

**RETURN ADDRESS:**  
MOUNTAIN PACIFIC  
BANK  
COMMERCIAL LENDING  
3732 BROADWAY  
EVERETT, WA 98201

CHICAGO TITLE  
020049032

**NOTICE: THIS SUBORDINATION AGREEMENT - LEASE RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

**SUBORDINATION AGREEMENT - LEASE**

Reference # (if applicable): Unrecorded Lease  
and 202109020076 Additional on page \_\_\_\_

Grantor(s):  
1. BIRCHVIEW MT, LLC

Grantee(s)  
1. MOUNTAIN PACIFIC BANK

Legal Description: Lots 1-15 and 17-30 Block 115 Town of Sedro. Additional on page 2

Assessor's Tax Parcel ID#: P76284/4152-115-010-0002; P76285/4152-115-015-0007;  
P76288/4152-115-030-0008

**THIS SUBORDINATION AGREEMENT - LEASE dated August 31, 2021, is made and executed among BIRCHVIEW MT, LLC (referred to herein sometimes as "Lessee" and sometimes as "Master Tenant"); BIRCHVIEW DST ("Borrower"); and MOUNTAIN PACIFIC BANK ("Lender").**

**SUBORDINATED LEASE.** Lessee has executed a lease dated August 31, 2021 of the property described herein (the "Subordinated Lease"). The following information is the summary of the basic terms and conditions of the Subordinated Lease: MASTER LEASE BETWEEN BIRCHVIEW DST (LANDLORD) AND BIRCHVIEW MT, LLC (MASTER TENANT).

**REAL PROPERTY DESCRIPTION.** The Subordinated Lease covers a portion of the following described real property located in SKAGIT County, State of Washington:

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows: Lots 1-15, inclusive, and Lots 17-30, inclusive, Block 115, "PLAT OF THE TOWN OF SEDRO" as per plat recorded in Volume 1 of Plats, Page 18, records of Skagit County, Washington.

TOGETHER WITH those portions of vacated Woods Avenue, Graves Street, also known as Fairhaven Street and the alley vacated in said block pursuant to City of Sedro-Woolley Ordinance No. 1253-96, dated February 12, 1996, which attached by operation of law.

The Real Property or its address is commonly known as 910 AND 925 DUNLOP STREET, SEDRO WOOLLEY, WA 98284. The Real Property tax identification number is P76284/4152-115-010-0002; ~~P76186/4152-015-0007~~; P76288/4152-115-030-0008. **P72685 / 4152-115-015-0007 MD**

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

**A Commercial Loan evidenced by that certain Promissory Note dated August 31, 2021, from Borrower to Lender in the original principal amount of \$5,000,000.00, with an outstanding principal balance of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitution for the promissory note or agreement.**

**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 August 31, 2021, from Borrower 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.

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

**NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:**

**SUBORDINATION.** All of Lessee's right, title, and interest in and to the Subordinated Lease is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired.

**LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Subordinated Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Subordinated Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by any other party including the Master Tenant under the terms and provisions of the Subordinated Lease exists as of the date hereof.

**LESSEE WAIVERS.** Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any loan secured by Lender's Lien, 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 indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

**LENDER'S RIGHTS.** Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

**DEFAULT BY BORROWER.** If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. Any default by Borrower 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.

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

**Amendments.** This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination 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.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. 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 attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and 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. Lessee also will pay any court costs, in addition to all other sums provided by law.

**Authority.** The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Lessee's property, if any.

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

**Governing Law.** This Subordination 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 Subordination has been accepted by Lender in the State of Washington.

**Choice of Venue.** If there is a lawsuit, Lessee agrees upon Lender's request to submit to the jurisdiction of the courts of SNOHOMISH County, State of Washington.

**Successors.** This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is 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 Subordination 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 Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, 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.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Subordination. Unless specifically stated to the contrary, 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. Words and terms not otherwise defined in this Subordination shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Borrower.** The word "Borrower" means BIRCHVIEW DST, and all other persons and entities signing the Note in whatever capacity.

**Lender.** The word "Lender" means MOUNTAIN PACIFIC BANK, its successors and assigns.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Subordination.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Security Interest.** The words "Security Interest" 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.

**EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED AUGUST 31, 2021.**

**LESSOR / BORROWER:**

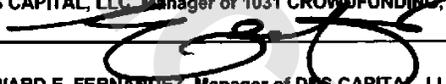
**BIRCHVIEW DST**

**BIRCHVIEW ST, LLC, Signatory Trustee of BIRCHVIEW DST**

**1031 CF PROPERTIES, LLC, Manager of BIRCHVIEW ST, LLC**

**1031 CROWDFUNDING, LLC, Manager of 1031 CF PROPERTIES, LLC**

**DNS CAPITAL, LLC, Manager of 1031 CROWDFUNDING, LLC**

By: 

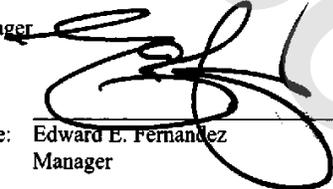
**EDWARD E. FERNANDEZ, Manager of DNS CAPITAL, LLC**

**LESSEE / MASTER TENANT: BIRCHVIEW MT, LLC, a Delaware limited liability company**

By: 1031 CF Properties, LLC,  
a California limited liability company  
Its: Manager

By: 1031 Crowdfunding LLC,  
a California limited liability company  
Its: Manager

By: DNS Capital, LLC,  
a California limited liability company  
Its: Manager

By:   
Name: Edward E. Fernandez  
Its: Manager

**LENDER:**

**MOUNTAIN PACIFIC BANK**

X \_\_\_\_\_  
**KIRBY R. DUNCAN, CCO; Executive Vice President**

**TRUST ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ ) SS  
)

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by EDWARD E. FERNANDEZ, Manager of DNS CAPITAL, LLC, Manager of 1031 CROWDFUNDING, LLC, Manager of 1031 CF PROPERTIES, LLC, Manager of BIRCHVIEW ST, LLC, Signatory Trustee of BIRCHVIEW DST.

\_\_\_\_\_  
(Signature of notary public)

See Attached Notary Acknowledgement Certificate ✓  
OR  
See Attached Notary Jurat Certificate

\_\_\_\_\_  
(Title of office)

My commission expires:  
\_\_\_\_\_  
(date)

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS  
)

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_

\_\_\_\_\_  
(Signature of notary public)

\_\_\_\_\_  
(Title of office)

My commission expires:  
\_\_\_\_\_  
(date)

**LENDER ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS  
)

# CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On 08 13 2021 before me, Paul Moreno Castaneda, Notary Public,  
(Here insert name and title of the officer)

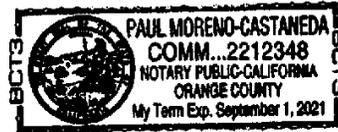
personally appeared EDWARD E. FERNANDEZ,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public Signature

(Notary Public Seal)



### ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

SUBORDINATION AGREEMENT  
(Title or description of attached document)

- LEASE  
(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

\_\_\_\_\_  
(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other \_\_\_\_\_

**LESSOR / BORROWER:**

**BIRCHVIEW DST**

**BIRCHVIEW ST, LLC, Signatory Trustee of BIRCHVIEW DST**

**1031 CF PROPERTIES, LLC, Manager of BIRCHVIEW ST, LLC**

**1031 CROWDFUNDING, LLC, Manager of 1031 CF PROPERTIES, LLC**

**DNS CAPITAL, LLC, Manager of 1031 CROWDFUNDING, LLC**

**By: \_\_\_\_\_**

**EDWARD E. FERNANDEZ, Manager of DNS CAPITAL, LLC**

**LESSEE / MASTER TENANT: BIRCHVIEW MT, LLC, a Delaware limited liability company**

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Its: Manager

By: 1031 Crowdfunding LLC,  
a California limited liability company  
Its: Manager

By: DNS Capital, LLC,  
a California limited liability company

Its: Manager

By: \_\_\_\_\_  
Name: Edward E. Fernandez  
Its: Manager

**LENDER:**

**MOUNTAIN PACIFIC BANK**  
  
**KIRBY R. DUNCAN, CCO; Executive Vice President**

**TRUST ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ ) SS  
)

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by EDWARD E. FERNANDEZ, Manager of DNS CAPITAL, LLC, Manager of 1031 CROWDFUNDING, LLC, Manager of 1031 CF PROPERTIES, LLC, Manager of BIRCHVIEW ST, LLC, Signatory Trustee of BIRCHVIEW DST.

\_\_\_\_\_  
(Signature of notary public)

\_\_\_\_\_  
(Title of office)

My commission expires:

\_\_\_\_\_  
(date)

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS  
)

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_

\_\_\_\_\_  
(Signature of notary public)

\_\_\_\_\_  
(Title of office)

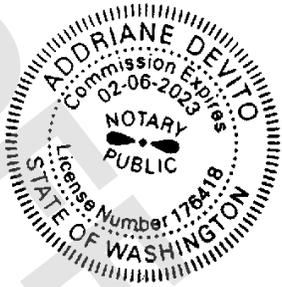
My commission expires:

\_\_\_\_\_  
(date)

**LENDER ACKNOWLEDGMENT**

STATE OF Washington )  
COUNTY OF Snohomish ) SS  
)

This record was acknowledged before me on 31<sup>st</sup> day of August, 2021 by KIRBY R. DUNCAN  
as CCO; Executive Vice President of MOUNTAIN PACIFIC BANK.



*Addriane Devito*  
(Signature of notary public)

Notary Public  
(Title of office)

My commission expires:  
2/6/2023  
(date)