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Skagit County Auditor

Document Title:
MEMBERSHIP SHARE AGREEMENT

Reference # of Related Documents:

Grantor(s)/Grantee(s):
ALEC SCHLEMMER AND ELIZABETH SCHLEMMER, a Married Couple

Grantor(s)/Grantee(s):
COLONY MOUNTAIN COMMUNITY CLUB, a Washington Non-Profit Corporation

Abbreviated Legal Description:
TRACTS 61-64 COLONY MOUNTAIN AND
Portion of NW AND SW Quarters of Section 23, Township 36 North, Range 3 East.

Full legal description at Exhibit A attached hereto.

Assessor's Tax Parcel No(s):
P48036, P48014, P48011, P48004, P48120, P48122, P48045

MEMBERSHIP SHARE AGREEMENT

Page 1 of 9

MEMBERSHIP SHARE AGREEMENT

THIS MEMBERSHIP SHARE AGREEMENT is made and entered into this 15th day of January, 2019, by and between Alec Schlemmer and Elizabeth Schlemmer, husband and wife, and Colony Mountain Community Club, a Washington non-profit corporation. Collectively, Schlemmer and CMCC are referred to as the "Parties" or singularly as a "Party."

RECITALS:

A. CMCC is governed by its Articles of Incorporation and Bylaws and enforces its CR&As. CMCC is responsible for the operation and maintenance of a series of private roads and a Group A water system. The CMCC member property owners own approximately eighty-two (82) 5-acre tracts, one (1) 10-acre tract, and two (2) 2.5-acre tracts.

B. Schlemmer owns five (5) legally described properties incorporated into CMCC, which are commonly known as tract 61 ("Tract 61"), the westerly portion of tract 62 ("W. Tract 62"), the easterly portion of tract 62 ("E. Tract 62"), tract 63 ("Tract 63"), and tract 64 ("Tract 64") all within the unrecorded survey of Colony Mountain. These properties are legally described in Exhibit A, which is attached hereto and incorporated herein by this reference. W. Tract 62 and E. Tract 62 shall, collectively, be referred to herein as "Tract 62."

C. Schlemmer also owns the Development Tract, which is a single legal lot of record adjacent to CMCC that has been assigned two (2) tax parcel numbers. The first tax parcel number, P48120, is assigned to the Vacant Portion of the Development Tract. The second tax parcel number, P48122, is assigned to the Commercial Portion, which is improved with a commercial building and encompasses approximately one (1) acre.

D. Schlemmer believes that the Development Tract can support, at least, ten (10) single family lots. However, the Development Tract may be able to support more than ten (10) single family lots.

E. Schlemmer intends to apply to Skagit County for subdivision approval for the Subdivision, but has not yet done so.

F. The Parties have been negotiating for over four (4) years to develop a mutually beneficial arrangement to facilitate the necessary CMCC Improvements.

G. The Parties agree a DEA currently would be premature because Schlemmer has not begun developing a preliminary plat. However, the Parties also desire to confirm the terms upon which water will be available to the Development Tract. This Agreement provides those terms and is intended to be supplemented by a later-executed DEA, if needed.

H. On May 25, 2018, the Board approved Schlemmer's application for ten (10) new Membership Shares ("Schlemmer Shares") to serve the Development Tract, subject to receipt of payment of the purchase price. Each Membership Share reserves one (1) water service connection in the CMCC water system. Thus, as a result of CMCC's approval of the application for the ten (10) Schlemmer Shares, ten (10) water connections are reserved for the Development Tract.

I. CMCC has obtained a USDA-Rural Development Loan and arranged other financing to install the CMCC Improvements. The other financing includes the Schlemmer Payment.

J. On August 14, 2018, Schlemmer delivered to CMCC the first payment for the Schlemmer Shares: SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 per Membership Share, totaling EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$87,500.00) for five (5) of the ten (10) Schlemmer Shares.

K. Schlemmer has, in good faith, provided an easement for the installation of the CMCC Improvements across the Development Tract, as recorded under Auditor's File No. 201803290053.

L. Through this Agreement, the Parties intend to set forth the rights, responsibilities, and obligations of each Party regarding the Subdivision, the Schlemmer Shares, and the CMCC Improvements.

M. The foregoing recitals are a material part of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Definitions.** In addition to those terms defined elsewhere in this Agreement, the below terms are defined as follows.

