

AFTER RECORDING RETURN TO:
Coastal Community Bank
10520 19th Avenue SE
Everett WA 982080000

(Space Above This Line For Recording Data)

LOAN NUMBER: 1905924000
Reference: 202304060114; Unrecorded lease

SUBORDINATION AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT AND ESTOPPEL CERTIFICATE ("Agreement") is made on April 5, 2023, between Subway Real Estate, LLC, a Delaware Corporation whose address is 2323 East Section Street, Mount Vernon, Washington 9827 ("Tenant") and Coastal Community Bank whose address is 5415 Evergreen Way, Everett, Washington 98203 ("Lender"), which is organized and existing under the laws of the State of Washington, Mahil Enterprises II, Inc., a Washington Corporation, whose address is 205 79th Place SE, Everett, Washington 98203-6355 ("Landlord") is the fee owner of the following described real property:

Address: 2323 East Section Street, Mount Vernon, Washington 98274

Legal Description:

The South 200 feet of that portion of the West 330 feet of the Southwest quarter of the Southwest quarter of Section 21, Township 34 North, Range 4 East of the Willamette Meridian, lying Northerly of the County Road along the South line thereof.

Except the West 30 feet thereof as conveyed to the City of Mount Vernon by Deed recorded December 2, 1977, under Auditor's File No. 869709.

Situated in Skagit County, Washington.

620053798
Chicago

Parcel ID/Sidwell Number:
P27318 / 340421-3-017-0204

("Property"). The Landlord has given a security interest in the Property to Lender pursuant to an instrument dated April 5, 2023 ("Security Instrument"). Pursuant to a lease dated January 31, 2002 ("Lease") by and between Tenant and Landlord, Tenant leases all or part of the Property from Landlord more commonly described as 2323 East Section Street, Mount Vernon, Washington ("Premises").

The parties to this Agreement hereby agree as follows:

SUBORDINATION. Except as otherwise provided in this Agreement, the Lease, and all rights of the Tenant under the Lease and to the Property, including without limitation any option to purchase or otherwise acquire title to the Property, are hereby subjected and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Security Instrument, and to the rights and interest of the Lender and its successors and assigns, as fully and with the same effect as if the Security Instrument had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed prior to the execution of the Lease or possession of the Property by Tenant, or its predecessors in interest.



successors and assigns, as fully and with the same effect as if the Security Instrument had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed prior to the execution of the Lease or possession of the Property by Tenant, or its predecessors in interest.

NON-DISTURBANCE. Until the Security Instrument is satisfied and released, Lender agrees that so long as the Tenant is not in default (beyond any period given the Tenant under the Lease to cure such default) in the payment of rent or in the performance of any of the terms, covenants, or conditions of the Lease, the Lender will not join the Tenant as a party defendant in any action or proceeding foreclosing the Security Instrument unless required to foreclose the Security Interest, and then only for such purpose and not for the purpose of terminating the Lease. Lender further agrees that the Tenant's possession of the Property and the Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with the Lease, shall not be diminished or interfered with by the Lender, and the Tenant's occupancy of the Property shall not be disturbed by the Lender.

ATTORNMENMENT. If the interest of the Landlord shall be transferred to and owned by the Lender by reason of foreclosure of the Security Instrument or other proceedings brought in lieu of or pursuant to a foreclosure, or in any other manner, and the Lender succeeds to the interest of the Landlord under the Lease, the Tenant shall be bound to the Lender under all of the terms, covenants, and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals of the Lease, with the same force and effect as if the Lender were originally the landlord under the Lease. The Tenant hereby attorns to the Lender as its Landlord, such attornment to be automatically effective immediately upon the Lender's succeeding to the interest of the Landlord under the Lease without the execution of any further instruments on the part of any of the parties hereto. The respective rights and obligations of the Tenant and the Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals hereto, shall be and are the same as now set forth in the Lease, the terms of which are hereby fully incorporated herein by reference and made a part of this Agreement.

