

AFTER RECORDING MAIL TO:
Land Title Company of Skagit County
2801 Commercial Ave.
Anacortes, WA 98221



200206250083
Skagit County Auditor

6/25/2002 Page 1 of 3 3:44PM

Filed for Record at Request of
Land Title Company of Skagit County
Escrow Number: PA-101286-E

LAND TITLE COMPANY OF SKAGIT COUNTY

Subordination Agreement

Reference Number(s):

Grantor(s): ALAN ARTHUR JOHNSON

Grantee(s): HomeComings Financial Network, Inc.

Abbreviated Legal: N 1/2 Lots 18-20, Block 113, AMENDED PLAT OF BURLINGTON
Assessor's Parcel No.: 4076-113-020-0008

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. ALAN ARTHUR JOHNSON
referred to herein as "subordinator", is the owner and holder of a mortgage dated June 13, 2002 which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200206250082, records of SKAGIT County.
2. HomeComings Financial Network, Inc.
referred to herein as "lender", is the owner and holder of a mortgage dated June 13, 2002 executed by LORIN D. VANDER-VEGT, an unmarried man (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200206250081 records of SKAGIT County) (which is to be recorded concurrently herewith).
3. LORIN D. VANDER-VEGT, an unmarried man
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 supercede 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

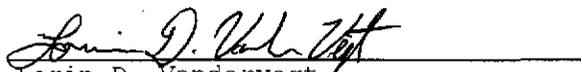
and number of pronouns considered to conform to undersigned.

Executed this 18 day of June, 2002

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.



Alan Arthur Johnson



Lorin D. Vanderveg

STATE OF Washington }
County of Skagit } SS:

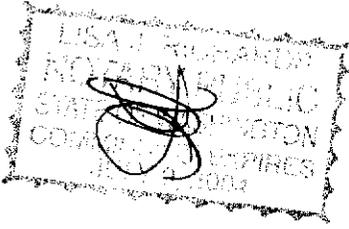
I certify that I know or have satisfactory evidence that Alan Arthur Johnson

is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledge it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: June 18, 2002



Lisa J. Richards
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: July 9, 2002



The North 1/2 of Lots 18, 19 and 20, Block 113, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH.", as per plat recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington.

Situate in the City of Burlington, County of Skagit, State of Washington.



200206250083

Skagit County Auditor