

UNRECORDED

10

SKAGIT KATHY HILL

98 JUL 23 P3:51

RECORDED FILED REQUEST OF


AFTER RECORDING MAIL TO:

Name Skagit State Bank
Address P O Box 36
City/State Anacortes, Wa., 98221

9807230153

SA-1754/ Island Title **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 OR LATER SECURITY INSTRUMENT.



First American Title Insurance Company

(this space for title company use only)

The undersigned subordinator and owner agrees as follows:

1. Skagit State Bank referred to herein as "subordinator", is the owner and holder of a mortgage dated May 31, 19 95, which is recorded in volume 1444 of Mortgages, page 0084, under auditor's file No. 9505310097, records of Skagit County.

2. **CLS FINANCIAL SERVICES, INC., A WA Corporation**
Wichita / Wichita Bank referred to herein as "lender", is the owner and holder of a mortgage dated July 10 19 98, executed by **NIKOLA B MAVAR, ALSO KNOWN OF RECORD AS WICK MAVAR, AND MAUREEN P MAVAR, husband & wife** (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. **9807230152**, records of **SKAGIT** County) (which is to be recorded concurrently herewith).

3. Nikola B. Mavar and Maureen P. Mavar referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.

Assessor's Property Tax Parcel/Account Number(s): 4486-000-009-0006

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 of 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 there after 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 9th day of July, 1998

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.

Steven P. Henery
 Steven P. Henery, Sr. Vice President
 Skagit State Bank

STATE OF WASHINGTON. } SS.

ACKNOWLEDGMENT - Individual

County of _____

On this day personally appeared before me _____

_____ to me known

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that _____ signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 19____.

Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

STATE OF WASHINGTON. } SS.

ACKNOWLEDGMENT - Corporate

County of Skagit

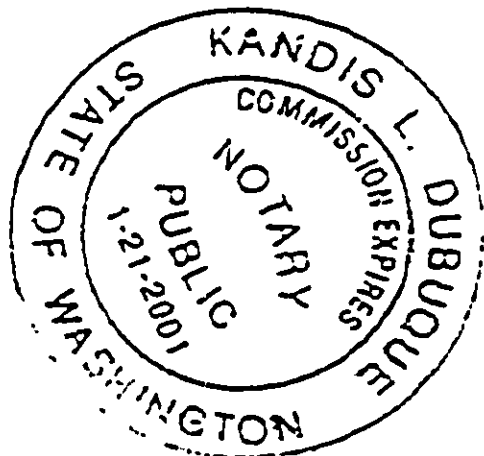
On this 9th day of July, 1998, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven P. Henry

_____ and _____ to me known to be the

Se. Vice President and _____ Secretary, respectively, of Skagit State Bank

_____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation

Witness my hand and official seal hereto affixed the day and year first above written.



Kandis L. Dubuque

Notary Public in and for the State of Washington,
residing at Anacortes

My appointment expires 1-21-01

Kandis L. Dubuque

This jurat is page _____ of _____ and is attached to _____ dated _____

9807230153 BK1845PG0091