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After Recording Mail To:

Wells Fargo Bank, N.A.
BBG - Boise Loan Operations
MAC 01851-015
3033 Elder St.
Boise, ID 83705

ACCOMMODATION RECORDING

LAND TITLE OF SKAGIT COUNTY

M-19518

**LEASE SUBORDINATION,
NONDISTURBANCE AND ATTORNMENT AGREEMENT
with ESTOPPEL CERTIFICATE**

Grantor: NORTH COVE COFFEE COMPANY, LLC, a
(Subordinator) Washington limited liability company

Grantee: WELLS FARGO BANK, a National Association
(Lender)

Legal Description:
Abbreviated Form: Ptn NW ¼ SW ¼ S5, T34N, R4E WM

Additional on: Exhibit "A"

Assessor's Tax Parcel No.: 340405-0-014-0005; P23553

THIS AGREEMENT AND CERTIFICATE dated August 20 2011, is between WELLS FARGO BANK, a National Association ("Lender"), and NORTH COVE COFFEE COMPANY, LLC, a Washington limited liability company ("Tenant").

Recitals

OSBORN & OSBORN, LLC, a Washington limited liability company ("Landlord"), is the owner of real property located in Skagit County, Washington, and legally described on Exhibit A (the "Property"). Tenant is a tenant of a portion of the Property (the "Premises") under that certain Lease with Landlord dated March 8, 2011, and amended by amendment executed by Landlord and Tenant on May 20, 2011.

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(collectively the "Lease"). Lender has made a loan to Landlord secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement, and Fixture Filing (collectively "Deed of Trust") encumbering the Property (the "Loan"). The Deed of Trust constitutes an assignment to Lender of all right, title, and interest of Landlord under the Lease as security for the Loan. The Deed of Trust was recorded on September 23, 2009, under Skagit County Recording No. 200909230060. For their mutual benefit, Lender and Tenant desire that Tenant subordinate its Lease to the Deed of Trust and that Tenant 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.

Agreement

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 Tenant in connection with any insurance or condemnation proceeds with respect to the Premises or Property.

2. **Non-Disturbance.** 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. Such attornment shall be effective without Lender being (a) subject to any offsets or defenses arising out of any prior act or omission of Landlord, (b) liable for any prior act or omission of Landlord, (c) bound by any amendment, modification, or waiver of any of the provisions of the Lease (except for that certain Amendment to Lease executed by Landlord and Tenant dated May 20, 2011), 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 Lender, (d) liable for the return of any security or other deposit unless the deposit has been paid to Lender, (e) bound by any payment of rent or other monthly payment under the Lease made by Tenant more than one month in advance of the due date, (f) bound by any

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option, right of first refusal, or similar right of Tenant to lease any portion of the Property (other than the Premises), or (g) liable for any obligation of landlord under the Lease with respect to any property other than the Property given as security for the Loan, and Tenant will look solely to Landlord for the performance and observance of any and all such obligations. 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.

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 (a) 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 (b) Tenant waives such obligation by delivery of written notice to Lender within ten (10) days after receiving notice of the foreclosure or deed in lieu of foreclosure.

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

5.1 Upon written demand of Lender, Tenant shall pay to Lender all rent and other payments otherwise payable to Landlord under the Lease. 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.

5.2 Tenant shall enter into no material amendment or modification of any of the provisions of the Lease subsequent to the date of this Agreement without Lender's prior written consent.

5.3 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.

5.4 In the event the Lease is rejected or deemed rejected in any bankruptcy proceeding with respect to Landlord, Tenant shall not exercise its option to treat the Lease as terminated under 11 U.S.C. § 365(h), as amended.

5.5 Tenant shall not accept any waiver or release of Tenant's obligations under the Lease by Landlord, or any termination of the Lease by Landlord, without Lender's prior written consent.

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5.6 Tenant 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 the 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 assigned its rights under the Lease to Lender as security for the Loan, 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 Section 3 above and this Section 6. Notwithstanding any provision in the Lease to the contrary, if Lender has obtained possession of the Property, its liability under the Lease shall be limited to Lender's interest in the Property, and any judgment against Lender will be enforceable solely against Lender's interest in the Property.

7. **Estoppel Certifications.** Tenant hereby certifies to Lender as provided below.

7.1 The Lease constitutes the entire agreement between Landlord and Tenant relating to the Premises and the Property.

7.2 The term of the Lease is for a period of ten (10) years from the Start Date as defined in the Lease. Tenant has the option to renew the Lease for two (2) periods of five (5) years each.

7.3 The Lease (including the initial Lease dated March 8, 2011, and the amendment dated ____, 2011) is in full force and effect, and has not been otherwise amended, modified, or assigned by Tenant.

7.4 No payments to become due under the Lease have been paid more than one month in advance of the due date.

7.5 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.

