



201009270055
Skagit County Auditor

9/27/2010 Page 1 of 2 9:37AM

Page 1 of 2

After Recording Mail to:

Peoples Bank
PO Box 233
Lynden WA 98264

Filed for Recording at Request of: **Peoples Bank.**

LAND TITLE OF SKAGIT COUNTY

137,254.0

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 OF LATER SECURITY INSTRUMENT.

the undersigned subordinator and owner agree as follows:

1. **Peoples Bank, A Washington Corporation** referred to herein as "subordinator", is the owner and holder of a Deed of Trust dated September 29, 2008 which was recorded on October 1, 2008 under auditors file No 200810010049 records of Skagit County.
2. **The Bank of the Pacific** referred to herein as "lender", is the owner and holder of a Deed of Trust dated 9/22/2010, executed by Jennifer A. Ross, an unmarried individual, and Lucia C. Muller, an unmarried individual, as joint tenants with Right of Survivorship, and not as tenants in common or community property, which is recorded under auditor's file No 201009270054 records of Skagit County (which is to be recorded concurrently herewith).
3. **Jennifer A. Ross, an unmarried individual, and Lucia C. Muller, an unmarried individual, as joint tenants with Right of Survivorship, and not as tenants in common or community property** 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 occurring thereunder, including any extension or renewal thereof.
5. "Subordinator" acknowledge 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 in the amount of \$102,000.00 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 mortgagee 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 ad "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 22nd day of September, 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.

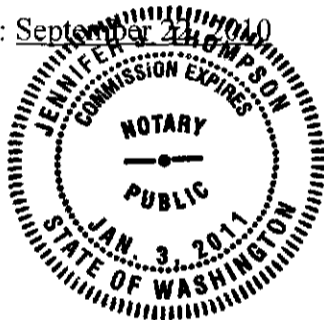
Peoples Bank

x Jennifer Covey
Jennifer Covey, Assistant Vice President/Branch Manager

STATE OF WASHINGTON, COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Jennifer Covey signed this instrument, on oath stated that she is authorized to execute this instrument and acknowledged it as the Assistant Vice President/Branch Manger of Peoples Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: September 24, 2010



Jennifer Thompson
Notary Public in and for the State of Washington
Residing at: MA Vernier
My commission expires: 1/3/2011



201009270055
Skagit County Auditor