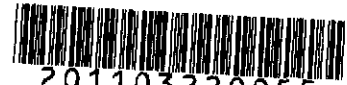


**This Instrument Prepared by:**  
Wells Fargo.  
P.O. Box 4149 MAC P6051-019  
Portland, OR 97208-4149  
1-800-945-3056



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**GUARDIAN NORTHWEST TITLE CO.**

Reference: 232289571415

Account Number: XXX-XXX-XXX4385-1998

**SUBORDINATION AGREEMENT FOR**  
MODIFICATION OF SHORT FORM DEED OF TRUST (WITH FUTURE ADVANCE CLAUSE)

101528-2

Effective Date: 3/14/2011

Owner(s): WILLIAM EVAN FOSTER  
GRETCHAN W FOSTER

Current Line of Credit Recorded Commitment \$300,000.00 being reduced to \$228,000.00.

Senior Lender: Wells Fargo Bank, N.A.

DT # 201103220054

Subordinating Lender: Wells Fargo Bank, N.A.

DT # 200505240042

*If Wells Fargo Bank, N.A. is subordinating to Wells Fargo Bank, N.A., this document is notice that the lien securing the loan or line of credit serviced by the Wells Fargo Bank Home Equity Group is subordinated to the first lien loan being originated or modified by the Wells Fargo Home Mortgage Group.*

Trustee: WELLS FARGO FINANCIAL NATIONAL BANK

Property Address: 11268 MARINE DR, ANACORTES, WA 98221

**THIS AGREEMENT** (the "Agreement"), effective as of the Effective Date above, is made by and among the Subordinating Lender, Owners and the Senior Lender named above.

WILLIAM EVAN FOSTER AND GRETCHAN W. FOSTER, HUSBAND AND WIFE (individually and collectively the "Owner") own the real property located at the above Property Address (the "Property").

The Subordinating Lender has an interest in the Property by virtue of a Short Form Deed Of Trust (With Future Advance Clause) (the "Existing Security Instrument") given by the Owner, covering that real property, more particularly described as follows:

See Exhibit A

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which document is dated the 4th day of April , 2005, which was filed in Document ID# 200505240042 at page N/A (or as No. N/A) of the Official Records in the Office of the Auditor of the County of SKAGIT, State of Washington. The Existing Security Instrument secures repayment of a debt evidenced by a note or a line of credit agreement extended to WILLIAM EVAN FOSTER, GRETCHAN W FOSTER (individually and collectively "Borrower") by the Subordinating Lender.

The Senior Lender has agreed to make a new loan or amend an existing loan in the original principal amount NOT to exceed \$691,500.00 (the "New Loan or Amended Loan"), provided that the New Loan or Amended Loan is secured by a first lien mortgage on the Property (the "New Security Instrument") in favor of the Senior Lender. If the New Loan or Amended Loan exceeds this amount, the Subordination Agreement is VOID.

The Subordinating Lender is willing to subordinate the lien of the Existing Security Instrument to the lien of the New Security Instrument under the terms set forth in this Agreement.

**NOW, THEREFORE**, for and in consideration of the above recitals, the covenants herein contained, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

**A. Agreement to Subordinate**

Subordinating Lender and Trustee, if applicable, hereby subordinates the lien of the Existing Security Instrument, and all of its modifications, extensions and renewals, to the lien of the New Security Instrument. This Agreement is effective as to any sum whose repayment is presently secured or which may in the future be secured by the Existing Security Instrument.

**B. Agreement to Change Credit Limit**

Change in Line of Credit Agreement

The Subordinating Lender's agreement to subordinate is conditioned on the reduction in the Borrower's revolving Line of Credit from \$300,000.00 to \$228,000.00.

By signing this Agreement below, the Borrower agrees to this change.

Change in Security Interest

The lien evidenced by the Existing Security Instrument is hereby reduced from \$300,000.00 to \$228,000.00.

**C. Appointment of Substitute Trustee *If Applicable***

The Existing Security Instrument names N/A, as Trustee and the Subordinating Lender as Beneficiary. The Existing Security Instrument provides that the Subordinating Lender may designate and appoint a substitute Trustee in place of any other trustee by an instrument recorded among the appropriate land records.

The Subordinating Lender hereby removes N/A as Trustee and designates and appoints N/A as substitute Trustee with the same powers and duties as were originally vested in the Original Trustee under the Existing Security Instrument.

**D. General Terms and Conditions**

**Binding Effect** – This Agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto and all of those holding title under any of them.

