

WHEN RECORDED RETURN TO:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip \_\_\_\_\_



200303100204  
Skagit County Auditor

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**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 agree as follows:

1. Lyle E. Blank and Karolyn L. Blank, husband and wife, referred to herein as "subordinator", is the owner and holder of a deed of trust dated June 7, 2000, which is recorded under auditor's file no. 200006070058, records of Skagit County, Washington
2. Errol Hanson Funding, Inc., a Washington corporation, referred to herein as "lender" is the owner and holder of the deed of trust dated MARCH 10, 2003, executed by James M. Posey and Darla C. Sullivan-Posey, husband and wife, which is to be recorded concurrently herewith. 200303100203
3. James M. Posey, referred to herein as "owner", is the owner of all the real property described in the deed of trust 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 deed of trust and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his deed of trust identified in Paragraph 1 above to the lien of "lender's" 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" 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 deed of trust or see to the application of "lender's" funds, and any application or use of such funds for purposes other than those provided for in such deed of trust, note or agreements shall not defeat the subordination

Posey/Blank/Hanson  
Subordination Agmt

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 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 deed of trust first above mentioned to the lien or charge of the deed of trust 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 deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to a deed of trust 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 \_\_\_\_\_ day of March, 2003.

OWNER:

*James M. Posey* 3-10-03  
James M. Posey/ Date

*Darla E. Sullivan-Posey* 3/10/03  
Darla E. Sullivan-Posey/ Date

SUBORDINATOR:

*Lyle E. Blank* 03/10/03  
Lyle E. Blank/ Date

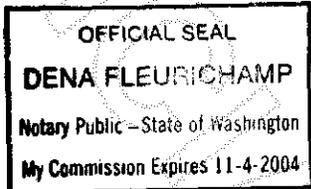
*Karolyn L. Blank* 03-10-03  
Karolyn L. Blank/ Date



STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that James M. Posey and Darla C. Sullivan-Posey are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: March 10, 2003

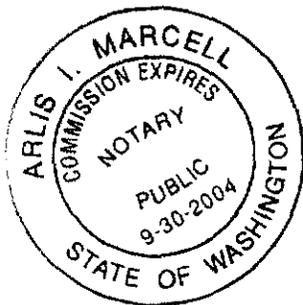


Dena Fleurichamp  
Notary Public  
My appointment expires 11/4/2004

STATE OF WASHINGTON  
COUNTY OF Snohomish

I certify that I know or have satisfactory evidence that Lyle E. Blank and Karolyn L. Blank are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 3-6-2003



Arlis I. Marcell  
Notary Public  
My appointment expires Sept 30, 2004

Posey/Blank/Hanson  
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Skagit County Auditor