

WHEN RECORDED RETURN TO:

Name: Puget Sound Cooperative Credit Union
Address: 11201 SE 8th Street, Suite 208
City, State, Zip: Bellevue, WA 98004

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 agree as follows:

1. **Puget Sound Cooperative Credit Union** referred to herein as "subordinator", is the owner and holder of a UCC Financing statement in the amount of \$28,244.50 which is recorded on 09/30/2025 in volume _____ of Mortgages, page _____, under auditor's file No. 202509300014 records of Skagit County.
2. **Peoples Bank** referred to herein as "lender" is the owner and holder of the mortgage in the loan amount not to exceed \$400,000.00 dated February 23, 2026 executed by Sarah Hayne and Stephen Hayne (which is recorded in volume _ of Mortgages, page __, under auditor's file No. 202602250001 records of Skagit County) (which is to be recorded concurrently herewith).
3. **Sarah Hayne and Stephen Hayne** (referred to herein as "owner", as 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.

Executed this 18th day of February, 2026

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.

Marina Tsekhanovskaya
Marina Tsekhanovskaya, VP Lending of PSCCU

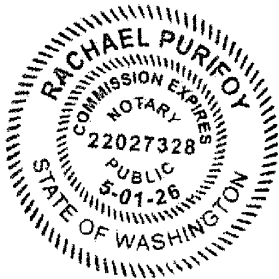
STATE OF WASHINGTON)

COUNTY OF KING)

ss.

I certify that I know or have satisfactory evidence that Marina Tsekhanovskaya is the individual who appeared before me and said Individual acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledge it as the VP Lending of PUGET SOUND COOPERATIVE CREDIT UNION to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Given under my hand and seal this 18th day of February, 2026



Rachael Purifoy
Notary Public

Printed Name: Rachael Purifoy

My appointment expires: 5/1/26