



200604210062
Skagit County Auditor

4/21/2006 Page 1 of 15 10:32AM

WHEN RECORDED RETURN TO:

Name: Jeff Capeloto
Address: 2707 Colby Ave Suite 100i
City, State, Zip: Everett, WA 98201

SUBORDINATION AGREEMENT

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 INSTRUMENT.

The undersigned subordinator, subordinatee, and owner agree as follows:

1. ELIZABETH A. MAUDEN & MARK L. MAUDEN, husband and wife, and COLLEGE WAY T.T. INC., jointly, referred to herein as "subordinator", is the owner and holder of a mortgage dated May 11, 2005, which was recorded with the Skagit County Auditor on May 12, 2005, under auditor's file No. 2005051120122 records of Skagit County, which mortgage is secured by the real property more particularly described in Exhibit A attached hereto ("the subject property").

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2. COLLEGE WAY RETAIL, LLC 12 referred to herein as "subordinatee" is the GRANTEE under a UTILITY EASEMENT dated April 12, 2006, executed by ERIC ERB, as Grantor and "subordinatee" as Grantee ("Utility Easement") which Utility Easement concerns the subject property is to be recorded concurrently herewith). Said Easement is attached as Exhibit "B" Easement 10 Pages

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3. ERIC ERB referred to herein as "owner", is the owner of the subject 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 "subordinatee" to execute and deliver the Utility Easement Agreement for recording and to pay the consideration recited therein to "owner" and to comply with all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of its mortgage identified in Paragraph 1 above to the lien of the Utility Easement identified in Paragraph 2 above.

5. It is understood by the parties hereto that "subordinatee" would not execute and deliver the Utility Easement to "owner" in Paragraph 2 without this agreement.

6. 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 Utility Easement referred to above.

7. 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 10th day of April, 2006

COLLEGE WAY T.T. INC.,
By: [Signature]

ERIC ERB
Elizabeth A Mauden

COLLEGE WAY RETAIL, LLC
By: [Signature]

ELIZABETH A. MAUDEN
Mark Mauden
MARK L. MAUDEN

EXHIBIT A

SUBJECT PROPERTY

TRACT "B", SHORT PLAT NO MV-8-80, APPROVED JULY 7, 1980, RECORDED JULY 8, 1980, UNDER AUDITOR'S FILE NO 8007080001, IN BOOK 4 OF SHORT PLATS, PAGES 135 AND 136, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE NORTH ½ OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, WM.

TAX PARCEL NO. P25988



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Skagit County Auditor

NOTARY BLOCKS:

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2006 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of COLLEGE WAY T.T. INC., the Washington corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

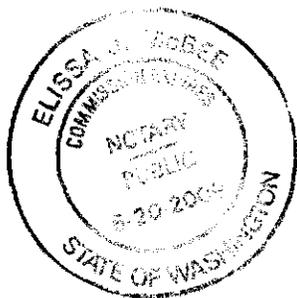
Dated: _____, 2006.

Print Name: _____
Notary Public for the State of Washington
Residing at: _____
My Commission Expires: _____

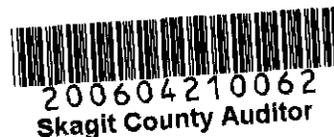
STATE OF WASHINGTON)
) ss:
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that ELIZABETH A. MAUDEN & MARK L. MAUDEN are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes therein mentioned in this instrument.

