

AFTER RECORDING RETURN TO:

Skagit State Bank
Business Banking Center
Attn: Geoff Wachter
PO Box 285
Burlington, Washington 98233



Skagit County Auditor

\$77.00

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SUBORDINATION AGREEMENT

Reference Nos.: 200505170136, 200906030100 *m-19923*
Grantor (s): WILLIAM W. WOODING ACCOMMODATION RECORDING
Grantee (s): SKAGIT STATE BANK
Legal Description: See attached Exhibit "A" LAND TITLE OF SKAGIT COUNTY
Abbreviated Form: Lot E Survey AFN 200601170059, ptn Lots 10-16, Block 1512,
Northern Pac. Add'n to Anacortes
Additional on Page:
Assessor's Tax Parcel No: P121497, 3809-512-016-0400

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 SECURITY INSTRUMENT.

The undersigned Subordinator, Borrower and Lender agree as follows:

1. **WOODING DOT.** William W. Wooding, referred to herein as "Subordinator," by Assignment dated June 29, 2012 and recorded on July 25, 2012 under Auditor's File No. 201207250100, records of Skagit County, Washington, is the sole beneficiary of that certain deed of trust dated May 14, 2005, which was recorded on May 17, 2005, under Auditor's File No. 200505170136, records of Skagit County, Washington (the "Wooding DOT"). The Wooding DOT covers real property located in Skagit County, Washington, as more particularly described in the attached Exhibit "A" (the "Real Proeprty").
2. **SKAGIT DOT.** Skagit State Bank, referred to herein as "Lender," is the beneficiary of a Deed of Trust dated June 2, 2009, executed by Randy A. Click, which deed of trust was recorded June 3, 2009, under Auditor's File No. 200906030100, records of Skagit County, Washington (the "Skagit DOT"). The Skagit DOT covers the Real Property identified in Exhibit "A".
3. **GRANTOR.** Randy A. Click, referred to herein as "Borrower", is the grantor of Wooding DOT and the Skagit DOT identified in paragraphs 1 & 2 above.
4. **SUBORDINATION.** In consideration of benefits to Subordinator, the receipt and sufficiency of which consideration is hereby acknowledged, the Subordinator does hereby unconditionally subordinate the lien of its deed of trust, the Wooding DOT, identified in paragraph 1 above to the lien of Lender's deed of trust, the Skagit DOT, identified in paragraph 2 above and all modifications advances or charges made or occurring thereunder, including any extension or renewal thereof.

The subordinated Wooding DOT and the indebtedness associated therewith which is secured by the Wooding DOT is and shall be subordinated in all respects to the Skagit DOT and all associated indebtedness, and it is agreed that the Skagit DOT shall be and remain, at all times, prior and superior to the lien of the Wooding DOT. The Subordinator also subordinates to Skagit State Banks interests and the Skagit DOT all other security interests in the Real Property held by Subordinator, whether now existing

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or hereafter acquired. The words "security interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

5. **SUBORDINATOR'S REPRESENTATIONS AND WARRANTIES.** Subordinator represents and warrants to Lender that: (A) no representations or agreements of any kind have been made to Subordinator which would limit or qualify in any way the terms of this Subordination; (B) this Subordination is executed at the Borrower's request and not at the request of Lender; (C) Lender has made no representation to Subordinator as to the creditworthiness of Borrower; and (D) Subordinator has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Subordinator agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Subordinator's risks under this Subordination, and Subordinator further agrees that Lender shall have no obligation to disclose to Subordinator information or material acquired by Lender in the course of its relationship with Subordinator and/or Borrower.
6. **SUBORDINATOR WAIVERS.** Subordinator waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any indebtedness owed to Lender secured by the Skagit DOT, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Borrower's indebtedness to Lender, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.
7. **LENDER'S RIGHTS.** Lender may take or omit any and all actions with respect to the Skagit DOT without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Subordinator, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of Borrower's indebtedness to Lender or any part of it, including increases and decreases of the rate of interest on Borrower's indebtedness to Skagit; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of Borrower's Indebtedness to Skagit, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on Borrower's indebtedness to Lender; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.
8. **DEFAULT BY BORROWER.** If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. Any default by Borrower under the terms of Borrower's indebtedness to Subordinator shall also constitute an event of default under the terms of Borrower's indebtedness in favor of Lender.

9. GENERAL PROVISIONS

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This Subordination shall be construed and governed by the laws of the State of Washington;

The failure of Lender to insist upon strict performance of any of the covenants and agreements of this Subordination, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver but the same shall be and remain in full force and effect.

