RECORDING REQUESTED BY AND
AFTER RECORDING MAIL TO:

199911020047
Kathy Hill, Skagit County Auditor
11/2/1999 Page 1 of 6 12:08:29PM

Everett Mutual Bank
P O Box 569
Everett, WA 98206
Attention: Cindy McCulley

Loan No. 29-002553

LAND TITLE COMPANY OF SKAGIT COUNTY

DO NOT WRITE OUTSIDE OF BORDER

T-91095 **OR ALTER THIS DOCUMENT WITHOUT APPROVAL**

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT
AND ESTOPPEL CERTIFICATE

THIS AGREEMENT AND CERTIFICATE is made this 21st day of October, 1999, between **Everett Mutual Bank,** a state banking association chartered under the laws of the State of Washington (Lender), and **STARBUCKS CORPORATION**.

RECITALS

A. Madrona Real Estate Investors One, LLC (Landlord), Is the owner of real property (Property) located in **Skagit** County, Washington, and legally described as:

(SHORT LEGAL) Lots 1-8 inclusive, the east 24 feet of Lot 17, and Lots 18-20, Block 46, Map of City of Anacortes, recorded in Vol 2, pages 4-7, Skagit County, WA.

Additional (full) legal description on page Addendum.

Tax Parcel No. Skagit County Assessor Parcel Nos. 3772-046-004-009, and -006-007, and –008-005 and –020-0009

Property Address: 1720 Commercial Ave.; Anacortes, WA. 98221

B. Tenant is a tenant of a portion of the Property (Premises) under a lease (Lease) with Landlord dated **March 15, 1999**

C. Lender has agreed to make a loan (Loan) to Landlord, secured by a Deed of Trust, Assignment of Rents and Leases and Security Agreement (Deed of Trust) encumbering the Property. The Deed of Trust constitutes a present assignment to Lender for security purposes, all right, title, and interest of Landlord under the Lease. The Deed of Trust was recorded on 11-2, 1999 under Skagit County Auditor's File No. 199911020042. (Title company to complete after recordation of said Deed of Trust and prior to the recording of this document.)

D. Lender's agreement to make the Loan is conditioned on Tenant's subordination of the Lease to the Deed of Trust, and Tenant's agreement to attorn to Lender if Lender obtains possession of the Property by foreclosure or deed in lieu of foreclosure. Tenant is willing to do so in consideration of the benefits to Tenant from the Loan and Lease and Lender's agreement not to disturb Tenant's possession of the Premises under the Lease.

NOW, THEREFORE, Lender and Tenant agree as provided below.

1. Subordination. Tenant hereby subordinates the Lease and all of its rights thereunder to the Deed of Trust and All of Lender's rights thereunder, including any and all renewals, modifications and extensions thereof. ~~Without limiting the generality of the foregoing, such subordination shall include all rights of the Tenant in connection with any insurance or condemnation proceeds with respect to the Premises or Property.~~

2. Nondisturbance. Lender agrees that Tenant's possession of the Premises shall not be disturbed by Lender during the term of the Lease, and Lender shall not join Tenant in any action or proceeding for the purpose of terminating the Lease, except upon the occurrence of a default by Tenant under the Lease and the continuance of such default beyond any cure period given to Tenant under the Lease.

3. Attornment. If Lender obtains possession of the Property by foreclosure or deed in lieu of foreclosure, Tenant shall attorn to Lender and recognize Lender as the landlord under the Lease for the unexpired term of the Lease plus any unexercised renewal option. Such attornment shall be effective without Lender being (i) subject to any offsets or defenses, or otherwise liable, for any prior act or omission of Landlord, *see below (ii) bound by any material amendment, material modification, or waiver of any of the provisions of the Lease, ~~or by any separate agreement between Landlord and Tenant relating to the Premises or Property,~~ unless any such action was taken with the prior written consent of the Lender, such consent shall not be unreasonably withheld or delayed (iii) liable for the return of any security or other deposit unless the deposit has been paid to Lender, (iv) bound by any payment of rent ~~or other monthly payment~~ under the Lease made by Tenant more than the current month plus one (1) month in advance of the due date. Lender's obligations as landlord under the Lease after obtaining possession of the Property by foreclosure or deed in lieu of foreclosure shall terminate upon Lender's subsequent transfer of its interest in the Property. *, with the exception of any offsets, defenses, or any act or omission of a continuing nature of which Lender received notice of.

4. Termination of Lease. Notwithstanding any other provision of this Agreement, in the event Lender obtains ownership of the Property by foreclosure or deed in lieu of foreclosure and the Lease requires the landlord to construct any improvements on the Premises or Property, the Lease shall terminate unless (i) Lender delivers written notice to Tenant expressly assuming such obligation within ten (10) days after the foreclosure sale or acceptance of the deed in lieu of foreclosure, or (ii) Tenant waives such obligation by delivery of written notice to Lender within ~~ten (10)~~ thirty (30) days after receiving notice of the foreclosure or deed in lieu of foreclosure.

5. Covenants of Tenant. Tenant ~~covenants and agrees~~ acknowledges with Lender as follows:

(a) Tenant shall pay to Lender all rent and other payments otherwise payable to Landlord under the Lease upon written demand from Lender. The consent and approval of Landlord to this Agreement shall constitute an express authorization for Tenant to make such payments to Lender and a release and discharge of all liability of Tenant to Landlord for any such payments made to Lender.

(b) Tenant shall enter into no material amendment or modification of any of the provisions of the Lease without Lender's prior written consent, such consent shall not be unreasonably withheld or delayed.

