

199910280071

Island Title Company
P O Box 670
Burlington WA 98233

Kathy Hill, Skagit County Auditor
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U.S. DEPARTMENT OF AGRICULTURE
COMMODITY CREDIT CORPORATION

CCC-1256
10-96
OMB No. 0578-0013

**SUBORDINATION AGREEMENT AND
LIMITED LIEN WAIVER**

Island Title SB-13531 ✓

Escrow BE-2549

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.

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WETLANDS RESERVE PROGRAM
AGREEMENT NO. 66-0546-8-13

This Subordination Agreement and Limited Lien Waiver, effective October 19, 1999, is signed by Skagit State Bank, 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.

The easement area is located in Skagit County, Washington and is identified as follows:

Easement Area. The property encumbered by the WRP easement is described on Exhibit A which is appended to and made a part of this Subordination Agreement.

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 for the period specified in the easement deed.

PART II - SUBORDINATION AGREEMENT AND LIMITED LIEN WAIVER

The Subordinating Party has various security interests in the property, as evidenced by Auditor's Numbers 9711250115, 9112300015, 9611200037, 9502100002, and 199909200029, Records of Skagit County. The Subordinating Party: (1) subordinates its interests 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 shall be superior to any rights of the Subordinating Party; (3) subordinates its interests 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.

WARRANTY EASEMENT DEED RECORDED UNDER AUDITOR'S FILE NO.: 199910280070
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.

SKAGIT STATE BANK

by: [Signature]
Signature of Authorized Rep. of Sub. Party

10/7/1999
Date

Senior Vice President
Title

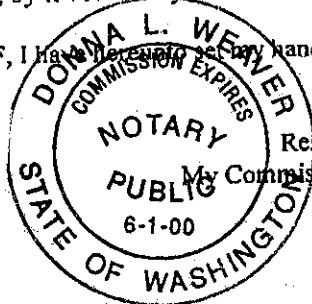
ACKNOWLEDGMENT

STATE OF WASHINGTON

COUNTY OF

On this 7th day of October, 1999 before me, the undersigned, a Notary Public in and for said State personally appeared Duane M. Oord, known or proved to me to be the person whose name is subscribed to the within instrument and, being by me duly sworn, did state that he/she is the Sr. Vice President for Skagit State Bank, that this instrument was signed on behalf of said bank, and acknowledged that the execution of the instrument was his/her voluntary act and deed and the voluntary act and deed of Skagit State Bank, by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



[Signature]
Notary Public for the State of Washington
Residing at Burlington
My Commission Expires June 1, 2000

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EXHIBIT "A"

PARCEL A: TEWALT

That portion of the following described property which lies within Tract X:

An easement over, under and across portions of the East Half of the Northwest Quarter and the Northeast Quarter and the Southeast Quarter of Section 13, Township 34 North, Range 4 East of the Willamette Meridian, and also in a portion of Tract B, SKAGIT COUNTY SHORT PLAT NO. 46-54, approved January 3, 1985 and recorded January 7, 1985 in Volume 6 of Short Plats, page 193, under Auditor's File No. 8501070029, records of Skagit County, Washington, being a portion of Government Lots 1 and 2, Section 18, Township 34 North, Range 5 East of the Willamette Meridian, said WRP Conservation Easement being more particularly described as follows:

Commencing at the Northwest corner of said Section 13, Township 34 North, Range 4 East of the Willamette Meridian; thence South 84°26'18" East a distance of 1,321.36 feet along the North line of the Northwest Quarter of said Section 13 to the Northwest corner of the Northeast Quarter of the Northwest Quarter and being the true point of beginning; thence continue South 84°26'18" East a distance of 1,321.35 feet along said North line to the Northeast corner of said Northeast Quarter of the Northwest Quarter (North Quarter corner); thence South 89°34'22" East a distance of 938.16 feet along the North line of the Northeast Quarter of said Section 13; thence South 10°28'00" East a distance of 520.10 feet; thence South 02°57'35" East a distance of 358.00 feet; thence South 85°49'49" East a distance of 866.73 feet; thence North 08°24'52" East a distance of 92.30 feet; thence North 29°48'52" West a distance of 260.53 feet; thence North 62°20'46" East a distance of 330.22 feet; thence South 47°35'53" East a distance of 107.18 feet; thence South 57°53'28" East a distance of 197.46 feet; thence South 58°42'36" East a distance of 226.67 feet;

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EXHIBIT "A"
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Parcel A continued

