

WHEN RECORDED RETURN TO:

Name: Matthey M. Mahaffie
Address: 935 Rio Vista
City, State, Zip Burlington, WA 98233



200509120094
Skagit County Auditor

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Chicago Title Company - Island Division

Chicago Title IC36229
Escrow BE10216

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. Janet J. Mahaffie, referred to herein as "subordinator", is the owner and holder of a mortgage dated March 14, 2002, 20____ which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200204030088 records of Skagit County.
2. Washington Federal Savings referred to herein as "lender" is the owner and holder of the mortgage dated September 6, 2005, executed by Matthew M. Mahaffie and Heather A. Mahaffie, husband and wife (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. 200509120093, records of Skagit County) (which is to be recorded concurrently herewith).
3. Matthew M. Mahaffie and Heather A. Mahaffie 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 8th day of September 2005

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.

Janet J. Mahaffie
Janet J. Mahaffie

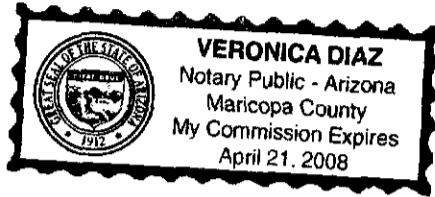
STATE OF ARIZONA

COUNTY OF *Maricopa*

I certify that I know or have satisfactory evidence that JANET J. MAHAFFIE is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: *September 8, 2005*

Veronica Diaz
Notary Public in and for the State of Arizona
Residing in: *Maricopa County*
My appointment expires: *April 21, 2008*
Printed Notary Name: *Veronica Diaz*



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Skagit County Auditor