10/09/2023 01:03 PM Pages: 1 of 9 Fees: \$211.50

Skagit County Auditor, WA

After recording return to: Bendich, Stobaugh & Strong 126 NW Canal Street, Suite 100 Seattle WA 98107

CONSENT TO ASSIGNMENT OF LEASE AND DEED OF TRUST, AGREEMENT TO GIVE NOTICE OF DEFAULT

FIRST AM

Grantor/Lessor:

Port of Skagit County

NCS-1186802

Grantee/Lender:

Evergreen Business Capital

Legal description:

Amended Lot 11, Amended Skagit Regional Airport BSP, Ph. 1

Tax Parcel ID#:

P133020/8012-000-011-0101 & P115569/8012-000-011-0100

DEFINITIONS

LENDER----Evergreen Business Capital

SBA----Small Business Administration, an agency of the United States of America.

LESSOR-----Port of Skagit County

LESSEE----MW Kemper LLC

INDEBTEDNESS-----A promissory note in the amount of \$1,030,000.00 executed by MW Kemper LLC and Chuckanut Brewery, LLC payable to LENDER.

GROUND LEASE-----Lease between LESSOR and LESSEE dated June 1, 2015 together with five amendments covering the real property described at Exhibit A.

LEASEHOLD ESTATE----LESSEE's rights and obligations under the Lease.

LEASEHOLD SECURITY INSTRUMENTS-----Assignment of Tenant's Interest in Lease as Collateral and Deed of Trust executed by LESSEE to secure repayment of the Indebtedness.

PERSONAL PROPERTY COLLATERAL----All equipment and fixtures now owned and hereafter acquired by Chuckanut Brewery, LLC and located on the Premises.

AGREEMENT

Port of Skagit County ("LESSOR"), being the present owner and lessor of the Premises as more fully described in the Lease Agreement dated June 1, 2015, together with all assignments, renewals, extensions, modifications, consolidations and substitutions there ("Ground Lease"), by and between LESSOR and Chuckanut Brewery, LLC, predecessor in interest to MW Kemper LLC ("LESSEE"), understands and acknowledges that Evergreen Business Capital ("LENDER") is about to make a loan to MW Kemper LLC and Chuckanut Brewery, LLC ("the Loan") in the original principal amount of \$1,030,000.00 secured by LESSEE's interest in the Ground Lease and the LESSEE's Leasehold Estate created thereby ("Leasehold Security Instruments"). LESSOR further understands that it is a condition of the making of the Loan that this Agreement be executed by LESSOR and recorded with Skagit County Auditor's Office. In consideration of the mutual benefits to be derived therefrom, LESSOR, LESSEE, and LENDER agree and certify as follows:

- 1. The Ground Lease is in full force and effect. LESSOR and LESSEE agree that during the term of the Loan, there shall be no voluntary cancellation, surrender or modification of the Ground Lease, by mutual agreement of the parties thereto, without LENDER's prior written consent, which consent shall not be unreasonably withheld.
- 2. 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 of information that, with the giving of notice, passage of time, or both, would constitute a default by LESSEE thereunder.
- 3. LESSOR consents to LESSEE's execution and recording of Leasehold Security Instruments, subject to the following:
 - a. LESSOR's consent contained herein shall not waive any of its rights to object 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 Security Instruments.
 - 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 Security Instruments. The Leasehold Security Instruments shall not encumber the Premises in any fashion once the Ground Lease is terminated.
 - d. If the interests of LESSEE in the Premises 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 Security Instruments, 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 Ground 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 3(d) to incorporate the Ground Lease in this Agreement 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 Premises, and, as between LESSOR and LENDER, LENDER agrees to accept the Premises in its "as-is" condition as of the date, if any, that it succeeds to the interest of the LESSEE under the Ground 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 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 LESSOR of the same, in writing, with ten (10) days of 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 Agreement, LENDER has agreed to pay all of LESSOR's reasonable costs associated with verifying that this letter agreement has in fact terminated on account of a Terminating Event.

