's Interest in the Premises, either by foreclosure, deed in lieu of foreclosure or any other means, or should enforcement of either Encumbrance by Horizon cause the conveyance, assignment or transfer of MYKA's Interest in the Premises to a third party, Horizon, or such third party, as the case may be, shall recognize the Lease Agreement and PHD No. 1's status as Tenant thereunder and shall not disturb the same. Furthermore, Horizon, or such third party, shall take MYKA's Interest in the Premises subject to the Lease Agreement and shall thereafter assume all obligations and shall have all rights of the Landlord as set forth in the Lease Agreement.

2. In the event that Horizon shall succeed to MYKA's Interest in the Premises, either by foreclosure, deed in lieu of foreclosure or any other means, or should enforcement of the Deed of Trust and Assignment of Rents referred to herein by Horizon cause the assignment of MYKA's Interest in the Premises to be conveyed, assigned or transferred to a third party, PHD No. 1 hereby agrees to attorn to Horizon, or such third party, as Landlord hereunder,



and acknowledges that Horizon, or such third party, shall enjoy all rights of Landlord contained in the Lease Agreement, while PHD No. 1 shall continue to enjoy the rights and bear the obligations as Tenant under the Lease Agreement.

3. As a condition precedent of exercising its rights as Landlord under the Lease Agreement, Horizon, and/or any third-party successor to MYKA's Interest in the Premises by virtue of the Encumbrances, shall first provide written notice to PHD No. 1 at the address set forth below. Such notice shall state, at a minimum, the full name, business address, facsimile and telephone numbers and authorized representative of Horizon or such third party as may succeed to MYKA's Interest. Such notice shall also contain an acknowledgment of the continued binding effect of the Lease Agreement and a statement of Horizon's or the third party's acknowledgement in acceptance of its rights and obligations as Landlord and PHD No. 1's rights and obligations under the Lease Agreement.

Notice to PHD No. 1 shall be sent to:

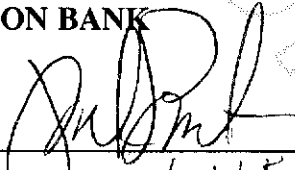
Thomas C. Litaker, CFO  
Public Hospital District No. 1  
d/b/a Skagit Valley Hospital  
P.O. Box 1376  
Mount Vernon, Washington 98273  
Telephone: (360) 856-7113  
Facsimile: (360) 856-7400

4. The parties hereby acknowledge that their respective promises herein constitute adequate mutual consideration.

5. This agreement shall bind and inure to the benefit of the parties' successors and assigns.

6. Venue for any claim concerning this agreement is exclusively laid in Skagit County Superior Court. The prevailing party in any such suit shall receive an award of its attorney's fees and costs, including those incurred on appeal.

**HORIZON BANK**

BY:   
Printed Name: JOHN R. STEARNS  
Its: Senior Vice President  
Date: February 9, 2004



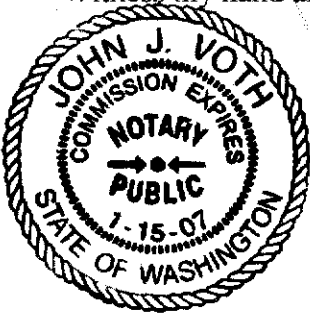
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Skagit County Auditor

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Skagit )

On this 9th day of February 2004 before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared John K. Stewart to me known to be the Officer -SVP of Horizon Bank, the 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 therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of such entity.

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



John J. Voth  
Notary Public in and for the state of  
Washington, residing at Mount Vernon, WA  
My commission expires: 1-15-2007  
Printed Name: John J. Voth





EXHIBIT 1

The East 48 feet of Lots 7 and 8, Block 8, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITION TO MOUNT VERNON," as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington.

Tax Parcel No: 3700-008-008-0002 (P52059)

AND

Lots 1 and 2 in Block 11, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITION TO MOUNT VERNON," as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington.

Tax Parcel No: 3700-011-002-0002 (P52069)

All situate in city of Mount Vernon, Skagit County, Washington.



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EXHIBIT 2

**PARCEL A:**

Lot 1, Block 2, "MAP OF MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, EXCEPT the East 6 feet thereof as conveyed to the City of Mount Vernon by deed dated April 11, 1929 and recorded June 19, 1929 as Auditor's File No. 234222.

**PARCEL B:**

That portion of Lots 7 and 8, Block 2, "MAP OF MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, described as follows:

Begin at the SW corner of said Lot 8; thence North along the West line of said Lot 8 and 7 to the NW corner of Lot 7; thence East along the North line of Lot 7, 52 feet; thence South parallel to the West line of Lots 7 and 8; to the South line of Lot 8; thence West 52 feet to the point of beginning.

EXCEPT the West 6 feet thereof as conveyed to the City of Mount Vernon by deed dated April 11, 1929 and recorded June 19, 1929 as Auditor's File No. 234222.

**PARCEL C:**

Rights reserved in deed dated April 11, 1929 and recorded June 19, 1929 as Auditor's File No. 234222 as to the East 6 feet of Lot 1 and the West 6 feet of Lots 7 and 8, Block 2, "MAP OF MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County.

Tax Parcel No:

5700-000-0101 (252060)

All situate in city of Mount Vernon, Skagit County, Washington.



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