

After Recording Return To:
Peter A. Deming
Attorney at Law
P.O. Box 68
Kent, WA 98035



200806300222

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

130102-P

SUBORDINATION AGREEMENT

Reference # of Related Documents: 200801040033; 200806300215;
200806300218

Grantor: (1) Heron Ventures, LTD

Grantee: (1) Ameritrust CDC

Abbreviated Legal: Lot 2, Blk 22, Syndicate Add. To LaConner

Tax Parcel ID No.: 4128-022-002-0001 (Property I.D. No.: P74397)

THIS AGREEMENT is made and entered into as of the 25th day of ^{April} ~~February~~, 2008, by **Heron Ventures, LTD**, a Washington corporation ("Heron"), whose address is 10A Eagle Nest Drive, LaConner, Washington 98257.

WITNESSETH:

WHEREAS, Ameritrust CDC, a Washington nonprofit corporation ("Mortgagee"), whose address is 1420 5th Avenue, Suite 2200, Seattle, WA 98101 has agreed to make a loan to McCarthy Investments, LLC, repayment of which is to be secured by a Deed of Trust* and Assignment of Leases and Rents** (herein collectively referred to as the "Mortgage") on real estate (the "Premises") legally described as:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN; and

*Skagit County Recording No. 200806300215

**Skagit County Recording No. 200806300218

WHEREAS, the Mortgage is to be recorded in the county where the Premises are situate; and

WHEREAS, Heron is the present Beneficiary under the following documents (the "Security Instruments") which encumber the Premises and the property which is collateral for the Mortgage:

- (1) Deed of Trust dated December 11, 2007, and recorded January 4, 2008, under Skagit County Auditor's File No. 200801040033, records of Skagit County, Washington; and

WHEREAS, as a condition precedent to Mortgagee's disbursement of loan proceeds, Mortgagee has required that Heron subordinate the Security Instruments and its interest in the Premises under the Security Instruments in all respects to the lien of the Mortgage; and

WHEREAS, Mortgagee is disbursing the loan proceeds in reliance upon the agreements contained in this Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, it is hereby agreed as follows:

1. **SUBORDINATION.** The Security Instruments, and the rights of Heron in, to or under the Security Instruments, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Mortgage, and to the rights and interest of the holder of the Mortgage from time-to-time, as fully and with the same effect as if the Mortgage had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed prior to the execution and recording or filing of the Security Instruments.

2. **RELIANCE BY MORTGAGEE.** Heron is executing this instrument in order to induce Mortgagee to disburse the indebtedness secured by the Mortgage, and Heron further agrees that the disbursement by Mortgagee of all or any part of the indebtedness shall constitute conclusive reliance by Mortgagee upon this Agreement and the provisions hereof and the subordination effected hereby.

3. **SUCCESSORS AND ASSIGNS.** This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon Heron and Heron's heirs, administrators, representatives, successors and assigns, including without limitation each and every from time to time holder of the Security Instruments or any of them or any other person having an interest therein and shall inure to the benefit of Mortgagee and its successors and assigns.

4. **CHOICE OF LAW.** This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the state where the Premises are situate.

5. **CAPTIONS AND HEADINGS.** The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

IN WITNESS WHEREOF, Heron has caused this Agreement to be executed as of the date first above.

[Signatures on Next Page]



Heron Ventures, LTD,
a Washington corporation

By: Gary Kleysteuber

Print Name: GARY KLEYTEUBER

Title: OWNER/President

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Gary Kleysteuber
signed this instrument, and acknowledged it as the Owner/President
of HERON VENTURES, LTD, a Washington corporation, to be the free and
voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 25th day of April, 2008.



Joanne Bruland
Joanne Bruland

[Print Name]

NOTARY PUBLIC in and for the State
of Washington, residing at Burlington
My appointment expires: 4/1/10



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EXHIBIT "A"
LEGAL DESCRIPTION

LOT 2, BLOCK 22, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA
CONNER, SKAGIT CO. WASH.", AS PER PLAT RECORDED IN VOLUME 2 OF
PLATS, PAGE 109, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE TOWN OF LACONNER, COUNTY OF SKAGIT, STATE OF
WASHINGTON.



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