

WHEN RECORDED RETURN TO:

BRADFORD E. FURLONG
Attorney at Law
825 CLEVELAND AVENUE
MOUNT VERNON, WA 98273



200506090066
Skagit County Auditor

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SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT 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.

The undersigned subordinator and owner agrees as follows:

1. Whidbey Island Bank referred to herein as "Subordinator," is the owner and holder of a mortgage dated June 11, 2004, which is recorded under Skagit County Auditor's File No. 200406150202, records of Skagit County, referred to hereafter as the "Mortgage."
2. The Town of La Conner, a Washington municipal corporation, referred to herein as "Grantee" and La Conner Holding Co., LLC, a Washington limited liability company referred to as "Grantor" and "Owner," are the parties to an easement that encumbers the property subject to the Mortgage, which easement is recorded under Auditor's File No. 200504130069 records of Skagit County referred to herein as the "Easement," (which is to be recorded immediately previous hereto).
3. In consideration of benefits to Subordinator from Owner and Grantee, receipt and sufficiency of which is hereby acknowledged, and to induce Grantee to approve sewer improvements to the subject property and accept the Easement in connection therewith, the Subordinator does hereby unconditionally subordinate the lien of his Mortgage identified in Paragraph 1 above to the Easement, identified in Paragraph 2 above.
5. Subordinator acknowledges that, prior to the execution hereof, it has had the opportunity to examine the terms of the Easement, consents to and approves the same.

After Recording Please Return To:

Attn:
Town of La Conner
Post Office Box 400, 2nd and Douglas
La Conner, Washington 98273-9366
(360) 466-3125



200504130069
Skagit County Auditor

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Document Title(s): Sanitary Sewer Easement
Reference Number(s) of Documents Assigned or Released: 200406150202
Grantor(s): (Print Last name, First name, and Initials)
1. La Conner Holdings, LLC, a Washington Limited Liability Company
Grantee(s): Town of La Conner
Legal Description (abbreviated): A portion of Lots 7-9, Block T, La Conner

Additional legal description is on page one of document.
Assessor's Property Tax Parcel / Account Number: P74083

EASEMENT

THIS AGREEMENT made this 2nd day of April, 2005 by and between THE TOWN OF LA CONNER, a municipal corporation of Skagit County, Washington, hereinafter termed "Grantee" and La Conner Holdings, LLC, hereinafter termed "Grantor".

WITNESSETH:

Grantor, for valuable consideration in hand, the adequacy of which is acknowledged by Grantor, does by these presents grant, convey and warrant unto the Grantee a perpetual easement for sanitary sewer collection pipes with the necessary appurtenances through, over and across the following described property situated in Skagit County, Washington, more particularly described as follows:

THE NORTHERLY 20 FEET OF THE WESTERLY 70 FEET OF LOT 7, AND THE WESTERLY 60 FEET OF LOTS 8 AND 9, BLOCK T, "MAP OF LA CONNER, WHATCOM COUNTY, WASHN. TERRY, 1872", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 13 2005

Amount Paid \$
By [Signature] Skagit Co. Treasurer Deputy

3/4/2005

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Said permanent easement shall be over, across, along, in, upon and under the following described portion of the above-described property:

THE NORTHERLY 7.50 FEET OF THE WESTERLY 60 FEET OF LOT 9 AND ALSO THAT PART OF LOT 9 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE NORTHERLY 7.5 FEET OF THE WESTERLY 60 FEET OF SAID LOT 9;

THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID WESTERLY 60 FEET, 7.00 FEET;

THENCE NORTHWESTERLY TO A POINT ON THE SOUTHERLY LINE OF SAID NORTHERLY 7.5 FEET WHICH LIES 20.00 FEET WESTERLY OF SAID EASTERLY LINE;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE 20.00 FEET TO THE POINT OF BEGINNING.

ALL IN BLOCK T, MAP OF LA CONNER, AS RECORDED IN VOLUME 2 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON.

EXCEPTING THEREFROM:

ANY PORTION LYING BENEATH BUILDING OCCUPYING PART OF THE WESTERLY PORTION OF SAID LOT 9 AS OF DECEMBER, 2004.

A sketch depicting the location of this easement is attached hereto as Exhibit A and by reference thereto is made a part hereof.

Grantee shall have the right without prior institution of any suit or proceeding at law, at such times as may be necessary, to enter upon said property for the purpose of constructing, repairing, altering, or reconstructing said sewer main, or making any connections therewith, without incurring any legal obligation or liability therefore; provided that such constructing, repairing, altering, or reconstructing of said sewer main shall be accomplished in such a manner that the private improvements existing in this right-of-way shall not be disturbed or destroyed, or in the event they are disturbed or destroyed, they will be replaced in as good a condition as they were immediately before the property was entered upon by the Grantee.

