

AFTER RECORDING MAIL TO:

Name Horizon Bank

Address PO Box 580

City, State, Zip Bellingham, WA 98227



200206100037

Skagit County Auditor

6/10/2002 Page 1 of 3 9:23AM

Filed for Record at Request of:

SUBORDINATION AGREEMENT

FIRST AMERICAN TITLE CO.

691183-2

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. Horizon Bank referred to herein as "subordinator," is the owner and holder of a mortgage dated 1/22/98, which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 9801270001, records of Skagit County.
2. Horizon Bank referred to herein as "lender," is the owner and holder of a mortgage dated June 5, 2002 executed by Paul A Barron and Angie M Partolan (which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200206100036, records of Skagit County) (which is to be recorded concurrently herewith).
3. Paul A Barron and Angie M Partolan 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 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 6th day of June, 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.

By Maria A Collins Maria A Collins, Asst. Vice Pres
 By Paul A Barron Paul A Barron
 By Angie M Bartolan Angie M Bartolan
 By Katia C Lewis, Sr. Vice President Katia C Lewis, Sr. Vice President

STATE OF Washington
 COUNTY OF Skagit
 } ss
 I certify that I know or have satisfactory evidence that Maria A Collins and Katia Lewis (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.
 Dated: 11/10/02

Notary Public in and for the state of Washington
 Residing at Anacortes
 My appointment expires: 3-15-02

STATE OF Washington
 COUNTY OF Skagit
 } ss
 I certify that I know or have satisfactory evidence that Paul A and Angie M Bartolan (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) were authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.
 Dated: _____

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

200206100037
 Skagit County Auditor
 6/10/2002 Page 2 of 3 9:23AM

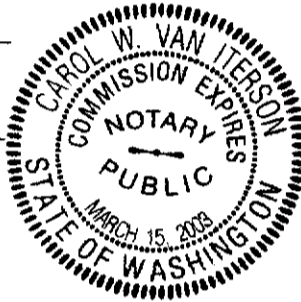
CORPORATE ACKNOWLEDGEMENT

STATE OF Washington
COUNTY OF Skagit } ss

I certify that I know or have satisfactory evidence that Marian A. Collins and Keria C. Lewis
are 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 Asst. Vice President & Sr. Vice President of Horizon
Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this
instrument.

Dated: 6/10/02
Carol W Van Iterson

Notary Public in and for the State of Washington
Residing at Anacortes
My appointment expires: 3-15-03



STATE OF WASHINGTON }
COUNTY OF Skagit } ss

On this day personally appeared before me Paul A & Angie M Revotolan to me known to be the individuals
described in and who executed the within instrument, and acknowledged that they signed the same as
free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my and official seal this 11th day of June, 2002
Carol W Van Iterson

Notary Public in and for the State of Washington, residing at Anacortes
My appointment expires on 3-15-03

