

RETURN ADDRESS:

Columbia State Bank
25977 SW CANYON
CREEK RD, SUITE J
Wilsonville, OR 97070

NOTICE: THIS SUBORDINATION OF DEED OF TRUST RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION OF DEED OF TRUST

GNW 21-9697

201708070059 Modified AF# 202103170060

Reference # (if applicable): 201806200008

Additional on page ____

Grantor(s):

1. Cheema & Sons, LLC
2. Coleman Oil Company, LLC

Grantee(s)

1. Columbia State Bank

Legal Description: PTN Gov Lot 10, S7, T34N, R3EWM

Additional on page 2

Assessor's Tax Parcel ID#: P21181 / 340307-4-019-0108

THIS SUBORDINATION OF DEED OF TRUST dated March 12, 2021, is made and executed among Coleman Oil Company, LLC ("Beneficiary"); Cheema & Sons, LLC ("Borrower"); and Columbia State Bank ("Lender").

SUBORDINATED INDEBTEDNESS. Beneficiary has extended the following described financial accommodations, secured by the Real Property (the "Subordinated Indebtedness"):

Deed of Trust dated May 4, 2018 between Cheema & Sons, LLC, a Washington Limited Liability Company, (Grantor) and McEvoy Oil Company, Inc., A Washington Corporation, (Beneficiary).

SUBORDINATED DEED OF TRUST. The Subordinated Indebtedness is or will be secured by the Real Property and evidenced by a deed of trust dated May 4, 2018 from Cheema & Sons, LLC ("Trustor") to Whatcom Land Title Company ("Trustee") in favor of Coleman Oil Company, LLC ("Beneficiary") (the "Subordinated Deed of Trust") and recorded in Skagit County, State of Washington as follows:

Recorded June 20, 2018 as Auditor's No.: 201806200008 in Skagit County, Washington.

REAL PROPERTY DESCRIPTION. The Subordinated Deed of Trust covers the following described real property (the "Real Property") located in Skagit County, State of Washington:

See Exhibit A, which is attached to this Subordination and made a part of this Subordination as if fully set forth herein.

The Real Property or its address is commonly known as 13725 LaConner Whitney Road, Mount Vernon, WA 98273. The Real Property tax identification number is P21181 / 340307-4-019-0108.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to Borrower, secured by the Real Property, as may further be amended, increased, extended, renewed, supplemented or replaced from time to time (the "Superior Indebtedness"):

A Promissory Note dated 03/16/2021.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a mortgage, deed of trust, or other lien instrument, dated 03/16/2021, from Borrower to Lender (together with any amendments, extensions, renewals, supplements and replacements thereof, the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Deed of Trust.

REQUESTED FINANCIAL ACCOMMODATIONS. Trustor, who may or may not be the same person or entity as Borrower, and Beneficiary each want Lender to provide financial accommodations to Borrower in the form of the Superior Indebtedness. Trustor and Beneficiary each represent and acknowledge to Lender that Beneficiary will benefit as a result of these financial accommodations from Lender to Borrower, and Beneficiary acknowledges receipt of valuable consideration for entering into this Subordination.

NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. The Subordinated Deed of Trust and the Subordinated Indebtedness secured by the Subordinated Deed of Trust is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to the lien of the Subordinated Deed of Trust. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

BENEFICIARY'S REPRESENTATIONS AND WARRANTIES. Beneficiary represents and warrants to Lender that: (A) no representations or agreements of any kind have been made to Beneficiary which would limit or qualify in any way the terms of this Subordination; (B) this Subordination is executed at Borrower's request and not at the request of Lender; (C) Lender has made no representation to Beneficiary as to the creditworthiness of Borrower; and (D) Beneficiary further agrees that Lender shall have no obligation to disclose to Beneficiary information or material acquired by Lender in the course of its relationship with Beneficiary.

BENEFICIARY WAIVERS. Beneficiary waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; or (E) to pursue any other remedy within Lender's power.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Beneficiary, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Indebtedness also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Amendments. This Subordination constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Beneficiary also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Beneficiary represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Beneficiary's security interests in Beneficiary's property, if any.

