



199910040042

Kathy Hill, Skagit County Auditor

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When Recorded Return to:
Evergreen Community Development Association
Attn: Loan Servicing Department
900 Fourth Avenue, Suite 2900
Seattle, WA 98164

SBA Loan Name: Team Corporation, a Washington corporation
SBA Loan No.: CDC 564000-30-00 WA

SUBORDINATION AGREEMENT

FIRST AMERICAN TITLE CO.

59886-3

Grantor(s): Evergreen Community Development Association / U.S. Small Business Administration

Grantee(s): Horizon Bank

Legal Description: Leasehold interest, lot 27, Skagit Regional Airport Binding Site Plan, Book 7, pgs 111 through 120, Auditor's File no. 8608250002

Assessors PTP or Account No.: _____

Reference Number(s) of Documents Assigned or Released: _____

THIS AGREEMENT is dated for reference on July 27, 1999 and is between Team Corporation, a Washington corporation owner(s) of the land described in the Deed of Trust referenced below ("Owner"), Horizon Bank ("Lender") and the U.S. Small Business Administration, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, in the District of Columbia, and a Commercial Loan Servicing Center at 2719 North Air Fresno Drive, Suite 107, Fresno, California 93727, ("SBA").

RECITALS:

Owner executed a deed of trust, dated September 28, 1993 to David F. Stobaugh, as trustee, to secure a note in the sum of \$352,000.00 in favor of Evergreen Community Development Association ("SBA Security Instrument"). The SBA Security Instrument was recorded on October 11, 1993 in the Official Records of Skagit County, Washington as Document Number 9310110124. The SBA Security Instrument was assigned to SBA by instrument recorded on October 11, 1993 in the Official Records of Skagit County, Washington as Document Number 9310110126.

Owner has also executed, or is about to execute, a deed of trust and note not to exceed \$410,000.00 dated _____, in favor of Lender. Lender's Security Instrument is to be recorded concurrently herewith. ASSIGN DT# 99100040040

As a condition precedent to Lender's performance under the loan agreement, the SBA Security Instrument must be subordinated to the Lender's Security Instrument. SBA is willing to

subordinate the lien of the SBA Security Instrument provided it retains its lien priority with respect to all other legal or equitable interest in the property.

AGREEMENT:

In consideration of the mutual benefits accruing to the parties and to induce Lender to make a loan to Owner, it is hereby agreed and understood as follows:

- (1) Lender's Security Instrument, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA Security Instrument.
- (2) Lender would not make its loan without this subordination agreement.
- (3) Lender will not make any additional advances under its Security Instrument except such disbursements that become necessary to protect its security interest and for which Owner is liable under Lender's Security Instrument and related loan documents.
- (4) This agreement shall be the whole and only agreement with regard to the subordination of the SBA Security Instrument to Lender's Security Instrument.
- (5) Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA Security Instrument with regard to any legal or equitable interest in the property. Owner and Lender shall hold SBA harmless from any impairment of its lien (with regard to any third party) which is occasioned by this subordination.
- (6) SBA's agreement to subordinate its lien interest to that of the Lender is expressly conditioned upon Lender's, Borrower's and Guarantor's execution of this subordination agreement. This subordination agreement is null and void if not duly executed by the foregoing parties.
- (7) Lender shall provide notice to SBA of any default under the terms of the Lender's Security Instrument which remains uncured for 60 days. A default in the obligation secured by Lender's Security Instrument may be cured (including purchase of the property at or prior to foreclosure) by the SBA via cash, certified funds or a United States Treasury check, at SBA's option. Lender will not enforce any default provision in its Security Instrument to the detriment of the SBA, including, but not limited to, any provision regarding a default rate of interest.
- (8) All proceeds of Lender's loan shall be applied to satisfy debt secured by a lien(s) presently superior to the lien of the SBA Security Instrument, the following described uses, if any, plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.



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OWNER(S)

Team Corporation, a Washington corporation

By: Robert C. Tauscher
ROBERT L. TAUSCHER
Type or print name and title

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Robert C. Tauscher signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the President of Team Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated Sept. 30, 1999



Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington, Washington
My appointment expires: 08/01/02

Seal or stamp)



199910040042

Kathy Hill, Skagit County Auditor

LENDER

Horizon Bank

By:

[Signature]
JOHN K. STEWART, VICE PRESIDENT
Type or print name and title

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that JOHN K. STEWART signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the VICE PRESIDENT of HORIZON BANK to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 10-1, 1999



William W. Ketcherside
(Signature)

William W. Ketcherside
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at 1503 Riverside Dr.

