

AFTER RECORDING MAIL TO:

First American Title
3202 Commercial Avenue
Anacortes, WA 98221



200505100093
Skagit County Auditor

5/10/2005 Page 1 of 2 11:22AM

Filed for Record at Request of :
First American Title Of Skagit County
Escrow Number: A84470

FIRST AMERICAN TITLE CO.

A84470-2

Subordination Agreement

Reference Number(s):

Grantor(s): Glenn E. Greathouse, Sr., Jacquelyn L. Greathouse, Glenn E. Greathouse, Jr. and Kandy Greathouse

Grantee(s): Yosemite Management Group, LLC

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. Glenn E. Greathouse, Sr. and Jacquelyn L. Greathouse, husband and wife, and Glenn E. Greathouse Jr. and Kandy Greathouse, husband and wife,
referred to herein as "subordinator", is the owner and holder of a mortgage dated January 7, 2005
which is recorded in volume _____ of Mortgages, page _____
under auditor's file No. 200505100092, records of Skagit County.
2. Peoples Bank
referred to herein as "lender", is the owner and holder of a mortgage dated April 18, 2005
executed by Yosemite Management Group, LLC
(which is recorded in volume _____ of Mortgages, page _____,
auditor's file No. 200505040074 Records of Skagit County).
3. Yosemite Management Group, LLC
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 6th day of May, 2005

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.

Glenn E. Greathouse Sr.
Glenn E. Greathouse, Sr.

Jacquelyn L. Greathouse
Jacquelyn L. Greathouse

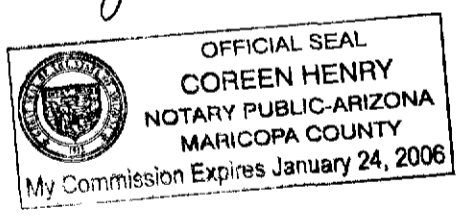
Glenn E. Greathouse, Jr.
Glenn E. Greathouse, Jr.

Kandy Greathouse
Kandy Greathouse

State of Arizona
County of Maricopa } SS:

I certify that I know or have satisfactory evidence that Glenn E. Greathouse, Sr. and Jacquelyn L. Greathouse, the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: May 6, 2005

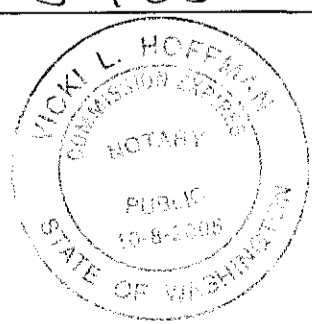


Coreen Henry
Notary Public in and for the State of Arizona
Residing at Bellevue, AZ
My appointment expires: 1-24-06

State of Washington
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Glenn E. Greathouse, Jr. and Kandy Greathouse, the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: 5-9-05



Vicki L. Hoffman
Notary Public in and for the State of Washington
Residing at Anacortes
My appointment expires: 10-8-05

