

Skagit County Auditor

5/3/2016 Page

1 of

6 1:31PM

\$78.00

**FILED FOR RECORD AT REQUEST OF
AND WHEN RECORDED RETURN TO:**

1st Security Bank of Washington
Attn: Commercial Lending
6920 220th Street S.W.
Mountlake Terrace, Washington 98043

CHICAGO TITLE
1020027220

UNIFORM DATA:

SUBORDINATION AGREEMENT

REFERENCE #:

201605030047, recorded concurrently herewith

GRANTOR(S):

Quality Seafood Services, LLC

GRANTEE(S):

1st Security Bank of Washington

LEGAL DESCRIPTION:

ALL OF BLK 57, PTN BLKS 56, 72 AND 73 AMENDED
PLAT OF BURLINGTON AND PTN SW
32-35-04 AND PTN NW 05-34-4

ASSESSOR TAX PARCEL ID:

P110607/340405-0-021-0100, P112853/4076-056-006-
0100, P71801/4076-073-015-0001, P71677/4076-057-009-
0002, P71794/4076-072-002-0008, P71797/4076-072-010-
0008, P71798/4076-072-012-0006, P110263/4076-073-
013-0000

Commonly known as:
466 S Spruce St, Burlington, WA 98233

Subordination Agreement

**NOTICE: THIS SUBORDINATION AGREEMENT 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.**

This Subordination Agreement, made this 27th day of April, 2016, by 1st Security Bank of Washington, (hereinafter referred to as "Beneficiary"), present owner and holder of the Financing Statement and note signed by Quality Seafood Services, LLC (hereinafter referred to as "Owner"), agrees to subordinate Beneficiary's interest in the aforementioned Financing Statement to 1st Security Bank of Washington, it's successors and/or assigns (hereinafter referred to as "Lender") as more fully described below:

1. Owner executed a Financing Statement, on the 20th day of April, 2015, covering that certain real property described as follows:

AF # 201504200103

(A) All assets, including but not limited to: all Inventory, Chattel Paper, Accounts, Equipment and General Intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the

foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds) wherever located.

(B) Purchase Money Security Interest in all Fixtures, including but not limited to a 60' x 100' x 20' pre-engineered steel building located at 466 S. Spruce St, Burlington, WA 98223.

SHORT LEGAL: ALL OF BLK 57, PTN BLKS 56, 72 AND 73 AMENDED PLAT OF BURLINGTON AND PTN SW 32-35-04 AND PTN NW 05-34-4

to secure a note in the sum of \$224,000.00, dated the 3rd day of April, 2015, in favor of 1st Security Bank of Washington, which Financing Statement was recorded under auditor's file number 201504200103, in the Official Records of Skagit County (hereinafter referred to as "**1st Security Bank of Washington Deed of Trust**").

2. **Owner** has executed, or is about to execute, a Deed of Trust or Mortgage (hereinafter referred to as "**Lender's Security Instrument**") and note not to exceed the sum of \$576,000.00, dated the 27th day of April, 2016, in favor of **Lender**, payable with interest and upon the terms and conditions described therein, which **Lender's Security Instrument** is to be recorded concurrently herewith.
3. It is a condition precedent to obtaining said loan that said **Lender's Security Instrument** shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the **1st Security Bank of Washington Deed of Trust**, **Owner** has requested **Beneficiary** to subordinate **Beneficiary's** lien to the lien about to be taken by the **Lender**.
4. **Lender** is willing to make said loan provided that the **Lender's Security Instrument** securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the **1st Security Bank of Washington Deed of Trust** and provided that **Beneficiary** will specifically and unconditionally subordinate the lien or charge of the **1st Security Bank of Washington Deed of Trust** to the lien or charge of the **Lender's Security Instrument** in favor of the **Lender**.
5. It is to the mutual benefit of the parties hereto that **Lender** make such loan to **Owner**; and **Beneficiary** is willing that the **Lender's Security Instrument** securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the **1st Security Bank of Washington Deed of Trust**.
6. In consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce **Lender** to make the loan above referred to, it is hereby declared, understood and agreed to as follows:
 - a) That said **Lender's Security Instrument** securing said note in favor of **Lender**, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the **1st Security Bank of Washington Deed of Trust** so long as **Lender's** note does not exceed the amount of \$576,000.00.
 - b) That **Lender** would not make its loan above described without this subordination agreement.
 - c) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the **1st Security Bank of Washington Deed of Trust** to the lien or charge of the **Lender's Security Instrument** in favor of **Lender** above referred to and shall supersede and cancel, but only insofar as would affect the priority between the lien instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the **1st Security Bank of Washington Deed of Trust**, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

