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201104280090
Skagit County Auditor
4/28/2011 Page 1 of 9 4:09PM

Return Address:
Elaine Spencer
Graham & Dunn PC
2801 Alaskan Way, #300
Seattle, WA 98121-1128

LAND TITLE OF SKAGIT COUNTY
138954-OE

Please print or type information WASHINGTON STATE RECORDER'S Cover Sheet RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document **must** be filled in)

1. TENANTS IN COMMON AGREEMENT

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page __ of document

Grantor(s) (Last name, first name, initials)
Forsyth, Dennis C. and Spencer. Elaine L., husband and wife, and Stewart, John, a married man as his separate property

Grantee(s) (Last name first, then first name and initials)
Forsyth, Dennis C. and Spencer. Elaine L., husband and wife, and Stewart, John, a married man as his separate property

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

The West 313.00 feet of the East 733.00 feet of Government Lot 4; also the West 313.00 feet of the East 733.00 feet of the North 440.48 feet of Government Lot 5; all in Section 9, Township 36 North, Range 1 East, W.M. containing 5.10 acres more or less.

Together with an easement for ingress and egress over, across, through and upon the South 40.00 feet of the East 733.00 feet of the North 480.48 feet of Government Lot 5; all in Section 9, Township 36 North, Range 1 East, W.M.,

All situate in the county of Skagit, State of Washington

Assessor's Property Tax Parcel/Account Number ☐ [#360109-0-006-0101; #360109-0-007-0100; #360109-0-007-0209]

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

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AFTER RECORDING RETURN TO:
Elaine L. Spencer
Graham & Dunn PC
2801 Alaskan Way, #300
Seattle, WA 98121-1128

COTENANCY AGREEMENT

The parties, John Stewart, a married man holding his interest as separate property ("Stewart") and Dennis Forsyth and Elaine Spencer, husband and wife holding their interest as community property (hereafter collectively "Forsyth"), ("the Parties") agree as follows:

1. Property. The parties to this Agreement own property located in Skagit County, as tenants in common (the "Property") described as follow:

The West 313.00 feet of the East 733.00 feet of Government Lot 4; also the West 313.00 feet of the East 733.00 feet of the North 440.48 feet of Government Lot 5; all in Section 9, Township 36 North, Range 1 East, W.M. containing 5.10 acres more or less.

Together with an easement for ingress and egress over, across, through and upon the South 40.00 feet of the East 733.00 feet of the North 480.48 feet of Government Lot 5; all in Section 9, Township 36 North, Range 1 East, W.M.,

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

2. Ownership. The parties intend to, and do hereby create, two undivided interests in the Property, held as tenants in common as follows:

Stewart	75% undivided interest
Forsyth	25% undivided interest

Stewart's interest may be transferred to Lincoln Stewart or his children, but except as provided in paragraph 6 below, to no other party. Forsyth's interest may be transferred to Elizabeth Forsyth and Michael Langan or to the children of Elizabeth Forsyth, but except as provided in paragraph 6 below, to no other party. As used herein "Stewart" refers to John Stewart or to Lincoln Stewart if John Stewart transfers his interest to Lincoln Stewart by gift or devise, or to Lincoln Stewart's children if they become owners of the Property. As used herein "Forsyth" refers to Dennis Forsyth and Elaine Spencer and/or to Elizabeth Forsyth and Michael Langan if Dennis Forsyth and Elaine Spencer

transfer some or all of their interest to Elizabeth Forsyth and Michael Langan or Elizabeth Forsyth by gift or devise, or to Elizabeth Forsyth's children if they become owners of the Property.

3. Purpose of Ownership. The Property is held by both parties as a long-term family investment for personal recreational use. Both parties recognize that the intent is for the property to be held over many years and to pass to their children as described in paragraph 2. The restrictions on the sale of the Property described in paragraph 6 below are intended to facilitate the continued ownership by one of the parties if the other party decides that they must sell their interest, and to prohibit the interest of either Party in the Property from passing to any third party without the explicit agreement of the other Party. The Parties expect to work with each other and cooperate so that both of their interests can be protected and both Parties can obtain as much satisfaction from the Property as possible, consistent with the rights of the other Party.

