



200408030081

Skagit County Auditor

8/3/2004 Page 1 of 19 11:07AM

FIRST AMERICAN TITLE CO.
1381925

After Recording:
First American Title
160 Cascade Place, Ste 104
Burlington, WA

Document Title:Residential Real Estate
Purchase & Sale AgreementReference Number : _____Grantor(s): / Seller☐ additional grantor names on page ____

1. Bradford Holdings, LLC
- 2.

Grantee(s): / Buyer☐ additional grantee names on page ____

1. Belle Meade Estates, LLC
- 2.

Abbreviated legal description:☐ full legal on page(s) ____

Section 5, Township 36, Range 3, 4th SE 1/4, aka
Tract 7 of Survey # 930610000

Assessor Parcel / Tax ID Number:☐ additional tax parcel number(s) on page ____

360305-4-002-0109
360305-4-002-0200

I, Tiffanee Brown, am hereby requesting an emergency non-standard recording for an additional fee provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document. Recording fee is \$8.00 for the first page, \$1.00 per page thereafter per document. In addition to the standard fee, an emergency recording fee of \$50.00 is assessed. This statement is to become part of the recorded document.

Signed

Dated

8/3/04

B81925

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
SPECIFIC TERMS**

1. **Date:** July 1, 2004 **MLS No.:** _____
2. **Buyer:** Belle Monde Estates, LLC, a Washington limited liability company, or its assignee
3. **Seller:** Bradford Holdings, LLC, a Washinton limited liability company
4. **Property:** Tax Parcel Nos.: P96125, and P104267 (Skagit County)
Street Address: Lot 7, Chuckanut Ridge Drive, Bow Washington 98232
Included Items: ☐ stove/range ☐ refrigerator ☐ washer ☐ dryer ☐ dishwasher ☐ hot tub ☐ fireplace insert
☒ wood stove ☐ satellite dish ☐ security system ☒ other batteries for cabin (no generator at present)
Legal Description: See the attached Schedule 1
5. **Purchase Price:** \$475,000.00
6. **Earnest Money:** (To be held by ☐ Selling Broker ☒ Closing Agent)
Personal Check: \$5,000.00 **Earnest Money to be held by** First American Title as Closing Agent
Note: _____
Other ():: _____
7. **Default:** (check only one) ☒ Forfeiture of Earnest Money ☐ Seller's Election of Remedies
8. **Title Insurance Company:** First American Title Insurance Co.
9. **Closing Agent:** ☐ a qualified closing agent of Buyer's choice ☒ First American Title Company
10. **Closing Date:** 30 days or as soon as possible after satisfaction or waiver of all contingencies to closing
11. **Possession Date:** ☒ on Closing ☐ _____ calendar days after Closing ☐ _____
12. **Offer Expiration Date:** 07/01/2004 at 9:00 P.M. PDT
13. **Counteroffer Expiration Date:** _____
14. **Addenda:** 22A(Financing) 22R(Well Add.) 34(Addendum)

Inspection Addendum: ☐ NWMLS 35A ☐ NWMLS 35B ☐ Other ☐ None

15. **Agency Disclosure:** Selling Licensee represents ☐ Buyer ☐ Seller ☐ both parties ☐ neither party
Listing Agent represents ☐ Seller ☐ both parties

16. **Services of Closing Agent for Payment of Utilities:** ☐ Requested (Attach NWMLS Form 22K) ☐ Waived

Buyer's Signature

Date

Buyer's Signature

Date

Robert Rauch, Manager of Belle Monde Estates LLC

Buyer's Address

P.O. Box 640

City, State, Zip

White Sulphur Springs, WV 24986

Phone

Fax

304-536-4463

304-536-4617

Buyer's E-mail Address

rauch@rauchandassociates.net

Selling Broker

MLS Office No.

None; direct sale by Owner

Selling Licensee (Print)

None

Phone

Fax

Seller's Signature

Date

Seller's Signature

Date

*David Cavanaugh, Manager of Bradford Holdings, L

Seller's Address

200 West Gates Street

City, State, Zip

Mount Vernon, Washington 98273

Phone

Fax

360-333-2119

Seller's E-mail Address

davidlcavanaugh@hotmail.com

Listing Broker

MLS Office No.

