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When recorded return to:

MICHAEL A. WINSLOW
Attorney at Law C/O First American Title Co
477 Main Street P.O. Box 1667
Mount Vernon, Washington 98273

SKAGIT COUNTY AUDITOR

'99 APR 15 P3:54

9904150114

RECORDED _____ FILED _____
REQUEST OF _____

Escrow No. 58026

FIRST AMERICAN TITLE CO.

DEED OF TRUST SUBORDINATION AGREEMENT

B58026E-4

GRANTORS:

Subordinator: Larry and Judy Azure, husband and wife
Property Owner: Cheryl Nicholson, a single person

GRANTEES:

Lender: Maria Lobanovsky, as Trustee of the Maria Lobanovsky Trust

LEGAL DESCRIPTION: Lots 40 and 41, Parker Business Center

ASSESSOR'S PROPERTY TAX

PARCEL OR ACCOUNT NO. 4367-000-040-0001 and 4367-000-040-0000

REFERENCE NOS OF DOCUMENTS

ASSIGNED OR RELEASED:

CONVEYANCE:

This agreement is entered into on April 14th, 1999, between Larry Azure and Judy Azure, husband and wife, of 13-A Eagles Nest, LaConner, Skagit County, Washington, referred to as Subordinator and Maria Lobanovsky, c/o Pension Portfolio Services, Inc., 1616 N. 18th Street, Suite 114, Mount Vernon, Skagit County, Washington referred to as Lender.

The parties recite and declare that:

DT# 9901150112

1. Subordinator is the Seller of property to Cheryl Nicholson, and is to become the owner and holder of a certain Promissory Note dated April 13th, 1999, for NINETY FIVE THOUSAND & 00/100 Dollars (\$ 95,000.00) and interest, secured by a Deed of Trust for that sum and interest, made by Cheryl Nicholson to Subordinator, dated April 13th, 1999, and recorded on April 15, 1999, in the office of the Skagit County Auditor under Auditor's File No. 9904150113 and covering the following-described premises:

Tracts 40 and 41, "PARKER BUSINESS CENTER," as per plat recorded in Volume 11 of Plats, pages 91 through 96, inclusive, records of Skagit County, Washington

Subordination Agreement
pensionlobanovsky/subord.agr4/1/99

ORIGINAL

9904150114

BK1975PG0166

2. Lender is about to loan the sum of One Hundred Forty Thousand Dollars (\$140,000) on the Promissory Note of Cheryl Nicholson secured by a Deed of Trust on and covering the above-described premises.

3. To induce Lender to make the loan, it is necessary that the Deed of Trust held by Subordinator be subordinated to the lien of the Deed of Trust and note about to be made to lender as set forth above.

For the reasons set forth above, and in consideration of the mutual covenants and promises of the parties, Subordinator and lender covenant and agree as follows:

SECTION ONE SUBORDINATION

Subordinator hereby covenants, consents, and agrees with lender that the above-mentioned Deed of Trust to be held by Subordinator is and shall continue to be subject and subordinate in lien to the lien of the Deed of Trust and note about to be made to lender as stated above.

SECTION TWO CONSIDERATION

This Subordination Agreement is made and given by Subordinator as a material inducement to Lender to loan funds to Cheryl Nicholson and this inducement and waiver of Subordinator's purchase money security interest (first position lien) is good and valid consideration for this agreement.

SECTION THREE APPROVAL OF LOAN TERMS

The terms of the loan from Lender to Cheryl Nicholson are as follows:

Principal amount	\$140,000
Interest Rate	9.5%
Monthly payments	\$1,177.20
Full balance payable in five years from date of Promissory Note	

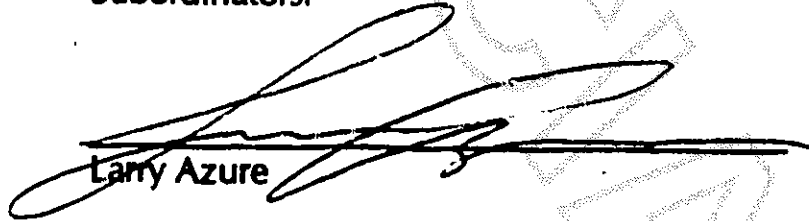
Subordinator hereby approves the terms of the loan.

SECTION FOUR BINDING EFFECT

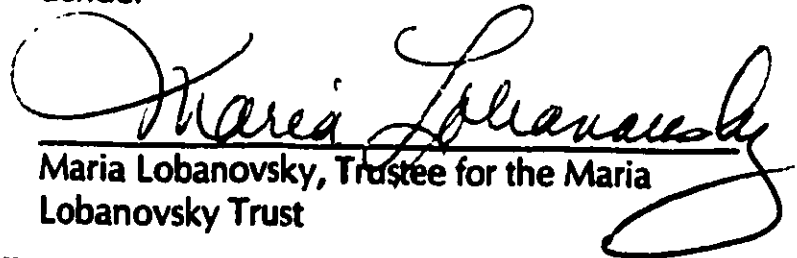
This agreement shall be binding on and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties.

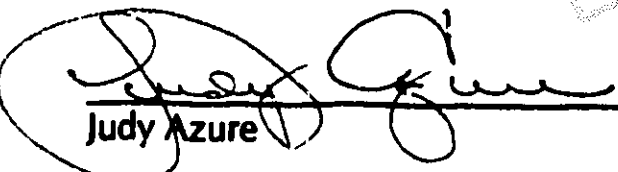
In witness whereof, the parties have executed this agreement at Mount Vernon, Washington on April 13th, 1999.

Subordinators:

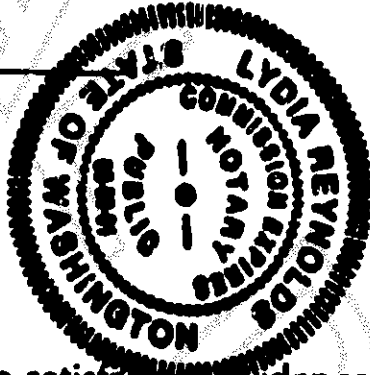

Larry Azure

Lender


Maria Lobanovsky, Trustee for the Maria Lobanovsky Trust


Judy Azure

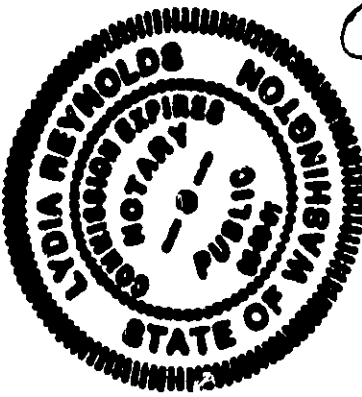
State of Washington)
)ss
County of Skagit)




I certify that I know or have satisfactory evidence that Larry Azure and Judy Azure, husband and wife, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes in the instrument.

Dated: April 13th, 1999.


State of Washington)
)ss
County of Skagit)




Notary Public for the state of Washington
residing at MT Vernon
My appointment expires 8-9-2001

I certify that I know or have satisfactory evidence that Maria Lobanovsky is the person who appeared before me; that she acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged as the Trustee of the Maria Lobanovsky Trust to be her free and voluntary act for the uses and purposes contained in the instrument.

DATED: April 15th, 1999.


Notary Public for the state of Washington
residing at MT Vernon
My commission expires 8-9-2001