4. Management of the Property. So long as John Stewart is able to go to the Property and remains physically able to do so, John Stewart will be the manager of the Property. He will be responsible for making all repairs as needed, and will bill Forsyth for 25% of the out of pocket costs of those repairs. He may at his discretion make any betterments to the Property with a total cost per year of not more than one thousand ($1,000) dollars and bill Forsyth for 25% of the cost of such betterments. If he believes that betterments with a total cost of more than one thousand ($1,000) dollars should be made, he will discuss the proposed betterments with Forsyth, to obtain their agreement, which shall not be unreasonably withheld. He will bill Forsyth for 25% of the out of pocket costs of any such betterments. Stewart shall timely pay all real estate taxes and bill Forsyth for 25% of the real estate taxes. Stewart will pay the rental fee for the propane tank and shall bill Forsyth for 25% of the annual rental fee for the propane tank. Forsyth shall pay the bills submitted by John Stewart under this paragraph within 30 days of receipt of the bill.

The parties will periodically discuss whether Forsyth should pay some portion of the cost of propane used on the property or other costs that may be in the nature of consumables rather than maintenance. The intent will be to roughly share the cost of consumables according to use.

Each year Stewart and Forsyth will discuss opening the cabin and closing the cabin to insure that those tasks are accomplished appropriately, recognizing that the first party to use the Property each year will have to open the cabin and the last party will have to close the cabin in accordance with the instructions prepared by John Stewart and left at the Property.

At such time as John Stewart feels he is no longer able to be responsible for the management of the property, the parties shall discuss how to provide for the on-going management and maintenance of the property, provided that the responsibility for out of pocket costs shall remain 75% Stewart and 25% Forsyth.

5. Use of the Property. The primary benefit that Stewart derives from a 75% ownership of the Property is the right to select 10 weeks each year to be at the Property (the "Stewart Use Rights"). The 10 week period of Stewart Use Rights can be 10 consecutive weeks or in two or more blocks totaling 10 weeks.

As part of the sale of her interest in the Property, Kristine Chrey Stewart ("Kris") has retained twelve weeks of "use rights" in the Property (the "KCS Use Rights"). The KCS Use Rights are not a property interest and they have no cash value. They terminate automatically if the property is transferred under paragraph 6 below. Kris has no obligations for the maintenance, insurance or taxes on the Property, and no right to participate in any ownership decisions related to the Property. Kris will be responsible for repair of any damage that occurs to the property or its furniture, fixtures or equipment as a result of her use of the Property under the KCS Use Rights.

The Parties recognize that their use of the Property will be enhanced if all parties maintain a level of flexibility, and this paragraph is not intended to discourage such flexibility, but rather to create a structure that can be modified by mutual agreement if appropriate.

Time of use of the Property shall be determined as follows:

a. By March 1 of each year, Stewart will tell Forsyth what weeks Stewart wants for the Stewart Use Rights that year.

b. By April 1 of each year until the KCS Use Rights have been used up, Forsyth will tell Stewart and Kris if there is a block of time that Dennis Forsyth and Elaine Spencer or Elizabeth Forsyth and Michael Langan want to use the Property other than during the period selected by Stewart for the Stewart Use Rights.

c. By May 1 of each year until the KCS Use Rights have been used up, Kris will tell the Forsyth and Stewart if there is a period outside of the blocks taken in (a) and (b) above when she wants to use some portion of the KCS Use Rights.

d. Thereafter, if no one has talked to Forsyth, any time period that Forsyth is able outside of the periods already taken, Forsyth, including Elizabeth Forsyth and Michael Langan, can use the Property. If Stewart, including Lincoln Stewart, has an opportunity to use the Property on the spur of the moment, Stewart will call Forsyth to find out if Forsyth was going to be using it, and if Forsyth is not using it, then Stewart, including Lincoln Stewart, can use it for that time period. If Kris wants to use one of the KCS Use Rights, she will call Forsyth to find out if Forsyth was going to be using it, and if Forsyth is not using it, then Kris can use one of the KCS Use Rights.

