

Return Address:

Guardian Northwest Title
3202 Commercial Avenue
Anacortes, WA 98221



201010280141

Skagit County Auditor

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Document Title(s) (for transactions contained therein):

1. Lessor Estoppel Certificate
- 2.
- 3.
- 4.

GUARDIAN NORTHWEST TITLE CO.

A100545-7

**Reference Number(s) of Documents assigned or released:
(on page of documents(s))**

Grantor(s)

1. The Port of Skagit County
- 2.
- 3.
- 4.

Additional Names on page of document.

Grantee(s)

1. Corporate Air Center, LLC
- 2.
- 3.
- 4.

Additional Names on page of document.

Legal Description (abbreviated i.e. lot, block, plat or section, township, range)

Lot 5, BSP PL06-0913

Lot 73, "AMENDED SKAGIT REGIONAL AIRPORT BSP PHASE 1"

Additional legal is on page of document.

Assessor's Property Tax Parcel/Account Number

P123357 8071-000-005-0000

P120178 8012-000-073-0200

The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

LESSOR ESTOPPEL CERTIFICATE

The Port of Skagit County, a Washington municipal corporation ("Lessor"), being the present owner and lessor of certain land and premises located in the county of Skagit, state of Washington (each a "Leasehold Property" and, together, the "Leasehold Property"), as more fully described in **Exhibit A** attached hereto and incorporated herein by this reference, that is subject to certain lease agreements (each a "Lease Agreement" and, together, the "Lease Agreements") by and between Lessor and Corporate Air Center, LLC, a Washington limited liability company, as lessee or assignee to the current lessee ("Lessee"), understands and acknowledges that Jeff Hendricks and Linda Hendricks, husband and wife, and community property ("Lender") has made a loan to Lessee pursuant to that certain Contract of Sale and Loan Agreement (the "Loan Agreement") to be secured by Lessee's assets, including Lessee's interests in the Leasehold Properties. Lessor further understands that it is a condition of the making of said loan that this certificate be furnished to Lender. In consideration of the mutual benefits to be derived therefrom, Lessor and Lender agree and certify as follows:

1. The Lease Agreements are in full force and effect and, except as set forth below in paragraph 3, has not been assigned, modified, supplemented or amended in any way, and that there shall be no voluntary cancellation, surrender or modification of the Lease Agreements, by mutual agreement of the parties thereto, without Lenders' prior written consent.
2. There is no default presently known to exist under the Lease Agreements in the payment of rent or in the observance or performance of any other covenant or condition to be observed or performed by Lessee or Lessee's predecessors in interest, and Lessor has no knowledge of any facts or information that, with the giving of notice, passage of time, or both, would constitute a default by Lessee thereunder.
3. Lessor has no knowledge of any prior assignment or of any prior hypothecation or pledge of Lessee's interest in the Lease Agreement, except as herein stated.
4. The initial terms of the Lease Agreements are as stated on **Exhibit A**.
5. Lessor consents to Lessee's execution and recording of the Loan Agreement, pledging Lessee's interest in the Lease Agreements to Lender, which pledge includes an assignment of Lessee's interest in the Lease Agreements to Lender to secure

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the loans or other financial accommodations Lender is making or will make to Lessee, and to the attachment of said security interests to Lessee's interest in the Lease Agreements, subject to the following:

A. Lessor's consent contained herein shall not waive any of its rights to consent to any subsequent mortgage of Lessee's leasehold interest, assignment, sublease or other transfer. Lender hereby acknowledges and agrees that Lessor shall have no obligation or liability under the terms of the Loan Agreement.

B. Should Lender become Lessee under any of the Lease Agreements, it shall assume and meet all existing and subsequent liabilities of Lessee under the subject Lease Agreement, provided its liability shall be limited to its interest in the Lease Agreements. Lender must immediately provide written notice to Lessor should it become Lessee under any of the Lease Agreements.

C. This consent shall not be construed as an agreement to subordinate Lessor's interest in the Leasehold Property to the Loan Agreement. The Loan Agreement shall not encumber the Leasehold Properties in any fashion once any of the Lease Agreements is terminated.

