



200812290105
Skagit County Auditor

12/29/2008 Page 1 of 12 3:21PM

After filing return to:

BANK OF AMERICA, N.A.
Pasadena - Credit Services
Attn: Notice Desk
CA9-702-05-71
101 S. Marengo Avenue, 5th Floor
Pasadena, CA 91101-2428

Attention: Loan Administrator

GUARDIAN NORTHWEST TITLE CO

45707-2

SUBORDINATION AGREEMENT - LEASE

Grantor #1: S.F. Associates, a Washington General Partnership

Grantor #2: Seabear Company

Grantee: BANK OF AMERICA, N.A.

Abbreviated Legal Description:

Ptn. 10 and 11, "Anacortes Industrial Park"

Additional legal description is on Exhibit A of document.

Assessor's Property Tax Parcel Account Number(s):

Parcel A; 4198-000-011-0209 (P77989); Parcel B; 4198-000-011-0001 (P77987)

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

LS# 9207160161 dated MARCH 30, 1992
DT# 200812290104

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 December 16, 2008, by and among Seabear Company ("Lessee") and S.F. Associates, a Washington General Partnership ("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 March 30, 1992 ("Lease"), covering certain premises located at 605 30th Street, Anacortes, WA 98221 (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 December 16, 2008, 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.



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

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.

LESSEE:

Seabear Company

By: 

Michael Mondello, President & CEO

By: _____

Daniel E. Jondal, Vice-President & CFO

LESSOR:

S.F. Associates, a Washington General Partnership

By: _____

Michael Harang, General Partner

By: _____

Eileen Harang, General Partner

By: Skookumchuk, LLC, General Partner

By: _____

Denise G. Tabbutt, Managing-Member of Skookumchuk, LLC

[All signatures must be acknowledged]



ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____
Print name: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____
Print name: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____

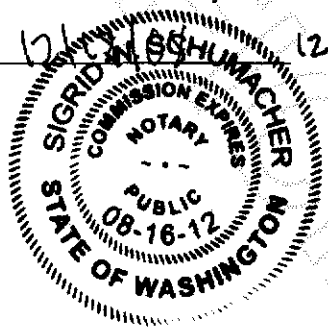


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STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Michael Mondello 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 & CEO of Sealco Company, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 12/18/2008 Sigrid Schumacher
NOTARY PUBLIC in and for the State of Wa.
Washington residing at: Skagit
My commission expires: 8/16/2012



STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____
NOTARY PUBLIC in and for the State of _____
Washington residing at: _____
My commission expires: _____



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

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.

LESSEE:

Seabear Company

By: _____
Michael Mondello, President & CEO

By: _____
Daniel E. Jondal, Vice-President & CFO

LESSOR:

S.F. Associates, a Washington General Partnership

By: _____
Michael Harang, General Partner

By: _____
Eileen Harang, General Partner

By: Skookumchuk, LLC, General Partner

By: _____
Denise G. Tabbutt, Managing-Member of Skookumchuk, LLC

[All signatures must be acknowledged]



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ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____
Print name: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: _____

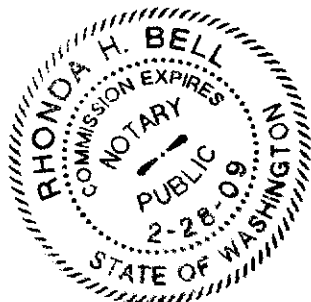
NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____
Print name: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that Denise Tabbutt 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 Managing member of Skagit County LLC, a LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 12-9-08

Denise Tabbutt
NOTARY PUBLIC in and for the State of
Washington residing at: Seattle
My commission expires: 2-28-09



1000032854



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STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____



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

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LESSEE:

Seabear Company

By: _____
Michael Mondello, President & CEO

By: _____
Daniel E. Jondal, Vice-President & CFO

LESSOR:

S.F. Associates, a Washington General Partnership

By: *Michael Harang*
Gordon Michael Harang, General Partner

By: *Eileen Harang*
Eileen Harang, General Partner

By: Skookumchuk, LLC, General Partner

By: _____
Denise G. Tabbutt, Managing-Member of Skookumchuk, LLC

[All signatures must be acknowledged]



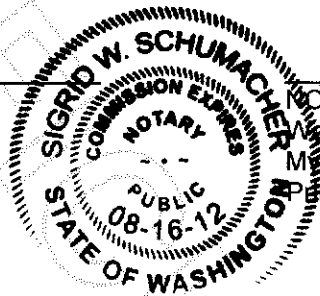
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ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Gordon Harang is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: 12/8/08



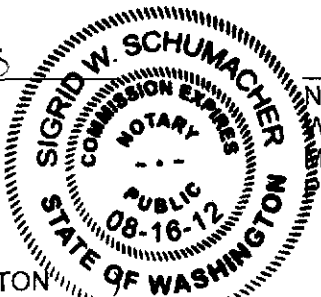
Sigrid Schumacher
NOTARY PUBLIC in and for the State of Wa.
Washington residing at: Skagit Co.
My commission expires: 8/16/2012
Print name: _____

SIGRID SCHUMACHER

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Eileen Harang is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Date: 12/20/2008



Sigrid Schumacher
NOTARY PUBLIC in and for the State of Wa.
Washington residing at: Skagit County
My commission expires: 8/16/2012
Print name: _____

SIGRID SCHUMACHER

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____



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STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at: _____
My commission expires: _____



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Skagit County Auditor

EXHIBIT A

PARCEL "A":

LOT 10, EXCEPT THE NORTH 180 FEET THEREOF, AND LOT 11, EXCEPT THE NORTH 180 FEET THEREOF, ALL IN "ANACORTES INDUSTRIAL PARK ADDITION", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 10 OF PLATS, PAGE 19, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL "B":

THE NORTH 180 FEET OF LOTS 10 AND 11, "ANACORTES INDUSTRIAL PARK ADDITION", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 10 OF PLATS, PAGE 19, RECORDS OF SKAGIT COUNTY, WASHINGTON, EXCEPT THE WEST 130 FEET OF LOT 11, OF SAID PLAT.



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