

202511170039

11/17/2025 11:10 AM Pages: 1 of 11 Fees: \$313.50
Skagit County Auditor, WA

WHEN RECORDED RETURN TO:
Guardian Northwest Title & Escrow
P.O. Box 1667
Mount Vernon WA 98273

<p>DOCUMENT TITLE(S): SUBORDINATION AGREEMENT</p> <p>REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:</p> <p>AF #202511170031 & 202510140005</p> <p>GRANTOR: SOARIAN FEDERAL CREDIT UNION</p> <p>GRANTEE: PACIFICA MORTGAGE LENDING / Joseph Robert Danny Boulet and Leah Jones</p> <p>ABBREVIATED LEGAL DESCRIPTION: Ptn. Lots 4 & 5, Block 3, GINTHNER'S PLAT OF WESTVIEW MANOR & Section 23, Township 34 North, Range 3 East - SW NW</p> <p>TAX PARCEL NUMBER(S): P70308/4038-003-005-0007 & P22407/340323-2-012-0002</p>
--

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "*Agreement*"), dated as of November 4, 2025, is made by Soarion Federal Credit Union ("*Subordinated Lender*"), in favor of Pacifica Lending ("*Senior Lender*"), and acknowledged and agreed by Danny Robert Boulet and Leah Vandenberg Jones (collectively, "*Borrowers*").

WHEREAS, Borrowers and Senior Lender have entered into, or will enter into, that certain Credit Agreement, dated as of the date hereof (as amended, modified, restated or refinanced from time to time, the "*Credit Agreement*").

WHEREAS, Borrowers are indebted to Subordinated Lender pursuant to the terms of that certain UCC Secured Installment Agreement dated July 18, 2025, recorded in the Skagit County property records on October 14, 2025, UCC Instrument/Document Number 202510140005 (the "*Subordinated Loan Agreement*"); and

WHEREAS, as an inducement to and as one of the conditions precedent to the agreement of Senior Lender to consummate the transactions contemplated by the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), Senior Lender has required that Subordinated Lender subordinate to the Senior Lender.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Definitions. As used herein, the following terms have the meanings set forth below:

"*Bankruptcy Code*" shall mean the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"*Collateral*" means all collateral now or hereafter securing, or purported to secure, payment of the Senior Liabilities, including all proceeds thereof.

"*Collection Action*" means, with respect to the Subordinated Liabilities, any action or Proceeding against any Borrower to recover all or any part of the Subordinated Liabilities, or join with any creditor in bringing any Proceeding against any Borrower under any bankruptcy, reorganization, readjustment of debt, arrangement of debt receivership, liquidation or insolvency law or statute of the federal or any state government, or take possession of, sell, or dispose of any of Borrower's property, or exercise or enforce any right or remedy available to Subordinated Lender with respect to any such property.

"*Lien*" means any security interest, mortgage, deed of trust, pledge, lien, charge, encumbrance, or analogous instrument or device.

"*Loan Documents*" means collectively, the Credit Agreement and any and all other agreements, notes, documents, instruments and security agreements (together with any and all amendments, restatements, replacements or other modifications thereof) previously, now or hereafter executed and delivered in connection with the Credit Agreement or otherwise evidencing or executed in connection with the Senior Liabilities.

"*Paid In Full*" means, with respect to the Senior Liabilities, that the Senior Liabilities are fully, finally and irrevocably paid in full in cash and Senior Lender has no further obligation to

make loans or other advances to, or issue letters of credit for, any Borrower under the Loan Documents.

"*Permitted Subordinated Debt Payments*" has the meaning ascribed to such term in Section 3 hereof.

"*Person*" means an individual, corporation, partnership, trust, governmental entity or any other entity, organization or group whatsoever.

"*Proceeding*" shall mean any voluntary or involuntary insolvency, bankruptcy, receivership, custodianship, liquidation, dissolution, reorganization, assignment for the benefit of creditors, appointment of a custodian, receiver, trustee or other officer with similar powers or any other proceeding for the liquidation, dissolution or other winding up of a Person.

"*Senior Lender Default*" means an "Event of Default" as defined in the Credit Agreement.

