

WHEN RECORDED RETURN TO:

Name: ISLAND TITLE COMPANY
Address: P. O. BOX 1228
City, State, Zip Anacortes, WA 98221



200009150107

Skagit County Auditor

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Chicago Title Insurance Company

~~ISLAND TITLE COMPANY~~

A19855

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. **Patrick J. Beer & Linda P. Beer, h/w** referred to herein as "subordinator", is the owner and holder of a mortgage dated September 11 /192000 which is recorded in volume N/A of Mortgages, page N/A, under auditor's file No. 200009150106 records of Skagit County.
2. **HORIZON BANK** referred to herein as "lender" is the owner and holder of the mortgage dated September 11 /192000, executed by ** (which is recorded in volume N/A of Mortgages, page N/A, under auditor's file no. 200009150105, records of Skagit County) (which is to be recorded concurrently herewith).
~~**Traditional Home Construction, Inc., A WA Corp.~~
3. **Traditional Home Construction, Inc., a WA Corp.** 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 12th day of September 192000

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.

Patrick J. Beer
PATRICK J. BEER

Linda P. Beer
LINDA P. BEER

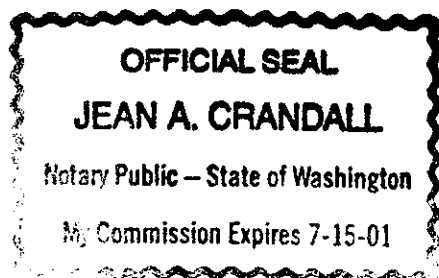
STATE OF WASHINGTON

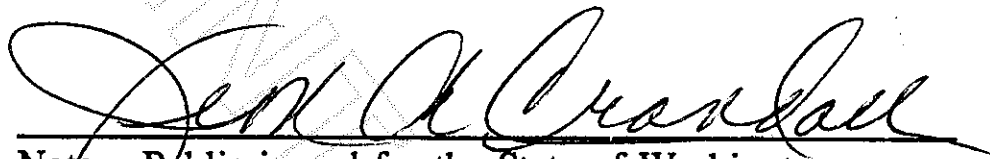
COUNTY OF SKAGIT

} ss.

On this day personally appeared before me PATRICK J. BEER & LINDA P. BEER
to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged to me that they signed the same as their free and
voluntary act and deed for the purposes therein mentioned.

Given under my hand and official seal this 12th day of September, 10 2000




Notary Public in and for the State of Washington.
Name printed JEAN A. CRANDALL
Residing at Mt. Vernon
My commission expires 7/15/01

Acknowledgement - Individual



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