

RETURN ADDRESS:

Umpqua Bank
PO Box 1580
Roseburg, OR 97470



201010250130

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

137128.3

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NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE COLLATERAL BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT AND ESTOPPEL CERTIFICATE

Reference # (If applicable): 68894508

Additional on page ____

Grantor(s):

1. Ardissono, Bridget A. and Ardissono Jr., Robert J., Trustees of Ardissono Revocable Living Trust

Grantee(s)

1. Umpqua Bank

Legal Description: Pnt NE 1/4 Of NE 1/4, 18-34-4 E W.M. (Aka Tr. A, B.S.P. #MV-3-94)

Additional on page ____


Assessor's Tax Parcel ID#: 8000-000-001-0000 8106653

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT dated October 12, 2010 ("Agreement"), is made and executed among Robert J. Ardissono Jr. and Bridget A. Ardissono,* whose address is 7628 NE 140th Place, Bothell, WA 98011-5309 ("Landlord"); Seattle Goodwill Industries, Inc., whose address is 1765 6th Avenue S., Seattle, WA 98134-1608 ("Tenant"); and Umpqua Bank, Lynnwood Commercial Loan Center, C/O Loan Support Services, PO Box 1580, Roseburg, OR 97470 ("Lender").

*Trustees of Ardissono Revocable Living Trust

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SUBORDINATED LEASE. Tenant and Landlord have executed a lease dated November 13, 1998 of the property described herein (the "Lease"). The following information is the summary of the basic terms and conditions of the Subordinated Lease: ~~5-year term and a monthly rent payment of \$12,442.14.~~ *Expiration 2/28/2014 with one five-year renewal option.* 

REAL PROPERTY DESCRIPTION. The Lease covers 19,974 square feet, located at 102 Valley Mall Way, Mount Vernon, WA 98273 of the following described real property (the "Real Property") located in Skagit County, State of Washington:

Tract 1 of Binding Site Plan No. MV-3-94, BSP, approved October 21, 1994, and recorded October 21, 1994, under Auditor's File No. 9410210076, in Volume 11 of Short Plats, pages 130, 131 and 132, records of Skagit County, Washington; being a portion of the Northeast ¼ of the Southeast ¼ of Section 18, Township 34 North, Range 4 East, W.M.

TOGETHER WITH those certain easements for ingress, egress and parking as set forth in "Amendment and Clarification of Reciprocal Covenants and Agreements of Records", as recorded November 15, 1994, under Auditor's File No. 9411150041, and as set forth on the face of Binding Site Plan.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

The Real Property or its address is commonly known as 102 Valley Mall Way, Mount Vernon, WA 98273. The Real Property tax identification number is 8000-000-001-0000.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to Landlord, secured by the Real Property (the "Superior Indebtedness"):

All "Indebtedness" as that term is defined in Lender's Lien.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a mortgage, deed of trust, or other lien instrument, dated October 12, 2010, from Ardisson Revocable Living Trust to Lender (the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease and all of Tenant's rights in the Real Property ("Lease Rights").

REQUESTED FINANCIAL ACCOMMODATIONS. Landlord and Tenant each want Lender to provide financial accommodations to Landlord in the form of the Superior Indebtedness. Landlord and Tenant each represent and acknowledge to Lender that Landlord and Tenant will benefit as a result of these financial accommodations from Lender to Landlord, and Landlord and Tenant acknowledge receipt of valuable consideration for entering into this Agreement.

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY AND RECEIPT OF WHICH ARE HEREBY ACKNOWLEDGED, LENDER, LANDLORD, AND TENANT HEREBY AGREE AS FOLLOWS:

ESTOPPEL CERTIFICATE. Tenant hereby certifies to and agrees with Lender that as of the date of this Agreement, Lender is relying on all of the following certifications and agreements of Tenant as consideration for Lender executing this Agreement:

- (A) The Lease is in full force and effect and is the valid and binding obligation of Tenant, enforceable in accordance with its terms.
- (B) All requirements for the commencement and validity of the Lease have been satisfied.
- (C) Neither Tenant nor Landlord is in default under the Lease and no event has occurred and no condition exists, which with the giving of notice, the passage of time, or both, would constitute a default by Tenant or Landlord under the Lease.



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(D) There are no defenses, counterclaims or setoffs against rents or charges due or which may become due under the Lease and no claim by Tenant of any nature exists against Landlord under the Lease. All obligations of Landlord have been fully performed.

(E) None of the rent, which Tenant is required to pay under the Lease, has been prepaid, or will in the future be prepaid, more than one month in advance.

