

**AFTER RECORDING MAIL TO:**  
KeyBank National Association  
Mail Code: ID-56-PC-0125  
431 Park center Blvd.  
P.O. Box 5278  
Boise, ID 83705



200908310136  
Skagit County Auditor

8/31/2009 Page 1 of 12 3:26PM

Document Title(s): (or transactions contained therein)

**SUBORDINATION AGREEMENT**



*First American  
Title Insurance Company*

NATIONAL COMMERCIAL SERVICES

Reference Number(s) of Documents assigned or released: DT#200810230008  
DT# 200908310135  
Additional numbers on page of document

**GUARDIAN NORTHWEST TITLE CO.**  
48022-2

Grantor(s): (Last name first, then first name and initials)

Lindal Cedar Homes, Inc.

Additional names on page of document

Grantee(s): (Last name first, then first name and initials)

KeyBank National Association

Additional names on page of document

Abbreviated Legal Description as follows:(i.e. lot/block/plat or section/township/range/quarter/quarter)

Ptn Blks 3, 4, 7 and 8 Albertsons Add

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

**4078-009-011-007(P72436)**

**NOTE:** The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

UNOFFICIAL DOCUMENT

## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "*Agreement*") is made and executed this 31st day of July, 2009, by and among LINDAL LEGACY REALTY, LLC, a Washington limited liability company ("*Lindal Legacy*"), SPRUCE STREET, LLC, a Washington limited liability company ("*Spruce Street*") (each of Lindal Legacy and Spruce Street may individually or collectively be referred to herein as "*Obligor*"), LINDAL CEDAR HOMES, INC., a Washington corporation ("*Borrower*"), and KEYBANK NATIONAL ASSOCIATION ("*Lender*"). The address for each of Borrower, Lindal Legacy and Spruce Street is 4300 S. 104th Place, Seattle, WA 98178, Attn: Robert W. Lindal. The address for Lender is WA-NM-Seattle Corporation Banking, 1301 5th Avenue, 24th Floor, Seattle, WA 98101.

WHEREAS, Lindal Legacy is indebted to Borrower in the total amount of TWO MILLION THREE HUNDRED THOUSAND and NO/100 UNITED STATES DOLLARS (US \$2,300,000.00), as referenced in that certain Promissory Note between Lindal Legacy and Borrower, dated as of October 23, 2008, a copy of which is attached hereto as Exhibit A, plus any unpaid interest, charges, fees, costs or expenses arising from said Promissory Note (the "*Subordinated Note*");

WHEREAS, the Subordinated Note is secured by that certain Deed of Trust, Security Agreement and Fixture Filing With Assignment of Leases and Rents between Spruce Street (as Grantor), Chicago Title Insurance Company (as Trustee) and Borrower (as Grantee), dated October 23, 2008 and recorded under Skagit County Recording No. 200810230008 (the "*Subordinated Deed of Trust*");

WHEREAS, the property covered by the Subordinated Deed of Trust (the "*Property*") is leased by Spruce Street to Borrower;

WHEREAS, Borrower is requesting financing from Lender in the amount of Two Million and No/100 Dollars (\$2,000,000.00) (the "*Lender's Loan*") pursuant to that certain Business Loan Agreement, Promissory Note, Commercial Security Agreement and other loan documents between Borrower and Lender, each dated of even date herewith, and which Loan is to be further secured by that certain Deed of Trust on the Property ("*Lender's Deed of Trust*") between Spruce Street (as Grantor), First American Title Insurance Company (as Trustee) and Lender (as Beneficiary) (collectively, the "*Lender's Loan Documents*"); and DT# 200908310135

WHEREAS, it is a condition of Lender's agreement to make Lender's Loan that Borrower also subordinate all of Borrower's rights under the Subordinated Note, and Borrower's rights and lien position under the Subordinated Deed of Trust, to all of Lender's rights under Lender's Loan, Lender's Loan Documents and Lender's Deed of Trust.

NOW, THEREFORE, in consideration of the foregoing and the representations and acknowledgments contained in this Agreement, Borrower and Obligor agree with Lender as follows:

1. **CURRENT INDEBTEDNESS OWING TO CREDITOR.** As of the date of this Agreement, Obligor is indebted to Borrower in the total amount of TWO MILLION THREE HUNDRED THOUSAND and NO/100 UNITED STATES DOLLARS (US \$2,300,000.00), as referenced in the Subordinated Note. The Subordinated Note is secured by the Subordinated

*Subordination of Promissory Note and Deed of Trust - 1*  
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200908310136  
Skagit County Auditor

Deed of Trust. Borrower represents and warrants to Lender that, except as otherwise previously disclosed to Lender in writing, this amount is the total indebtedness of every kind from Obligor to Borrower.

