



200106120051
Skagit County Auditor

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Return Address:

LAND TITLE COMPANY OF SKAGIT COUNTY P-96779

Document Title(s) (or transactions contained therein):

- | | | |
|----|-------------------------|----|
| 1. | Subordination Agreement | 3. |
| 2. | | 4. |

Reference Number(s) of Documents assigned or released:

8712180051
200106070109 and 200106070111
on page of _____ of document

Grantor(s) (Last name, First, Middle Initial)

- | | |
|----|---|
| 1. | FELLMAN, DOROTHY F |
| 2. | |
| 3. | |
| 4. | _____ Additional names on page _____ of document. |

Grantee(s) (Last name, First, Middle Initial)

- | | |
|----|---|
| 1. | PEOPLES BANK |
| 2. | |
| 3. | |
| 4. | _____ Additional names on page _____ of document. |

Legal description: (Lot, block, plat name, section-township-range)

*Lot #2 Riverside Business
Park in 17-34-4*

_____ Additional legal is on page _____ of document.

Assessor's Property Tax Parcel Account Number(s):

340417-0-078-0004

After Recording Mail to:

Name: Peoples Bank
Address: 1801 Riverside Dr.
City, State, Zip: Mount Vernon, WA 98273

Filed for Recording at Request of: **Peoples Bank**

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. DOROTHY F. FELLMAN Referred to herein as "subordinator", is the owner and holder of a ^{Deed of Trust} mortgage dated 12/11/97, which is recorded in volume _____ of Mortgages, page _____, under auditors file No. 9712190051, records of Skagit County.
2. Peoples Bank referred to herein as "lender", is the owner and holder of a ^{Two Deeds of Trust} mortgage dated 5/22/01, executed by * See Below (which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200106070109 & 200106070111, records of Skagit County) (which is to recorded concurrently

herewith). Gallagher Family

3. Revocable InterVivos Trust 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 occurring thereunder, including any extension or renewal thereof.

5. "Subordinator" acknowledge 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 mortgagee 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 ad "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 7th day of June 2001. 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.

*Bruce Gallagher and Carol J. Gallagher, Trustees of the Gallagher Family Revocable Inter Vivos Trust.

By: Dorothy H Fellman

STATE OF WASHINGTON }
COUNTY OF SKAGIT } SS.

On this 7th day of June 2001, before me, the undersigned Notary Public, and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____ the corporation _____ 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 he is authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Mary A. Anderson
Notary Public in and for the State of Washington
residing at Mount Vernon.

My appointment expires: 4-30-03



200106120051
Skagit County Auditor

STATE OF WASHINGTON, }

ss.

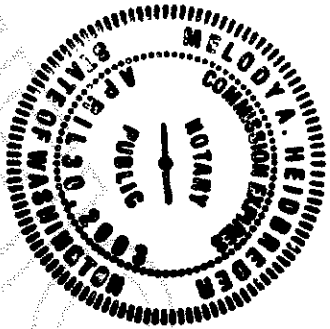
County of Skagit

On this day personally appeared before me Dorothy F Fellman

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

GIVEN under my hand and official seal this 7th day of June , 18 2001

ACKNOWLEDGEMENT, INDIVIDUAL

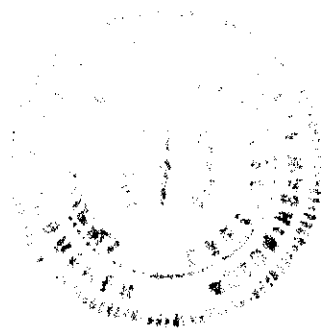


Melody A. Heidbrecken
Notary Public in and for the State of Washington
residing at Mount Vernon



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Skagit County Auditor

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UNOFFICIAL DOCUMENT