



202001310167

01/31/2020 03:13 PM Pages: 1 of 10 Fees: \$112.50  
Skagit County Auditor

RECORDED AT THE REQUEST OF:  
AND AFTER RECORDING RETURN TO:

1<sup>ST</sup> SECURITY BANK OF WASHINGTON  
P.O. BOX 97000  
LYNNWOOD, WA 98046-9700  
ATTENTION: LOAN SERVICING

**SUBORDINATION AGREEMENT**

(Fixture Loans)

GUARDIAN NORTHWEST TITLE CO.

19-3745

**GRANTOR #1**  
(Fixture Lender): 1<sup>st</sup> SECURITY BANK OF WASHINGTON

**GRANTOR #2**  
(Owner of Property): Madeline J Handzlik  
James R Handzlik

**GRANTEE**  
(Mortgage Lender): BECU

**ABBREVIATED LEGAL DESCRIPTION:** Full Legal Description Attached on Exhibit 'A'  
Property is in Skagit County, Washington  
Lots 6 & 7, block 2, mill addition to baker

**ASSESSOR'S TAX PARCEL ID NUMBER(S):** P70644

**REFERENCE NUMBERS:** 201706190087 (Recording Number for Fixture Filing);

202001310166 (Recording Number for Deed of Trust)

**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 Owner and Fixture Lender agree as follows:

1. **Mortgage Loan.**

1.1 The Party identified on the cover page to this Subordination Agreement as "**Mortgage Lender**" is the owner and holder of a mortgage or deed of trust of even date herewith (the "**Mortgage**") executed by the party or parties identified on the cover page to this Subordination Agreement as "**Owner**".

1.2 The Mortgage encumbers the property legally described on the cover page and on **Exhibit A** to this Subordination Agreement (the "**Property**"). The Property is located in the County in the State of Washington designated on Exhibit A (the "**County**"). The Mortgage was recorded in the real property records of the County under the recording number identified on the cover page to this Subordination Agreement.

1.3 The Mortgage secures repayment of a loan from Mortgage Lender (the "**Mortgage Loan**") in the present maximum principal amount of Eighty Three Thousand Four Hundred Sixty Five and 00/100 **DOLLARS (\$83,465.00)**. The Mortgage and the promissory note and other documents relating to the Mortgage Loan are sometimes hereinafter referred to collectively as the "**Mortgage Loan Documents**".

2. **Fixture Loan.** 1<sup>ST</sup> SECURITY BANK OF WASHINGTON ("**Fixture Lender**") has made a loan to Owner which is secured by the collateral ("**Fixture Collateral**") described in a UCC Fixture Filing (the "**Fixture Filing**") which is recorded or filed in the real property records of the County under the recording or filing number identified on the cover page to this Subordination Agreement. The Fixture Filing and the promissory note, security agreement and other documents relating to the Fixture Loan are sometimes hereinafter referred to collectively as the "**Fixture Loan Documents**".

3. **Property and Fixture Collateral Ownership.** Owner is the sole owner of the Property and the Fixture Collateral.

4. **Subordination of Fixture Filing.** Fixture Lender agrees, for the benefit of Mortgage Lender, that: (i) its security interest in the Fixture Collateral is subject and

subordinate to the lien of the Mortgage and all advances or charges made or accruing thereunder, including any and all extensions, modifications (other than those prohibited by Section 5 below) and renewals thereof, additional advances thereunder to preserve and protect the collateral or to cure defaults under the Mortgage Loan Documents (whether or not Mortgage Lender is obligated or committed to make such advances) and capitalization of interest, costs and fees in connection with any of the foregoing; and (ii) Fixture Lender claims no interest in any portion of the Property other than the Fixture Collateral.

**5. Prohibited Modifications of Mortgage Loan.** Owner agrees that without the consent of Fixture Lender, which may be granted or withheld in the sole discretion of Fixture Lender, Owner will not seek, or agree to, any modification of the Mortgage Loan Documents so as to: (i) shorten the maturity date of the Mortgage Loan; (ii) cross-default the Mortgage Loan with any other indebtedness of Owner; (iii) increase the interest rate on the Mortgage Loan (other than increases which are contemplated by the Mortgage Loan Documents as they exist today) or (iv) increase the principal amount of the Mortgage Loan. Any modification of the Mortgage Loan in violation of this Section 5 will render the subordination made in this Agreement null and void.

**6. Acknowledgments of Fixture Lender.** Fixture Lender acknowledges that, prior to the execution thereof, it has had the opportunity to examine the terms of the Mortgage and the Mortgage Loan Documents and consents to the same. Fixture Lender further acknowledges that Mortgage Lender has no obligation to Fixture Lender to advance any funds under the Mortgage or to see to the application of Mortgage Lender's loan funds, and any application or use of such funds for purposes other than those provided for in the Mortgage or any of the other Mortgage Loan Documents shall not defeat the subordination herein made in whole or in part. It is understood by the parties hereto that Mortgage Lender would not make the Mortgage Loan without this Agreement.

