

Drafted by Andrea Sutherland
Wells Fargo Home Mortgage, Inc.
2701 Wells Fargo Way
Minneapolis, Minnesota 55408



200309050155

Skagit County Auditor

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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

This Agreement is made this 12th day of August 2003, by and between **Wells Fargo Bank, N.A.** a national bank with its headquarters located at **420 Montgomery Street, San Francisco California** (herein called "Lien Holder"), and **Wells Fargo Home Mortgage, Inc.**, with its main office located in the State of **Iowa** (herein called the "Lender").

RECITALS

Lien Holder is the beneficiary/mortgagee under a deed of trust/mortgage, dated **November 4th, 2002** executed by **Mark C. Johnson and Mary E. Johnson** (the "Debtor") which was recorded in the county of **SKAGIT**, State of **Washington**, as **200211120243** on **November 12th, 2002** (the "Subordinated Instrument") covering real property located in **ANACORTES** in the above-named county of **SKAGIT**, State of **Washington**, as more particularly described in the Subordinated Instrument (the "Property").

PLEASE SEE ATTACHED EXHIBIT "A" (Legal Description)

Lender will make a loan to the Debtor secured by a deed of trust/mortgage on the Property which will be recorded (the "Lender Instrument"). The Lender Instrument will secure a promissory note/line of credit agreement not to exceed the amount of \$204,000.

Recorded 9/5/03 Auditors # 200309050154

Lien Holder has agreed to execute and deliver this Subordination Agreement.

ACCORDINGLY, in consideration of the property and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lien Holder hereby agrees with Lender as follows:

1. Regardless of any priority otherwise available to Lien Holder, the lien of the Subordinated Instrument is, shall be and shall remain fully subordinate for all purposes to the lien of the Lender Instrument, to the full extent of the sum secured by the Lender Instrument, including not only principal and interest on the principal indebtedness secured thereby but all other sums secured by the Lender Instrument, excluding non-obligatory future advances.
2. Lien Holder warrants to Lender that Lien Holder presently owns the Subordinated Instrument and indebtedness secured thereby, free and clear of all liens, security interests and encumbrances.
3. This Agreement is made under the laws of the State of Washington. It cannot be waived or changed, except by a writing signed by the parties to be bound thereby. This Agreement is made between Lender and Lien Holder. It shall be binding upon Lien Holder and the successors and assigns of Lien Holder, and shall inure to the benefit of, and shall be enforceable by, Lender and its successors and assigns. Neither the Debtor nor any other person (except Lender, its successors and assigns), shall be entitled to rely on, have the benefit of or enforce this Agreement.

IN WITNESS WHEREOF, this Subordination Agreement is executed on the day and year first above stated.

WELLS FARGO BANK , N.A.

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



By: Brett Lambert
Title: Assistant Vice President



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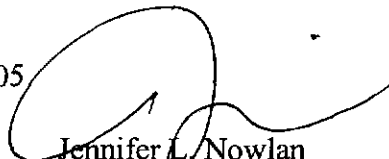
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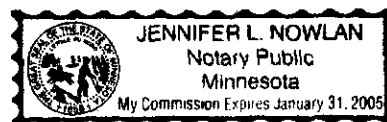
STATE OF Minnesota)
) SS.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 12th day of August, 2003, by Brett Lambert Assistant Vice President of Wells Fargo Bank , N.A.

WITNESS my hand and official seal.

My commission expires: January 31, 2005


Jennifer L. Nowlan
Notary Public



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5. The land referred to in this Commitment is in the State of Washington, County of Skagit and is described as follows:

Lot 21 of Rock Ridge, a Survey recorded December 3, 1998, in Volume 21 of Surveys, pages 85 through 87, under Auditor's File No. 9812030124, records of Skagit County, Washington, being also described as a portion of Block 1125, "NORTHERN PACIFIC ADDITION TO ANACORTES," as per plat recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.



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