



200004200038

Kathy Hill, Skagit County Auditor
4/20/2000 Page 1 of 3 11:49:54AM

WHEN RECORDED RETURN TO:

Name: Island Title Company
Address: P.O. Box 670
City, State, Zip Burlington, WA 98233
Escrow No. BE3798/Strong

Island Title Company

SUBORDINATION AGREEMENT

ISLAND TITLE CO.
SB-15906v

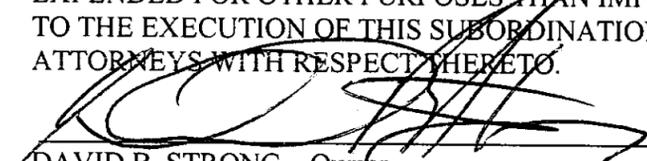
NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

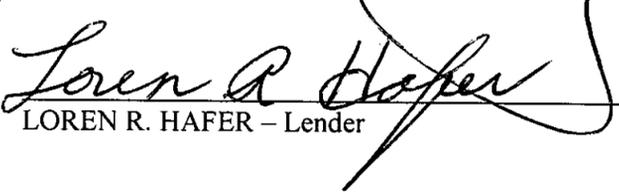
The undersigned subordinator and owner agrees as follows:

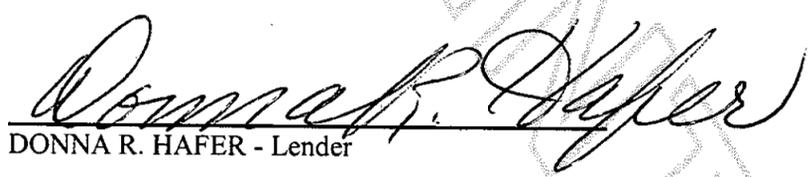
1. LOREN R. HAFER AND DONNA R. HAFER, husband and wife referred to herein as "subordinator", is the owner and holder of a mortgage dated April 5, 2000 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200004200037 records of SKAGIT County.
2. PEOPLE'S BANK referred to herein as "lender" is the owner and holder of the mortgage dated March 30, 2000, executed by DAVID B. STRONG, a single man (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200004200036, records of SKAGIT County) (which is to be recorded concurrently herewith).
3. DAVID B. STRONG, a single man 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 undersigned.

Executed this 13th day of April, 2000

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.


DAVID B. STRONG - Owner


LOREN R. HAFER - Lender


DONNA R. HAFER - Lender

CANADA

STATE OF PROVINCE OF ONTARIO
COUNTY OF NORTHUMBERLAND

I certify that I know or have satisfactory evidence that DAVID B. STRONG is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: APRIL 13, 2000

A. Ronald Good

A-RONALD GOOD

Notary Public

My appointment expires

NO EXPIRY.

A-7 -Individual Capacity

STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that LOREN R. HAFER AND DONNA R. HAFER are the persons who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be their free and volunatry act for the uses and purposes mention in the instrument.

DATED: April 18 2000

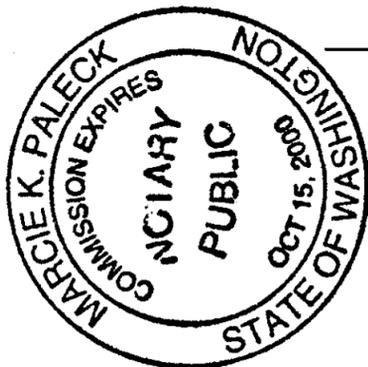
MARCIE K. PALECK

Marcie K Paleck

Notary Public

My appointment expires

Oct. 15 2000



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Kathy Hill, Skagit County Auditor

Order No.: B15906

EXHIBIT "A"

That portion of Government Lot 3 of Section 27, Township 36 North, Range 2 of the Willamette Meridian, described as follows:

Beginning at the Northwest corner of Block 12 of the Map of the Town of Samish, according to the plat thereof recorded in Volume 2 of Plats, page 71, records of Skagit County, Washington;
Thence West a distance of 100 feet;
Thence North along a line that is 100 feet West of and parallel with the East line of said Lot 3, to the meander line;
Thence Southeasterly along said meander line to the East line of said Government Lot 3;
Thence South along said East line to the point of beginning;

EXCEPT that portion, if any, not lying within the boundaries of a tract of land conveyed to John Wallberg by deed recorded July 3, 1947, under Auditor's File No. 406305, records of Skagit County, Washington.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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