The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions hereof;

This Subordination constitutes the entire agreement of the parties and supersedes all prior agreements or understandings between the parties with respect to the subject matter hereof.

This Subordination may not be modified or amended except by written agreement signed and acknowledged by all parties;

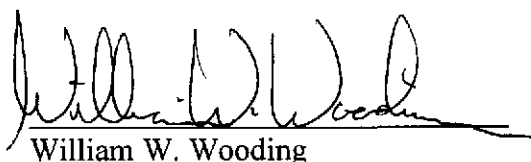
Each party hereto has had the opportunity to have this document reviewed by counsel of his/her/its choice. Each party agrees that no interpretation or construction shall be made with respect to this document based on which party drafted all or any portion of this document.

All of the provisions of this Subordination shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

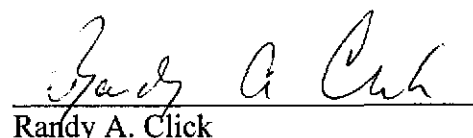
10. COSTS AND ATTORNEYS' FEES. If by reason of any breach or default on the part of any party hereto it becomes necessary for the other party(ies) hereto to employ an attorney, then the non-breaching party(ies) shall have and recover against the breaching party in addition to costs allowed by law, reasonable attorneys' fees and litigation related expenses, including all such attorneys fees and costs incurred on appeal, in bankruptcy or in post-judgment proceedings. The non-breaching party(ies) shall be entitled to recover reasonable attorneys' fees and costs and expenses, as provided above, regardless of whether litigation is actually commenced.
11. JURISDICTION AND VENUE. The parties hereto do hereby consent to jurisdiction and venue of the Superior Court of Skagit County, State of Washington.

EXECUTED this 9th day of May, 2013.

SUBORDINATOR


William W. Wooding

BORROWER


Randy A. Click

LENDER

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Skagit State Bank

Steven P. Henery
Signature

By: Steven P. Henery
print name

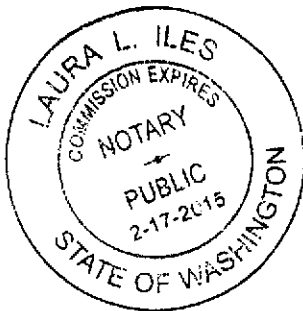
Its: SVP
title

State of Washington)

) ss

County of Skagit)

I certify that I know or have satisfactory evidence that WILLIAM W. WOODING, is the person who appeared before me and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.



Dated: 5-9-13

Laura L. Iles

(Signature)

NOTARY PUBLIC

Laura L. Iles

Print Name of Notary

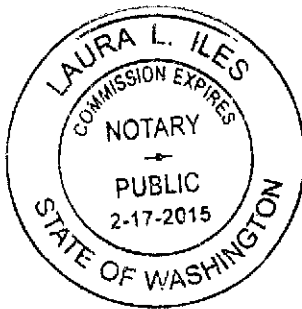
My appointment expires: 2-17-15

State of Washington)

) ss

County of Skagit)

I certify that I know or have satisfactory evidence that RANDY A. CLICK, is the person who appeared before me and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.



Dated: 5-9-13

Laura L. Iles

(Signature)

NOTARY PUBLIC

Laura L. Iles

Print Name of Notary

My appointment expires: 2-17-15



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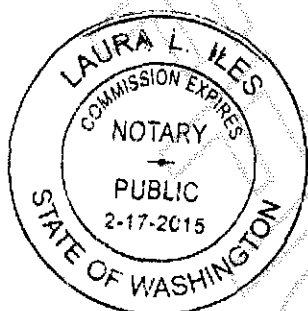
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State of Washington)
) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Steven P Henry
is the person who appeared before me, and said person acknowledged that he she signed this
instrument, on oath stated that he she was authorized to execute the instrument and acknowledged it
as the SR. Vice President of **SKAGIT STATE BANK** to be the free and
voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated: 5-9-13

Laura L. Iles
(Signature)

NOTARY PUBLIC

Laura L. Iles

Print Name of Notary

My appointment expires: 2-17-15



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Exhibit "A"
Legal Description

Lot "E", Survey recorded January 17, 2006, under Skagit County Auditor's File No. 200601170059, being a portion of Lots 10 through 16, inclusive, Block 1512, "NORTHERN PACIFIC ADDITION TO ANACORTES," as per plat recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.



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