

When recorded return to:

HORIZON BANK
2211 Rimland Dr., Ste 230
Bellingham, WA 98226

Reference: Erik Bowman
CHICAGO TITLE COMPANY
IC40707



200702280088

Skagit County Auditor

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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. **HORIZON BANK**

referred to herein as "subordinator," is the owner and holder of a mortgage dated a April 11, 2005 which is recorded in under auditor's file No. 200504130117, ^{**} records of Skagit County,

Washington. **This Subordination is limited to real property described on attached Exhibit "A"**

******and also Auditor's File No. 200504130113, records of Skagit County, Washington.

2. **WASHINGTON FEDERAL**

referred to herein as "lender," is the owner and holder of a mortgage dated February 27, 2007 executed by ERIK L. BOWMAN and DULCIE A. BOWMAN, husband and wife which is recorded under auditor's file No. 200702280088 records of

SKAGIT

County, Washington. (which is to be recorded concurrently herewith).

3. **ERIK L. BOWMAN AND DULCIE BOWMAN**

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.

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: November 28, 2006

HORIZON BANK

By: Violet Martinson, VP

STATE OF

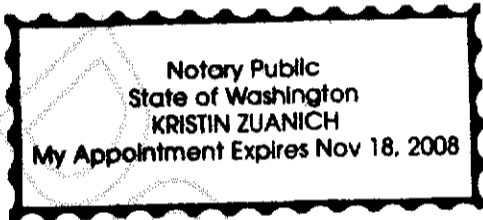
ss.

COUNTY OF

On this 29th of November, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Violet Martinson known to be the V.P. of HORIZON BANK the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

Kristin Zuanich
Kristin Zuanich, Notary Public
in and for the State of Washington,
Residing at: Bellingham
My Commission Expires: 11/18/08



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EXHIBIT "A"

Parcel "C" of subject deed of trust

Lots 1 through 3, Block 16, TUTTLE AND BUCKLEY'S PLAT OF ANACORTES, according to the plat thereof, recorded in Volume 2 of Plats, Page 23, records of Skagit County, Washington.

Situate in Skagit County, Washington.

Portion of Parcel "D" of subject deed of trust

Lots 4 and 11 through 20, Block 16, TUTTLE AND BUCKLEY'S PLAT OF ANACORTES, according to the plat thereof, recorded in Volume 2 of Plats, Page 23, records of Skagit County, Washington.

Situate in Skagit County, Washington.



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