



200604120155

Skagit County Auditor

AFTER RECORDING RETURN TO:

D. B. Johnson Construction, Inc.
1801 Grove St., Unit B
Marysville, WA 98270

4/12/2006 Page 1 of 3 3:44PM

CHICAGO TITLE CO. 1C38312

Document Title:

SUBORDINATION OF RECOVERY CONTRACT

AFN 200412300156

Grantors:

Local Infrastructure Recovery, LLC
D. B. Johnson Construction, Inc.

Grantees:

Lender as described within the document
United States of America acting through the State Director, USDA-Rural

Legal Description:

Lot 17 of Cedar Park Plat, according to the plat thereof, recorded June 5, 2002
under Auditor's File No. 200206050104, records of Skagit County, Washington

Situate in Skagit County, Washington

Assessor's Property Tax Parcel/Account Number:

4795-000-017-0000

UNCONDITIONAL SUBORDINATION OF RECOVERY CONTRACT

The undersigned facilitator and subordinator agrees as follows:

1. The Facilitator through the Originator has caused to be recorded a Mitigation/Infrastructure Cost Recovery Agreement referred to herein as "Mitigation Agreement." The Facilitator is defined within the recorded Mitigation Agreement that was recorded on December 30, 2004 under Auditor's File Number 200412300156 records of Skagit County. The Facilitator is the "Subordinator" within this document.
2. United States of America ** referred to herein as "Lender" is the Beneficiary under that Deed of Trust dated April 10, 2006 and recorded on April 12, 2006 under Skagit County Auditor's File Number 200604120154. "Lender" also includes any assignee and/or the owner of the beneficial interest under that Deed of Trust or Mortgage. Lender may be a purchase money lender or an equity lender.
**acting through the State Director, USDA-Rural
3. The term "Property" in this subordination refers to the following described real estate ONLY:
Lot 17 of Cedar Park Plat, according to the plat thereof, recorded June 5, 2002 under Auditor's File No. 200206050104, records of Skagit County, Washington, Situate in Skagit County, Washington
Timothy T. Forrester and
4. Susan M. Forrester, h/w is/are the Owner of all the real property described in the mortgage identified above in Paragraph 2.
5. In consideration of benefits to Subordinator from the Owner named in the Mitigation Agreement, 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 the Mitigation/Infrastructure Recovery Contract identified in Paragraph 1 to the lien of Lender's Mortgage identified in Paragraph 2 above and all advances or charges made or accruing there under, including any extension or renewal thereof.
6. 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.
7. It is understood by the parties hereto that Lender would not make the loan secured by the mortgage in Paragraph 2 without this subordination.
8. This subordination shall not cancel any terms of prior agreements hereto except that it shall supersede any contradictory terms of any prior agreements as to the subordination of the lien or charge of the Mitigation Agreement first above mentioned to the lien or charge of the mortgage in favor of Lender above referred to, including but not limited to, those provisions, if any, contained in the Mitigation/Infrastructure Cost Recovery Agreement which provide for the Subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
9. The heirs, administrators, assigns and successors in interest of the Subordinator and Facilitator as defined in the Mitigation/Infrastructure Cost Recovery Agreement shall be bound by this subordination.



200604120155
Skagit County Auditor

Executed this 11th day of April, 2006.

Subordinator: LOCAL INFRASTRUCTURE RECOVERY LLC

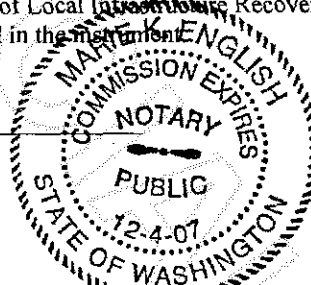
David B. Johnson
David B. Johnson, Member

4/11/06
Date

STATE OF WASHINGTON)
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that David B. Johnson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of Local Infrastructure Recovery LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4/11/06



Marie K English
Name: Marie K English
Notary Public in and for the State of
Washington residing at Marysville
My appointment expires: Dec 4, 2007

D. B. Johnson Construction, Inc. hereby acknowledges this subordination and that our right to collect amounts due under the Mitigation Agreement is limited to the rights of Local Infrastructure Recovery LLC that are assigned to D. B. Johnson Construction, Inc. by Local Infrastructure Recovery LLC.

D. B. JOHNSON CONSTRUCTION, INC.

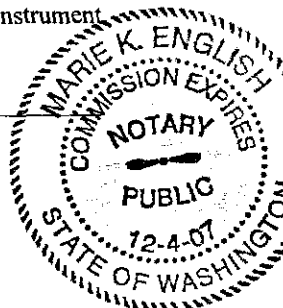
David B. Johnson
David B. Johnson, President

4/11/06
Date

STATE OF WASHINGTON)
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that David B. Johnson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of D. B. Johnson Construction, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4/11/06



Marie K English
Name: Marie K English
Notary Public in and for the State of Washington
residing at Marysville
My appointment expires: Dec 4, 2007



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Skagit County Auditor