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Skagit County Auditor

3/4/2010 Page 1 of 5 1:38PM

GUARDIAN NORTHWEST TITLE CO.

99018-2

SUBORDINATION AGREEMENT

WHEN RECORDED MAIL TO:

SPACE ABOVE FOR RECORDERS USE

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Doc ID No.: 0001818729882005N

ESCROW/CLOSING#:

DT# 200712050046
DT# 201003040065

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.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this Nineteenth day of February, 2010, by Mortgage Electronic Registration Systems, Inc. ("Subordinated Lienholder"), with a place of business at 4500 PARK GRANADA, CALABASAS, CA 91302-1613.

WHEREAS, BRIAN P DONOHUE and MARIA E DONOHUE, AS TO AN UNDIVIDED 75% INTEREST, AND ROLF E CATHARIUS, AN UNMARRIED MAN AS TO AN UNDIVIDED 25% INTEREST executed and

Citi Mortgage Inc

UNRECORDED

delivered to Subordinated Lienholder, a Deed of Trust/Mortgage (the "Existing and Continuing Security Instrument") in the sum of \$27,900.00 dated 11/20/2007 , and recorded in Book Volume N/A, Page N/A, as Instrument No. 200712050046, in the records of SKAGIT County, State of Washington, as security for a loan (the "Existing and Continuing Loan"), which Existing and Continuing Security Instrument is a valid and existing lien on the real property located at 3202 W 3RD ST, ANACORTES, WA 98221 and further described on Exhibit "A," attached.

WHEREAS, BRIAN P DONOHUE and MARIA E DONOHUE, AS TO AN UNDIVIDED 75% INTEREST, AND ROLF E CATHARIUS, AN UNMARRIED MAN AS TO AN UNDIVIDED 25% INTEREST ("Borrower") executed and delivered to Citi Mortgage, Inc. , ("Lender"), a deed of trust/mortgage in the principal amount not to exceed \$221,500.00, which deed of trust/mortgage (the "New Security Instrument") is intended to be recorded herewith in the records of SKAGIT County, State of Washington as security for a loan (the "New Loan"); BT# 201003040065

WHEREAS, it is a condition precedent to obtaining the New Loan that the lien of the New Loan shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien of the Existing and Continuing Loan; and

WHEREAS, Lender is willing to make said loan provided the lien securing the New Loan is a lien or charge upon the described property prior and superior to the lien of the Existing and Continuing Loan and provided that Subordinating Lender will specifically and unconditionally subordinate the lien of the Existing and Continuing Loan to the lien of the New Loan; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such a loan to Borrower; and Subordinating Lender is willing that the lien securing the New Loan shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien securing the Existing and Continuing Loan.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the New Security Instrument, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the Existing and Continuing Security Instrument.
- (2) That Lender would not make the New Loan without this subordination agreement.



201003040065
Skagit County Auditor

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the Existing and Continuing Security Instrument to the New Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the security instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Existing and Continuing Security Instrument above mentioned, which provide for the subordination of the lien to another security instrument, deed of trust or mortgage.

Subordinating Lender declares, agrees and acknowledges that

(a) It consents to and approves (i) all provision of the note and New Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Borrower and Lender for the disbursement of the proceeds of the New Loan;

(b) Lender making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and

(c) It intentionally and unconditionally waives, relinquishes and subordinates the lien of the Existing and Continuing Security Instrument in favor of the lien or charge upon said land of the New Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquish and subordinate specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOW 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.

Mortgage Electronic Registration Systems, Inc.


Kimberli Pierce, Assistant Secretary



201003040065

Skagit County Auditor

CORPORATE ACKNOWLEDGEMENT

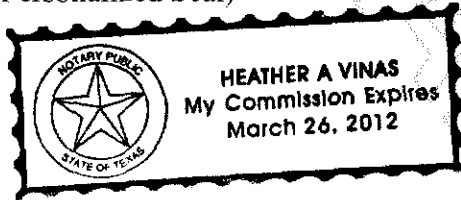
STATE OF TEXAS

COUNTY OF DALLAS

Before me, the undersigned, a Notary Public on this day personally appeared Kimberly Perce known to me (or proved to me on the oath of _____), to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that she had executed the same as the act of such corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 19th day of February, 2010.

(Personalized Seal)



[Signature]
Notary Public, State of Texas

Heather A. Vinas
(Print name of Notary Public here)

My commission expires the 26th day of March, 2012



201003040065
Skagit County Auditor

EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Skagit, State of Washington, described as follows:

Lot 1, 2 And 3, Block 705, 'NORTHERN PACIFIC ADDITION TO ANACORTES', according to the plat thereof recorded in Volume 2 of Plats, pages 9 through II, records of Skagit County, Washington.



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