

After Recording Return To:
Stiles & Stiles, Inc., P.S.
P.O. Box 228
Sedro-Woolley, WA 98284



200211120151

Skagit County Auditor

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Legal: Ptn. of Lots 8, 9, 10 and 11 of "Sedro Acreage", 23-35-4EWM.
Assessor's Tax ID #s: P105129, P76947, P76954, P76950

JOINT PRIVATE UTILITY MAINTENANCE AGREEMENT

THIS AGREEMENT is made and entered into this 7th day of NOVEMBER, 2002, between Trail Investments, LLC, a Washington Limited Liability Company (Cascade Palms), William A. Stiles, Jr. and Betty M. Stiles, husband and wife (Stiles), and BLA Investments, LLC, a Washington Limited Liability (Atkinson). The undersigned are owners of certain real properties described herein, which properties share certain common private utility systems described specifically herein. This agreement is made to provide for the ongoing operation, maintenance, repair and/or replacement of said shared private utility systems.

The properties included in this agreement are legally described as follows, TO-WIT:

1. CASCADE PALMS

PARCEL A:

Tract 3, SEDRO-WOOLLEY SHORT PLAT NO. SW-07-79, approved September 4, 1980, and Recorded September 4, 1980, in Volume 4 of Short Plats, page 169, under Auditor's File No. 8009040011, records of Skagit County, Washington, being a portion of Lots 8, 9, 10 and 11, of "Sedro Acreage", according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington;

EXCEPT that portion conveyed by deed recorded November 4, 1993, under Auditor's File No. 9311040119, records of Skagit county, Washington, described as follows:

That portion of Tract 3 of Sedro-Woolley Short Plat No. SW-07-79 as approved September 4, 1980, and recorded September 4, 1980, in Volume 4 of Short Plats, page 169, under auditor's File No. 8009040011, records of Skagit County, Washington; being a portion of Lots 8, 9, 10 and 11, Sedro Acreage, according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit county, Washington; lying south of a line that is parallel with and 245 feet South of the North line of Lot 8 of said Sedro Acreage, and East of a line that is 165 feet West of the East line of the West half of Lots 8, 9 and 10 of said Sedro Acreage;

ALSO EXCEPT that portion conveyed by deed recorded March 23, 2001, under Auditor's File No. 200103230144, records of Skagit County, Washington, described as follows:

A strip of land ten (10) feet wide, lying adjacent to, and contiguous with the North line of Lot 2, Short Plat No. SW-07-79 filed in Volume 4 of Short Flats at page 169 as Auditor's File Number 8009040011, and lying West of the Northerly projection of the East line of said Lot 2; situated in the City of Sedro-Woolley, County of Skagit, State of Washington.

AND ALSO EXCEPT that portion of said Tract 3 lying Southerly of the Northerly line of Tract 1 of said Sedro-Woolley Short Plat No. SW-07-79, extended Easterly to the Westerly line of the above first excepted parcel.

-continued-

PARCEL B:

The North 100 feet of the West 1/2 of Lot 8, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington,

EXCEPT the West 10 feet conveyed to the City of Sedro-Woolley by deed recorded January 6, 1999, under Auditor's File No. 9901060067.

2. STILES

That portion of Tract 3, SEDRO-WOOLLEY SHORT PLAT NO. SW-07-79, approved September 4, 1980, and recorded September 4, 1980, in Volume 4 of Short Plats, page 169, under Auditor's File No. 8009040011, records of Skagit County, Washington, being a portion of Lots 8, 9, 10 and 11, of "Sedro Acreage", according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington; lying Southerly of the Northerly line of Tract 1 of said Sedro-Woolley Short Plat No. SW-07-79, extended Easterly to the Westerly line of the below accepted parcel:

EXCEPT that portion conveyed by deed recorded November 4, 1993, under Auditor's File No. 9311040119, records of Skagit county, Washington, described as follows:

