



200202150111

Skagit County Auditor

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This instrument was prepared by and should be returned to:

Gwenn Stevenson
Ford Motor Credit Company
The American Road
P. O. Box 6044
Dearborn, Michigan 48121-6044

FIRST AMERICAN TITLE CO.

67148 E-5

Grantor: PENNINSULA AUTO WORLD, INC., a Washington corporation

Grantee (Lender): FORD MOTOR CREDIT COMPANY, a Delaware corporation

Legal Description (Abbreviated): Section 4, Township 34, Range 2

Additional Legal Description: Ptn. NE 1/4 - SW 1/4

Assessor's Tax Parcel No(s):
 340204-0-020-0000 (P19811)
 340204-0-022-0008 (P19813)
 340204-0-027-0011 (P19818)
 340204-0-025-0005 (P19816)
 340204-0-026-0004 (P19817)

ACKNOWLEDGMENT OF ASSIGNMENT OF RENTS AND LEASES AND AGREEMENT TO SUBORDINATE AND ATTORN

THIS ACKNOWLEDGMENT OF ASSIGNMENT OF RENTS AND LEASES AND AGREEMENT TO SUBORDINATE AND ATTORN, dated February 13, 2002 (this "Acknowledgment"), is from PENNINSULA AUTO WORLD, INC., a Washington corporation, a Washington corporation ("Tenant") to FORD MOTOR CREDIT COMPANY, a Delaware corporation ("Lender");

WHEREAS, Tenant leases from RONALD A. RENNEBOHM (also known as RON RENNEBOHM) and DARLA RENNEBOHM, husband and wife ("Landlord") certain premises used for an automobile sales and service establishment, more particularly described in Schedule A attached hereto (the "Premises"), pursuant to a Lease dated January 1, 2002 between Landlord and Tenant (the "Lease");

WHEREAS, Lender proposes to lend to Landlord the sum of \$3,200,000.00 (the "Loan"), to be secured by a Deed of Trust and Assignment of Leases and Rents and Security Agreement dated of even date herewith (the "Deed of Trust"), from Landlord, as grantor, to the trustee specified therein for the benefit of Lender, as beneficiary, encumbering the Premises;

WHEREAS, Lender will not make the Loan unless Tenant agrees to acknowledge the assignment of the Lease under the Deed of Trust, subordinate its interest under the Lease to the interests of Lender under the Deed of Trust, and attorn to Lender; and

WHEREAS, the proceeds of the Loan will be used to retire existing indebtedness, and Tenant will benefit directly and indirectly from the Loan;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, receipt and sufficiency of which is acknowledged, and to induce Lender to make the Loan, Tenant hereby covenants and agrees with Lender as follows:

1. Tenant hereby acknowledges notice of the assignment by Landlord to Lender of the Lease and the rents under the Lease. Tenant further acknowledges receipt of a copy of the Deed of Trust, which evidences such assignment of the Lease and such rents.

2. Tenant agrees that:

(a) Upon notice to it by Lender, it will pay all rents thereafter becoming due under the Lease to Lender;

(b) It will not assert, as against any rents becoming due following notice by Lender to Tenant, any set-off, counterclaim or other claim or charge which Tenant may have against Landlord;

(c) It will observe and perform all of its obligations under the Lease following notice by Lender to Tenant, notwithstanding any prior default on the part of Landlord, provided that Lender shall have the option to remedy such default, or cause same to be remedied, within sixty (60) days after actual notice to Lender thereof (unless such default, if curable, requires work to be performed, acts to be done or conditions to be remedied which by their nature cannot be performed, done or remedied, as the case may be, within such 60-day period and Lender shall commence to cure such default within such 60-day period and shall thereafter diligently and continuously process the same to completion); and

(d) Unless Lender assumes in writing the obligations of Landlord under the Lease, Lender shall in no event be deemed liable as lessor under the Lease or subject to any obligations of Landlord thereunder.

3. Tenant does hereby postpone and subordinate its interest in the Lease to the Deed of Trust, and to all amendments and modifications of the Deed of Trust, and does hereby attorn to Lender. All right, title and interest of the Tenant in the Premises shall be subject to Lender's rights under the Deed of Trust as fully as if the Deed of Trust had been made and recorded before the making of the Lease and the moneys secured by the Deed of Trust had been advanced before the making of the Lease.

4. Tenant will not terminate, amend, or modify the Lease, or seek any concessions in connection therewith, or surrender the Lease, or execute any sublease without the prior written consent of Lender, or prepay rents more than two months in advance.



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ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW. RCW 19.36.140

IN WITNESS WHEREOF, Tenant has caused this instrument to be executed as of the date set forth above.