Active Schlemmer Share(s) means the one (1) Schlemmer Share for which Schlemmer paid on August 14, 2018, which is assigned and appurtenant to the Development Tract, and following Subdivision, any one of the other Paid Schlemmer Shares or Reserved Schlemmer Shares assigned and appurtenant to a lot in the Development Tract; provided that, Reserved Schlemmer Shares must first be purchased before being eligible to become Active Schlemmer Shares. Active Schlemmer Share(s) enjoy all the privileges and have all the responsibilities as Membership Shares in CMCC currently have, including entitling its holder to vote, obtain water service, and access CMCC-owned private roads. The Active Schlemmer Share obligates Schlemmer to pay the same dues and assessments as other Membership Shares, as determined by the Board.

Agreement means this Membership Share Agreement.

Board means the Board of Directors of the CMCC.

CMCC means Colony Mountain Community Club, a homeowners association on Colony Mountain in Skagit County, Washington, incorporated as a Washington non-profit corporation.

CMCC Improvements means the improvements to the CMCC water system, including those which would allow CMCC to extend water service to the Development Tract.

Commercial Portion means the 1-acre portion of the Development Tract assigned tax parcel number P48122 that is currently being used for commercial purposes.

CR&As means the Covenants, Restrictions and Agreements of CMCC, recorded at Skagit County Auditor File No. 200104300175, as amended now or in the future.

DEA means the developer extension agreement both Parties agree may be necessary to serve the Development Tract with water from the CMCC water system, and/or incorporate the future subdivision road(s) into the CMCC private road system.

Development Tract means the single 57-acre legal lot of record owned by Schlemmer immediately adjacent to CMCC which is assigned tax parcel numbers P48120 and P48122, and which is legally described at Exhibit A.

Inactive Schlemmer Shares means the Shares are reserved for the Development Tract, but which do not yet enjoy the privileges or have the responsibilities of an Active Schlemmer Share or Membership Share. The four (4) Paid Schlemmer Shares which are not yet Active Schlemmer Shares and the five (5) Reserved Schlemmer Shares are the Inactive Schlemmer Shares and shall become Active Schlemmer Shares as described in Section 2 of this Agreement.

Membership Share means a share of stock of CMCC. A Membership Share runs with the land and entitles to the owner thereof to all rights and privileges of CMCC members as described in the CMCC Bylaws and CR&As, including a reservation for one (1) water connection per Membership Share to the CMCC water system.

Paid Schlemmer Shares means the five (5) non-refundable Schlemmer Shares for which Schlemmer paid on August 14, 2018.

Reserved Schlemmer Shares means the reserved five (5) Schlemmer Shares for which Schlemmer has not paid as of the execution of this Agreement. The Reserved Schlemmer Shares are Inactive Shares but shall become Active as described in Section 2 below, upon request by Schlemmer. This Agreement does not obligate Schlemmer to purchase any or all of the Reserved Schlemmer Shares, and Schlemmer need only pay for the additional Schlemmer Shares that Schlemmer needs for the Development Tract.

Schlemmer means Alec Schlemmer and Elizabeth Schlemmer, husband and wife, sole owner in fee of the Development Tract.

Subdivision means the intended subdivision of the Development Tract into smaller legal lots of record supporting single family residential development and one commercial lot.

Vacant Portion means the 56-acre portion of the Development Tract assigned tax parcel number P48120 that is currently vacant.

2. **Schlemmer Payment.**

(a) **First Payment.** The Parties acknowledge and agree that on August 14, 2018, Schlemmer delivered to CMCC the first payment for the Schlemmer Shares: SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 per Share, totaling EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$87,500.00), for five (5) of the ten (10) Schlemmer Shares. These are the Paid Schlemmer Shares.

(b) **Further Purchase of the Schlemmer Shares.** CMCC will reserve the remaining five (5) Schlemmer Shares as approved by the Board on May 25, 2018. Schlemmer may purchase the five (5) Reserved Schlemmer Shares at any time, and is not obligated to purchase any or all of the Reserved Schlemmer Shares. However, the purchase price of SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$17,500.00) per Membership Share shall only be assured through September 1, 2019, subject to subsection (c) below.

