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Skagit County Auditor

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Recording Requested By and Return To:
Recording Department

File Number: 2155334 SNC

First American Lenders Advantage
1801 Lakepointe Drive, Suite 111
Lewisville, TX 75057
(469) 322-2500

Document Title: **SUBORDINATION AGREEMENT**

Grantor: **PEOPLE'S BANK**
Crosby, Anthony L. Crosby, Pamela K
Grantee: **PRINCIPAL RESIDENTIAL MORTGAGE, INC**

Trustee:

Legal Description: **NE QTR SEC 33, TOWNSHIP 35 NORTH, RANGE 5 EAST**

WM

Additional Legal Description on **PAGE 4** of Documents

Reference Number(s) of Documents Assigned or Released:

200404120167

200209160117

Assessor's Property Tax Parcel/Account Number: **35053310014400**

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information.

APAL- 35053310014406

SUBORDINATION AGREEMENT

Loan No. : 2342577

Words used in this Agreement are defined below. Words in the singular mean and include the plural and vice versa.

"Borrower" is Anthony L. Crosby and Pamela K. Crosby

"Lender" is Principal Residential Mortgage, Inc. , and its successors or assigns.

"Loan" means the debt evidenced by the Note and all sums due under the Security Instrument.

"Note" means the promissory note in the original principal amount of \$143,500.00, signed by Borrower in favor of Lender.

"Property" means the property commonly known as 11472 Panorama Drive, Sedro Woolley, WA 98284

"Security Instrument" means the Deed of Trust/Mortgage/Security Deed/Security Instrument signed by Borrower in favor of Lender, securing payment of the Note.

"Subordinating Lienholder" is People's Bank

This Agreement is made and entered into this 5th day of March 2004, by Subordinating Lienholder.

WITNESSETH:

WHEREAS, Lender as a condition precedent to the origination of the Loan to Borrower requires the subordination of the lien held by Subordinating Lienholder;

WHEREAS, Subordinating Lienholder agrees to subordinate its debt and lien on the Property;

NOW THEREFORE, in consideration of the Loan and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, Subordinating Lienholder agrees to the following:

1. The Property subject to this Agreement is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.



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2. The superior debt is more fully described in the Note, and secured by the Security Instrument to be filed of record in the Real Property Records in the county and state referenced in paragraph numbered 1.

The superior debt shall include any amounts disbursed by Lender under the provisions of the Security Instrument for ad valorem taxes and hazard insurance.

3. The subordinated debt is more fully described in a note in the original principal sum of seven thousand and no\100ths Dollars (\$7,000.00), executed by Anthony L. Crosby and Pamela K. Crosby, husband and wife made payable to People's Bank and secured by a Deed of Trust dated 9/12/02 and filed for record in Instrument No. 200209160117 of the Real Property Records of said county and state.

4. Subordinating Lienholder, who is now the holder of the subordinated debt, for the consideration recited above, agrees that the subordinated debt is, by this Agreement, made subordinate, subject, and inferior to the superior debt held by Lender. Subordinating Lienholder agrees that the new Security Instrument shall have the same validity, priority, and effect as if executed, delivered and recorded prior to the date of the subordinate lien. Nothing in this instrument shall in any way modify the terms and conditions of the subordinate lien, or in any way release or affect the validity or priority of the subordinate lien, except as provided herein.

5. This Agreement shall be governed by the laws of the State of Washington.

6. This Agreement is binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each of the parties hereto.

Executed this 10th day of March, 2004.

SUBORDINATING LIENHOLDER:
People's Bank

By:

Its: Consumer Loan Underwriter

RETURN TO:
Principal Residential Mortgage, Inc. c/o
Affiliated Computer Svcs
4153 120th Street
Urbandale, IA 50323-2314

[Acknowledgment(s) Attached]

Loan No. : 2342577

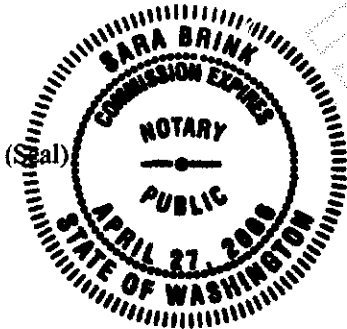
CORPORATE ACKNOWLEDGMENT

State of Washington

§
§
§

County of Whatcom

The foregoing instrument was acknowledged before me on March 10, 2004 [date],
by ELISA AMKREUTZ, consumer loan underwriter
[name of officer or agent, title of officer or agent] of Peoples Bank [name of corporation acknowledging],
[state or place of incorporation], on behalf of the corporation.



Sara Brink
Notary Public, State of Washington

Sara Brink
My Commission Expires: 4/27/08



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Exhibit A

THAT PORTION OF THE NORTHEAST 1/4 OF SECTION 33, TOWNSHIP 35 NORTH, RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 33; THENCE NORTH 88 DEGREES 26' 29" EAST 1378.13 FEET; THENCE SOUTH 00 DEGREES 33' 37" WEST 1676.16 FEET; THENCE NORTH 89 DEGREES 25' 29" EAST 749.32 FEET; THENCE SOUTH 00 DEGREES 33' 37" WEST 660.00 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHWEST CORNER OF A TRACT SOLD TO NORMA ENGLAND BY INSTRUMENT DATED SEPTEMBER 12, 1974, RECORDED OCTOBER 18, 1974, UNDER AUDITOR'S FILE NO. 809158, AND CORRECTED BY INSTRUMENT RECORDED NOVEMBER 27, 1974 UNDER AUDITOR'S FILE NO. 810541; THENCE NORTH 89 DEGREES 25' 29" EAST ALONG THE NORTH LINE OF SAID ENGLAND TRACT 660 FEET, MORE OR LESS, TO THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 33; THENCE NORTH 00 DEGREES 33' 37" EAST ALONG SAID EAST LINE 330 FEET; THENCE SOUTH 89 DEGREES 25' 29" WEST 660 FEET, MORE OR LESS, TO A POINT WHICH LIES NORTH 00 DEGREES 33' 37" EAST 330 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 33' 37" WEST 330 FEET TO THE TRUE POINT OF BEGINNING; ALSO KNOWN AS TRACT 44 OF THE UNRECORDED PLAT OF STEELHEAD BEND.



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