

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



200207010167  
Skagit County Auditor

7/1/2002 Page 1 of 2 11:52AM

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): Skagit Speedway, Inc.  
Grantee(s): Skagit State Bank and Winona Woods

**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. Skagit Speedway, Inc.  
referred to herein as "subordinator", is the owner and holder of a mortgage dated December 28, 2001 which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_ under auditor's file No. 200112310144, records of Skagit County.
2. Skagit State Bank and Winona Woods  
referred to herein as "lender", is the owner and holder of a mortgage dated December 20, 2001 executed by B. C. Group, LLC and December 26, 2001, respectively (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 200112310141 and records of Skagit County) (which is to 200112310143, respectively 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 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 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 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 12<sup>th</sup> day of June, 2002

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.

Skagit Speedway, Inc.

Jimmy Burrow  
Jimmy Burrow, President

~~B.C. Group, L.L.C.~~

~~Steve Beitler, Manager~~

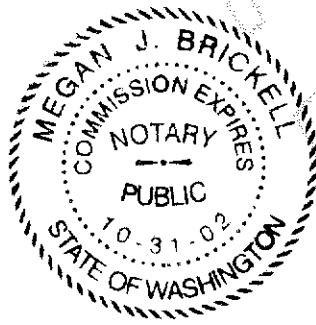
STATE OF WASHINGTON  
County of King } SS:

I certify that I know or have satisfactory evidence that JIMMY BURROW is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledge it as the PRESIDENT of SKAGIT SPEEDWAY, INC.

to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 6/12/02

Megan J. Brickell



Notary Public in and for the State of Washington  
Residing at King County  
My appointment expires: 10-31-02

