

Return Address:  
Farm Credit Services  
Attn: Credit  
PO Box 420  
Chehalis WA 98532



201204090138  
Skagit County Auditor

4/9/2012 Page 1 of 6 12:39PM

LAND TITLE OF SKAGIT COUNTY

Document Title(s) (Or transactions contained therein):

1. Subordination by the Government
- 2.
- 3.
- 4.

Grantor(s) (Last name first, then first name and initials):

1. The United States of America acting through the United States Department of Agriculture
- 2.
- 3.
- 4.
5.  Additional Name(s) on Page of Document.

Grantee(s) (Last name first, then first name and initials):

1. Northwest Farm Credit Services, FLCA
- 2.
- 3.
- 4.
5.  Additional Name(s) on Page of Document.

Legal Description (Abbreviated: *i.e., lot, block, plat; or section, township, range*):

Ptn Northwest ¼ in 15-35-5 E W.M.

Legal Description is on Pages 4 and 5 of Document.

Reference Number(s) (Of documents assigned or released):

199911220006                      200905010059  
200707180073                      201003050059  
200804100056

- Additional Reference Numbers on Page of Document.

Assessor's Property Tax Parcel/Account Number

350515-2-001-0002 Parcel ID No. P39134, 350515-2-002-0001 Parcel ID No. P39135, 350515-2-003-0000  
Parcel ID No. P39136, 350515-2-004-0009 Parcel ID No. P39137, 350515-2-005-0008 Parcel ID No. P39138,  
350515-2-014-0007 Parcel ID No. P39148, 350515-2-015-0006 Parcel ID No. P39149.

The Auditor/Recorder will rely on the information provided on this cover sheet. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

This form is available electronically.  
**FSA-2455**  
(12-31-07)

U.S. DEPARTMENT OF AGRICULTURE  
Farm Service Agency

Position 1 (Chattel Security)  
Position 5 (Real Estate Security)

### SUBORDINATION BY THE GOVERNMENT

1. The United States of America acting through the United States Department of Agriculture (called the "Government") is the owner and holder of the following-described instruments executed by (a) Thomas F. Perkins and Sue H. Perkins

of (b) Skagit County,  
State of (c) Washington :

(d) Title of Instrument	(e) Date of Instrument	(f) Date Filed	(g) Office Filed	(h) Document File or Book No.	(i) Page No.
Mortgage	July 18, 2007	July 18, 2007	Skagit County Auditor	200707180073	1-8
Mortgage	May 15, 2008	May 15, 2008	Skagit County Auditor	20080510056	1-8
Mortgage	May 1, 2009	May 1, 2009	Skagit County Auditor	200905010059	1-8
Mortgage	March, 2010	March 5, 2010	Skagit County Auditor	201003050059	1-9

AND, (f) Northwest Farm Credit Services, FLCA (called the "Lender")  
has agreed to loan (k) \$ 238,433.81 to (l) Perkins Variety Apples, Inc.

(called the "Borrower") for the following purposes: (m)  
No funds are being advanced. The amount provided in item (k) represents the remaining principle and interest associated with the original note dated November 8, 1999\* which is included in the Restructure Agreement and Memorandum of Restructure Agreement executed by all liable parties on March 30, 2012.

\*secured by Mortgage recorded on  
November 22, 1999 under Auditor's  
File No. 199911220006



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2. THEREFORE, in consideration of the Lender's agreement to make such loan to Borrower and meet other conditions of this subordination, the Government (1) consents to the Borrower obtaining the loan from the Lender for such purposes, and (2) agrees to and does subordinate in favor of the Lender and its successors and assigns its liens of security interests created or evidenced by the above described instruments insofar as they cover the following described property and provided the Lender perfects a lien on this property:

See Attached Exhibits A & B.

3. This subordination is limited to (1) the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the foregoing purposes, (2) future advances for taxes, insurance, and payments on liens prior to the Lender's lien, and (3) the amount actually advanced for foreclosure costs made by the Lender. Any amount in excess of such amount will not be covered by this subordination unless prior written consent was obtained from the Government for incurring the expenditure in question.

\$238,433.81

4. The Lender must:

- a. Incorporate into the Borrower's promissory note a statement that the loan will be in default should any proceeds of the loan funds obtained as a result of this subordination be used (1) for a purpose that will contribute to the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as provided by 7 C.F.R. part 1940, subpart G or any successor regulation, or (2) for any purpose not provided for above.
- b. Obtain a perfected security interest on the above property.
- c. Give notice of foreclosure as required by the Government

5. FSA offsets under the Debt Collection Act (31 U.S.C. 3711 et seq.) or 7 C.F.R. part 3 have priority over this subordination.

6. When the indebtedness has been satisfied, lender must mark this form "PAID IN FULL" and return it to the Department of Agriculture at the following address:

Farm Service Agency

6975 Hannegan Rd.

Lynden WA 98264



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7. IN WITNESS WHEREOF, the Government has executed this subordination by signing on (a) 3<sup>rd</sup> day of (b) April, (c) 20 12.

