



201012070063

Skagit County Auditor

12/7/2010 Page 1 of 4 3:19PM

AFTER RECORDING MAIL TO:

Brenda Rust
Kitsap Credit Union
PO Box 899
Silverdale WA 98383

Abbreviated Legal: Section 18, Township 34, Range 4; Ptn. SE NE
Tax Parcel: P26133, 340418-0-056-0009

GUARDIAN NORTHWEST TITLE CO.

SUBORDINATION AGREEMENT

100942-2

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. Kitsap Credit Union referred to herein as "subordinator," is the owner and holder of a mortgage dated July 28, 2008, which is recorded under Auditor's File No. 200808010106 records of Skagit County.
2. Kitsap Credit Union referred to herein as "lender," is the owner and holder of a mortgage dated December 1, 2010 in the amount of \$475,000.00, executed by Barbless Investments II, LLC which is recorded under Auditor's File No. 201012070062 records of Skagit County (which is to be recorded concurrently herewith).

See legal description attached on "Exhibit A" and by reference made a part hereof:

Abbreviated Legal: Section 18, Township 34, Range 4; Ptn. SE NE
Tax Parcel: P26133, 340418-0-056-0009

3. Barbless Investments, LLC referred to herein as "owner," is the owner of the real property described in the mortgage identified above in paragraph 1.
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.

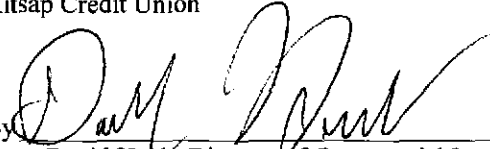
EXECUTED this 1ST day of DECEMBER, 2010

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:

Kitsap Credit Union

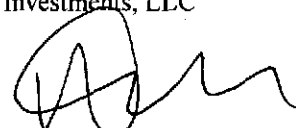
By


David Huck, Director of Commercial Lending

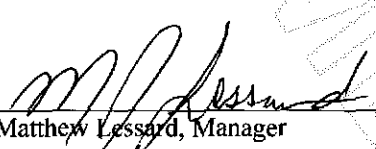
Owner:

Barbless Investments, LLC

By


Andrew Barber, Manager

By


Matthew Lessard, Manager

LPB35- 2/97



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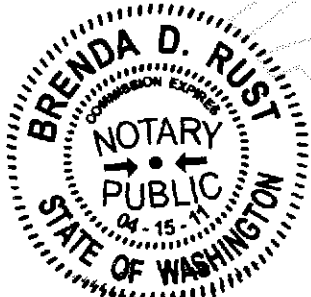
(Corporate)
STATE OF WASHINGTON

County of Kitsap

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} SS.
}

I certify that I know or have satisfactory evidence that David Huck is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Director of Commercial Lending of Kitsap Credit Union to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 12/1/2010



Brenda D. Rust

Name (typed or printed): Brenda D. Rust
NOTARY PUBLIC in and for the State of Washington
Residing at Bremerton
My appointment expires: 4/15/2011

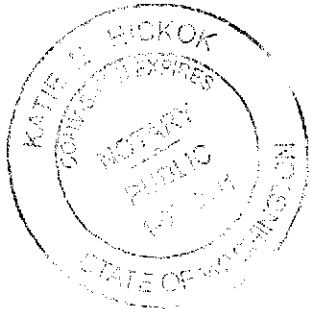
(Corporate)
STATE OF WASHINGTON

County of Skagit

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} SS.
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I certify that I know or have satisfactory evidence that Andrew Barber and Matthew Lessard are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument, on oath stated that they are authorized to execute the instrument and acknowledged it as the Managers of Barbless Investments, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 12-6-10



Katie E. Biskok

Name (typed or printed): Katie E. Biskok
NOTARY PUBLIC in and for the State of WA
Residing at Mt Vernon
My appointment expires: 7-11



"Exhibit A"

Legal Description

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; thence North $00^{\circ}24'07''$ West along the East line of said subdivision, said line being also the centerline of Riverside Drive, a distance of 120.00 feet; thence North $90^{\circ}00'00''$ West along a line drawn parallel to and 120 feet North of the South line of said subdivision a distance of 37.00 feet to the West margin of Riverside Drive as established by deed recorded under Auditor's File No. 200904020111 and the true point of beginning; thence continuing North $90^{\circ}00'00''$ West along said parallel line 173.00 feet; thence South $00^{\circ}24'07''$ East parallel to the East line of said subdivision 76.36 feet to the North margin of College Way as established by deed recorded under Auditor's File No. 200712030192; thence Easterly and Northerly along the North margin of College Way and the West margin of Riverside Drive as established by deeds recorded under Auditor's File Nos. 200712030192 and 200904020111, the following bearings and distances: North $87^{\circ}42'23''$ East 83.90 feet; North $89^{\circ}59'49''$ East 55.07 feet; North $50^{\circ}12'24''$ East 41.67 feet; North $02^{\circ}22'31''$ East 38.64 feet; North $00^{\circ}24'07''$ West 7.72 feet to the true point of beginning.



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