

When recorded return to:

Land Title Company
3010 Commercial Avenue
Anacortes, WA 98221

File for Record at Request of
Land Title Company Of Skagit County
Escrow Number: 127227-L

Grantor: Marc Jeffrey Martin and Darcy Jean Babbitt
Grantee: Ryan McGinnis and Erinn McGinnis



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Skagit County Auditor

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LAND TITLE COMPANY

127227-S

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 SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. Swinomish Utility Authority
referred to herein as "subordinator", is the owner and holder of a assessment dated _____
which is recorded in _____ of Document, page _____
under auditor's file 9702270062, records of Skagit County.
Abbr Legal: Lot 42 Cobahud Waterfront Tracts - Full legal description attached as Exhibit "A" **
2. referred to herein as "lender", is the owner and holder of a mortgage dated September 17, 2007
executed Ryan McGinnis and Erinn McGinnis, husband and wife
(which is recorded in volume _____ of Mortgages,
auditor's file 200709280187 records Skagit County) (which
is to be recorded concurrently herewith) ****Washington Federal Savings**
3. Swinomish Utility Authority
referred to herein as "owner", is the owner of all the real property described in the assessment 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
assessment 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 supersede 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 of the lien or charge thereof to a
mortgage or mortgages to be thereafter 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.

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

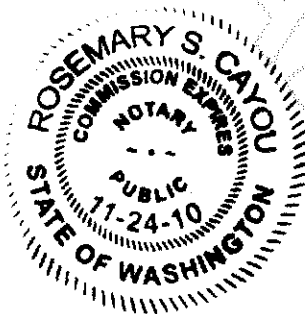
Dated: September 14, 2007
John A. Petrich, Jr.
manager, Swinomish Utility Authority

STATE OF Washington
County of Skagit SS:

I certify that I know or have satisfactory evidence that John A. Petrich, Jr.
signed this instrument, on oath stated that he is
authorized to execute the instrument and acknowledged it as the Manager
of Swinomish Utility Authority to be the free and voluntary act of such
party for the uses and purposes mentioned in this instrument.

Dated: September 14, 2007

Rosemary S. Cayou
Notary Public in and for the State of Washington
Residing at La Conner, WA
My appointment expires: 11-24-2010



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EXHIBIT "A"

Tract 42 of the unrecorded plat of "COBAHUD WATERFRONT TRACTS, SWINOMISH RESERVATION, SKAGIT COUNTY, WASHINGTON," on file with the United States Department of the Interior, Bureau of Indian Affairs, Western Washington Indian Agency, Everett, Washington, being a portion of Government Lot 4, Section 34, Township 34 North, Range 2 East, W.M.,

EXCEPT Nanna Lane.

Situate in the County of Skagit, State of Washington.



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