



201601270046

Skagit County Auditor
1/27/2016 Page

1 of 8
\$153.00
8 11:19AM

After Recording Return To:

Land Title and Escrow

Murtington

Document Title: Ground Lessor Estoppel Certificate and Consent

Reference number of documents assigned or released:

Grantor/Lessor: Port of Skagit County

Grantee/Lender: Washington Federal

Lessee: MW Kemper LLC

Partial Legal Description: Lot 11, Amended Skagit Regional Airport Binding Site Plan, Phase 1

Assessor's Parcel/Tax I.D. Number: P115569 (old #) **Land Title and Escrow**

P#133020 (new #)

201601270042

Land Title

GROUND LESSOR ESTOPPEL CERTIFICATE AND CONSENT

153849-DE

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 (the "Leasehold Property"), as more fully described in the Lease Agreement dated June 1, 2015, together with all assignments, renewals, extensions, modifications, consolidations, and substitutions thereof ("Ground Lease"), by and between Lessor and Chuckanut Brewery, LLC ("Chuckanut Brewery"), predecessor in interest to MW Kemper LLC, a limited liability company ("Lessee"), understands and acknowledges that Washington Federal ("Lender") is about to make a loan to MW Kemper, LLC, a limited liability company, to be (the "Loan") secured by Lessee's interest in the Ground Lease and the Lessee's leasehold estate created thereby ("Leasehold Mortgage"). Lessor further understands that it is a condition of the making of said loan that this certificate and consent be furnished to Lender. In consideration of the mutual benefits to be derived therefrom, Lessor, Lessee and Lender agree and certify as follows:

1. Except as stated in paragraph 2 below, the Ground Lease is in full force and effect and have not been assigned, modified, supplemented or amended in any way, and that there shall be no voluntary cancellation, surrender or modification of the Ground Lease, by mutual agreement of the parties thereto, without Lenders' prior written consent.

2. On November 10, 2015, Chuckanut Brewery intended on assigning its interest in the Ground Lease to Lessee by executing the First Amendment to Lease Agreement dated

SAO
LESSOR

MK
LESSEE
MK

JS
LENDER

November 10, 2015, but failed to do so in said amendment. Chuckanut Brewery assigned its interest in the Ground Lease to the Lessee and otherwise amended the Lease in the Assignment of Lease with Consent thereto and Second Amendment to the Lease Agreement dated January 21st, 2016, said amendments and assignment to become effective upon the funding of the Loan by Lender. The Lessor, Chuckanut Brewery, LLC and Lessee approved of the Ground Lease and the aforementioned assignment/amendments, and there are no other assignments, addendums, estoppel certificates, amendments, subleases or other agreements with respect to the Ground Lease actually known to Lessor except as set forth herein. *AF# 201601270042*

3. There is no default presently known to exist under the Ground 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 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.

4. Lessor has no actual knowledge of any prior assignment, except as stated in paragraph 2 above, or of any prior hypothecation or pledge of Lessee's interest in the Ground Lease.

5. The initial term of the Ground Lease expires on May 31, 2065, which term may be extended subject to the terms set forth in paragraph 2(c) of the Ground Lease.

6. Lessor consents to Lessee's execution and recording of the deed/deeds of trust and personal property security agreements and other loan and security documents (copies of which are attached hereto), pledging Lessee's interest in the Ground Lease to Lender, which granting of security includes an assignment of Lessee's interest in the Ground Lease to Lender to secure 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 Ground Lease, 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 Leasehold Mortgage.

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

C. This consent shall not be construed as an agreement to subordinate Lessor's interest in the Premises to the Leasehold Mortgage. The Leasehold Mortgage

DAO
LESSOR

[Signature]
LESSEE

[Signature]
LENDER

shall not encumber the Leasehold Property in any fashion once the Ground Lease is terminated.

D. If the interests of Lessee in the Leasehold Property 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 Leasehold Mortgage, and Lender succeeds to the interest of Lessee under the Ground Lease, 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 Ground Lease; and Lender hereby attorns to Lessor, as its landlord, said attornment to be effective and self-operative, with 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 Ground Lease. 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 Ground 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 6(D) to incorporate the Ground Lease in this **GROUND LESSOR ESTOPPEL CERTIFICATE AND CONSENT** 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 Property, and, as between Lessor and Lender; Lender agrees to accept the Leasehold Property in its "as-is" condition as of the date, if any, that it succeeds to the interest of Lessee under the Lease, subject to Lessor's obligations under the Ground Lease.

F. Lessor's limited consent to assignment 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 ("Terminating Event"). In either event, Lender is obligated to notify the Lessor of the same, in writing, within (10) days of the Lessor's request for verification that this letter agreement has been terminated on account of a Terminating Event. If Lender fails to provide said timely written notice, by acceptance of this **GROUND LESSOR ESTOPPEL CERTIFICATE AND CONSENT**, Lender has agreed to pay all the Lessor's reasonable costs associated with verifying that this letter agreement has in fact terminated on account of a Terminating Event.

