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KATHY HILL
SKAGIT COUNTY AUDITOR

98 OCT -8 A8:52

RECORDED _____ FILED _____
REQUEST OF _____

Name: Transnation Title Insurance Company

Address: 710 Sleater Kinney Rd Ste Y

9810080008

City, State, Zip: Lacey, WA 98503

Subordination Agreement

LAND TITLE COMPANY OF SKAGIT COUNTY

T-85914

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. Normand R. Destremps referred to herein as "subordinator," is the owner and holder of a Deed of Trust dated October 5, 1998, which is recorded under Auditor's file No.: 9810080004, records of Skagit County.
2. All City Fence Co., Inc. Profit Sharing Trust referred to herein as "lender" is the owner and holder of a Deed of Trust dated October 5, 1998 executed by Kelly and Shannon Calavan, Husband and Wife (which is recorded in volume of Mortgages, page _____, under auditor's file No. 9810080005, records of Skagit County) (which is to be recorded concurrently herewith) and 9810080006
3. Kelly and Shannon Calavan, Husband and Wife 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. *N.R.D.*
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 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, 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 7th day of October, 1998.

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.

Normand R. Destremps
Normand R. Destremps

9810080008

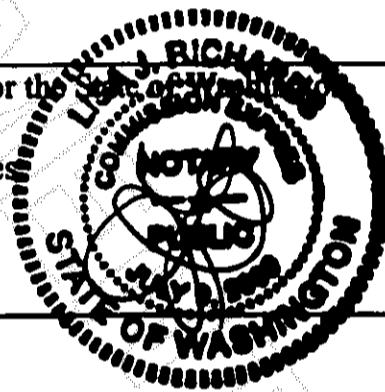
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State of Washington }
County of Pierce } ss.

On this _____ day of _____, 199____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the 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 is authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington
residing at _____
My appointment expires _____



STATE OF WASHINGTON
COUNTY OF Skagit ss.

On this 4 day of October, 1998, before me personally appeared Normand R. Duteemps, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Lisa J. Richards
Notary Public in and for the State of Washington,
residing at Mount Vernon.
My appointment expires: July 9, 2000.

9810080008

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