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WHEN RECORDED RETURN TO:

NANCY L. DURELL 1101-C 8th Street Anacortes WA 98221

BOUNDARY LINE ADJUSTMENT

GRANTORS:

LUCILLE L. WERNER, a single woman and THELMA LOIS PALMER-LUMINA & LUKE ANTHONY PAUL LUMINA, husband and wife, as individuals and as Trustees, or their successors in trust, under the THELMA PALMER LIVING TRUST, dated December 16,

2005.

GRANTEES:

The Public and THELMA LOIS PALMER-LUMINA & LUKE ANTHONY PAUL LUMINA, husband and wife, as individuals and as Trustees, or their successors in trust, under the THELMA PALMER LIVING TRUST, dated December 16, 2005.

LEGAL DESCRIPTIONS:

Parcel 1:

P19252 is that portion of the Northeast quarter (Palmer Property): of the Southwest quarter of Section 12, Township 34 North, Range 1, East of the Willamette Meridian. For complete legal description, see

Section C, infra.

(Palmer Property):

P19253 is that portion of the Northeast quarter of the Southwest quarter of Section 12; Township 34 North, Range 1, East of the Willamette Meridian. See complete legal description in

Section C, infra.

Parcel Nos.

P19252, P19253

Parcel 2:

A PORTION OF P 19302, A PARCEL OF (Werner Property):

LAND beginning at a point 566 feet west and 466 feet south of the center quarter corner of Section 12, Township 34 North, Range 1 East,

W.M.; See complete legal description in Section D2a, infra:

Parcel No.

A portion of P19302

RECITALS

A. Thelma Lois Palmer-Lumina and Luke Anthony Paul Lumina, husband and wife, as individuals and as Trustees, or their successors in trust, under the Thelma Palmer Living Trust,

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dated December 16, 2005, are the owners of the property described and referenced as Parcel 1 above; and,

- B. Lucille L. Werner (hereafter "Werner), a single woman, is the owner of the property referenced as Parcel 2 above; and,
 - C. Parcel 1 is comprised of two tax parcel ID numbers.
 - 1) P19252 is the South half of the following described property:

 That portion of the Northeast quarter of the Southwest quarter of Section 12, Township 34 North, Range 1, East of the Willamette Meridian, described as follows: Beginning 566 feet West and 466 feet South of the center of said Section 12; thence South 460 feet; thence East 100 feet; thence North to a point East of the point of the beginning; thence West to the point of beginning; EXCEPT County Road rights-of-way, situated in Skagit County, Washington; and,

P19253 is the North half of the following described property: That SKAGIT COUNTY WASHINGTOPORTION of the Northeast quarter of the Southwest quarter of Section 12; BEAL ESTATE EXCISE TAX

DEC 2 9 2008

Township 34 North, Range 1, East of the Willamette Meridian, described as follows: Beginning 566 feet West and 466 feet South of the center of said Section 12; thence South 460 feet; thence East 100 feet; thence North to a point East of the point of beginning; thence West to the point of beginning; EXCEPT County Road rights-of-way, situated in Skagit County, Washington.

- D. Parcel 2, is comprised of tax parcel ID number P19302, which has the following current legal description:
 - 1) O/S#25 AF#8202180006 1983 TRANSFER TO OPEN SPACE CONSERVATION C/UTROS#6-2004 AF#20050713 2006 W 755FT OF NE1/4 SW1/4 N OF CO RD LESS R.
 - 2) For purposes of this agreement, only the land described as follows will be conveyed from Werner to the Trustees and Successors of the Thelma Palmer Living Trust, dated December 16, 2005:
 - a) Beginning at a point 566 feet west and 466 feet south of the center quarter corner of Section 12, Township 34 North, Range 1

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East, W.M.: thence N 00 degrees 52' 00" W parallel with the east line of the southwest quarter of said Section 12, a distance of 24 feet, more or less, to an east-west fence shown on that certain survey filed under Auditor's File No. 200307310093; thence westerly along said fence, a distance of 20 feet, more or less to an intersection with a north-south fence shown on said survey; thence southerly along said north-south fence, a distance of 456 feet more or less to the north right of way line of the Campbell Lake road; thence N 00 degrees 52' 00" W, a distance of 430.30 feet, more or less, to the point of beginning of this description.

Containing 4,450 square feet, more or less, and depicted in the diagram attached as Exhibit A.

E. Werner, Palmer and the Trustees and Successors of the Thelma Palmer Living Trust wish to agree on certain issues relating to their respective boundary lines.