**2. DEFINITIONS.** The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require.

**"Subordinated Indebtedness"** shall mean all existing indebtedness owed by Obligor to Borrower, including without limitation all indebtedness arising from the Subordinated Note, including all renewals, extensions, modifications and substitutions for all such indebtedness, including principal, interest, and all costs and attorneys' fees, relating to all such indebtedness.

**"Superior Indebtedness"** shall mean and include all present and future indebtedness, obligations, liabilities, claims, rights, and demands of any kind which may be now or hereafter owing from Borrower to Lender. The term "Superior Indebtedness" is used in its broadest sense and includes without limitation all principal, interest, costs, attorneys' fees, sums paid for the purpose of protecting Lender's rights in security (such as paying for insurance on collateral if the owner fails to do so), contingent obligations of Borrower (such as a guaranty), and all obligations arising by reason of Borrower's accounts with Lender (such as an overdraft on a checking account), and all other obligations of Borrower to Lender, secured or unsecured, of any nature whatsoever.

**"Security Interest"** shall mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise, including without limitation the Subordinated Deed of Trust.

**3. SUBORDINATION.** All Subordinated Indebtedness of Obligor to Borrower is and shall be subordinated in all respects to all Superior Indebtedness of Borrower to Lender. Borrower also subordinates all Borrower's Security Interests to all Security Interests held by Lender in any of Obligor's real property or personal property, whether now existing or hereafter acquired, including without limitation the subordination of the lien of the Subordinated Deed of Trust to the lien of Lender's Deed of Trust, and Obligor and Borrower agree to promptly execute any additional documents Lender reasonably determines necessary or prudent to evidence and perfect said Security Interest subordination.

**4. PAYMENTS TO BORROWER.** In the event of any distribution, division, or application, whether partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of any Obligor's assets, or the proceeds of any Obligor's assets, in whatever form, to creditors of such Obligor or upon any indebtedness of such Obligor, whether by reason of the liquidation, dissolution or other winding-up of the Obligor, or by reason of any



execution sale, receivership, insolvency, or bankruptcy proceeding, assignment for the benefit of creditors, proceedings for reorganization, or readjustment of the Obligor or the Obligor's properties, then and in such event, (a) the Superior Indebtedness shall be paid in full before any payment is made upon the Subordinated Indebtedness; and (b) all payments and distributions, of any kind or character and whether in cash, property, or securities, which shall be payable or deliverable upon or in respect of the Subordinated Indebtedness shall be paid or delivered directly to Lender for application in payment of the amounts then due on the Superior Indebtedness until the Superior Indebtedness shall have been paid in full. In order that Lender may establish its right to prove claims and recover for its own account dividends based on the Subordinated Indebtedness, Borrower does hereby assign all its right, title, and interest in such claims to Lender. Borrower further agrees to supply such information and evidence, provide access to and copies of such of Borrower's records as may pertain to the Subordinated Indebtedness, and execute such instruments as may be required by Lender to enable Lender to enforce all such claims and collect all dividends, payments, or other disbursements which may be made on account of the Subordinated Indebtedness. For such purposes, Borrower hereby irrevocably authorizes Lender in its discretion to make and present for or on behalf of Borrower such proofs of claims on account of the Subordinated Indebtedness as Lender may deem expedient and proper and to vote such claims in any such proceeding and to receive and collect any and all dividends, payments, or other disbursements made thereon in whatever form the same may be paid or issued and to apply the same on account of the Superior Indebtedness. Should any payment, distribution, security, or proceeds thereof be received by Borrower at any time on the Subordinated Indebtedness contrary to the terms of this Agreement, Borrower immediately will deliver the same to Lender in precisely the form received (except for the endorsement or assignment of Borrower if necessary), for application on or to secure the Superior Indebtedness, whether it is due or not due, and until so delivered the same shall be held in trust by Borrower as property of Lender. In the event Borrower fails to make any such endorsement or assignment, Lender, or any of its officers on behalf of Lender, is hereby irrevocably authorized by Borrower to make the same.

