

Recording Requested By,
And After Recording, Return To:
WELLS FARGO BANK,
NATIONAL ASSOCIATION
MAC T7408-01V
4101 Wiseman Blvd
Bldg. 108, Floor 1
San Antonio, TX 78251
Attention: Loan Documentation

SUBORDINATION AGREEMENT
(DEED OF TRUST)

Grantor (Subordinating Beneficiary): JA HAMILTON, LLC

Grantor (Owner): PUNKIN CENTER WEST, LLC

Grantee (Bank): WELLS FARGO BANK, NATIONAL ASSOCIATION

Legal Description (abbreviated): Lot 4, BLA 201908010055 and 201911200134, Ptn. NE NW, 14-35-6E, W.M. **Additional legal(s) on page A-1.**

Assessor's Tax Parcel/Account Number(s): P41178 / 350614-0-009-0008

Reference No. of Subordinated Deed of Trust: 202209120108, 202209210066

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

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into as of September 14, 2022, by and among PUNKIN CENTER WEST, LLC, a Washington limited liability company, the owner of the real property described below ("Owner"), JA HAMILTON, LLC, a Washington limited liability company, the present owner and holder of the Subordinated Deed of Trust defined below ("Beneficiary"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

A. Owner executed a deed of trust dated as of September 12, 2022, to Land Title Company of Skagit County, as Trustee, and for the benefit of Beneficiary (the "Subordinated Deed of Trust"), to secure a promissory note dated as of September 12, 2022, in the principal amount of \$787,843.00 and payable to Beneficiary, or order, which Subordinated Deed of Trust was recorded on September 12, 2022 as Instrument (Serial) No. 202209120108, of the Official Records of Skagit County, Washington, and covers the real property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Bank has made, or will hereafter make, among other credit facilities, a construction loan to Owner in the principal amount of up to \$22,100,000 (the "Bank Loan"), evidenced by a promissory note dated as of September 14, 2022, and payable to the order of Bank with interest and upon the terms and conditions described therein, which promissory note is or will be secured by a deed of trust covering the Property (the "Bank Deed of Trust").

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Chicago

C. It is a condition of Bank making or continuing the Bank Loan that the security of the Bank Deed of Trust be and at all times remain a lien or charge on the Property prior and superior to the lien or charge of the Subordinated Deed of Trust thereon.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agrees as follows:

1. SUBORDINATION.

(a) Subordination. The Bank Deed of Trust and any and all extensions, renewals, modifications or replacements thereof shall be and at all times remain a lien or charge on the Property prior and superior to the Subordinated Deed of Trust. Beneficiary intentionally and unconditionally waives, relinquishes and subordinates the priority and superiority of the lien or charge of the Subordinated Deed of Trust to the lien or charge on the Property of the Bank Deed of Trust (including liens and charges thereunder securing all future advances of the Bank Loan and other advances contemplated thereunder).

(b) Reliance. Beneficiary acknowledges that Bank, in extending or continuing to extend credit to Owner secured by the Property, including the Bank Loan, is doing so in material reliance on this Agreement.

(c) Endorsement. Beneficiary has placed an endorsement on the promissory note secured by the Subordinated Deed of Trust stating that it has, by this instrument, been subordinated to the lien or charge of the Bank Deed of Trust.

(d) Acknowledgments of Beneficiary. Beneficiary acknowledges that it has such information with respect to the Bank Loan, and any promissory note and other loan documents executed in connection therewith, as Beneficiary deems necessary in order to grant this subordination. Beneficiary further agrees that Bank is under no obligation or duty to, nor has Bank represented that it will, see to the application of any Bank Loan proceeds by any person or entity, and any application or use of such proceeds for purposes other than those for which they were intended shall not defeat this subordination.

(e) Entire Agreement. This Agreement constitutes the whole and only agreement between the parties hereto with regard to the subordination of the Subordinated Deed of Trust to the lien or charge of the Bank Deed of Trust; there are no agreements (written or oral) outside or separate from this Agreement with respect to the subject matter hereof; and all prior negotiations with respect thereto, if any, are merged into this Agreement. This Agreement shall supersede and cancel, but only insofar as would affect the priority between the Subordinated Deed of Trust and the Bank Deed of Trust, any prior agreements as to such subordination, including without limitation those provisions, if any, contained in the Subordinated Deed of Trust which provide for the subordination thereof to the lien of a deed of trust or mortgage affecting all or any portion of the Property.

2. MISCELLANEOUS.

(a) Notices. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each party at the address set forth below its signature, or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (iii) if sent by telecopy, upon receipt.

(b) Costs, Expenses and Attorneys' Fees. If any party hereto institutes any arbitration or judicial or administrative action or proceeding to enforce any provisions of this Agreement, or alleging any breach of any provision hereof or seeking damages or any remedy, the losing party or parties shall pay to the prevailing party or parties all costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of such prevailing party's in-house counsel), expended or incurred by the prevailing party or parties in connection therewith, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to Owner, Beneficiary or any other person or entity.

(c) Further Assurances. At the request of any party hereto, each other party shall execute, acknowledge and deliver such other documents and/or instruments as may be reasonably required by the requesting party in order to carry out the purpose of this Agreement, provided that no such document or instrument shall modify the rights and obligations of the parties provided herein.

(d) Successors; Assigns; Amendment. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties. This Agreement may be amended or modified only in writing signed by all parties hereto.

