

When recorded return to:

Whidbey Island Bank
P.O. Box 1589
Oak Harbor WA 98277



200903250111
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

132587-PWE

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. Whidbey Island Bank, a Washington Corporation
referred to herein as "subordinator," is the owner and holder of a mortgage dated April 2, 2008
which is recorded under Auditor's File No. 200804090097, records of Skagit County, Washington.
2. Whidbey Island Bank, a Washington Corporation
referred to herein as "lender," is the owner and holder of a mortgage in an amount not to exceed
\$160,000.00, dated March 19, 2009
executed by Scott D. McLaughlin and Tammy McLaughlin, husband and wife
which is recorded under Auditor's File No. 200903250110, records of Skagit County,
Washington.
3. Scott D. McLaughlin and Tammy McLaughlin, 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 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 HIS/HER/THEIR ATTORNEYS WITH RESPECT THERETO.

Dated: March 19, 2009

Tammy Barnett

Tammy Barnett
Vice President of Whidbey Island Bank

STATE OF WASHINGTON

ss.

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Tammy Barnett

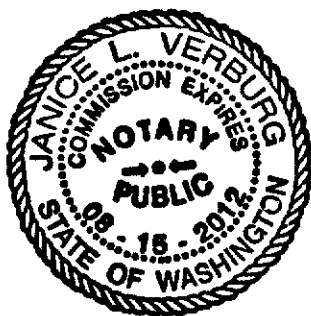
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that she

signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledge it as the Vice President of Whidbey Island Bank to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: March 19, 2009

Janice L. Verborg

Notary name printed or typed: Janice L. Verborg
Notary Public in and for the State of Washington
Residing at Bellingham
My appointment expires: 8/15/2012



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