WHEN RECORDED RETURN TO:

BRADFORD E. FURLONG Attorney at Law 825 CLEVELAND AVENUE MOUNT VERNON, WA 98273



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.

The undersigned subordinator and owner agrees as follows:

- 1. Whidbey Island Bank referred to herein as "Subordinator," is the owner and holder of a mortgage dated June 11, 2004, which is recorded under Skagit County Auditor's File No. 200406150202, records of Skagit County, referred to hereafter as the "Mortgage."
- 2. The Town of La Conner, a Washington municipal corporation, referred to herein as "Grantee" and La Conner Holding Co., LLC, a Washington limited liability company referred to as "Grantor" and "Owner," are the parties to an easement that encumbers the property subject to the Mortgage, which easement is recorded under Auditor's File No. 200504130069 records of Skagit County referred to herein as the "Easement," (which is to be recorded immediately previous hereto).
- 3. In consideration of benefits to Subordinator from Owner and Grantee, receipt and sufficiency of which is hereby acknowledged, and to induce Grantee to approve sewer improvements to the subject property and accept the Easement in connection therewith, the Subordinator does hereby unconditionally subordinate the lien of his Mortgage identified in Paragraph 1 above to the Easement, identified in Paragraph 2 above.
- 5. Subordinator acknowledges that, prior to the execution hereof, it has had the opportunity to examine the terms of the Easement, consents to and approves the same.

- 6. It is understood by the parties hereto that Grantee would not approve the installation of sewer improvements or accept the Easement without this agreement.
- This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the Easement in favor of Grantee above referred to and shall supercede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to any encumbrance to be thereafter executed.
- 8. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust," and gender and number of pronouns considered to conform to the undersigned.

Executed this	_ day of	June	2005.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO GRANT AN EASEMENT OVER THE LAND, IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

	N.	À	Grantee:
			TOWN OF LA CONNER
Attestation:		By:	wasie Fratay
Debby Malarchick	<i>)</i>	Its:	WAYNE EVERTON Mayor
Debby Malarchick, Town Cl	erk	Date:	_6-1-05
STATE OF WASHINGTON)		
COUNTY OF SKAGIT) ss.)		
On this $\frac{\int_{-\infty}^{5+} day \text{ of } $ in and for the state of Washing	June, 2003	sioned a	2005 before me, the undersigned, a Notary Public nd sworn, personally appeared Wayne Everton and
Debby Malarchick to me known	to be the Mayor	and Tov	on Clerk, respectively, of the Town of LaConner the lent, and acknowledged the said instrument to be the
			on, for the uses and purposes therein mentioned, and

SUBORDINATION AGREEMENT

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on oath stated that they are authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the say and year first above written. DeGOFOR Notary Public in and for the state of Washington, residing at My commission expires: NOTARY Printed Name: Maria PUBLIC 2-1-2009 OF WASY Grantor/Owner: WHIDBEY ISLAND BANK Under Colum By: Its: Date: STATE OF WASHINGTON) ss. **COUNTY OF SKAGIT** On this A day of M 2005 before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Andrew C Hunter me known to be the Slover Vivo fresident of Whidbey Island Bank, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument. Witness my hand and official seal hereto affixed the say and year first above written. Notary Public in and for the state Washington, residing at My commission expires: Printed Name: Kher

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Skagit County Auditor

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RADFORD E. FURLONG Attorney at Law 5 CLEVELAND AVENUE NT VERNON, WA 98273 (206)336-6508

,	
	Subordinator:
	LA CONNER HOLDING CO., LLC
The state of the s	
	- ///- Ah/
	By: / Wision
	Its: Vanager
	11s Vacable b
	Date: 5-14-65
STATE OF WASHINGTON)	
ss.	
COUNTY OF SKAGIT	
On this /4th day of MAY	2005 h-6
for the state of Washington, duly	2005 before me, the undersigned, a Notary Public in and commissioned and sworn, personally appeared
PGTER AUDED WESCOTT to me know	to be the /banger Co of La
Conner Holding Co., LLC, the Washington limited	l liability company that executed the foregoing instrument, and
acknowledged the said instrument to be the free an	d voluntary act and deed of said limited liability company, for
instrument.	n oath stated that he/she is authorized to execute the said
Witness my hand and official seal hereto	affixed the say and year first above written.
arrages (Chilly)	SON COLL
CONTACTOR IN	Notary Public in and for the state of ω
TO DIE	Washington, residing at Sinste
WAS DE LOS OF	My commission expires: 10-29-06
	Printed Name: Sivila CAN Muss
Sally Sally	
William Marine	
-118886000-	

SUBORDINATION AGREEMENT

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After Recording Please Return To:

Attn: Town of La Conner Post Office Box 400, 2nd and Douglas La Conner, Washington 98273-9366 (360) 466-3125



Skagit County Auditor

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Reference Ni Grantor(s): (umber(s) of Documents Assigned or Released: 200406150202 (Print Last name, First name, and Initials)	
i i. <u> </u>	La Conner Holdings, LLC, a Washington Limited Liability Company	
Grantee(s):	Town of La Conner	
	ption (abbreviated): A portion of Lots 7-9, Block T, La Conner	
[X] A Assessor's P	Additional legal description is on page one of document. Property Tax Parcel / Account Number: P74083	

EASEMENT

THIS AGREEMENT made this 2" day of ADRIL , 205 by and between THE TOWN OF LA CONNER, a municipal corporation of Skagit County, Washington, hereinafter termed "Grantee" and La Conner Holdings, LLC, hereinafter termed "Grantor".

