

**Recording Requested By and
When Recorded Mail To:**

Chevron U.S.A. Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583
Building T/Room 1088
Attention: Property Manager



200802250195
Skagit County Auditor

2/25/2008 Page 1 of 8 4:06PM

Facility No.#206999
APN: 8014-000-001-0000 (P111461)
Abbreviated Legal Description: Lot 1,
Binding Site Plan No. MV-BSP-1-96

GUARDIAN NORTHWEST TITLE CO.
86595-6

PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

(Facility No. 206999, Located at 2200 E. College Way, Mount Vernon, WA 98273)

A. PURCHASE OPTION.

ROBERT D. EATON, an individual ("Grantor"), hereby grants to CHEVRON U.S.A. INC., a Pennsylvania corporation ("Grantee"), the exclusive and irrevocable right and option to purchase from Grantor, or any subsequent owner, Grantor's leasehold estate under the following: (a) that certain unrecorded Restated and Amended Full-Menu Concepts Lease and Operating Agreement (McDonald's Land), dated December 31, 1996, between McDonald's Corporation, a Delaware corporation as landlord ("McDonald's") and Grantee as Tenant; as evidenced by (b) that certain Memorandum of Lease entered into between McDonald's and Grantee on January 17, 2008, and recorded simultaneously herewith; and (c) that certain Assignment entered into between Grantee as Assignor, McDonald's and McDonald's USA, LLC, a Delaware limited liability company, as Lessor, Grantor, as Assignee, recorded simultaneously herewith (all collectively referred to as the "Leasehold Estate"), encumbering the real property located in the County of Skagit, State of Washington, more particularly described in Exhibit 1 hereto (the "Real Property"), as well as any greater interest in the Real Property that may otherwise be acquired by Grantor, together with all of Grantor's right, title and interest in and to all buildings, structures, fixtures, equipment, improvements and personal property now or hereafter located thereon (collectively the "Improvements") (the Leasehold Estate and the Improvements being hereinafter sometimes collectively referred to as the "Property" where appropriate) on the following terms and conditions:

1. Option Event. If at any time during the 15-year period following recordation of this instrument, the Property ceases to be used as a motor fuel retail outlet continuously offering for sale all grades of Chevron branded gasolines that are typically offered for sale at other Chevron branded motor fuel retail outlets in the vicinity of the Property (the "Option Event"), then Grantee, or its nominee, shall have the right, but not the obligation, to purchase the Property from Grantor or, if Grantor no longer owns the Property, from any subsequent owner of the Property ("Subsequent Owner") under the terms and conditions hereof.

2. Option Price. The option price shall be the "Appraised Value" of the Property as determined in accordance with Section A(3) below.

3. Appraisal. Upon the occurrence of the Option Event, Grantor shall immediately notify Grantee in writing of such occurrence. Following the occurrence of the Option Event, but in no event more than 90 days following Grantee's receipt of written notice from Grantor of the Option Event, Grantee may notify Grantor in writing of Grantee's desire to have the Property appraised. Within 10 days after Grantor's receipt of such written notice, both Grantee and Grantor shall each appoint a real estate appraiser who is a member of the Appraisal Institute with at least five years full-time appraisal experience in the county in which the Property is located to appraise the fair market value of the Property (the "Appraised Value") using all three standard methods of valuation (the Sales Comparison Approach, the Cost Approach, and the Income Approach). If a party does not appoint an appraiser within 10 days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall determine the Appraised Value of the Property. If the appraisers are appointed by the parties as stated above, they shall meet promptly and attempt to set the Appraised Value of the Property. If they are unable to agree on the Appraised Value within 30 days after the second appraiser has been appointed, they shall attempt to select a third appraiser meeting the qualifications stated in this section within 10 days after the last day the two appraisers are given to set the Appraised Value. If they are unable to agree on a third appraiser, either of the parties, by giving 10 days' notice to the other party can apply to the Presiding Judge of the Superior Court for the county in which the Property is located for the selection of a third appraiser who meets the qualifications stated in this section. Each of the parties shall bear one-half of the cost of appointing the third appraiser and of paying the third appraiser's fee. Within 30 days after selection of the third appraiser, a majority of the appraisers shall set the Appraised Value of the Property. If a majority of the appraisers are unable to agree upon the Appraised Value within the stipulated period of time, the three appraisals shall be added together and their total divided by three and the resulting quotient shall be the Appraised Value of the Property. If, however, the low appraisal and/or the high appraisal are/is more than 10% lower and/or higher than the middle appraisal, the low appraisal and/or the high appraisal shall be disregarded, the remaining two appraisals shall be added together and their total divided by two, and the resulting quotient shall be the Appraised Value of the Property. If both the low appraisal and the high appraisal are disregarded as stated in this section, the middle appraisal shall be the Appraised Value of the Premises.



4. Property Assessment. At any time after the Option Event but before the expiration of the option hereunder, Grantee shall have the right to enter upon the Property for the purpose of making an assessment of the condition of the Property and any environmental contamination that may be located on the Property; provided that any such assessment shall be made in a manner so as to minimize interference with normal operations on the Property. Grantee shall indemnify, defend and hold harmless Grantor or the Subsequent Owner against any personal injury or property damage caused by Grantee or its contractors or employees in making any such assessment.