**5. OBLIGOR'S NOTES.** Borrower agrees to include on each and every note of an Obligor to Borrower a notation indicating that said note is subject to this Agreement and junior in right of payment to all indebtedness of Lender. Borrower further agrees to deliver to Lender, at Lender's request, copies of all notes of Obligor(s) to Borrower, or other evidence of the Subordinated Indebtedness, now held or hereafter acquired by Borrower, while this Agreement remains in effect. At Lender's request, each Obligor also will execute and deliver to Borrower a promissory note evidencing any book account or claim now or hereafter owed by such Obligor to Borrower, which note also shall be delivered by Borrower to Lender. Borrower agrees not to sell, assign, pledge, encumber or otherwise transfer any of such notes unless such sale, assignment, pledge, encumbrance, or transfer is made expressly subject to this Agreement.

**6. BORROWER'S REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants to Lender that: (a) this Agreement has been duly executed and delivered by Borrower and constitutes a valid and binding obligation, enforceable against Borrower in accordance with its terms; (b) the execution and delivery of this Agreement, the performance by Borrower of its obligations hereunder and the consummation by Borrower of the transactions contemplated hereby will not violate any contract or agreement to which Borrower or any of its affiliated companies is a party or any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state, or local court or require any regulatory approval beyond those contemplated herein; (c) Borrower has the full legal right, power and authority and has taken all



action necessary to enter into this Agreement, to perform its obligations hereunder, and to consummate all other transactions contemplated by this Agreement; (d) no representations or agreements of any kind have been made to Borrower which would limit or qualify in any way the terms of this Agreement; (e) Lender has made no representation to Borrower as to the creditworthiness of any Obligor; (e) there is no other indebtedness by any Obligor to Borrower other than what is expressly disclosed in writing in this Agreement; and (f) Borrower has established adequate means of obtaining from each Obligor on a continuing basis information regarding each Obligor's financial condition. Borrower agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Borrower's risks under this Agreement, and Borrower further agrees that Lender shall have no obligation to disclose to Borrower information or material acquired by Lender in the course of its relationship with Obligor.

**7. OBLIGOR'S REPRESENTATIONS AND WARRANTIES.** Each Obligor represents and warrants to Lender that: (a) this Agreement has been duly executed and delivered by such Obligor and constitutes a valid and binding obligation, enforceable against the Obligor in accordance with its terms; (b) the execution and delivery of this Agreement, the performance by the Obligor of its obligations hereunder and the consummation by the Obligor of the transactions contemplated hereby will not violate any contract or agreement to which such Obligor is a party or any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court or require any regulatory approval beyond those contemplated herein; (c) such Obligor has the full legal right, power and authority and has taken all action necessary to enter into this Agreement, to perform its obligations hereunder, and to consummate all other transactions contemplated by this Agreement; (d) no representations or agreements of any kind have been made to any Obligor which would limit or qualify in any way the terms of this Agreement; and (e) except as expressly permitted by this Agreement, it will not make any payment of any of the Subordinated Indebtedness to Borrower.

**8. BORROWER'S WAIVERS.** Borrower waives any right to require Lender: (a) to make, extend, renew, or modify any loan to any Obligor or to grant any other financial accommodations to any Obligor whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Superior Indebtedness or of any nonpayment related to any Security Interests, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional Superior Indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including an Obligor; (d) to satisfy any requirement of promptness, diligence, notice of acceptance, and any other notice with respect to any of the Superior Indebtedness and this Agreement; (e) to protect, secure, perfect, or insure any Security Interest or lien or any property subject to the Superior Indebtedness or exhaust any right or take any action against an Obligor or any other person or entity or any collateral; (f) to marshal the assets of an Obligor; (g) to proceed directly against or exhaust any Security Interests held by Lender from an Obligor, any other guarantor, or any other person; (h) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from an Obligor or to comply with any other applicable provisions of the Uniform Commercial Code; (i) to pursue any other remedy within Lender's power; or (j) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.



**9. LENDER'S RIGHTS.** Lender may take or omit any and all actions with respect to the Superior Indebtedness or any Security Interests for the Superior Indebtedness without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Borrower, (a) make one or more additional secured or unsecured loans to an Obligor; (b) take and hold Security Interests for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such Security Interests, with or without the substitution of new collateral; (c) release, substitute, agree not to sue, or deal with any one or more of any Obligor's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (d) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (e) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (f) assign this Agreement in whole or in part.

