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Adelstein, Sharpe & Serka  
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200110150180  
Skagit County Auditor

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**ISLAND TITLE CO.**

B17757✓

Document Title: Subordination Agreement  
Grantor(s): Armstrong Benson, Inc., a Washington corporation.  
Grantee(s): Donald a. Benson, a single man  
Abbreviated Legal Description: Lot 18, Burlington Hill Business Park Phase II Binding  
Site Plan; being ptn. SW, Sec. 29, T35N, R4EWM and ptn. NW,  
Sec. 32, T35N, R4EWM  
Assessor's Parcel/Tax I.D. Number: 8017-000-018-0000.

Ref: 200006260143, 200107030097

**SUBORDINATION AGREEMENT**

This Agreement is entered into on the date last written below by and between Armstrong Benson, Inc., a Washington corporation ("ABI") and Donald A. Benson, a single man ("Benson").

This Agreement is made with reference to the following facts:

A. Armstrong Benson I, LLC, a Washington Limited Liability Company, is the owner of the following described real property located in Skagit County, Washington:

Lot 18, Burlington Hill Business Park Phase II Binding Site Plan, approved October 15, 1997, recorded October 29, 1997 in Volume 13 of Short Plats, Pages 53 to 56, inclusive, under Auditor's File No. 9710290033 and being a portion of the Southwest 1/4 of Section 29, Township 35 North, Range 4 East, W.M. and a portion of the Northwest 1/4 of Section 32, Township 35 North, Range 4 East, W.M. Situate in the County of Skagit, State of Washington.

Tax parcel number 8017-000-018-0000.

("Property").

B. On or about April 1, 2000, Armstrong Benson I, LLC entered into a lease with ABI whereby Armstrong Benson I, LLC leased its interest in the Property to ABI for a term of \_\_\_\_\_ years, being the same lease(s) as disclosed by instrument recorded June 26, 2000, under Auditor's File No. 200006260143, records of Skagit County, Washington.

C. On June 8, 2001, Armstrong Benson I, LLC executed in favor of Benson a deed of trust encumbering the Property which deed of trust is to secure the repayment of the sum of Ninety-Eight Thousand Dollars and 00/100ths (\$98,000.00) recorded on July 3, 2001 under Auditor's File No. 200107030097. Pursuant to the terms of the agreement between Armstrong Benson I, LLC and Benson, the deed of trust is to be a second lien against the Property subordinate only to a deed of trust held by a commercial lending institution.

D. In order to effectuate the terms of the agreement, Armstrong Benson I, LLC, has agreed to undertake to have ABI subordinate its leasehold interest in the Property to the deed of trust in favor of Benson.

E. ABI acknowledges that consummation of the transaction between Armstrong Benson I, LLC and Benson is of material benefit to ABI and that ABI has received consideration from Armstrong Benson I, LLC, the receipt and sufficiency of which is hereby acknowledged, to support its agreement to subordinate its leasehold interest in the Property to the deed of trust executed in favor of Benson.

WHEREFORE, IT IS AGREED as follows:

1. In consideration of the benefits to ABI from Armstrong Benson I, LLC, receipt and sufficiency of which is hereby acknowledged, ABI does hereby unconditionally subordinate its entire right, title and interest in and to the Property identified in paragraph A above to the deed of trust executed by Armstrong Benson I, LLC in favor of Benson identified in paragraph C above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.

2. This Agreement shall be the whole and only agreement between the parties hereto with regard to subordination of ABI's right, title and interest in and to the Property to the deed of trust in favor of Benson and shall supercede and cancel any prior agreements, oral or written, between the parties with respect to the subject of subordination.

3. The heirs, administrators, assigns and successors in interest of ABI shall be bound by this Agreement.

EXECUTED this 23 day of July, 2001.

**Armstrong Benson, Inc.,**  
a Washington corporation



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, Skagit County Auditor

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By: 

President

By: 

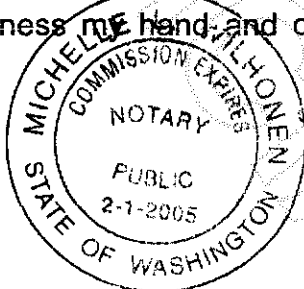
Secretary

STATE OF WASHINGTON)

SKAGIT )ss.  
COUNTY OF WHATCOM )

On this 18 day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Russell A. Armstrong to me known to be the **President of Armstrong Benson, Inc.**, a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the corporation

Witness my hand and official seal hereto affixed the day and year first above written.



Michelle L. Withonen  
Printed Name: Michelle Withonen  
Notary Public in and for the state of Washington  
residing at Burlington  
My commission expires: 2/1/05

STATE OF WASHINGTON)

SKAGIT )ss.  
COUNTY OF WHATCOM )

On this 18 day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kimberly L. Armstrong to me known to be the **Secretary of Armstrong Benson, Inc.**, a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the corporation

Witness my hand and official seal hereto affixed the day and year first above written.



Michelle L. Withonen  
Printed Name: Michelle Withonen  
Notary Public in and for the state of Washington  
residing at Burlington  
My commission expires: 2/1/05

7-18-01  
benson/armstrong benson/Subordination Agmnt revised



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