

AFTER RECORDING MAIL TO:

Name American Marine Bank

Address 26563 Lindvog Road NE

City, State, Zip Kingston, WA. 98346

Filed for Record at Request of: American Marine Bank



200701190075

Skagit County Auditor

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CHICAGO TITLE COMPANY IC40961J

## 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. American Maine Bank referred to herein as "subordinator," is the owner and holder of a mortgage dated October 10, 2004 which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_ under auditor's file No. 200411100103 records of Skagit County.
2. American Marine Bank referred to herein as "lender" is the owner and holder of a mortgage dated January 5, 2007 executed by Clark E. & Mary Alice Schaefer (which is recorded in volume \_\_\_\_\_ of Mortgages, page \_\_\_\_\_ under auditor's file No. 200701190074, records of Skagit County) (which is to be recorded concurrently herewith).
3. Clark E. & Mary Alice Schaefer 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 line 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 5th day of January 2007

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 HIS/HER/THEIR ATTORNEYS WITH RESPECT THERETO.

BY Deanna L. Brown BY \_\_\_\_\_  
Deanna L. Brown VP/ LSC Manager  
BY \_\_\_\_\_ BY \_\_\_\_\_  
BY \_\_\_\_\_ BY \_\_\_\_\_  
BY \_\_\_\_\_ BY \_\_\_\_\_

STATE OF Washington )  
 )-ss  
COUNTY OF Kitsap )

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

Dated: January 5, 2007

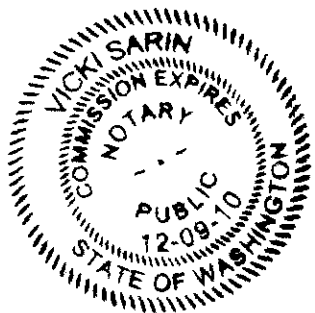
\_\_\_\_\_  
Notary Public in and for the state of \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

STATE OF Washington )  
 )-ss  
COUNTY OF Kitsap )

I certify that I know or have satisfactory evidence that Deanna L. Brown  
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that  
(he/she/they) signed this instrument, on oath states that (he/she/they) (is/are) authorized to  
execute the instrument and acknowledged it as the Vice President of \*\*  
to be the free and voluntary act f such party(ies) for the uses and purposes mentioned in this  
instrument.

\*\*American Marine Bank

Dated: January 5, 2007



Vicki Sarin  
Notary Public in and for the state of Washington  
My appointment expires: 12/9/2010



200701190075  
Skagit County Auditor