**Nonwaiver** – This Agreement may not be changed or terminated orally. No indulgence, waiver, election or non-election by New Lender or the trustee(s) under the New Security Instrument or related documents shall affect this Agreement.

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**Severability** – The invalidity or unenforceability of any portion of this Agreement shall not affect the remaining provisions and portions of this Agreement.

**E. Signatures and Acknowledgements**

The Subordinating Lender, through its authorized officer, and the Trustee if applicable, individually or through its authorized officer or other representative, and the Borrower, have each set their hand and seal as of the Effective Date above unless otherwise indicated.

**SUBORDINATING LENDER:**

Wells Fargo Bank, N.A.

By

(Signature)

3/14/2011

Date

Barbara Edwards

(Printed Name)

Work Director

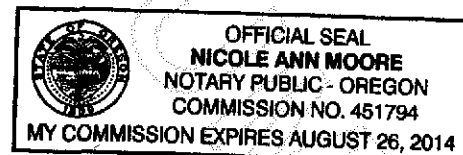
(Title)

**FOR NOTARIZATION OF LENDER PERSONNEL**

STATE OF Oregon, }  
COUNTY OF Washington } ss.

The foregoing Subordination Agreement was acknowledged before me, a notary public or other official qualified to administer oaths this 14 day of Mar, 2011, by Barbara Edwards, as Work Director of Wells Fargo Bank, N.A., the Subordinating Lender, on behalf of said Subordinating Lender pursuant to authority granted by its Board of Directors. S/he is personally known to me or has produced satisfactory proof of his/her identity.

(Notary Public)



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BORROWER(S): I received and read a completed copy of this Modification Agreement before I signed it. I agree to all its terms.

(Signature) <u>William Evan Foster</u>	<u>3/17/2011</u>
(Signature) <u>WILLIAM EVAN FOSTER</u>	(Date) <u>3/17/2011</u>
(Signature) <u>Gretchen W. Foster</u>	(Date)
(Signature) <u>GRETCHAN W FOSTER</u>	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)

OWNER(S): As a signer on the Security Instrument under the Line of Credit Agreement, the undersigned hereby acknowledges this Modification Agreement and agrees to its terms, and a receipt of a copy of the same.

(Signature) <u>William Evan Foster</u>	<u>3/17/2011</u>
(Signature) <u>WILLIAM EVAN FOSTER</u>	(Date) <u>3/17/2011</u>
(Signature) <u>Gretchen W. Foster</u>	(Date)
(Signature) <u>GRETCHAN W FOSTER</u>	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)
(Signature)	(Date)

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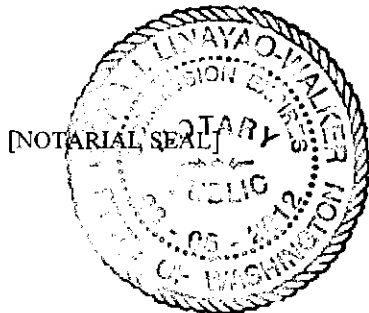
**For An Individual Acting In His/Her Own Right:**

State of Washington

County of Whatcom

On this day personally appeared before me William Evan Foster and  
Gretchen W Foster (here insert the name of grantor or  
grantors) to me known to be the individual, or individuals described in and who executed he within and foregoing  
instrument, and acknowledged that he (she or they) signed the same as his (her or their) free and voluntary act and  
deed, for the uses and purposes therein mentioned. Given under my hand and official seal this 17 day of  
March, 2011

Witness my hand and notarial seal on this the 17 day of March, 2011.



Diana Linayao-Walker  
Signature  
Diana Linayao-Walker  
Print Name: \_\_\_\_\_  
Notary Public

My commission Expires: 08/05/2012

**Exhibit A**

Reference Number: 232289571415

**Legal Description:**

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Tract 44, "ANACO BEACH, SKAGIT COUNTY, WASHINGTON", according to the plat thereof recorded in Volume 5 of Plats, page 4, records of Skagit County, Washington, and that portion of Tract 45 of said "ANACO BEACH, SKAGIT COUNTY, WASHINGTON", described as follows:

Commencing at the Northeast corner of said Tract 45; thence South  $58^{\circ}44'07''$  West, along the North line of said Tract 45, a distance of 398.91 feet to the true point of beginning; thence continue South  $58^{\circ}44'07''$  West a distance of 82.58 feet; thence South  $31^{\circ}15'23''$  East a distance of 10.76 feet; thence North  $58^{\circ}44'07''$  East a distance of 82.58 feet; thence North  $31^{\circ}15'53''$  West a distance of 10.76 feet to the true point of beginning.

