

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



200508100097
Skagit County Auditor

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CHICAGO TITLE IC32890 ✓

Subordination Agreement

Reference #: USTCAP-PVT-068-94

Grantor: State of Washington Pollution Liability Insurance Agency

Grantee(s): Tim and Chong McCarthy; Dae Jong, Inc.

Legal Description (abbreviated): Beginning at the Northeast corner of said Government Lot 5; thence South 209 feet; thence West 418 feet; thence North 209 feet to the section line; thence East along the section line to the point of beginning; Except road along the North line thereof.

Assessor's Tax Parcel ID# 35118-0-022-0034 & 35118-0-021-0100

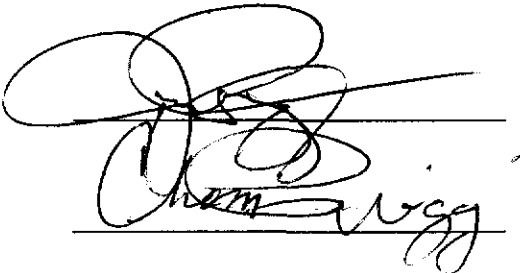
NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY.

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 August 24, 1994, which is recorded in volume _____ of Mortgages, _____, under auditor's file 94102600 99 records of Skagit County, Washington.
2. Center Bank referred to herein as "lender," is the owner and holder of a mortgage dated 11-17-04, executed by Jon W. Prigg and Chom R. Prigg. (Which is recorded in volume _____ of Mortgages, page _____, under auditor's file ** _____) (Which is to be recorded herewith.)
**200412070143
3. Jon W. Prigg and Chom R. Prigg 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 IMPORVEMENT 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 3rd day of December, 200



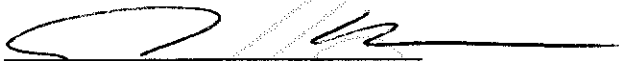


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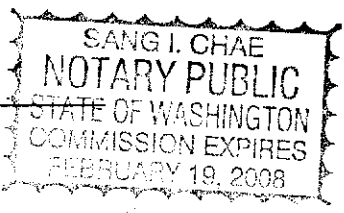
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State of WA
County of King

On this day personally appeared before me Jon W. Prigg and
Chom R. Prigg 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 3rd day of December,
2004.

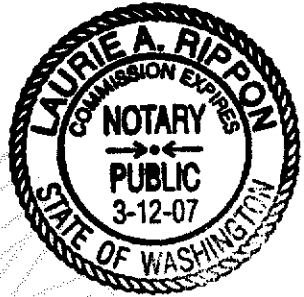


Notary Public in and for the state of WA
Residing at irkland



My appointment expires: 2-19-08

Roger Dovel
Pollution Liability Insurance Agency, Subordinator



On this 9th of December, 2004, before me, the undersigned, a Notary
Public in and for the State of Washington, duly commissioned and sworn,
personally appeared Roger Dovel, 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



Laurie A Rippon

UNOFFICIAL DOCUMENT



stated that he is authorized to execute the said instrument.

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

Notary Public in and for the State of Washington

Residing at Olympia

Title Accounting Manager

My appointment expires: 3-12-07



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