WITNESSETH:

Grantor, for valuable consideration in hand, the adequacy of which is acknowledged by Grantor, does by these presents grant, convey and warrant unto the Grantee a perpetual easement for sanitary sewer collection pipes with the necessary appurtenances through, over and across the following described property situated in Skagit County, Washington, more particularly described as follows:

THE NORTHERLY 20 FEET OF THE WESTERLY 70 FEET OF LOT 7, AND THE WESTERLY 60 FEET OF LOTS 8 AND 9, BLOCK T, "MAP OF LA CONNER, WHATCOM COUNTY, WASHN. TERRY, 1872", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX

APR 13 2005

183

Amount Paid S Skagit Co. Treasurer By Deputy

3/4/2005

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Said permanent easement shall be over, across, along, in, upon and under the following described portion of the above-described property:

THE NORTHERLY 7.50 FEET OF THE WESTERLY 60 FEET OF LOT 9 AND ALSO THAT PART OF LOT 9 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER NORTHERLY 7.5 FEET OF THE WESTERLY 60 FEET OF SAID LOT 9;

THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID WESTERLY 60 FEET, 7.00 FEET;

THENCE NORTHWESTERLY TO A POINT ON THE SOUTHERLY LINE OF SAID NORTHERLY 7.5 FEET WHICH LIES 20.00 FEET WESTERLY OF SAID EASTERLY LINE;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE 20.00 FEET TO THE POINT OF BEGINNING.

ALL IN BLOCK T, MAP OF LA CONNER, AS RECORDED IN VOLUME 2 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON.

EXCEPTING THEREFROM

ANY PORTION LYING BENEATH BUILDING OCCUPYING PART OF THE WESTERLY PORTION OF SAID LOT 9 AS OF DECEMBER, 2004.

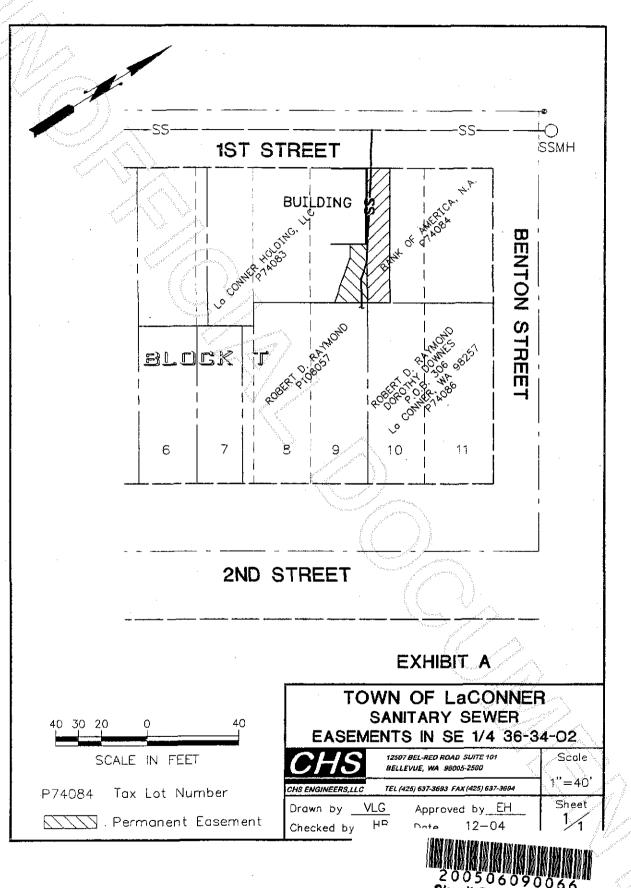
A sketch depicting the location of this easement is attached hereto as Exhibit A and by reference thereto is made a part hereof.

Grantee shall have the right without prior institution of any suit or proceeding at law, at such times as may be necessary, to enter upon said property for the purpose of constructing, repairing, altering, or reconstructing said sewer main, or making any connections therewith, without incurring any legal obligation or liability therefore; provided that such constructing, repairing, altering, or reconstructing of said sewer main shall be accomplished in such a manner that the private improvements existing in this right-of-way shall not be disturbed or destroyed, or in the event they are disturbed or destroyed, they will be replaced in as good a condition as they were immediately before the property was entered upon by the Grantee.

The Grantor shall retain the right to use the surface of said easement, so long as said use does not interfere with the installation and maintenance of the sewer main and so long as no permanent buildings or structures are erected on said easement.

Esmt. No. 74083

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