

Recording Requested By,
And After Recording, Return To:
WELLS FARGO BANK,
NATIONAL ASSOCIATION
205 108th Ave NE, Suite 600
Bellevue, Washington 98004
Attn: Cheryl Ebner



Skagit County Auditor
11/4/2016 Page

1 of 12 11:20AM
\$84.00

CHICAGO TITLE
020029399-M

**AGREEMENT AND ACKNOWLEDGMENT OF SECURITY INTEREST
(LANDLORD WAIVER)**

Grantor (Landlord): SEA-LAND DEVELOPMENT CORPORATION
Grantor (Debtor): JANICKI INDUSTRIES, INC.
Grantee (Bank): WELLS FARGO BANK, NATIONAL ASSOCIATION
Legal Description (abbreviated): Trt. 2, Sedro Woolley SP No. SW-01-91, Vl. 10, Pg. 30,
AF#9112020107; Ptns. SW1/4 NW1/4, SE1/4NW1/4,
NW1/4SW1/4, NE1/4SW1/4, Sec. 24, T. 35 N., Rng. 4 E, Skagit
Co., WA
Additional legal(s) on page A-1-A-3.
**Assessor's Tax Parcel/Account
Number(s):** 350424-0-007-0200 (P103814); 350424-0-007-0000 (P37350);
350424-0-007-0300 (P115353)

THIS AGREEMENT AND ACKNOWLEDGMENT OF SECURITY INTEREST (this "Agreement") is entered into as of September 1, 2016, by and among WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank"), JANICKI INDUSTRIES, INC. ("Debtor") and SEA-LAND DEVELOPMENT CORPORATION ("Landlord").

WHEREAS, Bank has extended, or has agreed to extend, credit to Debtor and PUNKIN CENTER, L.L.C. on the condition, among others, that such credit be secured by a security interest in some or all of Debtor's personal property, including without limitation accounts, general intangibles, inventory and equipment (collectively, the "Collateral"), and all or a portion of the Collateral is now or may hereafter be located on that certain real property owned by Landlord in Skagit County, Washington, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, in extending or continuing to extend such credit to Debtor, Bank is relying on the acknowledgments, representations and agreements relating to the Collateral set forth herein;

NOW, THEREFORE, Landlord, Debtor and Bank hereby acknowledge, represent and agree as follows:

1. Landlord's Acknowledgment. Landlord acknowledges that the security interest of Bank in the Collateral is senior and superior to any claim or right in all or any portion thereof which Landlord now has or may at any time hereafter acquire. Landlord confirms that Landlord has not received notice from any person or entity other than Bank of any claim of right, title or interest in or to any of the Collateral.

2. Notice and License. Landlord agrees to deliver to Bank, at the same time as delivery to Debtor, a copy of any notice given by Landlord to Debtor regarding any breach of, or limitation or termination of, any lease or other agreement between Debtor and Landlord relating to Debtor's use and possession of the Property. Subject to the terms and conditions of this Agreement, Landlord and, where applicable, Debtor agree that notwithstanding any failure by Debtor to perform under, or the termination of, any lease or other agreement between Debtor and Landlord relating to Debtor's use and possession of the Property: (a) Landlord will not dispose of the Collateral nor assert any right or interest therein unless it has first notified Bank in writing and has given Bank a period not to exceed ninety (90) days to exercise Bank's rights in and to the Collateral; and (b) Bank is hereby granted the right and license to enter upon the Property and to possess and use the Property to take possession of the Collateral and to exercise Bank's rights, powers and remedies with respect to the Collateral, including without limitation completing any work in process, removing any or all of the Collateral from the Property, and sorting, assembling, selling (including by auction sale held on the Property) and otherwise disposing of the Collateral in accordance with the terms and conditions of the security agreements between Bank and Debtor, this Agreement and applicable law.

3. Conditions. The rights and licenses granted to Bank herein are conditioned upon Bank's agreement to, and Bank hereby agrees to: (a) pay rent monthly to Landlord at the times and at the monthly rate paid by Debtor for the period commencing on the day Bank enters into possession of the Property and ending on the last day of the month in which the Bank relinquishes possession thereof, which shall not exceed three (3) months without a written agreement by the Landlord; and (b) reimburse Landlord for any damage to the Property, other than diminution in value thereof, actually caused by Bank's activities on the Property during its possession thereof and return the Property to the Landlord clean and free of garbage and other debris or Collateral of the Debtor.

