



200705310081
Skagit County Auditor

5/31/2007 Page 1 of 5 11:17AM

Recording requested by and
when recorded return to:

CONSUMER LOAN RECORDS CENTER
1170 SILVER RD
HOUSTON, TX 77055
ATTN: MAILSTOP: CLRVLTTX



SUBORDINATION AGREEMENT

Loan Number: 742154453

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

THIS AGREEMENT, made this 22 day of May, 2007, by Aaron Morgan, as his separate estate, owner of the land hereinafter described and hereinafter referred to as "Owner", and Washington Mutual Bank, present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

FIRST AMERICAN TITLE CO.
A916107E-2

WITNESSETH

THAT WHEREAS, Aaron Morgan, as his separate estate, as Grantor, did execute a Security Instrument, dated August 16, 2006 to Land Title Co., as Trustee, covering: See Exhibit "A" attached hereto and made a part hereof by this reference.

to secure a Note in the sum of \$21,900.00, dated August 16, 2006, in favor of Washington Mutual Bank which Security Instrument was recorded on August 18, 2006, in Book _____, Page _____, Instrument No. 200608180149, of Official Records, in the Office of the County Recorder of Skagit County, State of Washington, and

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$261,000.00 dated May 23, 2007 in favor of Washington Mutual Bank, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; ~~and~~ recording number

200705310080

; and WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner, and Beneficiary is willing that the Security Instrument securing the same shall, when recorded, constitute a

Loan Number:

lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument first above mentioned, which provide for the subordination of the lien or charge thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- A. He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- B. Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- C. He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- D. An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.

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.



Loan Number:

EXHIBIT "A"

The North $\frac{1}{2}$ of the South $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$, Section 26, Township 34 North, Range 2 East, W.M., Skagit County, Washington.

EXCEPT the South 10 feet of the East 1,940 feet of the West 2,375 feet and the East 265 feet of subject property,

ALSO EXCEPT a tract of land described as follows:

Beginning at the Southwest corner of the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Section 26; thence North 130 feet; thence East 435 feet; thence South 130 feet; thence West 435 feet to the point of beginning.

