


After Recording, Return to:

Bruce G. Berning  
Tonkon Torp LLP  
1600 Pioneer Tower  
888 S.W. Fifth Avenue  
Portland, OR 97204

  
200209170007  
Skagit County Auditor  
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Title of Document: Landlord's Agreement

Reference No. of Related Documents: N/A

Grantor: The Starlight Group LLC

Beneficiary: Consolidated Supply Co.

Trustee: LaSalle Business Credit, Inc.

Legal Description: A portion of the Northwest Quarter of Section 32, Township 35 North, Range 4 East, W.M., in the County of Skagit, State of Washington.

Complete legal description located at: Page 5

Assessor's Property Tax Parcel or Account Number: 116703

**After Recording Return to:**

Michael W. Fletcher  
Tonkon Torp LLP  
1600 Pioneer Tower  
888 S.W. Fifth Avenue  
Portland, OR 97204

**LANDLORD'S AGREEMENT**

THIS LANDLORD'S AGREEMENT (this "Agreement"), executed and delivered as of this 6<sup>th</sup> day of August, 2001 ~~2002~~, by **THE STARLIGHT GROUP LLC** ("Landlord"), in favor of **LASALLE BUSINESS CREDIT, INC.** ("Lender").

WITNESSETH

WHEREAS, Lender and **CONSOLIDATED SUPPLY CO.**, an Oregon corporation ("Company"), are entering, and may from time to time hereafter enter, into various agreements, instruments and documents (collectively the "Loan Agreements") providing for Lender to make or cause to be made certain financial accommodations for the benefit of Company; and

WHEREAS, to secure payment and performance of all of Company's obligations and liabilities to Lender under the Loan Agreements ("Company's Liabilities"), Lender has required that Company grant to Lender a security interest in all of Company's personal property and all products and proceeds of the foregoing (the "Collateral"); and

WHEREAS, all or some of the Collateral is now or from time to time hereafter may be located at the premises known as 1000 Fountain Street, Burlington, Skagit County, Washington 98233 (the "Premises") and legally described on Exhibit A attached hereto, which Premises are owned and leased by Landlord to Company pursuant to a Lease dated November 29, 1999, ~~a copy of which is attached hereto as Exhibit B~~ (the "Lease"); and

WHEREAS, Landlord wishes to continue to lease the Premises to Company and receive rental payments therefor pursuant to the Lease and, accordingly, wishes for Company to remain in business and continue to operate the same; and

WHEREAS, Company, to remain in business and continue to operate the same, may require, or receive the benefit of, loans or advances from Lender pursuant to the Loan Agreements, and Lender, as a condition precedent to making such additional loans or advances, has required Landlord to execute and deliver this Agreement;



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NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Landlord hereby covenants and agrees with Lender as follows:

1. Landlord waives each and every right which Landlord now has or hereafter may have, under the laws of the State of Washington, or by virtue of the Lease, or any renewals, extensions, amendments, modifications, substitutions or replacements thereof (the "New Lease") or by virtue of Company's occupation of the Premises, to levy or distrain upon, for rent, in arrears, in advance or both or for any monetary obligation arising by reason of default under the Lease or any New Lease, or to claim or assert any lien, right, claim or title to any or all of the Collateral, which now or hereafter may be, or may be installed, on said Premises. Lender and Landlord hereby agree that the provisions of this Section 1 are made in favor, and shall inure to the benefit, of only Lender and its successors and assigns, and to no other persons. Nothing herein shall be construed to limit Landlord's right to sue Company for non payment of rent.

2. Landlord agrees that the Collateral (i) is and shall remain personal property notwithstanding the manner or mode of the attachment of any item of Collateral to the Premises, and (ii) is not and shall not become or be deemed to be fixtures.

3. Landlord recognizes and acknowledges that Lender's security interest in the Collateral pursuant to the Loan Agreements is superior to any lien, right or claim of title of any nature which Landlord now has or hereafter may have or assert in or to the Collateral by statute, the Lease, any New Lease, any other agreement or otherwise.

