Recording requested by and
when recorded return to:

CONSUMER LOAN RECORDS CENTER
1170 SILVER RD
HOUSTON, TX 77055
ATTN: MAILSTOP: CLRVLTTX

200310100008
Skagit County Auditor
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FIRST AMERICAN TITLE CO.
B75484E-2

Washington Mutual

SUBORDINATION AGREEMENT

Loan Number: 77418770

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

THIS AGREEMENT, made this 03 day of October, 2003, by Karl G. Kirchgasler and Louise H. Stevensen-Kirchgasler, husband and wife, owner of the land hereinafter described and hereinafter referred to as "Owner", and Washington Mutual Bank, present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Karl G. Kirchgasler and Louise H. Stevensen-Kirchgasler, husband and wife, as Grantor, did execute a Security Instrument, dated November 23, 2002 to Undisclosed, as Trustee, covering:

See Exhibit "A" attached hereto and made a part hereof by this reference.

to secure a Note in the sum of $100,000.00, dated November 23, 2002, in favor of Washington Mutual Bank which Security Instrument was recorded on December 23, 2002, in Book , Page , Instrument No. 200212230016, of Official Records, in the Office of the County Recorder of Skagit County, State of Washington.

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of $164,000.00, dated OCTOPTER 3, 2003, in favor of Washington Mutual Bank, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; UNDER A/F # 200310100007

WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument first above mentioned.

UNOFFICIAL DOCUMENT

Loan Number: _____

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

(1) That said Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.

(2) That Lender would not make its loan above described without this Subordination Agreement.

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument first above mentioned, which provide for the subordination of the lien or charge thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

A. He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;

B. Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

C. He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

D. An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.

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.

UNOFFICIAL DOCUMENT

Loan Number: _____

BENEFICIARY

By: Washington Mutual Bank
Name: Jeff Arrington
Title: Corporate Officer

OWNER

By: Karl G. Kirchgasler

By: Louise H. Stevensen-Kirchgasler

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared befoe me JEFF ARRINGTON and Corporate Officer, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledge that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 3rd day of October, 2003.

Notary Public in and for the State of Washington
residing at: Bellevue

My commission expires: 10-28-06

K. MACE
NOTARY PUBLIC
COMMISSION EXPIRES
10-28-06
STATE OF WASHINGTON

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31563tm (01/03)

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STATE OF WASHINGTON,
County of Skagit } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Karl G Kirchgaster
Louise H. Stevensen-Kirchgaster to me known
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they
signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 6th day of Oct. 2003

CATHY TAFF
COMMISSION EXPIRES
NOTARY
PUBLIC
11-19-2003
STATE OF WASHINGTON

Notary Public in and for the State of Washington,
residing at Stanwood

My appointment expires 11-19-03

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EXHIBIT "A"

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot 13, "PLAT OF EAGLEMONT PHASE 1A", as per plat recorded in Volume 15 of Plats at Page 130 through 146, inclusive, in the records of Skagit County, State of Washington.

UNOFFICIAL DOCUMENT

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