That portion of Tract 3 of Sedro-Woolley Short Plat No. SW-07-79 as approved September 4, 1980, and recorded September 4, 1980, in Volume 4 of Short Plats, page 169, under auditor's File No. 8009040011, records of Skagit County, Washington; being a portion of Lots 8, 9, 10 and 11, Sedro Acreage, according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit county, Washington; lying south of a line that is parallel with and 245 feet South of the North line of Lot 8 of said Sedro Acreage, and East of a line that is 165 feet West of the East line of the West half of Lots 8, 9 and 10 of said Sedro Acreage;

3. ATKINSON

Tract 2, SEDRO-WOOLLEY SHORT PLAT NO. SW-07-79, approved September 4, 1980, and recorded September 4, 1980, in Volume 4 of Short Plats, page 169, under Auditor's File No. 8009040011, records of Skagit County, Washington, being a portion of Lots 8, 9, 10 and 11, of "Sedro Acreage", according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington;

TOGETHERWITH that portion conveyed by deed recorded March 23, 2001, under Auditor's File No. 200103230144, records of Skagit County, Washington, described as follows:

A strip of land ten (10) feet wide, lying adjacent to, and contiguous with the North line of Lot 2, Short Plat No. SW-07-79 filed in Volume 4 of Short Flats at page 169 as Auditor's File Number 8009040011, and lying West of the Northerly projection of the East line of said Lot 2; situated in the City of Sedro-Woolley, County of Skagit, State of Washington.

All situate in the County of Skagit, State of Washington.

(See Attached Exhibit #1)

The joint maintenance responsibilities set forth herein shall attach to and run with the land and shall be binding upon all subsequent owners, their heirs, assigns and all persons coming under them. It is the intent of this Agreement to create a continuing obligation on the part of each owner, present or future.

In the event that there are further divisions of the above-described properties, each new owner



thereof, shall be bound along with the other owners and the percentages of responsibilities shall be adjusted accordingly. Provided, that if further divisions of any of the original properties has a homeowner's association (Cascade Palms), that association shall be considered the "owner" of all of the property within the area served by the association with respect to the shared utility systems described herein.

A. PRIVATE SANITARY SEWER LINES:

(Effects only owners which are connected to the private sewer line(s). Parcel #3, Atkinson, is connected to the public sanitary sewer on Trail Road and is therefor not a party to nor responsible with regards to the private sanitary sewer line(s) which are the subject of this portion of this agreement, provided that if at a later date he chooses to connect to the private sewer line he can, at his option, under the terms herein.)

1. There are mutual benefits to be derived from a sanitary sewer line maintenance agreement that shall be binding upon the owners, present or future, or any subdivision thereof, of the above described real properties, excepting Parcel #3, Atkinson.
2. The owner of each property connected to the private sanitary sewer line(s) shall be responsible for the operation, maintenance, repair and replacement of the sewer lines that they use exclusively up to that point at which the connection becomes a shared connection, and for their own sewer connection fees, impact fees, assessments, monthly charges, and any and all other payments required by the City of Sedro-Woolley for provision of sanitary sewer service to their property.
3. The sanitary sewer lines are identified on the attached Exhibit #2.
4. The owner of each property connected to the private sanitary sewer line(s) shall pay for a proportionate share of all costs of the operation, maintenance, repair and replacement of the shared sanitary sewer line(s) based on their average monthly water usage for the past year. The water usage of each owner shall be determined by information provided by Skagit P.U.D. #1 which provides water service within the City of Sedro-Woolley. The total of all documented water usage of the parties hereto shall equal 100%. Each owner shall then bear the costs in proportion to their percentage of the total average monthly water usage for all owners. Example:

Owner 1: Water usage = 25,000 gal. per month

Owner 2: Water usage = 2,000 gal. per month

(Sample Only)

Total water usage = 27,000 gal. per month

Owner 1: Percentage of water usage $25,000 / 27,000 = 92.6\%$

Owner 2: Percentage of water usage $2,000 / 27,000 = 7.4\%$

5. If the use of the shared sanitary sewer lines requires that the existing lines be enlarged in size in order to accommodate an increased capacity caused by the use of any of the parties hereto, the party causing such need for larger pipe size(s) shall be solely responsible for the costs associated with replacing or upgrading any such line(s) or portions thereof.

