

When recorded return to:
Washington's Credit Union
ATTN: Lending Department
6920 220th St. S.W., Suite 300
Mountlake Terrace, WA 98043-2177



200210250011

Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

SUBORDINATION AGREEMENT
(Fixtures Secured by UCC-2)

P-103423

Reference # (if applicable): _____

Grantors (Owner(s)): (1) Danford Richardson _____

(2) Viola Richardson _____

Grantees (Lender): (1) Peoples Bank _____

Fixture Holder: Washington's Credit Union _____

Legal Description (abbreviated): Lot 25 Little Mtn Add #2 _____

Additional on page _____

Assessor's Tax Parcel ID # 4601-000-025-0004 _____

**NOTICE: THIS SUBORDINATION AGREEMENT SETS FORTH THE
RELATIVE INTEREST IN THE REAL PROPERTY AND THE FIXTURES
AFFIXED TO THE REAL PROPERTY DESCRIBED ABOVE.**

The undersigned agrees as follows:

1. Washington's Credit Union, aka Washington Credit Union, referred to herein as "Fixture Holder," is the owner of a UCC-2 dated the 17th day of March, 1999, which is recorded under auditor's file No. 9903170022, records of Skagit County (a copy of which is attached hereto and incorporated herein as if fully set forth).
2. Peoples Bank, referred to herein as "Lender", is the owner and holder of a mortgage dated the 21st day of Oct, 2002, executed by Danford A Richardson & Viola A Richardson H&W (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200210250010, records of Skagit County) (which is to be recorded concurrently herewith).

3. Danford Richardson and Viola Richardson, referred to herein as "Owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
4. Washington's Credit Union referred to herein as "Fixture Holder", acknowledges that Washington's Credit Union has no interest in the real property or land described in the mortgage identified in Paragraph 2 and all advances or charges made or accruing thereunder, including any extension or renewal thereof, except as set forth hereunder.
5. Washington's Credit Union referred to herein as "Fixture Holder", has and will continue to have a first priority interest in the fixtures described in the U.C.C.-2 Fixture Filing attached to this agreement, hereinafter referred to as Fixtures. This agreement shall not affect Washington's Credit Union's priority interest in the Fixtures and recognizes that "lender" has no interest in the Fixtures until the U.C.C.-2 has been terminated by Washington's Credit Union, based upon payment in full of the agreement underlying the U.C.C.-2 Fixture Filing.
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 mortgage first above mentioned.
8. The heirs, administrator, assigns and successors in interest of the "Fixture Holder" 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 THE 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.

Executed this 15th day of October 2002.



Loan Officer of Washington's Credit Union

**Subordination Agreement
(fixture filing) 8/02**

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STATE OF WASHINGTON) ss
COUNTY OF SNOHOMISH)

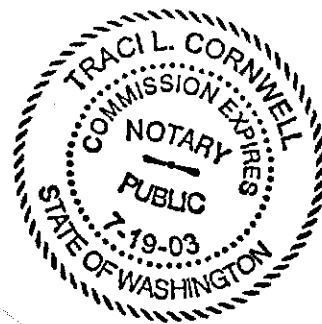
On this 15th day of October 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Sue Caldwell to me known to be a Loan Officer of Washington's Credit Union the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

Traci L. Cornwell
Notary Public in and for the State of Washington

My Commission expires: 7-19-03

Residing in Stanwood



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