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Skagit County Auditor

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Return Address:
Wells Fargo
P.O. Box 31557
MAC B6955-013
Billings, MT 59107-90900

Document Title(s) (or transactions contained therein):

- 1. **SUBORDINATION AGREEMENT**
 SHORT FORM DEED OF TRUST (WITH FUTURE ADVANCE CLAUSE)

Grantor(s) Wells Fargo Bank, N.A.
101 North Phillips Avenue
Sioux Falls, SD 57104

Grantee(s) Wells Fargo Bank, N. A.

- 1. *Dennis Schafur and Nancy Schafur, Trustees of the Schafur Family Trust dated 10/08/1997*
- Legal Description (abbreviated: i.e., lot, block, plat or section, township, range)

Pth Lot 7, All Lots 8-10, Bk 229, Arcwates AK2 Lot 3, Survey 9809140006.

Additional legal description is on page See Exhibit A of document.

Assessor's Property Tax Parcel or Account Number: P112883

Reference Number(s) of Documents assigned or released: 512072492221

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*Additional references Instrument # 200404260014 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.

Note: The Auditor or Recording Officer will rely on the information provided on this form. The staff will not read the document to verify the accuracy of or the completeness of the indexing information provided herein.

This Instrument Prepared by:

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Wells Fargo
P.O. Box 4149 MAC P6051-019
Portland, OR 97208-4149
1-800-945-3056

[Space Above This Line for Recording Data]

Reference: 512072492221

Account: XXX-XXX-XXX2249-1998

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

Effective Date: 7/7/2010

Owner(s): NANCY SCHAFER
DENNIS SCHAFER

Current Lien Amount: \$35,000.00.

Senior Lender: Wells Fargo Bank, N. A.

Subordinating Lender: Wells Fargo Bank, N.A.

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: 2319 20TH ST, ANACORTES, WA 98221-0000



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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.

DENNIS SCHAFFER AND NANCY SCHAFFER, TRUSTEES OF THE SCHAFFER FAMILY TRUST DATED 10/8/1997 (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) given by the Owner, covering that real property, more particularly described as follows:

See Exhibit A

which document is dated the 3rd day of April, 2004, which was filed in Instrument # 200404260014 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"). The Existing Security Instrument secures repayment of a debt evidenced by a note or a line of credit agreement extended to NANCY SCHAFFER and DENNIS SCHAFFER (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 \$286,000.00 (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.
*recorded under Auditor's File No. 201007300073

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. 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.

C. 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.

D. Signatures and Acknowledgements

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

SUBORDINATING LENDER:

Wells Fargo Bank, N.A.

By BE 7/7/2010
(Signature) Date

Barbara Edwards
(Printed Name)

Work Director
(Title)

FOR NOTARIZATION OF LENDER PERSONNEL

STATE OF Oregon)
)ss.
COUNTY OF Washington)

The foregoing Subordination Agreement was acknowledged before me, a notary public or other official qualified to administer oaths this 7 day of July 2010, by Barbara Edwards, as Work Director of the Subordinating Lender named above, 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.

[Signature] (Notary Public)

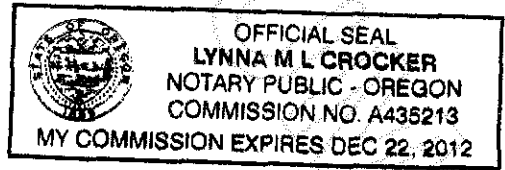


Exhibit A

Reference Number: 512072492221

Legal Description:

The West ½ of Lot 7 and all of Lots 8, 9 and 10, Block 229, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington.

(Also known as Lot 3, of Survey recorded September 14, 1998, in Volume 21 of Surveys, page 20, under Auditor's File No. 9809140006, records of Skagit County, Washington.)

Situate in the City of Anacortes, County of Skagit, State of Washington.

