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01/04/2023 02:41 PM Pages: 1 of 11 Fees: \$213.50

Skagit County Auditor, WA

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Helsell Fetterman LLP 1001 Fourth Avenue, Suite 4200 Seattle, Washington 98154 Attention: Scott E. Collins

TENANT SUBORDINATION, NON-DISTURBANCE, ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE, ATTORNMENT AGREEMENT ("this Agreement") dated as of November 2, 2022, is by and among The Northern Trust Company, an Illinois banking corporation (the "Lender" or "Northern Trust"), FH INVESTMENTS-WA, LLC, a Washington limited liability company (the "Lessee"), and Gold Coast 2700 Properties 2, LLC, a Washington limited liability company (the "Lessor");

AF Number(s): 9309300143 & 200804100131

WITNESSETH: NCS-1151524 | ST AM (11)

WHEREAS, the Lender is the holder of that certain promissory note of the Lessor dated November 2, 2022, in the face principal amount of \$1,600,000.00 (as and if amended, restated, renewed or replaced, the "Note"), secured by a deed of trust, a security agreement, an assignment of rents and leases, and/or a fixture filing of even or approximate date with the Note (however labeled, individually and collectively, as and if amended, restated, renewed or replaced, the "Deed of Trust"), which Deed of Trust constitutes a lien on that certain real property more particularly described in Exhibit A attached hereto, commonly known in whole or part as 324 East College Way, Mount Vernon, Washington 98273 (the "Property"); and

WHEREAS, the Lessee is the holder of a leasehold estate covering the Property pursuant to the terms of that certain lease dated November 09, 2016, and executed by the Lessee and the Lessor, as amended by that certain First Amendment to Lease, dated September 27, 2017, between the Lessee and the Lessor (collectively, and as amended, restated, renewed or replaced, the "Lease"), a true and correct copy of which Lease has been delivered to the Lender; and

WHEREAS, the Lessee, the Lessor and the Lender desire to confirm their understanding with respect to the Lease and the Deed of Trust.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- Subject to the terms of this Agreement, the Lease now is, and shall at all times continue
 to be, subject and subordinate in each and every respect to the Deed of Trust. In the event of any conflict
 or inconsistency between any of the provisions of the Deed of Trust and the Lease, the provisions of the
 Deed of Trust shall control.
- 2. So long as the Lessee is not in default in the payment of rent or in the performance of any of the terms, covenants or conditions hereof or of the Lessee on the Lessee's part to be performed, the Lessee's possession and occupancy of the Property shall not be interfered with or disturbed by the Lender during the term of the Lessee or any extension thereof duly exercised by the Lessee.
- Lessor") shall be transferred to or owned by the Lender by reason of judicial foreclosure, power-of-sale foreclosure or other proceedings brought by it, or deed in lieu of such foreclosure proceedings, or by any other manner, including but not limited to the Lender's exercise of its rights under any assignment of rents and leases, and the Lender succeeds to the interest of such Prior Lessor under the Lease, the Lessee shall be bound to the Lender under all of the terms, covenants and conditions of the Lease for the balance of the remaining term thereof and any extension thereof duly exercised by the Lessee, with the same force and effect as if the Lender were the lessor under the Lease, and the Lessee does hereby attorn to the Lender as its lessor, 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 the Lender's succeeding to the interest of a Prior Lessor under the Lease; provided, however, that the Lessee shall be under no obligation to pay rent to the Lender until the Lessee receives written notice from the Lender that it has succeeded to the interest of a Prior Lessor under the Lease or that it has terminated the license granted to the Lessor to collect rents as provided in the Deed of Trust.
- 4. If the Lender shall succeed to the interest of any Prior Lessor under the Lease, the Lender shall, subject to the following provisions of this Section 4, be bound to the Lessee under all of the terms, covenants and conditions of the Lease; provided, however, that the Lender shall not be:
 - (I) Liable for any act or omissions of any Prior Lessor; or
 - (ii) Subject to any offsets or defenses which the Lessee might have against any Prior Lessor; or
 - (iii) Bound by any rent or additional rent or advance rent which the Lessee might have paid for more than the current month to any Prior Lessor, and all such rent shall remain due and owing notwithstanding such advance payment.

All liability of Northern Trust and any other party who, from time to time, shall be included in the definition of the term "Lender", under the Lease shall be limited to its interest in the Property and the rents and profits therefrom. Neither Northern Trust nor any other party who, from time to time, shall be included in the definition of the term "Lender" hereunder shall have any liability or responsibility under or pursuant to the terms of this Agreement or the Lease for any event or occurrence following the date on which it ceases to own a fee interest in or to the Property.

