



200901090053

Skagit County Auditor

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Summit Bank
P. O. Box 805
Burlington, WA 98233

Land Title Order No. 131930-OS

LAND TITLE OF SKAGIT COUNTY

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. Summit Bank, referred to herein as "subordinator", are the owner(s) and holder(s) of a UCC Financing Statement, which is recorded under Auditor's File No. 200710080026, records of Skagit County, Washington.
2. Summit Bank, referred to herein as "lender" is the owner and holder of a Deed of Trust dated January 7, 2009, executed by John G. Kraft & Valerie K. Kovacs, which is recorded under Auditor's File No. 200901090052, records of Skagit County, Washington.
3. John G. Kraft and Valerie K. Kovacs, referred to herein as "owner", are the owner(s) of all the real property described in the Deed of Trust 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 Deed of Trust and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his UCC Financing Statement identified in Paragraph 1 above to the lien of "lender's" Deed of Trust, 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" Deed of Trust, 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 Deed of Trust 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 UCC Financing Statement first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred to and shall supercede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the UCC Financing Statement 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 7th day of January, 2009.

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.

Summit Bank

By: _____

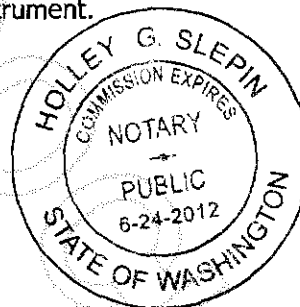
State of Washington }
County of Skagit }

SS

I certify that I know or have satisfactory evidence that Chris Knotzen is the person(s) who appeared before me, and said person(s) acknowledged that ~~he~~/she/they signed this instrument, on oath stated that ~~he~~ is/she is/they are authorized to execute the instrument and acknowledged it as the loan officer of Summit Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: January 7th, 2009

Holley G. Slep
Notary Public in and for said County and State
Residing at: Sedro Woolley
My commission expires: 6-24-2012



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Skagit County Auditor