

Recording requested by and
when recorded return to:

Pentagon Federal Credit Union
PO Box 70046
Eugene, OR 97401



200412020090
Skagit County Auditor

12/2/2004 Page 1 of 5 11:37AM



SUBORDINATION AGREEMENT

Loan Number: 423327107001

B83036-E FIRST AMERICAN TITLE CO.

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

THIS AGREEMENT, made this 16th day of September, 2004, by Paul J Schweikert and Elizabeth J Schweikert, husband and wife, owner of the land hereinafter described and hereinafter referred to as "Owner", and Washington Mutual Bank, present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, **Paul J Schweikert and Elizabeth J Schweikert, husband and wife**, as Grantor, did execute a Security Instrument, dated January 8, 2003 to First American Title, an California corporation, as Trustee, covering:

Lot A of Short Plat No. 99-0018, approved Dec. 14, 1999, recorded Dec 14, 1999, as Auditor's File No. 199912140098, records of Skagit County, Washington, and being a portion a of the Northwest ¼ of the Northwest ¼ of Section 13, Township 35 North, Range 5 East W.M.

to secure a Note in the sum of \$100,000.00, dated January 8, 2003, in favor of Pentagon Federal Credit Union which Security Instrument was recorded on February 10, 2003, under Instrument No. 200302100031, of Official Records, in the Office of the County Recorder of Skagit County, State of Washington, and

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$515,000.00, dated 11-19-04, in favor of Washington Mutual Bank, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally

subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument first above mentioned, which provide for the subordination of the lien or charge thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- A. He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- B. Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- C. He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- D. An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.



Loan Number: 423327107001

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.



Loan Number: 423327107001

BENEFICIARY

By: *Michael J. Kelly*

Name: Michael J. Kelly
Pentagon Federal Credit Union

Title: Assistant Treasurer

OWNER

By: *Paul J. Schweikert*

Paul J. Schweikert Jr.

By: *Elizabeth J. Schweikert*

Elizabeth J. Schweikert

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")

Virginia
STATE OF ~~WASHINGTON~~

COUNTY OF Alexandria

On this day personally appeared before me and

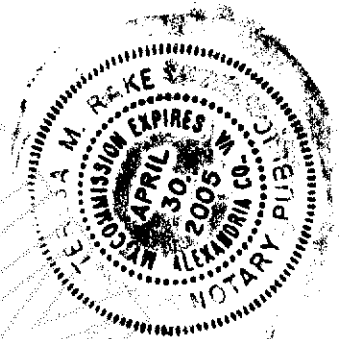
Michael J. Kelly Assistant Treasurer

_____, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledge that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 22 day of November, 2004

Notary Public in and for the State of ~~Washington~~ Virginia
residing at: _____

My commission expires: 4-30-05



Loan Number: 423327107001

STATE OF WASHINGTON)

) ss

COUNTY OF _____)

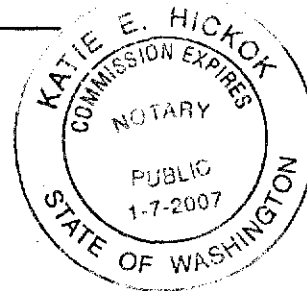
On this day personally appeared before me _____
and _____

_____, to me known to be the individuals
described in and who executed the within and foregoing instrument, and acknowledge that they signed
the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this _____ day of _____.

Notary Public in and for the State of Washington
residing at: _____

My commission expires: _____



STATE OF WASHINGTON)

) ss

COUNTY OF Skagit)

On this day personally appeared before me Paul Schweikert JR
and _____

_____, to me known to be the individuals
described in and who executed the within and foregoing instrument, and acknowledge that they signed
the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 29th day of December, 2006

Katie E. Hickok
Notary Public in and for the State of Washington
residing at: mt. vernon

My commission expires: 1-7-07

EXHIBIT "A"