



199910290319

Kathy Hill, Skagit County Auditor
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When Recorded Return To:

Island Title Company
839 South Burlington Blvd. P.O. Box 670
Burlington, WA 98233

Escrow No. BE-3023

SUBORDINATION AGREEMENT

Island Title SB-14534 ✓

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.

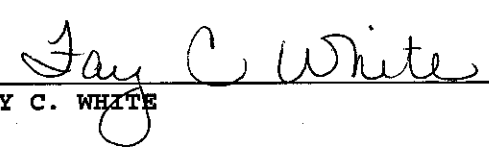
The undersigned subordinator and owner agrees as follows:

1. TIMOTHY B. WHITE and FAY C. WHITE, husband and wife, referred to herein as "subordinator", is the owner and holder of a mortgage dated OCTOBER 25, 1999, which is recorded under Auditor's File No. 199910290318, records of Skagit County, Washington.
2. FIRST MUTUAL BANK, referred to herein as "lender", is the owner and holder of a mortgage dated OCTOBER 18, 1999, executed by JOHN LUND and BRENDA L. LUND, husband and wife, (which is recorded under Auditor's File No. 199910290317, records of Skagit County, Washington), (which is to be recorded concurrently herewith).
3. JOHN LUND and BRENDA L. LUND, 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 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 the undersigned.

Dated: October 22, 1999

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.


TIMOTHY B. WHITE


FAY C. WHITE

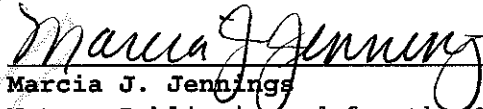
State of Washington
County of Skagit

} ss.

I certify that I know or have satisfactory evidence that TIMOTHY B. WHITE and FAY C. WHITE is/are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated

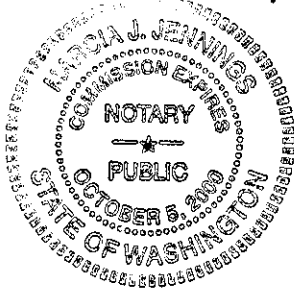
October 25, 1999



Marcia J. Jennings

Notary Public in and for the State of Washington, residing at Sedro Woolley

My appointment expires: 10-5-2000



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