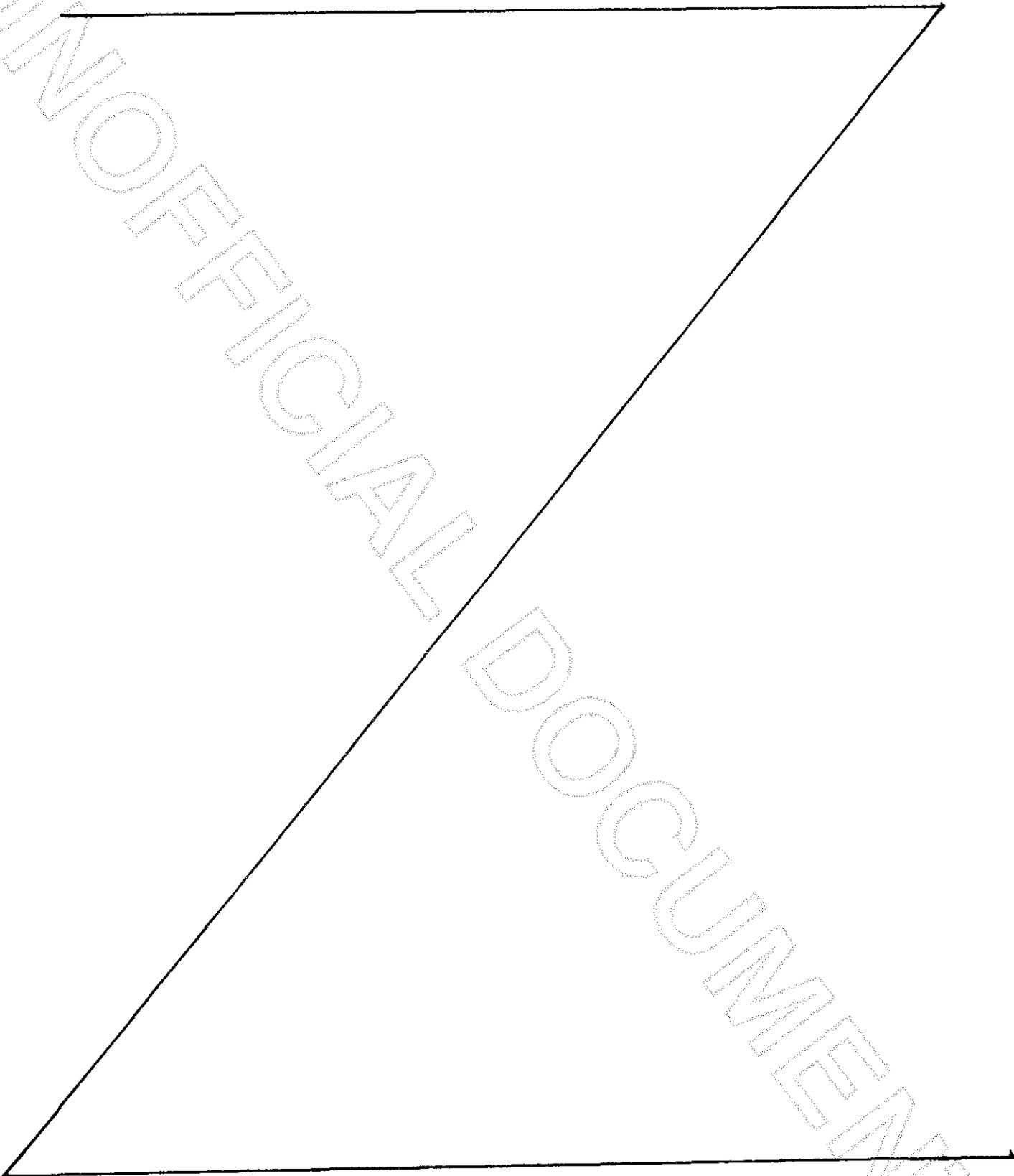
Dated: 4-10, 2006.



Elissa McBee
Print Name: Elissa McBee
Notary Public for the State of Washington
Residing at: Sedro Woolley
My Commission Expires: 5/20/06



UNOFFICIAL DOCUMENT

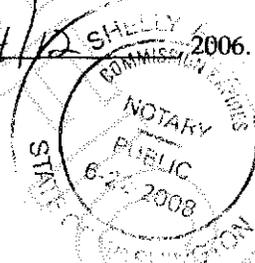


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STATE OF WASHINGTON)
) ss:
COUNTY OF Snohomish)

I certify that I know or have satisfactory evidence that ERIC ERB is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes therein mentioned in this instrument.

Dated: 4/12 2006.



Shelly A Coyle
Print Name: SHELLY A COYLE
Notary Public for the State of Washington
Residing at: Camano Island
My Commission Expires: 6-22-2008

STATE OF WASHINGTON)
) ss:
COUNTY OF King)

On this 12th day of April, 2006 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN C. GRAHAM, to me known to be the Manager of COLLEGE WAY RETAIL, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

Dated: April 12 2006.



Bernadette Marquez
Print Name: Bernadette Marquez
Notary Public for the State of Washington
Residing at: Seattle
My Commission Expires: 11/05/09

EXHIBIT B1

When Recorded Return to:

Jeff Capeloto
Anderson Hunter
2707 Colby Ave Suite 1001
Everett 98201
425 252 5161

UTILITIES EASEMENT

Grantor	Eric Erb
Grantee	College Way Retail, LLC
Legal Description	<u>Easement Property</u> PTN ABND RLY R/W IN N1/2 NW1/4 SW1/4 AK ATR B S/P MV 8-80 APP 7-7-80 AF#8007080- 001 Additional legal is on Exhibit C of the document
Assessor's Property Tax Parcel or Account Number	P25988

This Utilities Easement is entered into as of April 12th, 2006 by and between Eric Erb, an individual, (hereinafter referred to as "the Grantor") and College Way Retail, LLC (hereinafter referred to as "the Grantee") and was executed by each of the parties on the date shown on the signature pages below.

