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Skagit County Auditor

4/21/2006 Page

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

LAND TITLE OF SKAGIT COUNTY

120538-T

Subordination Agreement

Reference #: USTCAP-PVT-028-93

Grantor: State of Washington Pollution Liability Insurance Agency

Grantee(s): HJIJ Corporation

Legal Description (abbreviated): Lots 14 thru 17 Block 1 Grassmere

Assessor's Tax Parcel ID# 4065-001-017-0102

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 April 23, 1993, which is recorded in under auditor's file 9305240101 records of Skagit, Washington.
2. Innovative Bank referred to herein as "lender," is the owner and holder of a mortgage dated 4/7/2006, executed by HJIJ Corporation. (Which is recorded in volume _____ of Mortgages, page _____, under auditor's file 200604210132) (Which is to be recorded herewith.)
3. HJIJ Corporation 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 18 day of April, 2006

[Signature]

[Signature]
Pollution Liability Insurance
Agency, Subordinator

State of Washington
County of King

On this day personally appeared
before me

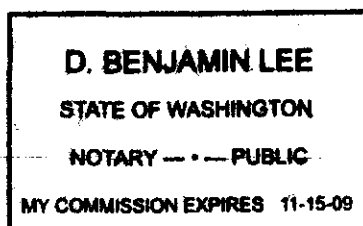
Hun Lee
to me known to be the
individual described in and who
executed the within foregoing
instrument, and acknowledged
that he signed the same
as the corporation free and
voluntary act and deed, for the
uses and purposes therein
mentioned.

Given under my hand and
official seal this 14th day
of April, 2006.

[Signature]

Notary Public in and for the
state of Washington
Residing at Samuelson

11-15-09
My appointment expires:



On this 18 of April,
2006, 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.

[Signature]
Notary Public in and for the
State of Washington
Residing at [Signature]

Title

9-20-08
My appointment expires:



Skagit County Auditor