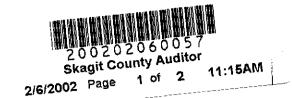
AFTER RECORDING MAIL TO: Land Title Company of Skagit County 111 East George Hopper Road Burlington, WA 98233



Filed for Record at Request of

Land Title Company of Skagit County

Escrow Number: S-99118-E

LAND TITLE COMPANY OF SKAGIT COUNTY

Subordination Agreement

Reference Number(s):

Grantor(s): Winona Woods, a single woman

Grantee(s): Skagit State Bank

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. Winona Woods, a single woman referred to herein as "subordinator", is the owner and holder of a mortgage dated December 26 which is recorded in volume of Mortgages, page under auditor's file No. 200112310143 records of Skagit
- 2. Skagit State Bank referred to herein as "lender", is the owner and holder of a mortgage dated December 2001 executed by B. C. Group, LLC (which is recorded in volume of Mortgages, page under records of Skagit auditor's file No. 200112310141 County) (which is to be recorded concurrently herewith).
- 3. B.C. GROUP, L.L.C., a Washington corporation 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 of 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 supercede 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

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County.

gender and number of pronouns considered to conform to undersigned. Executed this 23 ml day of NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO. B.C. Group, L.L.C. Winona Winona Woods Steve Beitler, Manager STATE OF County of WINONA WOODS I certify that I know or have satisfactory evidence that is the person who appeared before me, and said acknowledged that she signed this instrument and acknowledged it to be she voluntary act for the uses and purposes mentioned in the instrument. Dated: JANUARY Notary Public in and for the State of Chesiding at Durant My appointment expires:

agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and