"*Senior Liabilities*" means all obligations at any time owed by the Borrower to the Senior Lender arising under the Loan Documents, whether such obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several, all interest thereon, and all fees, costs and other charges related thereto (including all interest, fees, costs and other charges accruing after the commencement of any case, Proceeding or other action relating to the bankruptcy insolvency or reorganization of the Borrower, whether or not allowed in such proceeding or other action), all renewals, extensions and modifications thereof and any notes issued in whole or partial substitution therefor.

"*Subordinated Documents*" the Subordinated Loan Agreement, any guaranty with respect to the Subordinated Liabilities and all other documents and instruments evidencing or securing any portion of the Subordinated Liabilities, as amended, supplemented, restated or otherwise modified from time to time.

"*Subordinated Liabilities*" means all obligations at any time owed by the Borrower to the Subordinated Lender arising under the Subordinated Documents, whether such obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several, all interest thereon, and all fees, costs and other charges related thereto (including all interest, fees, costs and other charges accruing after the commencement of any case, Proceeding or other action relating to the bankruptcy insolvency or reorganization of the Borrower, whether or not allowed in such proceeding or other action), all renewals, extensions and modifications thereof and any notes issued in whole or partial substitution therefor.

2. Subordination. Subject to the right of Subordinated Lender to receive the Permitted Subordinated Debt Payments as described in Section 3, the payment of all of the Subordinated Liabilities is hereby expressly subordinated to the Senior Liabilities until the Senior Liabilities are Paid In Full. The Subordinated Liabilities shall continue to be subordinated to the Senior Liabilities even if the Senior Liabilities are subordinated, avoided or disallowed under the Bankruptcy Code or other applicable law.

3. Payments Prior to Repayment of Senior Liabilities.

(a) Until the Senior Liabilities have been Paid In Full, Subordinated Lender shall not, without Senior Lender's prior written consent, demand, receive or accept any direct or indirect payment (whether of principal, interest or otherwise) from Borrowers in respect of the Subordinated Liabilities, or exercise any right of or permit any setoff in respect of the Subordinated Liabilities. Notwithstanding the foregoing, Subordinated Lender may accept payments of principal and interest as set forth in the Subordinated Documents (collectively, the "*Permitted Subordinated Debt Payments*").

(b) Upon becoming aware of the occurrence of a Senior Lender Default, Subordinated Lender shall provide written notice to Senior Lender and a thirty (30) day right to cure. In the event Senior Lender does not cure the Senior Lender Default, this Agreement will be terminated and all rights and obligations of the parties hereunder shall cease as of the date of such Senior Lender Default.

4. Receipt of Prohibited Payments. If Subordinated Lender receives any payment of any kind or character from any Borrower or from any other source whatsoever in respect of any of the Subordinated Liabilities, other than as expressly permitted by the terms of this Agreement, such payment shall be received in trust for the Senior Lender and promptly turned over by the Subordinated Lender to the Senior Lender.

5. Action on the Subordinated Liabilities. Prior to Payment in Full of the Senior Liabilities, no Subordinated Lender will commence any Collection Action.

6. Collateral.

(a) Until the Senior Liabilities are Paid In Full, the Subordinated Lender, to the fullest extent permitted by applicable law, waives as to the Senior Lender any requirement regarding, and agrees not to demand, request, plead or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law.

(b) So long as the Senior Liabilities have not been Paid In Full, the Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies (including without limitation in connection with a Proceeding involving any Borrower), shall be applied to the Senior Liabilities, in such order as specified in the relevant Loan Documents until the Senior Liabilities have been Paid In Full prior to any application to the Subordinated Liabilities.

7. Subordinated Documents. Until the Senior Liabilities are Paid in Full and notwithstanding anything contained in the Subordinated Documents, the Credit Agreement or the other Loan Documents to the contrary, the Subordinated Lender shall not, without the prior written consent of the Senior Lender, which consent shall not be unreasonably withheld, conditioned or delayed, agree to any amendment, modification or supplement to the Subordinated Documents.