7.6 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.

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

8. **Costs and Attorney 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 attorney 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.** Any notice, offer, acceptance, demand, request, consent, or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given or made: (a) upon delivery, if personally delivered to a party; (b) on the date of dispatch, if by facsimile transmission to a party with confirmation of successful transmission; (c) one business day after deposit, if sent to a party by a nationally recognized courier service offering guaranteed overnight delivery; or (d) three business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested addressed to a party. A communication will be deemed to be properly addressed if provided to a party at its address set forth herein. A party may at any time during the term of this Agreement change the address to which notices and other communications directed to it must be sent by providing written notice of a new address within the United States to the other parties to this Agreement.

10. **Additional Terms.** 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.

11. **Execution.** This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery of a facsimile or other copy of a signed version of this Agreement has the same effect as delivery of an original.


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IN WITNESS WHEREOF, Tenant and Lender have signed this Agreement as of the date first written above.

LENDER


WELLS FARGO BANK, a National Association

By: 
Name: Antoine White
Title: Business Relationship Manager
Address: 999 3rd Ave Suite 1000
Seattle, WA 98104

TENANT

NORTH COVE COFFEE COMPANY, LLC, a Washington limited liability company

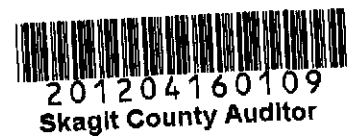
By: 
ROBERT COE, Member

By: 
JANET AUMAN, Member

Address: 18562 Valentine Road
Mount Vernon, WA 98273

With copy to:
Skagit Law Group, PLLC
227 Freeway Drive, Suite B
Mount Vernon, WA 98273
Attn. Brian E. Clark

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CONSENTED AND AGREED TO:

LANDLORD

OSBORN & OSBORN, LLC, a Washington limited liability company

By *Mark Osborn*
MARK OSBORN, Member

By *Susan E. Dodd*
SUSAN OSBORN, General Manager

Address:

~~18562 Valentic Road~~
~~Mount Vernon, WA 98273~~
8621 125th Ave SE
Snohomish WA 98290

STATE OF WASHINGTON)

KING)
COUNTY OF ~~SKAGIT~~ SKAGIT)

ss.

I certify that I know or have satisfactory evidence that Antoinne White is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Lender of **WELLS FARGO BANK** to be the free and voluntary act of such party for the uses and purposes stated I the instrument.

DATED this 12 day of April, 2011. 2012



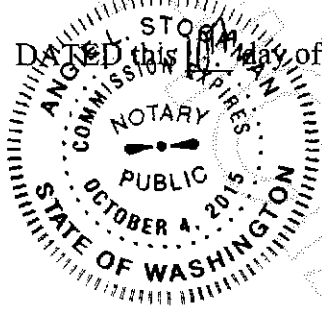
Susan K. Dodd
Printed Name Susan K. Dodd
NOTARY PUBLIC in and for the State of Washington
My Commission Expires 03/29/2014

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STATE OF WASHINGTON)
)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **ROBERT COE** and **JANET AUMAN** are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the **Members** of **NORTH COVE COFFEE COMPANY, LLC**, to be the free and voluntary act of such party for the uses and purposes stated I the instrument.



DATED this 10th day of April, 2011.

Angie L. Stockman

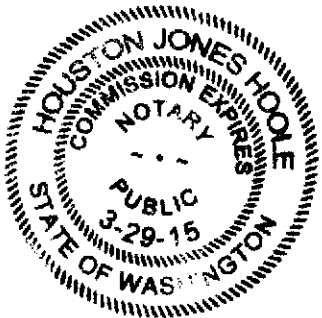
Printed Name Angie L. Stockman
NOTARY PUBLIC in and for the State of Washington

My Commission Expires 10-4-15

STATE OF WASHINGTON)
)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **MARK OSBORN** and **SUSAN OSBORN** are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the **Member and General Manager**, respectively, of **OSBORN & OSBORN, LLC**, to be the free and voluntary act of such party for the uses and purposes stated I the instrument.

DATED this 11th day of April, 2011.



Houston Jones Hoole

Printed Name HOUSTON JONES HOOLE
NOTARY PUBLIC in and for the State of Washington

My Commission Expires 03-29-15

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**EXHIBIT A
(Legal Description)**

That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 5, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the East line of the State Highway, 100 feet South and 30 feet East of the West quarter corner of said Section 5; thence South $0^{\circ} 37'$ East along the East line of said Highway, 132.6 feet; thence South $89^{\circ}33'07''$ East, 400 feet; thence North $0^{\circ} 37'$ West, 133.18 feet; thence North $89^{\circ}38'$ West parallel to the North line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, 400 feet to the point of beginning.

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