thence South 71°03'24" East a distance of 209.48 feet;
thence South 58°37'48" East a distance of 243.53 feet;
thence South 01°19'31" West a distance of 1,366.23 feet;
thence North 76°55'19" West a distance of 559.60 feet;
thence North 05°20'07" East a distance of 265.15 feet;
thence North 12°41'19" West a distance of 306.00 feet;
thence North 37°21'56" West a distance of 365.94 feet;
thence North 65°51'56" West a distance of 182.87 feet;
thence North 69°43'51" West a distance of 239.78 feet;
thence South 65°49'15" West a distance of 205.11 feet;
thence South 00°30'39" East a distance of 385.94 feet;
thence South 01°44'29" East a distance of 416.27 feet;
thence South 53°36'15" East a distance of 302.64 feet;
thence South 01°18'25" West a distance of 380.27 feet;
thence South 89°47'03" West a distance of 498.21 feet;
thence North 00°10'57" East a distance of 375.91 feet;
thence South 88°52'58" West a distance of 665.75 feet;
thence South 21°15'51" West a distance of 483.08 feet;
thence South 32°39'15" West a distance of 118.97 feet;
thence North 58°05'20" West a distance of 321.35 feet;
thence North 41°07'09" West a distance of 484.80 feet;
thence North 34°33'04" West a distance of 506.66 feet;
thence North 33°17'02" West a distance of 441.07 feet;
thence North 31°21'14" West a distance of 216.96 feet, more or
less, to the South line of said Northeast Quarter of the
Northwest Quarter of Section 13, Township 34 North, Range 4
East of the Willamette Meridian;
thence North 89°39'46" West a distance of 456.25 feet along
said South line to the Southwest corner of said Northeast
Quarter of the Northwest Quarter;
thence North 00°05'02" East a distance of 1,325.07 feet along
the West line of said subdivision to the true point of
beginning.

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Tract X

PARCEL 1:

That portion of Tract B, SKAGIT COUNTY SHORT PLAT NO. 46-84, approved January 3, 1985, and recorded January 7, 1985, in Volume 6 of Short Plats, page 198, under Auditor's File No. 8501070029, records of Skagit County, Washington; being a portion of Government Lots 1 & 2, Section 18, Township 34 North, Range 5 East of the Willamette Meridian;

EXCEPT the North 871.31 feet of the East 504.14 feet of Government Lot 1, in Section 18, Township 34 North, Range 5 East of the Willamette Meridian;

ALSO EXCEPT roads as conveyed to Skagit County by deeds recorded April 18, 1972, under Auditor's File Nos. 767100 and 767101, records of Skagit County, Washington;

AND ALSO EXCEPT drainage ditch rights-of-way as condemned in Skagit County Superior Court Cause No. 10528, records of Skagit County, Washington;

AND ALSO EXCEPT that portion thereof lying within the boundaries of Tract A of SKAGIT COUNTY SHORT PLAT NO. 46-84, approved January 3, 1985, and recorded January 7, 1985, in Book 6 of Short Plats, page 198, under Auditor's File No. 8501070029, records of Skagit County, Washington, being a portion of the Northeast Quarter of the Northwest Quarter and Government Lot 1 in Section 18, Township 34 North, Range 5 East of the Willamette Meridian.

PARCEL 2:

The North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter of Section 13, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT drainage ditch right-of-way as condemned in Skagit County Superior Court No. 10528, records of Skagit County, Washington.

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EXHIBIT "A"
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PARCEL B:

A 20-foot wide easement for ingress and egress over, under and across a portion of said Tract B, SKAGIT COUNTY SHORT PLAT NO. 46-84, approved January 3, 1985 and recorded January 7, 1985 in Volume 6 of Short Plats, page 193, under Auditor's File No. 8501070029, records of Skagit County, Washington; being a portion of Government Lots 1 and 2, Section 18, Township 34 North, Range 5 East of the Willamette Meridian, the centerline of said 20.00 foot wide easement being more particularly described as follows:

Beginning at the Northwest corner of said Section 18, Township 34 North, Range 5 East of the Willamette Meridian;
thence South 89°54'15" East a distance of 1,532.65 feet along the North line of the Northwest Quarter of said Section 18 to the centerline of Beaver Lake Road as shown on those certain right-of-way maps titled RECONSTRUCTION BEAVER LAKE ROAD, SKAGIT COUNTY, WASHINGTON, dated March 24, 1972, available in the records of Skagit County Public Works Department;
thence South 11°02'15" East a distance of 254.93 feet along said centerline of Beaver Lake Road to a point of curvature;
thence along said curve to the right having a radius of 358.10 feet, a central angle of 54°39'36", an arc distance of 341.63 feet to a point of tangency;
thence South 43°37'21" West a distance of 190.78 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 358.10 feet, a central angle of 34°26'24", an arc distance of 215.25 feet;
thence leaving said centerline on a radial bearing of North 80°49'03" West a distance of 40.00 feet to a point on the right-of-way margin of said Beaver Lake Road and being the true point of beginning of said centerline;
thence South 35°05'34" West a distance of 159.97 feet;
thence South 46°12'25" West a distance of 97.06 feet;
thence South 57°28'25" West a distance of 175.84 feet;
thence South 66°55'09" West a distance of 54.77 feet;
thence South 81°58'35" West a distance of 76.22 feet;
thence North 72°23'38" West a distance of 55.18 feet;

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EXHIBIT "A"
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Parcel B continued

thence North 54°24'42" West a distance of 183.95 feet;
thence North 66°07'26" West a distance of 118.25 feet;
thence North 51°06'55" West a distance of 263.86 feet;
thence South 38°53'05" West a distance of 30.15 feet, more or
less, to the Northeasterly line of the above described WRP
Conservation Easement to Natural Resources Conservation
Service at a point bearing North 58°37'48" West a distance of
72.2 feet from the Northeasterly corner of said easement and
being the terminus of the centerline of said 20.00 foot wide
easement for ingress and egress.

ALL Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -

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