4. Indemnity. Debtor agrees to indemnify and hold Landlord and Bank, and their respective partners, officers, directors, successors and assigns, harmless from and against any and all claims, actions, damages, costs, expenses (including reasonable attorneys' fees, to include Bank's outside counsel fees and all allocated costs of Bank's in-house counsel) and/or liability arising from or in any manner relating to Landlord's compliance with this Agreement and/or Bank's exercise of any of its rights hereunder. Debtor hereby irrevocably authorizes Landlord to comply with any instructions or directions which Bank may give to Landlord pursuant hereto and/or in connection with Bank's exercise of its rights, powers and remedies with respect to the Collateral.

5. No Waiver; Amendments. No delay, failure or discontinuance of Bank in exercising any right, power or remedy hereunder or under any security agreement between Bank and Debtor shall affect such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect the further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of Bank hereunder are cumulative and not exclusive. Any waiver, permit, consent or approval of any kind by Bank of any breach of or default under this Agreement, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in such writing. This Agreement may be amended or modified only in writing signed by all parties hereto.

6. Notices. All notices, requests and demands required hereunder must be in writing, addressed to each party at the address specified below or to such other address as any party may designate by written notice to each other party, and shall be deemed to have been given or made as follows: (a) if personally delivered, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt

or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

7. Governing Law; Successors; Assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, and shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BANK:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: [Signature]
Name: Cheryl Ebner
Title: Senior Vice President
Address: 205 108th Ave NE, Suite 600
Bellevue, WA 98004

LANDLORD:

SEA-LAND DEVELOPMENT CORPORATION

By: _____
Name: Mark A. Nysether
Title: President
Address: PO Box 67
Everett, WA 98206

DEBTOR:

JANICKI INDUSTRIES, INC.

By: _____
Name: Peter W. Janicki
Title: Chief Executive Officer

ORIGINAL

OCT 12 2016

Signature: _____
Bellevue RCBO

By: _____
Name: John P. Janicki
Title: President
Address: 1476 Moore Street
Sedro-Woolley, WA 98284

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

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

BANK:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: 
Name: Cheryl L. Ebner
Title: Senior Vice President
Address: 205 108th Ave NE, Suite 600
Bellevue, WA 98004

LANDLORD:

SEA-LAND DEVELOPMENT CORPORATION

By: 
Name: Mark A. Nysether
Title: President
Address: PO Box 67
Everett, WA 98206

DEBTOR:

JANICKI INDUSTRIES, INC.

By: _____
Name: Peter W. Janicki
Title: Chief Executive Officer

By: _____
Name: John P. Janicki
Title: President
Address: 1476 Moore Street
Sedro-Woolley, WA 98284

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

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BANK:

LANDLORD:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

SEA-LAND DEVELOPMENT CORPORATION

By: _____

By: _____

Name: Cheryl L. Ebner

Name: _____

Title: Senior Vice President

Title: _____

Address: 205 108th Ave NE, Suite 600
Bellevue, WA 98004

Address: _____

DEBTOR:

JANICKI INDUSTRIES, INC

By: *Peter W. Janicki*

Name: Peter W. Janicki

Title: Chief Executive Officer

By: *John P. Janicki*

Name: John P. Janicki

Title: President

Address: 1476 Moore Street
Sedro-Woolley, WA 98284

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Cheryl L. Ebner is the person who personally appeared before me, and said person acknowledged that she signed this instrument, and that she is authorized to execute the instrument, and acknowledged it as the Senior Vice President of Wells Fargo Bank, National Association, and that she was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: 10/11, 2016

Rebecca C. Chan

Print Name: Rebecca C Chan
NOTARY PUBLIC for the State of Washington,
residing at Bellevue

My appointment expires: 8-29-17



ORIGINAL

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

OCT 12 2016

I certify that I know or have satisfactory evidence that ~~Mark A. [unclear]~~ ^{Signature: Bellevue RCB} is the person who personally appeared before me, and said person acknowledged that he/she signed this instrument, and that he/she is authorized to execute the instrument, and acknowledged it as the President of Sea-Land Development Corporation, and that he/she was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: _____, 2016

Print Name: _____
NOTARY PUBLIC for the State of Washington,
residing at _____

My appointment expires: _____

UNRECORDED INSTRUMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Cheryl L. Ebner is the person who personally appeared before me, and said person acknowledged that she signed this instrument, and that she is authorized to execute the instrument, and acknowledged it as the Senior Vice President of Wells Fargo Bank, National Association, and that she was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: 10/11, 2016



Print Name: Rebecca C Chan
NOTARY PUBLIC for the State of Washington,
residing at Bellevue

My appointment expires: 3-29-17



STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

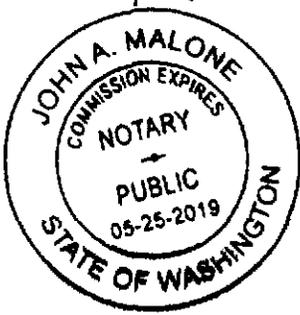
I certify that I know or have satisfactory evidence that Mark A. Nyselzer is the person who personally appeared before me, and said person acknowledged that he/she signed this instrument, and that he/she is authorized to execute the instrument, and acknowledged it as the President of Sea-Land Development Corporation, and that he/she was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: 10/19, 2016



