



201101050003
Skagit County Auditor

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After Recording Mail to:

Peoples Bank

PO Box 233

Lynden WA 98264

Plt NW 1/4 of NE 1/4 32-34-112Wm/P 29398

Filed for Recording at Request of: **Peoples Bank.**

LAND TITLE OF SKAGIT COUNTY

17833682

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 agree as follows:

1. **Skagit State Bank, A Washington Corporation** referred to herein as "subordinator", is the owner and holder of a **Deed of Trust** dated **June 11, 2010** which was recorded on **June 16, 2010** under auditors file No **201006160028** records of **Skagit County**.
2. **Peoples Bank** referred to herein as "lender", is the owner and holder of a Deed of Trust dated **12-30-2010**, executed by **John L and Janet M Olson Husband and wife** which is recorded under auditor's file No. *** 20101050002** records of **Skagit County** (which is to be recorded concurrently herewith).
3. **John L and Janet M Olson 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 occurring thereunder, including any extension or renewal thereof.
5. "Subordinator" acknowledge 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 in the amount of **\$275,000.00** 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 mortgagee 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 ad "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this **22nd** of **December, 2010**

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.

Skagit State Bank

x Marna McHacker, AVP

STATE OF WASHINGTON, COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Marna McHacker signed this instrument, on oath stated that she is authorized to execute this instrument and acknowledged it as the AVP of Skagit State Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 12-22-10

Phyllis J. Muller
Notary Public in and for the State of Washington
Residing at: La Conner
My commission expires: 3-4-13



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EXHIBIT "A"

That portion of the South 2/5 of the Northwest ¼ of the Southwest ¼ of the Northeast ¼, Section 32, Township 34 North, Range 4 East, W.M., lying East of Blodgett Road;

ALSO, that portion of the Southwest ¼ of the Southwest ¼ of the Northeast ¼ of said Section 32, described as follows:

Beginning at a point on the North line of said subdivision, 125 feet East of the Northwest corner thereof;
thence South 23°30' West, 165 feet;
thence East 321 feet;
thence North 151 feet;
thence West 256 feet to the point of beginning, EXCEPT any portion thereof lying within the boundaries of Blodgett Road, as same now exists over and across said subdivision, EXCEPT THEREFROM the following described portion:

Beginning at the Northwest corner of Lot 15, "PLAT OF RIDGEWOOD, DIVISION NO. 1", as per plat recorded in Volume 9 of Plats, pages 68 and 69, records of Skagit County, Washington;
thence South 89°40'09" East, 30.00 feet along the North line of said Lot 15;
thence North 23°30'00" West, 45.81 feet to the Easterly right of way margin of Blodgett Road;
thence Southwesterly along said Easterly right of way margin of Blodgett Road to the point of beginning.

ALSO, that portion of the Southwest ¼ of the Southwest ¼ of the Northeast ¼ of said Section 32, described as follows:

Beginning at a point on the North line of said subdivision, 381 feet East of the Northwest corner thereof;
thence East along the North line of said subdivision, 273.3 feet;
thence South 151 feet;
thence West parallel with the North line of said subdivision, 273.3 feet;
thence North 151 feet, more or less, to the point of beginning.

Situate in the County of Skagit, State of Washington.



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