

**FILED FOR RECORD AT REQUEST OF
AND WHEN RECORDED RETURN TO:**

**1st Security Bank of Washington
Attn: Mortgage Department
6920 220th Street S.W., #300
Mountlake Terrace, Washington 98043**



200412170141

Skagit County Auditor

12/17/2004 Page 1 of 4 3:24PM

UNIFORM DATA:

SUBORDINATION AGREEMENT

REFERENCE #:

200007070151

GRANTOR(S):

200412170141
Chase Manhattan Bank

GRANTEE(S):

1st Security Bank of Washington, f/k/a Washington's
Credit Union

LEGAL DESCRIPTION:

Lot 12-15, Blk. 1, Brownrigg's 2nd Add.
See attached Addendum A for full legal
Tax Account No. 3779-001-015-0004

Commonly known as:
WA 98221

4004 N Avenue Anacortes,

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 Subordination Agreement, made this 7th day of December, 2004, by 1st Security Bank of Washington, f/k/a Washington's Credit Union, (hereinafter referred to as "**Beneficiary**"), present owner and holder of the Deed of Trust / Mortgage and note signed by Richard R. Horak and Shelley Lorraine Horak, husband and wife (hereinafter referred to as "**Owner**"), agrees to subordinate **Beneficiary's** interest in the aforementioned Deed of Trust / Mortgage to Chase Manhattan, it's successors and/or assigns (hereinafter referred to as "**Lender**") as more fully described below:

1. **Owner** executed a Deed of Trust, dated the 13th day of April 2000, to CU Services of Washington, Inc., as Trustee, covering that certain real property described as follows:

**THE LEGAL DESCRIPTION IS ATTACHED HERETO AS EXHIBIT A
AND MADE A PART HEREOF AS IF FULLY SET FORTH HEREIN**

to secure a note in the sum of \$23,608.20, dated the 13th day of April 2000, in favor of 1st Security Bank of Washington, which Deed of Trust was recorded under auditor's file number 200007070151, in the Official Records of Skagit County (hereinafter referred to as "**1st Security Bank of Washington Deed of Trust**").

Through subsequent agreements with the Owner, either recorded or unrecorded, the current borrowing limit for said note has been amended to \$23,608.20.

2. Owner has executed, or is about to execute, a Deed of Trust or Mortgage (hereinafter referred to as "Lender's Security Instrument") and note not to exceed the sum of \$188,750.00, dated the 10th day of Dec, in favor of Lender, payable with interest and upon the terms and conditions described therein, which Lender's Security Instrument is to be recorded concurrently herewith. Recorded 12/17/04 Auditors # 20041217014
3. It is a condition precedent to obtaining said loan that said Lender's Security Instrument 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 1st Security Bank of Washington Deed of Trust. Owner has requested Beneficiary to subordinate Beneficiary's lien to the lien about to be taken by the Lender.
4. Lender is willing to make said loan provided that the Lender's 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 1st Security Bank of Washington Deed of Trust and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the 1st Security Bank of Washington Deed of Trust to the lien or charge of the Lender's Security Instrument in favor of the Lender.
5. It is to the mutual benefit of the parties hereto that Lender make such loan to Owner, and Beneficiary is willing that the Lender's 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 1st Security Bank of Washington Deed of Trust.
6. 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 to as follows:

- a) That said Lender's 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 1st Security Bank of Washington Deed of Trust so long as Lender's note does not exceed the amount of \$ _____.
- b) That Lender would not make its loan above described without this subordination agreement.
- c) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the 1st Security Bank of Washington Deed of Trust to the lien or charge of the Lender's Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the lien instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the 1st Security Bank of Washington Deed of Trust, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

7. Beneficiary declares, agrees and acknowledges that:

- a. Beneficiary consents to and approves (i) all provisions of the note and Lender's 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. Beneficiary intentionally waives, relinquishes and subordinates the lien or charge of the 1st Security Bank of Washington Deed of Trust in favor of the lien or charge upon said land of the Lender's Security Instrument in favor of Lender above referred to and understands that in 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.

d. An endorsement has been placed upon the note secured by the 1st Security Bank of Washington Deed of Trust that said Deed of Trust has by this instrument been subordinated to the lien or charge of the Lender's 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 PROTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF LAND.

BENEFICIARY:

1ST SECURITY BANK OF WASHINGTON

BY: *Sue Coldwell*

Sue Coldwell, Loan Officer

STATE OF WASHINGTON)
(SS)

COUNTY OF Snohomish)

On the 7th day of December, 2004, before me the undersigned, a Notary Public in and for the State of Washington, personally appeared, Sue Coldwell, to me known to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/ executed the same in his/her authorized capacity for 1st Security Bank of Washington, and she acknowledged to me that he/she signed the same as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Tippi L. Mathison
Notary Public in and for the State of Washington
My Commission expires *9/19/06*
Residing in *Snohomish*



200412170141

12/17/2004 Page 3 of 4 3:24PM

Skagit County Auditor

3 of

4

3:24PM

EXHIBIT "A"

LEGAL

PARCEL 1:

DESCRIPTION:

Lots 12 to 15, inclusive, Block 1, "BROWN RIG'S SECOND ADDITION TO ANACORTES, WASH.", as per plat recorded in Volume 2 of Plats, page 42, records of Skagit County, Washington, EXCEPT the Westerly 6 feet thereof conveyed to City of Anacortes by deed recorded November 7, 1990, under Auditor's File No. 9011070045.

TOGETHER WITH the vacated West 10 feet of "N" Avenue adjacent thereto, vacated under Ordinance No. 2141, recorded November 7, 1990, under Auditor's File No. 9011070044, which upon vacation reverted to said premises by operation of law.

Situate in the City of Anacortes, County of Skagit, State of Washington.

Tax Account No. 3779-001-015-004

END OF EXHIBIT "A"



200412170141
Skagit County Auditor