

WHEN RECORDED RETURN TO  
MICHAEL K. MCKERNAN  
4000 E. MADISON STREET, SUITE 200  
SEATTLE, WA 98112



199911010046

Kathy Hill, Skagit County Auditor  
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## CHICAGO TITLE INSURANCE COMPANY

ISLAND TITLE CO.

000519412

### 56-14877 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.**

The undersigned subordinator and owner agrees as follows:

1. MICHAEL K. MCKERNAN AND BARBARA F. MCKERNAN, HUSBAND AND WIFE referred to herein as "subordinator", is the owner and holder of a mortgage dated OCTOBER 25, 1999 which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 199911010045, records of SKAGIT County.

2. CLIFFORD E. BREUM AND MARVEL T. BREUM, HUSBAND AND WIFE referred to herein as "lender", is the owner and holder of a mortgage dated OCTOBER 22, 1999 executed by JOHN E. MATUSAK AND TAMMY L. MATUSAK, HUSBAND AND WIFE (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 199911010044, records of SKAGIT County) (which is to be recorded concurrently herewith).

3. JOHN E. MATUSAK AND TAMMY L. MATUSAK, HUSBAND AND WIFE referred to herein as "owner", is the owner of all the 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 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 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 25TH day of OCTOBER 1999

**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.**

Michael K. McKernan  
MICHAEL K. MCKERNAN

Tax Account Number: 3939-001-141-0008

Barbara F. McKernan  
BARBARA F. MCKERNAN

SEE NEXT PAGE

# CHICAGO TITLE INSURANCE COMPANY

## SUBORDINATION AGREEMENT (continued)

000519412

STATE OF WASHINGTON  
COUNTY OF KING

SS

ON THIS 25 DAY OF October, 1999, BEFORE ME, THE  
UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, DULY  
COMMISSIONED AND SWORN, PERSONALLY APPEARED MICHAEL K. MCKERNAN AND BARBARA  
F. MCKERNAN KNOWN TO ME TO BE THE INDIVIDUAL(S) DESCRIBED IN AND WHO  
EXECUTED THE WITHIN INSTRUMENT AND ACKNOWLEDGED THAT THEY SIGNED AND SEALED  
THE SAME AS THEIR FREE AND VOLUNTARY ACT AND DEED, FOR THE USES AND  
PURPOSES HEREIN MENTIONED.

[Signature]  
NOTARY SIGNATURE

PRINTED NAME:

Susan D Stevens

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT

Seattle

MY COMMISSION EXPIRES ON

5-11-01

SUSAN D. STEVENS  
STATE OF WASHINGTON  
NOTARY---PUBLIC  
MY COMMISSION EXPIRES 5-11-01



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