My appointment expires: 7-23-2002

Seal or stamp)



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Kathy Hill, Skagit County Auditor

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ADMINISTRATOR, UNITED STATES
SMALL BUSINESS ADMINISTRATION,
AN AGENCY OF THE UNITED STATES

By: 



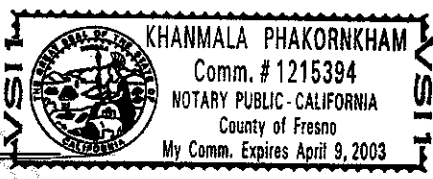
LORNA D. BELL
Type or print name and title
Small Business Specialist

STATE OF CALIFORNIA)
) ss.
COUNTY OF FRESNO)

On August 27, 1999 before me, Khanmala Phakornkham
_____, a Notary Public, personally appeared Lorna D. Bell
_____, personally known to me (or proved to me the basis of satisfactory evidence) to be the
person whose name is subscribed to the within instrument and acknowledged to me that he/she
executed the same in his/her authorized capacity, and that by his/her signature on the instrument
the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Khanmala Phakornkham



199910040042

EVERGREEN COMMUNITY DEVELOPMENT
ASSOCIATION

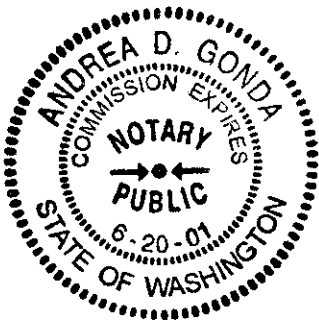
By:

Phil Eng, President
Type or print name and title

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Phil Eng signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the President of **EVERGREEN COMMUNITY DEVELOPMENT ASSOCIATION**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated ~~August~~^{APR} September 1, 1999



Seal or stamp)

Andrea D. Gonda
(Signature)

Andrea D. Gonda
(Print Name)

NOTARY PUBLIC in and for the State of
Washington, residing at Seattle
My appointment expires: 6-20-01



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Kathy Hill, Skagit County Auditor

Team Corporation, a Washington corporation, Robert C. Tauscher, Sandra J. Tauscher, Bruce L. Huntley, Karen D. Huntley, William B. Woyski, Jennifer M. Woyski, and Douglas A. Lund hereby consent to all terms above and acknowledge their liability for the above referenced SBA loan is in no manner diminished by this agreement.

Date: Sept 29, 1999

Team Corporation,
a Washington corporation

By: Robert C Tauscher

By: Bruce L Huntley, President
_____, Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Robert C. Tauscher signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the **PRESIDENT** of Team Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 30, 1999

Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)



Seal or stamp)

NOTARY PUBLIC in and for the State of
Washington, residing at Burlington Washington
My appointment expires: 05/01/02



199910040042

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Bruce L. Huntley signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the **SECRETARY** of Team Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

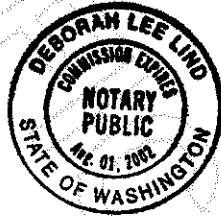
Dated September 30, 1999

Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of
Washington, residing at Burlington Washington
My appointment expires: 08/01/02

Seal or stamp)



x Robert C Tauscher
Robert C. Tauscher

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Robert C. Tauscher signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 30, 1999

Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of
Washington, residing at Burlington, Washington

Seal or stamp)



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x Sandra J. Tauscher
Sandra J. Tauscher

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Sandra J. Tauscher signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 29, 1999



Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington Washington

Seal or stamp)

x Bruce L. Huntley
Bruce L. Huntley

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Bruce L. Huntley signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 29, 1999



Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington Washington

Seal or stamp)



199910040042

Kathy Hill, Skagit County Auditor

x Karen D. Huntley
Karen D. Huntley

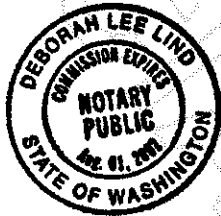
STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Karen D. Huntley signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 29, 1999

Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)



Seal or stamp)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington, Washington

x William B. Woyski
William B. Woyski

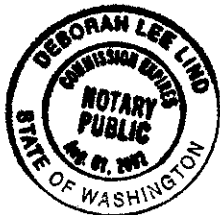
STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that William B. Woyski signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 30, 1999

Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)



Seal or stamp)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington Washington



199910040042

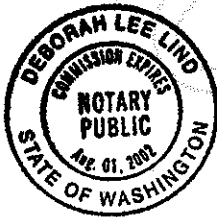
Kathy Hill, Skagit County Auditor

Jennifer M. Woyski
Jennifer M. Woyski

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Jennifer M Woyski signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 30, 1999



Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington Washington

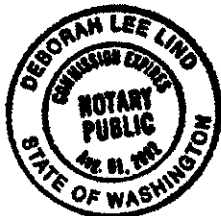
Seal or stamp)

Douglas A. Lund
x
Douglas A. Lund

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Douglas A. Lund signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated September 30, 1999



Deborah Lee Lind
(Signature)

Deborah Lee Lind
(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at Burlington Washington

Seal or stamp)



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Kathy Hill, Skagit County Auditor