

When recorded return to:

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



201211050150
Skagit County Auditor

11/5/2012 Page 1 of 3 1:42PM

SUBORDINATION AGREEMENT

GUARDIAN NORTHWEST TITLE CO.

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. Salal Credit Union formally known as Group Health Credit Union, referred to herein as "subordinator," is the owner and holder of a mortgage dated 10/27/2010, which is recorded under auditor's file No. 201010270044, records of Skagit County, Washington in the original principal sum of \$12897.22.
2. Banner Bank, referred to herein as "lender," is the owner and holder of a mortgage dated Oct. 29, 2012 executed by Jeffery J. Kainz and Teresa E. Kainz, which is recorded under auditor's file No. 201211050149, records of Skagit County, Washington in the amount of \$ 279,000.00, which is to be recorded concurrently herewith. This mortgage has an interest rate of 4.125 %.
3. Jeffery Kainz, referred to herein as "owner", is the owner of all the real property known as 18065 Skagit City Rd, Mount Vernon, Wa. 98272, described in the mortgage identified above in paragraph 2, and for which the legal description is TAX 2: DK 22: THAT PORTION OF GOVERNMENT LOT 6, SECTION 36, TOWNSHIP 34 NORTH, RANGE 3 EAST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE EAST 2 1/2 ACRES OF SAID LOT 6; THENCE NORTH 3 DEGREES 51' EAST ALONG AN EXISTING FENCE LINE AND ALONG THE WEST BOUNDARY LINE OF THE EAST 2 1/2 ACRES OF SAID LOT 6, A DISTANCE OF 147.81 FEET; THENCE NORTH 88 DEGREES 05' WEST ALONG AN EXISTING FENCE LINE A DISTANCE OF 159.25 FEET; THENCE SOUTH 0 DEGREES 57' WEST ALONG AN EXISTING FENCE LINE A DISTANCE OF 162.41 FEET TO THE SOUTH LINE OF SAID LOT 6; THENCE NORTH 86 DEGREES 24' EAST ALONG AN EXISTING FENCE LINE AND ALONG THE SOUTH LINE OF SAID LOT 6, A DISTANCE OF 152.22 FEET TO THE TRUE POINT OF BEGINNING..
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 there under, 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:

Orma Sathar

10/16/12

Consumer Loan Underwriter

STATE OF Washington

ss.

COUNTY OF

I certify that I know or have satisfactory evidence that _____ (is/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:

Notary name printed or typed:

Notary Public in and for the State of

Residing at

My appointment expires:

STATE OF WASHINGTON

ss.

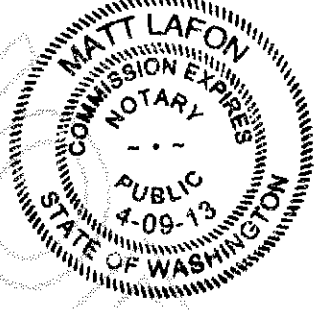
COUNTY OF KING

I certify that I know or have satisfactory evidence that NORMAN CALHOUN 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 CONSUMER LOAN UNDERWRITER of SALAL CREDIT UNION to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.



Dated: 10-16-12

[Handwritten Signature]



Notary name printed or typed: MATT LAFON
Notary Public in and for the State of WASHINGTON
Residing at 1515 DEXTER AVE N, SEATTLE 98109
My appointment expires: 4-9-13

UNOFFICIAL DOCUMENT

