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KATHY HILL
SKAGIT COUNTY AUDITOR

98 JUL 16 AM 12:26

RECORDED _____ FILED _____
REQUEST OF _____

Filed at the request of:
EVERGREEN COMMUNITY DEVELOPMENT ASSOCIATION
900 4th Ave, Suite 2900
Seattle, WA 98164

9807160074

FIRST AMERICAN TITLE CO.
55484-3

SUBORDINATION, PRIOR LIENHOLDER AND RECONVEYANCE AGREEMENT

1. The United States Small Business Administration (hereafter "Subordinator") is the holder of a Deed of Trust for \$821,000 dated May 8, 1995, which was recorded on June 6, 1995, with the Skagit County Auditor under file number 9506060083. This Deed of Trust was assigned as security to the Subordinator by Evergreen Community Development Association (hereafter "Beneficiary") pursuant to an assignment dated May 11, 1995, recorded on June 6, 1995 with the Skagit County Auditor under file number 9506060085.

2. Interwest Bank (hereafter "Lender"), is the holder of a \$800,000 Deed of Trust dated 7-9-98, executed by Management Innovations, Inc. d/b/a Cook Road Texaco, a Washington Corporation, Fast Ereak Enterprises, a Washington General Partnership. (hereafter "Owner"), recorded on 7-16-98, with the Skagit County Auditor under file number **9807160073**.

3. Owners own the real property described in the \$821,000 Deed of Trust noted in paragraph 1.

4. In order to induce Lender to advance funds under its Deed of Trust identified in paragraph 2 and all agreements in connection therewith, the Subordinator and Beneficiary hereby subordinate the lien of the Deed of Trust identified in paragraph 1 to the lien of the Lender's Deed of Trust identified in paragraph 2.

5. Any liens, security or other interests of the Lender due to further advances beyond those noted in paragraph 2 made pursuant to the terms of the security instruments described in paragraph 2 above, and subordinated to in paragraph 4, made to the Owners after the date of this agreement, shall be subordinate to the lien of the Deed of Trust noted in paragraph 1 (except for amounts necessarily expended by the Lender to protect the Lender's interest under its note and Deed of Trust noted in paragraph 2, provided such amounts are repayable to the Lender under the terms of its note and Deed of Trust).

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6. Any new security agreements taken from Owners (except Purchase Money Security Interests having priority under UCC9-312(4)) in favor of the Lender will be subordinate to liens, security or other interests created by the \$821,000 Deed of Trust noted in paragraph 1.

7. The Lender warrants there are no intervening liens between the Beneficiary's Deed of Trust identified in paragraph 1 and the Lender's Deed of Trust identified in paragraph 2.

8. Lender has obtained Reconveyance of the previous KeyBank N.A. (bank) Deed of Trust dated _____ and filed on _____ with the _____ County Auditor under file number _____. Upon this subordination, Lender will have a first lien position Deed of Trust on the described property and Beneficiary's Deed of Trust will be in second position, with no intervening liens.

9. Lender agrees to notify Beneficiary and Subordinator in writing of any default and/or delinquency by the Owners on the Owners' obligation to the Lender which is not cured within a 30 day period of such default and/or delinquency and to notify Beneficiary and Subordinator in writing 60 days prior to any foreclosure sale. In addition to all rights and remedies available to Beneficiary and the Subordinator under law, the Lender agrees that in the event of default and/or delinquency by the Owners, the Subordinator has the right to an immediate purchase of the Lender's senior loan. Beneficiary's address is 900 Fourth Avenue, Suite 2900, Seattle, WA 98164 or such other address as Beneficiary may designate in writing to the Lender. The Subordinator's address is [2719 North Air Fresno Drive, Suite 107, Fresno, CA 93727-1547] or such other address as the Subordinator may designate in writing.

10. It is understood by the parties hereto that Lender would not make the loan secured by Deed of Trust described in paragraph 2 without this agreement.

11. The heirs, administrators, assigns and successors in interest of the Subordinator, Beneficiary, Lender and Owner shall be bound by this agreement.

12. Lender agrees upon the request of Subordinator and/or Beneficiary, to tell either or both of them the payment status and loan balance owed to Lender by Owner.

EXECUTED this _____ day of _____, 1997.