LENDER NOT BOUND BY CERTAIN ACTS OF LANDLORD. If the Lender shall succeed to the interest of the Landlord under the Lease, the Lender shall not be: (a) liable for any act or omission of Landlord; (b) subject to any offsets or defenses which the Tenant might have against the Landlord; (c) bound by any rent or additional rent which the Tenant might have paid for more than the then current installment; nor (d) bound by any amendment or modification of the Lease made without the Lender's consent.

TENANT REPRESENTATIONS AND WARRANTIES. Tenant, for itself, its heirs, personal representatives, successors, and assigns, represents, warrants, covenants and agrees with Lender, its successors and assigns, as follows:

Improvements. As of the date this Agreement is executed, all contributions required to be paid by Landlord for improvements to the Premises have been paid in full. Landlord has fully performed all obligations with respect to Tenant improvements on the Premises and Tenant has accepted the Premises as is, subject only to those conditions specifically enumerated in the Lease.

No Bankruptcy. There are no actions, whether voluntary or otherwise, pending against the Tenant or any other party responsible for payment of the Tenant's obligations under the Lease pursuant to the bankruptcy or insolvency laws of the United States or the law of state.

No Default. Tenant affirms that to the best of his/her knowledge and belief, no party to the Lease is in default under the terms of the Lease. To the best knowledge of the Tenant, no event has occurred which, with the giving of notice or passage of time, or both, would constitute such a default. The interest of the Tenant in the Lease has not been assigned or encumbered. The Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

No Hazardous or Toxic Waste. Tenant represents and warrants that it has not used, generated, released, discharged, stored or disposed of any hazardous waste, toxic substances or related materials (collectively, "Hazardous Materials") on, under, in or about the Premises, or transported any Hazardous Materials to or



from the Premises, other than Hazardous Materials used in the ordinary and commercially reasonable course of the Tenant's business in compliance with all applicable laws. The term "Hazardous Materials" shall mean: (a) any "hazardous substance" as such term is presently defined in Section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.) and any regulations promulgated thereunder ("CERCLA"); (b) any additional substances or materials which are hereafter incorporated in or added to the definition of "hazardous substance" for purposes of CERCLA; and (c) any additional substances or materials which are now or hereafter defined as "hazardous substances," "hazardous waste," "toxic substances" or "toxic waste" under any other federal law or under any state, county, municipal or other law applicable to the Premises or under any regulations promulgated pursuant thereto.

Acknowledgment. Tenant hereby acknowledges that Landlord intends to encumber the Property with a real estate security instrument in favor of Lender. Tenant further acknowledges the right of Landlord, Lender and any and all of Landlord's present and future lenders to rely upon the statements and representations of the Tenant contained in this Agreement and further acknowledges that any loan secured by this, and any future, real estate security instruments will be made and entered into in material reliance on this Agreement.

TENANT ESTOPPEL. For the benefit of Lender, Tenant, for itself, its heirs, personal representatives, successors, and assigns, certifies as follows:

Rent Payment. The minimum rent payment currently payable per annum under the terms of the Lease is \$4,500.00 Payment in full has been tendered for all Lease payments through April 1, 2023.

Lease Term. The term of the Lease has commenced and will terminate on April 1, 2032 subject to any renewal or cancellation rights specified in the Lease. Except as specifically provided in the Lease, Tenant does not have an option or right to renew or cancel the Lease, to lease additional space in the Premises, nor to purchase any part of the Premises.

Security Deposit. As required by the terms of the Lease, Tenant has paid to Landlord a security deposit in the amount of \$1,200.00 which is to be applied by Landlord or returned to the Tenant in accordance with the terms of the Lease. Tenant agrees and consents that Lender will have no responsibility or liability for any security deposit, except where the security deposit has been actually received by Lender.

