

WHEN RECORDED RETURN TO:

Name: Qualstar Credit Union
Address: PO Box 96730
City, State, Zip: Bellevue, WA 98009



200412290113
Skagit County Auditor

12/29/2004 Page 1 of 2 2:07PM

FIRST AMERICAN TITLE CO.
SUBORDINATION AGREEMENT **A82796E-2**

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. Qualstar Credit Union referred to herein as "subordinator", is the owner and holder of a mortgage dated November 15, 2004, which is recorded in volume of Mortgages, page under auditor's file No. 200411220218 records of Skagit County.
2. New Freedom Mortgage Corporation referred to herein as "lender" is the owner and holder of the mortgage dated 12/21/04 executed by Michael G. Rider and Timi E. Rider (which is recorded in volume of Mortgages, page , under auditor's file No. records of Skagit County) (which is to be recorded concurrently herewith).
200412290112 Erin O'Donnell
3. Michael G. Rider and Timi E. Rider 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 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 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 13th day of December, 2004

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.

Stephen F. Webster
Stephen F. Webster, Senior Real Estate Lending Manager

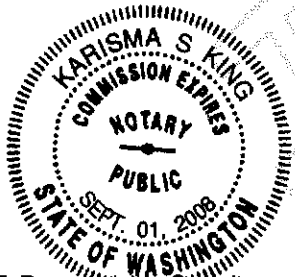
Michael G. Rider
Timi E. Rider
Erin O'Donnell Rider

STATE OF WASHINGTON)
COUNTY OF King)

ss.

I certify that I know or have satisfactory evidence that **Stephen F. Webster** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as **Senior Real Estate Lending Manager** of **Qualstar Credit Union** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/13/04



A-7 -Representative Capacity

Karisma S. King
Notary Public

Printed Name: KARISMA S. KING

My appointment expires: 09-01-08

STATE OF WASHINGTON)
COUNTY OF SKAGIT)

ss.

On this 21 day of DECEMBER 2004 before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared **Michael G. Rider and Timi Erin O'Donnell** known to me to be the individual(s) described in and who executed the within instrument and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes herein mentioned.

Dated: 12/21/04



A-7 -Individual Capacity

Tamara A. Satko
Notary Public

Printed Name: TAMARA A SATKO

My appointment expires: 11/7/07



200412290113
Skagit County Auditor