



201112140062  
Skagit County Auditor

**After Recording Mail to:**

Peoples Bank  
PO Box 233  
Lynden WA 98264

CHICAGO TITLE  
020014236

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

**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. **Peoples Bank, A Washington Corporation** referred to herein as "subordinator", is the owner and holder of a **Deed of Trust** dated **February 22, 2007** which was recorded on **February 27, 2007** under auditors file No **200702270084** which was modified with a **Modification of Deed of Trust** dated **December 9, 2011** which was recorded on **December 14, 2011** under auditors file No **201112140060** records of **Skagit County**.
2. **Peoples Bank** referred to herein as "lender", is the owner and holder of a Deed of Trust dated **Dec 8, 2011**, executed by **Kelly Espinoza, as her separate estate**, which is recorded under auditor's file No. **201112140061** records of **Skagit County** (which is to be recorded concurrently herewith).
3. **Kelly Espinoza, as her separate estate** 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 **\$231,500.00** 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 **5th day** of **December, 2011**

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.

Peoples Bank

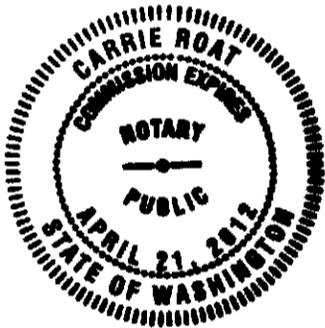
X Brandon Wolfe  
Brandon Wolfe, Assistant Vice President

STATE OF WASHINGTON, COUNTY OF Whatcom

I certify that I know or have satisfactory evidence that Brandon Wolfe signed this instrument, on oath stated that he is authorized to execute this instrument and acknowledged it as the Assistant Vice President of Peoples Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: December 5, 2011

Carrie Roat  
Notary Public in and for the State of Washington  
Residing at: Ferndale, wa  
My commission expires: 4/21/12



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