**10. OBLIGATIONS HEREUNDER NOT AFFECTED.** This Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Superior Indebtedness is rescinded or must otherwise be returned by Lender upon the insolvency, bankruptcy, or reorganization of an Obligor or otherwise, as though such payment had not been made. Further, all rights and interests of Lender hereunder, and all agreements and obligations of Borrower and each Obligor under this Agreement, shall remain in full force and effect irrespective of (a) any lack of validity or enforceability of the Superior Indebtedness, or any other agreement or instrument relating thereto; (b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Superior Indebtedness, or any other amendment or waiver of or any consent to departure from the documents related to the Superior Indebtedness; (c) any exchange, release, or nonperfection of any collateral for the Superior Indebtedness, or any release or amendment or waiver of or consent to departure from any guaranty, of or for all or any of the Superior Indebtedness; (d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Obligor or Borrower; (e) any assignment, endorsement, or transfer, in whole or in part, of the Superior Indebtedness, although made without notice to, or the consent of, Borrower, an Obligor, or any other party; (f) any extension of the time for payment or performance of all or any portion of the Superior Indebtedness; or (g) the operation of law or any other cause, whether similar or dissimilar to the foregoing, or any adjustment, indulgence, forbearance or compromise that may be granted or given by Lender to any party, or the failure by Lender to file or enforce a claim against an Obligor, or any impairment, modification, change, release, or limitation of liability of, or stay of action or lien enforcement proceeding against an Obligor or its properties, or its estate in bankruptcy resulting from the operation of any present or future provision of the Federal Bankruptcy Code or any other similar federal or state statute; it being the intention of the parties hereto that this Agreement shall remain in full force and effect notwithstanding any act, omission, or thing which might, but for the provisions hereof, otherwise operate as a legal or equitable discharge of Borrower or an Obligor from the provisions hereof.

**11. DEFAULT BY OBLIGOR.** If any Obligor becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of any Obligor under the provisions of the Bankruptcy Code, as amended, this Agreement shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Agreement in approving any such plan of reorganization or arrangement. Any default by any Obligor under the terms of the Subordinated Indebtedness also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.



200908310136  
Skagit County Auditor

**12. DURATION AND TERMINATION.** This Agreement will take effect when received by Lender, without the necessity of any acceptance by Lender, in writing or otherwise. Any notes lodged with Lender pursuant to the section titled "Obligor's Notes" above need not be returned until this Agreement has no further force or effect.

**13. MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**A. Continuing and Binding Agreement/Amendments.** This Agreement, together with all other documents referred to in this Agreement, including any documents related to the Superior Indebtedness or Subordinated Indebtedness, constitutes the entire understanding and agreement of the parties as to the matters set forth herein. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment. This Agreement is a continuing agreement and shall: (a) remain in full force and effect until the Superior Indebtedness shall have been paid in full or until Lender acknowledges in a written notice delivered to Borrower that the Superior Indebtedness has been otherwise satisfied; (b) be binding upon Lender, Borrower, each Obligor and their respective affiliates, heirs, successors and assigns; and (c) inure to the benefit of and be enforceable by Lender, Borrower, each Obligor and their respective affiliates, heirs, successors, transferees, and assigns.

**B. Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**C. Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**D. Governing Law.** This Agreement will be governed by, construed and enforced in accordance with federal law and the laws of the State of Washington. This Agreement has been accepted by Lender in the State of Washington.

**E. Interpretation.** With respect to the Borrower and each Obligor, then all words used in this Agreement in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Obligor named in this Agreement or when this Agreement is executed by more than one, the word "Obligor" shall mean all and any one or more of them. Reference to "Obligor" and "Borrower" includes the heirs, successors, assigns, and transferees of each of them. Time is of the essence in the performance of this Agreement.



200908310136

Skagit County Auditor

**F. Successors and Assigns.** This Agreement shall be understood to be for the benefit of Lender and for such other person or persons as may from time to time become or be the holder or owner of any of the Superior Indebtedness or any interest therein, and this Agreement shall be transferable to the same extent and with the same force and effect as the Superior Indebtedness may be transferable.

**G. Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by facsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to all other parties, specifying that the purpose of the notice is to change the party's address.

**H. No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is expressly given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, shall constitute a waiver of any of Lender's rights or of any of Borrower's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**I. Counterparts.** This Agreement and any exhibit hereto may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**J. Authority.** The person who signs this Agreement as or on behalf of Borrower and each Obligor represents and warrants that he or she has authority to execute this Agreement and to subordinate the obligations under the Subordinated Indebtedness to the Superior Indebtedness.