NOW, THEREFORE, in consideration of the mutual benefits inuring to each of the parties hereto they agree and covenant as follows:

- 1. That Werner will sign a Bargain and Sale Deed in the form attached hereto as Exhibit B, conveying to the Trustees and Successors of the Thelma Palmer Living Trust, dated December 16, 2005, that certain real property described as follows:
- 2. That said property will be combined and aggregated with contiguous property owned by the Trustees and Successors of the Thelma Palmer Living Trust, dated December 16, 2005, and heretofore described as Parcel 1. This boundary adjustment is not for the purpose of creating any additional building lots.
- The Trustees and Successors of the Thelma Palmer Living Trust shall pay to Werner \$ 1,200.00, \$ 200.00 of which represents payment to Terrance Froese for services rendered to Werner for his independent review of the documents pertaining to this matter.
- 4. The Trustees and Successors of the Thelma Palmer Living Trust, dated December 16, 2005, agree to pay to the appropriate government agency any and all real estate

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excise taxes, penalties, fees and costs associated with this transaction and conveyance including, but not limited to, those specifically referenced in this document.

- 5. The Trustees and Successors of the Thelma Palmer Living Trust, dated December 16, 2005, shall indemnify, defend, and hold harmless Werner of any and all taxes, penalties, fees and costs associated with this transaction and conveyance.
- 6. It is understood that the land being conveyed from Werner is currently assessed at a tax rate consistent with the "Open Space/Farm Preservation" program. When conveyance to the Trustees and Successors of the Thelma Palmer Living Trust occurs, the 4,450 square feet of land being conveyed will engender a higher tax assessment value.
- 7. As such, and if applicable, the Trustees and Successors of the Thelma Palmer Living Trust agree to pay to the appropriate government agency the 20% penalty and/or back taxes (compound interest rate of 1% per month) associated with conveyance to Palmer by Werner of the land which is the subject of this document and which land is currently classified for tax purposes as "Open Space/Farm Preservation" land.
- 8. The Trustees and Successors of the Thelma Palmer Living Trust agree to pay all recordation fees, including recordation of the Boundary Line Adjustment, the Bargain and Sale Deed, and registration of Barbara Peterson's Power-of-Attorney held on behalf of her mother, Lucille Werner.
- 9. By their signatures below, Werner and Peterson acknowledge that the Trustees and Successors of the Thelma Palmer Living Trust had this Agreement prepared by Attorney Nancy L. Durell of Anacortes, Washington, and that Werner via Peterson has been advised that they have the right to have an attorney of their choosing review said Agreement and all associated documents.
- 10. Each party to the contract will execute any and all other agreements which may be necessary to carry out the intent of this Agreement.

11. Entire Agreement.

This Agreement, and any other document to be furnished pursuant to the provisions hereof, embody the entire agreement and understanding of the Parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents.

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This Agreement and such documents supersede all prior agreements and understandings among the Parties with respect to the subject matter hereof.

12. Severability.

Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement, or affecting the validity or enforceability of any of the terms or provisions of this Agreement.

13. Attorney Fees.

If any action is brought by any Party to this Agreement to enforce or interpret its terms or provisions, the prevailing Party will be entitled to reasonable attorney fees and costs incurred in connection with such action prior to and at trial and on any appeal therefrom.

14 Jurisdiction and Venue.

Jurisdiction and venue shall lie in Superior Court, Skagit County, and State of Washington.

15. Dispute Resolution.

The Parties agree to attempt to resolve all disputes arising out of this Agreement.

Any Party desiring mediation may begin the process by giving the other Party a written Request to Mediation, describing the issues involved and inviting the other Party to join with the calling Party to name a mutually agreeable mediator and a time frame for the mediation meeting. The Parties and mediator may adopt any procedural format that seems appropriate for the particular dispute. The contents of all discussions during the mediation shall be confidential and non-discoverable in subsequent arbitration or litigation, if any. If the Parties can agree upon a mutually acceptable agreement, it shall be reduced to writing, signed by the Parties, and the dispute shall be at an end.

16. Arbitration.

If the result of the mediation is a recognition that the dispute cannot be successfully mediated, or if either Party refuses to mediate or to name a mutually acceptable mediator and a time frame for mediation within thirty [30] days of receipt of a written Request to Mediate, then the Parties shall submit the matter to binding Arbitration. Except for injunctive relief, any dispute thus arising between the Parties to this agreement regarding the rights, terms or conditions therein

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JLIL Werner/Palmer

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contained shall be submitted to a panel of three (3) Skagit County attorneys for binding arbitration. Each Party shall choose one attorney, and the two attorneys chosen shall choose a third attorney to complete the arbitration panel. Using the American Arbitration Association rules for arbitration, they shall render a decision which decision may be entered into a Skagit County, State of Washington, Superior Court judgment by any Party and so enforced.

