

After Recording Mail to:

Name Peoples Bank

Address 1801 Riverside Dr.

City, State, Zip Mount Vernon WA 98273

Filed for Recording at Request of

132434-5

LAND TITLE OF SKAGIT COUNTY



200902250009
Skagit County Auditor

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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 OF LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. Peoples Bank a Washington Corporation referred to herein as "subordinator", is the owner and holder of a mortgage dated November 8, 2006, which is recorded, under auditor's file No. 200611200130, records of Skagit County.
2. Peoples Bank a Washington Corporation referred to herein as "lender", is the owner and holder of a mortgage dated February 16, 2009, executed by Greg A. Kreider and Dawnell C. Kreider, who acquired title as Greg Kreider and Dawnell C. Kreider, husband and wife which is recorded under auditor's file No. 200902250008 records of Skagit County) (which is to be recorded concurrently herewith).
3. Greg A. Kreider and Dawnell C. Kreider, who acquired title as Greg Kreider and Dawnell C. Kreider, husband and wife referred to herein as "owner", is the owner of all 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 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 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 mortgage 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 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 as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

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.

Executed this 10th day of Feb., 2009

Adam Rustad
Peoples Bank Business Banking Officer
By: Adam Rustad

Owners:

Greg A. Kreider
Greg A. Kreider

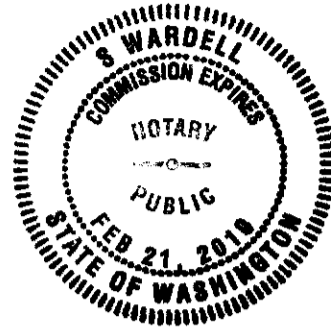
Dawnell C. Kreider
Dawnell C. Kreider

ACKNOWLEDGEMENT

STATE OF WASHINGTON

COUNTY OF Skagit

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I certify that I know or have satisfactory evidence that Adam Rustad 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 Business Banking Officer of Peoples Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 10th day of February, 2009

By S. Wardell

Print Name S. Wardell

Notary Public in and for the State of Washington

Residing at Mount Vernon

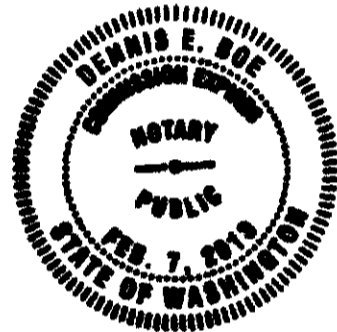
My appointment expires 2-21-10

ACKNOWLEDGEMENT

STATE OF WASHINGTON

COUNTY OF Skagit

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I certify that I know or have satisfactory evidence that Greg A. Kreider and Dawnell C. Kreider are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be of their own free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 26 day of February, 2009

By Dennis E. Boe

Print Name DENNIS E. BOE

Notary Public in and for the State of Washington

Residing at Mount Vernon

My appointment expires Feb 07, 2010



200902250009

Skagit County Auditor