

WHEN RECORDED RETURN TO:
North Coast Credit Union
1100 Dupont St.
Bellingham, WA 98225



201009010051
Skagit County Auditor

9/1/2010 Page 1 of 3 1:26PM

SUBORDINATION AGREEMENT

CHICAGO TITLE

620011473

This Subordination Agreement is dated for reference August 16, 2010 and is between

NORTH COAST CREDIT UNION whose
Principal address is 1100 DUPONT ST, BELLINGHAM, WA 98225
(called "New Senior Lender") and

Junior Lender's
Name: Skagit County
Address: PO BOX 518, Mount Vernon, WA 98273
(called "Junior Lender")

RECITALS

A. Junior Lender is the vested holder and owner of the following described promissory note (the "Note") secured by a mortgage or deed of trust (the "Security Instrument"): Date of Note and Security Instrument: June 3, 2003

Borrower(s) Name(s) ("Borrowers"): ^{Philip} Philip A. Holboy and LeAnne M. Holboy
Property Address: 13464 Bayview Rd, Mount Vernon, WA 98273

Legal Description of real property secured by Security Instrument ("Property"):

That portion of Government Lot 3 in Section 5, Township 34 North, Range 3 East W.M., described as follows:

Beginning at the Northeast corner of said Government Lot 3:

Thence South 1006.5 feet;
Thence West 346.5 feet;
Thence North 1006.5 feet;
Thence East 346.5 feet to the point of beginning:

EXCEPT that portion of said property, if any, lying South of the North line of those premises conveyed to Fred Kalso, et ux, by Deed dated December 23, 1891 and recorded December 30, 1891, in Volume 27 of Deeds, page 317;

ALSO EXCEPT that portion thereof lying within the right of way of the Bayview-Edison road along the North line thereof,

Situated in Skagit County, Washington.

Recording Date: June 4, 2003 County: Skagit Amount: \$15,760.50
Recording Number: 200306040115

B. Borrowers, as current owners of the Property, wish to replace their current first priority mortgage loan on the Property with a new first priority mortgage loan secured by the Property from a New Senior Lender in the original principal sum of \$229,000.00 Date: (the "New Senior Security Instrument").

Recorded under Auditor's File No. 201009010050

In consideration of the benefits to Junior Lender from the new financing on the Property provided by New Senior Lender, Junior Lender agrees and declares as follows:

1. Subordination to New Senior Security Instrument.

Junior Lender agrees that upon recordation of the New Senior Security Instrument, Junior Lender's lien/security interest in the Property shall be unconditionally and forever inferior, junior and subordinate in all respects to the lien/security interest of Senior Mortgagee's New Senior Security Instrument and all obligations it secures. Junior Mortgagee irrevocably consents to and approves all provisions of the New Senior Security Instrument and the terms of the obligations it secures.

2. No Subordination to Other Matters.

Junior Lender is subordinating its lien/security interest to the New Security Instrument only, and not to other or future liens or security interests in the Property. Junior Lender has no obligation to consent to future requests for subordination of its lien/security interest.

3. No Waiver of Notice.

By subordinating its lien/security instrument, Junior Lender is not waiving any rights it may have under the laws of the State where the Property is located, or Federal law, to notice of defaults or other notices or rights conferred by law to junior lien holders and mortgagees.

4. Successors and Assigns.

This Agreement shall be binding upon and be for the benefit of any successor or assignee of the New Security Instrument or any successor of either of the parties.

5. Governing Law.

This Agreement shall be governed by the law of the State where the Property is located.

6. Reliance.

This Agreement can be relied upon by all persons having an interest in the Property or the New Senior Security Instrument.

7. Entire Agreement; Amendments.

This Agreement represents the entire and complete agreement between Junior Lender and Senior Lender. Any waiver or modification of this Agreement must be in writing, executed by New Senior Lender (or its successors or assigns) and Junior Lender (or its successors or assigns) and, if this Agreement was recorded in the real estate records of the government entity in which the Property is located, recorded in such real estate records, to be enforceable.

8. Acceptance

New Senior Lender shall be deemed to have accepted and agreed to the terms of this Agreement by recordation of this Agreement at or about the time New Senior Security Instrument is recorded. This Agreement shall be void if not recorded within 90 days of the reference date first written above.



201009010051
Skagit County Auditor

JUNIOR LENDER: Skagit County

BY:

NAME:

TITLE:

[Signature]
Clyde Williams
FINANCIAL ADM. UIC LOANS

STATE OF Washington

COUNTY OF Skagit

On 8-16-10

Before Me, Alana Pizzuto

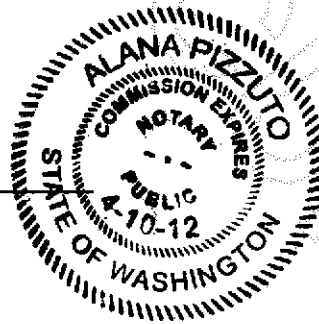
Personally Appeared Clyde Williams

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

My Commission Expires: 4-10-12



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