

WHEN RECORDED RETURN TO:

Michael S. Courtage
ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101-4011

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY Marissa Guerrero
DATE 01/24/2020

Document Title: Storm Drainage Easement Agreement

Grantor: Madrona Real Estate Investors One, LLC

Grantee: Madrona Real Estate Investors VIII LLC

Legal Description:

Abbreviated Legal Description: Lots 11 through 20 and Lots 1-7 and portion of vacant alley in Block 46, Map of the City of Anacortes, Skagit County, Washington.

Full Legal Description: See Exhibits 1 and 2 attached

Assessor's Tax Parcel Nos.: 3772-046-012-0009; 3772-046-015-0006

STORM DRAINAGE EASEMENT AGREEMENT

This Storm Drainage Easement Agreement (this "Easement") entered into as of this 15th day of January, 2020 between MADRONA REAL ESTATE INVESTORS ONE, LLC, a Washington limited liability company ("Owner") and MADRONA REAL ESTATE INVESTORS VIII LLC, a Washington limited liability company ("VIII").

RECITALS

A. Owner is the owner of real property located in Anacortes, Skagit County, Washington which is described more particularly in Exhibit 1 hereto (the "Property").

B. VIII is the owner of real property located in Anacortes, Skagit County, Washington more particularly described in Exhibit 2 hereto (the "VIII Property").

C. VIII has requested that Owner grant it an easement over a portion of the Property to enable the installation, maintenance, repair and removal of a storm drainage easement line serving the VIII Property.

D. Owner is willing to grant VIII a storm drainage easement (the "Easement") to serve the VIII Property.

NOW, THEREFORE, the parties covenant and agree as follows:

1. Easement. Owner hereby grants to VIII an easement under and across that portion of the Property depicted on Exhibit 3 hereto (the "Easement Area") for the installation of an underground storm drainage line (the "Line") to service the VIII Property.

2. Installation. VIII shall cause the Line to be installed within the Easement Area at its sole cost and expense. Installation of the Line shall be at a time approved by Owner and shall be performed in a manner which does not disturb the quiet enjoyment of tenants of the Property.

3. Maintenance. Owner and VIII shall equally share the cost for maintaining the Line in good order, repair and condition and in accordance with the requirements of applicable law at its sole cost and expense. All repair and replacement work in the Easement Area shall be scheduled in advance with both Owners so that disruption of operations on the Property are minimized.

4. Costs of Constructing and Maintenance. VIII shall bear and promptly pay all costs and expenses of construction and inspection of the Line constructed pursuant to this Easement. Owner and VIII shall equally share the cost of maintenance, repair, operation and all other costs associated with the line after it have been constructed.

5. Compliance With Laws. VIII shall at all times exercise its rights under this Easement in accordance with the requirements (as from time-to-time may be amended) and all applicable statutes, orders, rules and regulations of any public authority having jurisdiction.

6. Coordination of Activities. VIII shall give no less than five (5) days advance notice to Owner prior to entering onto the Property to conduct any activities pursuant to this Easement. However, in an emergency requiring immediate action by VIII for the protection of the Line, or other persons or property, VIII may take any such action, with or without notice to Owner, as is reasonable under the circumstances.

7. Restoration. VIII shall, during the conduct of its activities pursuant to this Easement, undertake or cause to be undertaken such safety measures as are customary in the industry to avoid injury to persons or property, including, but not necessarily limited to, placement of temporary signs and barricades. Promptly following the completion of any activities undertaken by VIII, VIII shall restore the surface of the Property to substantially the same grade and condition as it was in prior to commencement of such activities, all at VIII's sole cost and expense. Without limiting the generality of the foregoing, VIII shall properly compact any fill and shall restore any landscaping, vegetation, paving, curbs, sidewalks or

other permitted improvements which are disturbed by VIII activities. VIII shall also remove from the Property all debris created by VIII's activities.

