

RETURN ADDRESS:
BUSINESS BANK OF
SKAGIT COUNTY
ATTN: LOAN
OPERATIONS
1854 S BURLINGTON
BOULEVARD
BURLINGTON, WA 98233



200608180136
Skagit County Auditor

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LANDLORD'S ESTOPPEL CERTIFICATE

Reference # (if applicable): 88716

Additional on page ____

Grantor(s):

1. BOWEN, JAY R
2. BAILEY, WILLIAM

FIRST AMERICAN TITLE CO.

88716E-3

Grantee(s)

1. BUSINESS BANK OF SKAGIT COUNTY

ACCOMMODATION RECORDING ONLY

Legal Description: LOT 892, "AMENDED SURVEY OF
SHELTER BAY DIVISION NO. 5,
TRIBAL AND ALLOTTED LANDS OF
SWINOMISH INDIAN RESERVATION"

Additional on page 2

Assessor's Tax Parcel ID#: 5100-005-892-0000 ,P84889



THIS LANDLORD'S ESTOPPEL CERTIFICATE dated August 16, 2006, is made and executed among JAY R BOWEN, A MARRIED MAN AS HIS SEPARATE ESTATE and WILLIAM BAILEY, A MARRIED MAN AS HIS SEPARATE ESTATE ("Grantor"); BUSINESS BANK OF SKAGIT COUNTY, MORTGAGE GROUP, 1854 S BURLINGTON BLVD, BURLINGTON, WA 98233 ("Lender"); and SHELTER BAY COMPANY, 1000 SHOSHONE DRIVE, LACONNER, WA 98257 ("Landlord").



**LANDLORD'S ESTOPPEL CERTIFICATE
(Continued)**

Loan No: 1900603050

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Grantor and Lender have entered into, or are about to enter into, a financial transaction whereby Lender has acquired or will acquire a security interest or other lien on Grantor's leasehold interest in the Property described below.

To induce Lender to extend one or more loans or other financial accommodations to Grantor against such security interest in the Property and for other valuable consideration, with knowledge that Lender is relying thereon, Landlord and Grantor hereby agree with Lender as follows:

THE LEASE. Landlord has leased the Property to Grantor pursuant to a lease (the "Lease") dated August 16, 1968, which was recorded as follows: Business Lease Dated August 16, 1968 between Swinomish Indian Tribal Community, et al. and Indian Bay Company (the Master Lease) Recorded on April 8, 1969 under Auditor's file no. 725143. A supplement and amendment to said Lease, dated February 11, 1969, was recorded on May 14, 1969 under Auditor's file No. 726476.

The Lessee's interest in said Lease is now held of record by Shelter Bay Company, a Washington corporation. The following information is a summary of the basic terms and conditions of the Lease: Initial Term was 25 years with an automatic option to renew for an additional 25 years. Pursuant to the Master Lease Amendment, the lease term was modified to run for a period of 75 years beginning July 1, 1969. The Business Lease provides that the term of the lease runs through June 30, 2044.

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property, together with all improvements thereon (the "Real Property") located in SKAGIT County, State of Washington:

LOT 892, "AMENDED SURVEY OF SHELTER BAY DIVISION NO. 5, TRIBAL AND ALLOTTED LANDS OF SWINOMISH INDIAN RESERVATION", AS RECORDED ON JUNE 2, 1976, IN VOLUME 1 OF SURVEYS, PAGES 184 TO 186, RECORDS OF SKAGIT COUNTY, WASHINGTON, UNDER AUDITOR'S FILE NO. 836134.

The Real Property or its address is commonly known as 892 PALOUSE PLACE, LA CONNER, WA 98257. The Real Property tax identification number is 5100-005-892-0000.

ESTOPPEL. Landlord and Grantor hereby jointly and severally represent and warrant to Lender that:

Lease in Effect. The Lease (i) has been duly executed and accepted by Landlord and Grantor, (ii) is in full force and effect, and (iii) has not been modified or changed, either in writing or orally, except as reflected in the copy of the Lease provided to Lender.

No Default. As of the date of this Certificate, (i) all conditions and obligations to be performed by either Landlord or Grantor under the Lease, to the date hereof, have been satisfied; (ii) there exists no breach, default, or event or condition which, the giving of notice or the passage of time, or both, would constitute such a breach or default under the Lease; and (iii) there are no existing claims, defenses or offsets against obligations of either Landlord or Grantor under the Lease, including any against rents due or to become due under the terms of the Lease.

