



200205300173

Skagit County Auditor

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WHEN RECORDED RETURN TO

Name First American Title of Skagit County
Address 1301-B Riverside Drive, ESCROW DEPARTMENT
City, State, Zip Mount Vernon, WA 98273
00066299

Filed for Record at Request of First American Title of Skagit County

FIRST AMERICAN TITLE CO.

Subordination Agreement *66999E-4*

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. KIRK D. SHROYER and MARY E. HUDDLE SHROYER referred to herein as "subordinator", is the owner and holder of a mortgage dated *5-21-02*, which is recorded in volume *—* of Mortgages, page *—*, under auditor's file No. ** 200205300172*, records of SKAGIT County.
2. HORIZON BANK referred to herein as "lender", is the owner and holder of a mortgage dated *5-23-02*, executed by DANNY A. BAIRD and PAMELA M. BAIRD (which is recorded in volume *—* of Mortgages, page *—*, under auditor's file No. ** 200205300171*, records of SKAGIT County) (which is to be recorded concurrently herewith).
3. DANNY A. BAIRD and PAMELA M. BAIRD, Husband and Wife 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 *—* day of MAY, 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.

Kirk D. Shroyer

 KIRK D. SHROYER

Danny A. Baird

 DANNY A. BAIRD

Mary Huddle Shroyer

 MARY E. HUDDLE SHROYER

Pamela M. Baird

 PAMELA M. BAIRD

HORIZON BANK by:
Tammy Barnett

 Tammy Barnett, Vice President

Bill Ketcheside

 Bill Ketcheside, Asst Vice Pres.

STATE OF Washington

COUNTY OF Skagit }

ss

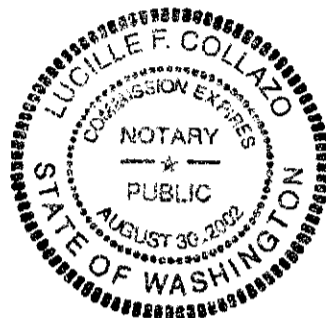
I certify that I know or have satisfactory evidence that Tammy Barnett & Bill Ketcheside
the person s _____ who appeared before me, and said person s _____ acknowledged
that they signed this instrument, on oath stated that they are authorized to execute the
instrument and acknowledged it as the Vice Pres. & Asst. Vice Pres of Horizon
Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this
instrument.

Dated: May 29, 2002

Lucille F. Collazo
Notary Public in and for the State of WA.

Residing at Mount Vernon

My appointment expires: 08-30-2002



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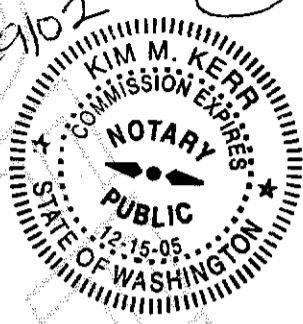
STATE OF WASHINGTON
COUNTY OF Skagit

} ss

I certify that I know or have satisfactory evidence that **Kirk D. Shroyer , Mary E. Huddle Shroyer , Danny A. Baird and Pamela M. Baird** is/are the persons who appeared before me, and said persons acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated:

5/29/02



Kim M. Kerr

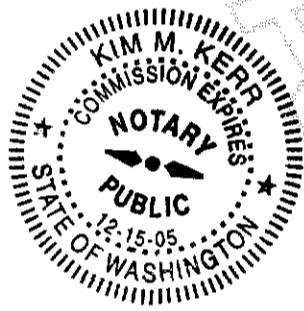
Notary Public in and for the State of Washington
Residing at *mt. Vernon*
My appointment expires: *12/15/05*

STATE OF WASHINGTON
COUNTY OF Skagit

} ss

I certify that I know or have satisfactory evidence that _____ is/are the persons who appeared before me, and said persons acknowledged that he/she/they signed this instrument, on oath stated that he/she/they authorized to execute the instrument and acknowledged it as the _____ of **Horizon Bank** to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated:



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



200205300173
Skagit County Auditor