(c) Tenant shall not subordinate its rights under the Lease to any other mortgage, deed of trust, or other security instrument without the prior written consent of Lender.

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(d) Tenant shall not accept any waiver or release of Tenants obligations under the Lease by Landlord, or any termination of the Lease by Landlord, without Lenders prior written consent.

(e) Tenants shall promptly deliver written notice to lender of any default by Landlord under the Lease. Lender shall have the right to cure such default within thirty (30) days after the receipt of such notice. Tenant further agrees not to invoke any of its remedies under the Lease until thirty (30) days have elapsed, or during any period that Lender is proceeding to cure the default with due diligence, or is attempting to obtain the right to enter the Premises and cure the default.

6. Effect of Assignment. Notwithstanding that Landlord has made a present assignment for security purposes, of all of its rights under the Lease to Lender, Lender shall not be liable for any of the obligations of Landlord to Tenant under the Lease until Lender has obtained possession of the property by foreclosure or deed in lieu of foreclosure, and then only to the extent provided in paragraph 3 above.

7. Estoppel Certifications. Tenant hereby ~~certifies~~ acknowledges to Lender as provided below. DG

(a) The Lease constitutes the entire agreement between Landlord and Tenant relating to the Premises and the Property.

(b) The Lease is in full force and effect, and has not been amended, modified, or assigned by Tenant. Tenant reserves its right to Sublease/Assignment per the Lease. DG

(c) No payments to become due under the Lease have been paid more than the current month plus one (1) month in advance of the due date. DG

(d) As of the date herein and to Tenant's Knowledge, Tenant has no present claim, offset or defense under the Lease, and Tenant has no knowledge of any uncured default by Landlord under the Lease. Tenant reserves its right to early termination and self-help per the Lease. DG

(e) Tenant has no knowledge of any prior sale, transfer, assignment, hypothecation or pledge of Landlord's interest under the lease or of the rents due under the lease.

(f) Except as otherwise provided in the Lease, Tenant has made no agreement with Landlord concerning free rent, partial rent, rebate of rental payments, setoff, or any other type of rental concession.

8. Costs and Attorneys' Fees. In the event of any claim or dispute arising out of this Agreement, the party that substantially prevails shall be awarded, in addition to all other relief, all attorneys' fees and other costs and expenses incurred in connection with such claim or dispute, including without limitation those fees, costs, and expenses incurred before or after suit, and in any arbitration, and any appeal, any proceedings under any present or future bankruptcy act or state receivership, and any post-judgment proceedings.

9. Notices. All notices to be given under this Agreement shall be in writing and personally delivered or mailed, postage prepaid, certified or registered mail, return receipt requested, to Lender at the address indicated on the first page of this Agreement, and to Tenant at its address indicated below. All notices which are mailed shall be deemed given three (3) days after the postmark thereof. Either party may change their address by delivery of written notice to the other party.

10. Miscellaneous. This Agreement may not be modified except in writing and executed by the parties hereto or their successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns. As used herein, "Landlord" shall include Landlord's predecessors and successors in interest under the Lease, and "Lender" shall include any purchaser of the Property at any foreclosure sale. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be considered severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect as if such provision had not been included. This Agreement shall be governed by the laws of the State of Washington.

DATED this 21st day of October, 1999.

"LENDER"

Everett Mutual Bank, a state banking association chartered under the laws of the State of Washington

By: ______________________

Its: V.P ______________________

INCLUDE NOTARY ACKNOWLEDGMENTS FOR TENANT(S) AND LANDLORD SIGNATURES NOTARY ACKNOWLEDGMENTS ATTACHED

"TENANT" Name:

STARBUCKS CORPORATION

By: ______________________
~~Arthur Rubinfeld~~ Douglas Gordon

Its: ~~Senior Vice President - Store Development~~ Director, Property Management

Address: 2401 Utah Avenue South
Seattle, WA. 98134

CONSENTED AND AGREED TO:

"LANDLORD" Name

Madrona Real Estate Investors One, LLC

By: ______________________
Madrona Real Estate Services, LLC

Its: Manager

By: ______________________
Bradford G. Augustine

Its: Managing Member

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STATE OF WASHINGTON)
County of King) ss
)

On this 21st day of October, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Douglas Gordon, to me known as, or providing satisfactory evidence that he is the Director of Property Management of Starbucks Corporation, a Washington corporation, the 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 stated that he is authorized to execute said instrument.

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

ROB CHANDLER
COMMISSION EXPIRES
NOTARY PUBLIC
8-26-02
STATE OF WASHINGTON

R Chandler
Notary Public in and for the State of Washington
Residing at Seattle, WA
My commission expires: 08-26-02
Print Name: Rob Chandler

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON County ss: King

On this 17th day of September, ~~199_~~ 1999 before me, the undersigned, a Notary Public in and for the State of Washington ______, duly commissioned and sworn, personally appeared ______ Bradford G. Augustine and ______, to me known to be the Managing Member and ______, respectively of the Limited Liability Company that executed the within and foregoing instrument, and acknowledged 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 said instrument.

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

My Commission Expires: 10/7/02

Notary Public in and for the State of Washington

Residing at: Seattle, WA

PLACE NOTARY SEAL WITHIN THIS AREA

GEORGE JAKOTICH
COMMISSION EXPIRES
NOTARY PUBLIC
10-07-02
STATE OF WASHINGTON

DO NOT WRITE WITHIN THE ONE INCH MARGIN OF THIS DOCUMENT OR IT WILL NOT BE RECORDABLE IN THE STATE OF WASHINGTON