

WHEN RECORDED RETURN TO:

Name: ISLAND TITLE COMPANY
Address: 3110 Commercial Avenue, Suite 101
City, State, Zip Anacortes, WA 98221



200207220200
Skagit County Auditor
7/22/2002 Page 1 of 2 3:50PM

Island Title Company

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. HOUSING AUTHORITY OF SKAGIT COUNTY, referred to herein as "subordinator", is the owner and holder of a mortgage dated August 18, 2000, which is recorded in volume n/a of Mortgages, page n/a, under auditor's file No. 200008230064 records of Skagit County.
MORTGAGE INVESTMENT LENDING ASSOCIATES
2. ~~WELLS FARGO HOME MORTGAGE~~ referred to herein as "lender" is the owner and holder of the mortgage dated July 16th 2002, executed by KAY L. HARRELL, (which is recorded in volume n/a of Mortgages, page n/a, under auditor's file no. 200207220178 *, records of Skagit County), (which is to be recorded concurrently herewith).
***1st & 2nd Mortgage** 4 and 2nd MTG AF 200207220199
3. KAY L. HARRELL 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 9th day of July 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.

HOUSING AUTHORITY OF SKAGIT COUNTY

By: JOHN DAY < Weather Station Coordinator

RECEIVED

JUL 08 2002

H.A.S.C. Wx

STATE OF WASHINGTON

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____
_____ is the person who appeared before
me, and said person acknowledged that _____
signed this instrument and acknowledged it to be _____ free and voluntary act for
the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public

My appointment expires

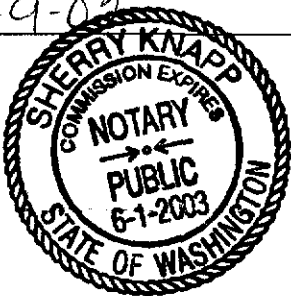
A-7 -Individual Capacity

STATE OF WASHINGTON

COUNTY OF Skagit

I certify that I know or have satisfactory evidence that
John W Day is
the person who appeared before me, and said person acknowledged that
he signed this instrument, on oath stated that
he was authorized to execute the instrument and acknowledged it
as Weatherstation Coordinator
of Housing Authority of Skagit County
to be the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.

DATED: 7-9-02



Sherry Knapp
Notary Public

My appointment expires

6-1-03

A-7 -Representative Capacity



200207220200
Skagit County Auditor

7/22/2002 Page 2 of 2 3:50PM