



201601250096

Skagit County Auditor

\$79.00

1/25/2016 Page

1 of

7 3:33PM

WHEN RECORDED RETURN TO:

Skagit Law Group PLLC
P.O. Box 336
Mount Vernon, WA 98273

DOCUMENT TITLE(S):
Subordination Agreement

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

201312270123

201601250093

GRANTOR:
JJM BOW, LLC

201601250094

201601250095

GRANTEE:
Peoples Bank

ABBREVIATED LEGAL DESCRIPTION:

Lots 9-17, Blk 1 & Lots 3-5, Blk 3, Edison.

TAX PARCEL NUMBER(S):

4099-001-017-0003, P72950, 4099-003-009-0009, P72960

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Agreement") is made this 15th day of January, 2016, between and among North Edison Properties, LLC, a Washington limited liability company ("North Edison"), and JJM Bow, LLC, a Washington limited liability company ("JJM Bow")

RECITALS:

A. North Edison purchased a parcel of real property that includes a commercial building from JJM Bow, which is legally described on the attached Exhibit "A" (herein the "Purchased Property").

B. North Edison owns real property that adjoins the above-referenced property that has a mixed use commercial/residential building located on it, which is legally described on the attached Exhibit "B" (herein the "North Edison Property").

C. To effectuate North Edison's purchase of the Purchased Property, a boundary line adjustment was approved by Skagit County wherein the Purchase Property was attached to the North Edison Property. The statutory warranty deed for boundary line adjustment was recorded at Skagit County Auditor's File No. 201601250093. The Purchased Property combined with the North Edison Property shall be the "Combined Property." The Escrow Agent is authorized to fill in the above blank as the Subordination Agreement will be entered into simultaneously with statutory warranty deed.

D. The North Edison Property is subject to a loan with Peoples Bank, which is the owner and holder of that certain deed of trust dated December 24, 2013 and recorded on December 27, 2013 under Skagit County Auditor's Recording No. 201312270123 ("Peoples Deed of Trust").

E. JJM Bow seller financed a portion of the purchase price for the Purchased Property and is taking a lien on the entire Combined Property to secure the seller financing.

F. Therefore, JJM Bow is the owner and holder of that certain deed of trust dated January 15, 2016 and recorded on January 2016 under Skagit County Auditor's Recording No. 201601250095 ("JJM Bow Deed of Trust"). The Escrow Agent is authorized to fill in the above blanks as the Subordination Agreement will be entered into simultaneously with JJM Bow Deed of Trust.

G. North Edison is not paying off the Peoples Bank loan and the Peoples Deed of Trust will remain on the North Edison Property. The JJM Bow Deed of Trust will be behind the Peoples Deed of Trust in priority.

H. North Edison desires to have the option of refinancing the Peoples Bank loan and obtaining permanent financing that will encumber the Combined Property ("Refinance Loan") and such new loan will have priority over the JJM Bows Deed of Trust.

NOW, THEREFORE, the parties agree as follows:

1. JJM Bow shall subordinate the lien created by the JJM Bow Deed of Trust to a Refinance Loan. Such subordination shall include deeds of trust, assignments of leases, and financing statements, and any amendments thereto. JJM Bow shall execute such instruments as the lender making the Refinance Loan requires for such subordination, the Refinance Loan amount shall not exceed \$270,000.

2. Upon written request from North Edison, JJM Bow shall execute commercially reasonable subordination documents as requested by the lender or title insurance company for the refinance loan.

3. All loan proceeds of the refinance loan to which the JJM Bow Deed of Trust is subordinated must be used to cause the Peoples Bank Deed of Trust to be reconveyed and for no other purposes.

4. This subordination agreement shall inure to and bind the heirs, administrators, executors, successors, and assigns of the parties hereto.

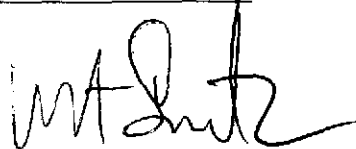
5. In the event a dispute arises and an attorney is retained to enforce any of the provisions of this subordination agreement, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorney's fees and costs.

