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Skagit County Auditor

\$78.00

4/20/2018 Page

1 of

5 3:16PM

When Recorded Return To:
Whatcom Educational Credit Union
3410 Woburn Street
Bellingham, WA 98226
Attn: Business Banking

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

620034447-M

LANDLORD'S CONSENT

Landlord(s): Pattee Investment, LLC
Lender(s): Whatcom Educational Credit Union
Legal Description: Map of the City of Anacortes, Ptn Lots 18-20, Blk 35, S18 T35N R2E
Full Legal Description Located on Page: 3
Assessor's Property Tax Parcel or Account Number: P55079 / 3772-035-020-0101

THIS LANDLORD'S CONSENT is entered into among Watermark Books LLC. ("Borrower"), whose address is 1815 36th Street, Anacortes, WA 98221, Whatcom Educational Credit Union ("Lender"), whose address is 3410 Woburn Street, Bellingham, WA 98226, and Pattee Investments, LLC ("Landlord"), whose address is 1302 6th Street, Anacortes, WA 98221. Borrower and Landlord have entered into a lease with respect to the Premises, as defined below, ("Lease"). The terms of the Lease are reflected in a Memorandum of Lease recorded in the records of the Skagit County Auditor. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral, as defined below. Some or all of the Collateral may be located at the Premises. To induce Lender to extend the Loan to Borrower, secured by the Collateral, and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows:

COLLATERAL DESCRIPTION. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest including without limitation the following specific property:

All Assets. All present and future right, title and interest in and to any and all personal property of the Debtor, whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time, including without limitation, the following categories of property as defined in the Revised Article 9 of the Uniform Commercial Code (the "UCC"): goods (including inventory, equipment, farm products and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter-of-credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), all supporting obligations and all proceeds, products, additions, accessions, substitutions and replacements of the foregoing property.

Any term used herein which is defined in the UCC shall have the meaning set forth in the UCC, and if the meaning is modified by an amendment, modification or revision to the UCC, such modified definition will apply automatically as of the date of such amendment, modification or revision to the UCC.

The Collateral shall be considered to be personal property and shall not be considered part of the Premises. The parties agree the Collateral shall not include fixtures that are owned by the Landlord, including but not limited to, built-in bookshelves, shelving, cabinets, floor coverings, window coverings, appliances, sinks, toilets, and other items integrated into, and part of the Premises (collectively "Excluded Assets"). The parties agree the Excluded Assets are owned by Landlord, are not owned by Borrower, and are not part of the Collateral. Landlord shall provide prompt written notice to Lender of any early termination or expiration of the Lease or any abandonment of the Premises by Borrower. The parties agree that by entering into this Agreement, Landlord has no obligations with respect to the payment of the Loan. Rather, such obligation is entirely Borrower's obligation and any guarantors under the Loan.

DISCLAIMER OF INTEREST. Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES. Landlord, upon receipt of prior written notice from Lender, and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement: This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply, Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If Landlord is other than an individual any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness. Lender agrees that upon Borrower's payment in full of its Loan obligations to Lender, Lender shall arrange, at no expense to Landlord, the termination of this Agreement which shall be recorded in the records of the Skagit County Auditor.

AMENDMENTS. This Agreement together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement 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.

NO WAIVER BY LENDER. Lender shall not be deemed to have waived any rights under this Agreement 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 Agreement 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 Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement 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.

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid, and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code.

Agreement. The word "Agreement" means this Landlord's Consent as this Landlord's Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent from time to time.

Borrower. The word "Borrower" means Watermark Books LLC and all other persons and entities signing the Note in whatever capacity.

Collateral. The word "Collateral" means all of Borrower's right, title, and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Lender. The word "Lender" means Whatcom Educational Credit Union, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

Premises. The word "Premises" means the real property commonly known as 612 Commercial Ave., Anacortes, WA 98221 and legally described as:

The North 25 feet of Lots 19 and 20; and the East 20 feet of the North 25 feet of Lot 18, all in Block 35, MAP OF THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED April 16, 2018.

BORROWER:

**Watermark Books LLC, a Washington
limited liability company**

By: [Signature]
Brandy Bowen, its Member

By: [Signature]
Ben Bowen, its Member

LANDLORD:

**Pattee Investments, LLC, a Washington
limited liability company**

By: Patricia A. Pattee
Patricia A. Pattee, its Member

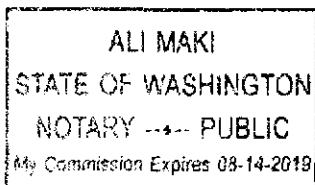
LENDER:

Whatcom Educational Credit Union

x [Signature]
Authorized Signer

STATE OF WASHINGTON)
) ss.
County of Skagit)

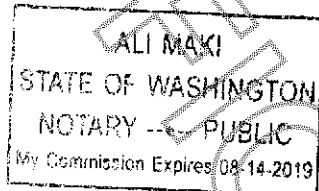
On this 16th day of April, 2018, before me, the undersigned Notary Public, personally appeared Brandy Bowen, to me known to be the Member of Watermark Books LLC, who executed the foregoing Landlord's Consent and acknowledged the same to be the free and voluntary act and deed of Watermark Books LLC, for the uses and purposes therein mentioned.



Ali Maki
Printed Name: Ali Maki
Notary Public for the State of Washington
Residing at Mukilteo
My Commission Expires: 08-14-2019

STATE OF WASHINGTON)
) ss.
County of Skagit)

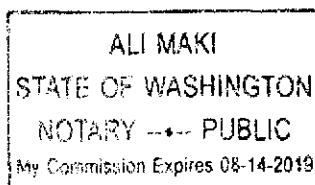
On this 16th day of April, 2018, before me, the undersigned Notary Public, personally appeared Ben Bowen, to me known to be the Member of Watermark Books LLC. who executed the foregoing Landlord's Consent and acknowledged the same to be the free and voluntary act and deed of Watermark Books LLC. for the uses and purposes therein mentioned.



Ali Maki
Printed Name: Ali Maki
Notary Public for the State of Washington
Residing at Mukilteo
My Commission Expires: 08-14-2019

STATE OF WASHINGTON)
) ss.
County of Skagit)

On this 18th day of April, 2018, before me, the undersigned Notary Public, personally appeared Patricia A. Pattee, to me known to be the member of Pattee Investments, LLC, who executed the foregoing Landlord's Consent, and acknowledged the Landlord's Consent to be the free and voluntary act and deed of Pattee Investments, LLC for the uses and purposes therein mentioned.



Ali Maki
Printed Name: Ali Maki
Notary Public for the State of Washington
Residing at Mukilteo
My Commission Expires: 08-14-2019

STATE OF WASHINGTON)
Whatcom FS) ss.
County of Skagit)

On this 18th day of April, 2018, before me, the undersigned Notary Public, personally appeared Wade Stringfield, to me known to be the SBA Program Manager of Whatcom Educational Credit Union, which executed the foregoing Landlord's Consent, and acknowledged the Landlord's Consent to be the free and voluntary act and deed of Whatcom Educational Credit Union for the uses and purposes therein mentioned.



[Signature]
Notary Public for the State of: Washington
Residing at: Bellingham, WA
My Commission Expires: 10/29/20