

When Recorded Return To:
Indecomm Global Services
2925 Country Drive
St. Paul, MN 55117



201203280035
Skagit County Auditor

3/28/2012 Page 1 of 3 10:40AM

Page 1 of 2

~~After Recording Mail to:~~

~~Peoples Bank~~

~~PO Box 233~~

~~Lynden WA 98264~~ 77595948-02

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

56306721-1222987

SUBORDINATION AGREEMENT

Record 2nd

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 **May 24, 2004** which was recorded on **May 26, 2004** under auditors file No **200405260038** records of **Skagit County**.
2. **Flagstar Bank** referred to herein as "lender", is the owner and holder of a Deed of Trust dated *March 15, 2012*, executed by **Anthony S. Yengich and Shirley F. Yengich, husband and wife**, which is recorded under auditor's file No. *201203280035* records of **Skagit County** (which is to be recorded concurrently herewith).
3. **Anthony S. Yengich and Shirley F. Yengich, 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 **\$174,500.00** 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 28th day of February, 2012

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

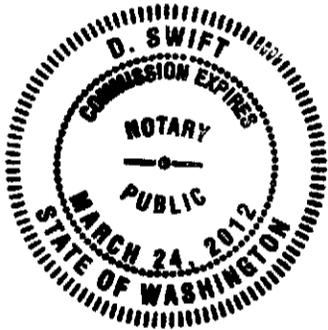
X Brandon Wolfe
Brandon Wolfe, Assistant Vice President

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: February 28, 2012

[Signature]
Notary Public in and for the State of Washington
Residing at: Bellingham
My commission expires: 3.24.12



201203280035
Skagit County Auditor

Exhibit A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SKAGIT, STATE OF Washington, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

TRACT 1, SKAGIT COUNTY SHORT PLAT NO. 115-79, APPROVED NOVEMBER 18, 1980 AND RECORDED NOVEMBER 19, 1980, UNDER AUDITOR'S FILE NO. 8011190049, RECORDS OF SKAGIT COUNTY, WASHINGTON, IN VOLUME 5 OF SHORT PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 33 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATED IN SKAGIT COUNTY, WASHINGTON.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER AND ACROSS THAT CERTAIN STRIP OF LAND PRIMARILY 60 FEET IN WIDTH, ENTITLED STAR BIRD CREEK LANE, AS SAID EASEMENT IS DELINEATED ON THE FACE OF SAID SKAGIT COUNTY SHORT PLAT NO. 115-79, APPROVED NOVEMBER 18, 1980 AND RECORDED NOVEMBER 19, 1980, UNDER AUDITOR'S FILE NO. 8011190049, RECORDS OF SKAGIT COUNTY, WASHINGTON, IN VOLUME 5 OF SHORT PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 33 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATED IN SKAGIT COUNTY, WASHINGTON.

Parcel ID: P17810

Commonly known as 21100 STARBIRD CREEK LANE, Mount Vernon, WA 98274
However, by showing this address no additional coverage is provided



U02526132

1371 3/21/2012 77595948/2



201203280035
Skagit County Auditor