

Recording Requested By,  
And After Recording, Return To:

WELLS FARGO BANK,  
NATIONAL ASSOCIATION  
DC COE - WLS Image First  
4101 Wiseman Blvd.  
Bldg. 108, Floor 1 - MAC T7408-020  
San Antonio, TX 78251  
Attention: Loan Documentation

LEASE SUBORDINATION AGREEMENT  
(DEED OF TRUST)

Grantor (Lessee): JANICKI INDUSTRIES, INC.

Grantee (Bank): WELLS FARGO BANK, NATIONAL ASSOCIATION

Legal Description (abbreviated): Ptn. NE SW, 24-35-4E, W.M., and Ptn. Blocks 3 and 4, Woolley

Additional legal(s) on Exhibit A.  
Assessor's Tax Parcel/Account  
Number(s):

P37532 / 350424-0-143-0104, P77462 / 4177-003-007-0105,  
P77464 / 4177-004-007-0103 and P77466 / 4177-004-900-0101

Reference No. of Lease: Unrecorded lease dated June 17, 2020 ; Deed of Trust with Assignment of  
Rents and Leases, Security Agreement and Fixture Filing 202504100079

THIS AGREEMENT is entered into as of April 10, 2025, by and between JANICKI INDUSTRIES,  
INC. ("Lessee"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent ("Bank").

RECITALS

A. Bank has extended credit or may hereafter extend credit to Lessee ("Borrower") secured, in whole or in part, by that certain Deed of Trust With Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of April 10, 2025 (the "Deed of Trust") covering that certain real property situated in Skagit County, Washington, and described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Lessee leases all or a portion of the Property pursuant to that certain Lease entered into between 222 Ferry Street, LLC, an affiliate of Borrower ("Lessor") and Lessee dated as of June 17, 2020, as amended (collectively, the "Lease"). It is a condition of Bank's agreement to extend or continue to extend credit to Borrower secured by the Property that the security of the Deed of Trust be unconditionally and at all times remain a lien or charge upon the Property prior and superior to the rights of Lessee under the Lease.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. SUBORDINATION.

(a) Subordination of Lease. The Deed of Trust and any and all extensions, renewals, modifications or replacements thereof shall be and at all times remain a lien or charge on the Property prior and superior to the Lease. Lessee intentionally and unconditionally waives, relinquishes and subordinates the priority and superiority of the Lease and Lessee's right and interest to the Property thereunder to the

lien or charge of the Deed of Trust, and any and all extensions, renewals, modifications or replacements thereof.

(b) Reliance. Lessee acknowledges that Bank, in extending or continuing to extend credit to Borrower secured by the Property is doing so in material reliance on this Agreement.

(c) Acknowledgments of Lessee. Lessee acknowledges that it has such information with respect to any credit extended by Bank to Borrower, and all loan documents executed in connection therewith as Lessee deems necessary in order to grant this subordination. Lessee further agrees that Bank is under no obligation or duty to, nor has Bank represented that it has or will, see to the application of the proceeds of the credit extended by Bank to Borrower by any person or entity, and any application or use of any such proceeds from the credit extended by Bank to Borrower for purposes other than those for which they were intended, shall not defeat this subordination.

(d) Entire Subordination Agreement. This Agreement constitutes the whole and only agreement between the parties hereto with regard to the subordination of the Lease to the lien or charge of the Deed of Trust; there are no agreements (written or oral) outside or separate from this Agreement with respect to the subject matter hereof; and all prior negotiations with respect thereto, if any, are merged into this Agreement. This Agreement shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust and the Lease, any prior agreements as to such subordination, including without limitation those provisions, if any, contained in the Lease which provide for the subordination thereof to the lien of a deed of trust or mortgage affecting all or any portion of the Property.

2. LEASE. Lessee hereby covenants and agrees that, so long as the Deed of Trust remains in force and effect:

(a) No Modification, Termination or Cancellation. Lessee shall not consent to any modification, termination or cancellation of the Lease without Bank's prior written consent, which consent, with respect to modifications of the Lease only, shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary, Bank's prior written consent shall not be required for (i) such amendments, modifications, terminations or cancellations made to memorialize Lessee exercising a unilateral right expressly provided to Lessee pursuant to the Lease, and (ii) any amendments or modifications to the Lease that could not reasonably be determined to be adverse to the interests of the Bank.