SUBORDINATOR

**UNITED STATES SMALL BUSINESS
ADMINISTRATION**

By: _____



Title Manuel R. Gonzalez
Supervisor

BENEFICIARY

**EVERGREEN COMMUNITY
DEVELOPMENT ASSOCIATION**

By: _____

Title VICE PRESIDENT

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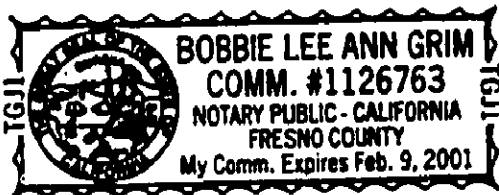
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LENDER : Interwest Bank
By: [Signature]
Title: via

OWNER: Management Innovations, d/b/a
By: [Signature]
By: [Signature]
By: [Signature]
By: _____
By: _____
By: _____
By: _____

STATE OF CALIFORNIA } ss.
County of FRESNO

I certify that I know or have satisfactory evidence that Manuel R. Gonzalez signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the Supervisor of the United States Small Business Administration, an agency of the United States, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated June 18, 1998
[Signature]
(Signature)
BOBBIE LEE ANN GRIM
(Print Name)

(Seal or Stamp)

NOTARY PUBLIC in and for the State of California, residing at: Fresno
My appointment expires: Feb. 9, 2001

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STATE OF WASHINGTON)
County of _____ } ss.

I certify that I know or have satisfactory evidence that
_____ signed this instrument, on oath stated that s/he was
authorized to execute the instrument and acknowledged it as the
_____ of the United States Small Business
Administration, an agency of the United States, to be the free and voluntary act of such party
for the uses and purposes mentioned in the instrument.

Dated _____

(Signature) _____

(Print Name) _____

NOTARY PUBLIC in and for the State of
Washington, residing at: _____
My appointment expires: _____

(Seal or Stamp)

STATE OF WASHINGTON)
County of King } ss.

I certify that I know or have satisfactory evidence that Jim McDonald
signed this instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the Vice President of Evergreen Community Development
Association, a non-profit Washington corporation, to be the free and voluntary act of such
party for the uses and purposes mentioned in the instrument.

Dated 6-30-98

(Signature) _____

(Print Name) Shirley L. Colson

NOTARY PUBLIC in and for the State of
Washington, residing at: Levise
My appointment expires: 3-30-2002

SHIRLEY L. COLSON
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 3-30-02

(Seal or Stamp)

9807160074

BK1841PG0390

STATE OF WASHINGTON }
County of _____ } ss.

I certify that I know or have satisfactory evidence that _____
signed this instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the _____ of Interwest Bank, to be the free and
voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated _____

(Signature) _____

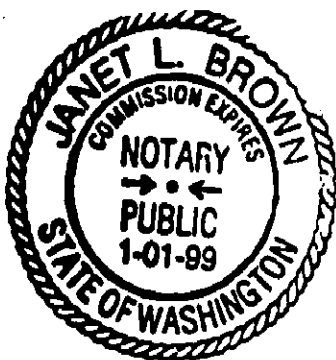
(Print Name) _____

NOTARY PUBLIC in and for the State of
Washington, residing at: _____
My appointment expires: _____

(Seal or Stamp)

STATE OF WASHINGTON }
County of SKAGIT } ss.

I certify that I know or have satisfactory evidence that MICHAEL R. DUFFY
signed this instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the _____ of Owner, to be the free and voluntary
act of such party for the uses and purposes mentioned in the instrument.



(Seal or Stamp)

Dated 7/14/98

(Signature) Janet L. Brown

(Print Name) JANET L. BROWN

NOTARY PUBLIC in and for the State of
Washington, residing at: SEARO-WALLY
My appointment expires: 1/1/99

9807160074

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I certify that I know or have satisfactory evidence that JAMES L. DUFFY
signed this instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the _____ of Owner, to be the free and voluntary
act of such party for the uses and purposes mentioned in the instrument.



Dated 7/14/98

(Signature) Janet L. Brown

(Print Name) JANET L. BROWN

NOTARY PUBLIC in and for the State of
Washington, residing at: SEDRON BOULEVARD
My appointment expires: 1/1/99

STATE OF WASHINGTON
County of SKagit ss.

I certify that I know or have satisfactory evidence that JAMES A. DUFFY
signed this instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the _____ of Owner, to be the free and voluntary
act of such party for the uses and purposes mentioned in the instrument.



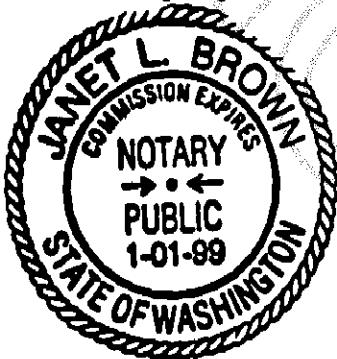
Dated 7/14/98

(Signature) Janet L. Brown

(Print Name) JANET L. BROWN

NOTARY PUBLIC in and for the State of
Washington, residing at: SEDRON BOULEVARD
My appointment expires: 1/1/99

I certify that I know or have satisfactory evidence that DAN G. RUSSELL signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of Owner, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



(Seal or Stamp)

Dated 1/14/98

(Signature)

(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at: SEASIDE-WALLEY
My appointment expires: 1/1/98

STATE OF WASHINGTON } ss.
County of SKAGIT

I certify that I know or have satisfactory evidence that _____ signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of Owner, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated _____

(Signature)

(Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at: _____
My appointment expires: _____

(Seal or Stamp)

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