

After recording return to:  
Bendich, Stobaugh & Strong  
900 Fourth Avenue, #3800  
Seattle, WA 98164

LAND TITLE COMPANY OF SKAGIT COUNTY

SUBORDINATION AGREEMENT

Reference Number: 200208060036

Grantor: Ace Hardware of Anacortes, Inc.

Legal description: Ptn SW 1/4 NW 1/4 in 19-35-02 aka Lots 2 & #, S/P #ANA94-002  
Additional Legal attached as Exhibit A.

Tax Parcel ID #: 350219-0-030-0000, 350219-0-041-0007

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT. IT IS RECOMMENDED THAT PRIOR TO EXECUTION OF THIS SUBORDINATION AGREEMENT THE SUBORDINATOR CONSULT WITH HER ATTORNEY.

Ace Hardware of Anacortes, Inc., referred to herein as "Subordinator," agrees as follows:

1. Subordinator is the tenant of a lease covering the premises located at 1806 Q Avenue, Anacortes, WA 98221 The full legal description of the premises is attached as Exhibit A.
2. Gumbo Properties, L.L.C. owns the real property legally described at Exhibit A and is referred to herein as "Owner."
3. Owner has executed, or is about to execute, a deed of trust in favor of Evergreen Community Development Association ("Evergreen") to secure a note in the original principal amount of \$743,000. This deed of trust and note will be assigned by Evergreen to the United States Small Business Administration ("SBA"). The deed of trust will be referred to in this document as "the SBA Deed of Trust" and Evergreen and SBA will be referred to collectively as

**“Lender.”**

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds under the note and all agreements in connection therewith the Subordinator does hereby unconditionally its leasehold interest in the real property described at Exhibit A to the lien of the SBA Deed of Trust, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.

5. It is understood by the parties hereto that Lender would not make the loan secured by the SBA Deed of Trust without this agreement.

6. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the lease above mentioned to the SBA Deed of Trust and shall supersede and cancel any prior agreements as to such.

7. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement.

EXECUTED this 2<sup>nd</sup> day of August, 2002.

ACE HARDWARE OF ANACORTES, INC.

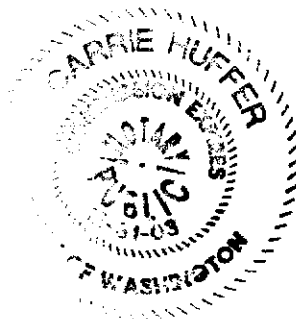
By: Patricia E. Strand  
Patricia E. Strand, President

State of Washington )  
 ) ss.  
County of Skagit )

I certify that I know or have satisfactory evidence that Patricia E. Strand is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President of Ace Hardware of Anacortes, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 2, 2002

(Seal or stamp)



NOTARY PUBLIC in and for the State of  
Washington, residing at Burlington

My commission expires: 12/31/2003



**Skagit County Auditor**

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EXHIBIT A

Lots 2 and 3 of Anacortes Short Plat No. ANA 94-002, approved November 28, 1994 and recorded December 8, 1994, under Auditor's File No. 9412080088 in Volume 11 of Short Plats, page 154, records of Skagit County, Washington; being a portion of Government Lot 2 in Section 19, Township 35 North, Range 2 East, W.M.

Situate in County of Skagit, State of Washington.

vjl\72.03



200208060039  
Skagit County Auditor