



200712200112
Skagit County Auditor

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WHEN RECORDED RETURN TO:

Farm Credit Services – Burlington
265 E. George Hopper Road
P. O. Box 966
Burlington, WA 98233

LAND TITLE OF SKAGIT COUNTY
Land Title Company of Skagit County
128206-P

DOCUMENT TITLE(S):
Subordination Agreement

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:
200004110034
200712200111

GRANTOR:
Norm Nelson, Inc

GRANTEES:
Northwest Farm Credit Services, FLCA

ABBREVIATED LEGAL DESCRIPTION:
Ptn SW 1/4, 9-35-3 E W.M. & Ptn N 1/2, 16-35-3 E W.M.

TAX PARCEL NUMBER(S):
350309-0-007-0100, P120717, 350309-3-005-0014, P33978, 350309-0-006-0001, P33948, 350309-0-005-0100, P118645, 350309-3-004-0015, P33976, 350309-3-003-0024, P33974, 350316-2-004-0000, P34397, 350316-2-001-0003, P34395, 350316-1-007-0009, P34392, 350316-1-003-0003, P34388

After recording return to: Farm Credit Services - Burlington
265 E. George Hopper Road
PO Box 966
Burlington, WA 98233

Customer/Note No. 54642-444

LAND TITLE OF SKAGIT COUNTY

128204-9

SUBORDINATION AGREEMENT

PARTIES AND INTERESTS.

Subordinator: Norm Nelson, Inc.
PO Box 444
Burlington, WA 98233

Subordinator's Interest: Memorandum of Lease dated March 21, 2000, recorded April 11, 2000 as Instrument No. 200004110034, by ~~Gerald E. Nelson and Jenny T. Nelson, husband and wife~~ as Lessor to Norm Nelson, Inc., a corporation, as Lessee, covering property in Exhibit A attached hereto.

**Far West Farms

Subordinatee: Northwest Farm Credit Services, FLCA
PO Box 966
Burlington, WA 98233

Subordinatee's Interest: Mortgage dated December 20, 2007, recorded December 20, 2007, as Auditor's File No. 200712200112, records of Skagit County, Washington

Subordinatee's Note: Note, executed by Borrower or Borrower's successor, dated December 20, 2007, and any amendments thereto, secured by Subordinatee's Interest.

Borrower: Gerald E. Nelson and Jenny T. Nelson, husband and wife

AGREEMENT.

The property described in the above-referenced instruments creating Subordinatee's Interest is referred to as the "Property."

For good and valuable consideration, Subordinator subordinates its interest in the Property to Subordinatee's Interest and all advances or charges, if any, made or accruing under Subordinatee's Note, if any. This subordination also includes any extension, refinancing, reindexing, renewal, or renegotiation of Subordinatee's Note, if any.

Subordinator acknowledges the opportunity to examine the terms of the documents pertaining to Subordinatee's Interest.

The heirs, personal representatives, successors and assigns of Subordinator shall be bound by this Agreement. This Agreement shall inure to the benefit of Subordinatee and its personal representatives, successors and assigns.

Dated: 12/20/07

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Skagit County Auditor

By:

Gerald E. Nelson, President

Attest:

Myron D. Ayers, Secretary

STATE OF Washington) ss.
County of Skagit)

A circular notary seal for Jonathan Dirk Vander Kooij, a Notary Public in the State of Washington. The seal features the text "JONATHAN DIRK VANDER KOOIJ" around the top inner edge and "STATE OF WASHINGTON" around the bottom inner edge. In the center, it reads "COMMISSION EXPIRES" at the top, "NOTARY PUBLIC" in the middle, and "8-28-2010" at the bottom.

(54647-444)



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Exhibit A

PARCEL "A"

The Southeast 1/4 of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M.,

EXCEPT road, dike and ditch rights of way,

EXCEPT the North 297 feet thereof,

AND EXCEPT that portion described as follows:

Beginning at the intersection of the South line of said North 297 feet of the Southeast 1/4 of the Southwest 1/4 and the North and South centerline of said Section;
thence West along said South line of said North 297 feet a distance of 228 feet;
thence South parallel to said North and South centerline 180 feet;
thence East parallel to the North line of this excepted tract 228 feet, more or less, to said North and South centerline;
thence North along said North and South centerline to the point of beginning.

TOGETHER WITH that portion of the Southwest 1/4 of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Southeast corner of said Southwest 1/4 of the Southwest 1/4;
thence North along the East line of said subdivision 660 feet;
thence West 660 feet;
thence South to the Northerly bank of the Samish River;
thence Southeasterly along the Northerly bank of said river to the South line of said Southwest 1/4 of the Southwest 1/4;
thence East to the point of beginning.

EXCEPT road, dike and ditch rights of way.

Situate in the County of Skagit, State of Washington.

