



201111010011

Skagit County Auditor

11/1/2011 Page 1 of 6 10:24AM

After filing return to:

Davis Wright Tremaine LLP
Suite 2200
1201 Third Avenue
Seattle, Washington 98101-3045
Attention: Peter J. Mucklestone

GUARDIAN NORTHWEST TITLE CO.

SUBORDINATION AGREEMENT - LEASE

102630-2

Grantor(s)

- 1. COASTAL FARM REAL ESTATE, INC.
- 2. COASTAL FARM & HOME SUPPLY LLC

Grantee(s):

- 1. BANK OF AMERICA, N.A.

Abbreviated Legal Description:

SECTION 18, TOWNSHIP 34, RANGE 4; PTN. NE; AND PTN. LOTS 3A, 3B AND 3C
COLLEGE WAY MARKETPLACE BSP MV-1-94

Additional legal description is on pages 5-6 of document

Assessor's Property Tax Parcel Account Number(s): P107490, 8005-000-003-0100, P107489,
8005-000-003-0002, P107491, 8005-000-003-0201

Reference Number(s) of Document(s) (if applicable):

201111010010

SUBORDINATION AGREEMENT – LEASE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF A SECURITY INSTRUMENT.

This Subordination Agreement is made as of November 1, 2011, by and among Coastal Farm & Home Supply LLC, an Oregon limited liability company ("Lessee") and Coastal Farm Real Estate, Inc., an Oregon corporation ("Lessor") in favor of Bank of America, N.A. ("Bank").

Factual Background

A. Lessor and Lessee have entered into a lease agreement dated as of September 8, 2011 ("Lease"), covering certain premises located at 2021 Market Street, Mount Vernon, Skagit County, Washington ("Property"). The Property is more particularly described in Exhibit A attached hereto and incorporated herein.

B. Bank is the beneficiary of Deed of Trust ("Deed of Trust"), dated as of November 1, 2011, which Deed of Trust will be recorded concurrently herewith in the records of Skagit County, Washington, encumbering the Property. The Deed of Trust secures certain obligations to Bank as more particularly described therein (the "Secured Obligations").

C. It is a condition to Bank's extending the Secured Obligations that the lien of the Deed of Trust shall at all times be senior and prior to the interest of Lessee under the Lease.

Agreement

Therefore, in consideration of benefits from Lessor to Lessee, receipt and sufficiency of which is hereby acknowledged, and to induce Bank to advance funds under its Deed of Trust and all agreements in connection therewith, Lessor and Lessee agree for the benefit of Bank as follows:

1. The lien of the Deed of Trust, and any renewals, extensions, modifications and supplements thereto, shall unconditionally be and remain at all times a lien or charge on the Property prior and superior to the Lease, to the leasehold estate created thereby, and to all rights and privileges of Lessee thereunder.

2. The Bank would not extend the Secured Obligations without this Subordination Agreement.

3. Lessee consents to and approves of all provisions of the Secured Obligations and the Deed of Trust, as the same may be amended from time to time.

4. Lessee intentionally and unconditionally waives, relinquishes and subordinates its interests under the Lease in favor of the lien of the Deed of Trust and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, a specific loan or other credit accommodation will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.



PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the undersigned have executed this Subordination Agreement as of the day and year first above written.

LESSEE: COASTAL FARM & HOME SUPPLY LLC
By: Coastal Farm Holdings, Inc.,
Its: Manager

By: [Signature]
Bruce G. Wheeler, President

LESSOR: COASTAL FARM REAL ESTATE, INC.

By: [Signature]
Bruce G. Wheeler, President

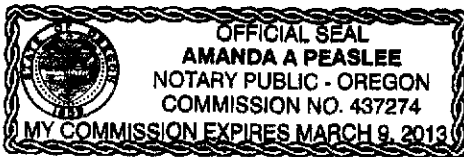
ACKNOWLEDGMENT

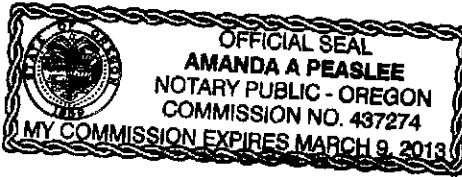
STATE OF Oregon
COUNTY OF Linn } ss.

I certify that I know or have satisfactory evidence that BRUCE G. WHEELER is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of Coastal Farm Holdings, Inc., an Oregon corporation, the Manager of COASTAL FARM & HOME SUPPLY LLC, an Oregon limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: November 1, 2011.

Amanda A Peaslee
NOTARY PUBLIC in and for the State of Oregon residing at Albany, OR
My commission expires: 3-9-13
Print name: Amanda A Peaslee





STATE OF Oregon
COUNTY OF Linn } ss.

I certify that I know or have satisfactory evidence that BRUCE G. WHEELER is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of COASTAL FARM REAL ESTATE, INC., an Oregon corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: November 1, 2011.