5. Exercise of Option. Within 90 days after the Appraised Value has been determined as provided in section 3 above and Grantee has received written notice from the appraisers specifying such Appraised Value (the "Appraised Value Receipt Date"), Grantee may exercise its option hereunder to purchase the Property at the Appraised Value by giving written notice to Grantor or the Subsequent Owner of Grantee's intent to exercise. If Grantee exercises this option, Grantor or the Subsequent Owner shall be obligated to sell the Property to Grantee and Grantee shall be obligated to purchase the Property in accordance herewith. The closing of such sale shall occur as soon after exercise as is reasonably practical.

6. Conveyance. If Grantee exercises this option, Grantor or the Subsequent Owner shall convey the Property to Grantee by means of a lease assignment and bill of sale in a form reasonably acceptable to Grantee, free and clear of all deeds of trust, mortgages, liens, security interests or other forms of monetary encumbrance, and free and clear of all other exceptions to title except those in existence as of the date hereof and any easements granted by Grantor or Subsequent Owner with Grantee's prior written approval, which approval shall not unreasonably be withheld by Grantee. In addition, Grantor shall cooperate and promptly undertake such action as may be requested by Grantee to transfer any governmental permits for the Property to Grantee.

7. Indemnity Agreement. If Grantee exercises this option, Grantor or the Subsequent Owner shall, by written agreement in a form satisfactory to Grantee, agree to protect, and indemnify, defend and hold harmless Grantee against all claims, expenses (including reasonable attorneys' fees), loss and liability resulting from or relating to operations at the Property prior to the date of the conveyance of the Property to Grantee, including but not limited to environmental contamination located on or originating from operations at the Property prior to the date of the conveyance of the Property to Grantee.

8. Expiration. This option shall expire if an Option Event has not occurred within 15 years following the date this instrument is recorded. If Grantor or Subsequent Owner gives Grantee written notice of the occurrence of an Option Event (the "Option Event Notice"), then this option shall also expire if:



(a) Grantee does not, within 90 days after receiving the Option Event Notice, notify Grantor or the Subsequent Owner in writing of Grantee's desire to consider exercising this option and to have the Property appraised for such purpose; or

(b) Grantee does not, within 90 days after the Appraised Value Receipt Date, notify Grantor or the Subsequent Owner in writing of Grantee's intent to exercise this option.

Following the expiration of this option, Grantee shall execute and deliver such instrument or document as Grantor or the Subsequent Owner may reasonably request and prepare to evidence such expiration.

9. Closing Costs. All closing costs in connection with the conveyance of the Property to Grantee shall be split evenly between Grantor (or Subsequent Owner) and Grantee; except that any title insurance which may be obtained by Grantee in connection with such reconveyance shall be paid for according to local custom.

10. Option Runs With Land. This option shall run with the land, is not personal to Grantee, and shall survive future transfers of the Property.

B. RIGHT OF FIRST REFUSAL.

Grantor hereby grants to Grantee, its successors and assigns, a right of first refusal to purchase from Grantor the Property in accordance with the following terms and conditions:

1. Offer to Sell. If at any time within 15 years following the recordation of this instrument, Grantor desires to sell, lease or otherwise transfer all or any part of its interest in the Property and Grantor receives a bona fide offer for the same which Grantor wishes to accept, Grantor shall immediately notify Grantee in writing of the terms thereof and provide Grantee with a complete copy of the executed written agreement or other documents embodying such offer which contain all of the terms and conditions between the parties, with no material terms yet to be negotiated, together with copies of all information regarding the Property supplied to the offeror by Grantor.

2. Terms. Except as provided below with regard to an exchange of property, or as may otherwise be agreed to by Grantee in writing, any sale or other transfer by Grantor of Grantor's interest in the Property hereunder shall provide for the receipt by Grantor of only monetary considerations and for no other kind of consideration, including but not limited to consulting or employment agreements. If such offer provides for payment over time, Grantee shall have the right to pay the full consideration for the transfer in cash at closing. (If such offer provides for payment over time, but does not specify an interest rate, then an interest rate equal to the then-current prime rate of Bank of America, N.T. & S.A., at San Francisco, California shall be imputed.) The



accuracy and completeness of the information set forth in such offer and of the other documents submitted to Grantee shall be certified by both Grantor and the offeror. In the absence of anything to the contrary contained in the written agreement, Grantor (i) represents and warrants to Grantee that the stated price shall cover Grantor's entire interest in the Property, and none of the liabilities associated with the Property, and (ii) agrees that Grantor shall indemnify, defend and hold harmless transferee from and against all claims resulting from or relating to operations at the Property prior to the conveyance of the Property to Grantee, including but not limited to environmental contamination located on or originating from operations at the Property prior to the conveyance of the Property to Grantee.