7. 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 serves 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, and Lessor shall accept such performance as if the same had been done by Lessee. If the default is one that


LESSOR


LESSEE



LENDER

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 Ground Lease so long as Lessor receives all sums due under the Ground Lease for the period during which Lender is in possession of the Leasehold Property, or so long as Lender reassigns the Ground Lease to a new lessee reasonably satisfactory to the Lessor.

8. In the event the Ground Lease terminates for any reason, including the rejection of the Ground Lease in a bankruptcy proceeding, or in the event that Lender forecloses its deed of trust or security interest on Lessee's interest in the Ground Lease, Lessor agrees to enter into a new ground lease 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 Ground Lease, except as provided herein ("New Ground Lease"). 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 Ground Lease and shall further remedy any and all defaults of Lessee then in existence.

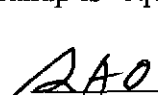
9. Notwithstanding the terms of paragraph 28 entitled Assignment and Sublease of the Ground Lease, Lender shall have the right to assign its interest in the New Ground Lease to a third party. Lessor shall have the right to approve any proposed assignment of the New Ground Lease, but such approval shall 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. 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.

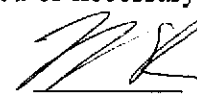
10. In the event that Lender forecloses its deed of trust or other security interest on Lessee's interest in the Ground Lease, Lessor agrees that Lender may use the Leasehold Property for a purpose not inconsistent with the use described in paragraph 28 entitled ASSIGNMENT AND SUBLEASE of the Ground Lease.


11. Lender shall not be liable under the Ground Lease 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.

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

13. 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 the Leasehold Property.


LESSOR


LESSEE
Me


LENDER

14. The Leasehold Property is properly zoned for the use intended by the Lessee. Lessor has no pending plans or proposals to condemn the Leasehold Property 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 Property.

15. All notices required by this GROUND LESSOR ESTOPPEL CERTIFICATE AND CONSENT 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.

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


17. This agreement shall be governed by and construed in accordance with the laws of the state of Washington. Lender, Lessee 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.

LESSOR, LENDER AND LESSEE 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 26th day of January, 2016.

LESSOR:

PORT OF SKAGIT COUNTY

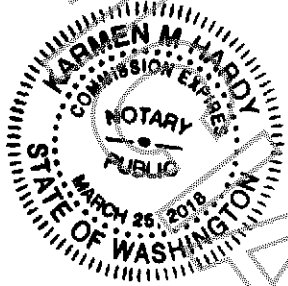
By: 
Steve Omdal
Its: Commission Vice President
15400 Airport Drive
Burlington, Washington 98233

 LESSOR  LESSEE  LENDER


STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 26th day of January, 2016, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steve Omdal to me known to be the Vice President of the Port Commission of the Port of Skagit County, a municipal 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 duly authorized to execute the said instrument.

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



Karmen M. Hardy
(signature)
Karmen M. Hardy
(printed name)
NOTARY PUBLIC in and for the State of
Washington, residing at: Anacortes
My appointment expires: 3/25/18

SAO ME JE
LESSOR LESSEE LENDER

LESSEE:

MW KEMPER LLC

By: [Signature]

WILL KEMPER

Its: Manager

Address: 182 Hiline Road
Bellingham, WA 98229

By: [Signature]

MARI KEMPER

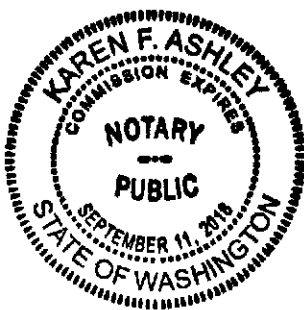
Its: Manager

Address: 182 Hiline Road
Bellingham, WA 98229

STATE OF WASHINGTON)
) ss.
COUNTY OF Sagit)

On this 16th day of January 2016 before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Will Kemper and Mari Kemper, to me known to be managers of MW KEMPER LLC, a Washington limited liability company, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

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



Karen Ashley
Notary Public in and for the state of
Washington, residing at Sesho-Walley
My commission expires: 9-11-2018
Printed Name: Karen Ashley

[Signature] LESSOR [Signature] LESSEE [Signature] LENDER

LENDER.

WASHINGTON FEDERAL

By: *Jon Lund*
Jonathan Ensche
Its: Vice President
Address: 1500 Cornwall Ave.
Bellingham, WA 98225

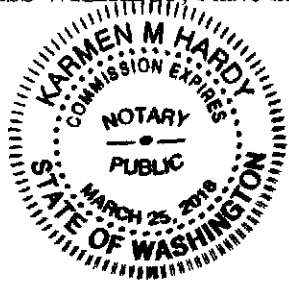
STATE OF WASHINGTON)

) SS

COUNTY OF SKAGIT)

On this 22nd day of January, 2016, before me personally appeared Jonathan Ensche to me known to be the Vice president of the corporation that executed the within and foregoing instrument, and acknowledged 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 was 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 appointment expires: 3/25/18

SAO
LESSOR

LESSEE

JS
LENDER