7. **Beneficiary declares, agrees and acknowledges that:**

- a. **Beneficiary** consents to and approves (i) all provisions of the note and **Lender's Security Instrument** in favor of **Lender** above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between **Owner** and lender for the disbursement of the proceeds of **Lender's** loan.
- b. **Lender** in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has **Lender** represented that it will, see to the application of such proceeds by the person or persons to whom **Lender** disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part.
- c. **Beneficiary** intentionally waives, relinquishes and subordinates the lien or charge of the **1st Security Bank of Washington Deed of Trust** in favor of the lien or charge upon said land of the **Lender's Security Instrument** in favor of **Lender** above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.
- d. An endorsement has been placed upon the note secured by the **1st Security Bank of Washington Deed of Trust** that said Deed of Trust has by this instrument been subordinated to the lien or charge of the **Lender's Security Instrument** in favor of **Lender** above referred to.

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 LAND.

BENEFICIARY:

1ST SECURITY BANK OF WASHINGTON

BY: 

Brian Marchand, VP, Commercial Loan Operations

STATE OF WASHINGTON) SS
COUNTY OF Snohomish

On the 28th day of April, 2016, before me the undersigned, a Notary Public in and for the State of Washington, personally appeared, Brian Marchand, to me known to be the person whose name is subscribed to the within instrument and acknowledge to me that he executed the same in his/her authorized capacity for 1st Security Bank of Washington, and heacknowledged to me that he signed the same as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Cathy A. Kent
Notary Public in and for the State of Washington
My Commission expires 2-9-20
Residing in Snohomish

EXHIBIT "A"

LEGAL

PARCEL A:

Those portions of Lots 3, 4, 5 and 6, Block 56, Amended Plat of Burlington, Washington, as per plat recorded in Volume 3 of Plats, Page 17, in the Office of the County Auditor of Skagit County, Washington, together with a portion of the 300.0 foot wide Station Ground property conveyed to the Seattle and Montana Railway Company by Deed recorded November 1, 1892, in Volume 25 of Deeds, Page 149, at Burlington, Washington, being 200.0 feet wide of the Westerly side and 100.0 feet wide on the Easterly side of said Railroad Company's Main Track centerline as now located and constructed upon, over and across the South 1/2 of the Southwest 1/4 of Section 32, Township 35 North, Range 4 East of the Willamette Meridian, Skagit County, Washington described as follows, to-wit:

Beginning at the Southeast corner of Lot 9, Block 57, Amended Plat of Burlington, Washington, said corner being on the North line of Greenleaf Avenue and 200.0 feet Westerly, as measured at right angles from Burlington Northern Railroad Company's (formerly Great Northern Railway Company) Main Track centerline, as now located and constructed; thence Northwesterly parallel with said Main Track centerline 279 feet, more or less, to the Southeast corner of Lot 6, Block 56, Amended Plat of Burlington, Washington; thence West along the South line of said Block 56 a distance of 119 feet, more or less, to the Southwest corner of Lot 3, Block 56, Amended Plat of Burlington, Washington; thence North along the West line of said Lot 3 a distance of 80 feet, more or less, to a point being 25.0 feet Southerly, as measured radially from said Railroad Company's Westerly Wye Track centerline, as now located and constructed; thence Southeasterly along a line drawn concentric with and 25.0 feet Southerly, as measured radially from said Wye Track centerline along a curve concave to the Southwest having a radius of 434.28 feet a distance of 368 feet, more or less, to the intersection with a line drawn parallel with and distant 50.0 feet Westerly, as measured at right angles from said Main Track centerline; thence Southeasterly parallel with said Main Track centerline 126 feet, more or less, to the Easterly extension of the North line of said Greenleaf Avenue; thence West along said Easterly extension of the North line of said Greenleaf Avenue 151.7 feet, more or less, to the point of beginning.

TOGETHER WITH that portion of Vernon Street that would attach by operation of law pursuant to the City of Burlington vacation Ordinance No. 436, filed on August 7, 1946.