D. If the interests of Lessee in the Leasehold Properties are owned by Lender by reason such as by deed-in-lieu of foreclosure, judicial foreclosure, sale pursuant to any power of sale or other proceeding brought by Lender or by any other manner, including but not limited to Lender's exercise of its rights under the Loan Agreement, and Lender succeeds to the interest of Lessee under any of the Lease Agreements, Lender shall be bound to Lessor 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 Lessee with the same force and effect as if Lender were the Lessee under the Lease Agreements; and Lender hereby attorns to Lessor, 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 Lessee under the Lease Agreements. The respective rights and obligations of Lessor and Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease Agreements, 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 Agreements in this Lessor Estoppel

Certificate by reference, with the same force and effect as if set forth in full herein.

E. Lessor makes no representations or warranties, expressed or implied, concerning the condition of the Leasehold Properties, and as between Lessor and Lender; Lender agrees to accept the Leasehold Properties in their "as-is" condition as of the date, if any, that it succeeds to the interest of Lessee under the Lease Agreements, subject to Lessor's obligations under the Lease Agreements.

F. Lessor's limited consent herein stated shall terminate upon payment in full to Lender of the above-referenced loan by Lessee, or by payment in full of loan proceeds by a new assignee to Lender as the financing institution. In either event, Lender is obligated to notify the undersigned of the same, in writing, within (10) days of the terminating event. If Lender fails to provide said timely written notice, by acceptance of this Lessor Estoppel Certificate, Lender has agreed to pay all the undersigned's reasonable costs associated with verifying that this letter agreement has in fact terminated on account of one of the events first above referenced.

6. Lessor, upon serving Lessee with notice of any default, shall simultaneously serve a copy thereof upon Lender, and notice shall not be deemed to have been served upon Lessee unless Lessor shall simultaneously serve a copy of such notice upon Lender. Upon receipt of written notice of any default of Lessee, Lender shall have sixty (60) days after service of such notice upon Lender to remedy or cause to be remedied the defaults complained of, except for the payment of money which lender must remedy in twenty (20) days, and Lessor shall accept such performance as if the same had been done by Lessee. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy or other judicial proceedings against Lessee, or the failure to maintain continuous business operations), then Lessor will not terminate the Lease Agreements so long as Lessor receives all sums due under the Lease Agreements for the period during which Lender is in possession of the Leasehold Property, or so long as Lender reassigns the Lease Agreements to a new lessee reasonably satisfactory to the Lessor.

7. In the event a Lease Agreement terminates for any reason, including the rejection of the Lease Agreement in a bankruptcy proceeding, or in the event that Lender forecloses its deed of trust or security interest on Lessee's interest in the Lease



Agreement, Lessor agrees to enter into a new Lease Agreement with Lender for the remainder of the term, effective as of the date of such termination, with conditions, covenants and agreements as contained in the Lease Agreement, except as provided herein ("New Lease Agreement"). Lender shall deliver a written request to Lessor for such a new lease within fifteen (15) days after the notice of termination has been served upon Lender, together with all sums then due to Lessor under the Lease Agreements and shall further remedy any and all defaults of Lessee then in existence.

8. Notwithstanding the assignment and sublease terms of any Lease Agreement, Lender shall have the right to assign its interest in the New Lease Agreement to a third party. Lessor shall have the right to approve any proposed assignment of the New Lease Agreement, but such approval shall be based on the Lessor's reasonable application of a due diligence review of the proposed assignee's financial ability to meet the terms of the Lease Agreement. Assignment shall be made only to a proposed assignee whose utilization of the premises is consistent with the applicable zoning and master plan and is acceptable to the Lessor.

9. In the event that Lender forecloses its Loan Agreement or other security interest on Lessee's interest in any of the Lease Agreements, Lessor agrees that Lender may use the Leasehold Property subject thereto for a purpose not inconsistent with the use described in the applicable Lease Agreement. Lessor further agrees that Lender may enter into a sublease agreement for such Leasehold Property as provided in the applicable Lease Agreement.

10. Lender shall not be liable under a Lease Agreement following the assignment or other disposition of the Leasehold Property for any liability or obligation that accrues after assignment. However, if Lender is the financing institution of the new assignee, Lender shall have the same rights with respect to the assignee, the Lessor and the Leasehold Property as set forth herein.

11. Lender may be named as its interest shall appear on any standard mortgage endorsement on any and all insurance covering the Leasehold Properties, the improvements, or any part thereof.

