



200604240002  
Skagit County Auditor

4/24/2006 Page 1 of 11 9:11AM

Document Title:

Agreement  
Tenants in Common

Reference Number:

Grantor(s):

☐ additional grantor names on page \_\_\_\_

1. Kraemer, Kenneth E.

2.

Grantee(s):

☐ additional grantee names on page \_\_\_\_

1. Grogan, Mary Lou

2.

Abbreviated legal description:

☐ full legal on page(s) \_\_\_\_

Assessor Parcel / Tax ID Number:

☐ additional tax parcel number(s) on page \_\_\_\_

After recording, return to:  
Kenneth E Kraemer and Mary Lou Grogan  
770 Shelter Bay Dr.  
LaConner, WA.  
98257

## AGREEMENT AMONG TENANTS IN COMMON

Legal Description: Shelter Bay, Block 4, Lot # 770  
Tax Parcel No: L84767

THIS AGREEMENT is made this 24th day of April, 2006, by and between, **Mary Lou Grogan**, a single woman, and **Kenneth E. Kraemer**, a single man. The parties hereto may be referred to collectively as "Tenants in Common" or "Parties" and individually as "Tenant in Common" or "Tenant".

### RECITALS

1. This agreement is made contingent upon the purchase by the Parties located on the Swinomish Indian Reservation at 770 Shelter Bay Dr. LaConner, Washington ( Skagit County Assessor's Parcel No. L84767 ), hereinafter referred to as the "Property", and more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference.
2. The Property will be owned by the Parties in the following percentage interests:

<b>Kenneth E. Kraemer</b>	<b>50%</b>
<b>Mary Lou Grogan</b>	<b>50%</b>
3. It is the intent of the Parties to hold the Property as Tenants in Common for their personal use and to agree to the following terms and conditions set forth herein the nature of their ownership of the Property and the relationship among themselves.
4. It is the further intent of the Parties that Grantors intend to reside at Subject property for the rest of their lives and want to transfer a future interest in the Subject Property to their children in accordance with the terms of this agreement and their Last Will and Testament.
5. Should one Tenant predecease the other Tenant, it is the intent of this agreement that the surviving Tenant will hold the deceased Tenant's interest in the Property as a Life Estate with the deceased Tenant's



200604240002

Skagit County Auditor

heirs, legatees, and devisees as remaindermen subject to the following terms and conditions set forth in their Last Will and Testament.

6. The Parties herein agree to execute estate planning documents that are consistent with the intent of this agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. **Ownership and Use.** Upon closing, each of the parties hereto shall be the owner of an undivided interest as set forth above of the ownership of all rights and liabilities relating to the Property
2. **Purpose.** The purpose for which the Tenants in Common will hold the Property is for their personal use or alternatively, for the production of income as a rental property and/or development of the Property. The parties may make further improvements to the residence, subdivide the Property, and may eventually sell the same in part or in whole in accordance with the terms of this agreement.
3. **Profits and Losses.** After acquiring an interest in the Property, any profits and losses of this tenancy in common shall be shared by the Tenants in accordance with their ownership percentages as set forth above.
4. **Financing.** After acquiring an interest in the Property, as between and among Tenants in Common, each Tenant shall pay his proportionate share of each and every cost or expense arising in connection with the acquisition and retention of the Property, including but not limited to, payments of taxes, insurance, assessments, legal and accounting fees, all in an amount equal to his undivided percentage ownership in the Property.
5. **Improvements on Repairs.** After acquiring an interest in the Property, the parties shall mutually agree on an annual budget for any renovation and repairs and share equally in the same.
6. **Default.** After acquiring an interest in the Property, each Tenant in Common will promptly contribute when as the same becomes due, his or her equal share of any future taxes, assessments, insurance premiums, or other costs on said real property. In the event that any party is unable to pay his share of such costs, the other Tenants in Common are authorized to make such payments on behalf of such party. Any such amount so advanced by one party on behalf of another, shall, bear interest at the rate of twelve percent (12%), per annum from the date of the advance and shall be due immediately upon written demand for payment in the manner hereinafter provided. If the



200604240002

Skagit County Auditor

full amount of such advance or advances, together with interest thereon, is not paid by the party for whom such advance was made within thirty (30) days after his receipt of said notice of demand for payment, then such party shall be a defaulting party hereunder. In the event of any sale of said real property, the net proceeds shall be divided among the Tenants in Common according to their respective ownership percentages, but there shall be deducted from the share of any defaulting party the delinquent advances, plus interest, to reimburse the other Tenants in accordance with this paragraph seven (7). In the event of a sale at a loss, such defaulting party shall bear his proportionate share of such loss and shall also be required to reimburse the other Tenants in Common for the amount of any advances made by reason of his default, with interest.

