

**RETURN ADDRESS:**

Wells Fargo Bank, National  
Association  
SBA - BBG Loan Ops -  
Recorded Docs  
P O Box 659713  
San Antonio, TX  
78265-9827

502 31909



200130457231900780

UNRECORDED

**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): \_\_\_\_\_

Additional on page \_\_\_\_\_

Grantor(s):

1. WSW, LLC

Grantee(s)

1. Wells Fargo Bank, National Association

Legal Description: Lots 29, 30, 31 & 32, Block 6, Town of Stevenson

Additional on page 2

Assessor's Tax Parcel ID#: 02-07-01-1-1-1000-00

UNRECORDED

**THIS SUBORDINATION AGREEMENT - LEASE dated January 12, 2011, is made and executed among TWGW Inc ("Lessee"); WSW, LLC; and TWGW Inc ("Borrower"); and Wells Fargo Bank, National Association ("Lender").**

## SUBORDINATION AGREEMENT - LEASE (Continued)

Page 2

**SUBORDINATED LEASE.** Lessee has executed a lease dated January 11, 2010 of the property described herein (the "Subordinated Lease").

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

Lots 29, 30, 31 & 32, Block 6, Town of Stevenson, according to the recorded plat thereof recorded in Book A of Plats, Page 11, in the County of Skamania, State of Washington.

The Real Property or its address is commonly known as 180 NW 2nd St., Stevenson, WA 98648. The Real Property tax identification number is 02-07-01-1-1-1000-00.

**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"):

All indebtedness now or hereafter secured by the deed of trust or mortgage evidencing the Lender's Lien, including without limitation, all principal, interest and other amounts, costs and expenses payable under the Note or Related Documents and any renewals of, extensions of, modifications of, consolidations of and substitutions for the Note and Related Documents.

**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 January 12, 2011, from WSW, LLC 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 and the Real Property 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 and the Real Property.

**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 Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by other party under the terms and provisions of the 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 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 pursue any other remedy within Lender's power; or (F) 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 (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. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the

## SUBORDINATION AGREEMENT - LEASE (Continued)

Page 3

Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

**FACSIMILE AND COUNTERPART.** This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

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

**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.

**Governing Law.** With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, 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. In all other respects, 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 California without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Subordination is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Subordination has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of California.

**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.

**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 WSW, LLC; and TWGW Inc and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Lender.** The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

**Note.** The word "Note" means the Note executed by WSW, LLC; and TWGW Inc in the principal amount of \$237,000.00 dated January 12, 2011, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

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

**NOTICE: THIS SUBORDINATION 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 SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS

**SUBORDINATION AGREEMENT - LEASE**  
**(Continued)**

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SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED JANUARY 12, 2011.

**BORROWER:**

WSW, LLC

By:   
Anthony K Wilson, Managing Member of WSW, LLC

By:   
Gail R Wilson, Managing Member of WSW, LLC

By:   
Eric M Wilson, Managing Member of WSW, LLC

By:   
Tina L Wilson, Managing Member of WSW, LLC

By:   
Gerald L Schaecher, Managing Member of WSW, LLC


By:   
Marcia A Schaecher, Managing Member of WSW, LLC

TWGW INC

By:  Pres  
Anthony K Wilson, President of TWGW Inc

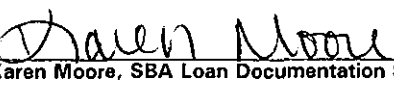
**LESSEE:**

TWGW INC

By:  Pres  
Anthony K Wilson, President of TWGW Inc

**LENDER:**

WELLS FARGO BANK, NATIONAL ASSOCIATION

x   
Karen Moore, SBA Loan Documentation Specialist

# **SUBORDINATION AGREEMENT - LEASE** (Continued)

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## **LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Oregon

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COUNTY OF Clackamas

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On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Anthony K Wilson, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at 119ard OR  
My commission expires 7-20-2013

## **LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

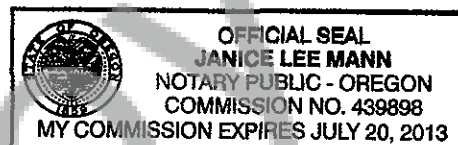
STATE OF Oregon

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COUNTY OF Clackamas

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On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Gail A Wilson, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at 119ard OR  
My commission expires 7-20-2013

