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KATHY HILL
SKAGIT COUNTY AUDITOR

99 MAY 20 P3:35

9905200220

RECORDED _____ FILED _____
REQUEST OF _____

U.S. DEPARTMENT OF AGRICULTURE
COMMODITY CREDIT CORPORATION

CCC-LTP-21
8-88
OMB No. 0578-0013

**SUBORDINATION AGREEMENT AND
LIMITED LIEN WAIVER**

Island Title SB-11059 ✓
Escrow BE-2949

OMB DISCLOSURE STATEMENT

Public reporting burden for this collection of information is approximately (15) minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture Clearance Officer OIRM, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0578-0013), Washington, D.C. 20503.

WETLANDS RESERVE PROGRAM
AGREEMENT NO. 68-0546-7-09

This Subordination Agreement and Limited Lien Waiver, effective April 23, 1999
is signed by ANNA VERDOES and VERDOES DAIRY COMPANY, INC. (indicate
person or persons signing this document or party on whose behalf the document is signed)
("Subordinating Party") who hereby grants, to the extent specified in Part II of this document,
the following subordination and limited lien waiver to the United States of America (United
States) by and through the Commodity Credit Corporation (CCC). The property described
below is encumbered with either a Wetlands Reserve Program (WRP) easement as described
in the attached Warranty Easement Deed. RECORDED UNDER AUDITOR'S FILE NO.:

990520 0219

The easement area is located in the County (Borough or Parish) of Skagit
County and State of Washington and is identified as follows:

Easement Area. The property encumbered by the WRP easement is described as follows:
(Provide a legal description of the land comprising the easement area or recordable plot.)

See Exhibit "A"

PTN. S/2, SEC. 11, T34N, R4E W.M.

TAX PARCEL ID# P24507, P24534, P24543, P24544, P24520

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BK 1993 PG 0211

PART I - GENERAL TERMS

- A. Authority. This Subordination Agreement and Limited Lien Waiver is acquired by the United States under the authority of Title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3837 et seq.).
- B. Purposes. This Subordination Agreement and Limited Lien Waiver is required by the United States in connection with its acquisition of an easement over the property described above to ensure that the easement area is maintained to promote wetland functions and values.
- C. Duration of Easement and this Subordination Agreement and Limited Lien Waiver.

The easement and subordination and limited lien waiver shall continue in perpetuity.

PART II - SUBORDINATION AGREEMENT AND LIMITED LIEN WAIVER

The Subordinating Party: (1) subordinates its interest in the property described herein** to the easement of the United States for the same property which is conveyed to the United States in the WRP easement; (2) acknowledges that the property which contains the easement area is burdened by the right of access granted to the United States in the easement and agrees that this right of access granted to the United States in the easement and agrees that this right of access shall be superior to any rights of the Subordinating Party; (3) subordinates its interest in the property to the purposes of the WRP and any easement practices adopted pursuant to such purposes; and (4) agrees that the United States may make payments in connection with the WRP easement deed without regard to any lien or claim that the Subordinating Party may have with respect to any person with an interest in the easement area, unless an assignment of such payment has been made to the Subordinating Party on a form approved by the United States.

This Subordination Agreement and Limited Lien Waiver: (1) binds the Subordinating Party and its heirs, agents, assigns, and successors with respect to the interests that the Subordinating Party and such other persons have, or may have, in the property or against any person having an interest in the property; and (2) inures in favor of the United States and its agents, successors, or assigns of any kind.

Abraham J. Verdoes
Signature of Authorized Rep. of Sub. Party
Abraham J. Verdoes, President

4-23-99
Date

Pres/Sec
Title

Anna Verdoes
Anna Verdoes

4-23-99
Date

**REAL ESTATE CONTRACT RECORDED ON 5/13/81 UNDER AUDITOR'S FILE NO.: 8105130001 RECORDS OF SKAGIT COUNTY. WHEREIN THE PURCHASER'S INTEREST WAS ASSIGNED BY INSTRUMENTS RECORDED ON 11/30/83 AND 4/26/89, UNDER AUDITOR'S FILE NOS.: 8311300011 AND 8904270004 RESPECTIVELY AND AMENDED BY INSTRUMENTS RECORDED ON 12/21/81 AND 1/20/84, UNDER AUDITOR'S FILE NOS.: 8112210015 AND 8401200014 RESPECTIVELY.