~~(F) The Lease shall not after the date of this Agreement be modified, terminated, or amended, without the prior written consent of Lender for any termination and each such amendment or modification. Any attempted modification, termination, or amendment without the prior written consent of Lender shall be void.~~

(G) Tenant has not assigned, mortgaged, sublet, encumbered or otherwise transferred any or all of its interest under the Lease, and, during the term of the Loan, agrees to not assign, mortgage, sublet, encumber, or otherwise transfer any or all of its interest under the Lease without the prior written consent of Lender.

SUBORDINATION. Notwithstanding anything in the Lease to the contrary, the parties acknowledge and agree that the Lease and Lease Rights are and shall be subject and subordinate in right, interest and lien, and for all purposes, to Lender's Lien, and to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any subsequent lien of the Lender with which Lender's Lien may be spread or consolidated, to the full extent of the principal sum and all other amounts secured thereby and interest thereon. ~~Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of Lender, and its successors and assigns, without the prior written consent of Lender.~~

NON-DISTURBANCE. So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default of the Loan under the Note and/or under Lender's Lien unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action. ~~If the Lease has not been terminated, then, When Lender succeeds to the interest of Landlord, the Lender shall not terminate or disturb Tenant's possession of Tenant's premises under the Lease, except in accordance with the terms of the Lease and this Agreement.~~

ATTORNMENT. If Lender shall succeed to the interest of the Landlord under the Lease, and the Lease shall not have expired or been terminated in accordance with the terms of the Lease or this Agreement, Tenant shall, from and after such event, attorn to Lender, all rights and obligations under the Lease to continue as though the interest of Landlord had not terminated. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender, any instrument or certificate which, in the sole judgment of Lender, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

NO LIABILITY FOR LENDER. Lender in the event of attornment shall have the same remedies in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of annual base rent or additional rent or in the performance of any of the terms, covenants, and conditions of the Lease on Tenant's part to be performed that are available to Landlord under the Lease. Tenant shall have the same remedies against Lender for the breach of an agreement contained in the Lease that Tenant might have had against Landlord if Lender had not succeeded to the interest of Landlord; provided, however, that Lender shall not be:

- (A) Liable for any act or omission of or any claims against any prior landlord, including Landlord; or
- (B) Subject to any offsets or defenses which Tenant might have against any prior landlord, including Landlord; or



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(C) Bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, including Landlord; or

~~(D) Bound by any amendment or modification of the Lease, or waiver of any of its terms, made without its consent; or~~

(E) Liable for any sum that any prior landlord, including Landlord, owed to Tenant, including without limitation any security deposit, unless the amount owed was actually delivered to Lender; or.

~~(F) Bound by any surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant; or~~

(G) Liable for any construction obligation of any prior landlord, including Landlord; or

(H) Liable for any breach of representation or warranty of any prior landlord, including Landlord.

NEW LEASE. If Lender shall succeed to the Interest of the Landlord under the Lease, upon the written request of Lender to Tenant, Tenant shall execute and deliver to Lender a lease of the Real Property upon the same terms and conditions as the Lease between Landlord and Tenant, which lease shall cover any unexpired term of the Lease existing prior to such transfer.

ACKNOWLEDGMENT AND AGREEMENT BY LANDLORD. Landlord, as landlord under the Lease, acknowledges and agrees for itself and its heirs, successors and assigns to each of the following:

(A) This Agreement does not in any way release Landlord from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Note, Lender's Lien or any other documents executed in connection with the Loan.

(B) In the event of a default under the Note, or any of the other documents executed in connection with the Loan, Landlord hereby consents to Tenant's attornment to Lender and, upon such event, Tenant shall pay all rent and all other sums due under the Lease to Lender as provided in the Lease.

ATTORNEY FEES AND EXPENSES. The undersigned agrees to pay on demand all of Lender's costs and expenses, including Lender's attorney fees and legal expenses, incurred in connection with enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement. Lender may also use attorneys who are salaried employees of Lender to enforce this Agreement. The undersigned shall pay all costs and expenses of all such enforcement. In the event arbitration, suit, action or other legal proceeding is brought to interpret or enforce this Agreement, the undersigned agrees to pay all additional sums as the arbitrator or court may adjudge reasonable as Lender's costs, disbursements, and attorney fees at hearing, trial, and on any and all appeals. As used in this paragraph "Agreement" means the loan agreement, promissory note, guaranty, security agreement, or other agreement, document, or instrument in which this paragraph is found, even if this document is also described by another name. Whether or not an arbitration or court action is filed, all reasonable attorney fees and expenses Lender incurs in protecting its interests and/or enforcing this Agreement shall become part of the indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the promissory note or credit agreement, and shall be paid to Lender by the other party or parties signing this Agreement on demand. The attorney fees and expenses covered by this paragraph include without limitation all of Lender's attorney fees (including the fees charged by Lender's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Lender's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Lender's post-judgment collection activities, Lender's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Lender's collateral, all to the fullest extent allowed by law.



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WAIVE JURY. All parties hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by any party against any other party.

