

WHEN RECORDED RETURN TO:



200301100271
Skagit County Auditor

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Chicago Title Insurance Company

DOCUMENT TITLE(s)

1. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

2.

ISLAND TITLE CO.

3.

C24170

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

1. 200301100 269 . 2. 200301100 270 .

☐ Additional numbers on page _____ of the document

GRANTOR(s):

1. AUDETTE, RANDY

2. AUDETTE, MARSHA

3.

☐ Additional names on page _____ of the document

GRANTEE(s):

1. ASSOCIATED PETROLEUM PRODUCTS, INC

2.

3.

☐ Additional names on page _____ of the document

ABBREVIATED LEGAL DESCRIPTION:

TRACT 1, SCSP#29-87

☐ Complete legal description is on page _____ of the document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

P24749

This cover sheet is for the County Recorder's indexing purposes only.
The Recorder will rely on the information provided on the form and will not read the document to verify the accuracy or completeness of the indexing information provided herein.

**SUBORDINATION, NON-DISTURBANCE AND
ATTORNMENMENT AGREEMENT**

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is made this 27th day of December, 2002, between WHIDBEY ISLAND BANK ("Lender"), RANDY AUDETTE and MARSHA AUDETTE, husband and wife, individually and on behalf of BIG ROCK SERVICE & GROCERY (together "Lessor"), and ASSOCIATED PETROLEUM PRODUCTS, INC., or assigns ("Tenant").

R E C I T A L S

WHEREAS, Lessor is the owner in fee simple of those certain premises situate, lying and being in the County of Skagit, State of Washington, legally described on Exhibit "A" attached hereto ("Overall Property"), and is the Lessor under the terms of a certain Lease Agreement with Western Pioneer, Inc. d/b/a Skagit Petroleum, dated as of July 1, 1997*(the "Lease"), which has been assigned to the Tenant, covering a portion of the Overall Property (the "Premises"); and *under Auditor's File No. 200301100270.

WHEREAS, Lender has made a loan to Lessor in the amount of Four Hundred Twenty Thousand Dollars (\$420,000.00) which is secured by a Deed of Trust dated December 26, 2002 and recorded under Skagit County Auditor's No. 200301100 269 (herein referred to as the "Deed of Trust"), affecting interests in the Overall Property; and

WHEREAS, Lender desires assurances from Tenant that it will attorn to Lender in the event of a default under the Deed of Trust, and Tenant desires to be assured of continued occupancy of the Premises under the terms of the Lease and subject to the terms of the Deed of Trust.

NOW, THEREFORE, Lender, Lessor and Tenant agree as follows:

1. The parties acknowledge that the Lease is in full force and effect.
2. Tenant agrees that the Lease and all of Tenant's rights thereunder shall be fully subject and subordinate to the lien of the Deed of Trust and the Lease, as the same may be extended, renewed, modified or replaced, and to all of Lender's and Lessor's respective rights thereunder.
3. Lender agrees with Tenant that so long as the Lease is in effect, Tenant's possession or enjoyment of the Premises shall not be interfered with by Lender in a foreclosure action, sale or other action or proceeding instituted under or in connection with the Deed of Trust.



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4. In the event of foreclosure of the Deed of Trust, whether by action pursuant to the power of sale therein contained or otherwise, or delivery of a deed to the mortgaged premises in lieu of foreclosure of the Deed of Trust, whereby the purchaser upon foreclosure or a grantee under a deed in lieu of foreclosure of the Deed of Trust has notified Tenant that it has succeeded to the ownership of all interests in the Premises and the rights of the Lessor under the Lease, then the Lease shall continue in full force and effect as a direct lease between such purchaser or grantee of the Premises and Tenant, upon and subject to the terms, covenants and conditions of the Lease, and such purchaser or grantee will not disturb the possession of Tenant and will be bound by all of the Lessor's obligations under the Lease, except such as are then not applicable or pertinent to the remainder of the term of the Lease and further except that such purchaser or grantee shall not (i) be liable for any previous act or omission of any prior lessor under the Lease (including Lender or any receiver appointed in any such foreclosure action or proceeding); (ii) be subject to any offsets, defenses or claims which have accrued to Tenant against said prior lessor; (iii) be bound by any modification of the Lease, or by any prepayment of more than one month's rent or by any waiver or forbearance on the part of Lessor that is materially adverse to the interest of such purchaser or grantee unless such modification, prepayment, waiver or forbearance shall have been previously approved in writing by Lender or any subsequent holder of the Deed of Trust or such purchaser or grantee; or (iv) be bound by any obligation of the Lessor in the construction of Tenant's improvements at the Premises or any warranty of workmanship or materials or any other personal guaranty of the Lessor under the Lease.

