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WHEN RECORDED MAIL TO:  
WASHINGTON MUTUAL BANK  
CONSUMER LOAN RECORDS CENTER  
ATTN: CLRVLTTX  
1170 SILBER ROAD 0040349110  
HOUSTON, TEXAS 77055



200308290232

Skagit County Auditor

8/29/2003 Page

1 of

5 3:57PM

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.

AF# 200201230004

AF# 200308290231

### SUBORDINATION AGREEMENT

Reference # (if applicable): \_\_\_\_\_

Additional on page \_\_\_\_\_

Grantor(s):

DAVID A. RILEY and JERI A. RILEY

Grantee(s):

WASHINGTON MUTUAL BANK

Legal Description:

Additional on page 2

Lot D, SKAGIT COUNTY SP# 91-85, Vol. 10, pg. 66, being ptn. SE NW, Sec. 4, T33N, R4EWM

Assessor's Tax Parcel ID:

330404-2-007-0500

THIS AGREEMENT, dated as of August 20, 2003, is made between DAVID A. RILEY and JERI A. RILEY, the owner(s) of the land described below (hereinafter referred to as "Owner") and WASHINGTON MUTUAL BANK, present owner and holder of the deed of trust and credit agreement first hereinafter described (hereinafter referred to as "Beneficiary").

**WITNESSETH**

**THAT WHEREAS**, Owner is the owner of the following described real property located in Skagit County, State of Washington (hereinafter referred to as the "Property"):

**Tract "D" of SHORT PLAT NO. 91-85, approved February 24, 1992, recorded March 2, 1992, in Book 10 of Short Plats, page 66, under Auditor's File No. 9203020028, and being a portion of the North Half of the Southeast Quarter of the Northwest Quarter of Section 4, Township 33 North, Range 4 East of the Willamette Meridian.**

The Property or its address is commonly known as 20412 Cascade Ridge Drive, Mount Vernon, WA 98274. If there is a conflict between the legal description and the Property address, the legal description shall control;

**WHEREAS**, Owner has executed a deed of trust dated January 17, 2002 to Land Title Company as trustee covering the Property to secure a debt instrument in the sum of \$65,818 in favor of Washington Mutual Bank and recorded as Auditor's No. 200201230004, records of Skagit County, Washington (hereinafter referred to as the "First Deed of Trust");

**WHEREAS**, Owner is about to execute a deed of trust (hereinafter referred to as the "Second Deed of Trust") and promissory note in the sum of \$235,000 to Wells Fargo Home Mortgage, Inc. (hereinafter referred to as "Lender") and payable with interest and upon the terms and conditions described therein, which Second Deed of Trust is to be recorded concurrently with this Subordination Agreement;

**WHEREAS**, for Owner to obtain the new loan from Lender, it is a condition precedent that the Second Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of the First Deed of Trust;

**WHEREAS**, Lender is willing to make the loan providing the Second Deed of Trust is a lien or charge upon the Property prior and superior to the lien or charge of the First Deed of Trust and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the First Deed of Trust to the lien or charge of the Second Deed of Trust in favor of Lender; and

**WHEREAS**, it is to the mutual benefit of the parties hereto that Lender make the new loan to Owner and Beneficiary is willing that the Second Deed of Trust securing the new loan, when recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the First Deed of Trust;

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

**(1) SUBORDINATION.** The Second Deed of Trust securing the new loan 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, prior and superior to the lien or charge of the First Deed of Trust.

**(2) LOAN REQUIREMENT.** Lender will not make its new loan to Owner unless and until this Subordination Agreement has been executed by Owner and Beneficiary.

**(3) ENTIRE AGREEMENT.** This Subordination Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the First Deed of Trust to the lien or charge of the Second Deed of Trust in favor of Lender 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 First Deed of Trust, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

**(4) BENEFICIARY'S REPRESENTATIONS AND WARRANTIES.** Beneficiary declares, agrees and acknowledges that:



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- (a) **Consent and Approval.** Beneficiary hereby consents to and approves (i) all provisions of the promissory note and deed of trust in favor of Lender referred to above, 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 to Borrower.
- (b) **Disbursements.** 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) **Waiver and Reliance.** Beneficiary intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the First Deed of Trust in favor of the lien or charge upon the Property of the Second Deed of Trust in favor of Lender 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.
- (d) **Endorsement.** An endorsement has been placed upon the promissory note secured by the First Deed of Trust that said deed of trust has by this instrument been subordinated to the lien or charge of the Second Deed of Trust.

**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.**

**EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS.**

**BENEFICIARY:**

WASHINGTON MUTUAL BANK

By: X 

Name and Title: David R. Heinz  
Corporate Officer

**OWNER(S):**

X

DAVID A. RILEY

X

JERI A. RILEY



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**BENEFICIARY:**

WASHINGTON MUTUAL BANK

By: X

Name and Title: David R. Heinz  
Corporate Officer

**OWNER(S):**

X

David A. Riley  
DAVID A. RILEY

X

Jeri A. Riley  
JERI A. RILEY



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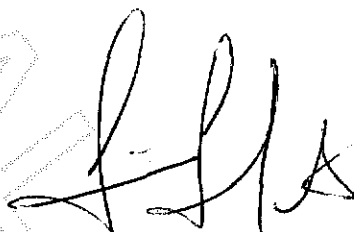
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# ACKNOWLEDGMENT

State of WASHINGTON )  
 ) §  
County of KING )

I certify that I know or have satisfactory evidence that **David R. Heinz** is the person who appeared before me, and said person acknowledged that (he / she) signed this instrument on oath stated that (he / she) was authorized to execute the instrument and acknowledge it as the **Corporate Officer** of **Washington Mutual Bank** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

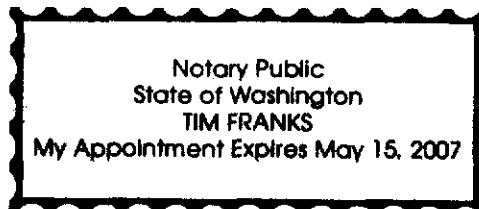
Dated: Wednesday, August 20, 2003



Tim Franks Notary Public

Title: Notary Public

My Appointment expires: May 15, 2007



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UNOFFICIAL DOCUMENT

