

WHEN RECORDED RETURN TO:

Name: Qualstar Credit Union
Address: PO Box 96730
City, State, Zip: Bellevue, WA 98009



201007080064
Skagit County Auditor

7/8/2010 Page 1 of 2 3:26PM

SUBORDINATION AGREEMENT **GUARDIAN NORTHWEST TITLE CO.**
99861-2

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. Qualstar Credit Union referred to herein as "subordinator", is the owner and holder of a mortgage dated May 19, 2005, which is recorded in volume _____ of Mortgages, page _____ under auditor's file 20050520250 records of Skagit County. The mortgage note is for \$58,400.00.
200505270250

2. Qualstar Credit Union referred to herein as "lender" is the owner and holder of the mortgage dated _____ executed by Todd D. Peterson and Karen L. Peterson, which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 201007080063 records of Skagit County (which is to be recorded concurrently herewith).

3. Todd D. Peterson and Karen L. Peterson, 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 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 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 22ND day of JUNE, 2010

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.

Stephen F. Webster
Stephen Webster

Todd D. Peterson
Todd D. Peterson
Karen L. Peterson
Karen L. Peterson

STATE OF WASHINGTON ss:
COUNTY OF King

I certify that I know or have satisfactory evidence that Stephen Webster is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that was authorized to execute the instrument and acknowledged it as **VP Lending** of Qualstar Credit Union to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 22, 2010

Karisma S King
Notary Public

Printed Name: KARISMA S KING

My appointment expires: 9/22/12



A-7 -Representation Capacity

STATE OF WASHINGTON ss:
COUNTY OF Skagit

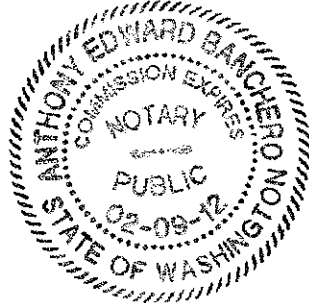
On this 2nd day of July, 2010, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared Todd D. Peterson and Karen L. Peterson known to me to be the individual(s) described in and who executed the within instrument and acknowledged that **they** signed and sealed the same as **their** free and voluntary act and deed, for the uses and purposes herein mentioned.

Dated: 7/2/2010

Anthony Edward Banchem
Notary Public

Printed Name: Anthony Edward Banchem

My appointment expires: 2/9/2012



A-7 -Individual Capacity



201007080064
Skagit County Auditor