

Return Address
Northwest Business Development Assoc.
9019 E. Appleway Blvd., Suite 200
Spokane Valley, WA 99212



201206260077
Skagit County Auditor

6/26/2012 Page 1 of 6 4:01PM

LAND TITLE OF SKAGIT COUNTY

1427610

SUBORDINATION AGREEMENT

Reference #: 201206260072 Additional _____
Grantor: NABEEL JURDI and BRENA JURDI, husband and wife
Additional on page _____
Grantee: NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION
Additional on page _____

Abbreviated Legal Description:

Parcels A & B, BLA Survey #201005120047; Ptn NW SW &
Ptn SW NW, 4-34-2 E.W.M.

For a full legal description please see Exhibit "C"
attached hereto and made a part herein by reference.

Assessor's Tax Parcel ID Nos.: 340204-2-001-0009 and
340204-0-046-0000

This agreement is entered into between NABEEL JURDI and BRENA JURDI, husband and wife (hereinafter referred to as "Lender") and the Northwest Business Development Association (hereinafter referred to as "NWBDA") this 21st day of June, 2012.

WHEREAS, LENDER is the owner and holder of the following document executed by D & D LANDHOLDING CO. LLC, a Washington limited liability company, (hereinafter referred to as Borrower):

Deed of Trust dated May 31, 2012 and recorded under Skagit County Auditor's File No. 201206010086 on June 1, 2012, records of Skagit County, Washington.

WHEREAS, NWBDA is about to make a Loan to the Borrower in the principal amount of \$566,000.00. Said Loan is or will be secured by a Deed of Trust on the real property encumbered by the Lender's Deed of Trust recorded with the Skagit County Auditor's Office under Recording No. 201206010086. The NWBDA has declined to make the Loan to the Borrower without Lender

first subordinating its Deed of Trust described above to the Deed of Trust held by the NWBDA and filed with the Skagit County Auditor's office under Recording No. 201206260072 as security for said Loan.

NOW THEREFORE, in consideration of the foregoing premises, it is agreed as follows:

1. Subordination. Lender hereby subordinates the lien of its Deed of Trust described above to the NWBDA's Deed of Trust filed with the Skagit County Auditor's Office under recording No. 201206260072. This subordination is limited to the \$566,000.00 face amount of the promissory note executed by borrower with respect to Loan No. 5192345006 as of the date of the note, and thereafter to the declining principal balance, the interest rate as stated therein, the payment of any taxes, assessments, attorney's fees, insurance, interest and any other advances reasonably necessary to protect the property or any collateral securing the loan; the NWBDA's security interest(s) or the priority of the lien, and any extension of said Loan.

2. Effect on Lender's Deed of Trust. All other terms and conditions of the Lender's Deed of Trust shall remain in full force and effect.

3. Notification of Default. Lender agrees to furnish NWBDA, or its successors in interest, (1) written notice of default by Borrower under the terms and conditions of its loan with Borrower within (30) days of the date of said default, default shall mean delinquency of more than 30 days, and (2) in addition to any lawfully required notice, written notice of any foreclosure sale sixty (60) days prior to the date of said sale. NWBDA's address for notice purposes shall be as follows:

Northwest Business Development Association
9019 E. Appleway Blvd, Ste 200
Spokane Valley, WA 99212

Or such other address as NWBDA shall provide to Lender.

4. Merger. This agreement shall be the sole agreement between the parties hereto with regard to the subordination of the lien of the Deed of Trust first above mentioned to the lien of the Deed of Trust in favor of NWBDA referred to herein and shall supersede and cancel any prior agreements to the same.



5. Binding Effect. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

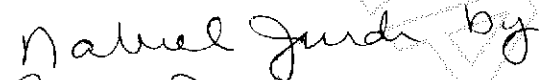
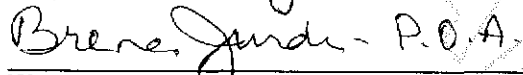
Executed this 21st day of June, 2012

NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION




Gilbert Acevedo, President

NABEEL JURDI and BRENA JURDI, husband and wife

NABEEL JURDI



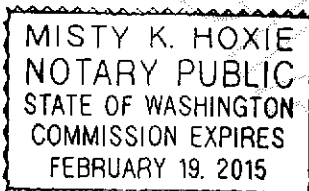
BRENA JURDI



STATE OF WASHINGTON)
) ss
County of Spokane)

This certifies that before me on this day personally appeared Gilbert Acevedo, as President of Northwest Business Development Association, and acknowledged to me that he executed the foregoing instrument as the free and voluntary act and deed of the Northwest Business Development Association for the uses and purposes therein mentioned, and on oath stated that he was duly and regularly authorized to execute the same on its behalf.