None

Listing Ag

None

Phone



200408030081

Skagit County Auditor

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

- a. **Purchase Price.** Buyer agrees to pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds or gifts, except to the extent otherwise specified in this Agreement.
- b. **Earnest Money.** Buyer agrees to deliver the Earnest Money within 2 days after mutual acceptance of this Agreement to Selling Licensee who will deposit any check to be held by Selling Broker, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Broker and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Broker's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer agrees to reimburse Selling Broker for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Broker is over \$10,000.00 Buyer has the option to require Selling Broker to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Broker must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Broker may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Broker or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to: (1) provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and licensees at the addresses and/or fax numbers provided herein; and (2) commence an interpleader action in the Superior Court for the county in which the Property is located within 30 days of a party's demand for the Earnest Money (and deduct up to \$250.00 of the costs thereof) unless the parties agree otherwise in writing.
- c. **Included Items.** Any of the following items located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and all bathroom and other fixtures. However, items identified in Specific Term No. 4 are included only if the corresponding box is checked. If any of the above Included Items are leased or encumbered, Seller agrees to acquire and clear title at or before Closing.
- d. **Condition of Title.** Buyer and Seller authorize Selling Licensee, Listing Agent or Closing Agent to insert, attach or correct the Legal Description of the Property. Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances not assumed by Buyer shall be paid by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for a standard form owner's policy of title insurance, with homeowner's additional protection and inflation protection endorsements if available at no additional cost, from the Title Insurance Company. The Title Insurance Company is to send a copy of the preliminary commitment to both Listing Agent and Selling Licensee. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in said standard form and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title.
- f. **Closing.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, or legal holiday. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys to Buyer on the Closing Date or on the Possession Date, whichever occurs first.

Initials: BUYER: DATE: 7-1-04
BUYER: DATE:



Skagit County Auditor

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

- g. Possession.** Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller agrees to maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession.
- h. Closing Costs and Prorations.** Seller and Buyer shall each pay one-half of the escrow fee unless this sale is FHA or VA financed, in which case it shall be paid according to FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer agrees to pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay them at Closing from money due, or to be paid by, Seller. Buyer agrees to pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement as to the quantity and current price from the supplier. Seller agrees to pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 16, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller agrees to provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).
- i. Sale Information.** The Listing Agent or Selling Licensee is authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all lenders, financial institutions, Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Agent and/or Selling Licensee, on request, any and all information and copies of documents concerning the status, progress and final disposition of financing, appraisal, Closing, title condition, and any other matter concerning this sale, including buyer's credit report. In addition, Buyer shall provide any additional consent or authorization necessary to permit Buyer's lender or financing institution to provide information concerning the status, progress and final disposition of financing to the Listing Agent and/or Selling Licensee.
- j. FIRPTA - Tax Withholding at Closing.** The Closing Agent is instructed to prepare a certification (NWMLS Form 22E or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment In Real Property Tax Act. Seller agrees to sign this certification. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
- k. Notices.** Unless otherwise specified in this Agreement, any notice required or permitted in, or related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Agent or at the licensed office of Listing Agent. Notices to Buyer must be signed by at least one Seller and shall be deemed given only when the notice is received by Buyer, by Selling Licensee or at the licensed office of Selling Licensee. Receipt by Selling Licensee of a Real Property Transfer Disclosure Statement, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement and/or Resale Certificate shall be deemed receipt by Buyer. Selling Licensee and Listing Agent have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Licensee and Listing Agent advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less shall not include Saturdays, Sundays or legal holidays. Time is of the essence of this Agreement.
- m. Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any document or notice shall not be effective unless the parties to this Agreement otherwise agree in writing.
- n. Integration.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller.