3. Exercise of Right. Grantee shall have the right to acquire such interest of Grantor at the price and on the terms of such offer if Grantee, within 45 days after Grantee's receipt of such written notice from Grantor of any such offer (including receipt of all additional information required by section B(1) above), notifies Grantor in writing of Grantee's exercise of such option. If Grantee exercises such right, the transaction shall be consummated within 60 days after delivery to Grantor of Grantee's notice of exercise or at such later date as may be specified in the offer and Grantor shall, prior to such date and at Grantor's expense, do all things necessary or desirable in order to give Grantee title to the interest being acquired free from the claims of Grantor's creditors. In addition, Grantor shall cooperate and promptly undertake such action as may be requested by Grantee to transfer any governmental permits for the Property to Grantee.

4. Property Assessment. During the 45-day period following Grantee's receipt of such written notice from Grantor of any such offer, Grantee shall have the right to enter upon the Property for the purpose of making an assessment of the condition of the Property and any environmental contamination that may be located on the Property; provided that any such assessment shall be made in a manner so as to minimize interference with normal operations on the Property. Grantee shall indemnify, defend and hold harmless Grantor or the Subsequent Owner against any personal injury or property damage caused by Grantee or its contractors or employees in making any such assessment.

5. Completion of Sale. If Grantee does not exercise such right, Grantor may, at any time within six months after the expiration of such 45-day period, but no later, sell, lease or otherwise transfer such interest, but only to the original offeror and only upon the terms of the offer submitted by Grantor to Grantee. Grantee's rights hereunder shall continue to apply until Grantor's entire interest in the Property is transferred in accordance herewith. An offer by a third party to exchange other property interests owned or to be acquired by it for any interest of Grantee shall be deemed to constitute an offer to purchase for a price equal to the fair market value of the property offered in exchange.

C. Intentionally omitted.



D. GENERAL.

1. Notices. All written notices to be given hereunder shall be posted by certified mail, delivered personally or delivered by a recognized overnight commercial courier, to Grantor or the Subsequent Owner at the Property or to Grantee at the following address (or at such other address as Grantee may designate by written notice to Grantor or the Subsequent Owner):

Chevron U.S.A. Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583
Building T, Room 1088
Attn: Property Manager

2. Assignment. Grantee shall have the right to assign all of its rights hereunder to a third party; provided that in the event of any such assignment Grantee shall remain liable for its assignee's performance hereunder.

3. Counterparts. This document may be executed by one or more of the parties hereto in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of such counterparts taken together shall be deemed to constitute a single document.

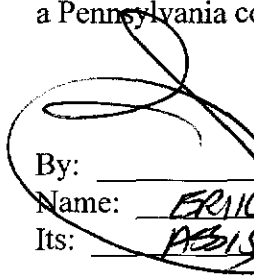
IN WITNESS WHEREOF, Grantor and Grantee have caused the execution of this instrument on February 19, 2008.

Grantor:


ROBERT D. EATON, an individual

Grantee:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation

By: 
Name: ERICA JORDAN
Its: ASSISTANT SECRETARY

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200802250195
Skagit County Auditor

Exhibit 1

Legal Description of Real Property

For the property situated in the State of Washington, County of Skagit, and is described as follows:

Lot 1, Binding Site Plan No. MV-BSP-1-96, approved January 24, 1997, recorded January 24, 1997, in Volume 12 of Short Plats, pages 181 and 182, under Auditor's File No. 9701240087, records of Skagit County Washington; being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M.



200802250195

Skagit County Auditor

STATE OF WASHINGTON)

COUNTY OF Skagit)

ACKNOWLEDGEMENT

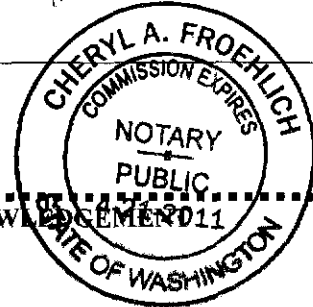
I, Cheryl A. Froehlich, Notary Public in and for the State of Washington, do hereby certify that on the 25 day of Feb., 2008, I know or have satisfactory evidence that Robert D. Baker is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ (title) of _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND SEAL this 25 day of Feb., 2008.

Printed Name: Cheryl A. Froehlich

Notary Public in and for the State of Washington, residing at _____

My Commission expires 1/2011.



STATE OF CALIFORNIA)

COUNTY OF CONTRA COSTA)

ACKNOWLEDGEMENT

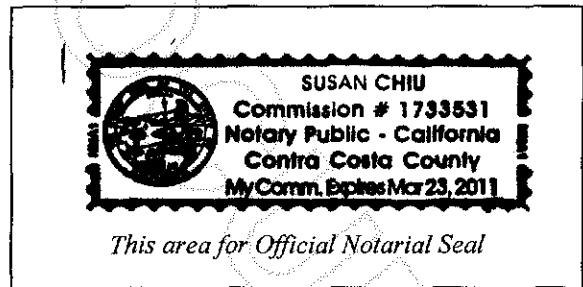
On Feb. 19th, 2008, before me, Susan Chiu, Notary Public PERSONALLY APPEARED ERIKA JORDENING, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Susan Chiu

My Commission Expires: March 23, 2011



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Skagit County Auditor