

After Recording Return To:  
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Kent, WA 98035



200811070100  
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

127919-S

SUBORDINATION AGREEMENT

Reference # of Related Documents: 200811070093; 200811070096  
;200708170114; 200711270109

Grantor: (1) The Commerce Bank of Washington, N.A.

Grantee: (1) Ameritrust CDC

Abbreviated Legal: PTN NW ¼ OF NE ¼, 24-34-3 E W.M.

Tax Parcel ID No.: 340324-1-009-0008 (Property I.D. No. P22573)

THIS AGREEMENT is made and entered into effective as of the 29th day of October, 2008, by The Commerce Bank of Washington, N.A., ("Bank"), whose address is 601 Union Street, Suite 3600, Seattle, WA 98101.

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 RED SAGE LANDS LLC, to benefit BOO-SHOOT GARDENS LLC, repayment of which is to be secured by a \*Deed of Trust, \*Assignment of Leases and Rents and Security Agreement (with a UCC Financing Statement), (herein collectively referred to as the "Mortgage") on real estate (the "Premises") legally described as:

\*AF Nos.: 200811070093 ; and 200811070096

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

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

WHEREAS, Bank 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) Mortgage dated No. November 6, 2007 and recorded November 27, 2007, under Skagit County Auditor's File No. 200711270109, records of Skagit County, Washington;
- (2) Financing Statement recorded August 17, 2007, under Skagit County Auditor's File No. 200708170114, records of Skagit County, Washington;
- (3) Financing Statement filed August 16, 2007 under State of Washington, Department of Licensing File No. 2007-228-4815-1;

WHEREAS, as a condition precedent to Mortgagee's disbursement of loan proceeds, Mortgagee has required that Bank 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 Bank 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**. Bank is executing this instrument in order to induce Mortgagee to disburse the indebtedness secured by the Mortgage, and Bank 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 Bank and Bank'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,** Bank has caused this Agreement to be executed as of the date first above.

[Signatures on Next Page]





EXHIBIT "A"  
LEGAL DESCRIPTION

The East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 24, Township 34 North, Range 3 East, W.M.,

EXCEPT ditch right of ways,

ALSO EXCEPT the following described tracts:

- 1.) The Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ .
- 2.) Beginning at the Northeast corner of said Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; thence West along the North line of said subdivision a distance of 208 feet; thence South parallel with the East line of said Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  a distance of 224.42 feet; thence East parallel with the North line of said Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  a distance of 208 feet to the East line of said subdivision; thence North along the East line of said Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  a distance of 224.42 feet to the point of beginning.
- 3.) The West 155 feet of the North 135 feet of that portion of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 24, Township 34 North, Range 3 East, W.M., lying South of the Dunbar Road running along the North line of said subdivision.
- 4.) The South 83 feet of the North 238 feet of the West 155 feet of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 24, Township 34 North, Range 3 East, W.M.

TOGETHER WITH an easement for ingress, egress and utilities over, under and across the East 20 feet of the West 175 feet of the North 155 feet of that portion of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 24, Township 34 North, Range 3 East, W.M., lying South of the Dunbar Road.

Situate in the County of Skagit, State of Washington.