Initials: BUYER: DATE: 7-1-04 SE
BUYER: DATE: SE



200408030081

Skagit County Auditor

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

- o. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless provided otherwise herein. 107 108
- p. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 7, shall apply: 109 110
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. 111 112
- ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity. 113 114 115 116
- q. Attorneys' Fees.** If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. 117 118
- r. Offer.** Buyer agrees to purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is actually received by Buyer, by Selling Licensee or at the licensed office of Selling Licensee. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 119 120 121 122
- s. Counteroffer.** Seller agrees to sell the Property under the terms and conditions of this Agreement. If Seller makes a counteroffer, Buyer shall have until 9:00 p.m. on the Counteroffer Expiration Date to accept the counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is actually received by Seller, by Listing Agent or at the licensed office of Listing Agent. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. If no expiration date is specified for a future counteroffer, the counteroffer shall expire at 9:00 p.m. on the second day after the counteroffer is signed by the last party making the counteroffer, unless sooner withdrawn. 123 124 125 126 127 128 129
- t. Agency Disclosure.** Selling Broker represents the same party that Selling Licensee represents. Listing Broker represents the same party that the Listing Agent represents. If Selling Licensee and Listing Agent are different salespersons affiliated with the same Broker, then both Buyer and Seller confirm their consent to that Broker representing both parties as a dual agent. If Selling Licensee and Listing Agent are the same salesperson representing both parties then both Buyer and Seller confirm their consent to that salesperson and his/her Broker representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 130 131 132 133 134 135 136
- u. Commission.** Seller and Buyer agree to pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Broker's commission shall be apportioned between Listing Broker and Selling Broker as specified in the listing. Seller and Buyer hereby consent to Listing Broker or Selling Broker receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Broker and Selling Broker, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Broker(s). In any action by Listing or Selling Broker to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. 137 138 139 140 141 142 143
- v. Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 144 145 146
- w. Property Condition Disclaimer.** Real estate brokers and salespersons do not guarantee the value, quality or condition of the Property. Some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing materials, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. In addition, some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Real estate licensees do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to retain inspectors to identify the presence of defective materials and evaluate the condition of the Property. 147 148 149 150 151

Initials: BUYER: Be DATE: 7-1-04 SELLER: _____
BUYER: _____ DATE: _____ SELLER: _____



ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated July 1, 2004 1
between Belle Monde Estates, LLC (or its assigns) ("Buyer") 2
and Bradford Holdings, LLC ("Seller") 3
concerning Lot 7, Chuckanut Ridge (hereinafter the "Property") ("the Property") 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:

 5

Seller acknowledges that the following additional conditions must be satisfied prior to closing, and makes the following covenants with Buyer: 6

1. Seller shall obtain all required signatures on, and record in the land records of Skagit County, the the access and utility easement attached hereto as Exhibit A. This contingency shall be deemed satisfied only when the easement has been executed and recorded substantially in the same form as set out in Exhibit A. In the event that the easement grantors require material changes in the proposed easement, Buyer shall have the right to approve any such changes. Any costs incurred to obtain such easement shall be the sole responsibility of Seller. In the event the foregoing contingency is not satisfied within 30 days of the date of this Agreement, Buyer may terminate this Agreement without further liability to Seller, and Buyer shall be entitled to a prompt, full refund of the Earnest Money. 7 8 9 10 11 12

2. In the event of any claim for sales commission by any real estate agent in connection with the transfer of the Property covered by this Agreement, Seller agrees to be solely responsible for any such commissions or fees, and agrees to indemnify and hold harmless Buyer, its members, and their respective affiliates from and against any claims made in connection with commissions allegedly due any real estate agent. All references to real estate agents in the P&S Agreement, or the rights of same in connection with this transaction, are deleted. Closing Agent to hold Earnest Money. 13 14 15 16

3. Seller will promptly furnish Buyer with soil test logs taken from the septic easement area on the adjoining Lot 6 in order to assist Buyer in determining whether an acceptable septic system can be installed to serve Lot 7. If, within 30 days of the date of this Agreement, Buyer is not satisfied that a septic system permit can be obtained from Skagit County for a house of four bedrooms (based on the soil test log data), Buyer may terminate this Agreement without further liability to Seller, and Buyer shall be entitled to a prompt, full refund of the Earnest Money. 17 18 19 20

4. Seller acknowledges that closing under this Agreement is contingent upon Seller furnishing to Buyer, within 30 days of the date of this Agreement, a Lot Certification from the Skagit County Planning and Permit Center approving the construction of at least a four bedroom dwelling (hereinafter "Approved Dwelling") on that portion of the property served by the existing well and electric service, and that all conditions imposed by Skagit County on the construction of an Approved Dwelling can be satisfied within a reasonable period, and at a reasonable cost, consistent with the costs incurred by owners of other property in the immediate area of the subject property. In the event Seller has not delivered the required certificate approving construction of at least a four bedroom house within 30 days, Buyer may terminate this Agreement without further liability to Seller, and Buyer shall be entitled to a prompt refund of the Earnest Money. 21 22 23 24 25 26 27

