



**202001300462**

01/30/2020 11:07 AM Pages: 1 of 9 Fees: \$111.50  
Skagit County Auditor

Return Address  
Northwest Business Development Assoc.  
9019 E. Appleway Blvd., Suite 200  
Spokane Valley, WA 99212

**Land Title and Escrow**

01.173389.0

**SUBORDINATION AGREEMENT**

Reference #: 202001300459 § 202001300462 Additional on page \_\_\_\_\_  
Grantor: NT PARTNERS, LLC, a Washington limited liability company  
Additional on page \_\_\_\_\_  
Grantee: Northwest Business Development Association  
Additional on page \_\_\_\_\_

Abbreviated Legal Description: Ptn Blk 1, Map of LaConner &  
Ptn Tr 6, Plate 18, Tideland/LaConner

For a complete legal description see Exhibit A attached  
hereto and incorporated herein by reference.

Assessor's Tax Parcel Number: 4129-018-006-0004, P74455 & 4123-023-  
000-0105, P74103

THIS AGREEMENT is made and entered into as of this 19th day of  
December, 2019 by NOTIO FELIX, LLC, a Washington limited liability  
company, ("Landlord"), whose address is 116 S. 1<sup>st</sup> St., La Conner,  
WA 98257; and NT PARTNERS, LLC a Washington limited liability  
company, ("Tenant"), whose address is 116 S. 1<sup>st</sup> St., La Conner, WA  
98257.

**WITNESSETH:**

WHEREAS, NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION, a  
Washington nonprofit corporation, ("Mortgagee"), whose address is  
9019 E. Appleway Blvd., Suite 200 Spokane Valley, WA 99212, has  
agreed to make a mortgage loan in the amount of Four Hundred Forty  
Five Thousand Dollars and No Cents (\$445,000.00) to Landlord,  
repayment of which is to be secured by a Deed of Trust or Mortgage  
(herein referred to as "Mortgage") on real estate (the "Premises")  
all as fully described in the legal description above; and

WHEREAS, the Mortgage is to be recorded in the county where the Premises are situate; and

WHEREAS, Tenant is the present lessee under a Lease commencing May 1, 2019 as amended from time to time, initially made by NOTIO FELIX, LLC, a Washington limited liability company, as landlord, demising all or a portion of the Premises (said Lease and all amendments thereto are hereafter referred to as the "Lease"); and

WHEREAS, as a condition precedent to Mortgagee's disbursement of loan proceeds, Mortgagee has required that Tenant subordinate the Lease and its interest in the Premises in all respects to the lien of the Mortgage; and

WHEREAS, it will be of substantial benefit to Tenant for Mortgagee to disburse the loan proceeds; and

WHEREAS, Mortgagee is disbursing the loan proceeds in reliance upon the agreements contained in this Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, it is hereby agreed as follows:

1. **SUBORDINATION**. The Lease, and the rights of Tenant in, to or under the Lease and the Premises, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Mortgage, and to the rights and interest of the from time to time holder of the Mortgage, as fully and with the same effect as if the Mortgage 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 Premises by Tenant, or its predecessors in interest.

2. **RELIANCE BY MORTGAGEE**. The parties are executing this instrument in order to induce Mortgagee to disburse the indebtedness secured by the Mortgage, and the parties further agree that the disbursement by Mortgagee of all or any part of the indebtedness shall constitute conclusive reliance by Mortgagee upon this Agreement and the provisions hereof and the subordination effected hereby.

3. **ATTORNMEN AT MORTGAGEE'S OPTION**. At Mortgagee's sole option, if the interest of Landlord shall be transferred to and owned by Mortgagee by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any

other manner, Mortgagee succeeds to the interest of the landlord under the Lease, Tenant shall be bound to Mortgagee 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 Mortgagee were the landlord under the Lease. Tenant does hereby agree to attorn to Mortgagee as its landlord, said attornment to be effective and self-operative immediately upon Mortgagee 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. Except as required under any Assignment of Leases and/or Rents, Tenant shall be under no obligation to pay rent to Mortgagee until Tenant receives written notice from Mortgagee that it has succeeded to the interests of the landlord under the Lease. The respective rights and obligations of Tenant to Mortgagee upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as those set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

However, Mortgagee, or any subsequent purchaser, shall not be required to recognize the rights of Tenant under the Lease and the rights of Tenant thereunder, including any options thereunder, shall, at the sole election of and upon notice by Mortgagee, cease and terminate upon acquisition of title to or upon possession of the Premises by Mortgagee, or its successors and assigns, including any purchaser at a foreclosure sale.

