

Recording Requested by:

And When Recorded Mail To:

Master Financial Inc.
P. O. BOX 1109
ORANGE CA 92856-1109
Loan Number: 55630

SCR 26757

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.

THIS AGREEMENT, made 6/24/04, by CHANCEY R. DAVIS, JR. AND ROSALIND M. DAVIS, owner of the land hereinafter described and hereinafter referred to as "Owner," and MASTER FINANCIAL, INC., A CALIFORNIA CORPORATION, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary"

WITNESSETH

THAT WHEREAS, CHANCEY R. DAVIS, JR. AND ROSALIND M. DAVIS, did execute a deed of trust, dated 11/19/97, to LAWYERS TITLE COMPANY, as trustee, covering:

SEE ATTACHED EXHIBIT "A"

to secure a note in the sum of \$55,000.00, dated 11/19/97, in favor of FIRST ALLEGIANCE FINANCIAL, AN LPO OF CITY NATIONAL BANK OF CHARLESTON, which deed of trust was recorded 1/14/98, Book 172 Page 468, Official Records of said county;

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$74,300.00, dated (tbd) 7-2-04, in favor of COUNTRYWIDE HOME LOANS, INC., hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of deed of trust first above mentioned; and

WHEREAS Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledge, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- (a) He consents to and approved (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender is making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such

proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part

(c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon the waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charges of the deed of trust in favor of Lender above referred to.

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.

MASTER FINANCIAL INC.,
A California corporation


CHRISTOPHER J. MULLINS

SENIOR VICE PRESIDENT

Owner


CHANCEY R. DAVIS, JR.

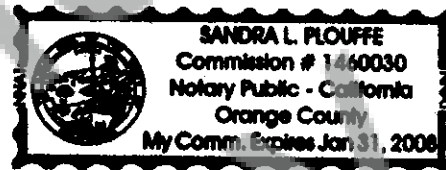

ROSALIND M. DAVIS

State of California } ss.
County of Orange }

On June 24, 2004 before me, Sandra L. Plouffe, Notary Public, personally appeared Christopher J. Mullins, as Senior Vice President of Master Financial, Inc., a California Corporation, personally known to me (or ~~proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: 
Sandra L. Plouffe



Subordination Agreement

Borrower: **CHANCEY R. DAVIS, JR. AND ROSALIND M. DAVIS**

Loan No.

EXHIBIT 'A'

All of Lots 4 and 5 of the HILLTOP MANOR, according to the amended Plat thereof, recorded in Book 'A' of Plats, Page 110, in the County of Skamania, State of Washington.

EXCEPT the Easterly 39 feet of said Lot 5.

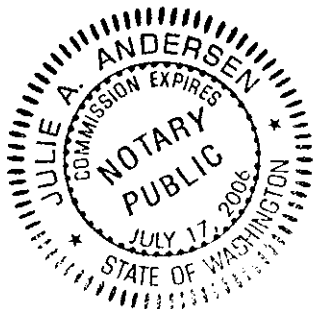
Unofficial
Copy

STATE OF WASHINGTON, }
County of Skamania } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Chancey R. Davis, Jr.
& Rosalind M. Davis to me known
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that They
signed the same as Their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 15th day of July 2004



Julie A. Andersen
Notary Public in and for the State of Washington,
residing at Carson
My appointment expires 7-17-2006

STATE OF WASHINGTON, }
County of _____ } ss.

ACKNOWLEDGMENT - Corporate

On this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared _____
and _____ to me known to be the
_____ President and _____ Secretary, respectively, of _____
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 _____
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

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

Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

WA-46A (11/96)

This jurat is page _____ of _____ and is attached to _____ dated _____.