Other Provisions:

 28

1. Seller acknowledges that the covenants contained in the Purchase and Sale Agreement, as amended by the terms of this Addendum and related addendums listed in the Purchase and Sale Agreement, shall survive the execution and delivery of the deed. 29 30

2. Notwithstanding any other provision of the Purchase and Sale Agreement to the contrary, Seller agrees that Buyer may assign this Agreement to an affiliate of Buyer or an affiliate of one of Buyer's members, without the prior written consent of Seller. 31 32

3. Seller and Buyer agree to share, pro rata as of the Closing Date, any special assessment or other charges levied against Seller during 2004 by the HOA for road improvements or maintenance that are payable as of the date of closing. Seller shall pay any HOA back dues from prior years. 33 34

4. Except for furniture left by Seller in the cabin for shared use, any personal property, or other items remaining on the Property after possession is transferred to Buyer shall thereafter become Buyer's property. 35 36 37 38

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 41

AGENT (COMPANY) None 42

BY: 43

Initials: BUYER: R

DATE: 7-1-04

SELLER: (

BUYER:

DATE:

SELLER:



8/3/2004 Page

6 of

19 11:07AM

Exhibit A

AFTER RECORDING RETURN TO:

Name Bradford Holdings, LLC
Address 200 West Gate Street
City, State, Zip Mount Vernon, WA 98273

Abbrev. Leg. Ptn SE1/4 of Sec 5, T36N, R3E, WM
Tax Acct. Nos. 360305-4-001-0100/P96130; 360305-4-001-0100/P115524
Grantor Barthold, John Larry, and Fleming, Carol Ann
Grantee Bradford Holdings, LLC

**AGREEMENT FOR EASEMENTS
AND
RESTRICTIVE COVENANTS**

This Agreement for Easements and Restrictive Covenants ("Agreement") is made by and between John Larry Barthold and Carol Ann Fleming, husband and wife (referred to hereafter collectivel as "Grantor" or "Barthold/Fleming") and Bradford Holdings LLC, a Washington limited liability company, (referred to hereafter as "Grantee" or "Bradford") as follows:

RECITALS

A. John Larry Barthold and Carol Ann Fleming, husband and wife are the owners of property fully described on EXHIBIT A, which is attached hereto and by this reference incorporated herein, hereafter described as the "Barthold/Fleming Property."

B. Bradford Holdings, LLC, a Washington limited liability company, is the owner of property fully described on EXHIBIT B, which is attached hereto and by this reference incorporated herein, hereafter described as the "Bradford Property."

ACCESS AND UTILITY EASEMENT

GRANTORS, John Larry Barthold and Carol Ann Fleming, husband and wife, in consideration of the mutual agreements, covenants and easements herein, the sufficiency of which is acknowledged by Grantor, and for no monetary consideration, hereby grant to Bradford Holdings, LLC, a Washington limited liability company, a nonexclusive

Barthold/Fleming-Bradford Easement -- 1



200408030081
Skagit County Auditor

incorporated by this reference, hereafter referred to as the "Access and Utility Easement Area." The easement is granted for the benefit of the Bradford Property, which is described on EXHIBIT B, and to any adjoining real property that may be acquired by the owners of the Bradford Property, their successors or assigns. Notwithstanding the foregoing, Grantor agrees that the physical space within the Access and Utility Easement Area actually occupied by authorized improvements, plus an area within three feet on all sides of such improvements, shall be reserved for the exclusive use of the Grantee, its successors and assigns.

Barthold/Fleming and Bradford agree and covenant as follows:

The owners of the properties benefited by, and subject to the access and utility easement, and their respective heirs, successors and assigns shall take said property with the benefit of the easement.

Grantor has requested that the security gate previously installed by Grantee within the easement area be removed. Grantee has committed to remove the security gate within sixty days of the execution of this Agreement. In the event Grantee has not removed the security gate within the 60 days, Grantee agrees that Grantor may do so, at its cost.

Maintenance of the road easement shall be the responsibility of Bradford, or its successors or assigns as owner of the Bradford Property.

Bradford agrees to indemnify and hold the Grantor harmless from any claims for damages or injuries arising out of use of the easement by the Grantee, the Grantee's guests, invitees, licensees, or agents.

