

WHEN RECORDED RETURN TO:

Name: Seattle Escrow
Address: 19400 33rd Ave W #301
City, State, Zip Lynnwood, WA 98036



200009270097
, Skagit County Auditor
9/27/2000 Page 1 of 2 3:47:55PM

Chicago Title Insurance Company

701 5th Avenue, Suite 1700, Seattle, Washington 98104

P-94477

LAND TITLE COMPANY OF SKAGIT COUNTY

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. SEATTLE TELCO CREDIT UNION referred to herein as "subordinator", is the owner and holder of a mortgage dated MARCH 19, 1997 which is recorded in Volume of Mortgages, page , under auditor's file No. 9703210071 records of SKAGIT County.

2. SEATTLE MORTGAGE (Seattle Savings Bank) referred to herein as "lender" is the owner and holder of the mortgage dated 9/22/2000, ~~XX~~ executed by ** (which is recorded in volume of Mortgages, page , under auditor's file no. 20000927 9916, records of Skagit County) (which is to be recorded concurrently herewith).

** James A Stroneck and Marilyn J Stroneck, husband and wife
3. JAMES A. STRONECK AND MARILYN J. STRONECK, 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.

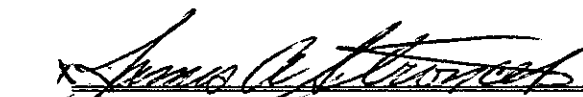
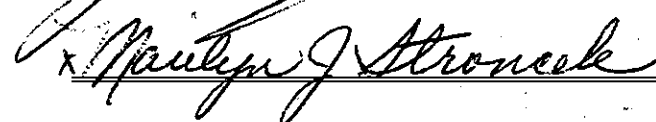
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 14th day of September 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.

SEATTLE TELCO CREDIT UNION

B L BOLLERT, REAL ESTATE MANAGER

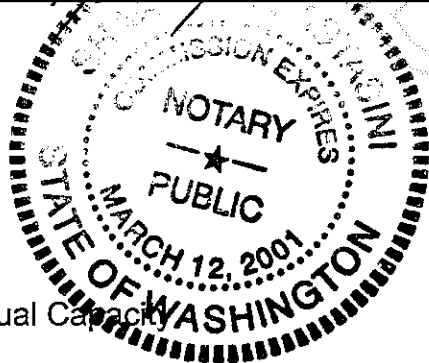



STATE OF WASHINGTON

COUNTY OF KING.

I certify that I know or have satisfactory evidence that JAMES A. STRONCEK,
AND MARILYN J. STRONCEK. is the person 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: 9/21/2000



A-7 -Individual Capacity

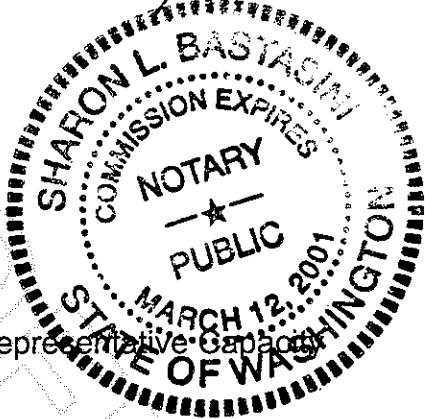
Sharon L. Bastasini
Notary Public
Printed Name: SHARON L. BASTASINI
My appointment expires 3/12/2001.

STATE OF WASHINGTON

COUNTY OF King

I certify that I know or have satisfactory evidence that B L Bollert
is the person who appeared before me, and said person acknowledged that she signed this
instrument, on oath stated that she was authorized to execute the instrument and acknowledged
it as Real Estate Manager, of Seattle Telco Credit Union, to be the free and voluntary act
of such party for the uses and purposes mentioned in the instrument.

DATED: September 14, 2000



A-7 -Representative Capacity

Sharon L. Bastasini
Notary Public
Printed Name: SHARON L. BASTASINI
My appointment expires 3/12/2001



200009270097
, Skagit County Auditor