8. Proceedings. This Agreement shall be applicable both before and after the filing of any petition by or against any Borrower under the Bankruptcy Code or any other Proceeding and all converted or succeeding cases in respect thereof. All references in this Agreement to Borrower will include such person as a debtor-in-possession and any receiver, trustee or other estate representative for such person in a Proceeding. This Agreement is a "subordination agreement" under section 510(a) of the Bankruptcy Code and shall be enforceable in any Proceeding. In the event of a Proceeding:

(a) all Senior Liabilities first shall be Paid In Full before any payment (whether made in cash, securities or other property) of or with respect to the Subordinated Liabilities shall be made, and to the extent received by any Subordinated Lender, shall be paid or delivered directly to Senior Lender until all Senior Liabilities are Paid In Full;

(b) any payment which, but for the terms hereof, otherwise would be payable or deliverable in respect of the Subordinated Liabilities, shall be paid or delivered directly to Senior Lender (to be held and/or applied by Senior Lender to the repayment of any and all then outstanding Senior Liabilities in accordance with the terms of the Credit Agreement) until all Senior Liabilities are Paid In Full, and Subordinated Lender irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all such payments and deliveries, and Subordinated Lender also irrevocably authorizes, empowers and directs Senior Lender to demand, sue for, collect and receive every such payment;

(c) Senior Lender will be entitled to interest, fees, and charges accruing after the commencement of such Proceeding with respect to the Senior Liabilities, in each instance, (i) whether accrued before or after the commencement of such Proceeding and (ii) whether or not such interest, fees and charges would be allowed or allowable in such Proceeding; and

(d) the Senior Liabilities shall continue to be treated as Senior Liabilities and the provisions of this Agreement shall continue to govern the relative rights and priorities of the Senior Lender and Subordinated Lender even if all or part of the Senior Liabilities or the liens securing the Senior Obligations are subordinated, set aside, avoided or disallowed in connection with any such Proceeding.

9. Transfers. No Subordinated Lender shall sell, assign, dispose of or otherwise transfer all or any portion of the Subordinated Liabilities unless prior to the consummation of any such action, the transferor and transferee thereof shall execute and deliver to Senior Lender a joinder to this Agreement or an agreement substantially identical to this Agreement, in either case providing for the continued subordination and forbearance of the Subordinated Liabilities to the Senior Liabilities as provided herein and for the continued effectiveness of all of the rights of the Senior Lender arising under this Agreement. Notwithstanding the failure to execute or deliver any such agreement, the subordination effected hereby shall survive any sale, assignment, disposition or other transfer of all or any portion of the Subordinated Liabilities, and the terms of this Agreement shall be binding upon the successors and assigns of Subordinated Lender.

10. Continuing Effect: Modifications to Senior Liabilities.

(a) This Agreement shall in all respects be a continuing agreement and shall remain in full force and effect (notwithstanding, without limitation, the insolvency or dissolution of Subordinated Lender) until all Senior Liabilities shall have been Paid In Full. Senior Lender may not extend additional credit or other financial accommodations to or for the benefit of any Borrower which credit is included in this Agreement as Senior Liabilities without the prior written consent of Subordinated Lender, which may be withheld in its sole discretion. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Proceeding. This Agreement shall terminate and be of no further force and effect on the date that the Senior Liabilities are Paid In Full.

(b) The terms of this Agreement, the subordination effected hereby, and the rights and the obligations of Subordinated Lender and Senior Lender arising hereunder, shall not be affected, modified or impaired in any manner or to any extent by: (i) any amendment or modification of or

supplement to the Credit Agreement or any other Loan Document or any Subordinated Document; (ii) the validity or enforceability of any of such documents; or (iii) any exercise or non-exercise of any right, power or remedy under or in respect of the Senior Liabilities or the Subordinated Liabilities or any of the instruments or documents referred to in clause (i) above. Senior Lender may not, without the consent of Subordinated Lender, which may be withheld in its sole discretion, change the manner or place of payment or extend the time of payment of or renew or alter any Senior Liabilities.

11. Notice. Any notice, request, instruction, correspondence or other document to be given hereunder by any party hereto to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by registered or certified mail, postage prepaid and return receipt requested, or by electronic mail, as follows:

If to Senior Lender: Pacifica Mortgage Lending
10900 NE 4th Street, Suite 100
Bellevue, WA 98004

If to Subordinated Lender: Soarion Credit Union
1560 Cable Ranch Rd, Suite 200
San Antonio, Texas 78245
Attn: Consumer Lending Management
Email: ConsumerLendingManagement@Soarion.org

Each of the above addresses for Notice purposes may be changed by providing appropriate notice hereunder. Notice given by personal delivery or registered or certified mail shall be effective upon actual receipt. Notice given by electronic mail shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next normal business day after receipt if not received during the recipient's normal business hours. Notwithstanding anything to the contrary contained herein, Notices to any party hereto shall not be deemed effective with respect to such party until such Notice would, but for this sentence, be effective both as to such party and as to all other Persons to whom copies are provided above to be given.

