

When recorded return to:

Land Title and Escrow
3010 Commercial Avenue
Anacortes, WA 98221

File for Record at Request of
Land Title and Escrow
Escrow Number: 132887-pae

Grantor: Skagit County, which is a political subdivision of the State of Washington
Grantee: Mortgage Advisory Group



200904240098

Skagit County Auditor

4/24/2009 Page

1 of

2 3:15PM

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. **Skagit County, which is a political subdivision of the State of Washington** referred to herein as "subordinator", is the owner and holder of a mortgage dated June 11, 2007 which is recorded in _____ of Mortgages, page _____ under auditor's file 200706120150, records of Skagit County.
Mortgage Advisory Group
2. referred to herein as "lender", is the owner and holder of a mortgage dated April 24, 2009 executed Daniel T. Berard and Anne M. Berard, husband and wife (which is recorded in volume _____ of Mortgages, auditor's file 200904240098 records Skagit County) (which is to be recorded concurrently herewith).
3. **Daniel T. Berard and Anne M. Berard, husband and wife** referred to herein as "owner", is the owner of all the 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 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 as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

Dated: _____

Clyde Williams,
Financial Admin Water
Quality loans

~~Notary Public~~

~~Notary Public~~

State of Washington

County of Skagit

SS:

I certify that I know or have satisfactory evidence that ~~the person(s) who appeared before me, and said person(s) acknowledged that~~ he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of Washington

Residing at: _____

My appointment expires: _____

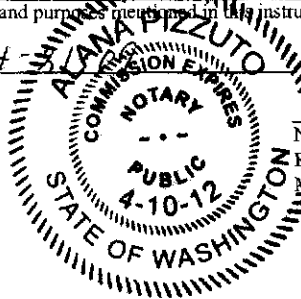
STATE OF Washington

County of Skagit

SS:

I certify that I know or have satisfactory evidence that Clyde Williams signed this instrument, on oath stated that He is authorized to execute the instrument and acknowledged it as the Financial Admin Water Quality Loans of Skagit County to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 4



Alana Pizzuto
Notary Public in and for the State of Washington

Residing at: Alana Pizzuto

My appointment expires: 4-10-2012



200904240098

Skagit County Auditor

4/24/2009 Page

2 of

2 3:15PM