

AFTER RECORDING MAIL TO:

Olaf & Gayle Gildnes
15006 Channel Lane
La Conner, WA 98257



200601200094
Skagit County Auditor

1/20/2006 Page 1 of 4 11:20AM

Filed for Record at Request of:
First American Title Of Skagit County
Escrow Number: A86956
Assessor's Parcel No. P60431
Abbrev. Legal: Ptn Lots 18-20, Block 4, STUART'S FIRST ADDITION

Subordination Agreement

Reference Number(s): FIRST AMERICAN TITLE CO.
Grantor(s): Rose Point LLC and Rhodo-Drona, LLC A86956E-3
Grantee(s): Olaf Gildnes and Gayle Gildnes

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:

- Olaf Gildnes and Gayle Gildnes referred to herein as "subordinator", is the owner and holder of a mortgage dated October 28, 2004 which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200410280228, records of Skagit County. Skagit State Bank
- referred to herein as "lender", is the owner and holder of a mortgage dated January 19, 2006 executed by Rose Point LLC (which is recorded in volume XXXXXXXXXXXXXXXXXXXX of Mortgages, page XXXXXXXXXXXXXXXXXX, auditor's file No. _____ records of Skagit County) (which is to be recorded concurrently herewith). Recording No. 200601200092
- Rose Point LLC and Rhodo-Drona, LLC referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
- In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
- "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
- It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 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 lien or charge of the mortgage in favor of "lender" 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 a mortgage or mortgages to be thereafter executed.
- 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 undersigned.

UNRECORDED

Executed this 5TH day of JANUARY, 2006

NOTICE: THIS SUBORDINATION 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 THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT THEIR ATTORNEYS WITH RESPECT THERETO.

Olaf Gildnes
Olaf Gildnes, Subordinator

Gayle Gildnes
Gayle Gildnes, Subordinator

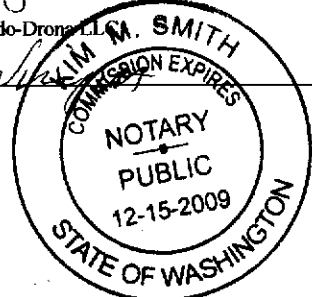
Rose Point LLC, Owner

Rhodo-Drono LLC, Owner

By: [Signature]
By: Randolph H. Bauer

By: [Signature]

By: [Signature]
State of Washington
County of Skagit SS:



I certify that I know or have satisfactory evidence that Olaf Gildnes and Gayle Gildnes are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: Jan. 5, 2006

Kim M. Smith
Notary Public in and for the State of WA
Residing at Molokai Vernon
My appointment expires: 12/15/09

UNRECORDED



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Skagit County Auditor

ACKNOWLEDGEMENT - Representative Capacity

STATE OF WASHINGTON,)
County of SKAGIT) ss.
)

I certify that I know or have satisfactory evidence that JENNIFER L. WINGETT, RANDOLPH H. BARRETT, STEVE RANDLE & SANDI RANDLE ARE ^{THEY} the person^S who appeared before me, and said person^S acknowledged that he^{THEY} she signed this instrument, on oath stated that he^{THEY WERE} she was authorized to execute the instrument and acknowledged it as the MEMBERS

_____ of
ROSE POINT LLC

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal hereto affixed this FTH day of JANUARY, 2006



Tamara A Satko

Notary Public in and for the State of Washington,
Residing at ANACORTES

My appointment expires 11/7/07

This jurate is page 3 of 4 and is attached to SUBORDINATION AGMT dated 1/5/06



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ACKNOWLEDGEMENT - Representative Capacity

STATE OF WASHINGTON,)
County of SKAGIT) ss.
)

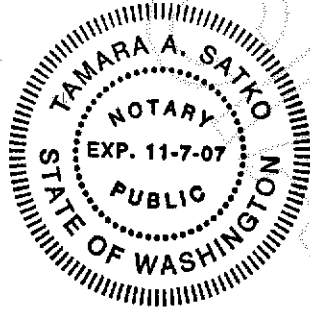
I certify that I know or have satisfactory evidence that JENNIFER L. WILGETT

Is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the MEMBER/MANAGER of

RHODO-DRONA, LLC

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal hereto affixed this 19TH day of JANUARY, 2006



Tamara A Satko
Notary Public in and for the State of Washington,
Residing at ANACORIES

My appointment expires 11/7/07

This jurate is page 4 of 4 and is attached to SUBORDINATION AGMT dated 1/5/06

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