**UNITED STATES OF AMERICA  
U.S. DEPARTMENT OF AGRICULTURE**



Jeffrey J. Peterson

BY (d)

TITLE (e) Senior Farm Loan Officer

**FARM SERVICE AGENCY**

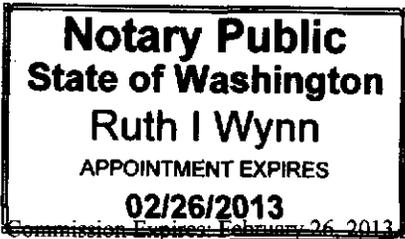
**8. ACKNOWLEDGMENT**

STATE OF WASHINGTON

COUNTY OF LEWIS

On this 3<sup>rd</sup> day of April, 2012 before me, the subscriber, a Notary Public, in and for the county and State, appeared Jeffrey J. Peterson, known to me to be a Senior Farm Loan Officer, United States Department of Agriculture, and the person who executed the foregoing instrument, and he acknowledged to me that he executed the same as the free act and deep of the United States of America, for the uses and purposes mentioned in it.

IN WITNESS WHERE OF, I have set my hand and seal of office this 3<sup>rd</sup> day of April, 2012.



Notary Public residing at Chehalis, WA

Printed Name: Ruth I. Wynn

My Commission Expires: February 26, 2013

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information ( Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.*



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Exhibit "A"

Legal Description

Parcel "A"

That portion of the East ½ of the East ½ of the Northwest ¼ of Section 15, Township 35 North, Range 5 East, W.M., lying Northerly of State Highway No. 17-A, as said highway existed on November 1, 1966, EXCEPT Puget Sound and Baker River Railroad right of way, AND EXCEPT the following tracts:

1. Beginning at the intersection of the North line of said State Highway No. 17-A, and the North and South centerline of said Section; thence North along said centerline 620 feet; thence West 20 feet; thence South 30° West 216 feet; thence South 52° West 330 feet; thence South 8° West to North line of said highway; thence Easterly along the North line of said highway to point of beginning.
2. Beginning at a point on the North and South centerline of said section, 620 feet North of the North line of said State Highway No. 17-A; thence West 20 feet; thence South 30° West to a point 490 feet North of the North line of said highway, and the true point of beginning of this description; thence West parallel to the North line of said highway right of way 490 feet; thence South parallel to the North and South centerline of said section 490 feet, more or less, to the North line of said highway right of way; thence Easterly along said highway right of way to the Southwest corner of a tract conveyed to Norman Eugene Mitchell and Linda E. Mitchell, husband and wife, by deed dated April 15, 1960, recorded April 19, 1960, under Auditor's File No. 593387; thence Northerly and Easterly along the West line of said Mitchell tract to the true point of beginning.

Situate in the County of Skagit, State of Washington.

Parcel "B"

That portion of the West ½ of the East ½ of the Northwest ¼ of Section 15, Township 35 North, Range 5 East, W.M., lying North of the County road, AND EXCEPT railway rights of way; AND EXCEPT the West 20 feet thereof for road purposes.

Situate in the County of Skagit, State of Washington.

de Initials 4/3/12 Date



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Exhibit "B"

Legal Description

Parcel "C"

That portion of the Northwest ¼ of Section 15, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at a point on the North and South centerline of said section, 620 feet North of the North line of State Highway No. 17-A; thence West 20 feet; thence South 30° West to a point 490 feet North of the North line of said highway, said point being the Northeast corner of that certain tract of land deeded to Carol Hardin by Quit Claim Deed recorded under Auditor's File No. 777684, records of Skagit County, Washington, being also the true point of beginning; thence South 86° 15' West along the North line of said Hardin Tract a distance of 490 feet to the Northwest corner of said Hardin Tract; thence South along the West boundary of said Hardin Tract, a distance of 13.6 feet; thence South 83° 49' 37" East of distance of 412.5 feet to the East line of said Hardin Tract; thence North 52° East a distance of 62.2 feet; thence North 30° East a distance of 59.7 feet to the true point of beginning,

EXCEPT from Parcels "B" and "C" above described the following:

Beginning at a point on the North and South centerline of said section, 620 feet North of the North line of State Highway No. 17-A; thence West 20 feet; thence South 30° West to a point 490 feet North of the North line of said State Highway, said point being the Northeast corner of that certain tract of land deeded to Carol Hardin by Quit Claim Deed recorded under Auditor's File No. 777684, records of Skagit County, Washington; thence South 86° 15' West along the North line of said Hardin Tract a distance of 490.0 feet to the Northwest corner of said Hardin Tract; thence South along the West boundary of said Hardin Tract a distance of 13.6 feet to the true point of beginning; thence North 83° 19' 37" West a distance of 85.0 feet; thence South 0° 41' 52" West a distance of 442.4 feet to a point 50 feet (at right angles to the centerline of said State Highway) North of the North boundary of said State Highway No. 17-A; thence North 86° 15' East a distance of 90.1 feet to the West line of said Hardin Tract; thence North along the West boundary of said Hardin Tract a distance of 427.3 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington

Assessor's Tax Parcel Numbers: 350515-2-001-0002, 350515-2-002-0001, 350515-2-003-0000, 350515-2-004-0009, 350515-2-005-0008, 350515-2-014-0007, 350515-2-015-0006

dp Initials 4/3/12 Date



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