



201001190282

Skagit County Auditor

1/19/2010 Page

1 of

9 3:44PM

Return Address:
1ST SECURITY BANK OF WASHINGTON
PO BOX 97000
LYNNWOOD WA 98046-9700
ATTN: LOAN SERVICING

LAND TITLE OF SKAGIT COUNTY

135323-0

Document Title(s) (for transactions contained therein): 1. SUBORDINATION AGREEMENT 2. 3. 4.
Reference Number(s) of Documents assigned or released: (on page of documents(s)) 200901080047 201001190 281
Grantor(s) 1. JASON AND HOLLY HARRIS 2. 3. 1ST SECURITY BANK OF WASHINGTON 4.
Additional Names on page _____ of document.
Grantee(s) 1. AXIA FINANCIAL LLC 2. 3. 4.
Additional Names on page _____ of document.
Legal Description (abbreviated i.e. lot, block, plat or section, township, range) LOT 10, ROLLING RIDGE EST NO 1
Additional legal is on page _____ of document.
Assessor's Property Tax Parcel/Account Number P68555
The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

**MIRECORDED AT THE REQUEST OF:
AND AFTER RECORDING RETURN TO:**

**1ST SECURITY BANK OF WASHINGTON
P.O. BOX 97000
LYNNWOOD, WA 98046-9700
Attention: Loan Servicing**

**SUBORDINATION AGREEMENT
(Fixture Loans)**

**GRANTOR #1
(Fixture Lender): 1ST SECURITY BANK OF WASHINGTON**

**GRANTOR #2
(Owner of Property): Jason and Holly Harris**

**GRANTEE
(Mortgage Lender): Axia Financial LLC**

**ABBREVIATED
LEGAL DESCRIPTION
(Washington Properties
Only): RANGE 04, SECTION 27, TOWNSHIP 35, ROLLING
RIDGE ESTATES NO.1 LOT 10, RECORD OF SKAGIT
COUNTY, WASHINGTON.**

**ASSESSOR'S TAX
PARCEL ID NUMBER(S)
(Washington Properties
Only): P68555**

**REFERENCE NUMBER(S) 200901080047 (Fixture Filing)
(Washington Properties
Only):**



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 Owner, Fixture Lender and Mortgage Lender agree as follows:

1. **Mortgage Loan.** Axia Financial LLC ("**Mortgage Lender**"), is the owner and holder of a mortgage, deed of trust or trust deed dated January 13, 2010* executed by Jason and Holly Harris (individually and collectively, if more than one, "**Owner**") which is recorded in the real property records of Skagit County, Washington (the "**Mortgage**"), securing repayment of a loan from Mortgage Lender (the "**Mortgage Loan**") in the maximum principal amount of Two Hundred Fifty One Thousand Five Hundred DOLLARS (\$251,500.00). Mortgage and the promissory note and other documents relating to the Mortgage Loan are sometimes hereinafter referred to collectively as the "Mortgage Loan Documents." ***and Recorded under Auditor**
2. **Fixture Loan.** 1st Security Bank of Washington ("**Fixture Lender**") has made a loan to Owner which is secured by the collateral ("**Fixture Collateral**") described in a UCC Fixture Filing which is recorded or filed in the real property records of Skagit County, Washington under Recording No. 200901080047 (the "**Fixture Filing**").
File Number 201001190282
3. **Property.** Owner is the sole owner of the Fixtures and the real property described in the Mortgage and the Fixture Filing, which real property is identified by abbreviated legal description and parcel ID on the front page of this Agreement (the "**Property**").
4. **Subordination of Fixture Filing.** Fixture Lender agrees, for the benefit of Mortgage Lender, that: (i) its security interest in the Fixtures that are the subject of the Fixture Filing is subject and subordinate to the lien of the Mortgage and all other rights under the Mortgage Loan Documents and all advances or charges made or accruing thereunder, including any and all extensions, modifications (other than those prohibited by Section 5 below) and renewals thereof, additional advances thereunder to preserve and protect the collateral or to cure defaults under the Mortgage Loan Documents (whether or not Mortgage Lender is obligated or committed to make such advances) and capitalization of interest, costs and fees in connection with any of the foregoing; and (ii) Fixture Lender claims no interest in the Property other than the security interest in Fixtures which is created by the Fixture Filing.
5. **Prohibited Modifications of Mortgage Loan.** Mortgage Lender and Owner agree that without the consent of Fixture Lender, which may be granted or

1st Security Bank Fixture Loan Subordination Agreement
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withheld in the sole discretion of Fixture Lender, they will not modify the Mortgage Loan Documents so as to: (i) shorten the maturity date of the Mortgage Loan; (ii) cross-default the Mortgage Loan with any other indebtedness of Owner; (iii) increase the interest rate on the Mortgage Loan (other than increases which are contemplated by the Mortgage Loan Documents as they exist today; or (iv) increase the principal amount of the Mortgage Loan.

6. Acknowledgments of Fixture Lender. Fixture Lender acknowledges that, prior to the execution thereof, it has had the opportunity to examine the terms of the Mortgage and the Mortgage Loan Documents and consents to the same. Fixture Lender further acknowledges that Mortgage Lender has no obligation to Fixture Lender to advance any funds under the Mortgage or to see to the application of Mortgage Lender's loan funds, and any application or use of such funds for purposes other than those provided for in the Mortgage or any of the other Mortgage Loan Documents shall not defeat the subordination herein made in whole or in part. It is understood by the parties hereto that Mortgage Lender would not make the Mortgage Loan without this Agreement.

