

AFTER RECORDING RETURN TO:

Bailey, Duskin, Peiffle & Canfield, P.S.
P.O. Box 188
Arlington, WA 98223

Our File No. 7014



200905060104

Skagit County Auditor

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Grantors: SPRAGUE, STEPHEN R., an unmarried man
WOLF, DENISE A., an unmarried woman
SNUGGS, PATRICIA, an unmarried woman

Grantees: SPRAGUE, STEPHEN R., an unmarried man
WOLF, DENISE A., an unmarried woman
SNUGGS, PATRICIA, an unmarried woman

Tax parcel no.: 340433-3-004-0900 P127100
340433-3-002-0009 P29664

Legal: Lot 2, SKAGIT COUNTY SP#PL-07-0567
PORTION, SW 1/4, SECTION 33, T. 34 N., R. 4E, W.M.

RECIPROCAL RESIDENTIAL USE ACCESS & UTILITY EASEMENT

Chicago Title 620001838

THE PARTIES HERETO are STEPHEN R. SPRAGUE, an unmarried man, and DENISE A. WOLF, an unmarried woman; and PATRICIA SNUGGS, an unmarried woman.

I. RECITALS

1.1 Stephen R. Sprague and Denise A. Wolf ("Sprague and Wolf") are or are to become the owners of the following-described property:

Assessment
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 06 2009

Amount Paid \$
Skagit Co. Treasurer
By *[Signature]* Deputy

Lot 2, SKAGIT COUNTY SHORT PLAT NO. PL-07-0567 as approved February 1, 2008 and recorded February 1, 2008, under Auditor's File No. 200802010077, records of Skagit County, Washington; being a portion of Lot 4 of Skagit County Short Plat No. 91-68 recorded December 27, 1991 in Volume 10 of Plats, page 37, under Auditor's File No. 9112270001, records of Skagit County, WA, and a portion of the Southwest 1/4 of Section 33, Township 34 North, Range 4 East of the Willamette Meridian;

Located in Skagit County, Washington.

The above described property is hereinafter called the "Sprague/Wolf" property."

1.2 Patricia Snuggs (hereafter called "Snuggs") is the owner of the following-described property:

The South 432 feet of the East 330 feet of the West 660 feet of the Southwest 1/4 of Section 33, Township 34 North, Range 4 East, W.M., except road along the South line thereof; AND EXCEPT the West 150 feet thereof,

Located in Skagit County, Washington.

The above described property is hereinafter called the "Snuggs property."

1.3 The parties desire to create a reciprocal easement for ingress, egress and utilities across the west 17 feet of the Snuggs property and a portion of the east 30 feet of the Sprague/Wolf property, to be used upon annexation into the City of Mount Vernon.

II. CONSIDERATION

2.1 The consideration for this easement and the rights and duties enumerated is the mutual benefit to be derived from the terms and conditions contained below.

III. TERMS AND CONDITIONS OF RESIDENTIAL USE ROAD AND UTILITY EASEMENT

3.1 Each party grants to the other a reciprocal easement for residential use, including ingress, egress and utilities, across the west 17 feet of the Snuggs property and the south 432 feet of the east 30 feet of the Sprague/Wolf property; provided, however, that said easement shall not



be used for said purposes unless or until either property is annexed into the City of Mount Vernon by appropriate legislative action.

3.2 In exchange for the said easement, Sprague and Wolf agree that if and when the Sprague/Wolf property is annexed into the City of Mount Vernon, and if the Sprague/Wolf property is then subdivided to yield not less than 18 lots (based on the current single family medium density zoning designation), then Sprague and Wolf shall convey to Snuggs a single lot of said potential future subdivision. Said lot shall be mutually agreed upon by the parties. The parties do further agree that in the event the zoning designation or other circumstances change to reduce the current anticipated lot yield of the Sprague/Wolf property to less than 18 lots, the obligation of Sprague and Wolf shall be to convey a cash equivalent of 1/18 of the actual lot yield. (By way of illustration only, if the regulations change so that only 9 lots can be developed on the Sprague/Wolf property, then the obligation of Sprague and Wolf shall be to convey either a 50% ownership interest in one lot, or the cash equivalent of the same.)