4. **MORTGAGEE NOT BOUND BY CERTAIN ACTS OF LANDLORD.** If Mortgagee shall succeed to the interest of landlord under the Lease, Mortgagee shall not be liable for any act or omission of any prior landlord (including Landlord herein) nor be subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord herein); nor bound by any rent or additional rent which Tenant might have paid for more than the then current installment nor be bound by any amendment or modification of the Lease made without its consent.

5. **NOTICE.** In the event that 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 Mortgagee, and Mortgagee 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

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed as of the date first above.

9. **CAPTIONS AND HEADINGS.** The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

8. **CHOICE OF LAW.** This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the state where the Premises are situate.

7. **SUCCESSORS AND ASSIGNS.** This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and every from time to time holder of the Lease or any other person having an interest therein and shall inure to the benefit of Mortgagee and its successors and assigns.

6. **PURCHASE OPTIONS.** Any option or rights contained in the Lease to acquire title to the Premises are hereby made subject and subordinate to the rights of Mortgagees under the Mortgage and any acquisition of title to the Premises made by Tenant during the term of the Mortgage shall be made subordinate and subject to the Mortgage.

limitation, any action in order to terminate, rescind or avoid the lease or to withhold any rental thereunder, for a period of ten (10) days after receipt of such written notice thereof by Mortgagee with respect to any such default capable to being cured by the payment of money and for a period of thirty (30) days after receipt of which written notice thereof by Mortgagee 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 thirty (30)-day period because of the nature of such default or because Mortgagee requires time to obtain possession of the premises in order to cure the default, it Mortgagee 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).

Thurman

True Venn

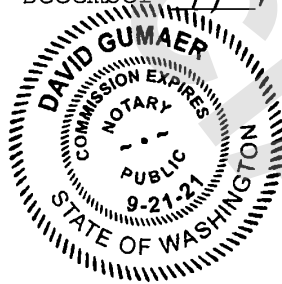
A circular notary seal for David Gumaer, a Notary Public in the State of Washington. The seal features his name "DAVID GUMAER" at the top, "COMMISSION EXPIRES" and "NOTARY PUBLIC" in the center, and "STATE OF WASHINGTON" at the bottom. The expiration date "9-21-21" is also present. The seal is surrounded by a decorative border of small slanted lines.

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STATE OF WASHINGTON )  
 ) ss.  
County of Skagit )

I certify that I know or have satisfactory evidence that THEODOR L. FURST signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as a Member/Manager of NT PARTNERS, LLC, a Washington limited liability company, to be the free and voluntary act of such company, for the uses and purposes mentioned in the instrument.

DATED: December 19, 2019



David Gumaer  
Notary Public in and for the  
State of Washington, residing at  
Spokane.  
My appointment expires 9-21-21.

## EXHIBIT A

PARCEL "A":

Block 1, "MAP OF LACONNER, WHATCOM COUNTY, WASHN. TERRY., 1872", as per plat recorded in Volume 2 of Plats, page 49, records of Skagit County, Washington,

EXCEPT that portion of said premises lying North of a line that is 50 feet South of and parallel with the North line of said Block,

ALSO EXCEPTING any portion of said premises lying below the line of mean high tide,

AND ALSO EXCEPTING the following:

Beginning at the intersection of the South line of fractional Block 1 of said "MAP OF LACONNER, WHATCOM COUNTY, WASH. TERRY., 1872", and the East line of the tidelands in front of and abutting on said Block 1;

thence Northerly along the East line of said Block 1, 100 feet to a point 165.2 feet from the intersection of the East line of said Block 1, produced Northerly and the South line of Lot 2, Section 36, Township 34 North, Range 2 East, W.M.;

thence West parallel with the South line of said Lot 2 to the East line of said tidelands and thence Southerly along the East line of said tidelands to the point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

PARCEL "B":

Tract 6, Plate 18, "TIDE AND SHORE LANDS AT LACONNER", filed in the Office of the State Land Commission at Olympia, Washington,

EXCEPT the South 90 feet thereof.