(e) Severability of Provisions. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such waiver or other provision or any remaining provisions of this Agreement.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute and be construed as one and the same instrument.

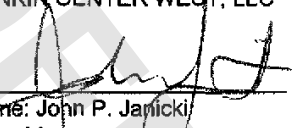
(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

PUNKIN CENTER WEST, LLC

By: 
Name: John P. Janicki
Title: Manager
Address: 719 Metcalf Street
Sedro Woolley, WA 98284

BANK:

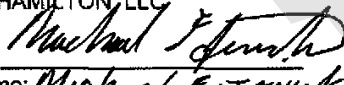
WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: _____
Name: Lachlan Pegg
Title: Senior Vice President
Address: MAC P6478-059
205 108th Ave. N.E., Suite 500
Bellevue, WA 98004
Attn: Lachlan Pegg

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW 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.

BENEFICIARY:

JA HAMILTON, LLC

By: 
Name: Michael F. Janicki
Title: Owner
Address: P.O. Box 817
Sedro-Woolley, Washington, 98284

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT (DEED OF TRUST)]

158098159.3

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.


OWNER:

BANK:

PUNKIN CENTER WEST, LLC

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: _____
Name: John P. Janicki
Title: Manager
Address: 719 Metcalf Street
Sedro Woolley, WA 98284

By:  _____
Name: Lachlan Pegg
Title: Senior Vice President
Address: MAC P6478-059
205 108th Ave. N.E., Suite 500
Bellevue, WA 98004
Attn: Lachlan Pegg

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW 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.

BENEFICIARY:

JA HAMILTON, LLC

By: _____
Name: _____
Title: _____
Address: P.O. Box 817
Sedro-Woolley, Washington, 98284

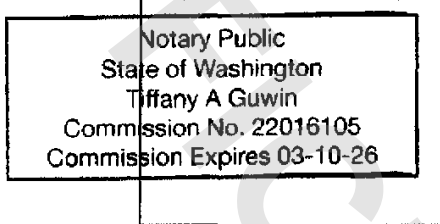
[SIGNATURE PAGE TO SUBORDINATION AGREEMENT (DEED OF TRUST)]

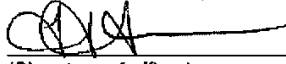
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STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 19 day of September, 2022, before me personally appeared John P. Janicki, to me known to be the Manager of PUNKIN CENTER WEST, LLC, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



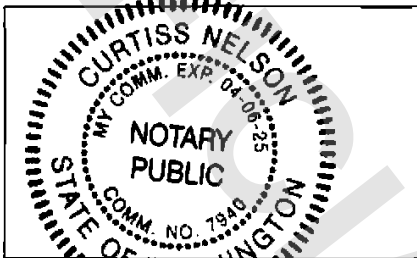

(Signature of officer)
Notary Public in and for the State of
Washington, residing at Sedro Woolley
My commission expires: 03/10/2026

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 19th day of September, 2022, before me personally appeared Lachlan Pegg, to me known to be the Senior Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that ~~he~~ she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



(Signature of officer)

Notary Public in and for the State of
Washington, residing at Bellevue, WA

My commission expires: 04-06-2025

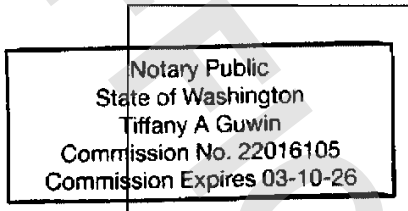
(Use this space for notarial stamp/seal)

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT (DEED OF TRUST)]

STATE OF WASHINGTON)
) ss.
 COUNTY OF Snohomish)

On this 19 day of September, 2022, before me personally appeared Michael Janicki, to me known to be the Owner of JA HAMILTON, LLC, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
 (Signature of officer)
 Notary Public in and for the State of
 Washington, residing at Sedro Woolley
 My commission expires: 03/10/2026

(Use this space for notarial stamp/seal)

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT (DEED OF TRUST)]

EXHIBIT A
TO
SUBORDINATION AGREEMENT
(DEED OF TRUST)

Parcel A:

Lot 4 of that certain Boundary Line Adjustment, approved by the Town of Hamilton on July 30, 2019 and Recorded August 1, 2019, under Skagit County Auditor's File Number 201908010055 and re-recorded under Auditor's File No. 201911200134, in the Northeast quarter of the Northwest quarter of Section 14, Township 35 North, Range 6 East, W.M.

Situated in Skagit County, Washington.

Parcel B:

A non-exclusive easement for ingress, egress and utilities over a sixty (60) foot strip of land, described in and created by Easement For Ingress, Egress and Utilities, upon and subject to the provisions therein contained, dated July 30, 2019, recorded November 20, 2019, under Auditor's File No. 201911200136, being a re-recording of 201908010057, records of Skagit County, Washington, EXCEPT any portion thereof lying within Parcel A.

Situated in Skagit County, Washington

Parcel C:

A non-exclusive easement for ingress, egress and utilities over a sixty (60) foot strip of land, described in and created by Easement For Ingress, Egress and Utilities, upon and subject to the provisions therein contained, dated September 12, 2022, recorded September 13, 2022, under Auditor's File No. 202209130006, records of Skagit County, Washington, EXCEPT any portion thereof lying within Parcel A.

Situated in Skagit County, Washington