

WHEN RECORDED RETURN TO

Name Peoples BankAddress 4183 Meridian - 2nd FloorCity, State, Zip Bellingham, WA 98226
**LAND TITLE
COMPANY**

FILED FOR RECORD AT REQUEST OF

ISLAND TITLE CO.

C24645

Subordination Agreement

0139099139

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. SunTrust Mortgage, Inc. referred to herein as "subordinator", is the owner and holder of a mortgage dated April 18, 2001, which is recorded in volume 200104270154 of Mortgages, page Skagit under auditor's file No. 200104270154 records of Skagit County.
2. Peoples Bank, a Washington Corporation referred to herein as "lender" is the owner and holder of a mortgage dated November 18, 2002, executed by Karin C. Nelson (which is recorded in volume XX of Mortgages, page XX, under auditor's file No. XX, records of Skagit County (which is to be recorded concurrently herewith). ** 200211250157
3. Karin C. Nelson 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 there under, 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 November, 2002 day of November, 2002

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.

SunTrust Mortgage, Inc.
 By: [Signature]
Karin C. Nelson
Karin C. Nelson

STATE OF WASHINGTON

COUNTY OF Skagit

On this day personal appeared before me,

Karin C. Nelson

to me known to be the individual who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

 20 GIVEN under my hand and official seal this November, 2002 day of November, 2002

Notary Public in and for the State of Washington,
residing at But Vernon
My appointment expires: 8-31-2005

STATE OF WASHINGTON

COUNTY OF Richmond

On this 12th day of November, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jackie Wheeler and

to me known to be the Vice President and Secretary, respectively of SunTrust Mortgage 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 she authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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

Deborah J. Attenmann
Notary Public in and for the State of Washington VA,
residing at 9130/03
My appointment expires: 9/30/03

LT Sub Agr (11/96)