

After Recording Mail To:

U.S. Bank National Association  
1420 Fifth Avenue, PD-WA-T11S  
Seattle, Washington 98101  
Attention: Morgan Dipo



200803190109

Skagit County Auditor

3/19/2008 Page

1 of

11

3:43PM

CHICAGO TITLE CO.

1C44684

**SUBORDINATION, ESTOPPEL  
AND ATTORNMENT AGREEMENT**

**Coversheet Recording Information:**

REFERENCE NUMBER OF DOCUMENT ASSIGNED: *unrecorded lease* 200803190107

GRANTOR SKAGIT VALLEY PUBLISHING CO.

(Lessee)

GRANTOR WOOD REALTY, LLC

(Lessor):

GRANTEE: U.S. BANK NATIONAL ASSOCIATION

LEGAL Ptn. SE, SW and SW SE, Sec. 29, T34N, R4EWM

DESCRIPTION: The complete legal description is on Exhibit A.

**ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBERS:**

340429-0-065-0005

340429-3-024-0009

a Portion of 340429-0-066-0004

**SUBORDINATION, ESTOPPEL  
AND ATTORNMENMENT AGREEMENT**

Date: March 1, 2008

From: SKAGIT VALLEY PUBLISHING CO. ("Tenant") and  
WOOD REALTY, LLC ("Landlord")

To: U.S. BANK NATIONAL ASSOCIATION, ("Lender")  
1420 Fifth Avenue, PD-WA-T11C  
Seattle, Washington 98101

Lease Dated: March 5, 2008

**WITNESSETH**

A. Lender has been requested by Landlord and Tenant to issue a letter of credit for the benefit of Landlord (the "Letter of Credit"). The obligations of Landlord to Lender in connection with the Letter of Credit are secured in part by that certain Deed of Trust granted by Landlord for the benefit of Lender, dated March 1, 2008 and recorded under Skagit County Recording No. 200803190107 (the "Mortgage").

B. Tenant has entered into a lease dated March 5, 2008 (the "Lease") with Landlord covering premises (the "Premises") encumbered by the Mortgage and described more particularly on attached Exhibit A.

C. Lender's commitment to issue the Letter of Credit is conditioned upon the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, the parties hereto mutually covenant and agree as follows:

1. The Lease and any extensions, renewals, replacements or modifications thereof, and all of the right, title and interest of the Tenant in and to said Premises, including but not limited to any option or right of first refusal to purchase Premises, or any acquisition of title to the Premises by Tenant during the term of the Mortgage, are and shall be subject and subordinate to the Mortgage and to all of the terms and conditions contained herein, and to any renewals, modifications, replacements, consolidations and extensions of the indebtedness secured thereby.

2. Tenant agrees with Lender that if the interests of Landlord in the Premises shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought

by it, or by any other manner, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be affected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the Landlord under the Lease, and Tenant does hereby attorn to Lender as its Landlord, 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 Lender succeeding to the interest of the Landlord in the Premises. Tenant agrees, however, upon the election of and written demand by Lender after Lender receives title to the Premises, to promptly execute an instrument in confirmation of the foregoing provisions, satisfactory to Lender, in which Tenant shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy.

3. Tenant agrees with Lender that if Lender shall succeed to the interest of Landlord under the Lease, Lender shall not be (a) liable for any action or omission of any prior landlord under the Lease, or (b) subject to any offsets or defenses which Tenant might have against any prior landlord, or (c) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, or (d) bound by any security deposit which Tenant may have paid to any prior landlord, unless such deposit is in an escrow fund available to Lender, or (e) bound by any amendment or modification of the Lease made without Lender's consent, or (f) bound by any provision in the Lease which obligates the Landlord to erect or complete any building or to perform any construction work or to make any improvements to the Premises, or (g) liable for or incur any obligation with respect to any breach of warranties or representations of any nature under the Lease or otherwise, including, without limitation, any warranties, or representations respecting use, compliance with zoning, landlord's title, landlord's authority, habitability and/or fitness for any purpose or possession, or (h) liable for consequential damages. Tenant further agrees with Lender that Tenant will not voluntarily subordinate the Lease to any lien or encumbrance without Lender's consent.

