When Recorded Return To:

The Washington State Department of Community, Trade and Economic Development Housing Finance Unit 906 Columbia Street Southwest Post Office Box 48350 Olympia, Washington 98504-8350

Skagit County Auditor

2/21/2002 Page

11:28AM

Attention: Donna Johnston, Contract Number 2-89-491-12

FIRST AMERICAN TITLE CO.

07540€-2

Subordination Agreement

Grantor (Subordinator):

Washington State Department of Community, Trade and Economic Development

Grantor (Owner):

Ramon and Mirtha Huerta

Grantee (Lender):

U.S. Bank

Assessor's Tax Parcel ID #:

Plans

Reference No.:

9301050086

- The Department of Community, Trade and Economic Development, referred to herein as "subordinator", is 1. the owner and holder of a mortgage dated January 4, 1993, which is recorded under auditor's file No. 9301050086, records of Skagit County.
- U.S. Bank, referred to herein as "lender", is the owner and holder of a mortgage dated 2. 2.17.2002 , which is recorded under auditor's file No. 20020290060, records of Skagit County (which is to be recorded concurrently herewith).
- Ramon and Mirtha Huerta, referred to herein as "owner", is the owner of all the real property described in 3. the mortgage identified above in Paragraph 2.
- In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby 4. acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby 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.
- "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the 5. terms of "lender's" mortgage, note and agreements relating thereto 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.
- It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in 6. 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 first mortgage above mentioned 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 10th day of January, 2002.
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.
DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT OFFICE OF COMMUNITY DEVELOPMENT
Donna Ophrator
Portfolio Manager / Housing Finance Unit Housing Division
Donna Johnston
PRINT NAME
STATE OF WASHINGTON)) ss.
COUNTY OF THURSTON)
On this 10th day of wall and worm, 2002, before me the undersigned, a Notary Public in and for the State of Washington, duly complissioned and sworn, personally appeared Donna Johnston, to me known to be the Portfolio Manager of the Housing Finance Unit of the Department of Community, Trade and Economic Development, Office of Community Development that executed the foregoing instrument on behalf of the State of Washington, and acknowledged the said instrument to be the free and voluntary act and deed of said department and the State of Washington, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.
WITNESS my hand and official seal hereto affixed the day and year first above written.
Margaret A Karn NOTARY RUBLIC in and for the State of Washington
residing in the county of
PUBLIC My appointment expires
TO NASTRA

200202210061 Skagit County Auditor 2/21/2002 Page 2 of 2 11:28AM