



200303170239

Skagit County Auditor

RETURN TO:

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211:29AM

NW FEDERAL CREDIT UNION
11027 Meridian Ave. N.
PO Box 75974
Seattle, WA 98133-8540
Loan Number: 3179

SUBORDINATION AGREEMENT

LAND TITLE COMPANY OF SKAGIT COUNTY

105241PE

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:

VERITY CREDIT UNION FKA NW FEDERAL CREDIT UNION, referred to herein as "subordinator", is the owner and holder of a mortgage dated March 12, 2003, which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200303170238, records of Skagit County.

1. VERITY CREDIT UNION FKA NW FEDERAL CREDIT UNION, referred to herein as "lender", is the owner and holder of a mortgage dated March 7, 2003 (which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200303170237, records of Skagit County.
2. MARK MCGRATH & DENISE MCGRATH, 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 "lenders" 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 related 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, not 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 of charge of the mortgage first above mentioned to 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 of 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.

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.

Executed this 12th day of March 2003

Mark McGrath
Mark McGrath

Lisa Federspiel
Lisa Federspiel

Denise McGrath
Denise McGrath

STATE OF WASHINGTON, }

County of Skagit }

SS.

I hereby certify that I know or have satisfactory evidence that Mark McGrath & Denise McGrath is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated 3-12-03

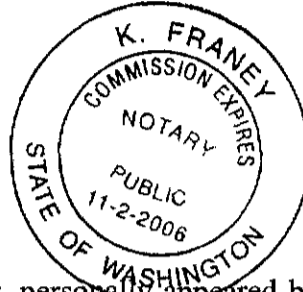
residing at Mt Vernon

My appointment expires 11-02-06

K. Franey

Notary Public in and for the State of Washington

K. FRANEY
Printed Name



STATE OF WASHINGTON, }

County of King }

SS

On this day, Lisa Federspiel, the undersigned officer, personally appeared before me and acknowledged herself to be the Loan Officer of Verity Credit Union and that she, as such Loan Officer, is authorized to execute the foregoing instrument for the purposes therein contained, by signing as representative for said company.

Dated: March 7, 2003

Vera J Howard
Notary Public in and for the State of Washington
residing in Snohomish County

My appointment expires: 03-29-06

Vera J Howard
Printed Name



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