COVENANTS TO RUN WITH THE LAND

The covenants and easements contained herein shall run with the land and shall be binding on, and inure to the benefit of, the parties hereto, their heirs, successors or assigns, and all subsequent owners of the properties described herein.

Dated July __, 2004

John Larry Barthold

Carol Ann Fleming

Bradford Holdings, LLC, by:

Barthold/Fleming-Bradford Easement -- 2


200408030081
Skagit County Auditor

8/3/2004 Page 8 of 19 11:07AM

(The Servient or Burdened Estate)

Barthold/Fleming-Bradford Easement -- 5



200408030081

Skagit County Auditor

8/3/2004 Page

9 of

19 11:07AM

EXHIBIT B
Description of the Bradford Property
(The Dominant or Benefited Estate)

Parcel A

Barthold/Fleming-Bradford Easement -- 6



200408030081

Skagit County Auditor

STATE OF WASHINGTON)
) ss
COUNTY OF)

I certify that I know or have satisfactory evidence that JOHN LARRY BARTHOLD is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated _____, 2004

Typed/printed notary name _____

Residing at _____

My appointment expires _____

STATE OF WASHINGTON)
) ss
COUNTY OF)

I certify that I know or have satisfactory evidence that CAROL ANN FLEMING is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated _____, 2004

Typed/printed notary name _____

Residing at _____

My appointment expires _____

EXHIBIT A
Description of Barthold/Fleming Property

Barthold/Fleming-Bradford Easement -- 4



200408030081
Skagit County Auditor

8/3/2004 Page 11 of 19 11:07AM

Exhibit B, continued
Description of the Bradford Property

Parcel B

Barthold/Fleming-Bradford Easement -- 7



200408030081

Skagit County Auditor

8/3/2004 Page 12 of 19 11:07AM

EXHIBIT C
Access and Utility Easement Area

The easement is granted within that portion of Grantor's property described on EXHIBIT A, above, located within a forty foot strip of land running in a generally northeasterly direction across a portion of the Grantor's property as described and delineated on that Survey recorded in Volume 14 of Surveys, page 105, under Auditor's File No. 930611050, records of Skagit County, Washington, and referred to on said survey as "Proposed 40' Access Easement to Benefit Revised Parcels 7 and 8."



ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated July 1, 2004 1
between Belle Monde Estates, LLC (or assigns) ("Buyer") 2
and Bradford Holdings, LLC ("Seller") 3
concerning Lot 7, Chuckanut Ridge ("the Property") 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

Other Provisions (continued from Page 1 of this Addendum/Amendment to Purchase and Sale Agreement): 6

5. Seller represents and warrants that, to the best of its knowledge after reasonable search and inquiry, there are no Hazardous Substances (as such term is defined in applicable federal, state and local environmental laws) either stored or buried on the Property. 7
6. Both Seller and Buyer represent to each other that the execution, delivery and performance of this Agreement have been duly authorized by all required company action, and that no third party consents are required for the execution, delivery or performance of this Agreement. Each party represents that the individual signing on its behalf has all necessary authority to act for such party, and that there is no litigation, either pending or threatened, that would prevent such party from performing its obligations under this Agreement. Seller represents that it has been duly organized under the laws of the State of Washington, and is in good standing. Buyer represents that it has been duly organized under the laws of the State of Washington, and is in good standing. 8
7. In consideration for Seller's compliance with its covenants under this Agreement, Buyer agrees that Mr. David Cavanaugh, manager of Buyer, may utilize at no cost, subject to the conditions set out below, the existing cabin located on Parcel 104267 during periods when the members of Buyer (Mr. and Mrs. Robert Rauch) are not present on the Property, or during periods when the Rauchs are present on the Property, but Mr. Cavanaugh is expressly invited to use the cabin by the Rauchs. Buyer shall give Mr. Cavanaugh advance written notice of periods when Mr. and Mrs. Rauch will not be on the Property, which information shall be held in confidence by Mr. Cavanaugh, and not provided to third parties. Use of the cabin under this paragraph shall be subject to: (a) Mr. Cavanaugh assuming all risks associated with such use, and agreeing to hold Buyer and its members harmless from claims for any injuries sustained by Mr. Cavanaugh or his approved guests during such use, or any other claims arising from such use; (b) Mr. Cavanaugh's agreement to reimburse Buyer for any damage to the cabin or surrounding property arising from such use; (c) any single use being limited to no more than three days, absent the prior written approval of Buyer; (d) any guests of Mr. Cavanaugh being approved in advance by Buyer and (e) Mr. Cavanaugh's agreement to leave the cabin neat and clean after each such use. The foregoing usage rights shall extend from the closing date under this Agreement through the third anniversary of such date, subject to further extensions of such rights within the sole discretion of Buyer. Continued use of the cabin pursuant to this paragraph shall also be contingent upon Mr. Cavanaugh's agreement to remain personally liable, jointly and severally with Buyer, for the performance of the foregoing covenants. Seller agrees to leave the existing furniture in the cabin during the period of shared use, and Buyer agrees that Seller may remove the furniture from the cabin at the end of the period of shared use of the cabin, pursuant to the terms above. 9
8. Seller agrees to have the area around the pond cut and trimmed prior to closing. Seller also agrees to remove the old truck near the pond. 10
9. Seller acknowledges that Buyer had advised it to consult legal counsel with respect to this Agreement. The provisions of this Addendum shall override any conflicting provisions in the P&S Agreement. 11
11. Buyer acknowledges that the Property is currently classified for tax purposes as "Commercial Forest." (CF) Seller has prepared a forest management plan, and will provide a copy, at no additional cost, to Buyer. The Buyer agrees to keep the Property in CF classification, and will be responsible for all deferred taxes, interest and penalties arising from removal of the Property from CF classification. 12

