



201907080053

07/08/2019 11:28 AM Pages: 1 of 12 Fees: \$214.00
Skagit County Auditor

Return Address

U.S. Bank National Association
10800 NE 8th Street, Suite 1000
Bellevue, Washington 98004
Attention: Anthony Konopaski

CHICAGO TITLE
620038204

Document Title(s) (or transactions contained therein):

1. SUBORDINATION, ESTOPPEL AND ATTORNMENT AGREEMENT

Reference Number(s) of Documents assigned or released:

(on page ___ of documents(s))

Unrecorded Use and 201907080042

Grantor(s) (Last name first, then first name and initials):

1. QUATTRO PROPERTIES, L.L.C., a Washington limited liability company
2. T BAILEY, INC., a Washington corporation
3. Additional names on page ___ of document.

Grantee(s) (Last name first, then first name and initials):

1. U.S. BANK NATIONAL ASSOCIATION, a national banking association
- 2.
3. Additional names on page ___ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

[] Gov't Lots 1 and 2, 3-24-2

Full legal is on Exhibit A of document.

Assessor's Property Tax Parcel/Account Number

[]
P19712, P19675, P19677, P19687

**SUBORDINATION,
ESTOPPEL AND ATTORNMENT AGREEMENT**

Date: As of July 3, 2019

From: T BAILEY, INC., a Washington corporation ("Tenant") and
QUATTRO PROPERTIES, L.L.C., a Washington limited liability
company ("Landlord")

To: U.S. BANK NATIONAL ASSOCIATION, a national banking
association ("Lender")
10800 NE 8th Street, Suite 1000
Bellevue, Washington 98004

Lease Dated: January 1, 2019

W I T N E S S E T H :

WHEREAS, the Tenant has made and entered into that certain Commercial Lease Agreement dated January 1, 2019 (the "Lease Agreement") with Landlord (the "Lease"), covering the premises (the "Premises") described more particularly on attached Exhibit A; and

WHEREAS, the Lender made a loan to the Landlord secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (as amended from time to time, the "Deed of Trust") recorded on July 8, 2019, under ~~King~~ County, Washington Recorder's file No. 201907080042, which Deed of Trust also secures any future advances made by Lender; provided, however, that said Lease is subordinate to the lien of the Deed of Trust; and **SKaqit*

WHEREAS, Lender has been requested by Tenant and by Landlord to enter into a subordination agreement with Tenant;

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, the parties hereto mutually covenant and agree as follows:

1. The Lease and any extensions, renewals, replacements or modifications thereof, and all of the right, title and interest of the Tenant in and to said Premises, including but not limited to any option or right of first refusal to purchase Premises, or any acquisition of title to the Premises by Tenant during the term of the Deed of Trust and to advances made or to be made thereunder, are and shall be subject and subordinate to the Deed of Trust and to

all of the terms and conditions contained therein, and to any renewals, modifications, increases, replacements, consolidations and extensions of the indebtedness secured thereby.

2. Tenant agrees with Lender that if the interests of Landlord in the Premises shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it, or by any other manner, Tenant shall be bound to 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 thereof which may be affected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the Landlord under the Lease, and Tenant does hereby attorn to Lender as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Lender succeeding to the interest of the Landlord in the Premises. Tenant agrees, however, upon the election of and written demand by Lender after Lender receives title to the Premises, to promptly execute an instrument in confirmation of the foregoing provisions, satisfactory to Lender, in which Tenant shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy.

3. Tenant agrees with Lender that if Lender shall succeed to the interest of Landlord under the Lease, Lender shall not be (a) liable for any action or omission of any prior landlord under the Lease, or (b) subject to any offsets or defenses which Tenant might have against any prior landlord, or (c) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, or (d) bound by any security deposit which Tenant may have paid to any prior landlord, unless such deposit is in an escrow fund available to Lender, or (e) bound by any amendment or modification of the Lease made without Lender's consent, or (f) bound by any provision in the Lease which obligates the Landlord to erect or complete any building or to perform any construction work or to make any improvements to the Premises, or (g) liable for or incur any obligation with respect to any breach of warranties or representations of any nature under the Lease or otherwise, including, without limitation, any warranties, or representations respecting use, compliance with zoning, landlord's title, landlord's authority, habitability and/or fitness for any purpose or possession, or (h) liable for consequential damages. Tenant further agrees with Lender that Tenant will not voluntarily subordinate the Lease to any lien or encumbrance without Lender's consent.

