



200308150005

Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

108057-PA

Mortgage Subordination Agreement

0130831845

THIS AGREEMENT is made this 10TH day of JULY, 2003 by NAVY FEDERAL CREDIT UNION ("Subordinating Party"), whose address is 820 FOLLIN LANE, VIENNA, VA and is being given to WELLS FARGO HOME MORTGAGE, INC., a CALIFORNIA corporation ("Lender").

Recitals

1. LENDER is making a mortgage loan (the "Loan") to:

MARY ANN DUNDON

ROBIN D. HOHWELER

("Borrower") in connection with the acquisition or refinancing of certain premises with a property address of 4700 WOODSIDE DRIVE, ANACORTES, WA 98021 which premises are more fully described in Exhibit A attached hereto and incorporated herein by reference ("Property").

2. Borrower is the present owner of the Property or will at the time of the making of the Loan be the owner of the Property, and has executed or is about to execute a Mortgage/Deed of Trust in the sum of \$246,912.00 dated July 28, 2003, in favor of the LENDER.

Recorded 8/15/03 Auditors # 200308150004
3. Subordinating Party is also making a mortgage loan to the Borrower in the amount of FIFTY THOUSAND AND NO/100

Dollars (\$50,000.00) in connection with the acquisition of the Property, or now owns or holds an interest as mortgagee of the Property pursuant to the provisions of that certain Mortgage/Deed of Trust dated 05/18/2001, and recorded on 08/16/2001, at Mortgage Book , Page , as Document No. 200108160037 in the office of the Recorder, County of SKAGIT, State of WA.

4. LENDER is willing to make such loan to Borrower provided that LENDER obtains a first lien on the Property and Subordinating Party unconditionally subordinates the lien of its Mortgage/Deed of Trust to the lien in favor of LENDER in the manner hereinafter described.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Subordinating Party, and to induce LENDER to make a loan to Borrower, Subordinating Party hereby agrees with LENDER that the Mortgage/Deed of Trust securing the Note in favor of LENDER, and any renewals, extensions or modifications of it, will be and shall remain a lien on the Property prior and superior to the lien in favor of Subordinating Party in the same manner as if LENDER's Mortgage/Deed of Trust has been executed and recorded prior in time to the execution and recordation of the Subordinating Party's Mortgage/Deed of Trust.

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Subordinating Party further agrees that:

1. Subordinating Party will not exercise any foreclosure rights with respect to the Property, will not accept a deed in lieu of foreclosure, and will not exercise or enforce any right or remedy which may be available to Subordinating Party with respect to the property, without at least thirty (30) days' prior written notice to LENDER. All such notices shall be sent to:

**WELLS FARGO HOME MORTGAGE, INC.
P. O. BOX 4148
FREDERICK, MD 21705-4148**

2. Any future advance of funds or additional debt that may be secured by the Subordinating Party's Mortgage/Deed of Trust including, without limitation, additional debt created by any shared appreciation or negative amortization provisions of the Subordinating Party's Mortgage/Deed of Trust (together, "Future Advances"), shall be subject to the provisions of this Mortgage Subordination Agreement. The Mortgage/Deed of Trust securing the Note in favor of LENDER, and any renewals, extensions, or modifications of it, will be and shall remain a lien on the Property prior and superior to any lien for Future Advances.

3. This Agreement is made under the laws of the State in which the Property is located. It cannot be waived, changed, or terminated, except by a writing signed by both parties. This Agreement shall be binding upon Subordinating Party and the heirs, representatives, successors and assigns of Subordinating Party, and shall inure to the benefit of, and shall be enforceable by LENDER and its successors and assigns. Subordinating Party waives notice of LENDER's acceptance of this Agreement.

02/14/02



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IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed the day and year first above written.

WITNESS:

[Handwritten signature]

NAVY FEDERAL CREDIT UNION

Subordinating Party

By: *Larisa M. Head*
(Signature)

Larisa M. Head, Vice President/Trustee

Its: _____
(Title)

STATE OF VA

COUNTY OF FAIRFAX) SS.



On this 16 day of July, 2003, before me, the undersigned, a Notary Public in and for said county, personally appeared to me Larisa M. Head personally known, who being duly sworn, did say that he/she is The Trustee of NFCU and that foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged the execution of said instrument to be the voluntary act and deed of said corporation.

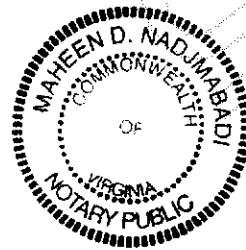
Witness my hand and notarial seal the day and year last above written.

My commission expires _____

My commission expires
31 January 2007

Maheem D. Nadjumabadi

Notary Public



EM004L 02/14/02



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