

AFTER RECORDING MAIL TO:

Tom E. & Krista K. Bieren
5474 Chuckanut Drive
Bow, Wa. 98232



200404160080
Skagit County Auditor

4/16/2004 Page 1 of 2 11:42AM

Filed for Record at Request of :
Land Title Company of Skagit
Escrow Number: 111191-SE

LAND TITLE OF SKAGIT COUNTY

Subordination Agreement

Reference Number(s): 360333-0-046-0002

Grantor(s): Skagit County, a political subdivision of the State of Washington

Grantee(s): Evergreen MoneySource Mortgage Co.

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. Skagit County, a political subdivision of the State of Washington referred to herein as "subordinator", is the owner and holder of a mortgage dated October 30, 2002 which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200211010004, records of Skagit County. Evergreen MoneySource Mortgage Co.
2. referred to herein as "lender", is the owner and holder of a mortgage dated 4/9/04 executed by Tom E. Schmidt and Krista K. Bieren, husband and wife (which is recorded in volume _____ of Mortgages, page _____, auditor's file No. 20040416 0078 records of Skagit County) (which is to be recorded concurrently herewith).
3. Tom E. Schmidt and Krista K. Bieren, 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 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 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.
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 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.
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.

Executed this 8th day of April, 2004

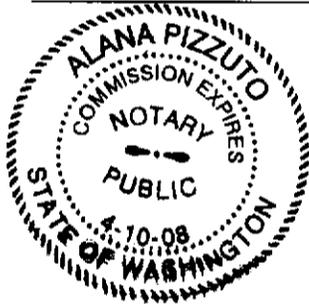
NOTICE: THIS SUBORDINATION CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT THEIR ATTORNEYS WITH RESPECT THERETO.

[Signature]
Financial Adm. Water Quality Loans

STATE OF Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Clude Williams signed this instrument, on bath stated that he is authorized to execute the instrument and acknowledged it as the Financial Adm. Water Quality Loans of Skagit County, a political subdivision of State of Wash. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 4-9-04



Alana Pizzuto Alana Pizzuto
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: 4-10-08



200404160080
Skagit County Auditor