

WHEN RECORDED RETURN TO:

Name: _____
Address: _____
City, State, Zip _____



200108090147

Skagit County Auditor

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Chicago Title Insurance Company
ISLAND TITLE CO.

B18362✓

SUBORDINATION AGREEMENT

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.

The undersigned subordinator and owner agrees as follows:

1. Briar Development Company, a Washington General Partnership referred to herein as "subordinator", is the owner and holder of a mortgage dated July 5, 192001 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200107300146 records of SKAGIT County.
2. Horizon Bank referred to herein as "lender" is the owner and holder of the mortgage dated July 6, 192001, executed by Briar Development (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200107160159, records of SKAGIT County) ~~(which is to be recorded concurrently herewith)~~.
3. Briar Development Burlington LLC *Burlington, a Washington LLC referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.

4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.

5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.

6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement. Except for the Subordination Agreement dated July 6, 2001 between Briar Development Burlington LLC (Borrower), Horizon Bank (Lender) and Briar Development Company (Guarantor).

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 mortgage first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred to and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.

8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 6th day of July 192001

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

BRIAR DEVELOPMENT COMPANY

HORIZON BANK

By: DALE C. HERLEY

By: R.L. HOWE

TITLE: PRESIDENT & CEO

TITLE: Senior Vice President

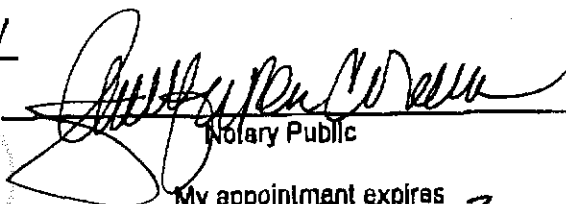
STATE OF WASHINGTON

COUNTY OF WHATCOM

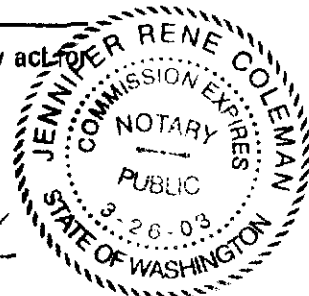
I certify that I know or have satisfactory evidence that

Richard Hoode

is the person who appeared before

me, and said person acknowledged that HEsigned this instrument and acknowledged it to be HIS free and voluntary act for
the uses and purposes mentioned in the instrument.DATED: July 6, 2001
Notary Public

My appointment expires

8-26-03

A-7 - Individual Capacity

STATE OF WASHINGTON

COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that

DALE HENLEY

is

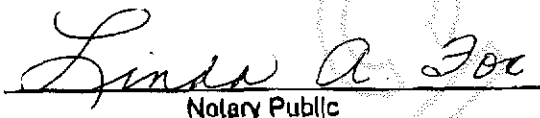
the person who appeared before me, and said person acknowledged that

HE

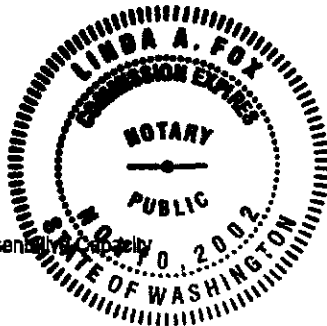
signed this instrument, on oath stated that

HE

was authorized to execute the instrument and acknowledged it

as PRESIDENT & CEOof BRIAR DEVELOPMENT A WA PARTNERSHIPto be the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.DATED: July 6/01
Notary Public

My appointment expires

Nov 10/2002

A-7 - Representative Capacity



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, Skagit County Auditor

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UNOFFICIAL DRAFT

