



200310070190

Skagit County Auditor

When recorded return to:

10/7/2003 Page 1 of 4 1:48PM

Michael A. Winslow
411 Main Street
Mount Vernon, Washington 98273

FIRST AMERICAN TITLE CO.

SUBORDINATION AGREEMENT

66778E-5

Grantors: Lion Investments, Inc., a Nevada Corporation

Grantees: Raymond and Henrietta Moseley, husband and wife, as to an 18.1818% undivided interest; James E. Bolduc, a single man, as to a 27.2727% undivided interest; Gary E. VanderYacht, a single man, as to a 36.3637% undivided interest; and Dale A. VanderYacht, a married man, as his separate property, as to an 18.1818% undivided interest

Legal Description:

Parcel A: Lots 11 through 15, Block 24, "MAP OF THE CITY OF ANACORTES," according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington, TOGETHER WITH the South ½ of vacated alley adjacent to Lots 11, 12, and 13, as would attach by operation of law.

Parcel B: Lot 16, Block 24, "MAP OF THE CITY OF ANACORTES," according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Parcel C: Lots 17 and 18, Block 24, "MAP OF THE CITY OF ANACORTES," according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Parcel D: The South 50 feet of Lots 8, 9, and 10, Block 24, "MAP OF THE CITY OF ANACORTES," according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington, TOGETHER WITH the North ½ of vacated alley adjacent to said lots, which would attach by operation of law.

Assessor's Property Tax Parcel or Account No.:**Reference Nos of Documents Assigned or Released**

1. 200310070181

2. 200310070188

1. 3772-024-010-0107 PSS014

2. 3772-024-013-0005 PSS015

3. 3772-024-015-0003 PSS016

4. 3772-024-016-0002 PSS017

5. 3772-024-018-0000 PSS018

Subordination Agreement
PPSI\Majestic\SubordinationAgreement

-1-

SUBORDINATION AGREEMENT

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 INTEREST

The undersigned Subordinator and Owner agrees as follows:

1. Lion Investments, Inc. referred to herein as "Subordinator," is the owner and holder of a mortgage executed by Main Street Group, LLC dated 10-06-2003, recorded under Auditor's File No. 200310070188, records of Skagit County.

2. Raymond and Henrietta Moseley, husband and wife, as to an 18.1818% undivided interest; James E. Bolduc, a single man, as to a 27.2727% undivided interest; Gary VanderYacht, a single man, as to a 36.3637% undivided interest; and Dale VanderYacht, a married man, as his separate property, as to an 18.1818% undivided interest, referred to herein as "Lender", are the owner and holder of a mortgage dated 09-23-2003, executed by Main Street Group, LLC recorded under Auditor's File No. 200310070187, records of Skagit County.

3. Main Street Group, LLC, a Delaware Limited Liability Company, referred to herein as "Owner," is the Owner of all the real property described in the mortgages identified above in Paragraph 1 and 2.

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds under its mortgage and all agreements in connection therewith, the Subordinator does hereby unconditionally subordinate the lien of its mortgage identified in Paragraph 1 above to the lien of Lender's mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof. The Subordinator is subordinating to a loan in favor of the Lenders in the amount of One Million One Hundred Thousand Dollars (\$1,100,000.00).

5. Subordinator acknowledges that, prior to the execution hereof, it has had the opportunity to examine the terms of Lender's mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that Lender has no obligation to Subordinator to advance any funds under its mortgage or see to the application of Lender's mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.

6. It is understood by the parties hereto that Lender would not make the loan secured by the mortgage in Paragraph 2 without this agreement.

7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the lien or charge of the mortgage in favor of Lender above referred to and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.



8. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

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

Subordinators:

Lion Investments, Inc.

J.R. Wetmore Pres.
(authorized signer) (office)

Owner:

Main Street Group, LLC

By: [Signature]
John Randolph Cox, Member

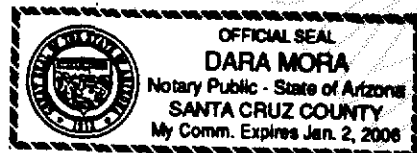
By: [Signature]
Linda Marie Cox, Member

State of Arizona)ss
County of Santa Cruz

I certify that I know or have satisfactory evidence that Jeffrey Wetmore is the person who appeared before me; that he/she acknowledged that he signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged as President of Lion Investments, Inc., to be the free and voluntary act of him/her for the uses and purposes contained in the instrument.

DATED: October 1, 2003.

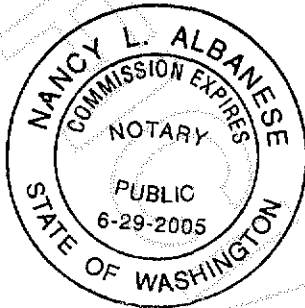
Dara Mora, Notary Public
My commission expires: 1/2/2006



State of Washington)
)ss
County of Skagit)

I certify that I know or have satisfactory evidence that John Randolph Cox is the person who appeared before me; that he acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged as a Member of Main Street Group, LLC, to be the free and voluntary act of him for the uses and purposes contained in the instrument.

DATED: September 23, 2003.



Nancy L. Albanese, Notary Public
My commission expires: 6-29-05

State of Washington)
)ss
County of Skagit)

I certify that I know or have satisfactory evidence that Linda Marie Cox is the person who appeared before me; that he acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged as a Member of Main Street Group, LLC, to be the free and voluntary act of her for the uses and purposes contained in the instrument.

DATED: September 23, 2003.



Nancy L. Albanese, Notary Public
My commission expires: 6-29-05

