WHEN RECORDED RETURN TO 00306230200 Skagit County Auditor Name Skagit State Bank 6/23/2003 Page 1 of 1 11:57AM Address PO Box 285 98233 Burlington, WA City, State, Zip ... LAND TITLE COMPANY FILED FOR RECORD AT REQUEST OF 107359-PE LAND TITLE COMPANY 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: Skagit State Bank . referred to herein as "subordinator", is the owner and holder of a mortgage dated **January** 25, 1999 which is recorded in volume under auditor's file No. records of Skagit County. AFN 9901270100 washington Mutual referred to herein as "lender" is the owner and holder of a mortgage dated (which is recorded in volume of Mortgages, page under auditor's file No Displaced in the recorded concurrently herewith).

East of State of Stat 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 there under, including any extension or renewal thereof. "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. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement. 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 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. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the work "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned. Executed this WM day of June 2003 NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A FORTION 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 STORY OF WITH RESPECT THERETO.

Cheryl R. Bishop, Co-CEV C NOTARY ...Cheryl R. Bishop, Co-CEØ ≺ Skagit State Bank . PUBLIC STATE OF WASHINGTON OFWASHINGTON COUNTY OF. Skagit On this day of June. 2003. before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Cheryl. R. Bishop. On this day personally appeared before me to me known to be the individual described in and who to me known to be the CO-CEO President and Secretary respectively of Skagit State Bank the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that executed the within and foregoing instrument, and acknowledged that..... signed the same as...... free and voluntary act and deed, for the uses and purposes therein mentioned. authorized to execute the said instrument and that the seal affixed is the GIVEN under my hand and official seal this corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first

LT Sub Agr (11/96)

Licia Lohidson

Notary Public in and for the State of Washington, residing at My appointment expires:

Notary Public in and for the State of Washington,

My appointment expires: