

When recorded return to:  
CHICAGO TITLE COMPANY  
839 S BURLINGTON BLVD  
BURLINGTON WA 98233



200612200071  
Skagit County Auditor

12/20/2006 Page 1 of 3 11:28AM

CHICAGO TITLE CO.

1C41034 ✓

### 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:

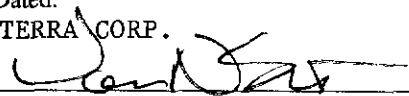
1. TERRA CORP.  
referred to herein as "subordinator," is the owner and holder of a mortgage dated September 20, 2006 which is recorded in under auditor's file No. 200609220146, records of Skagit County, Washington.
2. WASHINGTON FEDERAL SAVINGS  
referred to herein as "lender," is the owner and holder of a mortgage dated December 19, 2006 executed by JESSICA R. ORANGE, JOHN K. ORANGE AND MARIAN S. ORANGE which is recorded under auditor's file No. 200612200071, records of Skagit County, Washington. (which is to be recorded concurrently herewith).
3. JESSICA R. ORANGE, JOHN K. ORANGE AND MARIAN S. ORANGE  
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.

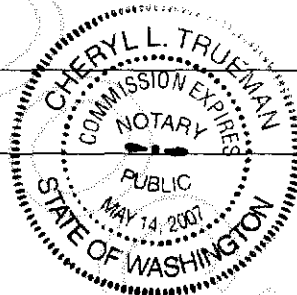
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under 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:

TERRA CORP.

  
 \_\_\_\_\_  
 JAMES N. SCOTT, PRESIDENT



STATE OF WASHINGTON

COUNTY OF SKAGIT

ss.

I certify that I know or have satisfactory evidence that JAMES N. SCOTT (is/are) the person(s) who appeared before me, and said person(s) acknowledged that HE signed this instrument and acknowledged it to be HIS free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 12/19/06

Notary name printed or typed: CHERYL L TRUEMAN  
 Notary Public in and for the State of WASHINGTON  
 Residing at MOUNT VERNON  
 My appointment expires: 5/14/07



200612200071

Skagit County Auditor

STATE OF WASHINGTON  
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that James N. Scott the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of Terra Corp. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: December 19 2006

Cheryl L Trueman

Cheryl L Trueman  
Notary Public in and for the State of Washington  
Residing at Mount Vernon  
My appointment expires: 5/14/07



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Skagit County Auditor

12/20/2006 Page 3 of 3 11:28AM