

RETURN ADDRESS:
Heritage Bank
201 5th Avenue SW
PO Box 1578
Olympia, WA 98501

SUBORDINATION AGREEMENT

Grantor(s): City of Olympia, a municipal corporation
Housing Authority of Thurston County, a public body corporate and
politic of the state of Washington

Grantee(s): Heritage Bank, a Washington banking corporation

Abbreviated
Legal Description: PCLS A & B BLA-080048OL & PTN SW ¼ NW ¼ 18-18-1W

Additional Legal: See Exhibit A

Assessor's Tax
Parcel Nos: 11817230300, 11818142503, and 11817230500

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.

THIS SUBORDINATION AGREEMENT ("Agreement") is dated effective as of _____. The parties to it are the City of Olympia, a municipality ("Subordinator"), Housing Authority of Thurston County, a public body corporate and politic of the state of Washington (the "Owner"), and Heritage Bank, a Washington banking corporation ("Lender"). In consideration of the premises and the mutual agreements herein set forth, Subordinator Owner and Lender hereby agree as follows:

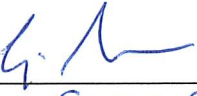
1. City of Olympia ("Subordinator") is the owner and holder of a deed of trust, executed by the Housing Authority of Thurston County ("Owner"), dated May 16, 2008, recorded on May 21, 2008, under Thurston County Auditor's File No. 4011815 ("Subordinated Deed of Trust") encumbering real property in Thurston County Washington legally described as set forth in Exhibit A attached hereto ("Property").
2. Heritage Bank ("Lender") is the owner and holder of a deed of trust on the Property recorded in the records of the Thurston County Auditor on October 29, 2009, under Thurston County Auditor's File No. 4118513 as amended via Modification of Deed of Trust recorded May 27, 2011, under Thurston County Auditor's File No. 4212730 (collectively, "Existing Lender Deed of Trust"). Subordinator previously subordinated to the Subordinated Deed of Trust pursuant to that certain Subordination Agreement recorded in the records of the Thurston County Auditor on October 28, 2009 under Thurston County Auditor's File No. 4118516 and re-recorded

October 29, 2009, under Thurston County Auditor's File No. 4118699 (collectively, "Existing Subordination Agreement").

3. Lender refinanced the debt associated with the Existing Lender Deed of Trust, loaned additional funds to Owner and is the owner and holder of a deed of trust on the Property dated _____, 2022 executed by Owner, to be recorded in the records of the Thurston County Auditor simultaneously with this Agreement ("Lender's Deed of Trust") which has replaced the Existing Lender Deed of Trust.
4. Owner is the owner of the Property legally described in Exhibit A attached hereto and in both the Subordinated Deed of Trust and the Lender's Deed of Trust.
5. In consideration of the benefits to the Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and all agreements in connection therewith, the Subordinator does hereby unconditionally subordinate the lien of the Subordinated Deed of Trust to the lien of the Lender's Deed of Trust, and all advances or changes made or accruing thereunder, including any extension or renewal thereof. The subordination shall apply to the lien priority only and shall have no effect on Owner's duty to pay the obligations due to Subordinator or Lender under the Subordinated Deed of Trust or Lender's Deed of Trust, respectively.
6. Subordinator recognizes that Lender has no obligation to Subordinator to advance any funds under the Lender's Deed of Trust or to see the application of Lender's mortgage funds applied for any specific purpose, and any application or use of such funds for purposes other than provided in the Lender's Deed of Trust, note or related agreements shall not defeat the subordination herein made in whole or in part.
7. 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 Subordinated Deed of Trust to the lien or charge of the Lender's Deed of Trust and shall supersede and cancel any prior agreements as to such or any subordination, including, but not limited to, the Existing Subordination Agreement and those provisions, if any, contained in the Subordinated Deed of Trust which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
8. The successor in interest and assigns of the Subordinator shall be bound by this Agreement.
9. This Agreement shall be governed by and construed in accordance with the laws of the state of Washington. The parties agree that any suit or action relating to this Agreement shall be instituted and commenced exclusively in Thurston County, Washington, Superior Courts, and the parties hereby waive the right to consent to change venue and hereby consent to the jurisdiction of such courts.
10. If any party institutes suit or action to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees and costs at trial, on any appeal, or bankruptcy proceeding from the non-prevailing party.

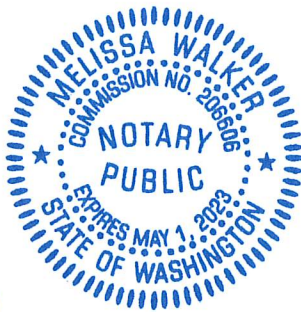
OWNER:


HOUSING AUTHORITY OF THURSTON COUNTY


By: Craig Chance
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

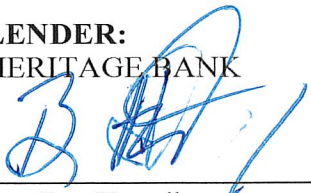
This record was acknowledged before me on November 9, 2022, by Craig Chance, the Executive Director of the Housing Authority of Thurston County, a public body corporate and politic of the state of Washington.




Signature
Melissa Walker
Print Name
NOTARY PUBLIC in and for the State of
Washington
Residing at Olympia
My appointment expires: 5/1/2023

LENDER:


HERITAGE BANK


By: Ben Howeler
Its: Senior Vice President, Business Banker

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This record was acknowledged before me on November 10, 2022, by Ben Howeler, the Senior Vice President, Business Banker of Heritage Bank.




Signature
Melissa Walker
Print Name
NOTARY PUBLIC in and for the State of
Washington
Residing at Olympia
My appointment expires: 5/1/2023

SUBORDINATION AGREEMENT

**EXHIBIT A
PROPERTY DESCRIPTION**

PARCEL 1:
**PARCEL A OF [BOUNDARY LINE ADJUSTMENT NO. BLA-08-0048OL](#), AS RECORDED
MAY 13, 2008
UNDER AUDITOR'S FILE NO. 4010068.**

PARCEL 2:
**THE SOUTH 45 OF THE NORTH 150 FEET OF THE SOUTH HALF OF THE NORTH
HALF OF THE
SOUTHEAST QUARTER OF THE NORTHEAST QUARTER IN SECTION 18,
TOWNSHIP 18 NORTH,
RANGE 1 WEST, W.M., LYING EAST OF COUNTY ROAD KNOWN AS LILLY ROAD.**

PARCEL 3:
**PARCEL B OF [BOUNDARY LINE ADJUSTMENT NO. BLA-08-0048OL](#), AS RECORDED
MAY 13, 2008 UNDER AUDITOR'S FILE NO. 4010068.**

IN THURSTON COUNTY, WASHINGTON