

When recorded return to:

First American Title
3202 Commercial Avenue
Anacortes, WA 98221



200607190085

Skagit County Auditor

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FIRST AMERICAN TITLE CO.

Subordination Agreement

A88638E-2

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. **Peoples Bank**
referred to herein as "subordinator", is the owner and holder of a mortgage dated September 12, 2002 which is recorded in _____ of Mortgages,
under auditor's file 200209120093, records of Skagit County.
2. **UBS Mortgage LLC**
referred to herein as "lender", is the owner and holder of a mortgage dated July 14, 2006
executed July 14, 2006
(which is recorded in volume _____ of Mortgages,
auditor's file 200607190084 records Skagit County) (which
is to be recorded concurrently herewith)
3. **David H. Rytand and Mary R. Rytand**
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 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.

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.

Dated: 7-13-06

Peoples Bank

Madeleine M. Roosen Cook
By: Madeleine M. Roosen Cook

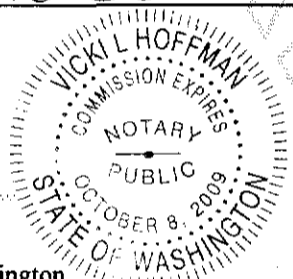
David H. Rytand
David H. Rytand

Mary R. Rytand
Mary R. Rytand

State of Washington }
County of SKAGIT } SS:

I certify that I know or have satisfactory evidence Madeleine M. Roosen Cook the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath stated he/she/they are authorized to execute the instrument and is VICE PRESIDENT of Peoples Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Date: 7-13-06

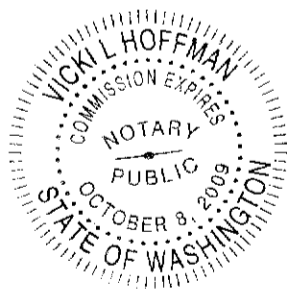


Vicki L. Hoffman
Notary Public in and for the State of Washington
Residing at ANACORTES
My appointment expires: 10-8-09

State of Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that David H. Rytand and Mary R. Rytand, the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: 7-14-06



Vicki L. Hoffman
Notary Public in and for the State of Washington
Residing at Anacortes
My appointment expires: 10-8-09



200607190085
Skagit County Auditor