



200005300149
Kathy Hill, Skagit County Auditor
5/30/2000 Page 1 of 3 3:55:09PM

AFTER RECORDING MAIL TO:

Name WASHINGTON FEDERAL SAVINGS
Address 1017 COMMERCIAL AVE/PO BOX 97
City / State ANACORTES, WA 98221

Subordination Agreement

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.



*First American Title
Insurance Company*

FIRST AMERICAN TITLE CO.

A61994-2

(this space for title company use only)

The undersigned subordinator and owner agrees as follows:

1. WINDERMERE REAL ESTATE/ANACORTES referred to herein as "subordinator", is the owner and holder of a mortgage dated February 17, 19 99, which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 9903010124, records of Skagit County.
2. WASHINGTON FEDERAL SAVINGS referred to herein as "lender", is the owner and holder of a mortgage dated May 26th, ~~19~~ 2000, executed by LAKOTA INC (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. _____, records of Skagit County) (which is to be recorded concurrently herewith). 200005300148
3. LAKOTA INC referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.

Assessor's Property Tax Parcel/Account Number(s): 3795-007-017-0009 and 3795-007-014-0002

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 of 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 there after 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 25th day of May, ~~XX~~ 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.

Colleen Sargent
SALES ASSOC.

LAKOTA, INC

By: Robert L. Deckrosh, Director

WINDERMERE Properties, Inc
pt. J. M. [Signature], Assoc. Broker
SALES MANAGER



200005300149
Kathy Hill, Skagit County Auditor
5/30/2000 Page 2 of 3 3:55:09PM

STATE OF WASHINGTON, } ss.

ACKNOWLEDGMENT - Corporate

County of Skagit

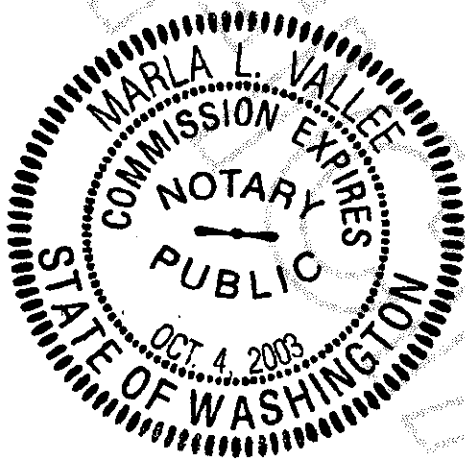
On this 25th day of May, 2000, before me, the undersigned, a Notary Public in and for the State of

Washington, duly commissioned and sworn, personally appeared COLLEEN SARGENT

Sales Associate and Sales Manager and JOHN M HAWKINS to me known to be the President and Secretary, respectively, of Windermere Real Estate/

Anacortes Properties, Inc 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 they authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



Marla L. Vallee

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

My appointment expires 10-04-03

STATE OF WASHINGTON, } ss.

ACKNOWLEDGMENT - Corporate

County of Skagit

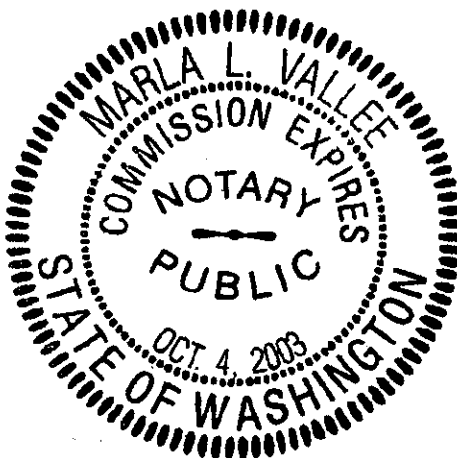
On this 26th day of May, 2000, before me, the undersigned, a Notary Public in and for the State of

Washington, duly commissioned and sworn, personally appeared Robert L. Deckrosh

Director and Secretary, respectively, of LAKOTA, INC.

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 authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and



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Kathy Hill, Skagit County Auditor

5/30/2000 Page 3 of 3 3:55:09PM

Marla L. Vallee

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This jurat is page of and is attached to dated