

When recorded return to:

SALAL CREDIT UNION
PO BOX 19340
SEATTLE, WA 98109-1340



201007120096
Skagit County Auditor

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GUARDIAN NORTHWEST TITLE CO.
SUBORDINATION AGREEMENT

99736-2

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 agrees as follows:

1. North Coast Credit Union, referred to herein as "subordinator," is the owner and holder of a Deed of Trust dated May 2, 2008, which is recorded under auditor's file No. 200805080052, records of Skagit County, Washington.
2. Salal Credit Union, referred to herein as "lender," is the owner and holder of a mortgage dated July 9, 2010 executed by First American Title Insurance Company, which is recorded under auditor's file No. 201007120095, records of Skagit County, Washington in the amount of \$ 403,000.00, which is to be recorded concurrently herewith.
3. William Thompson and Jennifer Evans Thompson, referred to herein as "owner", is the owner of all the real property known as 18095 Fox Hollow Lane, Bow, WA 98232, described in the mortgage identified above in paragraph 2, and for which the legal description is

SEE SCHEDULE "C" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THEREOF

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.

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 HIS/HER/THEIR ATTORNEYS WITH RESPECT THERETO.

Dated: 6-30-2010

Marilyn Brink
Senior Vice President

STATE OF Washington
COUNTY OF Whatcom ss.

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

Dated: 6-30-2010



Notary signature: Christian N. Jangard
Notary name printed or typed: Christian N Jangard
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: 2-3-2011

STATE OF
COUNTY OF _____ ss.

I certify that I know or have satisfactory evidence that _____ is the person(s) who appeared before me, and said person(s) acknowledged that s/he signed this instrument, on oath stated that s/he is authorized to execute the instrument and acknowledge it as the _____ of _____ to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated:

Notary signature: _____
Notary name printed or typed: _____
Notary Public in and for the State of _____
Residing at _____
My appointment expires: _____



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Schedule "C"
Legal Description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

PARCEL "A":

Lot 4, Short Plat No. PL00-0345, approved November 13, 2001, and recorded under Auditor's File No. 200111130172, and being a portion of the Northwest $\frac{1}{4}$ of Section 19, Township 36 North, Range 4 East, W.M.;

EXCEPT therefrom, Tract B, Tract C, and the following described tract:

The open space future development (East) portion as designated on the face of said Short Plat;

AND EXCEPT a strip of land 8.54 feet wide lying Easterly of, adjacent to, contiguous with the East line, and between the Easterly extensions of the North and South lines of the Buildable Area of said Lot 4.

PARCEL "B":

A non-exclusive easement for ingress, egress and utilities over, under, across and through Fox Hollow Lane, as contained in that certain easement recorded September 15, 2000, under Auditor's File No. 200009150024, records of Skagit County, Washington.

And a non-exclusive easement for ingress, egress and utilities over, under, across and through those certain 60 foot wide strips of land as described on Exhibit's C-1, C-2, C-3 and C-4 in that certain Easement Grant recorded November 26, 2001, under Auditor's File No. 200111260264, records of Skagit County, Washington.



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