

WHEN RECORDED RETURN TO:

Name: Island Title Company
Address: PO Box 670
City, State, Zip Burlington WA 98233



200007240124

Kathy Hill, Skagit County Auditor
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Island Title Company

ISLAND TITLE CO.

SB16453✓

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.

The undersigned subordinator and owner agrees as follows:

1. Randall R. Lowe, a single man referred to herein as "subordinator", is the owner and holder of a mortgage dated July 13, 2000 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200007240123 records of Skagit County.
2. Long Beach Mortgage Company referred to herein as "lender" is the owner and holder of the mortgage dated July 12, 2000, executed by Stanley Kosick and Rachel Kosick, husband and wife (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200007240123, records of Skagit County (which is to be recorded concurrently herewith).
3. Stanley Kosick and Rachel Kosick, 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.
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 14th day of July, 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.

Stanley Kosick
Stanley Kosick - Borrower
Rachel Kosick
Rachel Kosick - Borrower

Randall R. Lowe
Randall R. Lowe - Lender

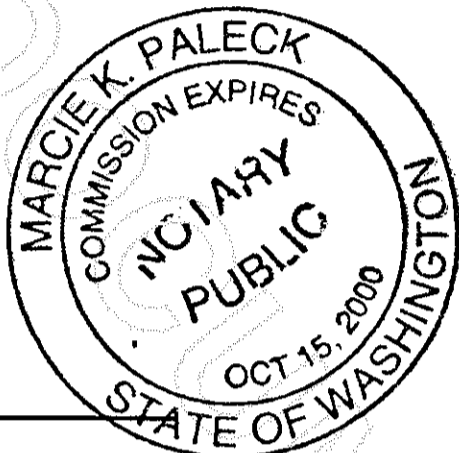
STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Stanley Kosick and Ranel Kosick and Randall R. Lowe are the persons who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: July 14, 2000

Marcie K. Paleck
Notary Public in and for the State of Washington
Residing in Mount Vernon
My appointment expires October 15, 2000

A-7 -Individual Capacity



STATE OF WASHINGTON
COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public

My appointment expires

A-7 -Representative Capacity



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