

AFTER RECORDING MAIL TO:

Pacific Northwest Bank

P.O. Box 1649

Oak Harbor WA 98277

Filed for Record at Request of



200204010124

Skagit County Auditor

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FIRST AMERICAN TITLE CO.

68410E

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.

The undersigned subordinator and owner agrees as follows:

1. Pacific Northwest Bank referred to herein as "subordinator," is the owner and holder of a mortgage dated July 30, 2001, which is recorded in volume n/a of Mortgages, page n/a under auditor's file no. 200108020130, records of Skagit County.
2. ~~PACIFIC NORTHWEST BANK~~ is the owner and holder of a mortgage dated MARCH 20, 2002 referred to herein as "lender," executed by RYAN E. MORRISON and Kelly L. Morrison (which is recorded in volume 200204010123, under auditor's file no. 200204010123 County) (which is to be recorded concurrently with records of skagit County) (which is to be recorded concurrently herewith.
3. Ryan E. Morrison and Kelly L. Morrison 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 line 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 hereto, 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 the 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 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 the undersigned.

Executed this _____ day of _____

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.

[Signature]
Vice President
[Signature]
Vice President

STATE OF _____ }
COUNTY OF _____ } ss

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

Dated: _____

Notary Public in and for the State of _____
Residing at _____
My appointment expires: _____

STATE OF Washington }
COUNTY OF Island } ss

On this 12 day of March, 2002,
before me, the undersigned, a Notary Public in and for the State of Washington,
duly commissioned and sworn, personally appeared Steve Mong
and Keith Fakkema to me known to be the
Vice President and Vice President, respectively, of Pacific Northwest Bank, 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 they are authorized to execute
the said instrument and that the seal affixed is the corporate seal of said corporation.

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

SHERRY L. RUNNING
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 7-01-02

[Signature]
Notary Public in and for the State of Washington
Residing at Oak Harbor
My appointment expires: 070102