The Grantor shall retain the right to use the surface of said easement, so long as said use does not interfere with the installation and maintenance of the sewer main and so long as no permanent buildings or structures are erected on said easement.



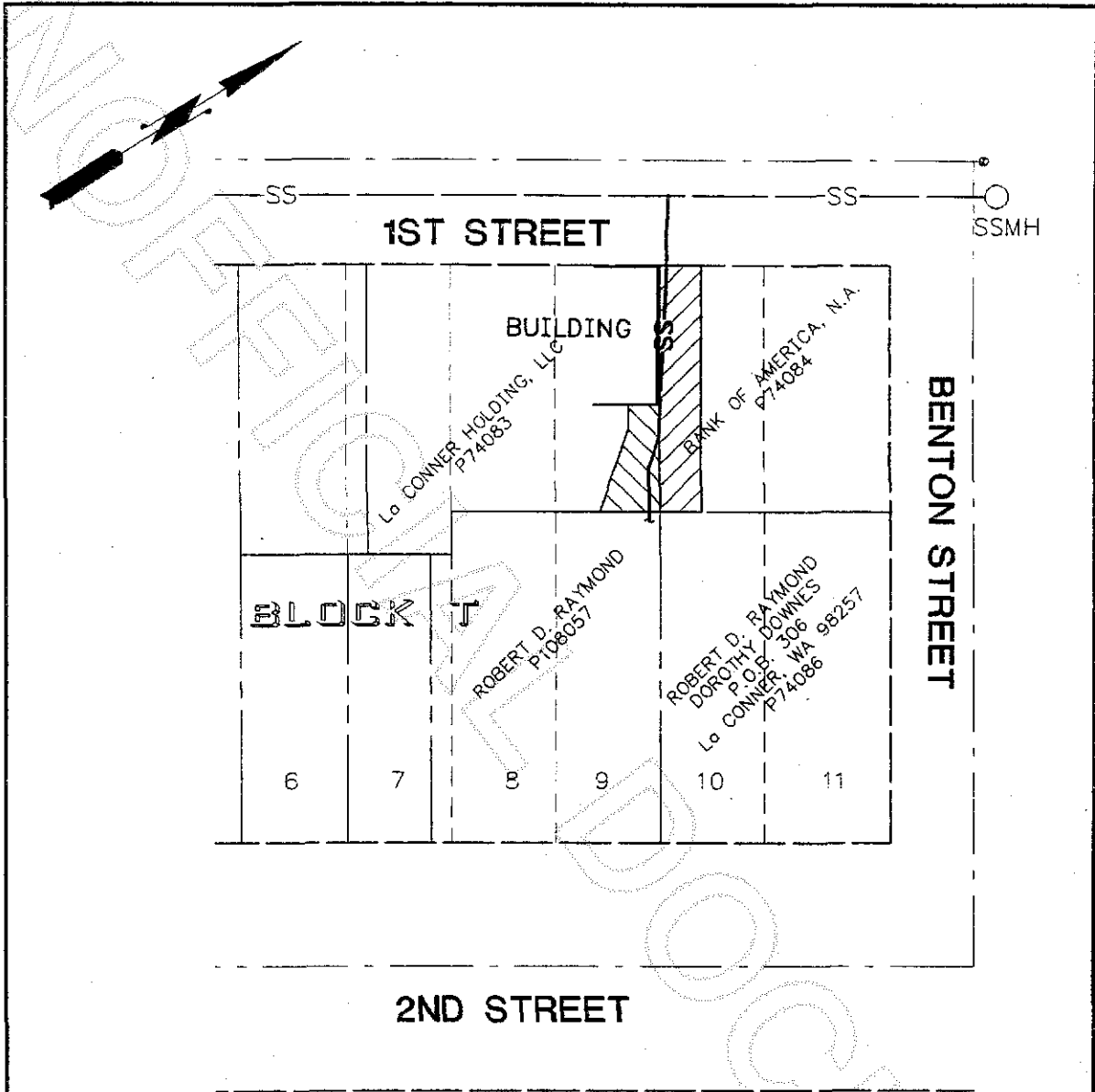
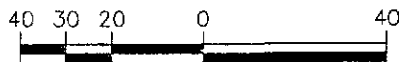


EXHIBIT A



SCALE IN FEET

P74084 Tax Lot Number

Permanent Easement

TOWN OF LaCONNER SANITARY SEWER EASEMENTS IN SE 1/4 36-34-02	
CHS	12507 BEL-RED ROAD SUITE 101 BELLEVUE, WA 98005-2500
CHS ENGINEERS, LLC	TEL (425) 637-3693 FAX (425) 637-3694
Drawn by <u>VLG</u>	Approved by <u>EH</u>
Checked by <u>HR</u>	Date <u>12-04</u>
Scale 1" = 40'	
Sheet 1/1	



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