

WHEN RECORDED RETURN TO:

Boeing Employees' Credit Union
P.O. Box 97050
Seattle, WA 98124-9750
Attention: Loan Administration - SCS



200303030055
Skagit County Auditor

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FIRST AMERICAN TITLE CO.

72413-2

SUBORDINATION AGREEMENT

LOAN # 322F3566828502

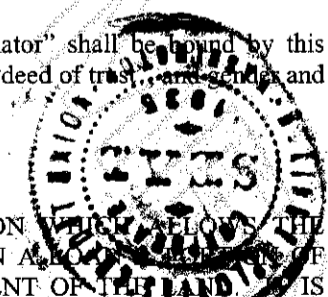
NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

- Boeing Employees' Credit Union referred to herein as "subordinator", is the owner and holder of a mortgage dated April 19, 2002 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200204290251 records of Skagit County.
- Peoples Bank referred to herein as "lender" is the owner and holder of the mortgage dated 2/24/03 executed by _____ (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200303030054, records of Skagit County) (which is to be recorded concurrently herewith).
- Chris O. Short and Shawn K. Short referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
- 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.
- "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.
- It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
- 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.
- 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 24th day of February 2003

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH REQUIRES THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A SECOND OPINION 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.



Boeing Employees' Credit Union

Debra Gipe, Consumer Loan Member Care Manager

STATE OF WASHINGTON
COUNTY OF KING

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 and acknowledged it to be _____ free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public

My appointment expires

STATE OF WASHINGTON
COUNTY OF KING

I certify that I know or have satisfactory evidence that Debra Gipe is the person who appeared before me, and said person acknowledged that she signed this instrument and on oath stated that she was authorized to execute the instrument and acknowledged it as **Consumer Loan Member Care Manager of Boeing Employees' Credit Union** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: February 24, 2003

Kay M. Skare

Notary Public **Kay M. Skare**

12/02/2003

My appointment expires

KAY M. SKARE
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 12-02-03



200303030055
Skagit County Auditor