4. In the event of default by Company in the payment or performance of any of Company's Liabilities, Landlord (i) will cooperate with Lender in its efforts to assemble all of the Collateral located on the Premises, (ii) will permit Lender to remove the Collateral from the Premises and (iii) will not hinder Lender's actions in enforcing its security interest in the Collateral. Landlord will also in such event, at Lender's sole option, permit Lender to remain on the Premises for ninety (90) days after Lender declares the default and takes possession of the Premises, provided Lender pays rent for the period of time Lender remains on the Premises.

5. Lender may, without affecting the validity of this Agreement, extend, amend or in any way modify the terms of payment or performance of any of Company's Liabilities to lender without the consent of Landlord and without giving notice thereof to Landlord.

6. Landlord will notify Lender if Company defaults on its obligations to Landlord under the Lease or any New Lease and allow Lender sixty (60) days from its receipt of notice in which to cure or cause Company to cure any such default.

7. If, for any reason whatsoever, Landlord either deems itself entitled to redeem or to take possession of the Premises during the term of the Lease or any New Lease or intends to sell or otherwise transfer all or any part of its interest in the Premises, Landlord will notify Lender at least thirty (30) days before taking such action.



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8. Lender may, at any time or times hereafter, without any fee or charge for rent, enter upon the Premises to inspect Company's assets located on the Premises. Lender agrees to use reasonable methods to ensure that any entry upon or removal of any property from the Premises by Lender does not cause any damage to the Premises. Lender agrees to repair any damage caused by Lender's removal of the Collateral but only to the extent necessary to restore the Premises to its condition prior to such removal of the Collateral.

9. This Agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, personal representatives, successors and assigns of Landlord.

10. This Agreement shall continue in force until all of Company's obligations and liabilities to Lender are paid and satisfied in full and the Loan Agreements between Lender and Company have been terminated.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the day and year specified at the beginning hereof.

LESSOR:

THE STARLIGHT GROUP LLC

By: Robert A. Frazier Sr.

Title: Mgr. Member

Address: 15946 Mountain Drive  
Bow, WA 98232

Accepted and agreed to this 6<sup>th</sup> day of August, 2001. 2002

LASALLE BUSINESS CREDIT, INC.

By: Mark S. Loh

Title: FVP

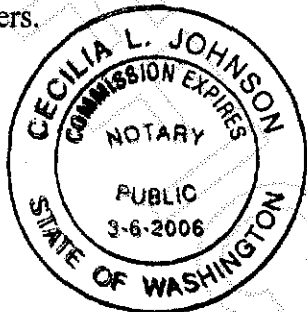


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STATE OF Washington )  
County of Skagit ) ss.

On this 6<sup>th</sup> day of August, 2001, before me personally appeared Robert A. Egerer, who being duly sworn, stated that (s)he is Managing Member of The Starlight Group LLC, and acknowledged the foregoing instrument to be the voluntary act and deed of the limited liability company by the authority of its members.



Cecilia L. Johnson  
Notary Public for Washington State  
My commission expires: 03.06.06

STATE OF OREGON )  
County of Clackamas ) ss.

On this 16<sup>th</sup> day of August, ~~2001~~ 2002, before me personally appeared Mark E. Landsem who being duly sworn, stated that he is ~~the~~ First Vice President of LaSalle Business Credit, Inc., a Delaware corporation, and acknowledged the foregoing instrument to be the voluntary act and deed of the corporation, executed by authority of its board of directors.



Lori Kelly  
Notary Public for Oregon  
My commission expires: 9/3/05



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EXHIBIT A

Legal Description of the Premises

A portion of the Northwest Quarter of Section 32, Township 35 North, Range 4 East, W.M. described as follows:

Beginning at the Northwest corner of said Northwest Quarter thence; S 0°37'17" W on the west line of said Northwest Quarter a distance of 655.26 feet; thence N 89°07'47" E a distance of 375.95 feet to the True Point of Beginning; thence continuing on a bearing of N 89°07'47" E a distance of 283.92 feet; thence S 0°38'32" E a distance of 494.45 feet; thence S 89°07'47" W a distance of 283.18 feet; thence N 0°46'09" W a distance of 40 feet; thence N 0°37'37" W a distance of 454.44 feet to the True Point of Beginning.

Said Parcel to become Lot 3 of City of Burlington Binding Site Plan BURL-1-99 upon recording of the Binding Site Plan.

Situate in Skagit County, Washington.



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