7. Actions by Mortgage Lender; Fixture Lender's Waivers. Mortgage Lender, without the consent of or notice to Fixture Lender, may release any or all parties liable for any obligation secured by the Mortgage Loan Documents, and release any or all security for the obligations secured by the Mortgage, all without affecting the subordination of the Fixture Filing. Fixture Lender waives any right to require marshaling of assets or to require Mortgage Lender to proceed against or exhaust any specific security for the obligations secured by the Mortgage, and waives any defense arising out of the loss or impairment of any right of subrogation to the lien of the Mortgage. With the exception of modifications prohibited by Section 5 above, Mortgage Lender and Owner may freely enter into extensions, modifications and renewals of the Mortgage Loan Documents without notice to or consent of the Fixture Lender and no such modification, extension or renewal shall defeat the subordination made in this Agreement in whole or in part.

8. Notice and Opportunity to Cure Defaults on Mortgage Loan. Mortgage Lender agrees to give Fixture Lender notice of any defaults under the Mortgage Loan Documents and the right to cure such defaults during the time period which is given to Owner under the Mortgage Loan Documents.

9. Entire Agreement. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination granted herein and shall supersede and cancel any prior agreements as to such subordination.

10. Successors and Assigns. The heirs, administrators, assigns and successors in interest of the parties hereto shall be bound by this agreement.



6920 **Notices.** All notices, demands or other communications to be given or sent pursuant to this agreement shall be delivered personally or by reputable overnight courier service, and shall be deemed given when actually received or rejected by the intended recipient.

If to Fixture Lender: 1st Security Bank of Washington
6920 220th Street SW
Mountlake Terrace, WA 98043
Attention: Loan Servicing

If to Mortgage Lender: Axia Financial LLC
400 112th AVE NE, Suite 120
Bellevue, WA 98004

If to Owner: Jason and Holly Harris
10196 Ridge PL
Sedro Woolley, WA 98284

Any party may change the address to which notices are to be sent to it by written notice to the other parties in the manner aforesaid.

12. **Governing Law; Attorneys Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located. The prevailing party shall be entitled to its reasonable attorneys fees and all other costs and expenses in any action to enforce or interpret this Agreement.

[Signatures Appear on Following Page]



DATED as of the 08th day of January, 2010 .

**FIXTURE
LENDER:**

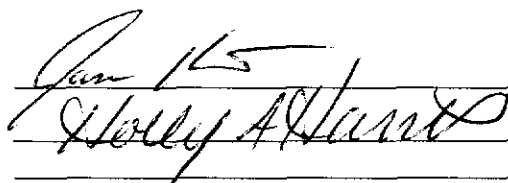
**1ST SECURITY BANK OF
WASHINGTON**

By: 

Name: Cassie Rice-Hoff

Title: Credit Analyst

OWNER:



**MORTGAGE
LENDER:**

By: _____

Name: _____

Title: _____



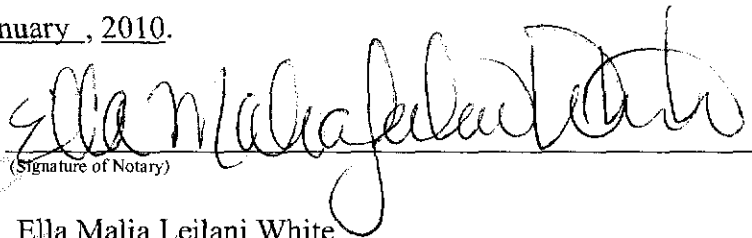
STATE OF Washington

SS.

COUNTY OF Snohomish

I certify that I know or have satisfactory evidence that Cassie Rice-Hoff is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Credit Analyst of 1ST SECURITY BANK OF WASHINGTON to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 08th day of January, 2010.



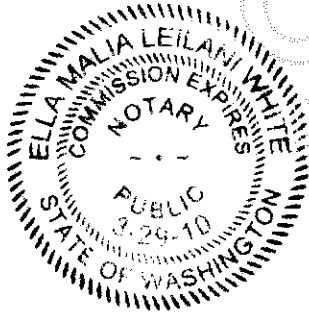
(Signature of Notary)

Ella Malia Leilani White

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at King County

My appointment expires March 29th, 2010

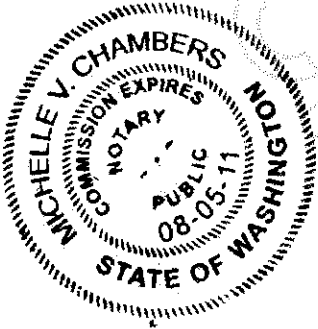


STATE OF WA |
COUNTY OF King | ss.

I certify that I know or have satisfactory evidence that Jason Harris is the person who appeared before me, and said person acknowledged that said individual signed this instrument and acknowledged to be his or her free and voluntary act and deed for the uses and purposes mentioned in the instrument.

DATED this 13 day of Jan, 2010

[Signature]
(Signature of Notary)



Michelle Chambers
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at Seattle

My appointment expires 8/5/11

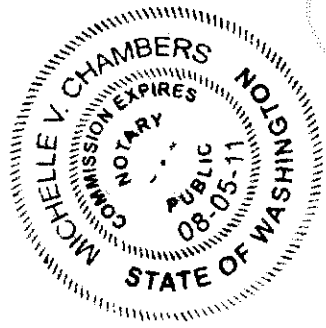


STATE OF WA |
COUNTY OF King | SS.

I certify that I know or have satisfactory evidence that Holly Harris is the person who appeared before me, and said person acknowledged that said individual signed this instrument and acknowledged to be his or her free and voluntary act and deed for the uses and purposes mentioned in the instrument.

DATED this 13 day of Jan, 2010.

[Signature]
(Signature of Notary)



Michelle Chambers
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at Seattle

My appointment expires 8.5.11