LESSOR also consents to LENDER assigning the Indebtedness and Leasehold Security Instruments to SBA.

- 4. LESSOR, upon serving LESSEE with notice of any default, shall simultaneously serve a copy thereof upon LENDER and SBA, and notice shall not be deemed to have served upon LESSEE unless and until LESSOR serves a copy of such notice upon LENDER and SBA. Upon receipt of written notice of any default of LESSEE, LENDER/SBA shall have sixty (60) days after service of such notice upon LENDER and SBA 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 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 Premises, or so long as LENDER reassigns the Ground Lease to a new LESSEE reasonable satisfactory to the LENDER.
- 5. 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 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.

- 6. More than one lender will hold a security interest in the LESSEE's Leasehold Estate by deed of trust or assignment of tenant's interest in lease as security. In the event multiple lenders wish to enter into a new lease with LESSOR following termination of the Ground Lease, LESSOR will award the new lease to the lender with the senior lien on LESSEE's Leasehold Estate.
- 7. 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 assigned whose utilization of the Premises is consistent with the applicable zoning and master plan as is acceptable to the LESSOR.
- 8. In the event that LENDER forecloses its deed of trust or other security instrument on LESSEE's interest in the Ground Lease, LESSOR agrees that LENDER may use the Premises for a purpose not inconsistent with use described in Paragraph 28 entitled "Assignment and Sublease" of the Ground Lease.
- 9. LENDER shall not be liable under the Ground Lease following the assignment or other disposition of the Premises 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 Premises as set forth herein.
- 10. SUBORDINATION OF LESSOR'S LIEN AGAINST PERSONAL PROPERTY COLLATERAL. LENDER has or will obtain a security interest in the Personal Property Collateral owned by Chuckanut Brewery, LLC. Lessor agrees that all right, title and interest it may have in the Personal Property Collateral and liens it may acquire against the Personal Property Collateral are subordinate to the security interest of LENDER.
- 11. ENTRY ONTO PREMISES. During the term of the Ground Lease or during the notice period set forth in Paragraph 4, the LESSOR and LESSEE agree that LENDER shall have access to the Premises upon request for the purpose of removing the Personal Property Collateral; provided that LENDER repairs any damage to the leased Premises caused by removal of the Personal Property Collateral by LENDER or its agents. The request shall be in writing and delivered to LESSOR at the addresses listed below.
- 12. All notices required by the Agreement shall be in writing at the addresses of the parties set forth below. Notices 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 parties:

LESSOR:

Port of Skagit County

15400 Airport Drive Burlington, WA 98233

LESSEE: MW Kemper LLC 182 Hiline Road Bellingham WA 98229

LENDER:

Evergreen Business Capital 13925 Interurban Ave. S. Suite 100 Seattle WA 98168

SBA:

United States Small Business Administration Fresno Commercial Loan Service Center 801 R Street, Suite 101 Fresno CA 93721

- 13. The statements, promises and agreements herein made shall be binding upon LESSOR, LESSEE and LENDER and their successor and assigns, and shall insure to the benefit of LESSOR, LESSEE and LENDER and their successors and assigns.
- 14. In partial consideration for consenting to this Agreement, the LESSEE does hereby forever release, indemnify, and hold harmless the LESSOR, its commissioners, employees, and agents from any and all Claims arising from or connected with the Ground Lease or the Premises (as defined in the Ground Lease). For purposes of this paragraph, the term "Claims" means any and all claims, demands, lawsuits, judgments, demands, fines, or penalties, whether known or unknown and whether liquated or unliquidated on the date of this Agreement.
- 15. 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 designed 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 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 PROVISION OF THIS AGREEMENT, AND EACH CONSENTS AND AGREES TO ITS TERMS.