**13. JURY WAIVER. ALL PARTIES TO THIS AGREEMENT HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY.**

**BORROWER AND EACH OBLIGOR ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION AGREEMENT, AND BORROWER AND EACH OBLIGOR EACH TO ITS TERMS.**



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

**BORROWER:**

**LINDAL CEDAR HOMES, INC.**

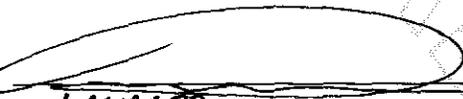
By:   
Its: CHAIRMAN

**OBLIGOR:**

**GRANTOR:**

**SPRUCE STREET, LLC, a Washington limited liability company**

**LINDAL LEGACY REALTY, LLC, a Washington limited liability company**

By:   
Its: MANAGER

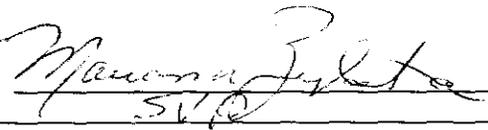
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Its: MANAGER

By:   
Its: MANAGER

By:   
Its: MANAGER

**LENDER:**

**KEYBANK NATIONAL ASSOCIATION**

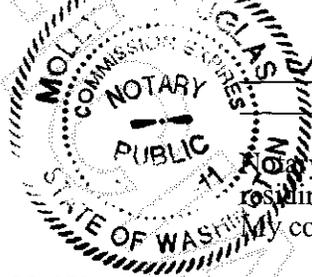
By:   
Its: SVP



STATE OF WASHINGTON )  
 )  
COUNTY OF KING ) ss.

On this day personally appeared before me Robert Lindel to me known to be the Manager of Spruce Street, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 25<sup>th</sup> day of Aug, 2009.

  
Molly Douglas  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at King County  
My commission expires: Oct 22 2011

STATE OF WASHINGTON )  
 )  
COUNTY OF KING ) ss.

On this day personally appeared before me Martin Lindel me known to be the Manager of Spruce Street, LLC, the limited liability company 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 on oath stated that he/she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 25<sup>th</sup> day of Aug, 2009.

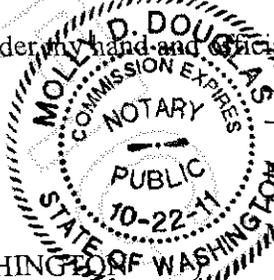
  
Molly Douglas  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at King County  
My commission expires: Oct 22 2011



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me Robert Gindal to me known to be the Manager of LINDAL LEGACY REALTY, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 25<sup>th</sup> day of Aug., 2009.

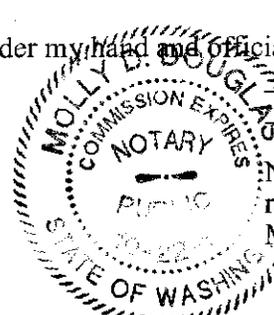


Molly D Douglas  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at King County  
My commission expires: Oct 22 2011

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me Martin Gindal to me known to be the Manager of LINDAL LEGACY REALTY, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 25<sup>th</sup> day of Aug., 2009.



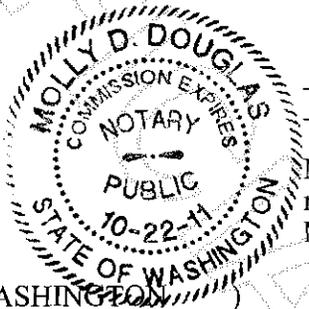
Molly D Douglas  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at King County  
My commission expires: Oct 22 2011



STATE OF WASHINGTON )  
 )  
COUNTY OF KING ) ss.

On this day personally appeared before me Robert Gindoff to me known to be the Chairman of Lindal Cedar Homes, Inc., 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 on oath stated that he was authorized to execute the same instrument.

GIVEN under my hand and official seal this 25 day of Aug, 2009.

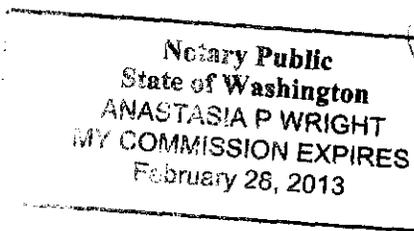


Molly D Douglas  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at King County  
My commission expires: Oct 22 2011

STATE OF WASHINGTON )  
 )  
COUNTY OF KING ) ss.

On this day personally appeared before me Mariann Zystra Senior to me known to be the Vice President of KeyBank National Association, 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 on oath stated that he was authorized to execute the same instrument.

GIVEN under my hand and official seal this 27<sup>th</sup> day of August, 2009.



Anastasia P. Wright  
Anastasia P. Wright  
(print notary's name)  
Notary Public in and for the State of Washington,  
residing at Seattle  
My commission expires: 02-26-2013