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 13

AGENT (COMPANY) 14

BY: 15

Initials: BUYER: BR DATE: 7-1-04 SELLER: 8/3/2004 Page 14 of 19 11:07AM 44
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____ 45



Schedule 1 to Purchase and Sale Agreement dated July 1, 2004

Bradford Holdings LLC Property Description for Lot 7, Parcel 96125

O/S#4 AF#9111260028 1992 TRANSFER FROM CF-75 PTN SE1/4 DAF BAT SE
COR SD SE1/4 TH N 2-15-57 E ALG E LN SD SE1/4 2122.87FT TO TPOB TH N 89-
03-49 W 1519.19FT TH S 36-00-00 W 753.36FT TH N 89-03-49 W 239.01FT TH N 12-
00-00 W 275FT TH N 36-00-00 E 814.61FT TH S 89-03-49 E 1791.96FT TAP ON E
LN SD SE1/4 TH S 2-15-57 W ALG SD E LN 318.25FT TPOB & ALSO TGW PTN
SE1/4 DAF BAT SE COR SD SE1/4 SD SEC TH N 2-15-57 E ALG E LN SD SE1/4
2441.12FT TH N 89-03-49 W 490.03FT TO TPB TH N 89-03-49 W 1301.93FT TH -



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**FINANCING ADDENDUM
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated July 1, 2004 1
between Belle Monde Estates, LLC ("Buyer") 2
and Bradford Holdings, LLC ("Seller") 3
concerning Lot 7, Chuckanut Ridge ("the Property") 4

1. **DOWN PAYMENT/LOAN APPLICATION.** This Agreement is contingent on Buyer obtaining a ☒ Conventional ☐ VA 5
☐ FHA purchase loan. Buyer agrees to pay \$90,000 down, 6
and to make written application and pay the application fee, if required, for the subject Property ☒ within 10 7
days (5 days if not filled in) after mutual acceptance of this Agreement, or ☐ if this Agreement is conditioned on the 8
sale of Buyer's property, within _____ days (5 days if not filled in) after Buyer satisfies or removes that 9
contingency, for a loan to pay the balance of the purchase price. If Buyer fails to make application for financing 10
within the agreed time, then this financing contingency shall be deemed waived. 11

2. **FINANCING DEADLINE/SELLER TERMINATION NOTICE.** If Buyer has not within 30 days 12
(30 days if not filled in) after making application for a loan, given notice that Buyer has waived this financing contin- 13
gency, then Seller may, at any time thereafter, elect to terminate this Agreement by giving 5 days notice. If, within 5 14
days of Seller's notice, Buyer does not waive this financing contingency by notice, this Agreement shall terminate. 15

