

When recorded return to:
Land Title and Escrow
3010 Commercial Avenue
Anacortes, WA 98221



201206010087
Skagit County Auditor

6/1/2012 Page 1 of 3 4:15PM

File for Record at Request of
Land Title and Escrow
Escrow Number: 141917-OAE

LAND TITLE OF SKAGIT COUNTY

Grantor: Skagit State Bank
Grantee: Skagit State Bank
Abbreviated Legal: Parcel A & B, BLA Survey 201005120047; Ptn NW ¼ of SW ¼ & Ptn SW ¼ of NW 1/43, 4-34-2 E W.M.
Tax Parcel No. P19877/340204-2-001-0009 & P19839/340204-0-046-0000

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. Skagit State Bank
referred to herein as "subordinator", is the owner and holder of a mortgage dated May 30th
2012 which is recorded in June 1, 2012 of Mortgages, page n/a
under auditor's file 201206010087, records of Skagit County.
Skagit State Bank
2. referred to herein as "lender", is the owner and holder of a mortgage dated May 30th, 2012
executed D & D Landholding Co. LLC
(which is recorded in volume N/A of Mortgages, N/A,
auditor's file 201206010087 records Skagit County) (which
is to be recorded concurrently herewith).
3. D & D Landholding Co. LLC, a Washington Limited Liability Company
referred to herein as "owner", is the owner of all the real property described in the mortgage identified
above in Paragraph 2.
4. 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.
5. "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.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in
Paragraph 2 without this agreement.
7. 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 supersede 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.
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 undersigned.

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.

Dated: 6-1-12

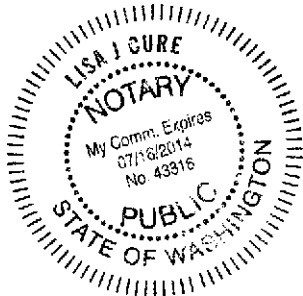
Skagit State Bank

By: Michael Freeland

STATE OF Washington
County of Skagit, SS:

I certify that I know or have satisfactory evidence that Michael Freeland signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Vice President of Skagit State Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 6/1/12



Lisa J. Cure
Notary Public in and for the State of Washington
Residing at Burlington
My appointment expires: 7-16-14



201206010087
Skagit County Auditor

PARCEL "A":

Parcel A of that certain Boundary Line Adjustment Survey approved April 23, 2010, recorded May 12, 2010, under Auditor's File No. 201005120047, records of Skagit County, Washington and being more fully described as follows:

That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and that portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway right-of-way at a point 1,023.24 feet East of its intersection with the Section line between Sections 4 and 5, Township 34 North, Range 2 East, W.M.;

thence South 40 rods, more or less, to a point 26 rods South of the $\frac{1}{2}$ Section line;

thence East 8 rods;

thence North 40 rods, more or less, to the South line of said Highway;

thence West along the South line of said Highway to the place of beginning.

EXCEPT the South 200 feet thereof;

AND EXCEPT that portion conveyed to the State of Washington by Deed dated January 12, 1961, for Primary State Highway No. 1 Jet SSH No. 1-D to Swinomish Slough, and recorded February 6, 1961, under Auditor's File No. 603837;

AND that portion of said Section, described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway at a point 1,012.24 feet East of its intersection with the Section line between Sections 4 and 5 of Township 34 North, Range 2 East, W.M.;

thence East along the South line of said Highway 11 feet;

thence South 431 feet;

thence West 11 feet;

thence North 431 feet to the point of beginning.

EXCEPT that portion annexed to the State of Washington by Deed dated January 12, 1961, for Primary State Highway No. 1 JET. SSH No. 1-D to Swinomish Slough, and recorded February 6, 1961, under Auditor's File No. 603837.

TOGETHER WITH the West 67.40 feet of the following described property:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway, 80 rods East of the Section line between Sections 4 and 5, said Township and Range;

thence West 10 rods along the South line of said Anacortes-Mount Vernon Highway;

thence South 8 rods;

thence East parallel to the South line of said Highway 10 rods to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;

thence North 8 rods along the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the point of beginning;

EXCEPT any portion thereof lying within the boundaries of a tract conveyed to George Sullivan and Dora Sullivan, husband and wife, by deed dated April 29, 1946, recorded May 18, 1946, in Volume 209 of Deeds, page 449, under Auditor's File No. 391956, records of Skagit County, Washington,

Situate in the City of Anacortes, County of Skagit, State of Washington.

PARCEL "B":

Parcel B of that certain Boundary Line Adjustment Survey approved April 23, 2010, recorded May 12, 2010, under Auditor's File No. 201005120047, records of Skagit County, Washington and being more fully described as follows:

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at a point on the South line of the Anacortes-Mount Vernon Highway, 80 rods East of the Section line between Sections 4 and 5, said Township and Range;

thence West 10 rods along the South line of said Anacortes-Mount Vernon Highway;

thence South 8 rods;

thence East parallel to the South line of said Highway 10 rods to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;

thence North 8 rods along the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the point of beginning;

EXCEPT any portion thereof lying within the boundaries of a tract conveyed to George Sullivan and Dora Sullivan, husband and wife, by deed dated April 29, 1946, recorded May 18, 1946, in Volume 209 of Deeds, page 449, under Auditor's File No. 391956, records of Skagit County, Washington,

AND EXCEPT the West 67.40 feet thereof.

Situate in the City of Anacortes, County of Skagit, State of Washington.



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