



200703220130

Skagit County Auditor

AFTER RECORDING MAIL TO:

3/22/2007 Page

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3 3:41PM

Name Horizon Bank
Address PO Box 580
City, State, Zip Bellingham, WA 98227

Filed for Record at Request of:
LAND TITLE OF SKAGIT COUNTY

124912-P

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.

ptn NE 1/4 of SE 1/4 & SE 1/4 NE 1/4, 24-36-3 E.W.M.
P48140

The undersigned subordinator and owner agrees as follows:

1. **Horizon Bank** referred to herein as "subordinator," is the owner and holder of a mortgage dated **January 27, 2003** which is recorded in volume of Mortgages, page under Auditor's File No. **200301280081**, records of **Skagit County**.
2. **Horizon Bank** referred to herein as "lender," is the owner and holder of a mortgage dated **March 21, 2007** executed by **Bryan M Morse and Colleen E Morse, husband and wife** (which is recorded in volume of Mortgage, page under Auditor's File No. **200703220129**, records of **Skagit County**) (which is recorded concurrently herewith.)
3. **Bryan M Morse and Colleen E Morse** 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 assignments 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 21st day of March, 2007.

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.

By Bryan M Morse
Bryan M Morse

By Dale Oliver
Dale Oliver, Asst Vice President
Horizon Bank

By Colleen E Morse
Colleen E Morse

By John K Stewart
John K Stewart, Senior Vice Pres
Horizon Bank

By _____

By _____

By _____

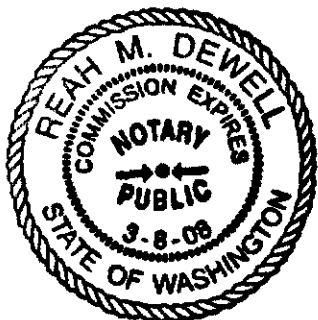
By _____

STATE OF WASHINGTON

COUNTY OF Whatcom

I certify that I know or have satisfactory evidence that **Bryan M Morse and Colleen E Morse** (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 3/21/07



Reahm Dewell

Notary Public in and for the state of

Residing at Bellingham

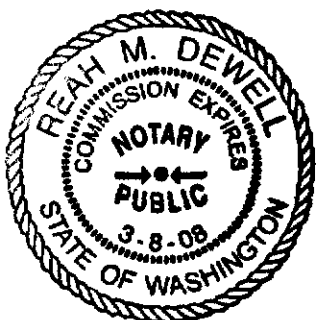
My appointment expires: 03-08-08

STATE OF WASHINGTON

COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that John K Stewart and Dale Oliver are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Assistant Vice President and Asst Vice Pres of Horizon Bank to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

Dated: 3/21/07



Reahm Dewell

Notary Public in and for the state of Washington

Residing at Bellingham

My appointment expires: 03-08-08



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DESCRIPTION:

That portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ and of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, if any, of Section 24, Township 36 North, Range 3 East, W.M., described as follows:

Beginning at a point on the South line of a road conveyed to Skagit County by deed dated April 4, 1949 and recorded November 14, 1956, under Auditor's File No. 544073, which point intersects the East line of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$;

thence Southwesterly along the South line of said road 300 feet to the true point of beginning;

thence South $2^{\circ}49'20''$ East 726 feet;

thence West parallel to the South line of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ to the West line of the East $\frac{1}{2}$ of said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;

thence North along said line to the South line of the County road;

thence Easterly along the South line of the County road to the true point of beginning,

EXCEPT roads,

AND EXCEPT that portion, if any, lying North of the road as the same existed and was referred to in deed from Bloedel Donovan Timber Company dated March 28, 1944, and recorded under Auditor's File No. 372440.

Situate in the County of Skagit, State of Washington.



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