



200508310269

Skagit County Auditor

8/31/2005 Page

1 of

3 3:46PM

Name: First American Title CompanyAddress: P.O. Box 1667City and State: Mount Vernon, WA 98273

FIRST AMERICAN TITLE CO.

85996-2

Tax Account Number: P123205, P123206, P123207, P123208, P123209, P123210,
P123211, P123212, P123213, P123214, P123216, P123218,
P123219, P123220, P123221, P123222, P123223, P123224, P123225, P123226, P123228,
P123229, P123231, P123232, P123254
Escrow #: B85996

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.

The undersigned subordinator and owner agrees as follows:

1. First American Title Company of Skagit County referred to herein as "subordinator", is the owner and holder of a mortgage dated December 16, 1997, which is recorded in Volume xx of Mortgages, page xx, under Auditor's File No. 9803230104, records of Skagit County.
2. Peoples Bank referred to herein as "lender", is the owner and holder of a mortgage dated , executed by Paul Rutter (which is recorded in Volume 200508310269 of Mortgages, page 85996-2, under Auditor's File No. 200508310269 records of Skagit County) (which is to be recorded concurrently herewith).
3. Paul Rutter referred to herein as "owner", is the owner of that portion of the real property described in the mortgage identified above in Paragraph 2 that is taxed under the above tax parcels numbers.
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 supersede 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 31st day of August, 192005.

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.

Subordinator:

Gale A. Hickok

First American Title Company of Skagit County
By: Gale A. Hickok, Manager

Owner:

Paul W. Rutter

Paul Rutter



200508310269
Skagit County Auditor

STATE OF WASHINGTON, }
County of Skagit } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me

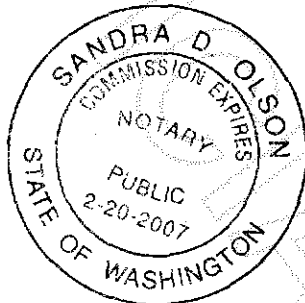
Paul Rutter

to me known

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he
signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this

31st day of August 2005, 19



Sandra D Olson
Notary Public in and for the State of Washington,
residing at Burlington WA
My appointment expires 2-20-07

STATE OF WASHINGTON, }
County of Skagit } ss.

ACKNOWLEDGMENT - Corporate

On this 31st day of August, 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gale A. Hickok

and

to me known to be the

General Manager President and Secretary, respectively, of First American Title Co. of Skagit County

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereon affixed the day and year first above written.



John S Milner
Notary Public in and for the State of Washington,
residing at Mount Vernon
My appointment expires 12-10-06

This jurat is page _____ of _____ and is attached to _____



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