B. STORM WATER:

1. There are mutual benefits to be derived from a storm water maintenance agreement that shall be binding upon the owners, present or future, or any subdivision thereof, of the above described real properties.



2. The owner of each property shall be responsible for the operation, maintenance, repair and replacement of the storm water conveyance systems that they use exclusively up to that point at which the connection becomes a shared connection and for their own connection fees, impact fees, assessments, monthly charges, and any and all other payments, if any, required by the City of Sedro-Woolley for storm water conveyance to and/or from their property.

3. The storm water conveyance systems are identified on the attached Exhibit #3.

4. The owner of each property shall pay for a proportionate share of all costs of the operation, maintenance, repair and replacement of the shared storm water conveyance systems based on the square footage of their property from which storm water is collected and conveyed to the shared systems. The total square footage of the properties from which water is conveyed to the shared systems shall equal 100%. Each owner shall then bear the costs in proportion to their percentage of the total square footage for all owners.

Example:

Owner 1: Square footage of lot area conveying water to shared system = 114,855 sf

Owner 2: Square footage of lot area conveying water to shared system = 38,210 sf

Owner 3: Square footage of lot area conveying water to shared system = 3,353 sf

Total square footage = 156,418 sf

Owner 1: Percentage of total square footage $114,855 / 156,418 = 73.43\%$ (Sample Only)

Owner 2: Percentage of total square footage $38,210 / 156,418 = 24.43\%$

Owner 3: Percentage of total square footage $3,353 / 156,418 = 2.14\%$

5. If the shared use of the existing storm water conveyance system requires that the existing system be altered or enlarged in size in order to accommodate an increased capacity caused by the use of any of the parties hereto, the party causing the need for an altered or larger system shall be solely responsible for the costs associated with altering, replacing or upgrading any such portion or portions of the existing system or portion thereof.

C. OWNERS COMMITTEE:

1. The owners of the herein described properties shall form an Owners Committee which has the responsibility for administering this agreement and which therefore, has the authority to take any action deemed necessary to preserve this agreement including, but not limited to, determining necessary repairs or replacements, scheduling periodic maintenance and determining, assessing and collecting the costs for operation, maintenance, repairs and or replacements. The Owners Committee shall, at its discretion, make provisions, to collect projected costs in advance and to establish an adequate emergency fund.

2. Each owner of the herein described properties shall appoint one (1) member of the Owners Committee. One of the property owners shall be selected chairperson for the period of one year.

3. The Owners Committee shall meet at least annually to determine what operation, maintenance, repair or replacement is required, if any, and to determine the amount of the assessment for the coming year and the manner of payment by the owners of their proportionate shares. Special meetings may be called by request of one or more owners.

4. Written notice of any regular or special meeting shall be sent to all owners not less than 14 days in advance of the meeting. A majority of the owners shall constitute a quorum for transaction of business. All matters at such meeting shall be adopted or approved by majority. Each herein described property shall have one vote.



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5. The costs for the operation, maintenance, repair and replacement of the shared utility shall be collected as determined by a majority of the owners.

6. The said costs, upon assessment, shall be a charge against each property described herein, and shall be a continuing lien upon each such real property against which the assessment is made, until paid in full. Interest at the rate of 12% per annum, reasonable attorney's fees and court costs, in the event legal action is necessary to collect the said assessment, shall be additional charges which may be collected in the process of collecting the said assessment or charge.

7. Any assessment or charge not paid within 30 days after the due date, shall bear interest from the due date at the rate of 12% per annum.

