



200704090258  
Skagit County Auditor

4/9/2007 Page

1 of

2 3:34PM

**After Recording Mail To:**

**American Meter & Appliance, Inc.  
1001 Westlake Avenue North  
Seattle, WA 98109**

CHICAGO TITLE CO. 1041867✓

**Subordination Agreement**

Property: 403 North 21<sup>st</sup> Street, Mount Vernon, WA 98273

Account Number: 12000

The undersigned subordinator and owner agrees as follows:

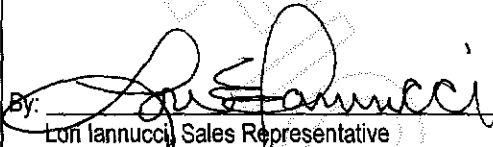
1. American Meter & Appliance, Inc. referred to herein as "subordinator," is the owner and holder of a lease dated December 4, 2001, which is recorded under Auditor's File No. 200203210135 records of Skagit County.
2. LIBERTY FINANCIAL GROUP, INC, a WASHINGTON corporation referred to herein as "lender," is the owner and holder of the DEEDS OF TRUST both dated APRIL 2, 2007 executed by ROGER F GRAY AND PEGGY GRAY which is recorded in volume 200704090257 of Mortgage, page 1 under Auditor's File No. 200704090257, 1<sup>st</sup> DT in the amount of \$343,200.00, (which is to be recorded concurrently herewith).
3. ROGER F. GRAY AND PEGGY F. GRAY 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 lease 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 lease 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 lease 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 on this 5<sup>th</sup> day of April, 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 THEIR ATTORNEYS WITH RESPECT THERETO.

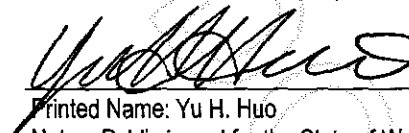
AMERICAN METER & APPLIANCE, INC.

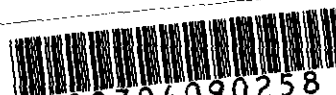
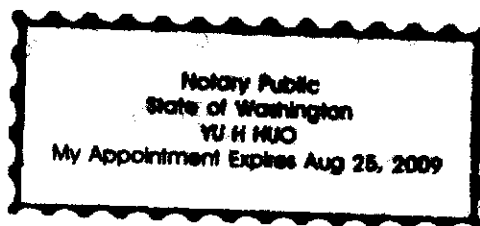
By:   
Lori Iannucci, Sales Representative

By: \_\_\_\_\_

On this day personally appeared before me Lori Iannucci, to me known to be the **Sales Representative** of the corporation described herein that executed the within and foregoing instrument, and acknowledged 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 **she** is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN Under My Hand and Official Seal this 5<sup>th</sup> day of April, 2007.

  
Printed Name: Yu H. Huo  
Notary Public in and for the State of Washington,  
Residing at Kent in King County.  
My commission expires August 25, 2009



200704090258  
Skagit County Auditor