5. The term "Lender" shall be deemed to include Northern Trust and any of its successors and assigns, including anyone who shall have succeeded to the Lessor's interest under the Lease by, through or under judicial foreclosure, or power-of-sale foreclosure or other proceedings brought pursuant to the Deed of Trust, or deed in lieu of such foreclosure proceedings, or by any other manner.

- The Lessee certifies to the Lender as follows:
 - (i) that the Lease is presently in full force and effect and unmodified or changed and Lessee is open for business and in operation in the Premises and has not given Lessor any notice of termination thereunder;
 - (ii) that the lease is a "triple net" lease with a current base rental amount of \$6,540.00 per month, and requires tax, insurance and CAM reimbursements. These estimates shall be determined upon Tenant opening for business or shortly thereafter.
 - (iii) that the "Lease Commencement Date" (as defined in the Lease) was July 14, 2017 and the "Lease Expiration Date" (as defined in the Lease) is November 10, 2027 unless otherwise terminated or extended per the terms of the Lease;
 - (iv) that no rent under the Lease has been paid more than one month in advance of its due date:
 - (v) that no uncured default, event of default, or breach by Lessor or Lessee currently exists under the Lease, and Lessee has made no claim against Lessor alleging Lessor's default under the Lease;
 - (vi) that the Lessee, as of this date, has no charge, lien or claim of offset under the Lease or otherwise, against rents or other charges due or to become due thereunder;
 - (vii) that Lessee is not and will not become engaged in the production, treatment, release or storage of hazardous or toxic substances which pose a substantial risk of imminent damage to public health or safety or to the environment;
 - (viii) that Lessee is not currently a debtor in any bankruptcy, reorganization, arrangement or insolvency proceedings;
 - (ix) that Lessee has no options, rights of first refusal, termination, or exclusive business rights except as follows: with two (2) options to extend of successive periods of 5 years each;
 - (x) that the Lease constitutes the entire rental agreement between the parties and that the Lender shall have no liability or responsibility with respect to any security deposit of the Lessee;
 - (xi) that all conditions required to be satisfied by the Lessee under the Lease that could have been satisfied as of the date hereof have been met or waived (and any such waivers have been listed on Schedule 1 to this Agreement); and
 - (xii) that the Lessee has no right or interest in or under any contract, option or agreement involving the sale or transfer of the Property except as and if listed in Schedule 1 hereto.

To the best of Lessor's actual, current, knowledge: (a) the only persons, firms or corporations in possession of the Property or having any right to the possession or use of the Property (other than the record owner) are those holding under and named as Lessee in the Lease; (b) the term of the Lease commenced on the above-indicated Lease Commencement Date, and full rental is now accruing or will then accrue thereunder; and (c) the Lessor is not required to complete any construction of or in the Property or otherwise perform any construction obligations.

- 7. In the absence of the prior written consent of the Lender, Lessee agrees not to prepay the rent under the Lease for more than one month in advance.
- 8. So long as the Lessor is not in default with the Lender, the Lessor and Lessee may amend or modify, or terminate in the ordinary course of business the Lease unless such amendment, modification or termination allows or requires the Lessee to prepay the rent under the Lease for more than one month in advance. In the event of such a default, the Lessor agrees to obtain prior written consent of the Lender to amend, modify or terminate the Lease; Lessee itself need not inquire at all whether Lessor is in default with the Lender unless Lessee has in fact received written notice of such default or of foreclosure or other exercise of default remedies by Lender pursuant to the Deed of Trust or the Note.
- 9. In the event the Lessor shall fail to perform or observe any of the terms, conditions or agreements in the Lease, the Lessee shall give written notice thereof to the Lender and the Lender shall have the right (but not the obligation) to cure such failure within the time period provided to Lessor under the Lease.
- 10. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto and their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.
- 11. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.
- 12. As between Lessor and Lessee only, as to Lessee's obligations, duties and responsibilities, rights or privileges under the Lease:
 - (i) no provision, statement, representation, warranty or other matter contained herein is intended to modify, be inconsistent with or contradict the terms of the Lease or any related agreement, with respect to Lessee's obligations, duties and responsibilities, rights or privileges under the Lease, and all such provisions, statements, representations, warranties and other matters shall be deemed amended to conform to the terms of the Lease and related agreements to the extent of any such modification, inconsistency or contradiction; and
 - (ii) The terms of the Lease and related agreements shall control at all times.
- 13. All notices and other communications provided for in this Agreement ("Notices") shall be in writing. The "Notice Addresses" of the parties for purposes of this Agreement are as follows:

