

Notice: This subordination agreement contains a provision which allows the owner to obtain a loan all or a portion of which may be expended for other purposes than improvement of the real property. It is recommended that, prior to the execution of this subordination agreement, the parties consult with their attorneys with respect thereto.

Bank of America NT&SA
Successor in Interest to SEATTLE-FIRST
NATIONAL BANK

Doris Fetterman
Doris Fetterman

800 Fifth Avenue, Floor 19
P.O. Box 3828
Seattle, WA 98124

OWNER:

Steven L. Anderson 3-3-99
STEVEN L. ANDERSON DATE

Janice L. Anderson 3-3-99
JANICE L. ANDERSON DATE

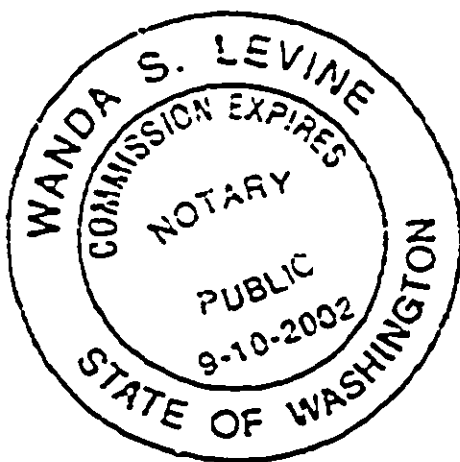
STATE OF WASHINGTON

) ss.

COUNTY OF Snohomish

On this 3 day of March, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven L. Anderson and Janice L. Anderson to me personally know (or proven on the basis of satisfactory evidence) to be the individual (s) who executed the within and foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate above written:



Wanda S. Levine
NOTARY PUBLIC in and for the state of
WASHINGTON

Seattle, WA 98101, residing at

My appointment expires 9-10-2002

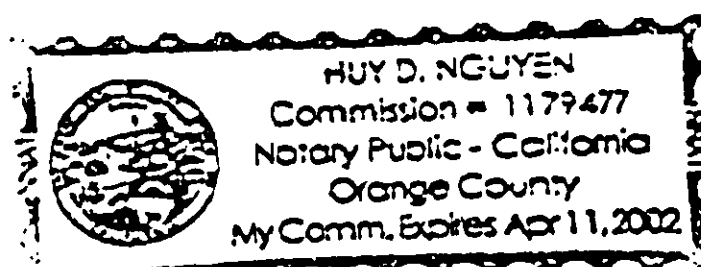
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss

On MARCH 1, 1999 before me, the THE UNDERSIGNED, a Notary Public in and for said state, personally appeared Doris Fetterman, personally known to me to be the person(s) whose names is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]



9903080122

BK1955PG0025

Submitted for Recordation By
and Return To



Bank of America

Regional Loan Service Center
P.O. Box 3828
Seattle, WA 98124

Account # 50531353584786998
Cap # 990570932450

9903080122

KATHY HILL
SKAGIT

99 MAR -8 AM 11:27

RECORDED _____ FILED _____
REQUEST OF _____

Space above This Line for Recorder's Use
SUBORDINATION AGREEMENT FIRST AMERICAN TITLE CO.

NOTICE: This subordination agreement results in the subordinator's security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

B 57696E

The undersigned Subordinator and Owner agree as follows:

1. BANK OF AMERICA NT&SA SUCCESSOR IN INTEREST TO SEATTLE-FIRST NATIONAL BANK, ("Subordinator"), is the owner and holder of a Deed of Trust dated FEBRUARY 9, 1994 executed by STEVEN L. ANDERSON AND JANICE L. ANDERSON, which is recorded under Auditor's File No. 9402170086, records of SKAGIT County, WASHINGTON, ("Second Deed of Trust").
2. Owner has executed, or is about to execute, a deed of trust ("New Deed of Trust") to secure a loan ("New Loan") from PNC MORTGAGE CORP. OF AMERICA, AN OHIO CORPORATION ("New Lender") in the approximate principal amount of \$ 125,800.00, but not to exceed \$ 125,800.00, exclusive of future advances which new lender may thereafter make to protect the lien of its deed of trust and/or the value of the collateral ("maximum amount"), pursuant to a note or loan agreement dated the same day as the new deed of trust/mortgage securing a loan in favor of PNC MORTGAGE CORP. OF AMERICA, AN OHIO CORPORATION ("New Lender").
3. STEVEN L. ANDERSON AND JANICE L. ANDERSON, ("owner"), is the owner of all the real property described in the First Deed of Trust. **RP# 9903040058**
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 First Deed of Trust and all agreements in connection therewith, Subordinator does hereby unconditionally subordinate the lien of its Second Deed of Trust to the lien of Lender's First Deed of Trust.
5. Subordinator acknowledges that, prior to the execution hereof, it has had the opportunity to examine the terms of the First Deed of Trust, 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 First Deed of Trust to 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 First Deed of Trust, 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 First Deed of Trust 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 Second Deed of Trust to the lien or charge of the first Deed of Trust if favor of Lender 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 Second Deed of Trust, which provide for the subordination of the lien or charge thereof to a deed of trust of deeds of trust to be thereafter executed.
8. It is understood and agreed that if the owner shall fail to make payments due on the First Deed of Trust and other instruments in connection therewith, or shall fail to carry out any other terms and agreements of the First Deed of Trust, such default by owner shall constitute a default upon the Second Deed of Trust and other instruments in connection therewith, and subordinator, upon such default by the owner, may, at its option, without demand or notice, declare the whole sum secured by the Second Deed of Trust with interest thereon to be immediately due and payable, or subordinator may, at its option, make the defaulted payments to the holder of the First Deed of Trust and add the same to the amount due under the Second Deed of Trust without waiving any of its rights under the Second Deed of Trust and the Note which it secures.
9. This Subordination Agreement is entered into by Subordinator only and solely for the benefit of the present and future owners and holders of the indebtedness secured by the lien of the First Deed of Trust and not for the benefit of nor in favor of any other person or party, the lien of the Second Deed of Trust being fully retained and asserted by Subordinator except as expressly hereby subordinated.
10. This Subordination Agreement shall not impair the validity or priority of the Second Deed of Trust as to property therein described other than the property described in the First Deed of Trust.
11. It is contemplated that this Agreement will be filed for record after the First Deed of Trust is so filed, and the parties hereto specifically authorize Lender or its agent to insert actual filing dates and auditor's filing numbers of the First Deed of Trust in this Agreement, such additions to be binding upon all of the parties hereto, their successors and assigns.
12. The heirs, administrators, assigns and successors in interest of Subordinator shall be bound by this Agreement. Where the words "Deed of Trust" appear herein they shall also be considered as "Mortgage", and gender and number of pronouns considered to conform to the undersigned.
13. The First Mortgage is not to exceed the principal sum of \$ 125,800.00 plus all accrued interest and reasonable costs, fees and charges advanced by lender under its First Deed of Trust.

9903080122

BK 1955 PG 0024