17. Liability under this agreement is joint and several.

THELMA LOIS PALMER-LUMINA, individually, and on behalf of the THELMA PALMER LIVING TRUST

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that THELMA LOIS PALMER-LUMINA signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: Notary Public in and for the State of Washington, residing at: My appointment expires:

LUKE ANTHONY PAUL LUMINA individually, and on behalf of the THELMA PALMER LIVING TRUST



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STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that LUKE ANTHONY PAUL LUMINA signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that <u>Barbara Peterson</u> signed this instrument, on oath stated that she was authorized to execute the instrument as attorney-in-fact for <u>Lucille Werner</u>, acknowledged it as her free and voluntary act and deed as Attorney in Fact for said principal for the uses and purposes therein mentioned, and on oath stated that the Power of Attorney authorizing the execution of this instrument has not been revoked and that said principal is now living.

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Skagit County Auditor

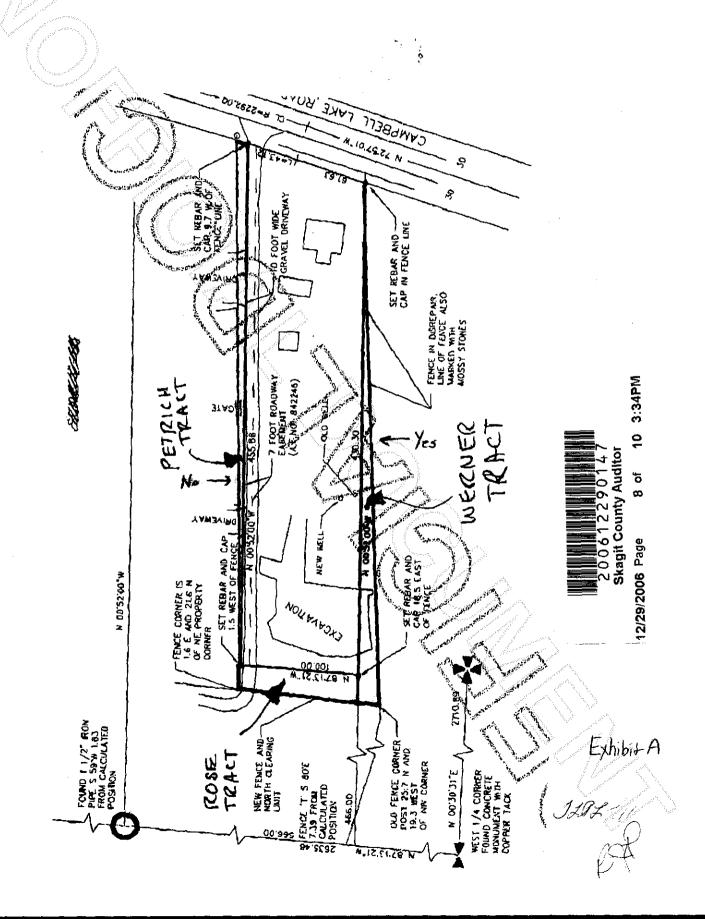
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EXHIBIT A





DATED: October 19.

Notary Public in and for the State of Washington, residing at: ANACOLTES

My appointment expires: 7-13-09

APPROVED BY SKAQIT COUNTY, PLANNING & DEVELOPMENT:

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805 Molecul St.: Sedin-Woolley, WA 98281 Pricho: (350) 855-2121 FAX: (350) 855-1858

LEGAL DESCRIPTION
FOR
LUKE LUMINA
OF
WERNER TRACT
P19302

July 26, 2006

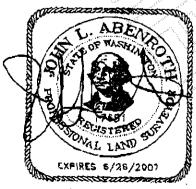
Beginning at a point 566 feet west and 466 feet south of the center quarter corner of Section 12, Township 34 North, Range 1 East, W.M.; thence N 00°52'00"W parallel with the east line of the southwast quarter of said Saction 12, a distance of 24 feet, more or less, to an east-west fonce shown on that certain survey filed under Auditor's File No. 200307310093; thence westerly along said fence, a distance of 20 feet, more or less to an intersection with a north-south fence shown on said survey; thence southerly along said north-south fence, a distance of 456 feet more or less to the north right of way line of the Campbell Lake road; thence N 00°52'00"W, a distance of 430.30 feet, more or less, to the point of Deginning of this description.

Containing 4,450 square feet, nore or less.



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