4. In the event that the Landlord shall default in the performance or observance of any of the terms, conditions or agreements in the Lease, Tenant shall give written notice thereof to the Lender and the Lender shall have the right (but not the obligation) to cure such default. Tenant shall not take any action with respect to such default under the Lease, including and without limitation, any action in order to terminate, rescind or void the Lease or to withhold any rental thereunder for a period of 30 days after receipt of such written notice thereof by the Lender with respect to any such default capable of being cured by the payment of money and for a period of 60 days after receipt of such written notice thereof by the Lender with respect to any other such default; provided, that in the case of any default which cannot be cured by the payment of money and cannot with diligence be cured within such sixty 60-

day period because of the nature of such default or because Lender requires time to obtain possession of the Premises in order to cure the default, if Lender shall proceed promptly to attempt to obtain possession of the Premises, where possession is required, and to cure the same and thereafter shall prosecute the curing of such default with diligence and continuity, then the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence and continuity.

5. Tenant agrees with Lender that Tenant's estate in the Premises shall not be conveyed or encumbered without the written consent of the Lender so long as the Lease is in effect.

6. Landlord and Tenant hereby covenant and agree with Lender as follows:

(a) The Lease (i) has been properly executed and delivered by Tenant, (ii) is valid and binding upon Tenant, (iii) has not been modified, and (iv) is in full force and effect;

(b) There exist no defaults under the terms of the Lease by Landlord or Tenant;

(c) Tenant has not paid any rental to Landlord more than one month in advance and Landlord holds no security deposit for Tenant except \$0;

(d) Tenant has no defense, claim of lien or offset, under the Lease or against the rental payable thereunder; and

(e) Tenant has no claims to or interest in the Premises, legal or equitable, or any contract or option therefore, other than as a tenant under the Lease.

Tenant hereby agrees that it will promptly notify Lender in writing of and when any of the above conditions should become untrue or incorrect in any material respect.

7. This Agreement shall bind and inure to the benefit of all parties hereto, their successors and assigns. As used herein the term "Tenant" shall include the Tenant, its successors and assigns; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the Premises by voluntary deed (or assignment) in lieu of foreclosure, and the word "Lender" shall include the Lender herein specifically named and any of its successors and assigns, including anyone who shall succeed to Landlord's interest in the Premises by, through or under foreclosure of the Deed of Trust.

8. This Agreement shall not be modified or amended except in writing signed by the parties hereto.

9. The use of the neuter gender in this Agreement shall be deemed to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires.

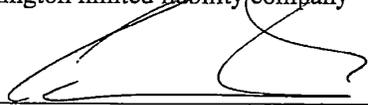
10. Notwithstanding any of the other provisions hereof, this Agreement is not intended to create and shall not be deemed to create any personal liability on the part of tenant for repayment of the loan secured by the Deed of Trust.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have placed their hands and seals the day and year first above written.

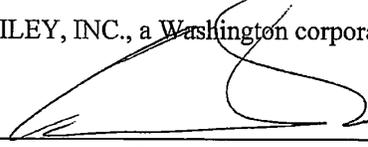
Landlord:

QUATTRO PROPERTIES, L.L.C., a
Washington limited liability company

By 
Gene Tanaka, Manager

Tenant:

T BAILEY, INC., a Washington corporation

By 
Gene Tanaka, President

Lender:

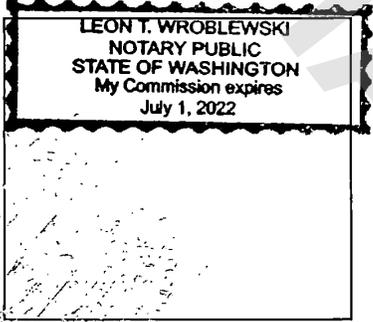
U.S. BANK NATIONAL ASSOCIATION

By: 
Name: KENT RAMSEY
Title: SVP

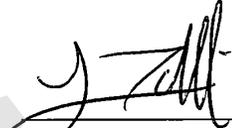
STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 14th day of June, 2019, before me personally appeared Gene Tanaka, to me known to be the manager of QUATTRO PROPERTIES, L.L.C., a Washington limited liability company 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 such person 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.



(Use this space for notarial stamp/seal)

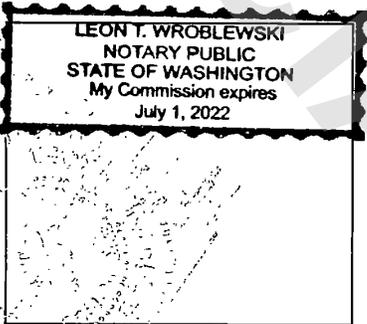


(Signature of officer)
Notary Public in and for the State of
Washington, residing at Skagit
My commission expires: July 1, 2022

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 14th day of June, 2019, before me personally appeared Gene Tanaka, to me known to be the President of T BAILEY, INC., a Washington corporation, 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 such person 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.



