



200201040091
Skagit County Auditor


1/4/2002 Page 1 of 4 3:30PM

AFTER RECORDING MAIL TO:

Name GREAT NORTHWEST INV
Address PO BOX 2505
City/State MOUNT VERNON WA 98223

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.



First American Title Insurance Company

FIRST AMERICAN TITLE CO.
47760

(this space for title company use only)

The undersigned subordinator and owner agrees as follows:

1. MICHAEL LUNZ, AS HIS SEPARATE ESTATE referred to herein as "subordinator", is the owner and holder of a mortgage dated April 26, 1999, which is recorded in volume 1981 of Mortgages, page 0500, under auditor's file No. 990429007, records of SKAGIT County.
2. GERALD F. FALLER, A MARRIED MAN AS HIS SEPARATE ESTATE referred to herein as "lender", is the owner and holder of a mortgage dated JANUARY 4th, 2002, executed by ZACHARY J.D. TAYLOR (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200201040090, records of SKAGIT County) (which is to be recorded concurrently herewith).
3. ZACHARY TAYLOR referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.

Assessor's Property Tax Parcel/Account Number(s): 340226-1-001-0302 (R20736)

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 of 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 there after 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 4th day of January, ~~19~~ 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.

X [Signature]



STATE OF Washington)

)ss.

COUNTY OF SKAGIT)

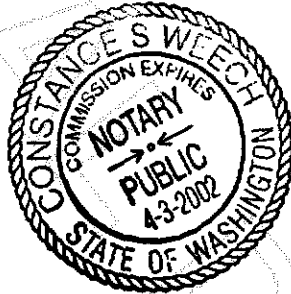
On this day personally appeared before me MICHAEL L. LUNZ, to me known to be the individual described in and who executed the within and foregoing instrument as Trustee of and acknowledged to me that HE signed the same as HIS free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 4TH day of JANUARY, 2002

Constance A. Nease
Notary Public in and for the State of

My Commission expires: 4-3-02

Residing in: *Mt Vernon*



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1/4/2002 Page 3 of 4 3:30PM

UNOFFICIAL DOCUMENT

The North 1/2 of the South 1/2 of the North 1/2 of the Northeast 1/4 of Section 26, Township 34 North, Range 2 East W.M., Skagit County, Washington, EXCEPT the Indian Reservation Road running along the West line thereof, AND ALSO EXCEPT the South 10 feet of the East 1940 feet of the West 2375 feet, AND EXCEPT the East 265 feet of said subdivision, AND ALSO EXCEPT a tract of land described as follows:

Commencing at the Southwest corner of the North 1/2 of the Southwest 1/4 of the Northwest 1/4 of the Northeast 1/4 of Section 26; thence North 130 feet; thence East 435 feet; thence South 130 feet; thence West 435 feet to the point of beginning.



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1/4/2002 Page 4 of 4 3:30PM