

WHEN RECORDED RETURN TO:

Name: Chevy Chase Bank, FSB
Address: 7501 Wisconsin Ave
City, State, Zip: BETHESDA, MD 20814



200403080134
Skagit County Auditor

3/8/2004 Page 1 of 2 11:23AM

CHICAGO TITLE C29883

SUBORDINATION AGREEMENT

1286012678

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. Chevy Chase Bank, F.S.B. referred to herein as "subordinator", is the owner and holder of a mortgage dated March 6, 2003 which is recorded in volume (n/a) of Mortgages, page (n/a) under Auditor's File No. 200303310240 records of Skagit County, in the amount of \$96,800 and rerecorded as AF#200311070072.
2. Flagstar Bank, F.S.B. referred to herein as "lender" is the owner and holder of the mortgage dated ~~February~~ ^{March 3,} 2004, executed by Robert R. Cesena and Tamara L. Cesena (which is recorded in Volume (n/a) of Mortgages, page (n/a), under Auditor's File No. 200403080133, records of Skagit County) (which is to be recorded concurrently herewith), in the amount of \$333,700.
3. Robert R. Cesena and Tamara L. Cesena 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 18th day of FEBRUARY 2004

LPB-35 11/96
Page 1 of 2

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.

BY: Ronald K Edy - Vice President BY: _____

BY: _____ BY: _____

STATE OF MARYLAND)
) ss
COUNTY OF MONTGOMERY)

I certify that I know or have satisfactory evidence that Ronald K Edy
the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument and
acknowledged it to be _____ free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: February 18, 2004

[Signature]
Notary Public in and for the State of MARYLAND
Residing at _____
My appointment expires: 2/1/06



MARY C. HOLMES
Notary Public, State of Maryland
Prince George's County
My Commission Expires February 1, 2006

LPB-35 11/96
Page 2 of 2

THE ABOVE SPACE RESERVED FOR NOTARY SEAL



200403080134
Skagit County Auditor