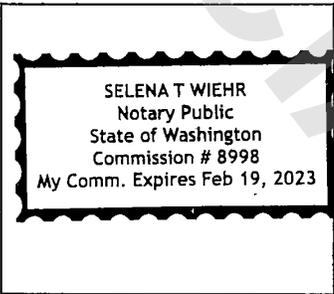
(Use this space for notarial stamp/seal)

[Signature]
(Signature of officer)
Notary Public in and for the State of
Washington, residing at Skagit
My commission expires: July 1, 2022

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this 1 day of JULY, 2019, before me personally appeared Kent Ramsey, to me known to be the Senior Vice President of U.S. 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 such person 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.



(Use this space for notarial stamp/seal)

[Signature]
(Signature of officer)
Notary Public in and for the State of
Washington, residing at Kirkland WA
My commission expires: Feb 19 2023

EXHIBIT A
to Subordination,
Estoppel and Attornment Agreement

LEGAL DESCRIPTION

Parcel A:

That portion of Government Lots 1 and 2 in Section 3, Township 34 North, Range 2 East of the Willamette Meridian, lying Southerly of a line which is equidistant 300 feet Southerly of and parallel to or concentric with the centerline of the right of way of the Great Northern Railway Company (formerly Seattle and Northern Railway Co.), as said centerline of said railroad existed on June 4, 1902, and lying Southwesterly of the Old Anacortes – Mount Vernon Highway more commonly referred to as March Point Road, and lying Easterly of that Boundary Line Adjustment between Lloyd E. Sanderson and Anita P. Sanderson, husband and wife and Keith D. Sanderson and Caroline N. Sanderson, husband and wife; and A.R. Kinney and Vera M. Kinney, husband and wife by those instruments recorded under Auditor's File Nos. 9302260002 and 9302260003, records of Skagit County, Washington; and lying Northeasterly of the Primary State Highway No. 1;

TOGETHER WITH that portion of the East 40 rods of the North 45 rods of the Northwest Quarter of the Southeast Quarter of said Section 3, Township 34 North, Range 2 East of the Willamette Meridian, lying Northeast of the State Highway;

EXCEPT that portion of said Government Lot 1 in Section 3, Township 34 North, Range 2 East of the Willamette Meridian, lying Southerly of the Southwesterly right of way line of that 60 foot wide County road commonly referred to as March Point Road, and lying Southerly of the approximate top of the bank to that hill above the gravel pit excavation site as same existed in February 1993 and being more particularly described as follows:

Beginning at a point at the intersection of the West line of said Government Lot 1 and that line described herein as being said top of the bank and the Northerly line of this property description, which point bears North 1°51'35" East, a distance of 264.10 feet, more or less, from the Southwest corner of said subdivision;

thence along said top of bank in a Northerly and Easterly direction along the following described courses and distances:

North 88°34'17" East, a distance of 83.84 feet; North 72°19'44" East, a distance of 134.88 feet; North 28°40'26" East, a distance of 68.65 feet to a point which bears South 55°30'39" West along a line perpendicular to the Southwesterly right of way line of said County road, a distance of 55.19 feet, more or less;

thence North 55°30'39" East along said perpendicular line, a distance of 55.19 feet, more or less, to the Southwesterly right or way line of said County road and the terminus of this property line description;

AND EXCEPT that portion of the above described tract of land lying within the following description or described as follows:

Beginning at a point on the East line of said Section 3 which is 2,158.2 feet North of the Southeast corner of said Section;

thence North 143.4 feet to the Westerly line of the E. Kasch Road;

thence North 35°22' West along the Westerly line of said road, 396.7 feet;

thence North 76°07' West 482 feet;

thence South 582.6 feet;

thence East 697.6 feet to the point of beginning;

Situated in Skagit County, Washington

PARCEL B:

That portion of the following described tract of land lying and being Southerly of the State Highway as same existed on November 10, 1933 to-wit:

A strip of land 250 feet wide in Government Lots 1 and 2, of Section 3, Township 34 North, Range 2 East of the Willamette Meridian, being all that part of said Lots 1 and 2, lying between two lines parallel to and distance, respectively, 50 feet and 300 feet Southerly measured at right angles, from the centerline of the main tract of the Great Northern Railway as now located and constructed;

EXCEPTING THEREFROM all that part thereof lying Southwest of the following described line:

Beginning at a point in said Lot 2, a distance of 300 feet Southeasterly from the said centerline of main tract, as measured at right angles to said centerline from a point therein, 555.4 feet distant, Northeasterly, measured along said centerline, from the West line of said Lot 2;

Thence Northwesterly at right angles to said centerline 165 feet to a point 135 feet distant Southeasterly from said centerline;

Thence Northwesterly in a straight line to a point 50 feet distant Southeasterly from said centerline, as measured at right angles, thereto, from a point therein 430.4 feet distant Northeasterly measured along said centerline from the West line of said Lot 2;

AND EXCEPT Puget Sound and Baker River Railway;

Situated in Skagit County, Washington.