DATED: June 25, 2012

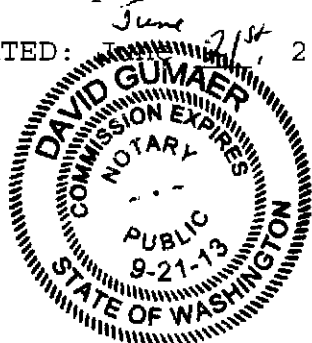


Misty K. Hoxie
NOTARY PUBLIC in and for the
State of Washington residing at
Spokane.
My commission expires 2-19-15.

STATE OF WASHINGTON)
) ss
County of Skagit)

This certifies that before me on this day personally appeared Brena Jurdi and acknowledged to me that she executed the foregoing instrument for herself and as Attorney in Fact with power of attorney for Nabeel Jurdi as her free and voluntary act and also as his free and voluntary act and deed as Attorney in Fact for said principal for the uses and purposes therein mentioned, and on oath stated that the Power of Attorney authorizing the execution of this instrument has not been revoked and that the said principal is now living and is not incompetent.

DATED: June 21st, 2012



David Gumaer
NOTARY PUBLIC in and for the
State of Washington residing at
Spokane.
My commission expires 9-21-13.

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Exhibit C

PARCEL "A":

Parcel A of that certain Boundary Line Adjustment Survey approved April 23, 2010, recorded May 12, 2010, under Auditor's File No. 201005120047, records of Skagit County, Washington and being more fully described as follows:

That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and that portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway right-of-way at a point 1,023.24 feet East of its intersection with the Section line between Sections 4 and 5, Township 34 North, Range 2 East, W.M.;
thence South 40 rods, more or less, to a point 26 rods South of the $\frac{1}{2}$ Section line;
thence East 8 rods;
thence North 40 rods, more or less, to the South line of said Highway;
thence West along the South line of said Highway to the place of beginning.

EXCEPT the South 200 feet thereof;

AND EXCEPT that portion conveyed to the State of Washington by Deed dated January 12, 1961, for Primary State Highway No. 1 Jet SSH No. 1-D to Swinomish Slough, and recorded February 6, 1961, under Auditor's File No. 603837;

AND that portion of said Section, described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway at a point 1,012.24 feet East of its intersection with the Section line between Sections 4 and 5 of Township 34 North, Range 2 East, W.M.;
thence East along the South line of said Highway 11 feet;
thence South 431 feet;
thence West 11 feet;
thence North 431 feet to the point of beginning.

EXCEPT that portion annexed to the State of Washington by Deed dated January 12, 1961, for Primary State Highway No. 1 JET. SSH No. 1-D to Swinomish Slough, and recorded February 6, 1961, under Auditor's File No. 603837.

TOGETHER WITH the West 67.40 feet of the following described property:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway, 80 rods East of the Section line between Sections 4 and 5, said Township and Range;
thence West 10 rods along the South line of said Anacortes-Mount Vernon Highway;
thence South 8 rods;
thence East parallel to the South line of said Highway 10 rods to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North 8 rods along the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the point of beginning;



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Exhibit C continued

PARCEL "A" continued:

EXCEPT any portion thereof lying within the boundaries of a tract conveyed to George Sullivan and Dora Sullivan, husband and wife, by deed dated April 29, 1946, recorded May 18, 1946, in Volume 209 of Deeds, page 449, under Auditor's File No. 391956, records of Skagit County, Washington,

Situate in the City of Anacortes, County of Skagit, State of Washington.

PARCEL "B":

Parcel B of that certain Boundary Line Adjustment Survey approved April 23, 2010, recorded May 12, 2010, under Auditor's File No. 201005120047, records of Skagit County, Washington and being more fully described as follows:

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway, 80 rods East of the Section line between Sections 4 and 5, said Township and Range;
thence West 10 rods along the South line of said Anacortes-Mount Vernon Highway;
thence South 8 rods;
thence East parallel to the South line of said Highway 10 rods to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North 8 rods along the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the point of beginning;

EXCEPT any portion thereof lying within the boundaries of a tract conveyed to George Sullivan and Dora Sullivan, husband and wife, by deed dated April 29, 1946, recorded May 18, 1946, in Volume 209 of Deeds, page 449, under Auditor's File No. 391956, records of Skagit County, Washington,

AND EXCEPT the West 67.40 feet thereof.

Situate in the City of Anacortes, County of Skagit, State of Washington.



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