

WHEN RECORDED RETURN TO:

National City Bank
Lending Services
Attn: Susan Cepelnik
6750 Miller Road, Loc 01-7116
Brecksville, OH 44141



200902170257

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

132085-PWC

DOCUMENT TITLE(S):

Subordination Agreement (Deed of Trust)

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

200507270230

200902170256

GRANTOR:

National City Bank

GRANTEES:

JAMES E. SCHMIDT, JR. and ADA N. SCHMIDT, husband and wife

ABBREVIATED LEGAL DESCRIPTION:

Ptn SE 1/4 NW 1/4, 1-35-4 E W.M.

TAX PARCEL NUMBER(S):

P35523, 350401 2 011 0007

**SUBORDINATION AGREEMENT
(DEED OF TRUST)**

This Subordination Agreement ("Agreement") is entered into by National City Bank, for itself and/or its successors and assigns ("Subordinating Beneficiary"), and National City Mortgage, a division of National City Bank ("New Lender").

RECITALS

WHEREAS, James E Schmidt Jr and Ada N Schmidt, Husband and Wife ("Borrower") executed a certain deed of trust dated 7/6/2005, in favor of National City Bank or its predecessor-in-interest identified above, which deed of trust was duly recorded on 7/27/2005, as Instrument No. 200507270230, in the Skagit County Recorder's Office, State of Washington ("Existing Deed of Trust"), with respect to the property ("Property"), described in Exhibit A (attached hereto and incorporated herein), the address and permanent parcel number for which are:

**23341 Hoogdal Rd, Sedro Woolley, WA 98284
350401-2-011-0007**

WHEREAS, the New Lender desires to make a loan in the amount of \$125,000.00 (the "New Loan") to be secured by a deed of trust on the Property (the "New Deed of Trust"), which New Deed of Trust is dated FEBRUARY 10, 2009 & Recorded under Auditor File No. 200902170256

WHEREAS, in order to make the New Loan, New Lender has requested subordination of the lien of the Existing Deed of Trust to the lien of the New Deed of Trust, and Subordinating Beneficiary is hereby willing to subordinate the lien of the Existing Deed of Trust to the lien of the New Deed of Trust, to the extent of the New Loan, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of these premises, Subordinating Beneficiary and New Lender agree as follows:

1. The lien of the Existing Deed of Trust is hereby subordinated and postponed in priority to the lien of the New Deed of Trust, in the same manner and with like effect as though the New Deed of Trust had been executed, delivered and recorded prior to the execution, delivery and recordation of the Existing Deed of Trust. Notwithstanding the foregoing, the subordination, as described herein, does not extend to (i) any future advance clause contained in the New Deed of Trust; (ii) any future advance of funds to Borrower by New Lender except for advances under the New Deed of Trust for foreclosure costs and advances for taxes and insurance premiums; or (iii) any debt or obligation of Borrower to New Lender other than the New Loan.

2. The subordination, as described herein, is expressly subject to the valid creation, grant, attachment and perfection of the lien of the New Deed of Trust, and nothing contained herein shall be construed to alter or release indebtedness due and owing to the Subordinating Beneficiary under any obligations secured by the Existing Deed of Trust, and Subordinating Beneficiary specifically reserves and retains all right, title and interest that it holds pursuant to the Existing Deed of Trust, including, without limitation, any right to declare a default, accelerate, and exercise any remedies (including the right to foreclosure); and

3. The terms of the New Loan shall not be modified without the prior written consent of Subordinating Beneficiary. Any modification of the New Loan without the prior written consent of Subordinating Beneficiary shall render this Agreement null and void and of no further force and effect.



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NATIONAL CITY BANK

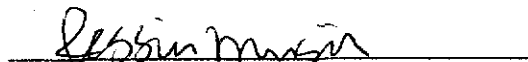
By: 

Name: Catherine Thompson

Title: Asst. Vice President

Signed and Acknowledged in the Presence of:


Susan Cepelnik, witness


Jessica Musik, witness

STATE OF OHIO

} SS

County of Cuyahoga

Before me, the undersigned, a Notary Public in and for said County and State, this 12th day of January, 2009 personally appeared Catherine Thompson as Asst. Vice President of National City Bank and acknowledged the execution of the foregoing Agreement.



Notary Public: Dena DiPalma

My Commission Expires: May 24, 2012

County Of Residence: Cuyahoga



Dena Di Palma
Notary Public, State of Ohio
My Commission Exp 5-24-12

This instrument prepared by Susan Cepelnik, National City Bank

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