3.3 Obligation for Future Maintenance. The parties, for themselves, their heirs, executors, successors and assigns, do further agree that, during such time as the easement for ingress, egress and utilities is used as such, the parties shall each pay their proportionate share of the maintenance obligations associated with the easement. For example, with two (2) units total, each property owner would pay a 50% share of the total maintenance and repair costs; if twenty (20) units were constructed on the properties, each party would pay a 5.0% share of the total maintenance and repair costs for each unit owned; provided, however, in the event maintenance or improvements are made which principally benefit a particular property, then only that property's owner shall be required to pay for such improvements. The parties agree that the cost



of improvements, maintenance or repairs shall be paid based on the ownership of the property at the time of improvements, maintenance or repairs. If any party fails to make timely payment when due, the other party or parties may, but are not obligated to, after giving 5 days written notice to the defaulting party, pay such amount owing, and the defaulting party shall be liable to the non-defaulting party(s) thereon for the sums paid, together with interest at a rate of 12% per annum, which sum shall be immediately due upon demand. Furthermore, said sum without further notice shall constitute a lien upon said defaulting party's real property affected by this agreement. A notice of lien, signed by any non-defaulting party shall be duly recorded in Skagit County, which lien may then be foreclosed in the manner provided for the foreclosure of mortgages. The defaulting party shall pay all costs of collection, including a reasonable attorney's fee. Any non-defaulting party hereto may undertake and pursue such collection.

3.4 Each party shall cooperate with the other and shall be obligated to sign whatever documentation may be required to permit the subdivision of their respective properties in the future.

3.5 In the event of any dispute concerning the interpretation of this agreement, the parties agree to make reasonable attempts at negotiation and compromise, and that they will seek to resolve any issues arising under this contract by a mutually agreed-upon alternative dispute resolution of mediation or arbitration prior to resorting to litigation.

3.6 This agreement shall be binding upon the parties hereto and upon their heirs, successors and assigns.



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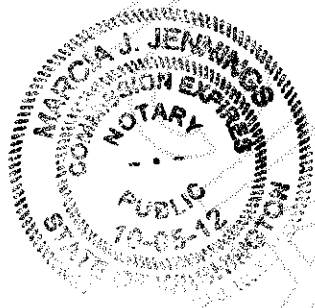
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6 11:38AM

STATE OF WASHINGTON)
) ss:
COUNTY OF SKAGIT)

On this day personally appeared before me Denise A. Wolf, known to me to be the individual described herein and who executed the within and foregoing instrument, and on oath stated that she is authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and seal this 5th day of May, 2009.

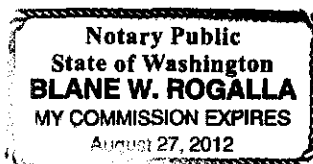


Marcia J. Jennings
Notary Public in and for the State of
Washington, residing at Sedro Woolley
My commission expires: 10/5/2012
Printed name: Marcia J. Jennings

STATE OF WASHINGTON)
) ss:
COUNTY OF SKAGIT)

On this day personally appeared before me Patricia Snuggs, known to me to be the individual described herein and who executed the within and foregoing instrument, and on oath stated that she is authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and seal this 2nd day of May, 2009.

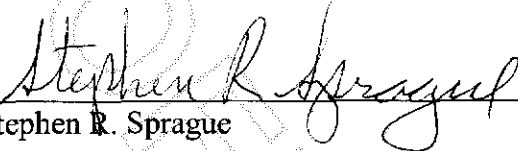


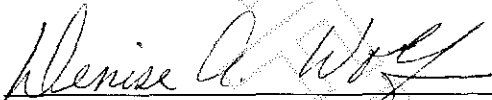
Blane W. Rogalla
Notary Public in and for the State of
Washington, residing at 570 Kincaid St
My commission expires: AUG. 27, 2012
Printed name: BLANE ROGALLA

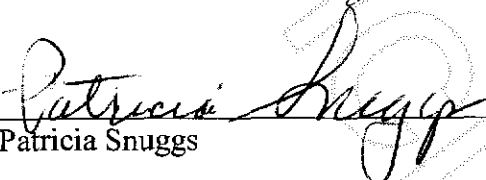


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SIGNED AND AGREED UPON


Stephen R. Sprague


Denise A. Wolf


Patricia Snuggs

STATE OF WASHINGTON)
) ss:

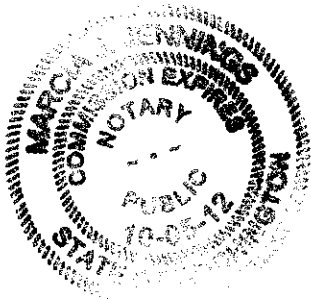
Date: 5-5-09

Date: 5-5-2009

Date: 5-2-2009

On this day personally appeared before me Stephen R. Sprague, known to me to be the individual described herein and who executed the within and foregoing instrument, and on oath stated that he is authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and seal this 5th day of May, 2009.



Marcia J. Jennings
Notary Public in and for the State of
Washington, residing at Sedro Woolley
My commission expires: 10/5/2012
Printed name: Marcia J. Jennings



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