

Return to:  
PHH Mortgage Services  
3000 Leadenhall Road  
Mt. Laurel, New Jersey 08054  
Mail Stop : DC  
Loan No: 0022667471

Reference numbers for previous recorded instrument locate on Page  
Grantees and Grantors are:



200311070108  
Skagit County Auditor

Assessor's Parcel or Account Number:  
Loan Number:  
Abbreviated Legal Description:

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[Include lot, block and plat or section, township and range]

Full Legal Description located on page:

[Space Above This Line For Recording Data]

### SUBORDINATION AGREEMENT

FIRST AMERICAN TITLE CO.  
73196E2

**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.**

THIS AGREEMENT, made this 30th day of September 2003, 2003, by Anne M Packard and Randall C Packard ("Owner"), the owners of the land hereinafter described on the attached Exhibit A and Navy Federal Credit Union, whose mailing address is: 820 Follin Lane, Vienna, Virginia, 22180, present owner and holder of the Deed of Trust first hereinafter described and hereinafter referred to as "Beneficiary";

### WITNESSETH:

**THAT WHEREAS**, the Owners did execute a Deed of Trust, dated March 26, 2003, to the Beneficiary, covering that certain property in Skagit County, State of Washington, fully described in said Deed of Trust, which instrument was recorded on April 21, 2003, as Recording No. 200304210248, Official Records of said county; and

**WHEREAS**, Owners have executed, or are about to execute, a Deed of Trust and Note in the principal sum of \$136,800.00, in favor of PHH Mortgage Services, a New Jersey corporation, hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

recorded under AF # 200311070107.

**WHEREAS**, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Deed of Trust first above mentioned; and

**WHEREAS**, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge

of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

**WHEREAS**, it is to the mutual benefit of the parties hereto that Lender make such loan to Owners; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

**NOW, THEREFORE**, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

(1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.

(2) That Lender would not make its loan above described without this subordination agreement.

(3) That 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 deed of trust first above mentioned to the lien or charge of the deed of trust 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 deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to a deed or deeds of trust or to a mortgage or mortgages to be thereafter executed.

Beneficiary declares, agrees and acknowledges that

(a) It consents to and approves (i) all provisions of the note and deed of trust in favor of PHH Mortgage Services, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and PHH Mortgage Services for the disbursement of the proceeds of the loan.

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and

(c) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and



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(d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

**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.**

Owners

Beneficiary:

Navy Federal Credit Union



By:

*Latisa M. Head*

Title:

Latisa M. Head, Vice President/Trustee



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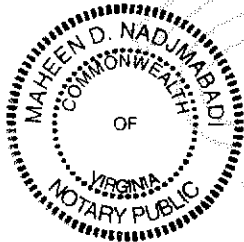
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STATE OF VA  
COUNTY OF FAIRFAX

On 9/30/2003, before me, the undersigned, a Notary Public in and for said state, personally appeared Lafisa M. Head and \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Name: Maheen D. Nadjmabad  
Notary Public, State of VA  
My Commission Expires: \_\_\_\_\_

**My commission expires  
31 January 2007**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me personally appeared \_\_\_\_\_, as \_\_\_\_\_ President of \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he/she is personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, that by his/her signature on the instrument the corporation upon behalf of which he/she acted executed the instrument.

WITNESS my hand and official seal.

Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



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