

After recording return to:

Ann Mead

8213 South Fawcett Avenue
Tacoma, WA 98408



200402090093
Skagit County Auditor

2/9/2004 Page 1 of 3 9:52AM

Legal Description (abbreviated): Portion Lots 36 and 37, GILKEY'S ADDITION TO BURLINGTON
Additional Legal on page: 2
Assessor's Tax Parcel ID#: 4085-000-037-007 (P72580)
Reference: 10174397-204-ECN

80000
FIRST AMERICAN TITLE CO.

SUBORDINATION AGREEMENT

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. Ann Mead referred to herein as Subordinator, is the Owner and holder of a Deed of Trust dated January, 20, 2004, which is recorded under Auditor's File No.: 200402090092, records of **Skagit** County, Washington.
2. **New Century Mortgage** referred to herein as Lender is the Owner and holder of a Deed of Trust dated January, 20th, 2004, executed by **John W. Smith and Deborah A. Smith, husband and wife** which is recorded in volume 200402090091 records of **Skagit** County, Washington, to be recorded concurrently herewith.
3. **John W. Smith and Deborah A. Smith, husband and wife** 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/her 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/she 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 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 supercede and cancel any prior agreements as to such or any subordination including, but not limited, 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.

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 HIS/HER ATTORNEYS WITH RESPECT THERETO.

Dated: January 16, 2004

Ann Mead
Ann Mead

John W. Smith by Deborah A. Smith
John W. Smith PDA

Deborah A. Smith
Deborah A. Smith

State of Washington

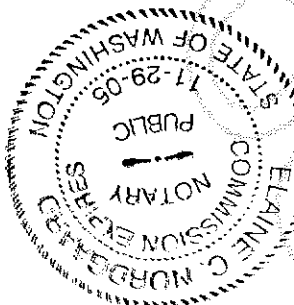
County of Pierce

SS:

On this 20th day of January, 2004, before me personally appeared *for John W. Smith
Ann Mead; and Deborah A. Smith, individually & as attorney-in-fact to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.
Given under my hand and official seal the day and year last above written.

Elaine C. Nordgren

Notary Public in and for the State of WA
Residing at Sumner, WA
My Appointment expires: 11/29/05



200402090093
Skagit County Auditor

2/9/2004 Page 2 of 3 9:52AM

Exhibit "A"

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot 37 and that portion of Lot 36, "GILKEY'S ADDITION TO BURLINGTON", according to the plat thereof recorded in Volume 7 of Plats, page 29, records of Skagit County, Washington, described as follows:

Beginning at a point on the East line of lot 36 which lies North 34 degrees 10' East a distance of 92.58 feet from the Southeast corner thereof; thence North 34 degrees 10' East along the East line of Lot 36 and its Northerly prolongation, a distance of 117.77 feet to the Easterly prolongation of the North line of Lot 36; thence North 89 degrees 33'07" West along said prolongation of the North line of Lot 36, a distance of 24.75 feet; thence South 22 degrees 58'31" West, a distance of 106.05 feet to the point of beginning of this description.

EXCEPTING from said Lot 37 the following described property:

Beginning at a point on the West line of Lot 37 which lies North 34 degrees 10' East a distance of 92.58 feet from the Southwest corner thereof; thence South 22 degrees 58'31" West a distance of 83.37 feet to the South line of Lot 37; thence North 89 degrees 33'07" West along said South line a distance of 19.45 feet to the Southwest corner of Lot 37; thence North 34 degrees 10' East along the West line of Lot 37, a distance of 92.58 feet to the point of beginning;

TOGETHER WITH that portion of the vacated cul-de-sac adjoining which, upon vacation, attached to said premises by operation of law.



200402090093
Skagit County Auditor

2/9/2004 Page

3 of

3 9:52AM