

When recorded return to:

Land Title and Escrow
3010 Commercial Avenue
Anacortes, WA 98221



201012100137
Skagit County Auditor

12/10/2010 Page 1 of 3 3:32PM

File for Record at Request of
Whidbey Island Bank
Escrow Number: 138350-SAE

Grantor: Donald Mendum and Gayle Mendum
Grantee: Whidbey Island Bank

LAND TITLE OF SKAGIT COUNTY

138350-SAE

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:

- Donald Mendum and Gayle Mendum, husband and wife**
referred to herein as "subordinator", is the owner and holder of a mortgage dated May 15, 2007
which is recorded in _____ of Mortgages, page _____
under auditor's file 200705150183, records of Skagit County,
Whidbey Island Bank
- referred to herein as "lender", is the owner and holder of a mortgage dated _____
executed **Daniel Mendum and Kristi Mendum, husband and wife**
(which is recorded in volume _____ of Mortgages,
auditor's file 201012100135 records Skagit County) (which
is to be recorded concurrently herewith).
- Daniel Mendum and Kristi Mendum, 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.
- 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.
- "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.
- It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in
Paragraph 2 without this agreement.
- 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.
- 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: _____

Donald Mendum

Gayle Mendum

[Signature]
Daniel Mendum
[Signature]
Kristi Mendum

State of Washington (Oregon) }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Donald Mendum and Gayle Mendum 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: Bow
My appointment expires: _____

State of Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Daniel Mendum and Kristi Mendum 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: 12/8/10

[Signature]
Notary Public in and for the State of Washington
Residing at: Bow Burlington
My appointment expires: 7-10-14


201012100137
Skagit County Auditor

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: 12-9-10

Donald Mendum
Donald Mendum

Gayle Mendum
Gayle Mendum

Daniel Mendum
Daniel Mendum

Kristi Mendum
Kristi Mendum

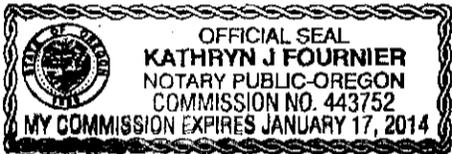
State of Washington Oregon
County of Skagit Lincoln } SS:

I certify that I know or have satisfactory evidence that Donald Mendum and Gayle Mendum 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: December 09 2010

Kathryn J Fournier

Notary Public in and for the State of Washington Oregon
Residing at: Bow Newport
My appointment expires: 1-11-2014



State of Washington
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Daniel Mendum and Kristi Mendum 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: 12/8/10

Usut Cava

Notary Public in and for the State of Washington
Residing at: Bow Burlington
My appointment expires: 7-10-14



201012100137
Skagit County Auditor