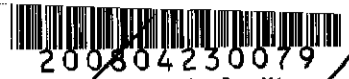




200805020044

Skagit County Auditor

5/2/2008 Page 1 of 2 11:29AM



200804230079

Skagit County Auditor

4/23/2008 Page 1 of 2 11:55AM

After Recording Mail to:

Name Peoples Bank

Address 1801 Riverside Drive

City, State, Zip Mount Vernon WA 98273

Filed for Recording at Request of
LAND TITLE OF SKAGIT COUNTY

128864-P

SUBORDINATION AGREEMENT

re-record to correct AF#.

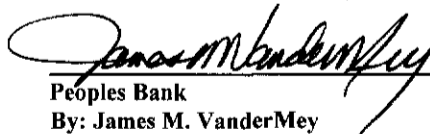
NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OF LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. Peoples Bank referred to herein as "subordinator", is the owner and holder of a mortgage dated March 22, 2007, which is recorded under auditor's file No. 200703260136, records of Skagit County.
2. Peoples Bank referred to herein as "lender", is the owner and holder of a mortgage dated April 22, 2008, executed by Loyd Frazier Enterprises, L.L.C. (which is recorded under auditor's file No. 200804230079, records of Skagit County) (which is to be recorded concurrently herewith).
3. Loyd Frazier Enterprises, L.L.C. referred to herein as "owner", is the owner of all 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 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.

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.

Executed this 22nd day of April, 2008


 Peoples Bank
 By: James M. VanderMey
 Senior Vice President

Owner:

Loyd Frazier Enterprises, L.L.C

By: 

Its: Manager

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) SS
COUNTY OF Skagit)



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

Dated this 22nd day of April, 2008.

By S. Wardell

Print Name S. Wardell

Notary Public in and for the State of Washington

Residing at mount Vernon

My appointment expires 2-21-10

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) SS
COUNTY OF Skagit)



I certify that I know or have satisfactory evidence that Loyd L. Frazier is/are the person(s) who appeared before me, and said person(s) acknowledged that he or she signed this instrument and acknowledged it to be of his or her own free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 22nd day of April, 2008.

By S. Wardell

Print Name S. Wardell

Notary Public in and for the State of Washington

Residing at mount Vernon

My appointment expires 2-21-10



200805020044
Skagit County Auditor