

When recorded return to:

Skagit State Bank



200612010129

Skagit County Auditor

12/1/2006 Page 1 of 2 3:58PM

File for Record at Request of
Land Title Company
Escrow Number: 123665-J123665-J

Grantor: Skagit State Bank
Grantee: The Bank of The Pacific

LAND TITLE 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:

1. **Skagit State Bank**
referred to herein as "subordinator", is the owner and holder of a mortgage dated August 16, 2004
which is recorded in _____ of Mortgages, page _____
under auditor's file 200408190095 *, records of Skagit County.
The Bank of The Pacific
2. referred to herein as "lender", is the owner and holder of a mortgage dated _____
executed Brian S. Tiland and Dana L. Andrich, husband and wife
(which is recorded in volume _____ of Mortgages,
auditor's file 200612010082 records Skagit County) (which
is to be recorded concurrently herewith).

*and that certain Assignment of Rents given as additional security and the terms and constions thereof dated August 16, 2004 and recorded August 19, 2006 under Auditor's File No. 200408190096.

3. **Brian S. Tiland and Dana L. Andrich, 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 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 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.

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.

Date: November 30, 2006

Skagit State Bank By:

KARA GONZALEZ, VP

STATE OF

Washington

County of

SKAGIT

SS:

I certify that I know or have satisfactory evidence that

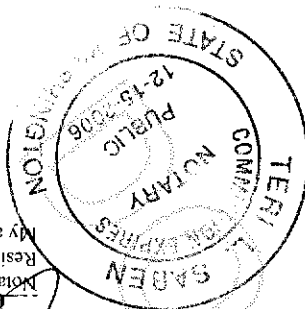
KARA GONZALEZ, VP signed this instrument, on oath stated that

authorized to execute the instrument and acknowledged it as the

of *SKAGIT STATE BANK* to be the free and voluntary act of such

Dated:

11-30-06



Notary Public in and for the State of Washington
Residing at *SKAGIT, WA*
My appointment expires: *12-15-2006*

200612010129
Skagit County Auditor