**SUBORDINATION AGREEMENT - LEASE**  
(Continued)

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**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Oregon

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COUNTY OF Clackamas

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OFFICIAL SEAL  
JANICE LEE MANN  
NOTARY PUBLIC - OREGON  
COMMISSION NO. 439898  
MY COMMISSION EXPIRES JULY 20, 2013

On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Eric M Wilson, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at 1194rd OR  
My commission expires 7-20-2013

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Oregon

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) SS

COUNTY OF Clackamas

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OFFICIAL SEAL  
JANICE LEE MANN  
NOTARY PUBLIC - OREGON  
COMMISSION NO. 439898  
MY COMMISSION EXPIRES JULY 20, 2013

On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Tina L Wilson, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at 1194rd OR  
My commission expires 7-20-2013



**SUBORDINATION AGREEMENT - LEASE**  
(Continued)

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**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Oregon

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) SS

COUNTY OF Clackamas

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OFFICIAL SEAL  
JANICE LEE MANN  
NOTARY PUBLIC - OREGON  
COMMISSION NO. 439898  
MY COMMISSION EXPIRES JULY 20, 2013

On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Gerald L Schaecher, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at 11942 OR  
My commission expires 7-20-2013

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Oregon

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) SS

COUNTY OF Clackamas

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OFFICIAL SEAL  
JANICE LEE MANN  
NOTARY PUBLIC - OREGON  
COMMISSION NO. 439898  
MY COMMISSION EXPIRES JULY 20, 2013

On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared Marcia A Schaecher, Managing Member of WSW, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

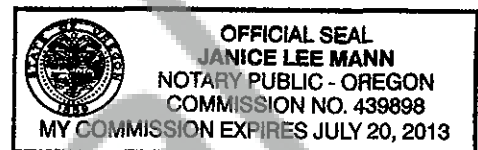
Residing at 11942 OR  
My commission expires 7-20-2013

**SUBORDINATION AGREEMENT - LEASE**  
(Continued)

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**CORPORATE ACKNOWLEDGMENT**

STATE OF Oregon )  
 ) SS  
COUNTY OF Clackamas )



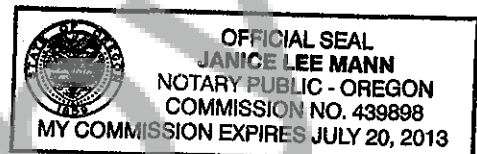
On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared **Anthony K Wilson, President of TWGW Inc.**, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Subordination Agreement - Lease and acknowledged the Subordination 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 is authorized to execute this Subordination and in fact executed the Subordination on behalf of the corporation.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at Tigard OR  
My commission expires 7-20-2013

**CORPORATE ACKNOWLEDGMENT**

STATE OF Oregon )  
 ) SS  
COUNTY OF Clackamas )



On this 13th day of JANUARY, 2011, before me, the undersigned Notary Public, personally appeared **Anthony K Wilson, President of TWGW Inc.**, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Subordination Agreement - Lease and acknowledged the Subordination 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 is authorized to execute this Subordination and in fact executed the Subordination on behalf of the corporation.

By Janice Lee Mann  
Notary Public in and for the State of Oregon

Residing at Tigard OR  
My commission expires 7-20-2013



**SUBORDINATION AGREEMENT - LEASE**  
(Continued)

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**LENDER ACKNOWLEDGMENT**

STATE OF Arizona  
COUNTY OF Maricopa



On this 12<sup>th</sup> day of January, 2011, before me, the undersigned Notary Public, personally appeared Karen Moore and personally known to me or proved to me on the basis of satisfactory evidence to be the **SBA Loan Documentation Specialist**, authorized agent for **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 **Wells Fargo Bank, National Association**, duly authorized by **Wells Fargo Bank, National Association** 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 **Wells Fargo Bank, National Association**.

By Patsy S. Goodman  
Notary Public in and for the State of ARIZONA

Residing at PHOENIX, ARIZONA  
My commission expires OCT. 8, 2013