

When recorded return to:

Barbless Investments, LLC  
P.O. Box 473  
Redmond, WA 98073



200808010107  
Skagit County Auditor

8/1/2008 Page 1 of 3 4:03PM

LAND TITLE OF SKAGIT COUNTY  
129220-T

## SUBORDINATION AGREEMENT

Grantor: Barbless Investments, LLC

Grantee: Kitsap Credit Union

Legal Description: ptn SE ¼ NE ¼ 18-34-4

Assessor's Property Tax Parcel or Account No.: P26138

Reference Nos of Documents Assigned or Released: 8706230064

## 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 INTEREST**

The undersigned subordinator and owner agrees as follows:

1. Barbless Investments, LLC, referred to herein as "Subordinator", is the Landlord of a Lease dated January 1st, 1973, as amended, a memorandum thereof having been being recorded on June 23rd, 1987 under Auditor's File No. 8706230064, records of Skagit County, such Lease being for the real property described in the attached Schedule A-1.
2. Kitsap Credit Union, "Lender", is the owner and holder of a Deed of Trust dated 7/28/08, executed by Barbless Investments, LLC, under Auditor's File No. 200808010107, records of Skagit County.
3. In order to induce "Lender" to advance funds under its Deed of Trust and all agreements in connection therewith, the "Subordinator" does hereby unconditionally subordinate the above-referenced Lease, and any amendments thereto, to the lien of "Lender's" Deed of Trust, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
4. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "Lender's" Deed of Trust, 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 Deed of Trust or see to the application of the funds borrowed from "Lender", and any application or use of such funds for purposes other than those provided for in such Deed of Trust, note or agreements shall not defeat

the subordination herein made in whole or in part.

- 5. It is understood by the parties hereto that "Lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
- 6. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the Lease to the lien or charge of the Deed of Trust 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 Deed of Trust first above mentioned, which provide for the subordination of the lien or charge thereof to a Deed of Trust, mortgage or mortgages to be thereafter executed.
- 7. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Gender and number of pronouns considered to conform to undersigned.

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.

Subordinator:

BARBLESS INVESTMENTS, LLC

By: [Signature]  
By: [Signature]

(Name & title)

Lender:

KITSAP CREDIT UNION

By: [Signature]  
VP

(Name & title)

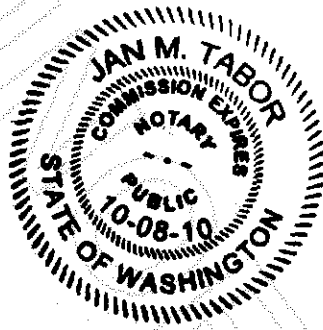
STATE OF WASHINGTON )  
(ss.  
COUNTY OF King )

On this 30th day of July, 2008, before me personally appeared ANDREW BARBER & MATTHEW LESSARD, to me known to be a member or manager of BARBLESS INVESTMENTS, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said limited liability company.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



200808010107  
Skagit County Auditor



Jan M. Tabor  
 NOTARY PUBLIC in and for the State of Washington  
 Residing at Redmond, WA  
 My commission expires: 10/8/10  
 Name: JAN M. TABOR

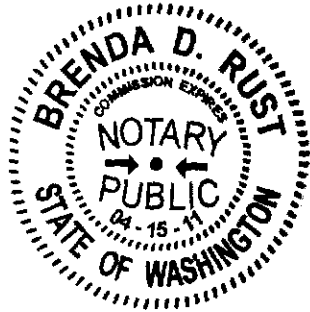
STATE OF WASHINGTON )  
 COUNTY OF Kitsap (ss.)

On this 31<sup>st</sup> day of July, 2008, before me personally appeared David Huck, to me known to be the Vice President of Kitsap Credit Union, the corporation that executed the within and foregoing instrument, and acknowledged 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 he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Brenda D. Rust

NOTARY PUBLIC in and for the State of Washington  
 Residing at Bremerton WA  
 My commission expires 4-15-11  
 Printed Name: Brenda D Rust



200808010107  
 Skagit County Auditor