VENUE. The loan transaction that is evidenced by this Agreement has been applied for, considered, approved and made in the State of Washington. If there is a lawsuit relating to this Agreement, the undersigned agrees, at Lender's request, to submit to the jurisdiction of the courts of Clark County, Washington, except and only to the extent of procedural matters related to Lender's perfection and enforcement of its rights and remedies against Lender's collateral. If the law requires that such a suit be brought in another jurisdiction, (e.g. foreclosure of a trust deed in the county in which the property is located). As used in this paragraph, the term "Agreement" means the promissory note, guaranty, security agreement or other agreement, document or instrument in which this paragraph is found, even if this document is described by another name, as well.

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

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration 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.

Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Landlord also will pay any court costs, in addition to all other sums provided by law.

Authority. Any person who signs this Agreement on behalf of Landlord and Tenant represents and warrants that he or she has authority to execute this Agreement.

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.

Counterparts. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Washington.

Notices. Any notice required to be given under this Agreement shall be given in writing, and, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right



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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 among Lender, Landlord, and Tenant shall constitute a waiver of any of Lender's rights or of any of Landlord's and/or Tenant'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.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement.

NOTICE: THIS AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS. THIS AGREEMENT IS DATED OCTOBER 12, 2010.

LANDLORD: Ardissono Revocable Living Trust

x Robert J. Ardissono Jr.
Robert J. Ardissono Jr. Trustee

x Bridget A. Ardissono
Bridget A. Ardissono Trustee

LENDER:

UMPQUA BANK

x Robin Dode
Authorized Officer



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TENANT:

SEATTLE GOODWILL INDUSTRIES, INC.

By: Michael C. Jurich
Authorized Signer for Seattle Goodwill Industries, Inc.

By: Michael C. Jurich VP/CEO
Authorized Signer for Seattle Goodwill Industries, Inc.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
COUNTY OF Snohomish) SS

Notary Public
State of Washington
ELAINE T CORNELL
My Appointment Expires Feb 1, 2014

On this day before me, the undersigned Notary Public, personally appeared Robert J. Ardissono Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Subordination, Non-Disturbance and Attornment Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of October

By: Elaine T. Cornell
Notary Public in and for the State of WA

Residing at 8452 42nd Ave SW
SEATTLE, WA 98136
My commission expires February 1, 2014



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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington
COUNTY OF Snohomish

Notary Public
State of Washington
ELAINE T CORNELL
My Appointment Expires Feb 1, 2014

On this day before me, the undersigned Notary Public, personally appeared Bridget A. Ardissono, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Subordination, Non-Disturbance and Attornment Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of October 2010

By [Signature]
Notary Public in and for the State of WA

Residing at 8452 42nd Ave SW SEATTLE WA 98136
My commission expires February 1, 2014

LENDER ACKNOWLEDGMENT

STATE OF Washington
COUNTY OF Snohomish

Notary Public
State of Washington
ELAINE T CORNELL
My Appointment Expires Feb 1, 2014

On this 15th day of October 2010, before me, the undersigned Notary Public, personally appeared Robin Daulte and personally known to me or proved to me on the basis of satisfactory evidence to be the Sr. Vice President, authorized agent for Umpqua Bank that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Umpqua Bank, duly authorized by Umpqua Bank through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of Umpqua Bank.

By [Signature]
Notary Public in and for the State of WA

Residing at 8452 42nd Ave SW SEATTLE WA 98136
My commission expires February 1, 2014



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CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this 15 day of OCTOBER, 20 10, before me, the undersigned
Notary Public, personally appeared MICHAEL JURICH

and personally known to me or proved to me on the basis of satisfactory evidence to be (an) authorized agent(s) of the corporation that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By [Signature]
Notary Public in and for the State of WASHINGTON

Residing at KING COUNTY
My commission expires 01/21/2013

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned
Notary Public, personally appeared _____

and personally known to me or proved to me on the basis of satisfactory evidence to be (an) authorized agent(s) of the corporation that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By _____
Notary Public in and for the State of _____

Residing at _____
My commission expires _____

LASER PRO Lending, Ver. 5.52.20.003 Copr. Harland Financial Solutions, Inc. 1997, 2010. All Rights Reserved.
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TRUST ACKNOWLEDGEMENT

STATE OF WASHINGTON) ss.

County of SNOHOMISH)

Notary Public
State of Washington
ELAINE T CORNELL
My Appointment Expires Feb 1, 2014

I certify that I know or have satisfactory evidence that Robert J. Ardissono Jr. and Bridget A. Ardissono Trustees for the Ardissono Revocable Living Trust , are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: October 15th, 2010


NOTARY PUBLIC FOR WASHINGTON

Residing at 8452 42nd Ave SW SEATTLE
WA 98136

My Commission Expires January 1, 2014



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Skagit County Auditor