Situate in the Town of La Conner, County of Skagit, State of Washington.

PARCEL "C":

That portion of Block 1, "MAP OF LACONNER, WHATCOM COUNTY, WASHN. TERRY., 1872", as per plat recorded in Volume 2 of Plats, page 49, records of Skagit County, Washington, lying North of a line that is 50 feet South of and parallel to the North line of said Block 1,

EXCEPT that portion thereof, if any, lying within tidelands.

Situate in the Town of La Conner, County of Skagit, State of Washington.

EXHIBIT APARCEL "D":

All interest in Harbor Area Lease between the State of Washington, as Lessor, and Nell Thorn LLC, as Lessee, dated December 17, 2014, recorded January 12, 2015, under Auditor's File No. 201501120101, further described as follows:

That portion of the Harbor Area lying in front of Tract 6, as shown on the 2003 Supplemental Map of La Conner Harbor as recorded under Auditor's File No. 200302060018, records of Skagit County, in Section 36, Township 34 North, Range 2 East, W.M., Skagit County, Washington, being more particularly described as follows:

Beginning at the Northeast corner of said Section 36;  
thence along the North line of said Section 36, North 88°29'43" West, 1,994.19 feet to the 1892 Inner Harbor Line;  
thence along said Inner Harbor Line South 03°43'17" West, 2,505.57 feet;  
thence continuing along said Inner Harbor Line South 19°35'17" West, 167.37 feet to the true point of beginning;  
thence North 88°23'10" West, 47.50 feet;  
thence South 18°54'35" West, 97.80 feet;  
thence South 70°54'39" East, 34.35 feet;  
thence South 04°44'14" West, 30.34 feet;  
thence South 88°45'03" East, 2.00 feet to the said Inner Harbor Line;  
thence along said Inner Harbor Line North 19°35'17" East, 140.84 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

PARCEL "E":

All interest in Harbor Area Lease between the State of Washington, as Lessor, and Nell Thorn, LLC, as Lessee, dated December 17, 2014, recorded January 12, 2015, under Auditor's File No. 201501120102, further described as follows:

That portion of the unplatted first class tidelands lying between first class tideland Tracts 5 and 6 of Corrected Plate No. 18 of tide and shorelands of Section 36, LaConner Harbor filed in records of Commissioner of Public Lands on September 24, 1894, in Section 36, Township 34 North, Range 2 East, W.M., Skagit County, Washington, being more particularly described as follows:



**EXHIBIT A****PARCEL "E" continued:**

Beginning at the Northeast corner of said Section 36, as shown on the 2003 Supplemental Map of La Conner Harbor as recorded under Auditor's File No. 200302060018, records of Skagit County;  
thence along the North line of said Section 36, North  $88^{\circ}29'43''$  West, 1,994.19 feet to the 1892 Inner Harbor Line;  
thence along said Inner Harbor Line South  $03^{\circ}43'17''$  West, 2,505.57 feet;  
thence continuing along said Inner Harbor Line South  $19^{\circ}35'17''$  West, 167.37 feet to the true point of beginning;  
thence continuing along the said Inner Harbor Line South  $19^{\circ}35'17''$  West, 32.41 feet to the North line of Tract 6;  
thence along said North line of Tract 6 South  $88^{\circ}40'51''$  East, 28.87 feet to the approximate meander line;  
thence along said meander line North  $17^{\circ}45'44''$  East, 31.94 feet to the South line of Tract 5;  
thence along said South line of Tract 5 North  $88^{\circ}23'10''$  West, 27.75 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

**END OF EXHIBIT A**