12. Lessor has no knowledge or notice of the existence of hazardous wastes or hazardous products located on the Leasehold Property, and no state or federal agency has notified Lessor that any type of hazardous waste cleanup is required or necessary with respect to any of the Leasehold Properties.



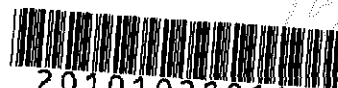
13. The Leasehold Properties are properly zoned for the use intended by the Lessee. Lessor has no pending plans or proposals to condemn the Leasehold Properties or any part thereof, and Lessor has not engaged in any legal action, lawsuits or other proceedings that may result in the condemnation of the Leasehold Properties.

14. All notices required by this Lessor 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 United States Mail to such addresses or any subsequent address of which a party provides written notice to the other party.

15. The statements, promises and agreements herein made shall be binding upon Lessor and Lender and their successors and assigns, and shall insure to the benefit of Lessor and Lender and their successors and assigns.

16. This agreement shall be governed by and construed in accordance with the laws of the state of Washington. Lender and Lessor represent and warrant to each other that their respective undersigned agents have full power and authority to execute this agreement on each party's behalf. Neither party shall be deemed to have waived any rights hereunder unless such waiver is in writing and signed by such party. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right. A waiver by a party of a provision of this agreement shall not constitute a waiver of or prejudice that party's right otherwise to demand strict compliance with that provision or any other provision.

17. This Lessor Estoppel Certificate shall be effective only upon its acceptance by the Lender, in writing below ("LENDER'S ACCEPTANCE"), and shall be otherwise null and void.



LESSOR AND LENDER EACH ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH CONSENTS AND AGREES TO ITS TERMS.

IN WITNESS WHEREOF, this certificate has been duly executed and delivered as of the 18th day of October 2010.

LESSOR: PORT OF SKAGIT COUNTY

By: [Signature]
Patsy Botsford Martin
Its: Executive Director

Date: October 18, 2010

LENDER'S ACCEPTANCE:

Accepted by Lender subject to all terms and conditions above stated.

[Signature]
Jeff Hendricks

[Signature]
Linda Hendricks

Date: 10-14-10



STATE OF WASHINGTON

COUNTY OF SKAGIT

On this 18th day of October, 2010, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Patsy H. Botsford-Martin, to me known to be the Executive Director of the Port of Skagit County, a municipal corporation, the corporation that executed the within and foregoing instrument, and acknowledge 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 she was duly authorized to execute said instrument,

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

Karmen M. Hardy

(Signature)

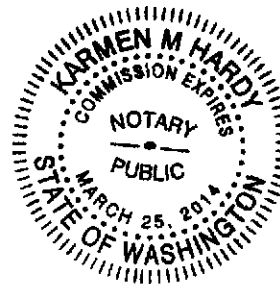
Karmen M. Hardy

(Print Name)

Notary Public in and for the State of Washington

Residing at Anacortes

My Commission expires: 3/25/14



STATE OF WASHINGTON

COUNTY OF SKAGIT

On this 14 day of Oct., 2010, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jeff Hendricks and Linda Hendricks know to me and acknowledge 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 they were duly authorized to execute said instrument,

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

Kathi M Borgen

(Signature)

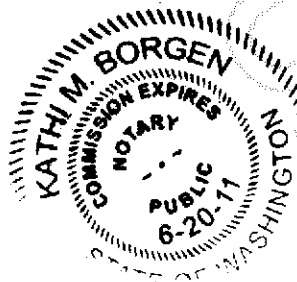
Kathi M Borgen

(Print Name)

Notary Public in and for the State of WA

Residing at Anacortes

My Commission expires: 6-20-11



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LESSOR ESTOPPEL CERTIFICATE

Exhibit A to Lessor Estoppel Certificate

The following are descriptions of each of the Lease Agreements that exit by and between The Port of Skagit County, a Washington municipal corporation (as "Lessor") and Corporate Air Center, LLC, a Washington limited liability company ("Lessee"), and the premises subject thereto. These descriptions are provided in connection with the Lessor Estoppel Certificate by and between Lessor and Jeff Hendricks and Linda Hendricks, husband and wife, as community property ("Lender").