12. Conflict in Agreements. If the subordination provisions of any instrument evidencing the Senior Liabilities or the Subordinated Liabilities conflict with the terms of this Agreement, the terms of this Agreement shall govern the relationship between Senior Lender and Subordinated Lender.

13. No Waiver: Amendments. This Agreement constitutes the entire agreement between and among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party or parties to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

14. Binding Effect and Assignment; Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns; but neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any party hereto without the prior written consent of the other parties. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

15. Governing Law. The provisions of this Agreement and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of Texas (excluding any conflict of law rule or principle that would refer to the laws of another jurisdiction). Each party hereto irrevocably submits to the jurisdiction of the State of Texas in any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, and each party hereto irrevocably agrees that all claims in respect of any such action or proceeding must be brought and/or defended in such court. EACH PARTY HERETO HEREBY EXPRESSLY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING HEREUNDER.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that this Agreement shall be legally binding upon the electronic transmission, including by electronic mail or .pdf files, by each party of a signed signature page to this Agreement to the other party.

17. Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

[Remainder of this page intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

SENIOR LENDER

[Signature]

By: DUC NGUYEN

Name: DUC NGUYEN

Title: President

NOTARY ACKNOWLEDGMENT FOR SENIOR LENDER

State of Washington
County of King

This instrument was acknowledged before me on this 12th day of November, 2025, by Name of Officer Duc Nguyen, Title of Officer President of Entity Name Pactica Lending, State of Formation Washington, on behalf of said Entity.

[Signature]
Notary Public Signature

My commission expires: 2/25/28



SUBORDINATED LENDER

SOARION FEDERAL CREDIT UNION

By: Patricia Mireles

Name: Patricia Mireles

Title: Lending Operations Manager

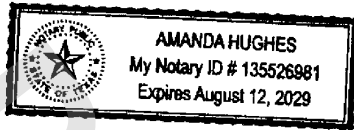
NOTARY ACKNOWLEDGMENT FOR SUBORDINATED LENDER

State of Texas

County of Bexar

This instrument was acknowledged before me on this 12 day of November, 2025, by Name of Officer Amanda Hughes, Title of Officer Consumer loan processor of Soarion Federal Credit Union, a federally chartered credit union and Texas State Financial Institution, on behalf of said Financial Institution.

Amanda Hughes
Notary Public Signature



My commission expires: Aug 12 2029

Each Borrower hereby (a) acknowledges receipt of a copy of the foregoing Subordination Agreement, (b) waives notice of acceptance thereof by the Senior Lender, and (c) agrees to be bound by the terms and provisions of the Subordination Agreement, to make no payments or distributions contrary to the terms and provisions thereof, and to do every other act and thing necessary or appropriate to carry out such terms and provisions. Each Borrower further acknowledges and agrees that it is not an intended beneficiary or third-party beneficiary under the foregoing Subordination Agreement.

ACKNOWLEDGED AND AGREED:

BORROWER 1

Signature: Joseph Robert Danny Boulet

Date: 11-11-25

Printed Name: Joseph Robert Danny Boulet

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

NOTARY ACKNOWLEDGMENT FOR BORROWER 1

State of Washington

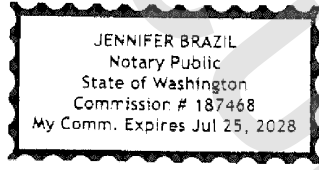
County of Skagit

On 11-11-25 before me, Name of Notary Jennifer Brazil, Borrower Name Joseph Robert Danny Boulet personally appeared, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of WA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jennifer Brazil
Notary Public Signature
My commission expires: 7-25-28



BORROWER 2

Signature: Leah Vandenberg Jones

Date: 11/11/25

Printed Name: Leah Vandenberg Jones

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Washington

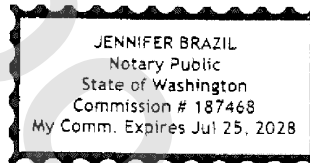
County of Skagit

On 11-11-25 before me, Name of Notary Jennifer Brazil, Borrower Name Leah Vandenberg Jones personally appeared, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of WA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jennifer Brazil
Notary Public Signature



My commission expires: 7-25-28