

WHEN RECORDED RETURN TO:

KeyBank National Association
Mail Code: ID-56-PC-0125
431 Parkcenter Blvd.
P.O. Box 5278
Boise, ID 83705



Skagit County Auditor **\$84.00**
12/15/2016 Page 1 of 12 11:17AM

CHICAGO TITLE

6200 29698 14

Document Title: Subordination, Attornment and Nondisturbance Agreement

Grantor: KeyBank National Association

Grantee: Associated Petroleum Products, Inc.

Legal Description:

Abbreviated Legal Description: PTN SE, 03-34-02

Full Legal Description: See Exhibit A attached

Assessor's Tax Parcel Nos.: P19773 and 340203-4-012-0003

Reference Nos. of Documents Released or Assigned: N/A

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customer courtesy and accepts no
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**SUBORDINATION, ATTORNMENT AND
NONDISTURBANCE AGREEMENT**

THIS SUBORDINATION, ATTORNMENT AND NONDISTURBANCE AGREEMENT ("Agreement"), made and entered into as of December 7, 2016, by and among **ASSOCIATED PETROLEUM PRODUCTS, INC.**, a Washington corporation ("**Tenant**"), whose address is c/o World Fuel Services, Inc., 9800 NW 41st Street, Miami, Florida 33178, Attention: General Counsel; **KEYBANK NATIONAL ASSOCIATION**, a national banking association ("**Lender**"), whose address is WA-MM-Tacoma Commercial Banking Center, 1101 Pacific Ave., Tacoma, Washington 98402; and **PADILLA UFFICIO, LLC**, a Washington limited liability company ("**Landlord**"), whose address is P.O. Box 2116, Tacoma, WA 98401.

RECITALS:

A. Tenant is the tenant under that certain Lease dated July 1, 2016 (the "**Lease**"), between Landlord and Tenant, covering certain premises on the real property legally described in Exhibit A as more particularly described in the Lease (the "**Premises**").

B. Lender made a loan in the principal amount of **\$430,000.00** (the "**Loan**") to Landlord, the repayment of which is secured by a Deed of Trust (the "**Deed of Trust**"), encumbering the Premises and other property.

C. Lender and Tenant wish to recognize Tenant's right to occupy the Premises according to the terms and conditions of the Lease following a foreclosure of Lender's Deed of Trust.

AGREEMENT:

NOW, THEREFORE, in consideration of mutual benefits to be derived herefrom and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender, Tenant and Landlord agree as follows:

1. **SUBORDINATION.** The Lease, and the rights of Tenant, in to or under the Lease and the Premises including, without limitation, any claim by Tenant to insurance proceeds and condemnation awards, are subject and subordinate and shall remain in all respects and for all purposes subject, subordinate and junior to the encumbrance of the Deed of Trust and to all renewals, extensions, modifications and amendments of the Deed of Trust and of the Loan and/or other obligations secured by the Deed of Trust, and to the rights and interest of the from time-to-time holder of the Deed of Trust, as the Deed of Trust was duly executed, acknowledged and recorded, and the indebtedness secured thereby was fully disbursed prior to the execution of the Lease or possession of the Premises by Tenant, or its predecessors in interest.

2. **TENANT NOT TO BE DISTURBED.** So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment or performance of any of the terms, covenants, or conditions of the Lease on Tenant's part to be performed, Tenant's possession of the Premises and any extensions or renewal rights therefor in the Lease, shall not be diminished or interfered with by Lender, and Tenant's occupancy of the Premises shall not be disturbed by Lender for any reason whatsoever during the term of the Lease or any such extensions or renewals thereof except as may be provided in the Lease.

3. **TENANT NOT TO BE JOINED IN FORECLOSURE.** So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment or performance of any of the terms, covenants, or conditions of the Lease on Tenant's part to be performed, Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

4. **TENANT TO ATTORN TO LENDER.** If the interests of Landlord shall be transferred to Lender or any other person or entity (each a "Purchaser") by reason of foreclosure of the Deed of Trust or by deed or other conveyance in lieu thereof, Tenant and the Purchaser shall be bound by all of the terms, covenants, and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Purchaser were the landlord under the Lease; and Tenant does hereby attorn to Purchaser, as its landlord, said attornment to be effective and self-operative immediately upon a Purchaser succeeding to the interest of the Landlord without the execution of any further instruments.