State of Washington } ss.
County of Skagit

I certify that I know or have satisfactory evidence that ANNA VERDOES is/are the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

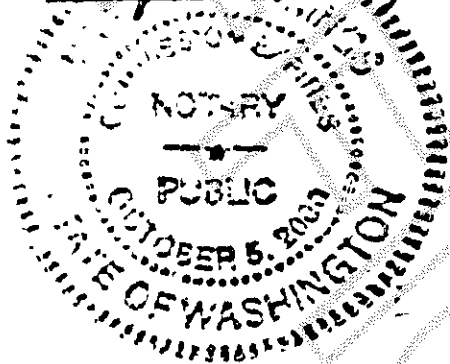
Dated

April 23, 1999

Marcia J. Jennings

Marcia J. Jennings

Notary Public in and for the State of Washington, residing at Sedro-Woolley
My appointment expires: 10-5-2000



State of Washington } ss.
County of Skagit

I certify that I know or have satisfactory evidence that ABRAHAM J. VERDOES is/are the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as President of VERDOES DAIRY COMPANY, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:

April 23, 1999

Marcia J. Jennings

Marcia J. Jennings

Notary Public in and for the State of Washington, residing at Sedro-Woolley
My appointment expires: 10-5-2000

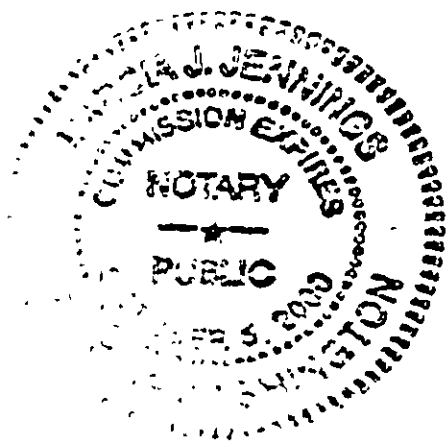


EXHIBIT "A"

A Wetland Reserve Program (WRP) Conservation Easement, over, under and across those portions of Lot 2, SKAGIT COUNTY SHORT PLAT NO. 65-88, approved March 11, 1991, recorded July 25, 1991 in Volume 9 of Short Plats, page 389, under Auditor's File No. 9107250026, records of Skagit County, Washington, and of the East Half of the Southwest Quarter, and of the Southeast Quarter of Section 11, Township 34 North, Range 4 East of the Willamette Meridian, being more particularly described as follows:

Commencing at the Southeast corner of said East Half of the Southwest Quarter (South Quarter corner) of Section 11; thence North 01°34'02" East a distance of 358.32 feet along the East line of said Southwest Quarter to the Northerly margin of the Burlington Northern Railway right-of-way and the true point of beginning; thence continue North 01°34'02" East a distance of 60.00 feet along said East line; thence North 43°25'58" West a distance of 29.03 feet to the left bank (line of vegetation as the same existed September 1998) of Nookachamps Creek; thence downstream along said left bank as follows:

thence South 42°37'49" West a distance of 112.15 feet;
thence South 77°54'04" West a distance of 69.71 feet;
thence North 71°29'06" West a distance of 44.92 feet;
thence North 78°30'13" East a distance of 101.01 feet;
thence South 77°39'12" West a distance of 58.60 feet;
thence South 41°13'09" West a distance of 104.42 feet;
thence South 83°59'53" West a distance of 70.53 feet;
thence South 78°48'13" West a distance of 55.34 feet;
thence North 40°44'41" West a distance of 51.67 feet;
thence North 56°31'41" West a distance of 197.04 feet;
thence South 88°47'04" West a distance of 150.06 feet;
thence South 87°44'46" West a distance of 65.44 feet;
thence North 67°31'02" West a distance of 155.06 feet;
thence North 84°38'37" West a distance of 40.35 feet;
thence South 34°41'36" West a distance of 64.81 feet;
thence South 58°05'21" West a distance of 61.30 feet;
thence South 75°39'14" West a distance of 85.27 feet to the West line of said East Half of the Southwest Quarter;

continued

EXHIBIT "A"
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thence North $00^{\circ}56'57''$ East a distance of 192.50 feet along said West line;
thence North $81^{\circ}56'08''$ East a distance of 244.79 feet;
thence North $87^{\circ}08'53''$ East a distance of 173.75 feet;
thence South $88^{\circ}50'21''$ East a distance of 142.96 feet;
thence South $75^{\circ}41'19''$ East a distance of 213.35 feet;
thence North $86^{\circ}33'17''$ East a distance of 128.25 feet;
thence North $65^{\circ}26'08''$ East a distance of 149.38 feet;
thence North $39^{\circ}00'32''$ East a distance of 168.06 feet;
thence North $04^{\circ}27'28''$ West a distance of 176.10 feet;
thence North $22^{\circ}44'14''$ West a distance of 179.25 feet;
thence North $11^{\circ}02'44''$ West a distance of 101.36 feet;
thence North $21^{\circ}19'04''$ East a distance of 138.38 feet;
thence North $20^{\circ}11'36''$ East a distance of 163.32 feet;
thence North $23^{\circ}56'44''$ East a distance of 95.40 feet;
thence North $42^{\circ}27'35''$ East a distance of 223.53 feet;
thence North $04^{\circ}50'58''$ East a distance of 156.73 feet;
thence North $28^{\circ}12'59''$ East a distance of 16.02 feet;
thence North $59^{\circ}49'38''$ East a distance of 41.10 feet to the Southerly right-of-way margin of Babcock Road;
thence along said Southerly margin of Babcock Road (being 30 feet from the road centerline) South $74^{\circ}16'18''$ East a distance of 297.11 feet to a point of curvature;
thence along the arc of said curve to the right having a radius of 1,115.92 feet, a central angle of $08^{\circ}52'00''$, an arc distance of 172.69 feet to a point of tangency;
thence South $65^{\circ}24'18''$ East a distance of 85.80 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 1,939.86 feet, a central angle of $05^{\circ}52'30''$, an arc distance of 198.91 feet to a point of tangency;
thence South $71^{\circ}16'48''$ East a distance of 230.00 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 848.15 feet, a central angle of $14^{\circ}53'00''$, an arc distance of 220.41 feet to a point of tangency;
thence South $86^{\circ}09'48''$ East a distance of 96.80 feet to a point of curvature;

continued

EXHIBIT "A"

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thence along the arc of said curve to the right having a radius of 230.44 feet, a central angle of $20^{\circ}05'44''$, an arc distance of 80.82 feet to the East line of the West Half of said Southeast Quarter of Section 11;

thence South $01^{\circ}24'08''$ West a distance of 202.94 feet along said East line to the Northerly margin of said Burlington Northern Railway right-of-way (being 50 feet from the railroad centerline);

thence along the arc of a curve concave to the Southeast, along said Northerly margin having an initial tangent bearing of North $83^{\circ}03'21''$ West, a radius of 984.62 feet, a central angle of $54^{\circ}04'18''$, an arc distance of 929.21 feet to a point of compound curvature of a transition spiral curve (railroad station PCC 70+72);

thence along the transition spiral, the centerline of which has six 28 foot chords with delta angle of $03^{\circ}30'$ to the point of spiral (railroad station P.S. 59+04.5);

thence South $39^{\circ}22'21''$ West a distance of 675.29 feet to the true point of beginning.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -

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