4. In the event that the Landlord shall default in the performance or observance of any of the terms, conditions or agreements in the Lease, Tenant shall give written notice thereof to the Lender and the Lender shall have the right (but not the obligation) to cure such default. Tenant shall not take any action with respect to such default under the Lease, including and without limitation, any action in order to terminate, rescind or void the Lease or to withhold any rental thereunder for a period of 10 days after receipt of such written notice thereof by the Lender with respect to any such default capable of being cured by the payment of money and for a period of 30 days after receipt of such written notice thereof by the Lender with respect to any other such default; provided, that in the case of any default which cannot be cured by the payment of money and cannot with diligence be cured within such thirty 30-day period because of the nature of such default or because Lender requires time to obtain possession of the Premises in order to cure the default, if Lender shall proceed promptly to attempt to obtain possession of the Premises, where possession is required, and to cure the same and thereafter shall prosecute the curing of such default with diligence and continuity,



then the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence and continuity.

5. Tenant agrees with Lender that Tenant's estate in the Premises shall not be conveyed or encumbered without the written consent of the Lender so long as the Lease is in effect.

6. Landlord and Tenant hereby covenant and agree with Lender as follows:

(a) The Lease has been properly executed and delivered by Tenant, is valid and binding upon Tenant, has not been modified, and is in full force and effect;

(b) There exist no defaults under the terms of the Lease by Landlord or Tenant;

(c) Tenant has not paid any rental to Landlord more than one month in advance and Landlord holds no security deposit for Tenant except: None;

(d) Tenant has no defense, claim of lien or offset, under the Lease or against the rental payable thereunder; and

(e) Tenant has no claims to or interest in the Premises, legal or equitable, or any contract or option therefore, other than as a tenant under the lease.

Tenant hereby agrees that it will promptly notify Lender in writing of and when any of the above conditions should become untrue or incorrect in any material respect.

7. This Agreement shall bind and inure to the benefit of all parties hereto, their successors and assigns. As used herein the term "Tenant" shall include the Tenant, its successors and assigns; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the Premises by voluntary deed (or assignment) in lieu of foreclosure, and the word "Lender" shall include the Lender herein specifically named and any of its successors and assigns, including anyone who shall succeed to Landlord's interest in the Premises by, through or under foreclosure of the Mortgage.

8. This Agreement shall not be modified or amended except in writing signed by the parties hereto.

9. The use of the neuter gender in this Agreement shall be deemed to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires.

10. Notwithstanding any of the other provisions hereof, this Agreement is not intended to create and shall not be deemed to create any personal liability on the part of tenant for repayment of the loan secured by the Mortgage.



200803190109

Skagit County Auditor

IN WITNESS WHEREOF the parties hereto have placed their hands and seals the day and year first above written.

**LANDLORD:**

WOOD REALTY, LLC, a Washington limited liability company

By

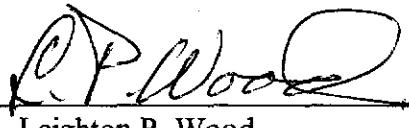
  
Name: L. Stedem Wood

Title: Vice President

**TENANT:**

SKAGIT VALLEY PUBLISHING CO., a Washington corporation

By


  
Name: Leighton P. Wood

Title: President

**LENDER:**

U.S. BANK NATIONAL ASSOCIATION

By

  
Name: Byron Richards

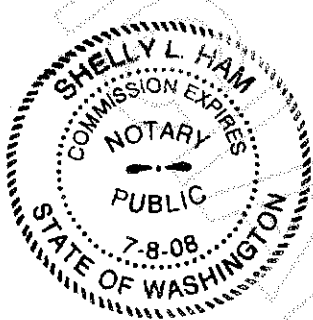
Title: Senior Vice President



STATE OF WASHINGTON )  
 )  
 ) KING ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Leighton P. Wood is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the and President of Skagit Valley Publishing Co., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 18, 2008



Shelly L. Ham  
(Signature of Notary)

SHELLY L. HAM  
(Print or stamp name of Notary)

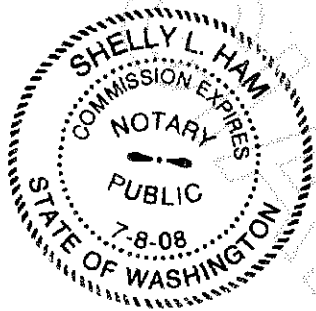
NOTARY PUBLIC in and for the State  
of California, residing at Bellview  
My appointment expires: 7/8/08



STATE OF WASHINGTON )  
KING ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that L. Stedem Wood is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of Wood Realty, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 18, 2008



Shelly L. Ham  
(Signature of Notary)

SHELLY L. HAM  
(Print or stamp name of Notary)