5. **PURCHASER NOT BOUND BY CERTAIN ACTS OF LANDLORD.** If a Purchaser shall succeed to the interests of Landlord under the Lease, such Purchaser shall not be (i) liable for any act or omission of any prior landlord (including Landlord), but this limitation of liability does not limit Purchaser's obligations under the Lease to correct any omissions, conditions, or violations that specifically relate to the physical condition of the Premises if (a) the omissions, conditions, or violations existed as of the date Purchaser became the owner of the Premises; (b) the omissions, conditions, or violations violate Purchaser's obligations as landlord under the Lease, and (c) Purchaser received written notice of such omissions, conditions or violations prior to acquiring the Premises and had a reasonable opportunity to cure the same pursuant to the terms and conditions of the Lease; (ii) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); (iii) bound by any rent or additional rent which Tenant might have paid for more than the then current installment unless any such rents were actually paid to Lender or such Purchaser on or prior to the date that such Purchaser succeeded to the interests of Landlord; (iv) obligated for repayment of any

security deposit which has not been previously paid to Lender or such Purchaser; (v) bound by any amendment or modification of the Lease made after the date of this Agreement without Lender's consent, (vi) bound by any indemnity or defense obligation of any prior landlord (including Landlord), (vii) responsible for the making of repairs in or to the Premises in the case of damage or destruction to the Premises or any part thereof due to fire or other casualty or by reason of condemnation, or (viii) bound by any representations made to Tenant by any prior landlord (including Landlord). Nothing in this Agreement or at law or equity shall be deemed or construed as constituting Lender a principal or surety for the performance of any of the Landlord's obligations under the Lease, and under no circumstances whatever shall Lender have any personal liability for the breach or nonperformance of any of the Landlord's obligations to Tenant.

6. **ASSIGNMENT OF RENTS.** Tenant agrees to recognize the assignment from Landlord to Lender of the Lease and the amounts payable thereunder pursuant to the Deed of Trust and in the event of any default by Landlord under the Deed of Trust or any of the other documents or instruments evidencing or securing the Loan, Tenant upon written notice from Lender shall pay to Lender, as such assignee, the rents and other amounts which are or become due under the Lease from and after the date on which Lender gives Tenant written notice that such rent and other amounts are to be paid to Lender pursuant to the Deed of Trust. In complying with the provisions of this paragraph, Tenant shall be entitled to rely solely upon the notices given by Lender pursuant to the Deed of Trust and Landlord hereby indemnifies and agrees to defend and hold Tenant harmless from and against any and all expenses, loss, claims, damage or liability arising out of Tenant's compliance with such notice or performance of the obligations under the Lease by the Tenant made in good faith in reliance on and pursuant to such notice. Tenant shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with the provisions hereof. Any dispute between Lender (or any other Purchaser) and Landlord as to the existence or nature of a default by Landlord under the terms of the Deed of Trust or any of the other documents or instruments evidencing or securing the Loan, shall be dealt with and adjusted solely between Lender (or such other Purchaser) and Landlord, and Tenant shall not be made a party thereto (unless joinder is required by law).

7. **SUCCESSORS AND ASSIGNS.** This Agreement and each and every covenant, agreement and other provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. As used in this Agreement the term "Lender" shall include any nominee of Lender acquiring the Premises through foreclosure of the Deed of Trust or by deed or other conveyance in lieu thereof.

8. **NOTICES.** Any notice under this Agreement which any party may desire or may be required to give to the other party shall be in writing and shall be given by delivering it or by mailing it by first-class mail, return receipt requested, to the address for the other party as set forth above, or to such other address as either party hereto may by notice in writing designate. Lender, upon succeeding to the interest of Landlord under the

Lease, shall not be deemed to have notice of any notice given by Tenant to any prior landlord (including Landlord) unless a copy of the notice was sent to Lender in the manner required by this Agreement.

