

AFTER RECORDING RETURN TO:

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Attorney at Law

P. O. Box 336

Mount Vernon, WA 98273



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Skagit County Auditor

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### SUBORDINATION AGREEMENT

Reference Nos.: 200705010216; 200705010217  
Grantor (s): SRITONG, INC., a Washington corporation  
Grantee (s): PEOPLES BANK  
Additional Grantor(s) on page(s):  
Additional Grantee(s) on page(s):  
Legal Description:  
    Abbreviated Form: Lot 66, Maddox Creek PUD Phase 1  
    Additional on Page:  
Assessor's Tax Parcel No: 4681-000-066-0000 / P109360

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 SECURITY INSTRUMENT.

The undersigned Subordinator and Owner agree as follows:

1. Sritong, Inc., a Washington corporation, referred to herein as "Subordinator," is the owner and holder of a mortgage dated April 30, 2007 which is recorded under Auditor's File No. 200705010217, records of Skagit County, Washington.
2. Peoples Bank, referred to herein as "Lender," is the owner and holder of a Deed of Trust dated May 1, 2007, executed by William G. Hance and Sumittra K. Hance, husband and wife, which is recorded under Auditor's File No. 200705010216, records of Skagit County, Washington.
3. William G. Hance and Sumittra K. Hance, husband and wife, referred to herein as "Owners," are the owners of all real property described in the mortgage identified above in paragraph 2.

4. In consideration of benefits to Subordinator from Owners, 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 its 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 occurring thereunder, including any extension or renewal thereof.

5. Subordinator acknowledges that, prior to the execution hereof, it has had the opportunity to examine the terms of the Lender's mortgage, note, and agreements relating thereto, consents to and approves the 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 herein with regard to subordination of the lien or charge of the mortgagee 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 to be interchangeable with "deed of trust," and gender and number of pronouns shall be considered to conform to undersigned.

EXECUTED this 20<sup>th</sup> day of September, 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.

SRITONG, INC., A Washington corporation

By 

CHANA SRITONG, Its President



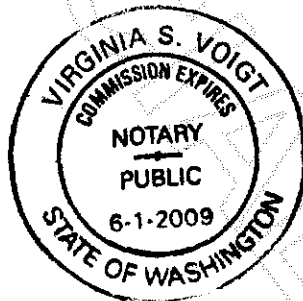
STATE OF WASHINGTON )

) ss.

COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that CHANA SRITONG is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of SRITONG, INC., a Washington corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 20<sup>th</sup> day of September, 2007.



Virginia S. Voigt  
NOTARY PUBLIC

Printed Name: \_\_\_\_\_

VIRGINIA S. VOIGT

My Appointment Expires: \_\_\_\_\_

6/1/09

