



200605040094

Skagit County Auditor

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CHICAGO TITLE INSURANCE COMPANY

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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 agrees as follows:

1. MARK AND JEANNE JOHNSON referred to herein as "subordinator", is the owner and holder of a mortgage dated JANUARY 22, 2004 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No 200402240059, records of SKAGIT County.
2. THE BANK OF THE PACIFIC Loan Amount of \$470,000.00 referred to herein as "lender", is the owner and holder of a mortgage dated April 26, 2006 executed by HANSELL/MITZELL, LLC (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200605040092, records of SKAGIT County) (which is to be recorded concurrently herewith).
3. HANSELL/MITZELL LLC 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 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 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 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 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 2ND day of MAY 2006

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.

Tax Account Number: _____

Mark Johnson
Jeanne Johnson

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Skagit

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Jeanne Johnson and Mark L. Johnson

_____ 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: May 4 2006

Sharon R. Anthony
Notary Public

Notary Public

SHARON R. ANTHONY
STATE OF WASHINGTON
NOTARY --- PUBLIC
My Commission Expires 9-6-2008

Printed Name: Sharon R. Anthony

My appointment expires: 9-6-2009



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Skagit County Auditor

NOTARY ACKNOWLEDGEMENT FOR SUBORDINATION AGREEMENT

STATE OF WASHINGTON ss 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, ON
OATH STATED THAT _____ WAS AUTHORIZED TO EXECUTE THE INSTRUMENT
AND ACKNOWLEDGED IT AS _____ OF HANSELL/MITZEL LLC TO BE
THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN
THE INSTRUMENT.

DATED: _____

NOTARY SIGNATURE

PRINTED NAME: _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT _____.
MY APPOINTMENT EXPIRES _____.

UNRECORDED

200605040094

DATED: _____

PRINTED NAME: _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT _____
MY APPOINTMENT EXPIRES _____



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