

WHEN RECORDED RETURN TO:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip \_\_\_\_\_



200508120134  
Skagit County Auditor

8/12/2005 Page 1 of 2 3:26PM

## Chicago Title Company - Island Division

Chicago Title IC35938 ✓  
Escrow BE10152

### 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. LRDTD JOHNSON PARTNERSHIP, a Washington general partnership referred to herein as "subordinator", is the owner and holder of a mortgage dated December 8, 2004, which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 200412100117, records of Skagit County.
2. PRIVATE LENDERS GROUP, LLC, a Washington Limited Liability Company referred to herein as "lender" is the owner and holder of the mortgage dated August 11, 2005, executed by ADVOCATE GROUP ENTERPRISES, L.L.C. (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file no. 200508120132 records of Skagit County, which was assigned to PRK Funding Services, Inc., a Washington corporation, as Custodian for the Note holders in PLG Fund 1, LLC, a Washington Limited Liability Company, recorded under auditor's file no. 200508120133, records of Skagit County, Washington.
3. ADVOCATE GROUP ENTERPRISES, L.L.C. 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.
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 11<sup>th</sup> day of August, 2005.

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.

LRDTD JOHNSON PARTNERSHIP

William Lee Johnson  
William Lee Johnson, Partner

Date

Rita J. Johnson  
Rita J. Johnson, Partner

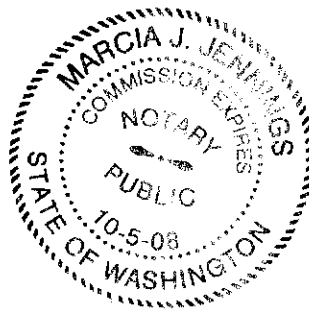
Date

STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that  
William Lee Johnson and Rita J. Johnson, are  
the persons who appeared before me, and said persons acknowledged that they  
signed this instrument, on oath stated that they were authorized to execute the  
instrument and acknowledge it as the Partners of LRDTD Johnson Partnership to be  
the free and voluntary act of such party for the uses and purposes mentioned in the  
instrument.

DATED: August 11, 2005

Marcia J. Jennings  
Marcia J. Jennings  
Notary Public in and for the State of Washington  
Residing in: Sedro Woolley  
My appointment expires: 10/5/2008



200508120134  
Skagit County Auditor