8. Work Standards. All work to be performed by or for VIII shall be performed in a careful and workmanlike manner in accordance with industry standards. Upon commencement of any work by VIII, VIII shall prosecute the work to completion promptly and in due course, so as to minimize disruptions and inconvenience to Owner.

9. Liens. VIII is not the agent or a partner of Owner for any purpose and has no authority to encumber any part of the Property. VIII shall not allow any liens or claims to attach to the Property through the activities of VIII.

10. Limitation on VIII's Use. VIII shall not construct any improvements within the Easement area which would materially interfere with the rights of VIII under this Easement.

11. Binding Covenant. The rights and obligations of Owner and VIII shall accrue to the benefit of and be binding upon their respective successors and assigns. This Easement is for the benefit of and is appurtenant to the VIII Property. This Easement is a covenant running with the land and binds every owner now having or hereafter acquiring an interest in the Property.

12. Indemnification. VIII shall defend, indemnify, reimburse and hold harmless the Owner from and against any and all liabilities, loss, damage, expense, actions or claims, including costs and reasonable attorneys' fees incurred by Owner in defense thereof, asserted or arising out of the acts or omissions of VIII, VIII assignees, employees, agents or contractors in the exercise of the rights granted by this Easement, but only to the extent that such liability does not arise out of the negligence or intentional act of the Owner, Owner's employees, agents or contractors. Prior to commencement of initial construction VIII shall obtain a policy of commercial general liability insurance covering VIII's indemnification obligations under this Easement and claims arising out of or relating to VIII activities in connection with this Easement. The policy of liability insurance shall have limits of no less than \$1,000,000 per occurrence for bodily injury and property damage.

13. Title. The rights granted in this Easement are subject to the permit, leases, licenses, covenants, restrictions, defects, exceptions and easements of record, if any, affecting Owner. Owner does not warrant title to the Property and shall not be liable for defects in the Owner's title.

14. Notice. Any notice required or permitted under this Agreement shall be made in writing and given by personal service or by deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, to the following addresses:

Owner: Madrona Real Estate Services, LLC

VIII:

1320 East Pike Street
Seattle, WA 98122-4020
Attn: Bradford G. Augustine
Madrona Real Estate Services, LLC
1320 East Pike Street
Seattle, WA 98122-4020
Attn: Bradford G. Augustine

either party may change the address to which notices may be given by giving notice as provided above.

15. Breach and Default. No breach of this Easement shall entitle Owner to cancel, rescind or otherwise terminate this Easement. The foregoing limitation will not affect, in any manner, any other right or remedy which Owner might have by reason of any breach of this Easement. VIII shall have the right to seek specific performance, injunctive relief and/or other equitable relief, for the violation or threatened violation of this Easement. In any action to enforce or construe this Easement, or due to the breach or default of either party, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs, relating to those issues upon which the party has prevailed.

16. Force Majeure. If performance of any action by either party is prevented or delayed by an act of God, labor disputes or other cause beyond the reasonable control of such party, then the time for the performance of such action shall be extended for a reasonable period.

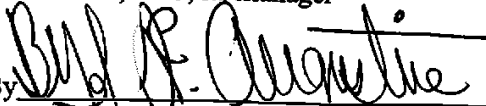
17. Further Assurance. Upon written request, either party agrees to execute such further instruments as may be reasonably necessary to perfect, confirm or implement the terms, conditions and provisions of this Easement.

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

OWNER

MADRONA REAL ESTATE INVESTORS
ONE, LLC

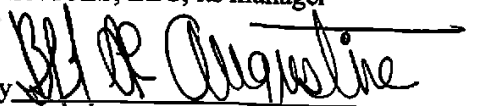
By MADRONA REAL ESTATE
SERVICES, LLC, its manager

By 
Bradford G. Augustine

VIII

MADRONA REAL ESTATE INVESTORS
VIII LLC

By MADRONA REAL ESTATE
SERVICES, LLC, its manager

By 
Bradford G. Augustine

STATE OF WASHINGTON)

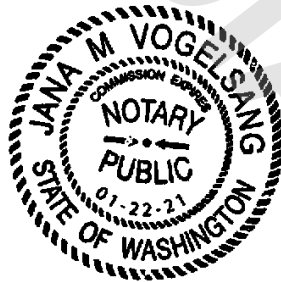
COUNTY OF King)

) ss.