RECITALS:

A. Grantor is the legal owner of the real property more particularly described in Exhibit "A" attached hereto, which is located in Skagit County, Washington and known as Tax Parcel No. 25988 (herein "Grantor's Property").

B. Grantee is the legal owner of the real property more particularly described in Exhibit "B" attached hereto, which is located in Skagit County, Washington and known as Tax Parcel No. 25596 (herein "Grantee's Property").



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C. Grantor has agreed to grant the Grantee and the future owners of Grantee's Property, pursuant to the terms and conditions set forth below, an easement over, under, along, across and through that certain portion of the Grantor's Property more particularly described in Exhibit "C" attached hereto which lies adjacent to Grantee's Property (hereinafter referred to as the "Easement Area").

NOW, THEREFORE, it is agreed as follows:

1. Easement. For and in consideration of Twenty Five Thousand Dollars (\$25,000.00) and other valuable consideration in hand paid and received, Grantor hereby grants and conveys to Grantee and the future owners of Grantee's Property a non-exclusive perpetual easement over, under, along, across and through the Easement Area (hereinafter referred to as "the Easement"). Grantee shall have the right to construct, operate, maintain, repair, replace, improve, remove, enlarge and use the Easement Area for electrical, water, sewer, natural gas, telephone and cable ("utility systems"). Such usage will be limited to underground utilities except for one electrical power pole above ground in addition to the power pole presently located within the Easement Area. The initial installation of all utility systems will be complete on or before June 30, 2006. After the initial utility installation, the surface of the Easement Area will be returned to the condition it was in prior to commencement of such work, by Grantee. The level of installation of utilities will take into consideration Grantor's grading plan for Grantor's Property, provided to Grantee herewith. Notwithstanding the foregoing, Grantor shall be entitled to grant a non-exclusive easement to Puget Sound Energy, Inc. ("PSE") for underground utilities in a strip of land ten (10) feet in width that is centered on existing PSE underground facilities, and which strip of land is located in a portion of the Easement Area.

2. Subsequent Improvements, Repairs and Maintenance. Following the initial construction of all utility systems, Grantee may, from time to time, make repairs and maintain the utility systems, and construct such additional facilities as it may require for such systems, which shall be underground except as provided above. Grantee will give Grantor at least 48 hours notice before carrying out any such work, including reasonable detail of the intended work.



3. Access. Grantee shall have the right of access to the Easement Area over and across the southerly forty feet of Grantor's Property (inclusive of the Easement Area) to enable Grantee to exercise its rights hereunder. After any such work is carried out by Grantee, the surface of the Easement Area and any other portion of Grantor's Property affected by such work shall be promptly returned to the condition it was in prior to commencement of such work, by Grantee.

4. Grantor Restrictions. Grantor agrees not to place any physical obstructions within the Easement Area that may interfere with the exercise of Grantee's rights herein; Grantor reserves the right to pave the Easement Area and install landscaping in a manner not interfering with the utilities installed by Grantee, after initial installation of utilities by Grantee.

5. Easement Restrictions and Conditions. The Utilities Easement shall be subject to the following restrictions and conditions:

A. Grantee hereby agrees to indemnify, defend and hold Grantor harmless from any claims, liabilities, lawsuits, damages or injuries arising out of or relating to use of this Easement or physical presence on the Easement Area or Grantor's Property in connection with this Easement, by Grantee, its employees, agents, contractors, subcontractors or invitees, EXCEPT for claims, damages, injuries, losses, lawsuits or liabilities caused by the negligence of the Grantor.

B. Grantee shall bear and promptly pay all costs and expenses of installation, construction and maintenance of any improvements constructed by Grantee within the Easement Area and all other costs and expenses related to the rights and privileges granted under this Easement.

C. Grantor covenants to and with the Grantee that Grantor is lawfully seized and possessed of the Grantor Property; has a good and lawful right and power to convey this Easement to Grantee; and that Grantor will forever warrant and defend the title to the Easement granted herein and the quiet possession thereof against the lawful claims and demands of all persons whomsoever.



