

WHEN RECORDED RETURN TO:

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



200008240064
Kathy Hill, Skagit County Auditor
8/24/2000 Page 1 of 3 11:47:50AM

Island Title Company

Island Title B16535
Escrow BE4116

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.

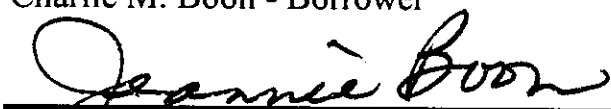
The undersigned subordinator and owner agrees as follows:

1. J. Clark, Trustee of the LaPalma Trust referred to herein as "subordinator", is the owner and holder of a mortgage dated August 16, 2000 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200008240063 records of Skagit County.
2. Mary Koopmans, Trustee of the Trust of R. Koopmans Estate and Mary Koopmans, as her separate estate referred to herein as "lender" is the owner and holder of the mortgage dated August 16, 2000, executed by Charlie M. Boon and Jeannie Boon, husband and wife (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200008240062 records of Skagit County (which is to be recorded concurrently herewith).
3. Charlie M. Boon and Jeannie Boon, 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 16th day of August, 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.


Charlie M. Boon - Borrower


Jeannie Boon - Borrower

Trust of R. Koopmans Estate


Mary Koopmans, Trustee - Lender

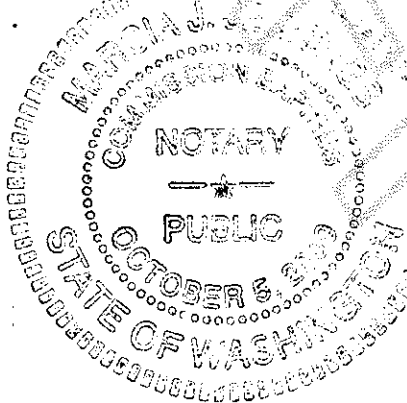

J. Clark, Trustee of the LaPalma Trust - Lender


Mary Koopmans - Lender

STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that CHARLIE M. BOON and JEANNIE BOON 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: August 16, 2000

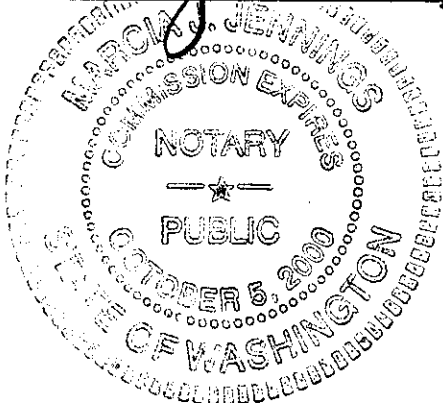


Marcia J. Jennings
Marcia J. Jennings
Notary Public in and for the State of Washington
Residing in Sedro Woolley
My appointment expires 10/5/2000

STATE OF WASHINGTON
COUNTY OF SKAGIT

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

DATED: August 22, 2000

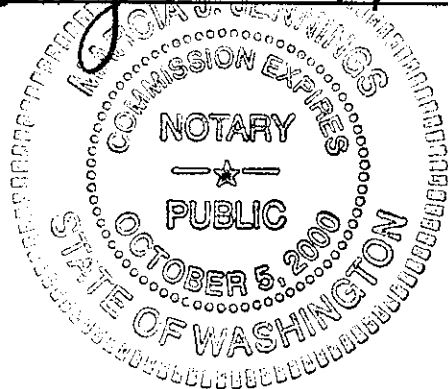


Marcia J. Jennings
Marcia J. Jennings
Residing in Sedro Woolley
My appointment expires 10/5/2000

STATE OF WASHINGTON
COUNTY OF SKAGIT

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

DATED: August 17, 2000



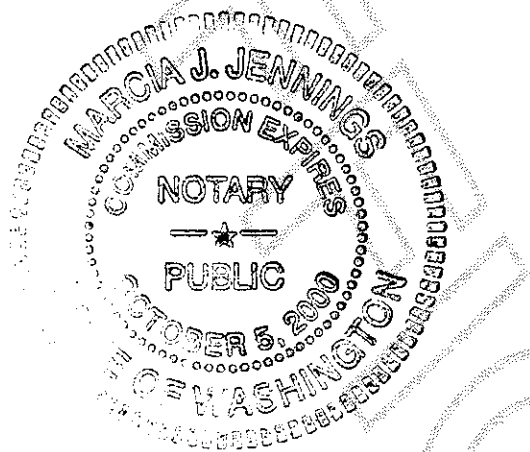
Marcia J. Jennings
Marcia J. Jennings
Residing in Sedro Woolley
My appointment expires 10/5/2000



STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that MARY KOOPMANS is the persons who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: August 22, 2000



Marcia J. Jennings
Marcia J. Jennings
Notary Public in and for the State of Washington
Residing in Sedro Woolley
My appointment expires October 5, 2000

