

WHEN RECORDED RETURN TO:

Name: Crane Financial/ CTX Mortgage
Address: 620 SE Everett Mall Way Suite 290
City, State, Zip Everett, WA 98208



200302260087
Skagit County Auditor

2/26/2003 Page 1 of 2 3:13PM

SUBORDINATION AGREEMENT

FIRST AMERICAN TITLE CO.

72158E-2

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. Household Bank FSB, Beneficial Washington Inc. referred to herein as "subordinator", is the owner and holder of a mortgage dated JULY 30, 2002 recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200208020093 records of Skagit County.

2. CXT Mortgage referred to herein as "lender" is the owner and holder of the mortgage dated February 14, 2003, executed by _____ (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. _____, records of Skagit County) (which is to be recorded concurrently herewith). 200302260086

3. Librado Felipe Morales and Juana M. Herrera Reyes 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.

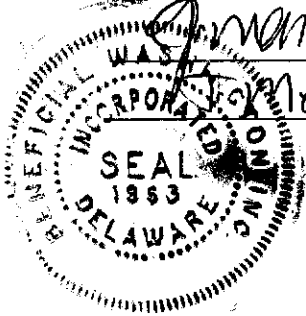
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.

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 4th February day of _____
19 2003

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.



Illinois
~~STATE OF WASHINGTON~~
COUNTY OF Dupage

I certify that I know or have satisfactory evidence that J. MENA
is the person who appeared before me, and said person acknowledged that she
signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes
mentioned in the instrument.

DATED: Feb 4th 2003

A-7 -Individual Capacity

STATE OF WASHINGTON
COUNTY OF _____

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that _____
signed this instrument, on oath stated that _____ was authorized to execute
the instrument and acknowledged it as _____
of _____ to be the free and voluntary act
of such party for the uses and purposes mentioned in the instrument.

DATED: _____

A-7 -Representative Capacity

Notary Public

Printed Name: Terrence J. Hardy
My appointment expires 2/5/03



Notary Public

Printed Name: _____
My appointment expires _____



200302260087
Skagit County Auditor

2/26/2003 Page 2 of 2 3:13PM