The parties acknowledge that their enjoyment of the Property will be enhanced if it is reasonably clean and tidy when they come to it. It is a recreational cabin and parties may choose to allow less than rigorous housekeeping while they are using the Property. It will be important, however, that when a party leaves the Property when the next user will be a different party, the cabin is left in clean and tidy condition. The parties will meet within the first year of this Agreement to agree on a standard for housekeeping by a party leaving the Property when another party will be using it next.

6. Transfer of Ownership of the Property. No party shall transfer any interest in the Property except as expressly permitted by this Agreement or unanimously agreed to by the parties. For purposes of this Agreement, "transfer" shall be construed as broadly as the law shall allow and shall include any change of legal or beneficial ownership with respect to such interest or the creation of a security interest or lien by any means.

If at any time one of the Parties wishes to transfer or dispose of their interest in the Property, they will give notice to the other Party ("the Exit Notice"). The Party giving

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such notice is hereafter referred to as the "Exiting Party." The Party receiving such notice is hereafter referred to as the "Continuing Party." Within 60 days of delivery of the Exit Notice to the Continuing Party the Parties shall meet to attempt to agree on the fair market value of the Property as of the date of the Exit Notice. If they cannot agree on the fair market value of the Property as of the date of the Exit Notice, then within 90 days of delivery of the Exit Notice to the Continuing Party, each party shall designate a real estate appraiser, and if necessary to come to agreement, the two designated appraisers shall designate a third appraiser. The appraisers shall determine the fair market value of the Property as of the date of delivery of the Exit Notice and shall send a letter to each of the Parties giving their opinion of that value. Each Party will be responsible for the fees of the real estate appraiser they designated and 50% of the fees of the third appraiser if a third appraiser is appointed by the first two appraisers.

Based on the fair market value as determined by the process described above, the Continuing Party will have two years from the date that the fair market value is established in which the Continuing Party can purchase or find a new co-tenant to purchase the Exiting Party's interest in the Property. (I.e., If Stewart is the Exiting Party, Forsyth or a new co-tenant Forsyth finds will be able to purchase Stewart's interest for 75% of the fair market value as determined. If Forsyth is the Exiting Party, Stewart or a new co-tenant Stewart finds will be able to purchase Forsyth's interest for 25% of the fair market value as determined.)

If at the end of the two year period the Continuing Party is not able to purchase or find someone to purchase the Exiting Party's interest, or upon earlier notice by the Continuing Party that they do not want to purchase the Exiting Party's interest, the Property will be offered by sale through a real estate broker experienced with sale of property in Skagit or San Juan County. The Parties will cooperate in working with the real estate broker to establish a listing price, and to adjust the listing price as recommended by the real estate broker from time to time, in order to secure a sale of the Property within eighteen months from the earlier of the date when the Continuing Party gives notice that they do not wish to purchase the Property or the expiration of the Continuing Party's right to purchase the Property.

Unless the Exiting Party agrees to the contrary, any sale of an interest in the Property by the Exiting Party to the Continuing Party or a new co-tenant found by the Continuing Party will be all cash at closing, with the Exiting Party to provide title insurance to the buyer, taxes and insurance to be pro rated at closing, and the seller and buyer to split closing costs.

Any transfer of the Property by one of the Parties, whether or not voluntary, except as provided in paragraph 2 above, may be treated by the other Party as the delivery of an Exit Notice. Any waiver of the right to treat a transfer as an Exit Notice shall not waive the right to treat any future transfer as an Exit Notice.

7. Definitions As used in this Agreement, the following words have the following meanings.

"Week" shall mean seven consecutive days, or any portion of a consecutive 7-day period. If, for instance, a party has a "week" of use rights and is only at the property from Saturday through the following Wednesday, the week nonetheless terminates at

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the Friday following the initial Saturday of the week; the two days not spent are not carried over.

8. Communication So long as Dennis Forsyth and Elaine Spencer own any portion of the "Forsyth" interest in the Property, any communication from Stewart to Forsyth will be to Dennis Forsyth and Elaine Spencer, and it will be Dennis Forsyth and Elaine Spencer's responsibility to communicate or collect money from Elizabeth Forsyth and Michael Langan. So long as John Stewart owns any portion of the "Stewart" interest, any communication from Forsyth to Stewart will be to John Stewart and it will be John Stewart's responsibility to communicate or collect money from Lincoln Stewart. Nothing in this paragraph in any way prohibits copying all parties with an ownership interest on emails or other communications related to the Property. The Parties will keep each other apprised of any change in their contact information. Communication by email will be normally the means of communication unless it is replaced by other standard form of communications to which the parties agree.