Complete Lease Attached. Tenant hereby warrants that a copy of the Lease, which includes all amendments, extensions, attachments, and modifications thereof, is attached hereto and is true, correct, complete, and constitutes the entire agreement between the Tenant and Landlord with respect to the Premises as of April 5, 2023. The Lease has not been modified, changed, altered, or amended, other than as attached to this Agreement.

NOTICES AND WAIVER OF NOTICE. Unless otherwise required by applicable law, any notice or demand given by Lender to any party is considered effective when it is deposited in the United States Mail with the appropriate postage, mailed to the address of the party given at the beginning of this Agreement unless an alternative address has been provided to Lender in writing. To the extent permitted by law, Landlord and Tenant waive notice of Lender's acceptance of this Agreement, defenses based on suretyship, any defense arising from any election by Landlord or Tenant under the United States Bankruptcy Code, Uniform Commercial Code, as enacted in the state where Lender is located or other applicable law or in equity, demand, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor and any other notice.

LENDER'S RIGHTS AND REMEDIES. The rights and remedies of the Lender under this Agreement are cumulative, and are not in lieu of, but are in addition to all other rights and remedies which Lender has under this Agreement and the Security Instrument.

SUCCESSORS AND ASSIGNS. All covenants and agreements contained in this Agreement shall bind, and the rights hereunder shall inure to the respective successors and assigns of the Lender, Landlord, and Tenant.

ENTIRE AGREEMENT; MODIFICATIONS; SEVERABILITY. This Agreement shall constitute the entire agreement between Lender, Landlord, and Tenant. Any modification of this Agreement shall be binding only if



placed in writing and signed by the Lender, Landlord, and Tenant. The invalidity of any provision of this Agreement shall not affect the validity of any other provision.

PARAGRAPH HEADINGS; SINGULAR AND PLURAL TERMS. The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to interpret this Assignment. Whenever used, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

GOVERNING LAW; JURISDICTION. This Agreement will be governed by the laws of the State of Washington including all proceedings arising from this Agreement. The parties to this Agreement hereby waive any plea of jurisdiction or venue on the ground that they are not a resident of Snohomish County, Washington, and hereby specifically authorize any action brought to enforce the Agreement to be instituted and prosecuted in the appropriate court of the County of Skagit or in the United States District Court for the district assigned to said County and state.

ORAL AGREEMENTS DISCLAIMER. 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.

By signing this Agreement, the parties acknowledge reading, understanding, and agreeing to all its provisions.

Mahil Enterprises II, Inc.


By: Jaswinder S. Mahil 4-05-23
Its: President Date



BUSINESS ACKNOWLEDGMENT

STATE OF WASHINGTON)

COUNTY OF Snohomish

On this the 5th of April 2023, before me, Lorrie Thompson, a Notary, personally appeared Jaswinder S. Mahil, President on behalf of Mahil Enterprises II, Inc., a Washington Corporation, to me personally known or who having proven to me on the basis of satisfactory evidence to be the person whose name is subscribed within this instrument and who acknowledged that he/she holds the position set forth and that he/she being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the Corporation by himself/herself as President of Mahil Enterprises II, Inc.. In witness whereof, I hereunto set my hand and, if applicable, official seal.

My commission expires: 6-1-2024

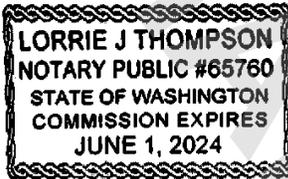
Lorrie J Thompson

, in and for the state of Washington, residing at

Identification Number

STANWOOD

(Official Seal)



Subway Real Estate, LLC
(see next page)

By: Christopher J. Kan Date
Its: Vice President



BUSINESS ACKNOWLEDGMENT

STATE OF WASHINGTON)
)
COUNTY OF)

On this the _____, before me, _____, it
_____, personally appeared Jaswinder S. Mahil, President on behalf of
Mahil Enterprises II, Inc., a Washington Corporation, to me personally known or who having proven to me on the
basis of satisfactory evidence to be the person whose name is subscribed within this instrument and who
acknowledged that he/she holds the position set forth and that he/she being authorized to do so, executed the
foregoing instrument for the purpose therein contained, by signing the name of the Corporation by himself/herself
as President of Mahil Enterprises II, Inc.. In witness whereof, I hereunto set my hand and, if applicable, official
seal.

