

WHEN RECORDED RETURN TO

Name **First American Title of Skagit County**  
Address **1301-B Riverside Drive, ESCROW DEPARTMENT**  
City, State, Zip **Mount Vernon, WA 98273**

**00058100**

Filed for Record at Request of **First American Title of Skagit County**



200008110088

**Kathy Hill, Skagit County Auditor**  
8/11/2000 Page 1 of 4 1:36:51PM

FIRST AMERICAN TITLE CO.  
**Subordination Agreement** 58100

**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. SEAS, INC, a Washington Corporation referred to herein as "subordinator", is the owner and holder of a mortgage dated March 17th, 1999 which is recorded in volume 1960 of Mortgages, page 0513, under auditor's file No. 9903180134, records of Skagit County.
2. SEATTLE FUNDING GROUP, LTD referred to herein as "lender", is the owner and holder of a mortgage dated July 27th, 2000, executed by PASQUALE J. SENATORE JR. (which is recorded in volume of Mortgages, page , under auditor's file No. \* 200008030132, records of Skagit County) (which is to be recorded concurrently herewith).
3. PASQUALE J. SENATORE JR., as his separate estate 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 2nd day of August, 2000

**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.**

FOR ADDITIONAL TERMS TO THIS AGREEMENT SEE EXHIBIT B ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THERETO

SEAS, Inc.

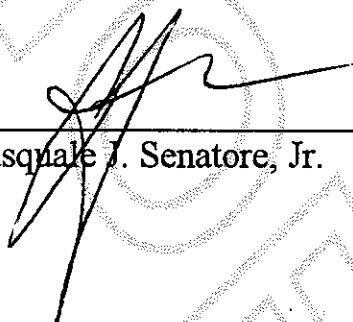
By: Gale A. Hickok  
Gale A. Hickok, President

SEATTLE FUNDING GROUP, LTD.

By: [Signature]  
PRESIDENT.

See Exhibit A for signature & notary  
Pasquale J. Senatore, Jr.

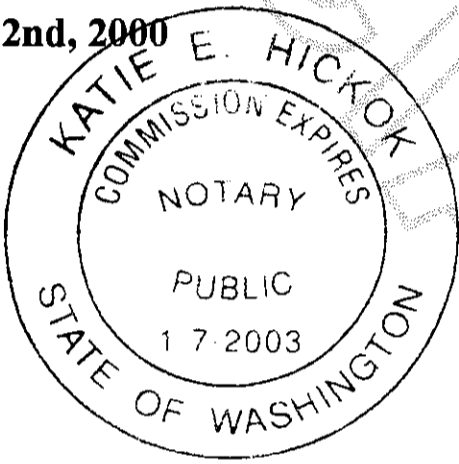
EXHIBIT "A"

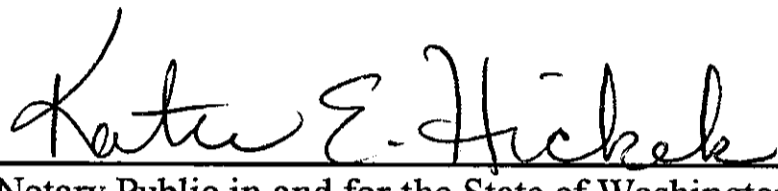
  
\_\_\_\_\_  
Pasquale J. Senatore, Jr.

STATE OF WASHINGTON }  
COUNTY OF Skagit } ss

I certify that I know or have satisfactory evidence that **Pasquale J. Senatore, Jr.** is the persons who appeared before me, and said persons acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: August 2nd, 2000

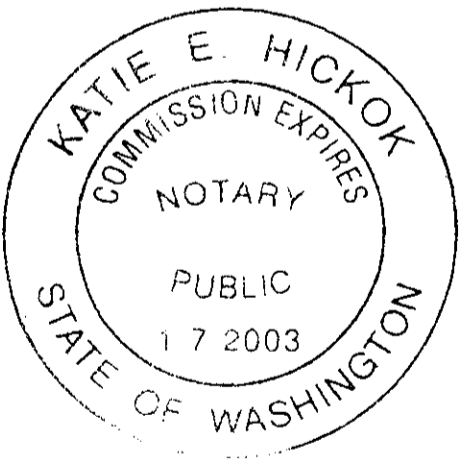


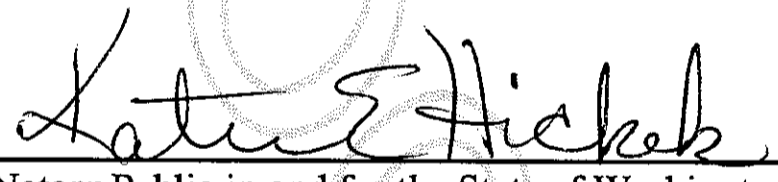
  
\_\_\_\_\_  
Notary Public in and for the State of Washington  
Residing at **Bellingham**  
My appointment expires: **1-7-03**

STATE OF WASHINGTON }  
COUNTY OF Skagit } ss

I certify that I know or have satisfactory evidence that **Gale A. Hickok** is the persons who appeared before me, and said persons acknowledged that he signed this instrument, on oath stated that he authorized to execute the instrument and acknowledged it as the **President of SEAS, Inc.** to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: August 2nd, 2000



  
\_\_\_\_\_  
Notary Public in and for the State of Washington  
Residing at **Bellingham**  
My appointment expires: **1-7-03**



200008110088

Kathy Hill, Skagit County Auditor

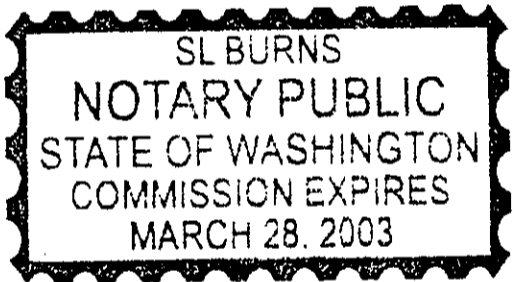
8/11/2000 Page 2 of 4 1:36:51PM

**CORPORATE ACKNOWLEDGMENT**

State of Washington  
County of King

On this day personally appeared before me JOHN ODEGARD to me known/proven to be the PRESIDENT of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath state that he was authorized to execute said instrument and that the seal affixed (if any) is the seal of said corporation.

Given under my hand and official seal as of this date: August 3, 2000



[Signature]  
Notary Public signature

SL BURNS  
Notary Public name printed

My appointment expires: 3.28.2003

This acknowledgment is attached to a Subordination Agreement consisting of 4 pages.

Notary comments:



EXHIBIT "B"

ADDITIONAL TERMS for SUBORDINATION AGREEMENT

SEATTLE FUNDING GROUP, LTD  
PASQUALE J. SENATORE, JR.  
SEAS, INC.



The Partial Reconveyance provisions of the Deed of Trust being subordinated to shall not be modified.

~~drastically & unreasonably~~  
The holdback provisions of the Pledges and Security Agreement related to the future construction costs shall not be modified without subordinators approval.

~~drastically and unreasonably~~



SEAS  
(A)



200008110088

Kathy Hill, Skagit County Auditor

8/11/2000 Page 4 of 4 1:36:51PM