Entire Agreement. The Lease constitutes the entire agreement between Landlord and Grantor with respect to the Lease of the Property.

No Prepaid Rent. No deposits or prepayments of rent have been made in connection with the Lease, except as may be described above in the summary description of the Lease.

AGREEMENTS. Landlord and Grantor hereby jointly and severally agree with Lender that, during all such times as Lender is the beneficiary of the security interest in the Property described above:

Modification, Termination and Cancellation. Landlord and Grantor will not consent to any modification, termination or cancellation of the Lease unless Lender first consents thereto in writing.

Notice of Default. Landlord will notify Lender in writing concurrently with any notice given to Grantor of any breach or default on the part of Grantor under the Lease, and Landlord agrees that Lender shall have the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Landlord will not declare a default of the Lease, if Lender cures such default within thirty (30) days from and after expiration of the time period provided in the Lease for the cure thereof by Grantor; provided, however, that if such default cannot with diligence be cured by Lender within such thirty (30) day period, the commencement of action by Lender within such thirty (30) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence.

MISCELLANEOUS PROVISIONS. This Certificate shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Certificate. This Certificate shall be governed by and construed in accordance with the laws of the State of Washington. If Landlord is other than an individual, any agent or other person executing this Certificate on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Certificate on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Certificate unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Certificate shall not constitute a waiver of or prejudice Lender's right otherwise to demand strict compliance with that provision or any other provision.

GRANTOR AND LANDLORD EACH ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S ESTOPPEL CERTIFICATE, AND EACH AGREES TO ITS TERMS. THIS CERTIFICATE IS DATED AUGUST 16, 2006.

GRANTOR:

X 
JAY B. BROWN, Individually

8-17-06
Date

X 
WILLIAM BAILEY, Individually

8-17-06
Date



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LANDLORD'S ESTOPPEL CERTIFICATE
(Continued)

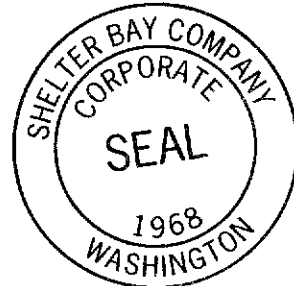
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LANDLORD:

SHELTER BAY COMPANY

By: Judy L. Grovans 8/17/06
Signature for SHELTER BAY COMPANY Date



LENDER:

BUSINESS BANK OF SKAGIT COUNTY

X TODD ANDERSON, VP 8/18/06
Date

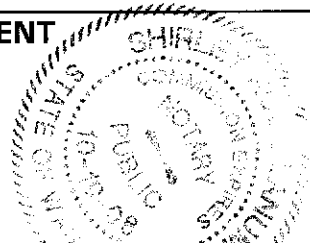
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
COUNTY OF Skagit) SS

On this day before me, the undersigned Notary Public, personally appeared JAY R BOWEN, A Married Man as his separate property, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Landlord's Estoppel Certificate, and acknowledged that he or she signed the Certificate as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 17th day of August, 2006

By Shirley Rose Lanum Residing at Burlington
Notary Public in and for the State of WA My commission expires 10-19-08



INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
COUNTY OF Skagit) SS

On this day before me, the undersigned Notary Public, personally appeared WILLIAM BAILEY, A Married Man as his separate property, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Landlord's Estoppel Certificate, and acknowledged that he or she signed the Certificate as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 17th day of August, 2006

By Shirley Rose Lanum Residing at Burlington
Notary Public in and for the State of WA My commission expires 10-19-08





LANDLORD'S ESTOPPEL CERTIFICATE
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CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON

COUNTY OF Skagit

On this 17th day of August, 20 06, before me, the undersigned Notary Public, personally appeared Judy L. GROSVENOR, MANAGER

and personally known to me or proved to me on the basis of satisfactory evidence to be (an) authorized agent(s) of the corporation that executed the Landlord's Estoppel Certificate and acknowledged the Certificate to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Certificate and in fact executed the Certificate on behalf of the corporation.

By Shirley Rose Lanum
Notary Public in and for the State of WA

Residing at Burlington
My commission expires 10-19-2008

LENDER ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

On this 18th day of August, 20 06, before me, the undersigned Notary Public, personally appeared Todd Anderson and personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Todd Anderson
Notary Public in and for the State of WA

Residing at Mt Vernon
My commission expires 9/25/06



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