9. **PURCHASE OPTIONS.** Any options or rights contained in the Lease to acquire title to the Premises (“**Purchase Option**”) are hereby made subject and subordinate to the rights of Lender under the Deed of Trust, and shall not prevent Lender from exercising any of its remedies under the Deed of Trust, including, without limitation, any judicial or non-judicial foreclosure of the Deed of Trust or any acquisition of the Premises by Lender in lieu thereof (“**Foreclosure**”), and shall be terminated by any such Foreclosure. Any acquisition of title to the Premises made by Tenant in accordance with the Purchase Option during the term of the Deed of Trust shall be subordinate and subject to the Deed of Trust and all of Lender's rights thereunder to the extent the obligations secured by the Deed of Trust are not paid in full; *provided, however*, that Tenant may only exercise the Purchase Option after either Borrower or Tenant gives Lender thirty (30) day's written notice of Tenant's election to exercise the Purchase Option and the transaction effectuating the Purchase Option satisfies all of the obligations secured by the Deed of Trust in full. Notwithstanding the foregoing, in the event of a default or Event of Default under the Deed of Trust, prior to commencing foreclosure, Lender shall give Tenant notice of such default or Event of Default and Tenant shall have sixty (60) days thereafter in which to either cure the default or elect to purchase the Premises in accordance with the Purchase Option in a transaction in which all obligations secured by the Deed of Trust are paid in full; *provided, however*, that during such sixty (60) day period, nothing shall prevent Lender from commencing and continuing the Foreclosure process. Lender, however, will not complete a transfer via Foreclosure until *the earlier of* (i) Lender's receipt of Tenant's written notice electing not to exercise the Purchase Option or (ii) expiration of such sixty (60) day period. Except as specifically set forth above or elsewhere in this Agreement, none of Lender, Landlord as grantor, or Tenant as junior encumbrancer, have waived or relinquished any statutory rights or obligations pursuant to Chapter 61.24 RCW.

10. **CERTIFICATION OF TENANT.** Tenant certifies to Lender that (a) the Lease is unmodified and in full force and effect and the rent under the Lease is current through November 30, 2016, (b) there are not, to Tenant's knowledge, any uncured defaults, if any are claimed, (c) rent under the Lease commenced on July 1, 2016 and the term of the Lease will expire on June 30, 2026, subject to two (2) options to renew for additional terms of five (5) years each, (d) the Lease represents the entire agreement between the parties, (e) to Tenant's knowledge, there are no existing claims, defenses or offsets that Tenant has against the enforcement of the Lease, and (f) no Base Rent (as defined in the Lease) has been paid more than one quarter in advance. Tenant further agrees to provide to Lender from time-to-time, within fifteen (15) business days following Lender's written request to Tenant, certifications of Tenant as to the Lease, the rent, the

term and other terms and conditions of the Lease, and of any breach or default of the Landlord's obligations thereunder.

11. LENDER'S RIGHT TO CURE LANDLORD'S DEFAULT.

Notwithstanding anything in this Agreement or in the Lease to the contrary and so long as Lender's Deed of Trust remains an encumbrance against the Premises, Tenant agrees to give Lender written notice of any default by Landlord under the Lease. Lender, following its receipt of such notice, shall have the right (but not the obligation) and a reasonable opportunity to cure such default on behalf of Landlord. Tenant further agrees not to exercise any of its remedies for such default so long as Lender is proceeding with diligence to cure such default or proceeding with diligence to obtain the legal right to enter the leased Premises and cure the default.

12. ATTORNEYS' FEES. If any lawsuit, judicial reference or arbitration or bankruptcy or other proceeding is commenced which arises out of or relates to this Agreement, and in any appeal therefrom, the prevailing party shall be entitled to recover from the non-prevailing party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees, including the costs for any legal services by in-house counsel, in addition to costs and expenses otherwise allowed by law.