Print Name: JOHN A MALONE
NOTARY PUBLIC for the State of Washington,
residing at MILL CREEK, WA

My appointment expires: 5/25/19



STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Peter W. Janicki is the person who personally appeared before me, and said person acknowledged that he signed this instrument, and that he is authorized to execute the instrument, and acknowledged it as the Chief Executive Officer of Janicki Industries, Inc., a Washington corporation, and that he was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: September 16, 2016

Laura Henderson

Print Name: Laura Henderson
NOTARY PUBLIC for the State of Washington,
residing at Burlington, WA

My appointment expires: 5/29/19



STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that John P. Janicki is the person who personally appeared before me, and said person acknowledged that he signed this instrument, and that he is authorized to execute the instrument, and acknowledged it as the President of Janicki Industries, Inc., a Washington corporation, and that he was authorized to execute the instrument and that said instrument was the free and voluntary act and deed of such parties for the uses and purposes mentioned in this instrument.

DATED: September 16, 2016

Laura Henderson

Print Name: Laura Henderson
NOTARY PUBLIC for the State of Washington,
residing at Burlington, WA

My appointment expires: 5/29/19



UNOFFICIAL DOCUMENT

EXHIBIT A
TO
AGREEMENT AND ACKNOWLEDGMENT OF SECURITY INTEREST
(LANDLORD WAIVER)

Legal Description of Property:

PARCEL 1:

TRACT 2 OF SEDRO WOOLLEY SHORT PLAT NO. SW-01-91 AS APPROVED NOVEMBER 21, 1991, AND RECORDED ON DECEMBER 2, 1991, IN VOLUME 10 OF SHORT PLATS, PAGE 30, UNDER AUDITOR'S FILE NO. 9112020107, RECORDS OF SKAGIT COUNTY, WASHINGTON.

ALL SITUATE IN SKAGIT COUNTY, WASHINGTON.

APN: 350424-0-007-0200

PARCEL 2:

THE WESTERLY 20.0 FEET OF THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY'S (FORMERLY NORTHERN PACIFIC RAILWAY COMPANY) 100.0 FOOT WIDE SEDRO-WOOLLEY TO SUMAS, WASHINGTON BRANCH LINE RIGHT OF WAY, BEING 50.0 FEET WIDE ON EACH SIDE OF SAID RAILWAY COMPANY'S MAIN TRACK CENTERLINE UPON, OVER AND ACROSS THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., SKAGIT COUNTY, WASHINGTON, LYING BETWEEN TWO LINES DRAWN PARALLEL WITH AND DISTANT, RESPECTIVELY, 30.0 FEET AND 50.0 FEET WESTERLY, AS MEASURED AT RIGHT ANGLES FROM SAID MAIN TRACK CENTERLINE, BOUNDED ON THE SOUTH BY THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, AND BOUNDED ON THE NORTH BY THE EASTERLY EXTENSION OF THE SOUTH LINE OF MOORE STREET, ACCORDING TO THE ORIGINAL TOWNSITE OF WOOLLEY, WASHINGTON.

ALL SITUATE IN SKAGIT COUNTY, WASHINGTON.

APN: 350424-0-007-0300

PARCEL 3:

PARCEL A:

THAT PORTION OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 11, WEST ADDITION TO THE TOWN OF WOOLLEY;

THENCE NORTH 00 DEGREES 05'44" WEST ALONG THE EAST LINE OF BORSETH STREET, A DISTANCE OF 1,293.38 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00 DEGREES 05'44" WEST ALONG THE EAST LINE OF BORSETH STREET, A DISTANCE OF 145.80 FEET TO THE SOUTH LINE OF VACATED WALDRON STREET;

THENCE SOUTH 89 DEGREES 45'19" EAST ALONG THE SOUTH LINE OF VACATED WALDRON STREET, A DISTANCE OF 1,017.72 FEET TO A POINT ON THE WEST LINE OF THE NORTHERN PACIFIC RAILWAY RIGHT OF WAY;

THENCE SOUTH 09 DEGREES 44'28" WEST ALONG THE WEST LINE OF THE NORTHERN PACIFIC RAILWAY RIGHT OF WAY, A DISTANCE OF 830.91 FEET TO A POINT ON THE CENTERLINE OF THE OLD FAIRHAVEN AND SOUTHERN RAILWAY;

