



200403170105
Skagit County Auditor

3/17/2004 Page 1 of 7 3:34PM

RETURN TO:

Janet M. Brehan
WA1-501-13-03
800 Fifth Ave. 13th Fl.
Seattle, WA 98104

LAND TITLE OF SKAGIT COUNTY

Document Title: **ESTOPPEL CERTIFICATE FROM LESSOR**

Reference Number(s) of Related Document(s):

Grantor(s): **PORT OF SKAGIT COUNTY**

Additional Grantor(s) on page _____ of Document.

Grantee(s): **BANK OF AMERICA, N. A.**

Additional Grantee(s) on page _____ of Document.

Abbreviated Legal Description: *L1 22 Amended Skagit Regional Airport PH 1*

Additional Legal Description(s) on page _____ of Document.

Assessor's Tax/Parcel Number: *8012-000-022-0200*

ESTOPPEL CERTIFICATE FROM LESSOR

DATE: February 12, 2004

TO: Bank of America, N. A.

RE: LEASE AGREEMENT DATED: April 20, 1993, recorded under Auditor's File No. 9304230096

FIRST AMENDMENT TO LEASE DATED: July 20, 1993

SECOND AMENDMENT TO LEASE DATED: August 3, 1993

THIRD AMENDMENT TO LEASE DATED: March 17, 2004

PROPERTY: Lot 22 of the Amended Skagit Regional Airport Binding Site Plan, Phase 1, recorded under Auditor's File No. 200303040030 on March 4, 2003.

LESSOR: PORT OF SKAGIT COUNTY

LESSEE: DAVID M. ADDIE and JERRY WELCH

The undersigned, representing the Port of Skagit County ("Landlord"), present owner and lessor of certain land and premises located in the County of Skagit, State of Washington, as more fully described in the lease agreement, as identified above, (hereinafter referred to as the "Lease"), understands that you are about to make a loan to Lessee in the amount of two million four hundred thousand dollars (\$2,400,000.00) to finance the acquisition of improvements on the leased premises and the leasehold interest therein, to be secured partially by a Deed of Trust dated March 16, 2004 and recorded under Skagit County Auditor's Number 200403170073 encumbering the Lessee's interest in the Lease and the leasehold estate created thereby. The undersigned further understands that it is a condition of the making of said loan that this certificate be furnished to you. Accordingly, and with the knowledge that you will be relying upon statements herein made, the undersigned hereby certifies as follows:

1. Except as stated herein, that the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; and that there shall be no cancellation, surrender or modification of the

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Lease, by mutual agreement of the parties, without your prior written consent.

2. That there is no default presently known to exist under the Lease in the payment of rent or in the observance or performance of any other covenant or condition to be observed or performed by Lessee and that the undersigned has no knowledge of any state of facts which, with the giving of notice, passage of time, or both, would constitute a default by Lessee thereunder.
3. That the undersigned has no knowledge of any prior assignment, except:
 - A. ESTOPPEL CERTIFICATE FOR GROUND LESSOR pertaining to a Deed of Trust in favor of Skagit State Bank dated December 5, 1999.
 - B. ESTOPPEL CERTIFICATE FOR GROUND LESSOR pertaining to a Deed of Trust in favor of Skagit State Bank dated June 30, 1994.
 - C. ESTOPPEL CERTIFICATE FOR GROUND LESSOR pertaining to a Deed of Trust in favor of Skagit State Bank dated August 6, 1993.
 - D. CONSENT TO ASSIGNMENT OF LEASE, LEASE, ASSIGNMENT OF LESSEE'S INTEREST IN LEASE AS SECURITY AND ASSIGNMENT TO UNITED STATES SMALL BUSINESS ADMINISTRATION dated December 4, 1995;

or of any prior hypothecation or pledge of Lessee's interest under the Lease.

4. That the term of the Lease expires on April 30, 2043.
5. That the undersigned consents to the Deed of Trust ("Leasehold Mortgage") attached hereto pledging Lessee's interest in the Lease to you subject to the following:
 - A. Landlord's consent contained herein shall not waive any of its rights to consent to any subsequent mortgage of Tenant's leasehold interest, assignment, sublease or other transfer. You hereby acknowledge and agree that Landlord shall have no obligation or liability under the terms of the Leasehold Mortgage.
 - B. Should you become Tenant under the Lease, you shall assume and meet all existing and subsequent liabilities of Tenant under the Lease, provided, your liability shall be limited to its interest in the Lease and the accrual of your liability shall terminate in accordance with Section No. 9 below. You must immediately provide written notice to Landlord should you become Tenant under the Lease.