13. INTEGRATION. This Agreement integrates all of the terms and conditions of the parties' agreement regarding the matters contained in this Agreement. This Agreement supersedes and cancels all oral negotiations and prior and other writings with respect to the matters contained in this Agreement. This Agreement may not be modified or amended except by a written agreement signed by the parties or their respective successors in interest. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

14. CHOICE OF LAW. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Washington without regard to the choice of law rules of that State.

15. LIABILITY OF LENDER. If Lender acquires title to the Premises, Lender shall have no obligation, nor incur any liability, beyond Lender's then equity interest, if any, in the Premises (as such equity interest is determined after application of the unpaid amount due and owing under the Loan to Lender at the time of foreclosure), and Tenant shall look exclusively to such equity interest of Lender for the payment and discharge of any obligations imposed upon Lender hereunder or under the Lease or for recovery of any judgment from Lender, and in no event shall Lender or any of its officers, directors, shareholders, agents, representatives, servants, employees or partners ever be personally liable for any such obligations.

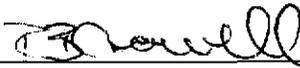
(Signatures on following page.)

UNOFFICIAL DOCUMENT

Dated as of the date first set forth above.

TENANT:

ASSOCIATED PETROLEUM PRODUCTS, INC., a Washington corporation



By: Ronald B. Crowell

Its: SVP - Finance

LENDER:

KEYBANK NATIONAL ASSOCIATION, a national banking association



By: Ernest Hill

Its: Ernest Hill

LANDLORD:

PADILLA UFFICIO, LLC, a Washington limited liability company



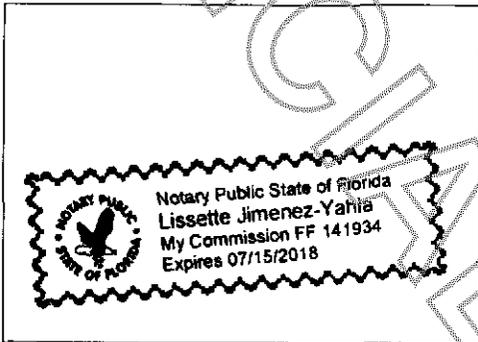
By: Luke P. Xilito

Its: MANAGING MEMBER

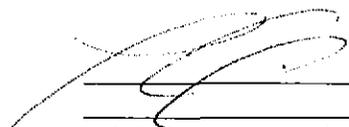
STATE OF FLORIDA)
) .ss
COUNTY OF MIAMI – DADE)

I certify that I know or have satisfactory evidence that Ronald B. Crowell 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 SVP - Finance of ASSOCIATED PETROLEUM PRODUCTS, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 13th day of November, 2016.



Notary Seal



(Name)
NOTARY PUBLIC in and for the State of Florida
residing at: 2031 SW 79 Avenue, Miami, FL 33189
My Commission Expires: _____

STATE OF WASHINGTON)
) .ss
COUNTY OF King)

I certify that I know or have satisfactory evidence that Ernest Hill is the person who appeared before me, and said person acknowledged that (he) signed this instrument, on oath stated that (he) was authorized to execute the instrument and acknowledged it as the A. V. P. of KEYBANK NATIONAL ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 7th day of December, 2016.



Notary Seal

Anastasia P. Wright
Anastasia P. Wright (Name)
NOTARY PUBLIC in and for the State of
Washington residing at: Seattle 98101
My Commission Expires: 02-28-2017

STATE OF WASHINGTON)
) .ss
COUNTY OF _____)

I certify that I know or have satisfactory evidence that Luke P. Xitco 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 managing member of PADILLA UFFICIO LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 5th day of December, 2016.



Notary Seal

Megan M Cordell
Megan M. Cordell (Name)
NOTARY PUBLIC in and for the State of
Washington residing at: Pierce County
My Commission Expires: 4-17-20

EXHIBIT A

LEGAL DESCRIPTION

Lot 1, Great Heights Short Plat PL 12-0264, recorded under Auditor's File No. 201210230054; being a portion of the Southeast Quarter of Section 3, Township 34 North, Range 2 East of the Willamette Meridian; Situated in Skagit County, Washington.