



200212310226
Skagit County Auditor

12/31/2002 Page 1 of 2 11:38AM

AFTER RECORDING MAIL TO :

Name Whidbey Island Bank
Address PO Box 1589
City, State, Zip Oak Harbor, Wa, 98277

LAND TITLE COMPANY OF SKAGIT COUNTY

Subordination Agreement

Escrow No. 59560
Title Order No. 59560
Reference No's of Related Documents 179000500

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PROPRITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. Whidbey Island Bank, referred to herein as "subordinator," is the owner and holder of a mortgage/deed of trust dated July 6, 1999, which is recorded under Recording No. 9907070075, records of Skagit County.
2. Whidbey Island Bank, referred to herein as "lender." Is the owner and holder of a mortgage/deed of trust not to exceed the amount of \$95,000, dated 12/19/02, executed by _____, (which is recorded in volume of Mortgages, page _____ under auditor's file No.** records of Skagit County) (which is to be recorded concurrently herewith). ** 200212310225
3. Ronald D Russell and Lori L Russell; husband and wife, referred to herein as "owner," is the owner of all the real property described in the mortgage/deed of trust to be 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/deed of trust and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage/deed of trust, identified in Paragraph 1 above to the lien of "lender's" mortgage/deed of trust, 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/deed of trust, 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/deed of trust or see to the application of "lender's" mortgage funds, and any application or use of such funds to purpose other than those provided for in such mortgage/deed of trust, note or agreements shall not defeat the subordination herein made in whole or part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage/deed of trust 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/deed of trust first above mentioned to the lien or charge of the mortgage/deed of trust in favor of "lender" above referred to and shall supercede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage/deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage/deed(s) of trust to be thereafter executed.

8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. In all instances, gender and number of pronouns are considered to conform to the undersigned.

Executed this 24th December, 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.

NAME

NAME Whidbey Island Bank

[Signature] S.V.P.

NAME

NAME

STATE OF Washington
COUNTY OF Skagit

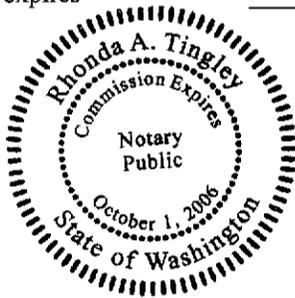
I certify that I know or have satisfactory evidence that RE Blomberg, SVP
Whidbey Island Bank the person (s) who appeared before me, and said
person (s) acknowledged that he signed this instrument and acknowledged it to
be. His free and voluntary act for the uses and purposes mentioned in this instrument

Dated: 12-26-2002

[Signature: Rhonda A. Tingley]

Notary Public in and for the State of
Residing at
My appointment expires

Washington
Burlington
10 P06



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Skagit County Auditor