(b) Notice of Default. Lessee shall notify Bank in writing concurrently with any notice given to Lessor of any breach of or default by Lessor under the Lease. Lessee agrees that Bank shall have the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below, and Lessee shall not declare a default of the Lease, as to Bank, if Bank cures such breach or default within thirty (30) days after the expiration of the time period provided in the Lease for the cure thereof by Lessor; provided however, that if such breach or default cannot with diligence be cured by Bank within such thirty (30) day period, so long as Bank commences action to remedy the same within such thirty (30) day period and pursues such cure with diligence, Bank shall be afforded a reasonable period of time (such reasonable period of time to include the time necessary for Bank (or its designee) to gain possession or control of the Property) to cure such default.

(c) No Advance Rents. Lessee shall not make any payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease.

(d) Assignment of Rents. Upon receipt by Lessee of written notice from Bank that Bank has elected to terminate the license granted to Lessor to collect rents, as provided in the Deed of Trust, and directing Lessee to make payment thereof to Bank, Lessee shall comply with such direction to pay and shall not be required to determine whether Lessor or Borrower is in default under any obligations to Bank.

3. NO LIABILITY OF BANK. Bank shall not be liable to Lessee for any act or omission of any person or entity as a lessor under the Lease, nor for the return of any sums which Lessee may have paid to any other person or entity as a lessor under the Lease as security deposits, advances or otherwise.

4. ESTOPPEL. Lessee acknowledges and represents that as of the date of this Agreement:

(a) Lease Effective. The Lease has been duly executed and delivered by Lessee and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Lessee thereunder are valid and binding, and there have been no amendments, modifications or additions to the Lease (written or oral), other than those included in the Lease definition set forth above. The Lease constitutes the entire agreement between Lessor and Lessee with respect to the Property, and Lessee claims no rights to the Property other than as set forth in the Lease.

(b) No Default. As of the date hereof and to the best of Lessee's knowledge, (i) there exists no breach of or default under the Lease, nor any condition, act or event which with the giving of written notice or the passage of time, or both, would constitute such a breach or default, and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the terms of the Lease.

(c) No Prepaid Rent. No deposits or prepayments of rent have been made in connection with the Lease, except as follows: \_\_\_\_\_

5. MISCELLANEOUS.

(a) Remedies Cumulative. All remedies provided herein are cumulative, not exclusive, and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Bank and Borrower, Lessor or any other person or entity.

(b) Costs, Expenses and Attorneys' Fees. If any party hereto institutes any judicial or administrative action or proceeding to enforce any rights or obligations under this Agreement, or seeking damages or any other judicial or administrative remedy, the prevailing party shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to Borrower, Lessee or any other person or entity.

(c) Notices. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each party at the address set forth below its signature, or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (i) if sent by hand delivery, upon delivery; (ii) 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 (iii) if sent by telecopy, upon receipt.

(d) Further Assurances. At the request of any party hereto, each other party shall execute, acknowledge and deliver such other documents and/or instruments as may be reasonably required by the requesting party in order to carry out the purpose of this Agreement, provided that no such document or instrument shall modify or increase (other than to a de minimis extent) the rights and obligations of the parties set forth herein.

(e) Borrower; Lessor. If Borrower and Lessor are the same, each reference in this Agreement to Borrower or Lessor shall be deemed a reference to said person or entity in its respective capacity.

(f) Successors, Assigns; Governing Law. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, legal representatives, successors, assigns and other transferees of the

parties hereto, and shall be governed by and construed in accordance with the laws of the State of Washington.

(g) Conflicts. In the event of any inconsistency between the terms of this Agreement and the Lease, the terms of this Agreement shall control.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute and be construed as one and the same instrument.

*[Signature page follows]*

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

LESSEE:

JANICKI INDUSTRIES, INC.

By: 

Name: John P. Janicki

Title: President

BANK:

WELLS FARGO BANK,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: Lachlan Pegg

Title: Senior Vice President

Address: 719 Metcalf Street  
Sedro-Woolley, WA 98284  
Attn: President

Address: MAC P6478-059  
205 108th Ave. N.E., Suite 500  
Bellevue, WA 98004  
Attn: Lachlan Pegg

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

LESSEE:

JANICKI INDUSTRIES, INC.

