

AFTER RECORDING MAIL TO:
Washington Mutual Bank
1170 Silber Road CLRLVTTX
Houston, TX 77055
LOAN NO. 007824745



200303180162
Skagit County Auditor

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Filed for Record at Request of :
Wells Fargo Escrow Company
Escrow Number: 05-00059-03

LAND TITLE COMPANY OF SKAGIT COUNTY
Subordination Agreement

104978

Reference Number(s):
Grantor(s): Washington Mutual Bank
Grantee(s): Wells Fargo Home Mortgage, Inc.

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. Washington Mutual Bank referred to herein as "subordinator", is the owner and holder of a mortgage dated NA which is recorded in Nov 12, 2002 of Mortgages, *Amount \$27,000.00 under auditor's file 20021120155, records of Skagit County
2. Wells Fargo Home Mortgage, Inc. * referred to herein as "lender", is the owner and holder of a mortgage dated March 12, 2003 which is recorded in volume _____ of Mortgages, auditor's file 200303180161 records Skagit County (which is to be recorded concurrently herewith). * New Loan Amount \$98,000.00
3. Patrick R Gallagher and Sara E Gallagher, 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 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 _____ day of _____, _____

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.

BENEFICIARY

OWNER

Washington Mutual Bank

DAVID R. HEINZ, CORPORATE OFFICER

STATE OF _____ }
County of _____ } SS:

I certify that I know or have satisfactory evidence that _____ signed this instrument, on oath stated that he/she/they are authorized to execute the instrument and acknowledged it as the _____ of Washington Mutual Bank _____ to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of _____
Residing at _____
My appointment expires: _____



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State of Washington)
) ss.
County of King)

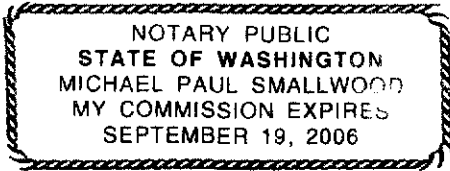
I certify that I know or have satisfactory evidence that David R. Heinz
is the person who appeared before me, and said person acknowledged that (he / she) signed
this instrument, on oath stated that (he / she) was authorized to execute the instrument and
acknowledge it as the Corporate Officer of Washington Mutual Bank to be the free and
voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 03-11-03

Michael Paul Smallwood
Notary/Signature

(NOTARY SEAL)

Michael Paul Smallwood
Printed or typed name of Notary



Title: Notary Public
My Appointment expires: 9-19-06



Skagit County Auditor

EXHIBIT "A"

Lots 1 and 2, Block 102, "NORTHERN PACIFIC ADDITION TO ANACORTES", as per plat recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington.



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