3. **EARNEST MONEY.** If Buyer has not waived this financing contingency, and is unable to obtain financing after a 16
good faith effort then, on Buyer's notice, this Agreement shall terminate and the Earnest Money shall be refunded 17
to Buyer. 18

4. **INSPECTION/REPAIRS.** Seller agrees to permit inspections required by Buyer's lender, including but not limited to 19
structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for 20
such inspections except as otherwise agreed. 21

5. **APPRAISAL LESS THAN SALE PRICE.** If Buyer's lender's appraisal of the value of the Property is less than the 22
Purchase Price, Buyer may, within 3 days after receipt of a copy of lender's appraisal, give notice of Buyer's 23
election to terminate this Agreement unless Seller, within 10 days after receipt of such notice, delivers to Buyer 24
either: 25

(a) (i) If this Agreement is contingent on FHA financing, a reappraisal by the same appraiser, at Seller's 26
expense, in an amount not less than the Purchase Price or (ii) if this Agreement is contingent on non-FHA 27
financing, reappraisal, at Seller's expense, by the same appraiser or another appraiser acceptable to the 28
lending institution in an amount not less than the Purchase Price; or 29

(b) Written consent to reduce the selling price to an amount not more than the amount specified in the appraisal 30
or reappraisal, whichever is higher. (Not applicable if this Agreement is conditioned on FHA financing. FHA 31
does not permit the Buyer to be obligated to buy if the Seller reduces the Purchase Price to the appraisal 32
value. The Buyer, however, has the option to buy at the reduced price.) 33

If such reappraisal or consent to reduction of Purchase Price is not so delivered, this Agreement shall terminate 34
and the Earnest Money shall be refunded to Buyer. To permit the parties the foregoing times for notices, the Closing 35
Date shall be extended accordingly. 36

Initials: BUYER: BZ DATE: 7-1-04
BUYER: _____ DATE: _____



8/3/2004 Page 16 of 19 11:07AM

04 37
38

EXHIBIT D
Illustration of Easement

Barthold/Fleming-Bradford Easement -- 9



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8/3/2004 Page 17 of 19 11:07AM

**FINANCING ADDENDUM
PURCHASE & SALE AGREEMENT**
(continued)

6. SPECIAL FHA/VA PROVISIONS.

FHA LOAN COSTS. If this sale is contingent on Buyer obtaining an FHA loan, Seller agrees to pay up to _____ (\$300.00 if not filled in), which shall be applied to that portion of Buyer's loan and settlement costs that the Lender is prohibited from collecting from the Buyer under FHA regulations. Any balance remaining shall be payable to Buyer's loan discount at the interest rate selected by Buyer or to other settlement costs as allowed by FHA regulations.

VA LOAN COSTS. If this sale is contingent on Buyer obtaining a VA loan, Seller agrees to pay the full escrow fee for the entire transaction. In addition Seller agrees to pay up to _____ (\$300.00 if not filled in), which shall be applied to that portion of Buyer's loan and settlement costs that the Lender is prohibited from collecting from the Buyer under VA regulations. Any balance remaining shall be payable to Buyer's loan discount, loan fee, interest buy down and/or financing and closing costs to the extent permitted by VA regulations and Buyer's loan amount is not thereby reduced.

7. FHA/VA - Appraisal Certificate. If this Agreement is contingent on Buyer obtaining FHA or VA financing, it is expressly agreed that notwithstanding any other provisions of this Agreement, Buyer shall not be obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA or VA requirements a written statement by FHA, VA, or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, paragraph 5 above shall apply. If Seller does not reduce the Purchase Price to the appraised or reappraised value, or deliver a reappraisal at or exceeding the sale price, the Buyer shall have the privilege and option of proceeding with the consummation of this Agreement without regard to the appraised value, provided the difference in excess of the appraised value is paid in cash.

Purpose of Appraisal. The appraised valuation is arrived at only to determine the maximum mortgage FHA or VA will insure. Neither FHA nor VA warrant the value or the condition of the Property. Buyer should satisfy himself/herself that the price and condition of the Property are acceptable.

"Importance of Home Inspections" Notice for FHA Loans. FHA requires the Buyer to sign a FHA "Importance of Home Inspections" Notice (NWMLS Form 22F, Rev. date 1/97 or later) on or before the date Buyer executes any purchase and sale agreement. This requirement does not apply to new construction.

