



200209130103  
Skagit County Auditor

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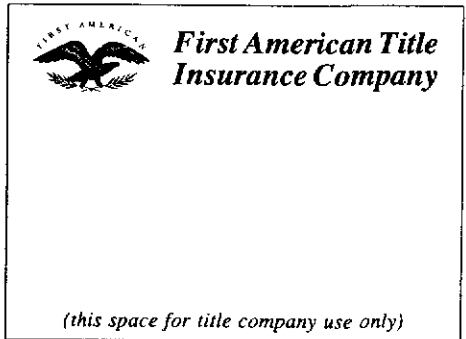
**AFTER RECORDING MAIL TO:**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City / State \_\_\_\_\_

FIRST AMERICAN TITLE CO.  
70208

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

1. SUBORDINATION AGREEMENT
- 2.
- 3.
- 4.



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

- 200003300045  
200209130102  
 Additional numbers on page \_\_\_\_\_ of document

**Grantor(s):** (Last name first, then first name and initials)

1. Morgan Stanley Dean Witter Credit Corporation
- 2.
- 3.
- 4.
5.  Additional names on page \_\_\_\_\_ of document

**Grantee(s):** (Last name first, then first name and initials)

1. Horizon Bank
- 2.
3. Benny R. Dunlap + E. June Dunlap, Trustees of Dunlap Family Trust
- 4.
5.  Additional names on page \_\_\_\_\_ of document

**Abbreviated Legal Description as follows:** (i.e. lot/block/plat or section/township/range/quarter/quarter)

Complete legal description is on page \_\_\_\_\_ of document

**Assessor's Property Tax Parcel / Account Number(s):**

**NOTE:** The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

RECORDING REQUESTED BY:

Morgan Stanley Dean Witter Credit Corporation  
4909 East 26th Street  
Sioux Falls, SD 57110

(This Space Reserved for Recorder)

940-2-390-419185

SUBORDINATION AGREEMENT

This Agreement, made August 22, 2002 by Benny R Dunlap and E J Dunlap, TRUST owner(s) of the land hereinafter described ("Owner"), and Morgan Stanley Dean Witter Credit Corporation, ("MSDWCC"), present owner and holder of the Note and beneficiary of the Deed first hereinafter described (MSDWCC);

WITNESSETH

WHEREAS, In order to secure a loan in the principal amount of \$85,000.00 plus interest thereon, Owner did execute a Deed in favor of MSDWCC, dated March 18, 2000, which Deed was recorded on 03/30/2000, as Document Number 200003300045 (or in Book , Pages ,) in the County of Skagit, State of WA, covering the premises at 12597 East Lake Drive Sedro Woolley, WA 98284, more particularly described in Exhibit "A" attached hereto and made a part thereof by reference.

WHEREAS, Horizon Bank ("Lender"), is about to loan the sum of \$124,000.00 through a promissory note to Owner, secured by a Deed on and covering the above-described premises; and

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WHEREAS, Lender is willing to make such loan, provided that the Deed held by MSDWCC is subordinated the lien of the Deed about to be made in favor of Lender as set forth above.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, IT IS HEREBY DECLARED, UNDERSTOOD AND AGREED as follows:

1. MSDWCC and Owner hereby covenant, consent and agree that the above mentioned Deed held by MSDWCC is and shall continue to be subject and subordinate in lien to the lien of the Deed about to be made in favor of Lender is and shall continue to be a lien prior to and superior to the lien of the Deed in favor of MSDWCC.
2. MSDWCC and Owner declare and acknowledge that they intentionally subordinate the Deed in favor of MSDWCC to the Deed in favor of Lender, and understand in reliance upon and in consideration of this subordination, Lender will make its loan to Owner and Lender would not make said loan but for this subordination.
3. Such subordination shall be for the principal sum of said note of Lender and accrued interest thereon, and other costs and fees as set forth in Lender's Deed and said Note, but shall not apply to future advances whether pursuant to a Future Advance clause or otherwise.
4. This Subordination Agreement contains the whole agreement between the parties hereto as to the priority of the Deed of MSDWCC and the Deed about to be made in favor of Lender, and there are no other agreements, written or oral, outside and separate from this Agreement, and all prior negotiations, if any, are merged with this Agreement.

In WITNESS WHEREOF, MSDWCC and Owner have executed this instrument on the day and year first above written.



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MORGAN STANLEY DEAN WITTER CREDIT CORPORATION

By: [Signature]  
Printed Name: **DAYNA M. SYVERSON**  
Its: **VICE PRESIDENT**

OWNER: [Signature]  
Printed Name: **BENNY R DUNLAP**

OWNER: [Signature]  
Printed Name: **E J DUNLAP**

STATE OF SOUTH DAKOTA ) SS:  
COUNTY OF MINNEHAHA )

On this 23<sup>rd</sup> day of Aug, 2002 before me the undersigned personally appeared Dayna M. Syverson known to me to be the Vice President, or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public, State of South Dakota

My Commission Expires: ~~October 22, 2005~~ <sup>My Commission Expires</sup> (This area for official notary seal)

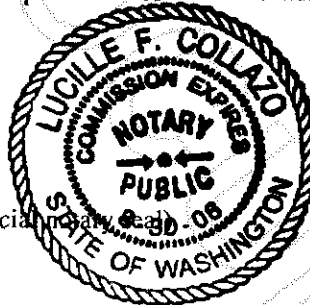
STATE OF WA )  
COUNTY OF Skagit )

On this 11<sup>th</sup> day of September, 2002 before me the undersigned personally appeared Benny R Dunlap and EJ Dunlap personally known to me, or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]  
Notary Public Lucille F. Collazo  
Residing in Mount Vernon

My Commission Expires: 8-30-06 (This area for official notary seal)



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**EXHIBIT A**

**Legal Description**

**BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 7; THENCE SOUTH ALONG THE EAST LINE THEREOF, 325.5 FEET; THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID LOT 7, 660 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID LOT 7 TO THE NORTH LINE OF SAID LOT 7; THENCE EAST ALONG THE NORTH LINE THEREOF TO THE POINT OF BEGINNING. TPN:34050600230002**



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