



200110150191

, Skagit County Auditor

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200109270064

, Skagit County Auditor

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When recorded return to:

Michael A. Winslow
411 Main Street
Mount Vernon, Washington 98273

Rerecorded to Correct Legal Description

SUBORDINATION AGREEMENT

Grantors: Whidbey Island Bank, Island County

Grantees: Pension Portfolio Services, Inc. Money Purchase Pension Plan, as to a 1/3 interest;
Dale and Shannon Vander Yacht, husband and wife, as to a 1/3 interest; and Gary
VanderYacht, a single man, as to a 1/3 interest.

Legal Description:

The South 130 feet of the East 173 feet of that portion of the Southwest 1/4 of the Southwest 1/4 of Section 5, Township 34 North, Range 4 East, W.M., lying North of the Pease Road. ALSO, the South 130 feet of the West 16 feet of that portion of that certain unnamed vacated road adjoining the West line of Tract 85, of the "Plat of Burlington Acreage Property," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, lying North of the Pease Road. (The North line of Pease Road being considered as being 30 feet North of the South line of said Section 5).

Assessor's Property Tax

Parcel or Account No.:

340405-3-006-0203; P23543

Reference Nos of Documents

Subordinated:

199910140078 and 199908240064

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200110150190

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. Whidbey Island Bank referred to herein as "subordinator", is the owner and holder of two Deeds of Trust dated August 18, 1999 and August 18, 1999, recorded under Auditor's File No. 199910140078 and 199908240064 records of Skagit County.
2. Pension Portfolio Services, Inc. Money Purchase Pension Plan, as to a 1/3 interst; Dale and Shannon Vander Yacht, husband and wife, as to a 1/3 interest; and Gary VanderYacht, a single man, as to a 1/3 interest are the owners and holders of a mortgage dated September 26, 2001, executed by HCR Property Management, LLC, (which is recorded under Auditor's File No. 200109270063, records of Skagit County (which is to be recorded concurrently herewith). 200110150190
3. HCR Property Management, LLC 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 its 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, it 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



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.

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.

Sherry Cropp
Sherry Cropp, Vice President



SHANNON D. LEESE
Commission Expires
SECRETARY
PUBLIC

DATED: September 210, 2001.

SD Leese
 Notary Public SD Leese
 My commission expires: OCT 1 200

HCR Property Management, LLC, by:

Robert C. Hilsinger
Robert Hilsinger, Managing Member

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