D. TERMINATION:

This joint maintenance agreement shall remain in full force and effect for such period of time as the shared utility systems remain privately owned or for as long as each herein described property remains connected to the same. If a party to this agreement provides for their own sewer and/or storm drainage that does not utilize the shared system described herein they shall no longer be a party to this agreement upon the showing that they have provided an approved alternative to the existing shared systems. In the event the shared utility systems are dedicated to and/or otherwise accepted by the City of Sedro-Woolley as city utility systems, any and all funds held by the Owners Committee for maintenance or otherwise shall be distributed on a pro rata basis to the current owners of each herein described property.



IN WITNESS WHEREOF, the owners, have affixed their signatures the day and year first above written.

Trail Investments, LLC

by William A. Stiles, Jr.
William A. Stiles, Jr. *manager*

Pamela Nelson

Stiles

William A. Stiles
William A. Stiles, Jr.

Betty M. Stiles
Betty M. Stiles

Atkinson BLA Investments, LLC

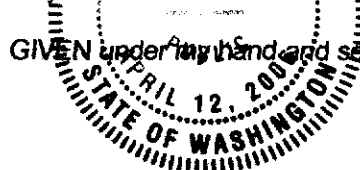
Brandon L. Atkinson
Brandon L. Atkinson

~~Kate O. Atkinson~~

State of Washington)
) ss.
County of Skagit)

On this day, personally appeared before me, William A. Stiles, Jr. and Pamela Nelson, to me known to be the ~~SS~~ Managers of Trail Investments, 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 uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

GIVEN under my hand and seal this 8 day of November, 2002.



Hathey M. Motcaly
Notary Public in and for the State of
Washington, residing at Sedro-Woolley
My commission expires: 4-12-2006

State of Washington)
) ss.
County of Skagit)

On this _____ day of _____, 2002 before me. The undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____ respectively, of _____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ are authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

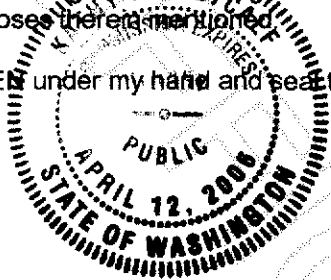
Notary Public in and for the State of
Washington, residing at _____
My commission expires: _____



State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me, William A. Stiles, Jr. and Betty M. Stiles, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and seal this 8 day of November, 2002.

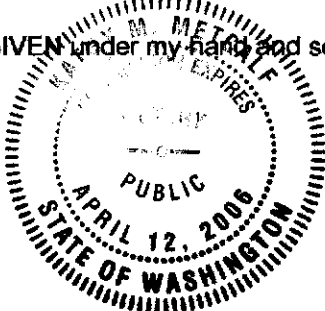


Kathy M. Metcal
Notary Public in and for the State of
Washington, residing at Seero-Woolley
My commission expires: 4-12-2006

State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me, Brandon L. Atkinson, to me known to be the Manager of BLA Investments, 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 uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and seal this 8 day of November, 2002.



Kathy M. Metcal
Notary Public in and for the State of
Washington, residing at Seero-Woolley
My commission expires: 4-12-2006



P76917

EXHIBIT #1

423.00
P76947

1. CASCADE PALMS

S/P SIV 07-79

P105129

3

8

P76954
3. ATKINSON

120'

2

216'

138'

42'

1

P

P76953

9

6945

2. STILES

258' SEDRO ACREAGE

10
P76948

P76951

P76949

SEDRO ACREAGE
PLAT NO. 4710

10

10

11

11



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P76917

EXHIBIT #3

423.00
P76947

STORM POND

1. CASCADE PALMS

S/P SW 07-79

P105129

P76954
3. ATKINSON

165'
STORM POND

6945

2. STILES

DITCH
P76953

STORM POND

25' CEDRO AVE 12" PIPE

4" MANHOLE

10
P76948

P76951

P76949

SEDRO ACREAGE
PLAT NO. 2120



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