IN WITNESS WHEREOF, this Agreement has been executed by JJM Bow, and North Edison as of the day and year first above written.

NORTH EDISON PROPERTIES, LLC

By: 

_____, Member



JJM BOW, LLC

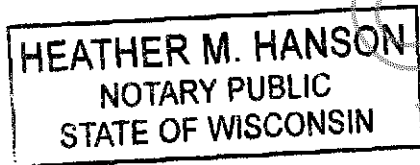
By: 

_____, Member

STATE OF WISCONSIN)
COUNTY OF WI) ss

I certify that I know or have satisfactory evidence that MAX A. TAUBERT is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Manager of JJM BOW, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 14, 2016.

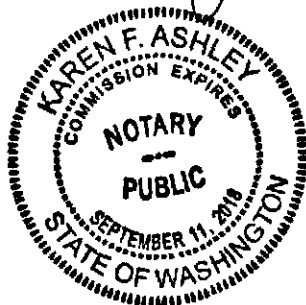


Heather M. Hanson
(Signature)
NOTARY PUBLIC
Heather M. Hanson
Print Name of Notary
My appointment expires: July 16, 2017.

STATE OF WASHINGTON)
COUNTY OF SKAGIT) ss

I certify that I know or have satisfactory evidence that ANDREW VALLEE is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of NORTH EDISON PROPERTIES, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 15th, 2016.

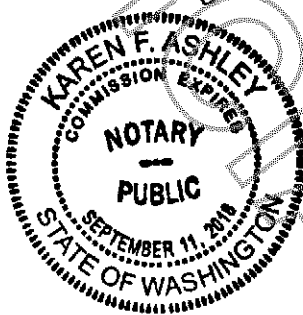


Karen Ashley
(Signature)
NOTARY PUBLIC
Karen Ashley
Print Name of Notary
My appointment expires: 9-11-2018

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that WESLEY SMITH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of NORTH EDISON PROPERTIES, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 15th, 2016.



Karen Ashley
(Signature)
NOTARY PUBLIC
Karen Ashley
Print Name of Notary
My appointment expires: 9-11-2018

EXHIBIT "A"

Legal Description:

Schedule "A-1"

154194-SE

DESCRIPTION:

PARCEL "A":

Lots 3, 4 and South 12.00 feet (as measured perpendicular to the South line) of Lot 5, Block 3, "TOWN PLAT OF EDISON," (Haller's Addition), as per plat recorded in Volume 1 of Plats, page 7, records of Skagit County, Washington.

TOGETHER WITH Lot 12 and the South 12.00 feet (as measured perpendicular to the South line) of Lot 13, Block 1, "TOWN PLAT OF EDISON" (Haller's Addition), as per plat recorded in Volume 1 of Plats, page 7, records of Skagit County, Washington.

TOGETHER WITH that portion of vacated Gilkey Avenue which would attach by operation of law.

Situate in the County of Skagit, State of Washington.

EXHIBIT "B"

Legal Description:

PARCEL "B":

Lots 9 and 10, Block 1, "TOWN PLAT OF EDISON," as per plat recorded in Volume 1 of Plats, page 7, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Lot 11, Block 1, "TOWN PLAT OF EDISON," as per plat recorded in Volume 1 of Plats, page 7, records of Skagit County, Washington.

TOGETHER WITH that portion of vacated Gilkey Avenue which would attach thereto by operation of law.

EXCEPT that portion of said vacated Gilkey Avenue, described as follows:

Beginning at the Southeast corner of said Lot 11;
thence North 89°13'30" East along the extension of the South line of said Lot 11, a distance of 9.13 feet to the true point of beginning;
thence North 00°58'57" East a distance of 33.02 feet to the extension of the North line of said Lot 11;
thence North 89°13'30" East along said line a distance of 11.14 feet;
thence South 00°46'30" East a distance of 33.00 feet to the extension of the South line of said Lot 11;
thence South 89°13'30" West a distance of 12.15 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.