- 7. Management.** After acquiring an interest in the Property, all decisions relating to the management and sale of the real property shall be made by majority vote of the Tenants in Common which shall be taken at such meetings as are provided for herein. The Tenants in Common shall endeavor to meet annually to discuss management of the real property. The Tenants in Common may appoint one of their group as managing agent for the following year, or they may choose to manage the Property as a group. The first annual meeting shall occur within thirty (30) days of the closing of the sale, and each subsequent annual meeting shall be held close to this date as is practicable for the Tenants in Common. Special meetings may be held upon 15 days notice by any one of the Tenants in Common, or soon thereafter, as all of the Tenants in Common are able to convene. All meetings of the Tenants in Common shall be held at locations mutually convenient to the parties. The notice period may be waived by unanimous written agreement among all of the Tenants in Common.
- 8. Salaries and Draws.** No Tenant in Common shall receive a salary for services rendered on behalf of the Tenants in Common unless otherwise agreed in writing by all of the Tenants in Common.
- 9. Bank Accounts.** All funds, if any, of the tenancy in common shall be deposited in the names of the Tenants in Common in such checking account or accounts as designated by the Tenants in Common, as necessary. Each of the Tenants in Common shall have the capacity to sign checks on behalf of the tenancy in common.
- 10. Books and Records.** A set of books and records reflecting all transactions of the tenancy in common, shall be kept and maintained by the Tenants in Common; and each Tenant in Common shall have access to and have the right to inspect and audit such books and records at any reasonable time.



200604240002  
Skagit County Auditor

**11. Insurance.** The Tenants in Common may obtain liability and property damage insurance for their mutual protection and for the protection of their respective interests in the Property and any improvements thereon.

**12. Improvements.** No improvements to the Property, which shall inure to the benefit of one or more of the Tenants in Common, shall be undertaken without prior, unanimous agreement by and among the Tenants in Common as to the location, specification, and ownership of said improvements.

**13. Transferability.**

- a. Except as otherwise provided herein, no Tenant in Common shall, except in strict accordance with this Agreement, sign, mortgage, encumber, or sell any rights or interests he may have in the tenancy in common or its real and/or personal property, or enter into any agreement as a result of which any person, firm or corporation shall become interested with him in the tenancy in common. Each party hereto irrevocably waives any and all right that he or she may have to maintain any action for partition with respect to his undivided interest in the real and personal property of this tenancy in common or to compel any sale thereof in accordance with any statutes now existing or hereafter enacted.
- b. At any time any Tenant in Common desiring to sell his or her undivided interest herein shall so inform the other Tenant in Common by written notice mailed by certified mail. Each of the other Tenants in Common shall have the option to purchase the Selling Tenant's interest on the terms as are described herein, provided said option to purchase is exercised in writing and mailed to the Selling Tenant within 30 days after the date of mailing of the Selling Tenant's notice of intention to sell. The Tenant exercising such option shall be entitled to purchase the interest offered for sale as her undivided interest.
- c. For the purpose of computing the price of any interest in the Property that is for sale, pursuant to the terms of this Agreement, unless and until change is provided hereinafter, the full fair market value of the premises is the value stated in Exhibit "B", attached hereto, which exhibit is made a part of this Agreement. Commencing 12 months from the date of this Agreement, the parties shall review the last stipulated value of the Property. Upon such review, the parties may agree either on a new value or to retain the last stipulated value. In either case, the agreed value shall be endorsed upon Exhibit "B" attached hereto in the following form: "The undersigned mutually agree on this 24th day of April, 2006, the value of the real property shall be \$185,125.00 This endorsement shall be signed by all Parties. If the parties fail to review the last previous valuation or agree upon a valuation after review, the parties may each obtain an real



200604240002  
Skagit County Auditor

estate appraisal at their own expense and the purchase price shall be half the average of the two appraisals, provided, however, that if improvements have been made to the Property after the last stipulated valuation, there shall be added to the appraisal price, the cost of the improvements made subsequent to the latest stipulated valuation. Any purchase price shall be payable in cash at the time of closing; title to said undivided interest shall be conveyed by statutory warranty deed, free of all encumbrances. The selling Tenant shall be required to provide purchasing Tenant with standard coverage title insurance.

- d. If the non-selling Tenant in Common exercises the purchase option provided above in subparagraph (b) within the time provided herein, then the selling Tenant may sell his or her interest for the price and on the terms set forth in his or her notice of intent to sell, **provided that any purchaser shall be bound by the terms of this Agreement to the same extent as the selling Tenant.**
- e. Upon the death of a Tenant in Common, the surviving Tenant in Common shall have the option to purchase, in the proportion described in subparagraph (b) above, the deceased Tenant's undivided interest. Such option shall be exercised by giving written notice to the legal representative of the estate of the deceased Tenant within thirty (30) days after the date of his appointment. The legal representative of the deceased Tenant in Common shall be required to sell such interest only in the event the entire interest of the deceased Tenant is acquired by exercise of said options. The price shall be determined pursuant to the provisions of subparagraph (c) above. Full payment for such undivided interest shall be made to the deceased Tenant's legal representative within thirty (30) days of the date of notice that the purchase option will be exercised. If the surviving Tenant does not exercise the option to purchase as set forth herein, then the surviving Tenant shall receive a life estate of the deceased Tenant's interest subject to the terms of the deceased Tenant's Last Will and Testament.
- f. In the event of bankruptcy or insolvency of a Tenant, or in the event of the attachment, levy, or execution against or upon a Tenant's undivided interest, or in the event that a Tenant's undivided interest is subject to a judicial sale under the laws of any local, state, or federal government, or if a Tenant's undivided interest is to be transferred by any legal action brought by any person, including the spouse or former spouse of said tenant, or by reason of the death of said spouse, the remaining Tenants shall have the right to purchase some or all of the Tenant's undivided interest that is subject to any such transfer or any legal action at the price and on the terms specified above in subparagraph (c). Such right shall commence upon the date on which all of the other Tenant's receive notice of the transfer or legal action and shall be exercisable according to the



