



200803040089

Skagit County Auditor

3/4/2008 Page 1 of 2 3:14PM

AFTER RECORDING MAIL TO :

Name Whidbey Island Bank
Address P O Box 302
City, State, Zip Burlington, WA 98233

CHICAGO TITLE CO.

Subordination Agreement

Escrow No.
Title Order No. IC 43874
Reference No's of Related Documents

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.

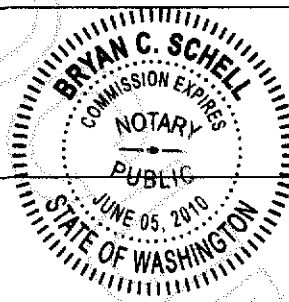
The undersigned Subordinator and Owner agrees as follows:

1. U.S. Bank N.A., referred to herein as "Subordinator," is the owner and holder of a UCC-2 Filing dated May 2, 2003, which is recorded under Recording No. 200305020057, Records of Skagit County.
2. Whidbey Island Bank, referred to herein as "Lender" is the owner and holder of a mortgage/deed of trust not to exceed the amount of \$5,200,000.00, dated 2-29, 2005, executed by Skagit Island L.L.C., (which is recorded in Volume of Mortgages, Page under Auditor's File No. 200803030111, Records of Skagit County) (which is to be recorded concurrently herewith).
3. Skagit Island L.L.C., referred to herein as "Owner," is the owner of all the real property described in the mortgage/deed of trust to be 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/deed of trust and all agreements in connection therewith, the Subordinator does hereby unconditionally subordinate its interest in all fixtures and tenant improvements, identified in Paragraph 1 above to the lien of Lender's mortgage/deed of trust, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof. The Subordinator's interest in the Owner's equipment is not subordinate to the Lender.
5. It is understood by the parties hereto that Lender would not make the loan secured by the mortgage/deed of trust 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 UCC - 2 Filing first above mentioned to the lien or charge of the mortgage/deed of trust 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 UCC -2 Filing first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage/deed(s) of trust to be thereafter executed.
7. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. In all instances, gender and number of pronouns are considered to conform to the undersigned.

Executed this November 21st
~~October~~, 2007

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.

Michael Maguire
Michael B Maguire, VP
Private Client Group US Bank



STATE OF Washington
COUNTY OF KING

On this 21st day of NOVEMBER, 2007, before me, the undersigned Notary Public, personally
appeared Michael B Maguire, Vice President of US Bank, and personally known to me or proved to me
on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the
Subordination Agreement and acknowledged the Subordination Agreement to be the free and voluntary act
and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses
and purposes therein mentioned, and on oath stated that he or she is authorized to execute the Subordination
Agreement and in fact executed the Subordination Agreement on behalf of the corporation.

By B. Schell

Notary Public in and for the State of Washington
Residing at 1420 5TH AVE SEATTLE WA 98101
My appointment expires 6/5/10



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