Situated in Skagit County, Washington.

PARCEL B:

The Westerly 159.50 feet of Burlington Northern Railroad Company's (formerly Great Northern Railway Company) 300.00 foot wide Station Ground property, as acquired by Deed recorded November 1, 1892, in Volume 25 of Deeds, Page 149, at Burlington, Washington, being 200.0 feet wide of the Westerly side and 100.0 feet wide on the Easterly side of said Railroad Company's Main Track centerline as now located and constructed upon, over and across the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 5, Township 34 North, Range 4 East, W.M., and the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of Section 32, Township 35 North, Range 4 East, W.M., Skagit County, Washington, lying between two (2) lines drawn parallel with and distant, respectively, 40.50 feet and 200.00 feet Westerly as measured at right angles from said Main Track centerline, bounded on the North by the South line of Greenleaf Avenue and bounded on the South by a line drawn at a right angle to said Main Track centerline through a point on the Easterly line of Lot 1, Block 134, of the "First Addition to Burlington, Washington", distant 100.00 feet Southerly of the Northeast corner of said Lot 1, as measured along said Easterly line of Lot 1, as per plat recorded in Volume 3 of Plats, Page 11, Records of Skagit County, Washington.

TOGETHER WITH that portion of said Railroad Company's property described as follows:

Commencing at said Northeast corner of Lot 1; thence Southerly along said Easterly line of Lot 1, a distance of 100.00 feet to the true point of beginning; thence continuing Southerly along said Easterly line, 29.00 feet;

thence Easterly at a right angle to said Main Track centerline, 5.50 feet; thence Northerly parallel with said Easterly line of Lot 1, a distance of 29.00 feet; thence Westerly at a right angle to said Main Track centerline, 5.50 feet to the true point of beginning.

Situated in Skagit County, Washington

PARCEL C:

Lots 1, 14 and 15, Block 73, AMENDED PLAT OF BURLINGTON, according to the plat thereof, recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington;

TOGETHER WITH those portions of the vacated alley adjoining said Lots 1, 14 and 15, of said Block 73 and vacated Orange Street adjoining said Lot 1, of Block 73, which have attached thereto by operation of law.

Situated in Skagit County, Washington.

PARCEL D:

All of Block 57, AMENDED PLAT OF BURLINGTON, according to the plat thereof, recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington;

TOGETHER WITH vacated alley in said Block 57, which have attached to said premises by operation of law.

AND TOGETHER WITH that portion of Vernon Street that would attach by operation of law pursuant to the City of Burlington vacation Ordinance No. 436, filed on August 7, 1946.

EXCEPT that portion deeded to the City of Burlington by Statutory Warranty Deed recorded April 4, 1996 under Auditor's File No. 9604040096, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL E:

Lots 1, 2, 3, 9, 10, 11 and 12, Block 72, AMENDED PLAT OF BURLINGTON, according to the plat thereof, recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington;

TOGETHER WITH that portion of the vacated alley adjoining said Lots 1 through 3, and 9 through 12, of said Block 72, and vacated Orange Street adjoining said Lots 11 and 12, of said Block 72, which upon vacation have attached to said premises by operation of law.

EXCEPT that portion deeded to the City of Burlington by Statutory Warranty Deed recorded April 4, 1996 under Auditor's File No. 9604040097, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL F:

Lots 2, 3, 12 and 13, Block 73, AMENDED PLAT OF BURLINGTON, according to the plat thereof, recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington;

TOGETHER WITH those portions of the vacated alley adjoining said Lots 2, 3, 12 and 13, of said Block 73 and vacated Orange Street adjoining said Lots 2 and 3, of Block 73, which have attached thereto by operation of law.

EXCEPT that portion as quieted under Stipulation and Judgment Quieting Title filed August 9, 2007 under Skagit County Superior Court Cause No. 05-2-01072-2.

Situated in Skagit County, Washington.

**Tax Account No. P110607/340405-0-021-0100, P112853/4076-056-006-0100, P71801/4076-073-015-0001,
P71677/4076-057-009-0002, P71794/4076-072-002-0008, P71797/4076-072-010-0008, P71798/4076-072-012-
0006, P110263/4076-073-013-0000**

END OF EXHIBIT "A"