200604240002  
Skagit County Auditor

same procedure as set forth in subparagraph (b) above. If the entire Property interest subject to the transfer or legal action is not purchased by the remaining Tenants in a timely manner as set forth herein, it shall be a condition precedent to the effectiveness of any such transfer that the transferee of such interest agree in writing to be bound by all of the terms and conditions of this Agreement and to be included as a Tenant in Common pursuant to the terms hereof.

- g. The options contained herein shall not be transferable by the Tenants in Common.

**14. Dispute Resolution.** In the event of a disagreement with respect to any matter arising under this Agreement or of the breach thereof or with respect to the conduct of the Tenants in Common business, such disagreement shall be determined by an Arbitrator agreed to by the Parties who shall conduct the arbitration in accordance with the Rules of Mandatory Arbitration of the Superior Court of Skagit County, State of Washington, and judgment upon any award or decision rendered may be entered by the Superior Court of the State of Washington for Skagit County. The decision of the arbitrator shall be binding on the Parties.

**15. Modification.** No change or modification of this Agreement shall be valid or binding upon the parties, nor shall any waiver of any term or condition thereof be deemed a waiver of such term or condition in the future, unless such change, modification or waiver shall be in writing signed by all the parties hereto.

**16. Binding Effect.** Except as provided herein, this Agreement shall inure for the benefit of and be binding upon the parties hereto, their legal representatives, heirs, and assigns.

**17. Duration.** This Agreement shall continue in force and effect as long as any two or more of the Tenants in Common hereto shall own an interest in said real estate.

**18. Severability.** If any term or provision of this Agreement, or the applicability thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held to be invalid or unenforceable, shall not be affected thereby and shall continue in full force and effect.

**19. Notices.** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the respective addresses of the parties set forth below; or to such other respective addresses as the parties hereto may hereafter from time to time designate in writing. Notices sent by



200604240002  
Skagit County Auditor

mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

Name

Address

**Kenneth E. Kraemer**

770 Shelter Bay Dr. LaConner, WA. 98257

**Mary Lou Grogan**

770 Shelter Bay Dr. LaConner, WA. 98257

**20. Prior Agreements.** This Agreement supercedes any and all prior oral or written agreements between or among the parties or any of them relating to the real property described herein.



200604240002

Skagit County Auditor

4/24/2006 Page 8 of 11 9:11AM




IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

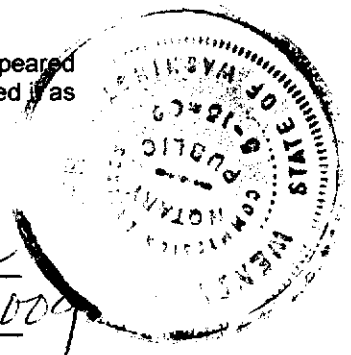
  
Mary Lou Grogan

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF SKAGIT         )

I certify that I know or have satisfactory evidence that Mary Lou Grogan, personally appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED at LaConner, Washington this 24<sup>th</sup> day of April, 2006.

  
Wendy Chevalier, Notary Public  
My Commission expires: May 15, 2009



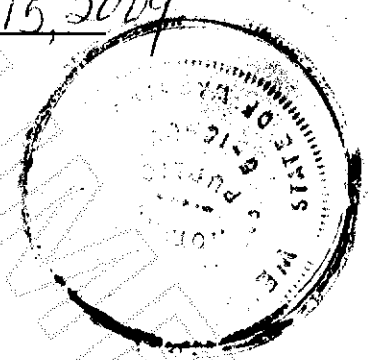
  
Kenneth E. Kraemer

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF SKAGIT         )

I certify that I know or have satisfactory evidence that Kenneth E. Kraemer, personally appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED at LaConner, Washington this 24<sup>th</sup> day of April, 2006.

  
Wendy Chevalier, Notary Public  
My Commission expires: May 15, 2009



200604240002  
Skagit County Auditor

**EXHIBIT "A"**

**Property Description:**

Shelter Bay, Block 4, Lot 770

Situate in the County of Skagit, State of Washington.

Parcel : L84767



200604240002

Skagit County Auditor

**EXHIBIT "B"**

The undersigned mutually agree on this 24th day of April, 2006, that the value of the real property shall be \$185,125.00.

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**Mary Lou Grogan**

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**Kenneth E. Kraemer**



200604240002

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