

After Recording Mail to:

Name Peoples Bank

Address PO Box 233

City, State, Zip Lynden, WA 98264



200211050009

Skagit County Auditor

11/5/2002 Page 1 of 1 8:49AM

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

LAND TITLE COMPANY OF SKAGIT COUNTY

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 **DEED OF TRUST** dated **February 27, 2002**, which was recorded on **March 1, 2002** in volume _____ of mortgages, page _____ under auditors file No. **200203010009**, records of **Skagit** County.
2. **PEOPLES BANK** referred to herein as "lender", is the owner and holder of a Deed of Trust dated **October 30, 2002**, executed by **Robert L. and Karla K. Shepherd, husband and wife** (which is recorded under auditor's file No. **20021105 0008**, records of **Skagit** County) (which is to recorded concurrently herewith).
3. by **Robert L. and Karla K. Shepherd, husband and wife**, 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 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 ad "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 11th day of October, 2002

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.

X Jena Sewell
Jena Sewell

STATE OF WASHINGTON, COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that Jena Sewell is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Consumer Loan Manager, of Peoples Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 11th day of _____, 2002

Lebra J. Doe
(Signature of Notary)

Notary Public in and for the State of WASHINGTON
residing at Lynden