PARCEL "B"

That portion of the North 1/2 of the Northwest 1/4 and that portion of the West 1/2 of the West 1/2 of the Northeast 1/4 of Section 16, Township 35 North, Range 3 East, W.M., lying Northerly of the Samish River,

EXCEPT road, dike and ditch rights of way.

Situate in the County of Skagit, State of Washington.

PARCEL "C"

That portion of Section 9, Township 35 North, Range 3 East, W.M., described as follows:

The North 297 feet of the Southeast 1/4 of the Southwest 1/4; and that portion of the Southwest 1/4 of the Southwest 1/4, lying Northeasterly of Warner Slough and the following described portion of the North 1/2 of the Southwest 1/4;

Beginning at the Southeast corner of the Northeast 1/4 of the Southwest 1/4;
thence West 1,410.75 feet;
thence North 165 feet, more or less, to the County road;
thence East to the East line of said Northeast 1/4 of the Southwest 1/4;
thence South to the point of beginning, all in Section 9, Township 35 North, Range 3 East, W.M.,

EXCEPT roads.

ALSO EXCEPT the following described tract:

Beginning at the Southeast corner of the Northeast 1/4 of the Southwest 1/4 of said Section 9;
thence North 89°27'33" West, along the South line of the Northeast 1/4 of the Southwest 1/4, a distance of 944.21 feet to the TRUE POINT OF BEGINNING;
thence continuing North 89°27'33" West a distance of 375.39 feet, to the West line of the Northeast 1/4 of the Southwest 1/4;
thence North 01°34'38" East, along said West line, a distance of 92.96 feet;
thence North 61°00'22" West a distance of 105.59 feet, to the West line of that certain tract of land described in deed recorded under Skagit County Auditor's File No. 664782;

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thence North 00°32'27" East, a distance of 25.81 feet to a non-tangent curve of radius 1480 feet (the center of which bears South 07°17'43" East), said curve being the South line of the County road known as Field Road (as-built);
thence along said curve through a central angle of 00°14'34", a distance of 6.27 feet;
thence South 89°20'35" East, along said South line, a distance of 467.06 feet;
thence South 02°49'16" West, along an existing fence and its Southerly extension, a distance of 169.09 feet to the TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.

PARCEL "D"

That portion of the West 1/2 of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said subdivision;
thence East along the North line thereof a distance of 1125.30 feet to the Southwest corner of tract described in deed filed under Skagit County Auditor's File No. 9507100155;
thence South along the Southerly projection of the West line of said tract for a distance of 15 feet;
thence East, parallel to said North line, a distance of 130.00 feet, more or less, to the West line of the County road known as the Conn Road No. CXLII;
thence South along the West line of said County road to the Northeast corner of that certain tract conveyed to School District No. 43 by deed dated March 27, 1893 and recorded April 1, 1893, in Volume 26 of Deeds page 200;
thence West along the North line of said School District tract 12 1/2 rods to the Northwest corner thereof;
thence South along the West line of said School District tract and the West line extended to the centerline of the County road;
thence East along the centerline of said County road to a point that is 5 1/2 rods West of the East line of the Northwest 1/4 of the Southwest 1/4;
thence South parallel to and 5 1/2 rods West of the East line of the Northwest 1/4 of the Southwest 1/4 to the South line of said Northwest 1/4 of the Southwest 1/4;
thence along the South line of said Northwest 1/4 of the Southwest 1/4 to the intersection with Newman's Slough (also known and designated as Warner's Slough and as Watkinson's Slough);
thence Westerly along said slough to the West line of said Section 9;
thence North along the West line of said Section 9 to the point of beginning.

TOGETHER WITH that portion of the North 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M., lying South of Newman's Slough (also known as Warner's Slough and as Watkinson's Slough), EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by Deed recorded April 18, 1950, under Auditor's File No. 444492,

ALSO TOGETHER WITH that portion of the Southwest 1/4 of the Southwest 1/4 of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M., lying North of the Samish River, EXCEPT that portion thereof, if any, lying within the boundaries of the East 40 rods of the South 40 rods of said Southwest 1/4 of the Southwest 1/4; AND EXCEPT roads, AND ALSO EXCEPT any portion of the above described parcels conveyed to the State of Washington by Deed recorded September 20, 1962, under Auditor's File No. 626513,

AND ALSO EXCEPT that portion thereof described as follows:

Beginning at a point on the West line of the Southwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M. 1,495.26 feet South of the Northwest corner of said Southwest 1/4, said point being its intersection with the South bank of Newman's Slough (also known as Warner's Slough and as Watkinson's Slough); thence Northeasterly measured at right angles from the first described line 30.00 feet to the true point of beginning;
thence South 00°41'28" East, parallel to the West line of the Northwest 1/4 of the Southwest 1/4, 209.27 feet;
thence North 89°18'39" East 289.20 feet;
thence North 46°53'45" East 136.69 feet;
thence North 00°16'37" East 150.08 feet to the Southern Bank of Newman's Slough (also known as Warner's Slough and as Watkinson's Slough);
thence Westerly along the bank of Newman's Slough (also known as Warner's Slough and as Watkinson's Slough) to the true point of beginning,

EXCEPT roads and dike and drainage ditch rights of way,

AND EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed recorded under Auditor's File Nos. 44491 and 445900.

