

WHEN RECORDED RETURN TO:

Name: Island Title Company  
Address: PO Box 670  
City, State, Zip Burlington WA 98233



200109140117  
Skagit County Auditor

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# Island Title Company

Island Title B18658  
Escrow BE5017

## 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. LRDTD Johnson Partnership referred to herein as "subordinator", is the owner and holder of a security lien dated September 11, 2001, which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 200109140116 records of Skagit County, Washington
2. Washington Federal Savings referred to herein as "lender" is the owner and holder of the mortgage dated September 13, 2001, executed by HUGH SCHMIDT and JEAN SCHMIDT, husband and wife, (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file no. 200109140115, records of Skagit County (which is to be recorded concurrently herewith).
3. HUGH SCHMIDT and JEAN SCHMIDT, husband and wife, 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.

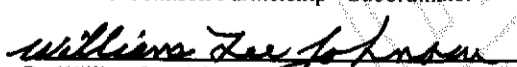
Executed this 13<sup>th</sup> day of September, 2001

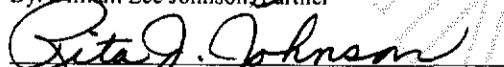
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

  
\_\_\_\_\_  
Hugh Schmidt - Borrower

  
\_\_\_\_\_  
Jean Schmidt - Borrower

LRDTD Johnson Partnership - Subordinator

  
\_\_\_\_\_  
By: William Lee Johnson, Partner

  
\_\_\_\_\_  
By: Rita J. Johnson, Partner

NOTARY

STATE OF Washington )  
COUNTY OF Skagit ) ss.

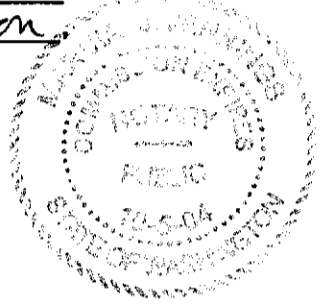
On this day personally appeared before me Hugh Schmidt  
and Jean Schmidt

to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that he/she/they signed the same as his/her/their free and voluntary act and deed for the purposes therein mentioned.

Given under my hand and official seal this 13 day of September, ~~1997~~ <sup>2001</sup>

Marva Jennings  
Notary Public in and for the State of Washington,  
residing at Sedro Woolley

My appointment expires: 10/5/2004



NOTARY

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this day personally appeared before me \_\_\_\_\_

to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that he/she/they signed the same as his/her/their free and voluntary act and deed for the purposes therein mentioned.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 1997

Notary Public in and for the State of \_\_\_\_\_,  
residing at \_\_\_\_\_

My appointment expires: \_\_\_\_\_



200109140117  
Skagit County Auditor

STATE OF WASHINGTON )

COUNTY OF Skagit )

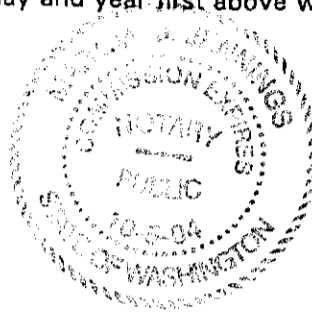
) SS:

On this 13 day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared William Lee Johnson and Rita J. Johnson to me known to be the Partner ~~President~~ and Partner ~~Secretary~~, respectively, of LRD TD Johnson Partnership the ~~corporation~~ Partnership that executed the 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 stated that They are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written

Marcia J. Jennings

Marcia J. Jennings  
 Notary Public in and for the State of Washington  
 residing at Mount Vernon Sedro Woolley  
 My commission expires: 10/5/2004



200109140117  
 , Skagit County Auditor

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DUPLICATE DOCUMENT