

WHEN RECORDED RETURN TO:

Name: School Employees Credit Union of Washington
Address: 325 East Lake Ave East
City, State, Zip Seattle WA 98109



200309090235
Skagit County Auditor

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 Chicago Title Insurance Company

701 5th Avenue, Suite 1700, Seattle, Washington 98104

CHICAGO TITLE CO.

028085 ✓

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:

1. School Employees Credit Union of Washington FKA Washington School Employees Credit Union referred to herein as "subordinator", is the owner and holder of a mortgage dated May 14, 2003 which is recorded in volume _____ of Mortgages, page _____, under auditor's file No. 200305190143 records of Skagit County.

2. HomeStreet Bank referred to herein as "lender" is the owner and holder of the mortgage dated 9/4, 2003, executed by George R. Garcia and Betty A. Garcia, Husband and Wife, in the amount of \$86,900.00 (which is recorded in volume _____ of Mortgages, page _____, under auditor's file no. *, records of ** County) (which is to be recorded concurrently herewith).
* 200309090234 ** SKAGIT

3. George R. Garcia and Betty A. Garcia, Husband and Wife referred to herein as "owner", is 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 respect 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" 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 4th day of September 2003

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.

Linda North - Financial Services Supervisor

Linda North

School Employees Credit Union of Washington

STATE OF WASHINGTON

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____
_____ is the person who appeared before
me, and said person acknowledged that _____
signed this instrument and acknowledged it to be _____ free and voluntary act for
the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public

Printed Name: _____
My appointment expires _____

A-7 -Individual Capacity

STATE OF WASHINGTON

COUNTY OF King

I certify that I know or have satisfactory evidence that
Linda North is
the person who appeared before me, and said person acknowledged that
she signed this instrument, on oath stated that
she was authorized to execute the instrument and acknowledged it
as Financial Services Supervisor
of School Employees Credit Union of Washington FKA Washington School Employees Credit Union
to be the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.

DATED: 4th September 2003



A-7 -Representative Capacity

Annette Dawn Skurlock
Notary Public
Printed Name: Annette Dawn Skurlock
My appointment expires 01-31-05



200309090235
Skagit County Auditor