Situate in the County of Skagit, State of Washington.

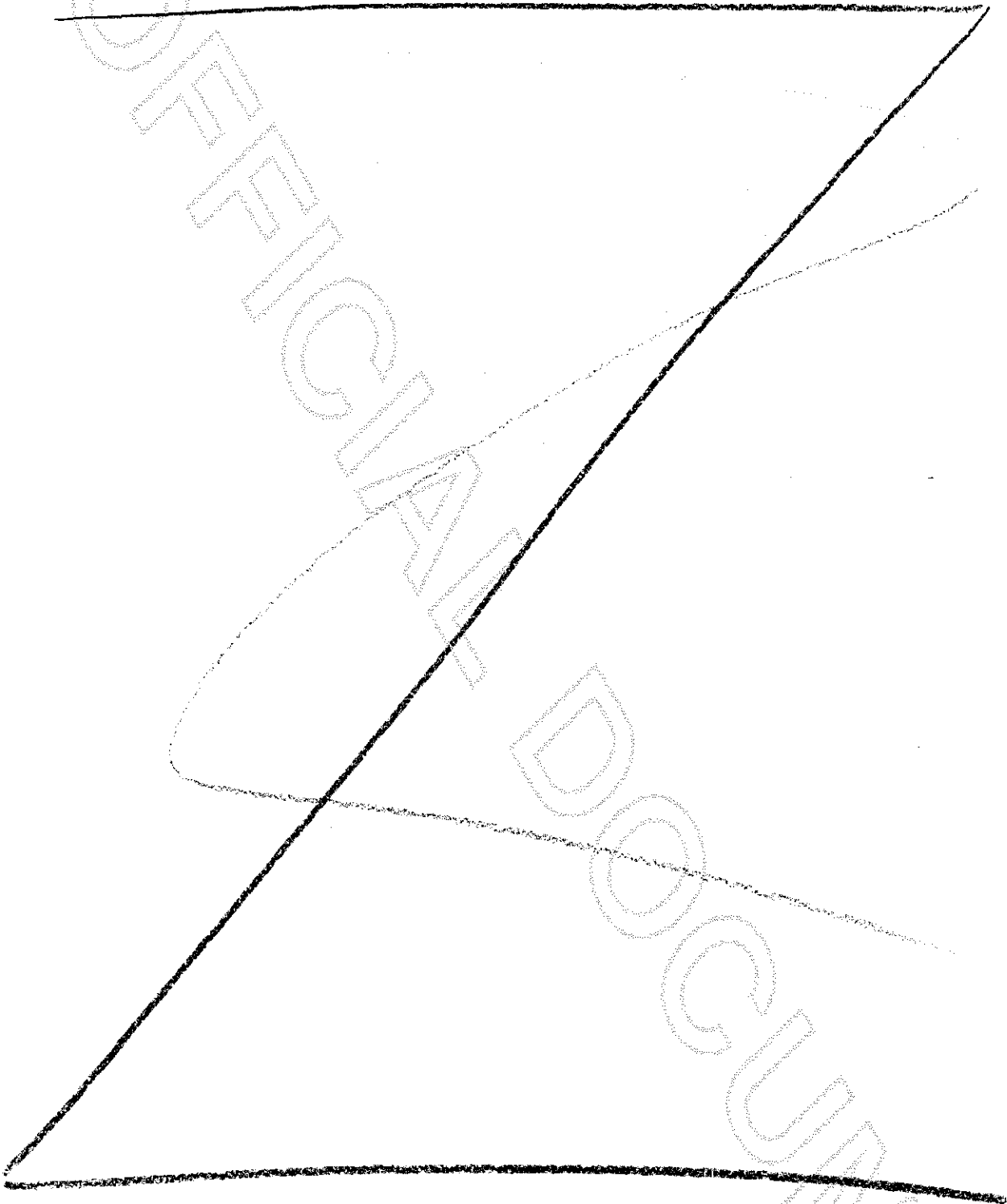
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Skagit County Auditor

Tax Account Nos.: 350309-0-007-0100, P120717, 350309-3-005-0014, P33978, 350309-0-006-0001, P33948, 350309-0-005-0100, P118645, 350309-3-004-0015, P33976, 350-309-3-003-0024, P33974, 350316-2-004-0000, P34397, 350316-2-001-0003, P34395, 350316-1-007-0009, P34392, 350316-1-003-0003, P34388



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