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201006230032
Skagit County Auditor

6/23/2010 Page 1 of 5 10:24AM

RETURN ADDRESS:

Summit Bank
Burlington
723 Haggan Drive
PO Box 805
Burlington, WA 98233

CHICAGO TITLE 1020010964

LANDLORD'S

CONSENT

Reference # (if applicable): 620006633

Additional on page ____

Grantor(s):

1. DAHLSTEDT FAMILY PROPERTIES LLC

Grantee(s)

1. Summit Bank

Legal Description: PTN. LT. 3, SP7-89

Additional on page 5

Assessor's Tax Parcel ID#: 340309-2-005-0009

THIS LANDLORD'S RELEASE AND CONSENT is entered into among WASHINGTON ALDER, LLC ("Borrower"), whose address is 13421 FARM TO MARKET RD, MOUNT VERNON, WA 98273-8273; Summit Bank ("Lender"), whose address is Burlington, 723 Haggan Drive, PO Box 805, Burlington, WA 98233; and DAHLSTEDT FAMILY PROPERTIES LLC ("Landlord"), whose address is 13048 FARM TO MARKET RD, MOUNT VERNON, WA 98273. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

LANDLORD'S RELEASE AND CONSENT
(Continued)

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COLLATERAL DESCRIPTION. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

All Inventory, Chattel Paper, Accounts, Equipment, General Intangibles and Fixtures.

BORROWER'S ASSIGNMENT OF LEASE. Borrower hereby assigns to Lender all of Borrower's rights in the Lease, as partial security for the Loan. The parties intend that this assignment will be a present transfer to Lender of all of Borrower's rights under the Lease, subject to Borrower's rights to use the Premises and enjoy the benefits of the Lease while not in default on the Loan or Lease. Upon full performance by Borrower under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties. This assignment includes all renewals of and amendments to the Lease or the Loan, until the Loan is paid in full. No amendments may be made to the Lease without Lender's prior written consent, which shall not be unreasonably withheld or delayed.

CONSENT OF LANDLORD. Landlord consents to the above assignment. If Borrower defaults under the Loan or the Lease, Lender may reassign the Lease, and Landlord agrees that Landlord's consent to any such reassignment will not be unreasonably withheld or delayed. So long as Lender has not entered the Premises for the purpose of operating a business, Lender will have no liability under the Lease, including without limitation liability for rent. Whether or not Lender enters into possession of the Premises for any purpose, Borrower will remain fully liable for all obligations of Borrower as lessee under the Lease. While Lender is in possession of the Premises, Lender will cause all payments due under the Lease and attributable to that period of time to be made to Landlord. If Lender later reassigns the Lease or vacates the Premises, Lender will have no further obligation to Landlord.

LEASE DEFAULTS. Both Borrower and Landlord agree and represent to Lender that, to the best of their knowledge, there is no breach or offset existing under the Lease or under any other agreement between Borrower and Landlord. Landlord agrees not to terminate the Lease, despite any default by Borrower, without giving Lender written notice of the default and an opportunity to cure the default within a period of sixty (60) days from the receipt of the notice. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy, or other judicial proceedings against Borrower), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which Lender is in possession of the Premises, or so long as Lender reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

DISCLAIMER OF INTEREST. Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES. Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement: This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement 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 Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan, or any Collateral for the Loan, including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness.

AMENDMENTS. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

NO WAIVER BY LENDER. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given 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 Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord, shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Landlord's Release and Consent, as this Landlord's Release and Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Release and Consent from time to time.

Borrower. The word "Borrower" means WASHINGTON ALDER, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.



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Collateral. The word "Collateral" means all of Borrower's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Landlord. The word "Landlord" means DAHLSTEDT FAMILY PROPERTIES LLC , and is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

Lease. The word "Lease" means that certain lease of the Premises, dated December 17, 1997, between Landlord and Borrower. The Lease was recorded as follows: RECORDED MAY 15,1998 UNDER SKAGIT COUNTY AUDITOR'S NUMBER 9805150005.

Lender. The word "Lender" means Summit Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

Note. The word "Note" means the Note executed by WASHINGTON ALDER,LLC in the principal amount of \$8,400,000.00 dated June 7, 2010, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Premises. The word "Premises" means the real property located in SKAGIT County, State of Washington, commonly known as 13421 FARM TO MARKET RD., , MOUNT VERNON, WA 98273, and legally described as:

SEE ATTACHED SCHEDULE A Property tax Identification number is 340309-2-005-0009.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S RELEASE AND CONSENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 7, 2010.