D. The rights granted herein to Grantee shall be exercised so as to minimize interference with the use and enjoyment of the remaining portion of the Grantors' Property. At no time will access to Grantor's Property be cut off.

E. Grantee shall not suffer or permit any lien to be filed against the Grantor's Property in connection with the construction of improvements or other activities authorized by this Easement Agreement. If any such lien is filed against the Grantor's Property, Grantee shall indemnify and hold Grantor harmless from any and all liability arising out of the lien and shall cause the same to be discharged of record promptly, no later than thirty (30) days after filing, by "bonding around" if necessary.

F. This Easement Agreement may not be modified in any respect except with the prior written consent of Grantee and Grantor or their respective successors and assigns.

G. If this Easement Agreement is placed in the hands of an attorney, or if action is commenced to enforce any of the provisions contained herein, the prevailing party, in addition to other remedies available at law, shall be entitled to its reasonable attorney's fees and costs.

H. The provisions of this Easement Agreement shall run with the land and shall be binding upon all parties assuming or acquiring any rights, title or interest in this Easement Agreement.

I. This Easement Agreement embodies the entire understanding of the parties, and there are no further or other agreements of understanding, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Easement Agreement.

6. Easement Appurtenant. This Easement is appurtenant to Grantee's Property, and may not be assigned or transferred by Grantee except to successors in interest with respect to Grantee's Property. It may not be utilized for the benefit of any other real estate without Grantor's consent, in Grantor's sole and absolute discretion.

IN WITNESS WHEREOF, the parties have executed this Easement Agreement as of the date first shown above.



GRANTOR:

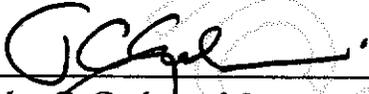


Eric Erb

GRANTEE:

COLLEGE WAY RETAIL, LLC

By:



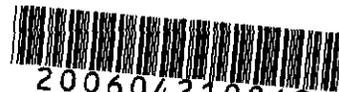
John C. Graham, Manager



EXHIBIT A

GRANTOR'S PROPERTY

TRACT "B", SHORT PLAT NO MV-8-80, APPROVED JULY 7, 1980, RECORDED JULY 8, 1980, UNDER AUDITOR'S FILE NO 8007080001, IN BOOK 4 OF SHORT PLATS, PAGES 135 AND 136, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE NORTH ½ OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, WM.



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EXHIBIT B

BENEFITED PROPERTY

ACRES 2.80, TAX 12: DK 17: THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHERE THE SOUTH RIGHT-OF-WAY LINE OF THE FURBER ROAD NO. 208, NOW KNOWN AS STATE ROUTE 538, AS SAID ROAD EXISTED ON AUGUST 25, 1921, INTERSECTS THE WEST RIGHT-OF-WAY LINE OF THE GREAT NORTHERN RAILWAY COMPANY, THE SAID POINT BEING 30 FEET SOUTH AND 1,158.95 FEET EAST ALONG THE EAST AND WEST CENTER LINE FROM THE WEST QUARTER CORNER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.; THENCE SOUTH 58 DEGREES 41' WEST ALONG THE WEST LINE OF THE RIGHT-OF-WAY OF THE GREAT NORTHERN RAILWAY COMPANY A DISTANCE OF 759.6 FEET, MORE OR LESS, TO THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 17; THENCE WEST ALONG SAID NORTH LINE A DISTANCE OF 63.5 FEET, MORE OR LESS, TO THE EAST LINE OF THE RIGHT-OF-WAY OF THE PACIFIC NORTHWEST TRACTION CO.; THENCE NORTH ALONG THE EAST LINE OF THE RIGHT-OF-WAY OF THE PACIFIC NORTHWEST TRACTION CO. A DISTANCE OF 654.4 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE RIGHT-OF-WAY OF SAID FURBER ROAD NO. 208; THENCE EAST ALONG THE SOUTH LINE OF SAID RIGHT-OF-WAY OF SAID FURBER ROAD NO. 208 A DISTANCE OF 368.61 FEET TO THE POINT OF BEGINNING; EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER AUDITOR'S FILE NO. 463811; ALSO EXCEPT ALL PORTION OF SAID PREMISES LYING NORTHERLY OF A LINE DRAWN PARALLEL WITH AND 40 FEET SOUTHERLY OF, WHEN MEASURED AT RIGHT ANGLES, THE SR 538 SURVEY LINE OF SR 538, JCT. SR 5 TO LAVENTURE ROAD, AS CONVEYED BY RIGHT-OF-WAY DEED RECORDED UNDER AUDITOR'S FILE NO. 9109130066.