WITNESS:

PENNINSULA AUTO WORLD, INC.,
a Washington corporation

By *Ronald A. Rennebohm*
Ronald A. Rennebohm,
President/Secretary

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

FEB 15 2002

Amount Paid \$ 0
Skagit Co. Treasurer
By *[Signature]* Deputy



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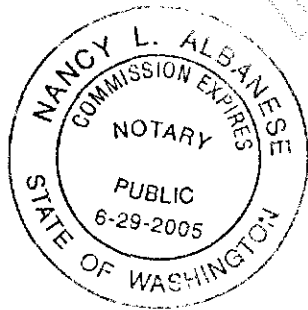
ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

On Feb 13, 2002, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Ronald A. Rennebohm personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the President and Secretary on behalf of Peninsula Auto World, Inc., the corporation therein named and acknowledged to me that the execution thereof was the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors, and who have been duly sworn, stated that any representations contained therein are true and correct.

WITNESS my hand and official seal.

(SEAL)



Nancy L. Albanese

Notary Public in and for the State of Washington

My commission expires: 6-29-05



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SCHEDULE "A"

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel "A":

That portion of the following described tract, lying Northerly of SR 536 (formerly P.S.H. No. 1-AN):

The East 780 feet of the West 1,170 feet of the South 530 feet of the North 1,060 feet of the Northeast 1/4 of the Southwest 1/4 of Section 4, Township 34 North, Range 2 East, W.M., (being formerly known as Blocks 9, 10 and 11, "THE RAILROAD ADDITION TO ANACORTES", as per plat recorded in Volume 2 of Plats, Page 36, records of Skagit County, Washington.

TOGETHER WITH vacated streets and alleys adjoining.

EXCEPT any portion thereof lying within the boundaries of the existing County Road.

AND ALSO EXCEPT the East 50 feet of the South 3,250 feet thereof.

Parcel "B":

That portion of the Northeast 1/4 of the Southwest 1/4 of Section 4, Township 34 North, Range 2 East, W.M., described as follows:

All of vacated Blocks 2 and 3, and the West 30 feet of vacated Second Street and all of vacated Third Street abutting on said Blocks 2 and 3, in "THE RAILROAD ADDITION TO ANACORTES", as per plat recorded in Volume 2 of Plats, Page 36, records of Skagit County, Washington.

EXCEPT State Highway as originally conveyed to Skagit County by Deed recorded May 8, 1911, under Auditor's File No. 84686.

ALSO EXCEPT that portion conveyed to the Seattle and Northern Railway Company by Deed recorded January 10, 1890, in Volume 9 of Deeds, Page 317.

TOGETHER WITH the North 1/2 of vacated State Street adjacent thereto.

ALSO TOGETHER WITH that portion, if any, of the East 1/2 of the vacated Fourth Street which upon vacation would revert to said premises by operation of law.

EXCEPT from the above described premises the West the North 100 feet thereof, as conveyed to Howard recorded December 24, 1958, under Auditor's File No. :



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SCHEDULE "A"

AND EXCEPT all that portion thereof as conveyed to State of Washington, by Deed recorded December 30, 1960, under Auditor's File No. 602561.

Parcel "C":

That portion of Lots 1 to 15, inclusive, in vacated Block 12, of "THE RAILROAD ADDITION TO ANACORTES", as per plat recorded in Volume 2 of Plats, Page 36, records of Skagit County, Washington, lying Northerly of SR 536 (formerly P.S.H. No. 1).

TOGETHER WITH such portions of vacated streets and alleys which upon vacation reverted to said premises by operation of law.

Parcel "D":

That part of vacated Block 1, "THE RAILROAD ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, Page 36, records of Skagit County, Washington, lying South of the 60 foot Highway right-of-way, recorded under Auditor's File No. 84680, running parallel to and South of the Great Northern Railway right-of-way.

TOGETHER WITH vacated streets adjoining.

EXCEPT that portion thereof conveyed to the State of Washington for highway purposes, by Deed dated December 19, 1960, and recorded under Auditor's File No. 603339, records of Skagit County, Washington.

Parcel "E":

The West 100 feet of the East 140 feet of the North 100 feet of that portion of the Northeast 1/4 of the Southwest 1/4 in Section 4, Township 34 North, Range 2 East, W.M., described as follows:

All of vacated Blocks 2 and 3, and the West 30 feet of vacated Second Street and all of vacated Third Street abutting on said Blocks 2 and 3, in "RAILROAD ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, Page 36, records of Skagit County, Washington.

EXCEPT State Highway as originally conveyed to Skagit County by Deed recorded May 8, 1911, under Auditor's File No. 84686, records of Skagit County, Washington.

ALSO EXCEPT that portion conveyed to the Seattle and Deed recorded January 10, 1890, in Volume 9 of Deeds



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