BANK:

WELLS FARGO BANK,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: John P. Janicki  
Title: President

By: \_\_\_\_\_  
Name: Lachlan Pegg  
Title: Senior Vice President

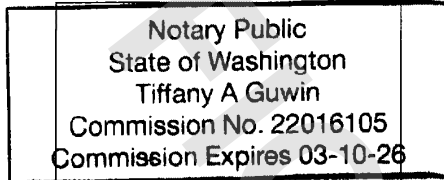
Address: 719 Metcalf Street  
Sedro-Woolley, WA 98284  
Attn: President

Address: MAC P6478-059  
205 108th Ave. N.E., Suite 500  
Bellevue, WA 98004  
Attn: Lachlan Pegg

STATE OF WASHINGTON )  
COUNTY OF Skagit ) ss.

On this 4 day of April, 2025, before me personally appeared John Tonick to me known to be the Pres. of JANICKI INDUSTRIES, INC., that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



(Use this space for notarial stamp/seal)

(Signature of officer)

Notary Public in and for the state of

Washington, residing at

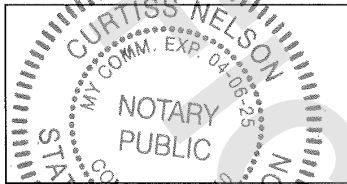
My commission expires:

Sedro Woolley  
03-10-26

STATE OF WASHINGTON )  
COUNTY OF King ) ss.

On this 31st day of March, 2025, before me personally appeared Lachlan Pegg, to me known to be the Senior Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



(Use this space for notarial stamp/seal)

Curtiss R Nelson  
(Signature of officer)  
Notary Public in and for the state of  
Washington, residing at Bellevue, WA  
My commission expires: 04-06-2025



EXHIBIT A  
TO  
LEASE SUBORDINATION AGREEMENT  
(DEED OF TRUST)

Description of Property

Parcel A:

Lots 1 to 7, inclusive, Block 4, "WOOLLEY, THE HUB OF SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington;

TOGETHER WITH the vacated alley in said Block 4, which upon vacation reverted to said premises by operation of law.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

Parcel B:

That portion of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of Block 4, "WOOLLEY, THE HUB OF SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, page 92;

thence North along the West line of Murdock Street 30 feet;

thence Westerly parallel with the Northerly line of Block 4 of said plat of WOOLLEY to the former Fairhaven and Southern (later Great Northern) Railway right of way;

thence Southeasterly along said abandoned right of way to the Northwest corner of said Block 4;

thence Easterly along the Northerly line of said Block 4 to the point of beginning.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

Parcel C:

That portion of a strip of land 100 feet wide in the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 24, Township 35 North, Range 4 East, W.M., being 50 feet wide on each side of the centerline of the Fairhaven and Southern Railroad Company spur (later Great Northern Railway Company) as originally located and established and conveyed to said company by deed recorded September 25, 1893, under Auditor's File No. 17519 in Volume 26 of Deeds, page 574, described as follows:

Beginning at the most Southerly corner of said Block 4, Plat of WOOLLEY, said point being the intersection of the West line of Murdock Street and the Northeasterly line of said former Fairhaven and Southern Railroad Company right of way;

thence Northwesterly along the Northeasterly line of said Fairhaven and Southern Railroad Company right of way to the Southerly line of that certain tract conveyed to the Seattle and Montana Railroad Company, a corporation, by that deed dated July 24, 1906 and recorded August 16, 1906, in Volume 62 of Deeds, page 286;

thence Westerly along the Southerly line and the Southerly line extended, of said tract to the Westerly line of Block 3, of said Plat of WOOLLEY, extended North;

thence South along the extended Westerly line of said Block 3 of the Southwesterly line of said Fairhaven and Southern Railroad Company right of way;

thence Southeasterly along said railroad right of way to the North line of Ferry Street;

thence East along the North line of Ferry Street to the West line of Murdock Street;

thence North to the point of beginning.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

Parcel D:

Lot 7, Block 3, "WOOLLEY, THE HUB OF SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington;

TOGETHER WITH that portion of vacated street adjacent thereto, which upon vacation reverted to said premises by operation of law.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

{END OF EXHIBIT A}