Lender:

The Northern Trust Company 1301 2nd Avenue, Suite 2600

Seattle, WA 981

Attention: Kevin D, Berg

Lessor: Gold Coast 2700 Properties 2, LLC

6947 Coal Creek Parkway SE, Suite 212

Newcastle, WA 98059 Attn: Thomas Beeks

With Copy To: The Coe Law Firm, PLLC

600 Stewart Street, Suite 620

Seattle, WA 98101 Attn: John A. Coe

Facsimile: (206) 625-9218

Lessee: FH Investments WA, LLC

2349 NW Douglas St Camas, WA 98607

Attention: James Lovelace

With Copy To: Firehouse of America, LLC

3410 Kori Road Jacksonville, FL 32257

Attention: Franchise Administrator

or such other address as a party may designate by notice duly given in accordance with this Section to the other parties. A notice to a party shall be effective when delivered to such party's Notice Address by any means, including, without limitation, personal delivery by the party giving the Notice, delivery by United States regular, certified or registered mail, or delivery by a commercial courier or delivery service. If the Notice of Address of a party includes a facsimile number or electronic mail address, Notice given by facsimile or electronic mail shall be effective when delivered at such facsimile number or email address. If delivery of a Notice is refused, it shall be deemed to have been delivered at the time of such refusal of delivery. The party giving a Notice shall have the burden of establishing the fact and date of delivery or refusal of delivery of a Notice.

[SIGNATURE PAGE(S) AND SCHEDULE/EXHIBIT(S), IF ANY, FOLLOW THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

"Lender"

THE NORTHERN TRUST COMPANY

Kevin D. Berg, Vice President

"Lessee"

FH INVESTMENTS-WA, LLC

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Title: <u>President</u>

"Lessor"

GOLD COAST 2700 PROPERTIES 2, LLC

Thomas Beeks, Manager

STATE OF WASHINGTON)) ss.
COUNTY OF KING)

I, a Notary Public in and for said County and State, DO HEREBY CERTIFY that KEVIN D. BERG, who is personally known to me (or was adequately identified to) me to be the same person whose name is subscribed to the foregoing instrument, appeared before me and acknowledged that he signed, sealed and delivered the said instrument as a Vice President of THE NORTHERN TRUST COMPANY, an Illinois banking corporation, to be the free and voluntary act of such party for the for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of January, 2023

RENA K BOSTWICK
Notary Public
State of Washington
Commission # 91178
My Comm. Expires Feb 25, 2023

Printed Name: Rena LBOSTWICK NOTARY PUBLIC in and for the State of Washington, residing at Pugallup My commission expires: ZZS 2023

STATE OF WASHINGTON COUNTY OF C/CE/K)

I, a Notary Public in and for said County and State, DO HEREBY CERTIFY that James Leveless who is personally known to me (or was adequately the uses and purposes therein set forth.

ANDREA CLAY **Notary Public** State of Washington Commission # 21004784 Comm. Expires Dec 11, 2024 Printed Name: Androgo Clay
NOTARY PUBLIC in and for the State of
Washington, residing at Vencouver, WA
commission expires: AU 2024

STATE OF WASHINGTON)
COUNTY OF KIND) ss
COUNTY OF KING)

I, a Notary Public in and for said County and State, DO HEREBY CERTIFY that THOMAS BEEKS, who is personally known to me (or was adequately identified to) me to be the same person whose name is subscribed to the foregoing instrument, appeared before me and acknowledged that he signed, sealed and delivered the said instrument as a Manager of GOLD COAST 2700 PROPERTIES 2, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 1

day of NOVEMBEY, 2022.

P

Washington, residing at <u>PRICME</u> 10/7
My commission expires: 1/14/26

SCHEDULE 1

List any exceptions under section 6(xi) and 6(xii) of the Agreement:

None

EXHIBIT 1

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

LOT 3, CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV-1-93, ENTITLED SKAGIT VALLEY SQUARE, APPROVED SEPTEMBER 29, 1993, RECORDED SEPTEMBER 30, 1993 IN <u>VOLUME 10 OF SHORT PLATS, PAGES 240-246</u>, UNDER AUDITOR'S FILE NO. <u>9309300143</u> AND BEING A PORTION OF THE NORTHEAST % OF THE SOUTHEAST % OF SECTION 18, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.,

EXCEPT THAT PORTION CONVEYED TO THE CITY OF MOUNT VERNON, A MUNICIPAL CORPORTION BY DEED RECORDED APRIL 10, 2008 AS AUDITOR'S FILE NO. 200804100131.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.