Amanda A Peaslee
NOTARY PUBLIC in and for the State of
Oregon residing at: Albany, OR
My commission expires: 3-9-13
Print name: Amanda Peaslee



**EXHIBIT A
LEGAL DESCRIPTION**

THOSE PORTIONS OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ AND THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 18, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., ALSO BEING PORTIONS OF LOTS 3A, 3B AND 3C OF THAT CERTAIN PLAT OF CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP, RECORDED IN VOLUME 11 OF SHORT PLATS, PAGES 77 THROUGH 81, UNDER AUDITOR'S FILE NO. 9405310129, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST ¼ CORNER OF SECTION 18 AS SHOWN ON SAID PLAT; THENCE ALONG THE EAST-WEST CENTERLINE OF SECTION 18, SOUTH 90°00'00" WEST, 1,332.45 FEET TO THE EAST CENTER 1/16TH CORNER; THENCE ALONG THE NORTH-SOUTH CENTERLINE OF THE NORTHEAST ¼ OF SECTION 18, NORTH 00°20'56" WEST 1,657.73 FEET TO THE NORTH LINE OF THE SOUTH 330 FEET OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 18, SAID POINT BEING THE TRUE POINT OF BEGINNING AND THE NORTHWEST CORNER OF LOT 3C OF CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP; THENCE ALONG THE BOUNDARIES OF LOT 3C THE FOLLOWING COURSES:

SOUTH 89°50'52" EAST 660.91 FEET; THENCE SOUTH 00°24'07" EAST 124.90 FEET TO THE WESTERLY LINE OF MARKET STREET; THENCE ALONG THE WESTERLY LINE OF MARKET STREET SOUTH 35°08'11" WEST 87.55 FEET TO A POINT OF CURVATURE; THENCE SOUTHERLY 101.79 FEET ALONG THE ARC OF A 210.00 FOOT RADIUS CURVE, CONCAVE TO SOUTHEAST, THROUGH A CENTRAL ANGLE OF 27°46'18"; THENCE LEAVING SAID WESTERLY LINE NORTH 90°00'00" WEST 573.09 FEET TO THE EASTERLY RIGHT-OF-WAY OF INTERSTATE HIGHWAY 5, BEING ALSO THE NORTHWEST CORNER OF LOT 3B OF CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 00°20'56" WEST TO THE POINT OF BEGINNING.

ALSO BEGINNING AT THE NORTHWEST CORNER OF LOT 3B DESCRIBED ABOVE, SAID POINT BEING THE TRUE POINT OF BEGINNING OF LOT 3B; THENCE ALONG THE BOUNDARIES OF SAID LOT 3B THE FOLLOWING COURSES:

SOUTH 90°00'00" EAST 573.09 FEET TO THE WEST LINE OF MARKET STREET; THENCE ALONG THE WEST LINE OF MARKET STREET SOUTHERLY 28.47 FEET ALONG THE ARC OF A 210.00 FOOT RADIUS CURVE, CONCAVE TO THE EAST WITH A RADIAL BEARING OF SOUTH 82°38'07" EAST, THROUGH A CENTRAL ANGLE OF 07°46'00" TO A POINT OF TANGENCY; THENCE SOUTH 00°24'07" EAST 303.20 FEET; THENCE LEAVING SAID WESTERLY LINE OF MARKET STREET NORTH 90°00'00" WEST 562.72 FEET TO THE EASTERLY RIGHT-OF-WAY OF INTERSTATE HIGHWAY 5, BEING ALSO THE NORTHWEST CORNER OF LOT 3A OF CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 09°48'40" WEST 53.25 FEET TO AN ANGLE POINT; THENCE NORTH 00°20'56" WEST 279.13 FEET TO THE POINT OF BEGINNING.

ALSO BEGINNING AT THE NORTHWEST CORNER OF LOT 3A DESCRIBED ABOVE, SAID POINT BEING THE TRUE POINT OF BEGINNING OF LOT 3A; THENCE ALONG THE BOUNDARIES OF SAID LOT 3A THE FOLLOWING COURSES:

SOUTH 90°00'00" EAST 562.72 FEET TO THE WEST LINE OF MARKET STREET; THENCE ALONG THE WEST LINE OF MARKET STREET SOUTH 00°24'07" EAST 353.93 FEET; THENCE

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LEAVING SAID WEST LINE OF MARKET STREET NORTH 90°00'00" WEST 504.00 FEET TO THE EASTERLY RIGHT-OF-WAY OF INTERSTATE HIGHWAY 5; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 09°48'40" WEST 359.17 FEET TO THE POINT OF BEGINNING,

EXCEPT THAT PORTION OF LOT 3A, CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 3A; THENCE WEST 504.00 FEET ALONG THE SOUTH LINE THEREOF TO THE WESTERLY LINE OF SAID LOT 3A; THENCE NORTH 09°48'40" WEST 36.04 FEET ALONG SAID WESTERLY LINE; THENCE SOUTH 89°50'52" EAST 207.04 FEET; THENCE SOUTH 00°09'08" WEST 5.00 FEET; THENCE SOUTH 89°50'52" EAST 214.76 FEET; THENCE NORTH 00°09'08" EAST 40.35 FEET; THENCE NORTH 89°56'35" EAST 87.76 FEET TO THE EAST LINE OF SAID LOT 3A; THENCE SOUTH 00°24'07" EAST 69.83 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

