



200312180133  
Skagit County Auditor

12/18/2003 Page 1 of 7 3:46PM

200309240119  
Skagit County Auditor

9/24/2003 Page 1 of 6 3:25PM

Recording requested by and  
when recorded return to:

CONSUMER LOAN RECORDS CENTER  
1170 SILVER RD  
HOUSTON, TX 77055  
ATTN: MAILSTOP: CLRVLTTX

Re-record to correct auditors #



LAND TITLE OF SKAGIT COUNTY

LAND TITLE COMPANY: F SKAGIT COUNTY

# **SUBORDINATION AGREEMENT**

109111 PE

Loan Number: 01-0103-  
002563139-1

**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 day of September, 2003, by HAROLD H KLUG AND D ROBIN KLUG, HUSBAND AND WIFE, owner of the land hereinafter described and hereinafter referred to as "Owner", and WASHINGTON MUTUAL BANK, present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

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WITNESSETH

THAT WHEREAS, HAROLD H KLUG AND D ROBIN KLUG, as Grantor, did execute a Security Instrument, dated APRIL 16, 2003 to GROUP 9, INC., A PENNSYLVANIA CORPORATION, as Trustee, covering:

See Exhibit "A" attached hereto and made a part hereof by this reference.

to secure a Note in the sum of \$20,000.00, dated APRIL 16, 2003, in favor of which Security Instrument was recorded on APRIL 29, 2003, in Book N/A, Page N/A, Instrument No. 200304290149, of Official Records, in the Office of the County Recorder of SKAGIT County, State of Washington, and

\*200304290146

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$91,000.00, dated SEPTEMBER 18, 2003, in favor of WASHINGTON MUTUAL BANK, hereinafter referred to as

"Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; and Recorded 9/24/03

Auditors # 200309240118

WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument 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 Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument 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 Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument 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 agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument 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. He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- B. 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;
- C. He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to.

31563tm (01/03)



200312180133  
Skagit County Auditor

Loan Number: 01-0103-  
002563139-1

reliance upon, and in consideration of, this waiver, relinquishment and 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 waiver, relinquishment and subordination; and

- D. An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.

**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.**

Loan Number: 01-0103-  
002563139-1

**BENEFICIARY**  
WASHINGTON MUTUAL BANK

By: [Signature]  
Name: STANLEY D. HOFF  
Title: Corporate Officer

**OWNER**

By: [Signature]  
HAROLD H KLUG  
By: [Signature]  
D ROBIN KLUG

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(SUBORDINATION FORM "A")

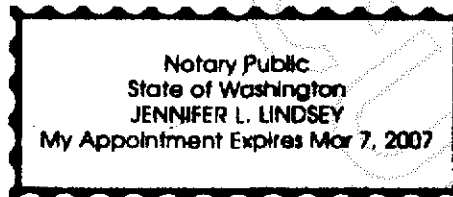
STATE OF WASHINGTON

COUNTY OF Skagit ) ss  
On this day personally appeared before me Harold H. Klug  
and D. Robin Klug, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledge that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 19th day of September, 2003.

[Signature]  
Notary Public in and for the State of Washington  
residing at: Burlington, Wn.

My commission expires: March 7, 2007



Loan Number: 01-0103-  
002563139-1

STATE OF WASHINGTON )

) ss

COUNTY OF \_\_\_\_\_ )

On this day personally appeared before me \_\_\_\_\_  
and \_\_\_\_\_

\_\_\_\_\_, to me known to be the individuals  
described in and who executed the within and foregoing instrument, and acknowledge that they signed  
the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington  
residing at: \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )

) ss

COUNTY OF WHATCOM )

I certify that I know or have satisfactory evidence that SHARMON HOFF is the person  
who appeared before me and said person acknowledged that they signed this instrument on oath stated  
that they are authorized to execute the instrument and acknowledged it as the corporate officer of  
Washington Mutual Bank, to be their free and voluntary act of such party (ies) for the uses and purposes  
therein mentioned.

WITNESS my hand and official seal this 18th day of SEPTEMBER, 2003.

Kathryn L. Yorkston  
Kathryn L. Yorkston

Notary Public in and for the State of Washington  
My commission expires: August 4, 2007

Notary Public  
State of Washington  
KATHRYN L. YORKSTON  
My Appointment Expires Aug 4, 2007



Loan Number: 01-0103-  
002563139-1

**EXHIBIT "A"**

LOT 50, "EASTGATE ADDITION PLAT NO. 6," AS PER PLAT RECORDED IN VOLUME 14 OF PLATS,  
PAGES 82 AND 83, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON.

31563en (01/03)



200312180133  
Skagit County Auditor

STATE OF WASHINGTON } ss  
COUNTY OF SKAGIT

I, Auditor of Skagit County, State of Washington, do hereby  
certify that the foregoing copy of Sub-Agmt is a true and  
literal exemplification and copy from the record as the same appears in  
Volume        of OR of Page        of  
Number 20030924018 of Records of Skagit County, Washington.

IN TESTIMONY WHEREOF, I hereunto set my hand and seal of my  
office this 18 day of December 2003  
M. M. M. M. By Charles Deputy  
Auditor



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Skagit County Auditor