

Filed for Record at Request of
Land Title Company of Skagit County
Escrow Number: PA-95539-E

LAND TITLE COMPANY OF SKAGIT COUNTY

Subordination Agreement

Reference Number(s): 9808250157

Grantor(s): ERNEST I. JOHNSON, Trustee of the Johnson Living Trust

Grantee(s): FIRST FRANKLIN FINANCIAL CORPORATION

Abbreviated Legal: Lots 6-8, Block 144, ANACORTES

Assessor's Parcel No.: P55943/3772-144-008-0008

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. ERNEST I. JOHNSON, Trustee of the Johnson Living Trust, dated January 4, 1995
referred to herein as "subordinator", is the owner and holder of a mortgage dated August 18, 1998 which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 9808250157, records of SKAGIT County.
2. FIRST FRANKLIN FINANCIAL CORPORATION
referred to herein as "lender", is the owner and holder of a mortgage dated January 29, 2001 executed by RUTH HORDEY CZUK, a single woman, as her separate property (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200102090120 records of SKAGIT County) (which is to be recorded concurrently herewith).
3. RUTH HORDEY CZUK, a single woman, as her separate property
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 31st day of January, 2001

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

The Johnson Living Trust

Ernest I. Johnson
Ernest I. Johnson

Ruth Hordeyczuk

STATE OF Washington }
County of ADAMS } SS:

I certify that I know or have satisfactory evidence that Ernest I. Johnson signed this instrument, on oath stated that he authorized to execute the instrument and acknowledged it as the Trustee of The Johnson Living Trust to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 1-31-01

Virginia L. Jones VIRGINIA L. JONES

Notary Public in and for the State of Washington

Residing at Kitzler, WA

My appointment expires: 7-9-03



200102090121

Skagit County Auditor

Executed this _____ day of _____, _____

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

The Johnson Living Trust _____

Ruth Hordeyczuk
Ruth Hordeyczuk _____

Ernest I. Johnson _____

STATE OF Washington }
County of _____ } SS:

I certify that I know or have satisfactory evidence that Ernest I. Johnson signed this instrument, on oath stated that he authorized to execute the instrument and acknowledged it as the Trustee of The Johnson Living Trust to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of Washington
Residing at _____
My appointment expires: _____



200102090121
, Skagit County Auditor
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