[Signatures on following pages]

202310090023 10/09/2023 01:03 PM Page 6 of 9

LESSOR:		
Port of Skagit County		
By: SARA YOURGE DIRECTIVE DIRECTIONS		
State of Washington)		
Skagit County) ss.		
I certify that I know or have satisfactory evidence that		
NOTARY NOTARY NOTARY OF PUBLIC	Dated: 10-5-23 Debon a D. Hamilton NOTARY PUBLIC in and for the State of Washington residing at Burling ton Lux My commission expires: 5/13/23	

MW Kemper LLC	
By: Willis L. Kemper, Manager	<u>. </u>
By: Mari Kemper, Manager	
State of Washington) ss. Skagit County)	
before me, and said person acknowledged to authorized to execute the instrument and act the free and voluntary act of such party for Day OTARY	idence that Willis L. Kemper is the person who appeared hat s/he signed this instrument, on oath stated that s/he wa knowledged it as the Manager of MW Kemper LLC to be the uses and purposes mentioned in the instrument. Inted: October 4, 2023 Maica Marmonles OTARY PUBLIC in and for the State of Washington siding at Snahomisk y commission expires: 08.25.2025
State of Washington)) ss. Skagit County)	
me, and said person acknowledged that s/he authorized to execute the instrument and ac	idence that Mari Kemper is the person who appeared before signed this instrument, on oath stated that s/he was eknowledged it as the Manager of MW Kemper LLC to be the uses and purposes mentioned in the instrument.
MRAMON DE NOTARY & NO	mario Muamorilis OTARY PUBLIC in and for the State of Washington siding at Snahomish y commission expires: 08.25.2025

LESSEE:

LENDER:

Evergreen Business Capital

Keita Horn Assistant Vice President

State of Washington

) ss.

King County

) 3.

I certify that I know or have satisfactory evidence that Keita Horn is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the Assistant Vice President of Evergreen Business Capital to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:

NOTARY PUBLIC in and for the State of Washington

residing at _ Lend, West

My commission expires: 09.016

CZ2028299 WELL OF WASHINGTON

Exhibit A Legal Description

Real property situated in the County of Skagit, State of Washington, and described as follows:

LOT 11, AFTER BOUNDARY LINE ADJUSTMENT, RECORDED ON APRIL 1, 2022 AS SKAGIT COUNTY AUDITOR FILE NOS. 202204010132 AND 202204010133, MORE FULLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 9, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, NO. PL-02-0127, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200303040030, BEING IN A PORTION OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M. DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY MOST CORNER OF SAID LOT 9, COMMON WITH LOT 10 OF SAID AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1; THENCE NORTH 35°00'00" EAST ALONG THE COMMON LINE BETWEEN SAID LOTS 9 AND 10 FOR A DISTANCE OF 201.33 FEET;

THENCE SOUTH 12°46'55" WEST FOR A DISTANCE OF 217.48 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF SAID LOT 9, ALSO BEING THE NORTHEASTERLY RIGHT-OF-WAY MARGIN OF HIGGINS AIRPORT WAY, AT A POINT BEARING SOUTH 55°00'00" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 55°00'00" WEST ALONG SAID SOUTHWESTERLY LINE OF LOT 9 FOR A DISTANCE OF 82.24 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH LOT 10, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, NO. PL-02-0127, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200303040030, BEING IN A PORTION OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M.

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 10, COMMON WITH LOT 9 OF SAID AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1; THENCE NORTH 35°00'00" EAST ALONG THE COMMON LINE BETWEEN SAID LOTS 9 AND 10 FOR A DISTANCE OF 201.33 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTH 35°00'00" EAST ALONG SAID COMMON LINE FOR A DISTANCE OF 111.88 FEET TO THE NORTHEAST CORNER OF SAID LOT 10; THENCE NORTH 60°34'34" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 10, COMMON WITH LOTS 13 AND "G" OF SAID AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, FOR A DISTANCE OF 61.48 FEET, MORE OR LESS, TO A POINT BEARING NORTH 4°58'56" EAST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 4°58'56" WEST FOR A DISTANCE OF 122.31 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH LOT 11, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, NO. PL-02-0127, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200303040030, BEING IN A PORTION OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M. SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.