

AFTER RECORDING MAIL TO:  
Whidbey Island Bank-Burlington  
P.O. Box 302/1800 S. Burlington Blvd.  
Burlington, WA 98233



200411050120  
Skagit County Auditor

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Filed for Record at Request of  
Land Title Company of Skagit County  
Escrow Number: P-100540-E

LAND TITLE OF SKAGIT COUNTY

### Subordination Agreement

Reference Number(s):  
Grantor(s): Whidbey Island Bank  
Grantee(s): Whidbey Island Bank

**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. Whidbey Island Bank  
referred to herein as "subordinator", is the owner and holder of a mortgage dated October 8, 1999 which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_ under auditor's file 199910190056, records of Skagit \_\_\_\_\_ County.
2. Whidbey Island Bank  
referred to herein as "lender", is the owner and holder of a mortgage dated April 15, 2002 executed by Kathryn B. Lester, as her separate estate (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_, under auditor's file No. 200204260129 records of Skagit \_\_\_\_\_ County) ~~(which is to be recorded concurrently herewith).~~
3. Katherine B. Lester, a single person  
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 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 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 1<sup>ST</sup> day of NOVEMBER, 2004

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

Whidbey Island Bank

By: *Richard L. Rinker*  
RICHARD L. RINKER  
VICE PRESIDENT

STATE OF WASHINGTON }  
County of Skagit } SS:

I certify that I know or have satisfactory evidence that *Richard Rinker*  
the person who appeared before  
me, and said person  acknowledged that he signed this instrument, on oath stated that he was  
authorized to execute the instrument and acknowledge it as the Vice President  
of Whidbey Island Bank

to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.  
Dated: November 1, 2004 *Sharon D. Sanders-Shannon*



Notary Public in and for the State of WASHINGTON  
Residing at Island  
My appointment expires: April 15, 2008



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