THENCE NORTH 52 DEGREES 18'38" WEST ALONG THE CENTERLINE OF THE SAID FAIRHAVEN AND SOUTHERN RAILWAY RIGHT OF WAY, A DISTANCE OF 1,108.11 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF THE FORMER RIGHT OF WAY OF THE FAIRHAVEN AND SOUTHERN RAILWAY COMPANY;

PARCEL B:

VACATED BLOCKS 20 AND 21 WOOLLEY, THE HUB OF SKAGIT COUNTY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF SKAGIT COUNTY, WASHINGTON; AND A PORTION OF VACATED BLOCK 2, OF WEST ADDITION TO THE TOWN OF WOOLLEY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 89, RECORDS OF SKAGIT COUNTY, WASHINGTON;

TOGETHER WITH CERTAIN VACATED STREETS AND ALLEYS ADJOINING AND ALL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF VACATED WALDRON STREET WITH THE WESTERLY LINE OF THE SUMAS BRANCH, NORTHERN PACIFIC RAILWAY RIGHT OF WAY; THENCE WEST ALONG THE SOUTH LINE OF SAID VACATED WALDRON STREET TO THE EAST LINE OF STATE HIGHWAY NO. 17-A (BORSETH STREET);

THENCE NORTH ALONG THE EAST LINE OF SAID STATE HIGHWAY TO THE POINT OF CURVATURE TO THE RIGHT OF SAID HIGHWAY;

THENCE ON A CURVE TO THE RIGHT NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF SAID HIGHWAY TO THE POINT WHERE SAID HIGHWAY RUNS EAST;

THENCE EAST ALONG THE SOUTH LINE OF SAID HIGHWAY TO THE WESTERLY LINE OF THE SUMAS BRANCH, NORTHERN PACIFIC RAILWAY;

THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING;

PARCEL C:

THAT PORTION OF THE WEST HALF OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE GREAT NORTHERN RAILWAY RIGHT OF WAY AND THE EAST LINE OF BORSETH STREET, AS SHOWN ON THE PLAT OF WEST ADDITION TO THE TOWN OF WOOLLEY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 89, RECORDS OF SKAGIT COUNTY, WASHINGTON;

THENCE NORTH ALONG THE EAST LINE OF BORSETH STREET TO THE SOUTHWESTERLY LINE OF THE FORMER FAIRHAVEN AND SOUTHERN RAILWAY RIGHT OF WAY;

THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID RAILWAY RIGHT OF WAY TO THE INTERSECTION OF THE WESTERLY LINE OF THE NORTHERN PACIFIC RAILWAY COMPANY'S RIGHT OF WAY;

THENCE SOUTHERLY ALONG THE WEST LINE OF SAID RAILWAY RIGHT OF WAY TO THE INTERSECTION WITH THE NORTH LINE OF THE GREAT NORTHERN RAILWAY COMPANY RIGHT OF WAY;

THENCE SOUTHWESTERLY ALONG THE NORTHERLY LINE OF SAID RAILROAD RIGHT OF WAY TO THE POINT OF BEGINNING;

TOGETHER WITH ALL VACATED STREETS AND ALLEYS WITHIN THE BOUNDARIES OF SAID TRACT;

EXCEPT FROM SAID PARCEL C THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT A POINT OF INTERSECTION OF THE WESTERLY BOUNDARY LINE OF THE NORTHERN PACIFIC RAILWAY COMPANY'S SUMAS BRANCH RIGHT OF WAY WITH THE NORTHERLY BOUNDARY LINE OF THE GREAT NORTHERN RAILWAY COMPANY'S SKAGIT BRANCH RIGHT OF WAY;

THENCE SOUTH 80 DEGREES 29'22" WEST ALONG SAID NORTHERLY BOUNDARY LINE A DISTANCE OF 77.8 FEET;

THENCE NORTHEASTERLY ON A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 328.3 FEET, A DISTANCE OF 120 FEET, MORE OR LESS, TO A POINT IN SAID WESTERLY BOUNDARY LINE A DISTANCE OF 68.8 FEET NORTHERLY MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE PLACE OF BEGINNING;

THENCE SOUTH 09 DEGREES 44'28" WEST ALONG SAID WESTERLY BOUNDARY LINE A DISTANCE OF 68.8 FEET TO THE PLACE OF BEGINNING;

AND EXCEPT ANY PORTION OF PARCEL 3 DEEDED TO THE CITY OF SEDRO-WOOLLEY UNDER THAT CERTAIN STATUTORY WARRANTY DEED DATED MAY 14, 2013, AND RECORDED ON MAY 17, 2013, UNDER AUDITOR'S FILE NO. 201305170123, RECORDS OF SKAGIT COUNTY, WASHINGTON.

ALL SITUATE IN SKAGIT COUNTY, WASHINGTON.

APN: 350424-0-007-0000

{END OF EXHIBIT A}