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P-101450

LAND TITLE COMPANY OF SKAGIT COUNTY

SUBORDINATION AGREEMENT

WHEN RECORDED MAIL TO:

SPACE ABOVE FOR RECORDERS USE

MSN SV-79/ DOCUMENT CONTROL DEPT.
P.O. BOX 10266
VAN NUYS CALIFORNIA 91410-0266

LOAN #: 3556353
ESCROW/CLOSING#:

Ref # 200003140048, 200207030079

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.

Grantee, Wells Fargo Home Mtg.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this Seventeenth day of June, 2002, by Countrywide Home Loans, Inc. ("Subordinated Lienholder"), with a place of business at 4500 PARK GRANADA, CALABASAS, CA 91302-1613.

WHEREAS, John Mellor and Kalli J. Mellor executed and

delivered to Subordinated Lienholder, a Deed of Trust/Mortgage (the "Existing and Continuing Security Instrument") in the sum of \$32600.00 dated 03/09/2000 , and recorded in Book Volume n/a, Page_n/a, as Instrument No. 200003140048, in the records of Skagit County, State of WA, as security for a loan (the "Existing and Continuing Loan"), which Existing and Continuing Security Instrument is a valid and existing lien on the real property located at 1911 7th St, Sedro Woolley, WA 98284 and further described on Exhibit "A," attached.

WHEREAS, John Mellor and Kalli J. Mellor ("Borrower") executed and delivered to Wells Fargo Home Mortgage, Inc., ("Lender"), a deed of trust/mortgage in the sum of \$132170.00, which deed of trust/mortgage (the "New Security Instrument") is intended to be recorded herewith in the records of Skagit County, State of WA as security for a loan (the "New Loan"); Auditor's File No. 200207030079

WHEREAS, it is a condition precedent to obtaining the New Loan that the lien of the New Loan shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien of the Existing and Continuing Loan; and

WHEREAS, Lender is willing to make said loan provided the lien securing the New Loan is a lien or charge upon the described property prior and superior to the lien of the Existing and Continuing Loan and provided that Subordinating Lender will specifically and unconditionally subordinate the lien of the Existing and Continuing Loan to the lien of the New Loan; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such a loan to Borrower; and Subordinating Lender is willing that the lien securing the New Loan shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien securing the Existing and Continuing Loan.

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 acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the New Security Instrument, 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 Existing and Continuing Security Instrument.
- (2) That Lender would not make the New Loan without this subordination agreement.



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(3) That this agreement shall be the whole and only agreement with regard to the subordination of the Existing and Continuing Security Instrument to the New Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the security instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Existing and Continuing Security Instrument above mentioned, which provide for the subordination of the lien to another security instrument, deed of trust or mortgage.

Subordinating Lender declares, agrees and acknowledges that


(a) It consents to and approves (i) all provision of the note and New Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Borrower and Lender for the disbursement of the proceeds of the New Loan;

(b) Lender 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; and

(c) It intentionally and unconditionally waives, relinquishes and subordinates the lien of the Existing and Continuing Security Instrument in favor of the lien or charge upon said land of the New Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquish and subordinate 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 this waiver, relinquishment and subordination.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOW 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.

Countrywide Home Loans, Inc.



Abraham Bartamian, Assistant Secretary




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CERTIFICATE OF ACKNOWLEDGMENT

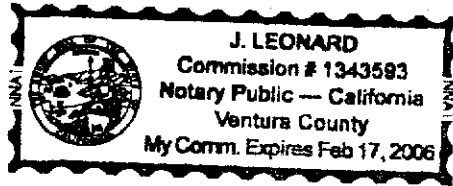
STATE OF CALIFORNIA)
)
) ss.
COUNTY OF VENTURA)

On this 17th day of June, 2002, before me, **J. Leonard**, Notary Public, personally appeared **Abraham Bartamian, Assistant Secretary** personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



J. Leonard
Notary Public - Commission No. 1343593
Commission Expires: Feb 17, 2006



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EXHIBIT "A"

DESCRIPTION:

The North 55 feet of Lots 16, 17 and 18, Block 111, "PLAT OF THE TOWN OF SEDRO, SKAGIT COUNTY, W.T.", as per plat recorded in Volume 1 of Plats, page 18, records of Skagit County, Washington.

TOGETHER WITH the South 5 feet of the North 60 feet of the East 12 feet of Lot 18, Block 111, and the South 2 feet of the North 57 feet of the West 20 feet of Lot 16, Block 111, "PLAT OF THE TOWN OF SEDRO, SKAGIT COUNTY, W.T.", as per plat recorded in Volume 1 of Plats, page 18, records of Skagit County, Washington.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.





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(b) **ASSUMPTION PROCESSING CHARGE:** Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which Section 3714 of Chapter 37, Title 38, United States Code applies.

(c) **ASSUMPTION INDEMNITY LIABILITY:** If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan. The assumer further agrees to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Mortgagor(s) has executed this Assumption Policy Rider.

 _____ JOHN R. MELLOR	(Seal) -Borrower	 _____ KALLI J. MELLOR	(Seal) -Borrower
_____	(Seal) -Borrower	_____	(Seal) -Borrower
_____	(Seal) -Borrower	_____	(Seal) -Borrower
_____	(Seal) -Borrower	_____	(Seal) -Borrower


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