Land Lease Agreement:

Land Lease Agreement dated July 1, 2008, as thereafter amended and assigned to Lessee effective as of or about October 15, 2010. Stated term for thirty (30) years beginning on July 1, 2008, and ending June 30, 2038. Options to Extend for two (2) consecutive ten (10) year option periods. Subject to Lessor's option to buy out lease rights and improvements. All further subject to terms and conditions of the lease, as amended and assigned to Lessee.

The Premises is more particularly described as follows:

Lot 5 of Binding Site Plan No. PL06-0913 recorded June 18, 2007, under Auditor's File No. 200706180136, being a portion of Lot 80, "AMENDED SKAGIT REGIONAL AIRPORT BINDING PLAN, PHASE 1, PL02-0127", dated February 28, 2003, recorded March 4, 2003, as Auditor's File No. 200303040030.

Building Lease Agreement:

Building Lease Agreement dated February 1, 2008, for a stated term of thirty (30) years, beginning February 1, 2008, and ending January 31, 2038. Option to Extend for one (1) additional ten (10) year option period. The address of the building located on Lot 73 is: 15452 Airport Drive, Burlington, Washington. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Lot 73, "AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1", recorded March 4, 2003, as Skagit County Auditor's File No. 200303040030; being a portion of the Northwest $\frac{1}{4}$ of Section 3, Township 34 North, Range 3 East, W.M.; TOGETHER WITH that portion of the Northwest $\frac{1}{4}$ of Section 3, Township 34 North, Range 3 East W.M., being in a portion of the Skagit Regional Airport Binding Site Plan, Phase 1, as recorded in Book 7 of Short Plats, pages 111 through 120, records of Skagit County, Washington, described as follows:

Commencing at the North Quarter corner of said Section 3 as shown on said Binding Site Plan; thence North 88°44'25" West. along the North line of said



Section 3, a distance of 704.01 feet to the intersection with the building restriction line, as shown on said Binding Site Plan; thence South 52°21'58" East, along said building restriction line, 274.34 feet; thence South 37°36'00" West 115.00 feet to the true point of beginning; thence South 52°21'58" East at a distance of 133.82 feet; thence South 37°38'02" West at a distance of 69.50 feet; thence North 52°21'58" West at a distance of 330.00 feet; thence North 37°38'04" East, for a distance of 69.50 feet; thence South 52°21'58" East at a distance of 196.18 feet to the true point of beginning.

Said portion of the Northwest ¼ of Section 3 being also a portion of Lot 87 of said "AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1", recorded as Auditor's File No. 200303040030.

Fuel Tank Pad Lease:

Fuel Tank Pad Lease dated February 1, 2009, for a stated term of ten (10) years. Option to Extend for one (1) additional ten (10) year option period. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Pad No. 1028-01 and 1028-02 at Skagit Regional Airport.

Fuel Sign Agreement:

Fuel Sign Agreement dated February 1, 2009, for a month to month term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

A location mid-point on the North side of the Tank Farm located on the 10/28 side of Skagit Regional Airport.

Aircraft Tie down Agreement (Space No. A-10):

Aircraft Tie down Agreement, with an effective date of May 1, 2002, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-10** located at Skagit Regional Airport, Bay View, WA.

Aircraft Tie down Agreement (Space No. A-11):

Aircraft Tie down Agreement, with an effective date of May 1, 2002, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-11** located at Skagit Regional Airport, Bay View, WA.

Aircraft Tie down Agreement (Space No. A-12):

Aircraft Tie down Agreement, with an effective date of June 1, 2002, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-12** located at Skagit Regional Airport, Bay View, WA.

Aircraft Tie down Agreement (Space No. A-13):

Aircraft Tie down Agreement, with an effective date of September 1, 2004, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-13** located at Skagit Regional Airport, Bay View, WA.

Aircraft Tie down Agreement (Space No. A-14):

Aircraft Tie down Agreement, with an effective date of March 15, 2007, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-14** located at Skagit Regional Airport, Bay View, WA.

Aircraft Tie down Agreement (Space No. A-15):

Aircraft Tie down Agreement, with an effective date of March 15, 2007, for a month to month Term. All further subject to terms and conditions of the lease.

The Premises is more particularly described as follows:

Tie Down Space No. **A-15** located at Skagit Regional Airport, Bay View, WA.

All of the Premises are situated in the County of Skagit, State of Washington.