

Name First American Title  
Address P O Box 1867  
City, State, Zip Mount Vernon, WA 98273

### SUBORDINATION AGREEMENT

Reference # (If applicable): FIRST AMERICAN TITLE CO. 65967-2  
Grantor(s): (1) Sedro Woolley Land Co. LLC (2) Foxhall Company LLC  
Grantee(s): (1) Zion First National Bank, custodian for Louise H. Marsh, TRA  
Additional Grantor(s) on pg. \_\_\_\_\_ Additional Grantee(s) on pg. \_\_\_\_\_  
Legal Description (abbreviated): Section 18 Township 35, Range 5, Ptn NW 1/4- NE 1/4 aka  
Parcel 1 survey 20-131 Additional legal(s) on page \_\_\_\_\_  
Assessor's Tax Parcel ID# R39358

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. Zion First National Bank, Custodian for Louise H. Marsh referred to herein as "subordinator", is the owner and holder of a mortgage dated April 28, 1998, which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 9806180063 records of Skagit County.
2. Whidbey Island Bank referred to herein as "lender", is the owner and holder of a mortgage dated 8-16-01, executed by \_\_\_\_\_ (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 200108210036 records of \_\_\_\_\_ County) (which is to be recorded concurrently herewith).
3. Sedro Woolley Land Co. LLC & Foxhall Company LLC 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 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 lien or charge thereof to a mortgage or mortgages to be hereafter 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.

Executed this 17th day of August 2001

NOTICE: THIS SUBORDINATION AGREEMENT 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 WITH THEIR ATTORNEYS WITH RESPECT THERETO.

Fred Fleming, Managing Member  
The Foxhall Company LLC

See attached signature page  
SEADONAT/ CARPENTER/ LTD. Exhibit "A"

Fred Fleming, Member

JAMES B. JONES

(Acknowledgment on reverse)

managing member, as agent  
only for FOXHALL COMPANY LLC and not personally

Form 3392-3 (Rev. 12-96)



**Transnation**

TRANSNATION TITLE INSURANCE COMPANY

**Acknowledgment Certificate  
To Subordination Agreement  
Between Sedro Woolley Land Co. LLC  
and Foxhall Company, LLC as Grantors  
and Zions First National Bank, Custodian  
for Louise H. Marsh, IRA as Grantees**

Zions First National Bank, Custodian  
fbo Louise H. Marsh IRA

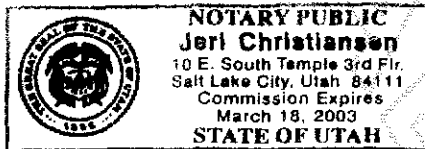
By: *Roshelle C. Lucky*  
Roshelle C. Lucky  
Trust Officer

State of Utah )

County of Salt Lake )


On this 31<sup>st</sup> day of August, 2001, before me, Jeri Christiansen, a Notary Public, personally appeared, Roshelle C. Lucky, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that she executed the same.

S  
E  
A  
L



*Jeri Christiansen*  
Notary Public

3-18-03  
My Commission Expires

  
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Skagit County Auditor  
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