On this 15th day of January, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Bradford G. Augustine, known to me to be the Managing Member of Madrona Real Estate Services, LLC, manager of MADRONA REAL ESTATE INVESTORS ONE, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



Signature

Print Name

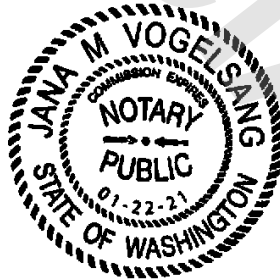
NOTARY PUBLIC in and for the State of Washington, residing at Kent, WA.My commission expires 01/22/2021

STATE OF WASHINGTON)
) ss.
 COUNTY OF King)

On this 15th day of January, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Bradford G. Augustine, known to me to be the Managing Member of Madrona Real Estate Services, LLC, manager of MADRONA REAL ESTATE INVESTORS VIII LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



Signature Jana M. Vogelsang

Print Name Jana M. Vogelsang

NOTARY PUBLIC in and for the State of
 Washington, residing at Kent, WA
 My commission expires 01/22/2021

EXHIBIT 1**1700 Commercial (Mod Pizza)**

Lots 1 through 8, inclusive, Block 46, 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;

EXCEPT that portion of said Lots 1 through 7 described as follows:

BEGINNING in the Southeast corner of said Lot 1 thence North 0°00'28" East along the East boundary of Lot 1, 34.50 feet; thence North 89°58'04" West, 163.89 feet along a line parallel with the South boundary of said Lots 1 through 6; thence South 25°40'31" West, 38.27 feet to a point on the south line of said Lot 7; thence South 89°58'04" East, 180.47 feet to the POINT OF BEGINNING.

1720 Commercial (Starbucks)

Lots 15 through 20 inclusive, Block 46, 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;

TOGETHER WITH that portion of Lots 1 through 7 of said Block 46 described as follows:

BEGINNING in the Southeast corner of said Lot 1 thence North 0°00'28" East along the East boundary of Lot 1, 34.50 feet; thence North 89°58'04" West, 163.89 feet along a line parallel with the South boundary of said Lots 1 through 6; thence South 25°40'31" West, 38.27 feet to a point on the south line of said Lot 7; thence South 89°58'04" East, 180.47 feet to the POINT OF BEGINNING.

ALSO TOGETHER WITH That portion of the alley located between Lots 1 through 5 and Lots 17 through 20, Block 46, 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, as vacated by City of Anacortes Ordinance No. 2495, recorded on July 21, 1999, as Auditor's File No. 9907210063.

EXCEPT that portion of Lot 15 described as follows;

BEGINNING in the Southwest corner of said Lot 15 thence North 0°0'26" East, 99.82 feet to the Northwest corner of said Lot 15;
thence South 89°58'02" East, 5.05 feet;
thence South 20°05'45" East, 23.01 feet;
thence South 0°00'42" West, 78.21 feet;
thence North 89°58'54" West, 12.95 feet to the POINT OF BEGINNING.
Situate in the City of Anacortes, County of Skagit, State of Washington.

EXHIBIT 2**Fidalgo Flats (1715 O Avenue)**

Lots 11 through 14 and that portion of Lot 15, Block 46, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington, described as follows:

BEGINNING in the Southwest corner of said Lot 15 thence North 0°0'26" East, 99.82 feet to the Northwest corner of said Lot 15;
thence South 89°58'02" East, 5.05 feet;
thence South 20°05'45" East, 23.01 feet;
thence South 0°00'42" West, 78.21 feet;
thence North 89°58'54" West, 12.95 feet to the POINT OF BEGINNING.

Situate in the City of Anacortes, County of Skagit, State of Washington.

EXHIBIT 3