**7. Actions by Mortgage Lender; Fixture Lender's Waivers.** Mortgage Lender, without the consent of or notice to Fixture Lender, may release any or all parties liable for any obligation secured by the Mortgage Loan Documents, and release any or all security for the obligations secured by the Mortgage, all without affecting the subordination of the Fixture Filing. Fixture Lender waives any right to require marshaling of assets or to require Mortgage Lender to proceed against or exhaust any specific security for the obligations secured by the Mortgage, and waives any defense arising out of the loss or impairment of any right of subrogation to the lien of the Mortgage. With the exception of modifications prohibited by Section 5 above, Mortgage Lender and Owner may freely enter into extensions, modifications and renewals of the

Mortgage Loan Documents without notice to or consent of the Fixture Lender and no such modification, extension or renewal shall defeat the subordination made in this Agreement in whole or in part.

8. **Entire Agreement; Mortgage Lender Acceptance.** This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination granted herein and shall supersede and cancel any prior agreements as to such subordination. Fixture Lender has agreed to the subordination herein contained on the conditions set forth in this Agreement. By making the Mortgage Loan, Mortgage Lender shall be deemed to have accepted the conditions to Fixture Lender's subordination which are set forth herein.

9. **Successors and Assigns.** The heirs, administrators, assigns and successors in interest of Owner, Fixture Lender and Mortgage Lender shall be bound by this Agreement.

10. **Notices.** All notices, demands or other communications to be given or sent pursuant to this agreement shall be given in the manner set forth in the Fixture Loan Documents.

11. **Governing Law; Attorneys Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located. The prevailing party shall be entitled to its reasonable attorney's fees and all other costs and expenses in any action to enforce or interpret this Agreement.


*[Signatures Appear on Following Page]*

***Subordination Agreement Signature Page***

DATED as of the 09 day of January, 2020.

**FIXTURE  
LENDER:**

**1<sup>st</sup> SECURITY BANK OF  
WASHINGTON**

By:   
Name: Kalena Keffler  
Title: Loan Processor

**OWNER:**

Madeline J Handzlik (type or print name)


James R Handzlik (type or print name)

**Subordination Agreement Signature Page**

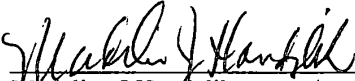
DATED as of the 09 day of January, 2020.

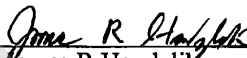
**FIXTURE  
LENDER:**

**1<sup>st</sup> SECURITY BANK OF  
WASHINGTON**

By:   
Name: Kalena Keffler  
Title: Loan Processor

**OWNER:**

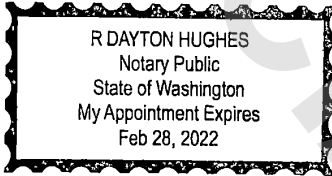
  
Madeline J Handzlik (type or print name)

  
James R Handzlik (type or print name)

STATE OF Washington |  
COUNTY OF Snohomish | ss.

I certify that I know or have satisfactory evidence that Kalena Keffler is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Admin Assistant of 1<sup>ST</sup> SECURITY BANK OF WASHINGTON to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 09 day of January, 2020.



[Handwritten Signature]  
(Signature of Notary)

R. Dayton Hughes  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at Bothell, WA

My appointment expires February 28, 2022

STATE OF Washington |  
COUNTY OF Skaagit | ss.

I certify that I know or have satisfactory evidence that Madeline J. Houchenslik  
the person who appeared before me, and said person acknowledged that said individual  
signed this instrument and acknowledged to be his or her free and voluntary act and deed  
for the uses and purposes mentioned in the instrument.

DATED this 27<sup>th</sup> day of January, 2020.

Kelly Freberg  
(Signature of Notary)



Kelly Freberg  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of  
WA, residing at Oerloughton  
My appointment expires Nov. 16, 2023

STATE OF Washington ss.  
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that James R. Henderson the person who appeared before me, and said person acknowledged that said individual signed this instrument and acknowledged to be his or her free and voluntary act and deed for the uses and purposes mentioned in the instrument.

DATED this 27<sup>th</sup> day of January, 2020

Kelly Freberg  
(Signature of Notary)



Kelly Freberg  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of WA, residing at Orlonton  
My appointment expires Nov. 16, 2023

**EXHIBIT A**

**LEGAL DESCRIPTION:** Real property in the County of Skagit, State of Washington, described as follows:

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Lots 6 and 7, Block 1, "Mill Addition to Baker", according to the plat thereof, recorded in Volume 3 of Plats, Page 71, records of Skagit County, Washington.  
Situate in Skagit County, Washington.

Tax Parcel ID No. P70644, 4052-001-007-0000