The Parties will notify each other of changes in their contact information. As of the signing of this Agreement the following contact information is applicable.

Stewart: John Stewart
2380 Simpson Ave.
Dubuque, IA 52003
563-580-6282

Jstewart2380@mchsi.com

Forsyth: Dennis Forsyth and Elaine Spencer
1419 Madrona Drive
Seattle, WA 98122
206-329-6657

dcforsyth@comcast.net
elspencer@comcast.net

9. Remedies on Default The intent of this Agreement is that each party shall pay the costs of ownership in accordance with their ownership share, and shall pay the cost of consumables in accordance with their use. Should Stewart fail to timely pay the costs described in paragraph 4, or should Forsyth fail to timely pay the bills submitted by Stewart as described in paragraph 4, the other party can pay those amounts. In that event, the amounts paid will become a debt of the party who should have paid, to the party who did pay. The debt shall earn interest at one percent per month until repaid. Should the property be transferred or sold under paragraph 6, any debt unpaid at the time of transfer or sale, plus accrued interest, shall be deducted from the amount the party in default would otherwise receive and paid to the party to whom the debt is owed. Should a party be in default on payments owed under this Agreement for six months or more, the other party can, at their option, give notice that if the amount in default is not paid, with accrued interest, within 30 days from the notice, the failure to pay will be treated as an Exit Notice by the party in default, and henceforth the party in default shall be treated as the Exiting Party and the party giving the notice shall be treated as the Continuing Party under paragraph 6.

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10. Waiver of Right to Judicial Partition This Agreement may be enforced by either Party by means of an action for specific performance. The Parties hereby waive any right to seek judicial partition of the Property.

11. Entire Agreement This Agreement reflects the entire agreement of the Parties. No modification of this Agreement shall be binding unless signed by the Party to be bound.

12. Choice of Law and Forum This Agreement shall be construed according to the laws of the State of Washington. Any action to enforce this Agreement shall be brought in Skagit County Superior Court.

Dennis Forsyth

Dennis Forsyth

Elaine Spencer

Elaine Spencer

John Stewart

John Stewart

STATE OF WA)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that on this 13 day of April, 2011, Dennis Forsyth is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 4-13-2011

Joy A. Hale
(Signature)
Joy A. Hale
(Please print name legibly)

NOTARY PUBLIC in and for the State of WA, residing at 16968-65th Ln NE, Kenmore WA
My commission expires 6-1-2013

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STATE OF Washington)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that on this 14th day of April, 2011, Elaine Spencer is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____

JEAN M. HOGAN
Commission Number 706309
My Commission Expires
October 18, 2012
NOTARIAL SEAL IOWA

Jean M Hogan
(Signature)
JEAN M HOGAN
(Please print name legibly)

NOTARY PUBLIC in and for the State of Iowa, residing at Dubuque Iowa
My commission expires 10/18/2012

STATE OF Iowa)
) ss.
COUNTY OF Dubuque)

I certify that I know or have satisfactory evidence that on this 21 day of March, 2011, John Stewart is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: March 21, 2011

(Signature)

(Please print name legibly)

NOTARY PUBLIC in and for the State of _____, residing at _____
My commission expires _____

201104280090
Skagit County Auditor

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STATE OF Washington)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that on this 14th day of April, 2011, Elaine Spencer is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 4/14/11

WENDY M. BERRY
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
DECEMBER 19, 2011

Wendy M. Berry
(Signature)
WENDY M. BERRY
(Please print name legibly)

NOTARY PUBLIC in and for the State of WA, residing at Kenmore
My commission expires 12/19/2011

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that on this ____ day of _____, 2011, John Stewart is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____

(Signature)

(Please print name legibly)

NOTARY PUBLIC in and for the State of _____, residing at _____
My commission

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