

RECORDING REQUESTED BY:

PLACER TITLE COMPANY

AND WHEN RECORDED MAIL TO:

CITIFINANCIAL

740 S BURLINGTON BLVD

BURLINGTON, WA. 98233



200312010170

Skagit County Auditor

12/1/2003 Page

1 of

2 11:22AM

ESCROW NO.: 17-76647

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FIRST AMERICAN TITLE CO.

## 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.

THIS AGREEMENT, made this 18<sup>th</sup> day of NOVEMBER 2003, by JIMMY D. SMITH AND KATHY M. SMITH, husband and wife owner of the land hereinafter described and hereinafter referred to as "Owner," and CITIFINANCIAL, INC. present owner and holder of the Deed of Trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

### WITNESSETH:

THAT, WHEREAS, JIMMY D. SMITH AND KATHY M. SMITH, husband and wife did execute a Deed of Trust dated APRIL 8, 2003, to LAND TITLE CO., as trustee, covering:

Lots 6, 7 and the East 1/2 of Lot 8, Block 232, "MAP OF THE CITY OF ANACORTES", as per plat recorded in Volume 2 of Plats, pages 4 through 7. (Also known as Lot B of Survey recorded in Volume 11 of Surveys, page 55.)

A.P.N. 3772-232-008-0000

to secure a note in the sum of \$15,412.09, dated APRIL 8, 2003, in favor of CITIFINANCIAL, INC., which Deed of Trust was recorded APRIL 9, 2003 in Book N/A, Page N/A, Instrument no. 200304090250, Official Records of said County; and

WHEREAS, Owner has executed, or is about to execute, a Deed of Trust and Note in the sum of \$94,500.00, dated 11-21-2003, in favor of NATIONAL CITY MORTGAGE, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Deed of Trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said Deed of Trust last above-mentioned shall be a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Deed of Trust first above-mentioned; and

WHEREAS, Lender is willing to make said loan provided the Deed of Trust securing the same is a lien or charge upon the above-described property prior and superior to the lien or charge of the Deed of Trust first above-mentioned and provided that Beneficiary will specifically subordinate the lien or charge of the Deed of Trust first above-mentioned to the lien or charge of the Deed of Trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Deed of Trust securing the same shall, when recorded, constitute a lien or charge upon said land which is prior and superior to the lien or charge of the Deed of Trust first above-mentioned.

NOW, THEREFORE in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above-referred to, it is hereby declared, understood and agreed as follows:

(1) That said Deed of Trust securing said note in favor of Lender, shall be a lien or charge on the property therein described, prior and superior to the lien or charge of the Deed of Trust first above-mentioned;

(2) That Lender would not make its loan above-described without this subordination agreement; and

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Deed of Trust first above-mentioned to the lien or charge of the Deed of Trust in favor of Lender above-referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Deed of Trust first above-mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees, and acknowledges that:

(a) Lender, in making disbursements pursuant to any such agreement, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(b) He intentionally subordinates the lien or charge of the Deed of Trust first above-mentioned in favor of the lien or charge upon said land of the Deed of Trust in favor of Lender above-referred to, and understands that in reliance upon, and in consideration of this, subordination, specific loans and advances are being and will be made, and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this subordination; and

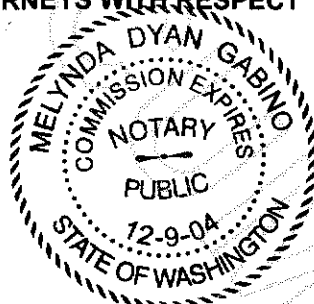
**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN; A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. BENEFICIARY:**

BY: Heather M. Carlson, Dr. Mgr. Authorized Signer  
CitiFinancial, Inc.

**IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.**

(CLTA Subordination form "A")

STATE OF Washington )  
COUNTY OF Skagit )ss.



On November 18th, 2003, before me, the undersigned notary public, personally appeared Heather M. Carlson personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person (s) person(s) acted/ executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]

