

State of Washington
Pollution Liability Insurance Agency
1015-10th Avenue SE
P.O. Box 40930
Olympia, WA 98504-0930



200601030099
Skagit County Auditor

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Subordination Agreement *First American*

Reference #: USTCAP-PVT-048-93

Grantor: State of Washington Pollution Liability Insurance Agency

Grantee(s): Allison Dull

Legal Description (abbreviated): The SE ¼ of the SE 1/4; Except the South 70 rods (1155 feet) thereof; and that portion of the NE ¼ of the SE ¼ lying South of the County Road; all in Section 10, Township 35 North, Range 7 East, W.M.

Assessor's Tax Parcel ID# 200009130102

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.

The undersigned subordinator and owner agree as follows:

1. State of Washington Pollution Liability Insurance Agency (PLIA) referred to herein as "subordinator," is the owner and holder of a lien dated September 3, 1993, which is recorded in book 262 on page 0360, under auditor's file No. 9311220170 records of Skagit County.

**** BUSINESS BANK OF SKAGIT COUNTY**

2. ****** referred to herein as "lender," is the owner and holder of a mortgage dated 11-15-05, executed by *. (Which is recorded in volume _____ of Mortgages, page _____, under auditor's file _____) (Which is to be recorded herewith.)

3. *GRANDY CREEK HOLDINGS, LLC, a Washington Limited Liability Co. referred to herein as "owner," is the owner of all the real property described in the mortgage identified above in Paragraph 2.

4. In consideration of benefits to "subordination" 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 his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or changes made or accruing thereunder, including any extension or renewal thereof.

5. "Subordinator" acknowledges that, prior to the execution hereof, he 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. The parties understand 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 change of the mortgage first above mentioned to the lien or change 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 lien or change 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.

9. 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 BUT MAY NOT BE USED FOR ANY PURPOSE WHICH IS NOT RELATED TO THE BUSINESS OPERATION LOCATED ON THE DESCRIBED PROPERTY. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

Executed this 16 day of November, 2005

[Signature]

Deborah Needham
Owner

State of Washington
County of Skagit

On this day personally appeared before me Dana Needham Deborah Needham to me known to be the individual described in and who executed the within 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 16 day of November, 2005.

Kim M. Kerr

Notary Public in and for the state of Washington
Residing at 1171 Vernon

12/15/05
My appointment expires:

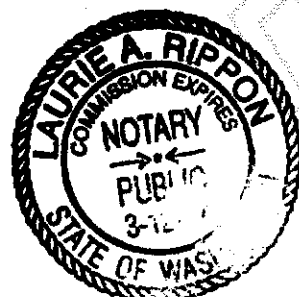
[Signature]
Pollution Liability Insurance
Agency, Subordinator

On this 18 of November, 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Lynn Gooding, to me now to be the Acting Director of Washington State Pollution Liability Insurance Agency, the agency that executed the foregoing instrument, to be the free and voluntary act and deed of said agency, for the uses and purposes therein mentioned, and on oath stated that She is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

Laurie A. Rippon
Notary Public in and for the State of Washington
Residing at Olympia
Accounting Manager
Title

3-12-07
My appointment expires:



200601030099
Skagit County Auditor