



201010280018
Skagit County Auditor

10/28/2010 Page 1 of 6 10:15AM

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DOCUMENT TITLE(S): SUBORDINATION AGREEMENT
AUDITOR FILE NUMBER & VOL. & PG. NUMBERS OF DOCUMENT(S) BEING ASSIGNED OR RELEASED: 200610180108 201009080027 Additional reference numbers can be found on page _____ of document.
GRANTOR(S): BANK OF AMERICA NA Marshall J. Mahala & Cheryl A Mahala Additional grantor(s) can be found on page _____ of document.
GRANTEE(S): BANK OF AMERICA NA Additional grantee(s) can be found on page _____ of document.
ABBREVIATED LEGAL DESCRIPTION: (Lot, block, plat name OR; qtr/qtr, section, township and range OR; unit, building and condo name.) LT 123 EAGLEMONT PHASE 1B DIV 3 PLAT 200410250250 Additional legal(s) can be found on page _____ of document.
ASSESSOR'S 16-DIGIT PARCEL NUMBER: P122225 Additional numbers can be found on page _____ of document.

The Auditor/Recorder will rely on the information provided on this form. The responsibility for the accuracy of the indexing information is that of the document preparer.

SUBORDINATION AGREEMENT

Recording Requested By & Return To ⁽⁶⁾
Chicago Title ServiceLink Division
4000 Industrial Blvd
Aliquippa, PA 15001 2354742

SPACE ABOVE FOR RECORDERS USE

ESCRUW/CLDSING#. 2203/0601

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.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this Ninth day of August, 2010, by **MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, Inc. ("MERS")** as nominee for Peoples Bank its successors and/or its assigns to **BANK OF AMERICA, N.A., its successor merger to Countrywide Bank F.S.B. ("Subordinated Lienholder")**, with a place of business at **P.O. BOX 2026, FLINT, MI 48501-2026.**

WHEREAS, **MARSHALL J MAHALA** and **CHERYL A MAHALA** executed and delivered to Subordinated Lienholder, a Deed of Trust/Mortgage (the "**Existing and Continuing Security Instrument**") in the sum of \$102990.00 dated 10/11/2006, and recorded in Book Volume N/A, Page N/A, as Instrument No. 200610180108, in the records of SKAGIT County, State of WA, as security for a loan (the "**Existing and Continuing Loan**"), which Existing and Continuing Security Instrument is a



201010280018
Skagit County Auditor

valid and existing lien on the real property located at 4722 PARKVIEW LANE, MOUNT VERNON, WA 98274 and further described on Exhibit "A," attached.

WHEREAS, MARSHALL J MAHALA and CHERYL A MAHALA ("**Borrower**") executed and delivered to **Bank of America, N.A. ("Lender")**, a deed of trust/mortgage in the principal amount not to exceed \$417000.00, which deed of trust/mortgage (the "**New Security Instrument**") is intended to be recorded herewith in the records of SKAGIT County, State of WA as security for a loan (the "**New Loan**"); *Recorded 9/8/10 Inst 201009080027*

WHEREAS, it is a condition precedent to obtaining the New Loan that the lien of the New Loan shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien of the Existing and Continuing Loan; and

WHEREAS, Lender is willing to make said loan provided the lien securing the New Loan is a lien or charge upon the described property prior and superior to the lien of the Existing and Continuing Loan and provided that Subordinating Lender will specifically and unconditionally subordinate the lien of the Existing and Continuing Loan to the lien of the New Loan; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such a loan to Borrower; and Subordinating Lender is willing that the lien securing the New Loan shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien securing the Existing and Continuing Loan.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the New Security Instrument, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the Existing and Continuing Security Instrument.
- (2) That Lender would not make the New Loan without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the Existing and Continuing Security Instrument to the New Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the security instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Existing and Continuing Security Instrument above mentioned, which provide for the subordination of the lien to another security instrument, deed of trust or mortgage.

Subordinating Lender declares, agrees and acknowledges that

- (a) It consents to and approves (i) all provision of the note and New Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Borrower and Lender for the disbursement of the proceeds of the New Loan;
- (b) Lender making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such



201010280018
Skagit County Auditor

proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and

(c) It intentionally and unconditionally waives, relinquishes and subordinates the lien of the Existing and Continuing Security Instrument in favor of the lien or charge upon said land of the New Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquish and subordinate specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOW 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.

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, Inc. ("MERS") as nominee for Peoples Bank its successors and/or its assigns to BANK OF AMERICA, N.A., its successor merger to Countrywide Bank F.S.B.



John Jeffrey Seig, Vice President



201010280018

Skagit County Auditor

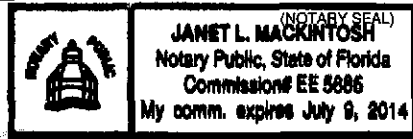
ALL PURPOSE ACKNOWLEDGMENT

STATE OF Florida)
COUNTY OF Hillsborough)

On 08/09/2010 before me Janet Mackintosh (notary) personally appeared **John Jeffrey Seig, Vice President**, of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, Inc. ("MERS") as nominee for Peoples Bank its successors and/or its assigns to BANK OF AMERICA, N.A., its successor merger to Countrywide Bank F.S.B. personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Janet L. Mackintosh



ATTENTION NOTARY:

Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT

Title of Document Type Subordination
Number of Pages 4 Date of Document 8-9-2010
Signer(s) Other Than Named Above _____



201010280018
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Exhibit "A" Legal Description

All that certain parcel of land situated in County of SKAGIT, State of WASHINGTON, being known and designated as follows:

LOT 123, PLAT OF EAGLEMONT, PHASE 1B, DIVISION 3, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 25, 2004, UNDER AUDITOR'S FILE NO. 200410250250, RECORDS OF SKAGIT COUNTY, WASHINGTON.

Being the same property as conveyed from CHAFFEY NORTH, LLC, A WASHINGTON LIMITED LIABILITY COMPANY to MARSHALL J. MAHALA AND CHERYL A. MAHALA, HUSBAND AND WIFE as described in Statutory Warranty Deed, Dated 10/16/2006, Recorded 10/18/2006, in Official Records Document No. 200610180106.

Tax ID: P122225



201010280018
Skagit County Auditor

10/28/2010 Page 6 of 6 10:15AM