8. Notice to Buyer Concerning Insurance. The availability and cost of homeowners or property insurance on the Property depends on a number of factors, including your personal insurance, financial and credit history, materials and conditions present in or on the Property, and the claims history for the Property. Some insurance companies base underwriting decisions on Comprehensive Loss Underwriting Exchange ("CLUE") reports on the history of insurance claims concerning the Property or made by you concerning other properties.

Insurance Contingency/Application. This Agreement is conditioned upon Buyer obtaining a binder for homeowners or property insurance on the Property from an admitted insurer at its rates filed with the Washington State Insurance Commissioner. Buyer agrees to make application for insurance within _____ 10 _____ days (5 days, if not filled in) after mutual acceptance of this Agreement. If Buyer fails to make application within the agreed time, then this insurance contingency shall be deemed waived.

Insurance Deadline. This insurance contingency shall be deemed satisfied, unless within _____ 10 _____ days (10 days, if not filled in) after mutual acceptance of this Agreement, Buyer gives notice of inability to obtain insurance. If Buyer is unable to obtain such a binder after making a good faith effort and timely gives notice of such inability, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

Initials: BUYER: Jr DATE: 7-1-04
BUYER: _____ DATE: _____

SELLE
SELLER: _____
8/3/2004 Page 18 of 19 11:07AM



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WELL ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated July 1, 2004
between Belle Monde Estates, LLC (or assigns) ("Buyer")
and Bradford Holdings, LLC ("Seller")
concerning Lot 7, Chuckanut Ridge ("the Property")

THIS ADDENDUM SUPERSEDES ANY OTHER PROVISIONS OF THIS AGREEMENT RELATING TO ANY WELL OR WATER SUPPLY SYSTEM SERVING THE PROPERTY.

1. **Number of Connections.** Seller represents that the well currently has 1 (one, if not filled in) connection(s).
2. **Seller's Representations.** Seller represents that, except as explained below, to the best of Seller's knowledge, the well and water supply system serving the Property (a) provide an adequate supply of household and yard water for Seller's use; (b) are not presently contaminated by biological or chemical agents; (c) comply with all applicable local, state, and federal laws, standards, and regulations, including applicable purity standards; and (d) have no other material defects.
3. **Health Certificate.** If required by Buyer's lender or any governmental authority, Seller shall provide within 20 days (10 days if not filled in) of mutual acceptance, at Seller's expense, a health district certificate of compliance (to the extent such may be available) for the well and water supply system serving the Property. If such a certificate is available but Seller is not able to obtain one for the Property, Seller shall provide notice to Buyer and Buyer may terminate the Agreement by giving notice of termination within three (3) days after receiving Seller's notice, at which time the Earnest Money shall be refunded to Buyer.
4. **Well Inspection Contingency.** The Agreement is conditioned on Buyer's approval of an inspection of the well and water supply system serving the Property. Such inspection may include testing of flow rate; purity standards (organic and inorganic); verification that the source is adequate and that the system meets federal, state and/or local standards as well as any other matter of concern to Buyer. Any inspection shall be (a) ordered by Buyer; (b) performed by a qualified inspector of Buyer's choice; and (c) completed at Buyer's expense. This contingency shall be waived unless Buyer gives written notice of disapproval of the inspection report within 30 days (10 days if not filled in) after mutual acceptance of the Agreement or within the time period for Buyer's general inspection contingency, whichever is later. If Buyer gives timely written notice of disapproval, the Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

5. **Other.**

Well must be capable of yielding a minimum of five gallons per minute on a continuous basis, as determined by a pump test acceptable to Buyer. Buyer shall have 30 days from the date of this Agreement to determine if the well pump test is satisfactory. If Buyer determines that the pump test is not satisfactory within such thirty day period, Buyer may terminate this Agreement without further liability to Seller, and shall be entitled to the prompt return of the Earnest Money. Buyer, if necessary, will advance the required funds to cover the cost of a new well pump and related equipment. Seller will have the new pump installed, and the water quality test completed as soon as possible. In the event Buyer terminates this Agreement for failure of any precondition to closing, any funds advanced by Buyer will be refunded to Buyer.

Initials: BUYER: JB DATE: 7-1-04 SELLER: _____
BUYER: _____ DATE: _____ SELLER: _____

