

AFTER RECORDING RETURN TO:

PRESTON GATES & ELLIS LLP
5000 Bank of America Tower
701 Fifth Avenue
Seattle, WA 98104-7078
Attention: Diane R. Stokke



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Kathy Hill, Skagit County Auditor

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NOTICE OF SUBORDINATION OF FEDERAL REVERSIONARY INTERESTS

ISLAND TITLE COMPANY SB-15088 ✓

GRANTOR: 1. Bureau of Primary Health Care, Health Resources and
Services Administration, Department of Health and Human
Services
2. Sea-Mar Community Health Center

GRANTEE: U.S. Bank National Association

Legal Description:

Abbreviated form:

Tract B, City of Mount Vernon SP#MV-2-86,
Vol 7, pg 64; ptn NW SW, Sec. 16, T34N, R 4E
W.M. and

Lot 2, City of Mount Vernon SP#MV-6-91, Vol
11, pgs 38 and 39; ptn NW SW, Sec. 16, T34N,
R4E W.M., Skagit County

Additional legal on Exhibit A-1

Assessor's Tax Parcel ID Number: 340416-3-009-0706 / 340416-3-009-0300

Related Document: 9312080100

NOTICE OF SUBORDINATION OF FEDERAL REVERSIONARY INTERESTS

WHEREAS, the following real property owned by Sea-Mar Community Health Center, a Washington non-profit corporation, in Skagit County, Washington, including land, land improvements, structures and appurtenances, if any, thereto is more particularly described on Exhibit A-1, attached hereto and incorporated by this reference (the "Property") was acquired in part with Federal financial assistance under Sections 329 and 330 of the Public Health Service Act (42 U.S.C. 254b and 254c) and as such, the Department of Health and Human Services has a reversionary interest in the Property, the use and disposition of which is governed by the regulatory provisions at 45 C.F.R. 74.130 et seq. Pursuant thereto, a notice of Federal Interest was filed and recorded under File No. 9312080100.

WHEREAS, the Sea-Mar Community Health Center, proposes to refinance existing taxable indebtedness on the Property and to obtain a mortgage loan of approximately \$865,000 from U.S. Bank National Association ("Bank") (the "Bank Loan"). The Bank Loan will be secured by a Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing ("Deed of Trust") of even date therewith for the benefit of the Bank, to be recorded in Skagit County, Washington. Under AF#200001190089.

WHEREAS, the Public Health Service desires to consent to the execution of the Deed of Trust and to subordinate any claim of its interest in favor of the Bank and its successors and assignees only. This subordination will be effective only for the period during which the Bank Loan is outstanding.



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NOW, THEREFORE, in consideration of benefits to the United States Government from Sea-Mar Community Health Center, receipt and sufficiency of which is hereby acknowledged, and to induce the Bank to make the Bank Loan and advance funds which will be secured by the Deed of Trust and all agreements in connection therewith, the undersigned, being the duly authorized official delegated the authority to carry out section 329 and 330 of the Public Health Service Act, hereby subordinates its interest in the Property described herein, with respect to the new financing described above, to the interest of the Bank under the Deed of Trust.

BUREAU OF PRIMARY HEALTH CARE

By Regan Crump DPH
Name Regan Crump
Title Acting Deputy Director, BPHC



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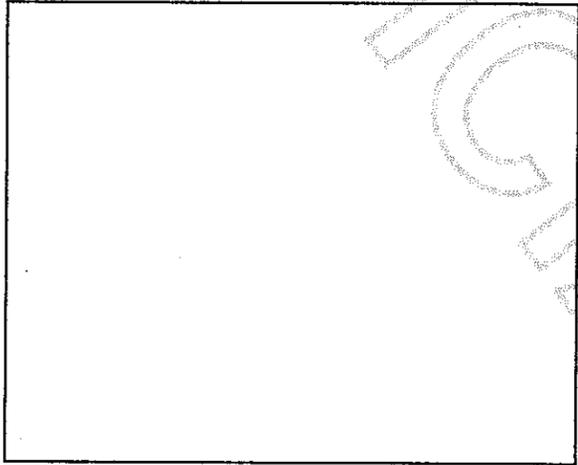
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STATE OF MARYLAND)
) ss.
COUNTY OF Montgomery)

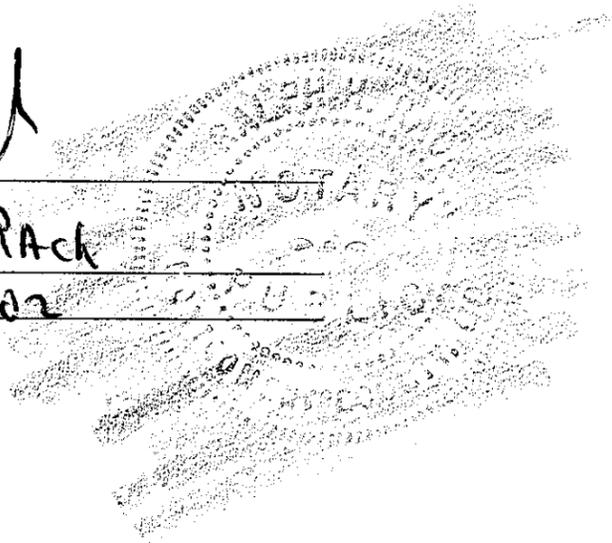
I certify that I know or have satisfactory evidence that Regan Crump is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Acting Deputy Director of Bureau of Primary Health Care, Health Resources and Services Administration, Department of Health and Human Services, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1/14/00



(Use this space for notarial stamp/seal)

RH R
Notary Public
Print Name RALPH H RACK
My commission expires 6/1/02



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EXHIBIT A-1

Legal Description

Real property located at 1400 North LaVenture Road and 1418 North LaVenture Road, City of Mount Vernon, Skagit County, Washington described as follows:

PARCEL A:

TRACT B, CITY OF MOUNT VERNON SHORT PLAT NO. MV-2-86, APPROVED JANUARY 6, 1986, AND RECORDED JANUARY 6, 1986, IN VOLUME 7 OF SHORT PLATS, PAGE 64, UNDER AUDITOR'S FILE NO. 8601060030, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF THE WEST THREE QUARTERS OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

PARCEL B:

LOT 2, CITY OF MOUNT VERNON SHORT PLAT NO. MV-6-91, APPROVED APRIL 16, 1991, AND RECORDED JANUARY 5, 1994, IN VOLUME 11 OF SHORT PLATS, PAGES 38 AND 39, UNDER AUDITOR'S FILE NO. 9401050078, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF THE WEST THREE FOURTHS OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

ALL SITUATED IN SKAGIT COUNTY, WASHINGTON.


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