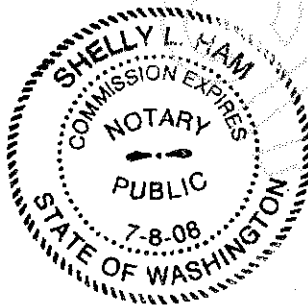
NOTARY PUBLIC in and for the State  
of Washington, residing at Bellevue  
My appointment expires: 7/8/08



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 18<sup>th</sup> day of March, 2008, personally appeared before me  
Byron Richards, to me known to be the Sr. V.P. of  
U.S. Bank National Association, that executed the within and foregoing instrument and  
acknowledged the instrument to be the free and voluntary act and deed of the association, for  
the uses and purposes therein mentioned, and on oath stated that she/he was/were authorized  
to execute the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and  
year first above written.



Shelly L. Ham  
(Signature of Notary)

SHELLY L. HAM  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of Washington, residing at Bellevue  
My appointment expires: 7/8/08





**EXHIBIT A**

**LEGAL DESCRIPTION**

**PARCEL A:**

That portion of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 29, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the North line of the County road, known as Anderson Road and the Westerly line of Blodgett Road as said roads existed on March 21, 1947;

Thence Northerly along the Westerly line of said Blodgett Road to a point 467.5 feet (measured at right angles) North of the North line of Anderson Road;

Thence West 412 feet;

Thence South to the North line of the County Road;

Thence East 524 feet, more or less, to the point of beginning;

EXCEPT right of way for drainage ditch conveyed to Drainage District No. 17 by deed recorded February 28, 1941, under Auditor's File No. 335876, records of Skagit County, Washington;

AND EXCEPT that portion thereof conveyed to the State of Washington by deed recorded June 21, 1971, under Auditor's File No. 754331, records of Skagit County, Washington;

AND ALSO EXCEPT any portion thereof lying within the boundaries of the North 30 rods of the South 60 rods of said Southeast Quarter of the Southwest Quarter and of the Southwest Quarter of the Southeast Quarter.

Situated in Skagit County, Washington



**PARCEL B:**

That portion of the Southeast Quarter of the Southwest Quarter of Section 29, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the North line of the County road known as Anderson Road, 387 feet, more or less, East of the West line of said Southeast Quarter of the Southwest Quarter (said point being the Southeast corner of that certain tract sold on contract to Malcolm B. Keller and Winifred E. Keller, husband and wife, dated February 27, 1953 and recorded March 9, 1953, under Auditor's File No. 485701, records of Skagit County, Washington;

Thence North along the East line of said Keller Tract to the North line of the South 30 rods of the Southeast Quarter of the Southwest Quarter;

Thence East along the North line of said South 30 rods to the Southeast Quarter of the Southwest Quarter to the West line, produced North of that certain tract conveyed to George E. Boynton by deed dated March 21, 1947, and recorded March 21, 1947, under Auditor's File No. 402255, records of Skagit County, Washington;

Thence South along the West line of said Boynton Tract to the North line of the County road;

Thence West along the North line of said road to the point of beginning;

EXCEPT that portion thereof conveyed to Drainage District No. 17 of Skagit County, Washington, by deed dated February 10, 1941 and recorded February 28, 1941, under Auditor's File No. 335876, records of Skagit County, Washington;

AND EXCEPT the North 50 feet thereof as conveyed to the Drainage District No. 17 of Skagit County, Washington, by deed dated November 15, 1949, and recorded November 28, 1949, under Auditor's File No. 438717, records of Skagit County, Washington, lying West of that certain ditch right of way conveyed under Auditor's File No. 335876, records of Skagit County, Washington;

AND ALSO EXCEPT the West 130 feet thereof;



AND ALSO EXCEPT that portion condemned by the State of Washington in Decree of Appropriation entered November 29, 1973, under Superior Court Cause No. 32871 and amended by Decree entered February 14, 1974.

Situated in Skagit County, Washington

**PARCEL C:**

A strip of land ten feet wide in the South Half of the South 60 rods of the Southeast Quarter of the Southwest Quarter of Section 29, Township 34, Range 4 East of W.M., being more particularly described as follows:

From the South Quarter section corner of said Section 29 run West along Section line 425.6 feet;

Thence North 5°00' West 30 feet to the true point of beginning;

Thence, strip being five feet on each side of the centerline, continuing North 5°00' West a distance of 469.5 feet, more or less, to the North line of aforesaid South Half of the South 60 rods of the Southeast Quarter of the Southwest Quarter.

Situated in Skagit County, Washington