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EXHIBIT C

EASEMENT DESCRIPTION

THE SOUTH 30 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

TRACT "B", SHORT PLAT NO MV-8-80, APPROVED JULY 7, 1980, RECORDED JULY 8, 1980, UNDER AUDITOR'S FILE NO 8007080001, IN BOOK 4 OF SHORT PLATS, PAGES 135 AND 136, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE NORTH ½ OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, WM.

Tax Account No: 340417-3-006-0203

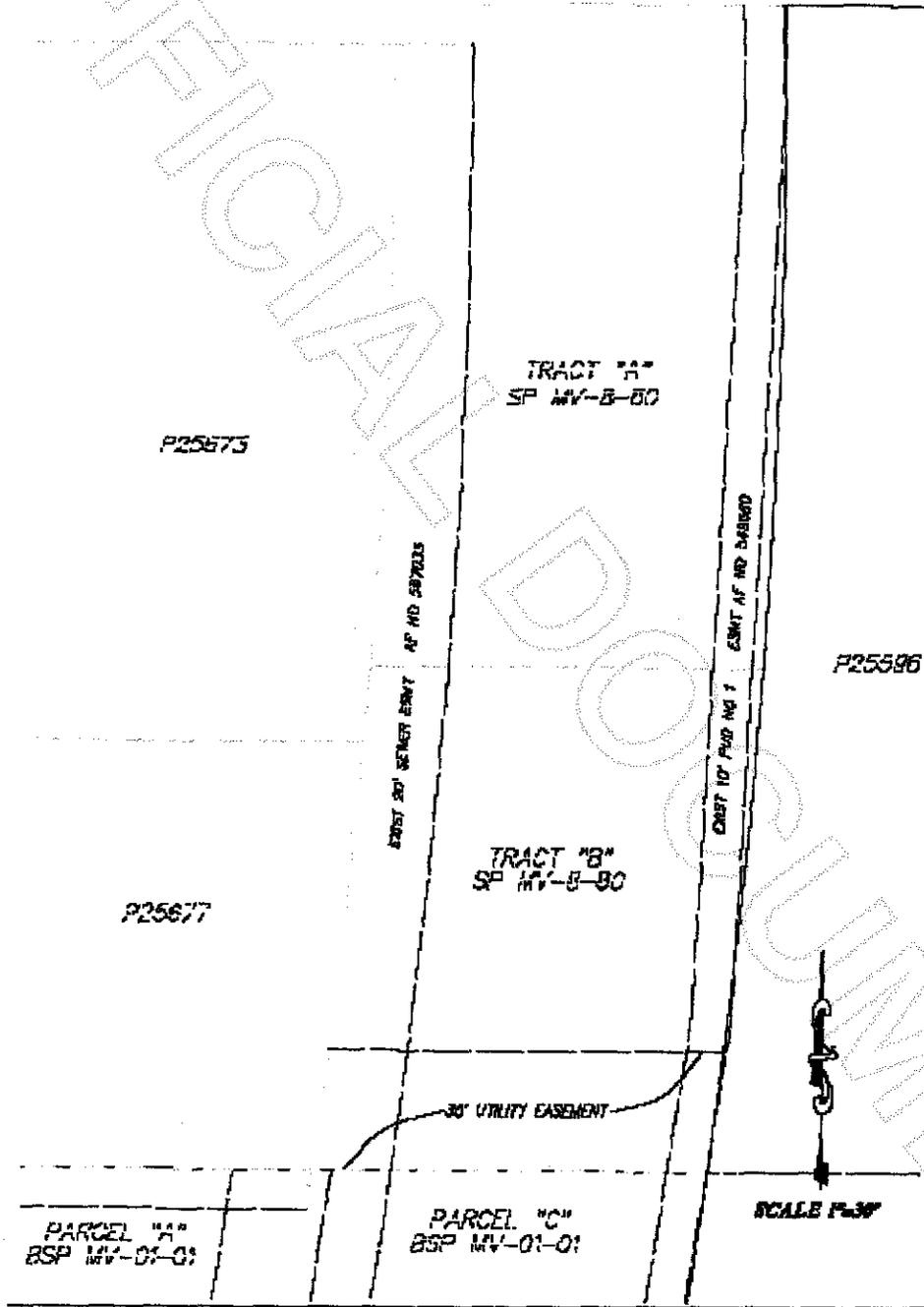


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EXHIBIT C-2

EASEMENT MAP

E COLLEGE WAY



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