BORROWER:

WASHINGTON ALDER,LLC

By: 

RICHARD D TINNEY, PRESIDENT/CEO of WASHINGTON ALDER,LLC

By: 

CAROL J TINNEY Member of WASHINGTON ALDER,LLC

LANDLORD:

DAHLSTEDT FAMILY PROPERTIES, LLC

By: 

Authorized Signer for DAHLSTEDT FAMILY PROPERTIES LLC

By: 

Authorized Signer for DAHLSTEDT FAMILY PROPERTIES LLC

LENDER:

SUMMIT BANK

X 

Authorized Officer



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LANDLORD'S RELEASE AND CONSENT
(Continued)

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

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COUNTY OF Skagit

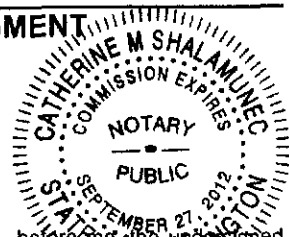
On this 22nd day of June, 20 10, before me, the undersigned Notary Public, personally appeared RICHARD D TINNEY, PRESIDENT/CEO of WASHINGTON ALDER, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be members or designated agents of the limited liability company that executed the Landlord's Release and Consent and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By Catherine M Shalamunec

Residing at Anacortes

Notary Public in and for the State of WA

My commission expires 09-27-12



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON

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COUNTY OF SKAGIT

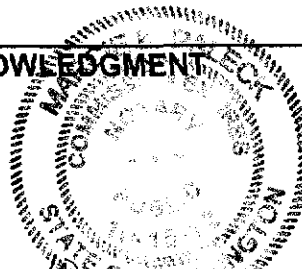
On this 8th day of JUNE, 20 10, before me, the undersigned Notary Public, personally appeared NORMAN H. DAHLSTEDT AND PATRICIA DAHLSTEDT and personally known to me or proved to me on the basis of satisfactory evidence to be (a) member(s) or designated agent(s) of the limited liability company that executed the Landlord's Release and Consent and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By Marcie K Paleck

Residing at Moscow Vainu

Notary Public in and for the State of WASHINGTON
MARCIE K. PALECK

My commission expires 10/15/12



LENDER ACKNOWLEDGMENT

STATE OF WA

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) SS
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COUNTY OF SKAGIT

On this 22nd day of June, 20 10, before me, the undersigned Notary Public, personally appeared BOB VOST and personally known to me or proved to me on the basis of satisfactory evidence to be the LOAN OFFICER, authorized agent for Summit Bank that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Summit Bank, duly authorized by Summit Bank 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 in fact executed this said instrument on behalf of Summit Bank.

By Joyce A. Skelton

Residing at Sedro-Woolley

Notary Public in and for the State of WA

My commission expires 7/8/2013



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EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): P21284
For Tax Map ID(s): 340309-2-005-0009

The South 966.00 feet of Lot 3 of SKAGIT COUNTY SHORT PLAT NO. 7-89, approved March 1, 1989 and recorded March 2, 1989 in Volume 8 of Short Plats, pages 112 and 113, records of Skagit County, Washington, being a portion of the Southwest Quarter of the Northwest Quarter of Section 9, Township 34 North, Range 3 East of the Willamette Meridian;

EXCEPT the East 210.00 feet thereof;

AND EXCEPT any portion thereof lying Northeasterly of a line drawn parallel with and 25 feet Southwesterly of the Southwesterly bank of the existing drainage ditch maintained by Drainage District No. 19, running along the toe of the hill.

ALSO EXCEPT that portion conveyed for right of way in deed recorded June 17, 1999, under Auditor's File No. 9906170004, records of Skagit County, Washington.

AND ALSO EXCEPT that portion, if any, conveyed by deed recorded on January 22, 1998, under Auditor's File No. 9801220067, records of Skagit County, Washington.

Situated in Skagit County, Washington.

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ALTA Commitment
SSCORPD0836.doc / Updated: 03.12.2010

Adopted: 06.17.2008

Printed: 06.03.10 @ 08:37AM
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