

WHEN RECORDED RETURN TO:

Name: Chicago Title Company
Address: P.O. Box 638
City, State, Zip Mount Vernon, WA 98273



200604060085
Skagit County Auditor

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CHICAGO TITLE COMPANY

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. JOSEPH A. KELLY and DONNA D. KELLY, wife and husband and JAMES K. O'BRYAN and VICKY F. O'BRYAN, husband and wife referred to herein as "subordinator", is the owner and holder of a Deed of Trust dated February 16, 2006, which is recorded in volume of Mortgages, page , under Auditor's File No 200604060083 records of Skagit County, Washington.

2. LONG BEACH MORTGAGE referred to herein as "lender" is the owner and holder of the mortgage dated 27th day of March, 2006, executed by KIMBERLY M. KIRK, ~~a single woman~~/* which is recorded in volume of Mortgages, page , under Auditor's File No. 200604060084 records of Skagit County, Washington) (which is to be recorded concurrently herewith).

3. KIMBERLY M. KIRK, ~~a single woman~~ * referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2. * a married woman dealing as her sole and separate property.

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 26th day of March, 2006

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.

Kimberly M. Kirk
KIMBERLY M. KIRK
Joseph A. Kelly
JOSEPH A. KELLY

James K. O'Bryan
JAMES K. O'BRYAN
Donna D. Kelly
DONNA D. KELLY

Vicky O'Bryan
VICKY F. O'BRYAN

James T. Lengel
JAMES T. LENGEL

STATE OF WASHINGTON
COUNTY OF Skagit

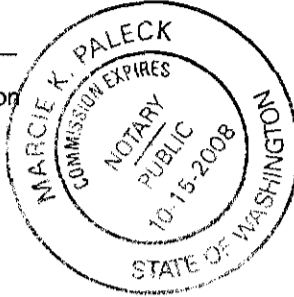
AND JAMES T. LENGEL

I certify that I know or have satisfactory evidence that KIMBERLY M. KIRK the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes therein mentioned in this instrument.

Dated: March 28 2006

Marcie K. Paleck

Marcie K. Paleck
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: October 15, 2008



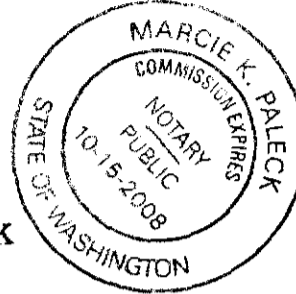
200604060085
Skagit County Auditor

STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that JOSEPH A. KELLY and DONNA D. KELLY the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes therein mentioned in this instrument.

Dated: March 28 2006

Marcie Paleck
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: October 15 2008



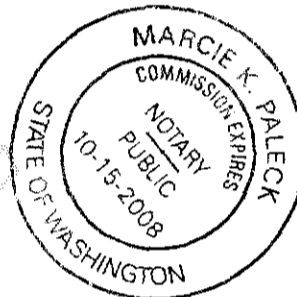
STATE OF WASHINGTON
COUNTY OF Skagit

MARCIE K. PALECK

I certify that I know or have satisfactory evidence that JAMES K. O'BRYAN and VICKY F. O'BRYAN the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes therein mentioned in this instrument.

Dated: March 29 2006

Marcie Paleck
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: October 15 2008



MARCIE K. PALECK

