



201112270179
Skagit County Auditor

12/27/2011 Page 1 of 3 3:28PM

When recorded return to:

Skagit County Treasurer
P.O. Box 518
Mount Vernon, WA 98273

File for Record at Request of
Land Title and Escrow
Escrow Number: 140531-OE
P42658

LAND TITLE OF SKAGIT COUNTY

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:

1. **Skagit County, a political subdivision of the State of Washington**
referred to herein as "subordinator", is the owner and holder of a mortgage dated September 19, 2007 which is recorded in _____ of Mortgages, page _____ under auditor's file 200709200086, records of Skagit County.
Peoples Bank
2. referred to herein as "lender", is the owner and holder of a mortgage dated December 21, 2011 executed 12/23/11 by Micheal P. Bauter and Lindsay R. Myers (which is recorded in volume _____ of Mortgages, auditor's file 201112270178 records Skagit County) (which is to be recorded concurrently herewith).
3. **Micheal P. Bauter, who acquired title as Michael P. Bauter and Lindsay R. Myers, 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.
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 accruing thereunder, including any extension or renewal thereof.
5. "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.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 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 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.
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 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: 10/12/11
[Signature]
Skagit County, a political subdivision of the State of Washington
By: Clyde Williams
Financial Administrator of Water Quality Loans

[Signature]
Micheal P. Bauter
[Signature]
Lindsay R. Myers

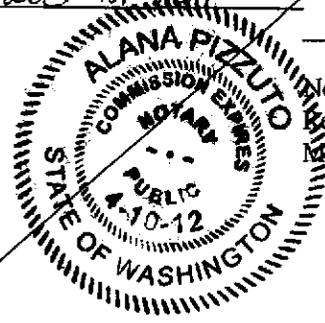
STATE OF Washington }
County of Skagit } SS:
I certify that I know or have satisfactory evidence Clyde Williams is _____ the person who appeared before me, and said person acknowledged that he _____ signed this instrument, on oath stated He is authorized to execute the instrument and is The Financial Administrator of Water Quality Loans of For Skagit County Treasurer's Office to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 10-13-11
[Signature]
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: 4-10-12



State of Washington }
County of Skagit } SS:
I certify that I know or have satisfactory evidence that Micheal P. Bauter and Lindsay R. Myers the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledge it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: October 13, 2011
[Signature]
Notary Public in and for the State of Washington
Residing at: Mount Vernon
My appointment expires: 4-10-2012



Void as



201112270179
Skagit County Auditor

State of Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Micheal P. Bauter and Lindsay R. Myers the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledge it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 12/23/11 Anneliese Maria Farrell

Notary Public in and for the State of Washington
Residing at: Acornet
My appointment expires: 6/28/12

ANNELIESE MARIA FARRELL
STATE OF WASHINGTON
NOTARY --+-- PUBLIC
My Commission Expires 6-28-2012



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Skagit County Auditor