Caption Headings. Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

Governing Law. This Subordination will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Subordination has been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Beneficiary agrees upon Lender's request to submit to the jurisdiction of the courts of Skagit County, State of Washington.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Beneficiary herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

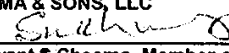
No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Beneficiary, shall constitute a waiver of any of Lender's rights or of any of Beneficiary's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Waive Jury. All parties to this Subordination hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED MARCH 12, 2021.

BORROWER:

CHEEMA & SONS, LLC

By: 

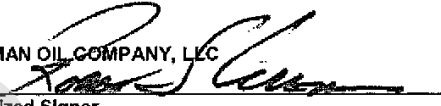
Sukhwant S. Cheema, Member of Cheema & Sons, LLC

By: 

Harvinder S. Gill, Member of Cheema & Sons, LLC

BENEFICIARY:

COLEMAN OIL COMPANY, LLC

By: 
Authorized Signer
for Coleman Oil Company, LLC

By: _____
Authorized Signer
for Coleman Oil Company, LLC

Notary Acknowledgement - LLC

State of Idaho)

: ss.

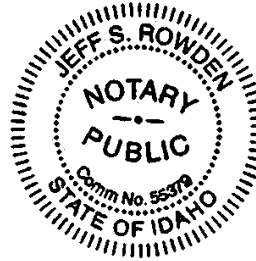
County of Nez Perce)

On this 12th day of, March, in the year 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert S Coleman, Jr., known to me to be the authorized Manager of the LLC that executed the instrument or the person who executed the instrument on behalf of said LLC, and acknowledged to me that such LLC executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this certificate first above written.

Jeff S. Rowden
Notary Public in and for the State of Idaho

Residing at: Lewiston, ID
My Commission Expires: 11/18/2021



LENDER:

COLUMBIA STATE BANK

X

Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA

)

) SS

COUNTY OF Skagit

)

This record was acknowledged before me on March 16, 20 21 by Sukhwant S Cheema,
Member of Cheema & Sons, LLC.

Notary Public
State of Washington
Doug Clark
Commission No. 196611
Commission Expires 12-15-2021

Doug Clark
(Signature of notary public)

Notary Public
(Title of office)

My commission expires:

12-15-21
(date)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA

)

) SS

COUNTY OF Skagit

)

This record was acknowledged before me on March 16, 20 21 by Harvinder S Gill,
Member of Cheema & Sons, LLC.

Notary Public
State of Washington
Doug Clark
Commission No. 196611
Commission Expires 12-15-2021

Doug Clark
(Signature of notary public)

Notary Public
(Title of office)

My commission expires:

12-15-21
(date)

CORPORATE ACKNOWLEDGMENT

STATE OF _____)

) SS

COUNTY OF _____)

This record was acknowledged before me on _____, 20____ by _____.

(Signature of notary public)_____
(Title of office)

My commission expires:

(date)**CORPORATE ACKNOWLEDGMENT**

STATE OF _____)

) SS

COUNTY OF _____)

This record was acknowledged before me on _____, 20____ by _____.

(Signature of notary public)_____
(Title of office)

My commission expires:

(date)**LENDER ACKNOWLEDGMENT**

STATE OF _____

)

) SS

COUNTY OF _____

)

This record was acknowledged before me on _____, 20____ by
_____ as _____ of Columbia State Bank.

(Signature of notary public)

(Title of office)

My commission expires:

(date)

LaserPro, Ver. 20.3.0.052 Copr. Finastra USA Corporation 1997, 2021. All Rights Reserved. - WA
C:\Laserpro\CFILPL\G212.FC TR-10120429 (M)

Exhibit A

That portion of the West 500 feet (as measured along the South line) of Government Lot 10, Section 7, Township 34 North, Range 3 East of the Willamette Meridian, lying Southerly of that certain tract of land described as Item No. 2 in Judgment and Decree of Appropriation entered August 6, 1971, in Skagit County Superior Court Cause No. 31913, said Cause of Action was to condemn said lands for SR 536, March Point Road to Fredonia;

EXCEPT County road, and except that portion condemned by Drainage District No. 19, by Decree dated December 4, 1922, under Skagit County Superior Court Cause No. 8889.

Situated in Skagit County, Washington.