My commission expires: _____

_____, in and for the state
of Washington, residing at _____ Identification Number

(Official Seal)

Subway Real Estate, LLC

X Christopher J. Kan
By: Christopher J. Kan
Its: Duly Authorized

Date: DECEMBER 20, 2023



BUSINESS ACKNOWLEDGMENT

STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD), ss. Shelton

On this the 20TH day of DECEMBER, 2023, before me, Dianna J. Weymer, a Notary Public, personally appeared Christopher J. Kan, Duty Authorized Signatory, of Subway Real Estate, LLC, a Delaware limited liability company, on behalf of the limited liability company, to me personally known or who having proven to me on the basis of satisfactory evidence to be the person whose name is subscribed within this instrument and who acknowledged that he/she holds the position set forth and that he/she being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the Company by himself/herself as Duty Authorized Signatory of Subway Real Estate, LLC, on behalf of Subway Real Estate, LLC. In witness whereof, I hereunto set my hand and, if applicable, official seal.

My commission expires: 3/31/25

Notary Public, in and for the state of Connecticut, residing at Shelton.

Dianna J. Weymer
(Official Seal)



By signing this Agreement, Lender acknowledges reading, understanding and agreeing to all of its provisions.

Coastal Community Bank

(see next page)
By: Isaac Maldonado Date
Its: SVP/RM Team Lead



BUSINESS ACKNOWLEDGMENT

STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD), ss. Shelton

On this the 20th day of DECEMBER, 2023, before me, Dianna J. Weymer, a Notary Public, personally appeared Christopher J. Kan, Duly Authorized Signatory, of Subway Real Estate, LLC, a Delaware limited liability company, on behalf of the limited liability company, to me personally known or who having proven to me on the basis of satisfactory evidence to be the person whose name is subscribed within this instrument and who acknowledged that he/she holds the position set forth and that he/she being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the Company by himself/herself as Duly Authorized Signatory of Subway Real Estate, LLC, on behalf of Subway Real Estate, LLC. In witness whereof, I hereunto set my hand and, if applicable, official seal.

My commission expires: 5/31/25

Notary Public, in and for the state of Connecticut, residing at Shelton.

Dianna J. Weymer
(Official Seal)



By signing this Agreement, Lender acknowledges reading, understanding and agreeing to all of its provisions.

Coastal Community Bank
By: Isaac Maldonado Date: 2/29/24
Title: SVP/RM Team Lead



BUSINESS ACKNOWLEDGMENT

STATE OF WASHINGTON)

COUNTY OF Snohomish)

On this the 2/29/24, before me, Allison Gilham, a

personally appeared Isaac Maldonado, SVP/RM Team Lead on behalf of Coastal Community Bank, a(n) Community Bank, to me personally known or who having proved to me on the basis of satisfactory evidence to be the person whose name is subscribed within this instrument and who acknowledged that he/she holds the position set forth and that he/she being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Lender by himself/herself as SVP/RM Team Lead of Coastal Community Bank, and that the foregoing instrument is the voluntary act and deed of the Lender.

In witness whereof, I hereunto set my hand and, if applicable, official seal.

My commission expires: 7-10-27
Notary Public, in and for the state
of Washington, residing at
Arlington - 10501 117th Pl NE
Washington

Allison Gilham

(Official Seal)



THIS INSTRUMENT PREPARED BY:
Coastal Community Bank
10520 19th Avenue SE
Everett WA 982080000

