

After Recording Mail to:

Name Peoples Bank

Address 4182 Meridian St 2nd Floor

City, State, Zip Bellingham, Wa 98226

SK

'98 DEC 22 A9:24

Filed for Recording at Request of

9812220011

LAND TITLE COMPANY OF SKAGIT COUNTY

P:87223-E

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 agrees as follows:

1. Peoples Bank referred to herein as "subordinator", is the owner and holder of a mortgage dated October 10, 1997, which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 9710140049, records of Skagit County.
2. Peoples Bank referred to herein as "lender", is the owner and holder of a mortgage dated December 15, 1998, executed by Michael S Jones and Kathryn L Jones - (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 9812210196, records of Skagit County) (which is to be recorded concurrently herewith).
3. Michael S Jones and Kathryn L Jones 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 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 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 as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 17th day of December, 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.

Kathryn L Jones
Michael S Jones

STATE OF WASHINGTON
COUNTY OF Skagit

On this day personally appeared before me

Michael S Jones & Kathryn L Jones

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

GIVEN under my hand and official seal this

17th day of December, 1998

Candace M. Taylor
Notary Public in and for the State of Washington
residing at Mount Vernon

Candace M. Taylor
Exp 01/01/01

STATE OF WASHINGTON
COUNTY OF _____

On this _____ day of _____, 19

before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____

and _____
to me known to be the _____ President and _____ Secretary, respectively of _____

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

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

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

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