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- C. This consent shall not be construed as an agreement to subordinate Landlord's interest in the Premises to the Leasehold Mortgage. The Leasehold Mortgage shall not encumber the Premises in any fashion once the Lease is terminated.
- D. If the interests of Tenant in the Premises are owned by you by reason of any deed-in-lieu of foreclosure, judicial foreclosure, sale pursuant to any power of sale or other proceeding brought by you or by any other manner, including, but not limited to your exercise of its rights under the Leasehold Mortgage, and you succeed to the interest of Tenant under the Lease, you shall be bound to Landlord under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extension thereof duly exercised by Tenant with the same force and effect as if you were the tenant under the Lease; and you hereby attorn to Landlord, as its landlord, subject to Section No. 9 below, said attornment to be effective and self-operative, without the execution of any further instruments on the part of any of the parties hereto, immediately upon your succeeding to the interest of Tenant under the Lease. The respective rights and obligations of Landlord and you upon such attornment, to the extent of the then remaining balance of the term of the Lease, shall be and are the same as now set forth therein, it being the intention of the parties hereto for the purpose of this Section 5. D to incorporate the Lease in this ESTOPPEL CERTIFICATE by reference, with the same force and effect as if set forth in full herein.
- E. Landlord makes no representations or warranties, expressed or implied, concerning the condition of the Premises, and as between Landlord and you, you agree to accept the Premises in their "as-is" condition as of the date, if any, that you succeed to the interest of Tenant under the Lease, subject to Landlord's obligations under the Lease.
- F. Landlord's limited consent to assignment herein stated shall terminate upon payment in full to you of the above-referenced loan by Lessee, or by payment in full of loan proceeds by a new assignee to you as the financing institution. In either event, you are obligated to notify the undersigned of the same, in writing, within ten (10) days of the terminating event. If you fail to provide said timely written notice, by acceptance of this ESTOPPEL CERTIFICATE, you have agreed to pay all the undersigned's reasonable costs

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associated with verifying that this letter agreement has in fact terminated on account of one of the events first above referenced.

6. That the undersigned, upon serving Lessee with notice of any default, shall simultaneously serve a copy thereof upon you and notice shall not be deemed to have been served upon Lessee unless the undersigned shall simultaneously serve a copy of such notice upon you. Upon receipt of written notice of any default of Lessee, you shall have the same period, after service of such notice upon you, to remedy or cause to be remedied the defaults complained of and the undersigned shall accept such performance as if the same had been done by Lessee.
7. That in the event the Lease terminates for any reason, including the rejection of the Lease in a bankruptcy proceeding, the undersigned agrees to enter into a new lease for the remainder of the term, effective as of the date of such termination with conditions, covenants and agreements as contained in the Lease and equal in priority thereto, provided that you shall deliver a written request to the undersigned for such new lease within fifteen (15) days after the notice of termination has been served upon you together with all sums then due to the undersigned under the Lease and you shall agree to perform and observe all covenants contained therein on Lessee's part to be performed and shall further remedy any and all defaults of Lessee then in existence. If the Lease terminates because of bankruptcy of Lessee, you shall be required to cure any and all defaults due to Lessee's non-performance of the lease covenants prior to the execution of a new lease.
8. That you may be named as your interests shall appear on any standard mortgage endorsement on any and all insurance covering the leased premises, the improvements or any part thereof.
9. The undersigned further agrees that you shall not be liable under the Lease following assignment or other disposition of the Lessee's leasehold estate; provided, if you are the financing institution of a new assignee, you shall have the same rights and obligations with respect to said assignee and the undersigned as set forth in this letter agreement.
10. That the statements herein made shall be binding upon the undersigned, our successors and assigns, and inure to your benefit and the benefit of your successors and assigns.
11. All notice required by the ESTOPPEL CERTIFICATE shall be in writing at the addresses of the parties appearing in the signature blocks below and shall be deemed received three (3) working days after deposited in the

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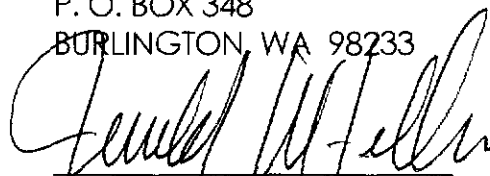
United States Mail to such addresses or any subsequent address of which a party provides written notice to the other parties.

12. This ESTOPPEL CERTIFICATE shall be effective only upon its acceptance by you, in writing below ("LENDER'S ACCEPTANCE"), and shall be otherwise null and void.

IN WITNESS WHEREOF, this certificate has been duly executed and delivered as of the 17th day of March 2004.

LESSOR:

PORT OF SKAGIT COUNTY
P. O. BOX 348
BURLINGTON, WA 98233

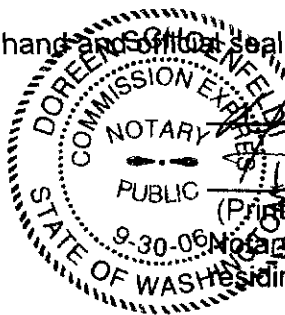



Jerold W. Heller
Executive Director

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 17th day of MARCH, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jerold W. Heller to me known to be the Executive Director of 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 and that the seal affixed is the corporate seal of said corporation.

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





Doreen Schoenfeldt
(Print Name)

Notary Public in and for the State of Washington
Residing at Sedro-Woolley

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LENDER'S ACCEPTANCE

Accepted by Bank of America, N. A. subject to all terms and conditions above stated

By [Signature]
Signature

S.V.P
Title

March 17, 2004
Date

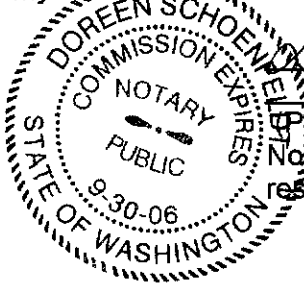
Curt G. Clausen
Print Name

Address: 1702 Hewitt Ave.
Everett, WA 98201-3500

STATE OF WASHINGTON)
COUNTY OF SKAGIT) SS

On this 17th day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Curt G. Clausen to me known to be the Senior Vice President of 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 and that the seal affixed is the corporate seal of said corporation.

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



Doreen Schoenfeldt
Doreen Schoenfeldt
(Print Name)
Notary Public in and for the State of Washington
residing at Secor Valley

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