

WHEN RECORDED RETURN TO

Name Michael McKay  
 Address 7201 Bank of America Tower  
701 Fifth Avenue  
Seattle, WA 98104  
 City, State, Zip

200110220092  
 Skagit County Auditor  
 10/22/2001 Page 1 of 1 11:32:37AM



LAND TITLE  
 COMPANY #P-98357

FILED FOR RECORD AT REQUEST OF

LAND TITLE COMPANY OF SKAGIT COUNTY  
 P98357

## 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. MCKAY, CHADWELL & MATTHEWS, P.L.L.C. referred to herein as "subordinator", is the owner and holder of a mortgage dated 07/09/97, which is recorded in volume 1703 of Mortgages, page 0080, under auditor's file No. 9708290153, records of Skagit County.
2. WASHINGTON FEDERAL SAVINGS referred to herein as "lender" is the owner and holder of a mortgage dated 09/24/01, executed by DELLA M. NEWMAN (which is recorded in volume 200109280145 of Mortgages, page 0080, under auditor's file No. 200109280145, records of Skagit County (which is to be recorded concurrently herewith).
3. DELLA M. NEWMAN 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 there under, 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 work "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 10 day of October 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.

DELLA M. NEWMAN  
 DELLA M. NEWMAN, Owner

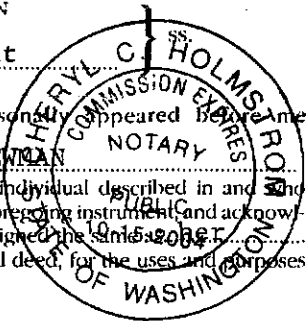
Michael McKay  
 MICHAEL D. MCKAY

STATE OF WASHINGTON

COUNTY OF Skagit

On this day personally appeared before me  
DELLA M. NEWMAN  
 to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16<sup>th</sup> day of October, 2001  
Cheryl C. Holmstrom  
 Notary Public in and for the State of Washington,  
 residing at Mount Vernon  
 My appointment expires: 10-15-2004

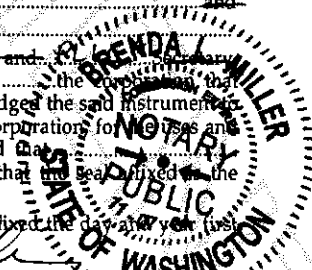


STATE OF WASHINGTON

COUNTY OF King

On this 10<sup>th</sup> day of October, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MICHAEL D. MCKAY and Michael McKay to me known to be the Director President and Chadwell respectively of Mckay Chadwell the corporation, 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 the said Michael McKay is authorized to execute the said instrument and that the seal affixed to the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.  
Brenda L. Miller  
 Notary Public in and for the State of Washington,  
 residing at Seattle WA  
 My appointment expires: 11-07-04



LT Sub Agr (11/96)

\* successor PLLC to McKay Chadwell & Matthews