5. Tenant consents to the foregoing provisions of Paragraphs 3 and 4 hereof and agrees to be bound thereby. So long as Tenant has quiet enjoyment of the Premises, Tenant further agrees (a) to attorn to and recognize as Lessor under the Lease (i) Lender, when in possession of the mortgaged premises, (ii) a receiver appointed in an action or proceeding to foreclose the Deed of Trust, (iii) a purchaser upon foreclosure or a grantee under a deed in lieu of foreclosure of the Deed of Trust, (iv) Lessor in the event of a cancellation or other early termination of the Lease, or (v) any subsequent purchaser of the mortgaged premises, (b) upon request, to execute and deliver to said person or entity any instrument or instruments in recordable form which may be necessary or appropriate to effect the performance of the agreements herein contained, provided that such instruments do not create, or risk the creation of, increased risk of liabilities or obligations on Tenant, and (c) to be bound to perform all of the obligations imposed by the Lease upon the tenant thereunder.

6. Notwithstanding anything in the Lease to the contrary, Tenant hereby agrees that Tenant will notify Lender so long as Lender is the holder of the Deed of Trust, in writing of any default(s) of the Lessor under the Lease which would entitle Tenant to cancel the Lease or abate the rent payable thereunder, and no notice of cancellation or abatement shall be effective unless (a) Lender has received the aforesaid notice at its office address set forth below (or at such other place hereafter designated to Tenant from time to time in writing) and (b) Lender-Lessor have been afforded an opportunity to cure such default(s) of Lessor under the Lease within the applicable grace period provided under the Lease (measured from receipt of the aforesaid written notice) or, if such default(s) cannot reasonably be cured within such period, to commence to cure such default(s) within such period and diligently proceed therewith. Tenant agrees that performance by Lender or Lessor or their respective nominee, designee or assignee of any



provision of the Lease shall satisfy any conditions of Tenant requiring performance by the Lessor and if there is a default which is not capable of being cured by Lender or Lessor and Lender has instituted legal proceedings to foreclose the Deed of Trust or Lessor is proceeding with termination of the Lease, Tenant agrees to waive such past defaults as to Lender or Lessor or their respective nominee, designee or assignee. Nothing contained herein shall obligate Lender or Lessor to perform the Lessor's obligations under the Lease until such time as Lender shall become the owner of the mortgaged Premises.

7. Lender acknowledges receipt of the Lease Agreement dated September 1, 1999, and Asset Purchase Agreement dated August 2002, between Lessor and Tenant. Tenant has purchased the underlying equipment, fixtures and personal property relating to the Premises.

8. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto and cannot be changed or terminated orally.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TENANT

**ASSOCIATED PETROLEUM
PRODUCTS, INC.**

By [Signature]
Luke P. Xitro
Its Vice President

LENDER

WHIDBEY ISLAND BANK

By [Signature]
Its Vice President

LESSOR

**BIG ROCK SERVICE & GROCERY AND
RANDY AND MARSHA AUDETTE**

Individually, and on behalf of Big Rock Service & Grocery:

[Signature]
RANDY AUDETTE

[Signature]
MARSHA AUDETTE



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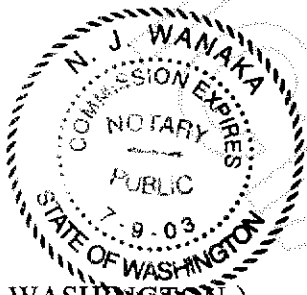
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STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Luke Xifco is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the Vice President of Associated Petroleum Products, Inc. to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 27th day of December, 2002.

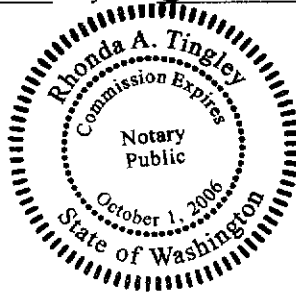


N. J. Wanaka
(Name)
NOTARY PUBLIC, in and for the
State of Washington,
residing at King Co
My Commission Expires 7-9-03

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Richard E Thompson is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it as the Vice President of Whidbey Island Bank to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 10th day of January, 2003.



Rhonda A. Tingley
(Name)
NOTARY PUBLIC, in and for the
State of Washington,
residing at Burien
My Commission Expires 10-1-06



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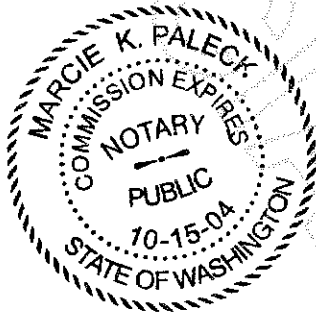
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STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Randy Audette and Marsha Audette are the persons who appeared before me, and said persons acknowledged that they signed this instrument, and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 8th day of January, 2003

Marcie K. Paleck
Marcie K. Paleck (Name)
NOTARY PUBLIC, in and for
the State of Washington,
residing at: Mount Vernon
My Commission Expires: 10/15/04



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**EXHIBIT A
LEGAL DESCRIPTION**

Tract 1, Short Plat No. 29-87, approved February 12, 1988, recorded February 12, 1988 in Book 8 of Short Plats, page 23, under Auditor's File No. 8802120024 and being a portion of the south ½ of the southwest ¼ of Section 14, Township 34 North, Range 4 East, W.M.
Situate in the County of Skagit, State of Washington.



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1/27/02