

AFTER RECORDING MAIL TO:
HomeStreet Bank
2000 Two Union Square
601 Union Street
Seattle, WA 98101



10/24/2003 Page 1 of 2 3:27PM

File for Record at Request of
Jeff Newcomer

LAND TITLE COMPANY: F SKAGIT COUNTY

Subordination Agreement

109088-P

Reference Number(s): 253737
Grantor(s): CitiFinancial, Inc.
Grantee(s): HomeStreet Bank

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. CitiFinancial, Inc. referred to herein as "subordinator", is the owner and holder of a mortgage dated May 8, 2002 which is recorded in volume N/A of Mortgages, page N/A under auditor's file No. 200205100122, records of Skagit County.
2. HomeStreet Bank referred to herein as "lender", is the owner and holder of a mortgage dated 9/23/03 executed by Cliserio Bonilla and Chole Bonilla, husband and wife (which is recorded in volume _____ of Mortgages, page _____ under auditor's file No. 200310010089 records of Skagit County) (which is to be recorded concurrently herewith).
3. Cliserio Bonilla and Chole Bonilla, 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,
5. "Subordinator" recognizes and agrees that "lender" will not be advancing any additional funds to "owner" or to "subordinator" under the terms of the mortgage in favor of "lender" above referred to.
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 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.
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 19th day of October, 2003

NOTICE: THIS SUBORDINATION 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 THEIR ATTORNEYS WITH RESPECT THERETO.

Chris Bahr

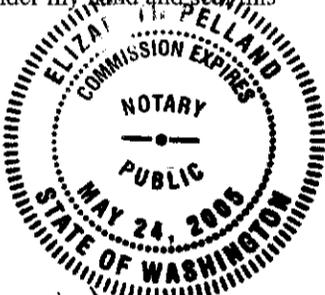
Chris Bahr

By: Heather M. Carlson
Its: Branch mgr.

STATE OF Washington } SS:
County of Skagit }

I certify that I know or have satisfactory evidence that Chisco Bonilla + Chole Bonilla is/are the individual(s) who appeared before me, and said Individual(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Given under my hand and seal this 10 day of October, 2003.



Elizabeth Pelland
Notary Public in and for the State of Washington
Residing at Skagit County
My appointment expires May 24, 2005

STATE OF WASHINGTON } SS:
County of Skagit }

I certify that I know or have satisfactory evidence that Heather M. Carlson is/are the individual(s) who appeared before me, and said Individual(s) acknowledged that he/she/they signed this instrument, on oath stated that he/she/they is/are authorized to execute the instrument and acknowledge it as the Br. Manager of CitiFinancial, Inc. 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 1st day of October, 2003.



Melinda Dyan Gabino
Notary Public in and for the State of Washington
Residing at Whatcom County
My appointment expires 12-9-04