(c) **Late Purchase.** On or before June 3, 2019, Schlemmer shall notify CMCC in writing if Schlemmer intends to purchase one or more of the five (5) Reserved Schlemmer Shares on or before September 1, 2019. Failure to timely notify CMCC of this intent to purchase shall eliminate assurance of a \$17,500.00 per Membership Share purchase price otherwise in place through September 1, 2019.

(d) **Possible Increase of Purchase Price.** The cost for a Schlemmer Share, payment for which is received by CMCC after September 1, 2019, shall be the Membership Share charge, as approved by CMCC, at the time such payment is received. For example, if Schlemmer purchases all five (5) Reserved Schlemmer Shares on July 30, 2020, and the existing charge for one (1) Membership Share on July 30, 2020, equals TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00), and the total number of Membership Shares sought for the Developed Tract is ten (10), Schlemmer shall pay, as the second payment, ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$100,000.00) (i.e. $5 \times \$20,000.00 = \$100,000.00$).

3. **Active and Inactive Shares.**

(a) **“Active” and “Inactive” Shares.** There are ten (10) Schlemmer Shares, but only one (1) Development Tract. The Parties agree that four (4) of the Paid Schlemmer Shares and all five (5) of the Reserved Schlemmer Shares will be “inactive” (“Inactive Schlemmer Shares”) until certain events, as described below, occur.

(b) Active Schlemmer Share. One (1) of the Schlemmer Shares is an Active Schlemmer Share as of the date of this Agreement. This Active Schlemmer Share is appurtenant to the entire Development Tract. Schlemmer may, in their discretion, use the Active Schlemmer Share to serve the Commercial Portion with water, or may apply the Active Schlemmer Share to the Vacant Portion. Following construction of the necessary CMCC Improvements, upon request by Schlemmer and payment of water service installation fees, CMCC shall provide one (1) standard domestic water service to the Development Tract.

(c) Schlemmer Inactive Shares. The remaining nine (9) of the Schlemmer Shares are currently the Inactive Schlemmer Shares. An Inactive Schlemmer Share shall become an Active Schlemmer Shares when all of the following criteria are met:

- i. The Subdivision has been recorded; and
- ii. Schlemmer directs CMCC in writing to assign the Inactive Schlemmer Share that will be converted to an Active Schlemmer Share to a specific lot within the Development Tract to which it will be appurtenant; and
- iii. CMCC Improvements have been completed, approved, and accepted by CMCC, pursuant to a DEA entered between the Parties, if necessary; and
- iv. Schlemmer has paid the purchase price due, as set forth in Section 2, for any Inactive Schlemmer Share to be converted to an Active Schlemmer Share.

4. CMCC to Provide Ten (10) Water Services. Schlemmer is entitled to ten (10) water services from CMCC within the Development Tract, as follows:

(a) Water Main and Line Extensions. Any water main extensions specifically to supply the Development Tract lots after Subdivision will be the responsibility of Schlemmer. The DEA, if needed, shall supply the specific terms of extension.

(b) Water Service Locations. The Parties acknowledge and agree that the layout of the lots within the Subdivision is undetermined and that Schlemmer needs flexibility to design and construct the Subdivision. As such, Schlemmer shall coordinate the location of the water services with CMCC during the subdivision process. Typically, service meters are located at the edge of the road/access easement.

(c) Water Service Installation. The water services shall be CMCC standard residential services at the time of installation and shall be inspected and approved by CMCC. The DEA, if needed, shall supply further specific terms.

5. Additional Water Service Connections. The Parties recognize that Schlemmer may want additional Membership Shares for the Development Tract. CMCC indicates that believes it will have capacity in its water system for such additional Membership Shares. However, approval by the CMCC membership is required for allocation of any additional

Membership Shares beyond the ten (10) Schlemmer Shares reserved herein. Additional Membership Shares will only be available on a first come, first serve basis. CMCC will not approve additional Membership Shares that would exceed the number of water system connections approved by Washington State Department of Health. The purchase price for additional Membership Shares shall be the going rate for such shares at the time, regardless of whether the request is made before or after September 1, 2019. This Agreement does not guarantee approval by the CMCC membership for allocation of any additional Membership Shares.

6. **Driveway.** Schlemmer shall provide a separate driveway off of Wood Road for large commercial vehicles use associated with the Commercial Portion. CMCC will not require that this driveway be paved.

7. **Open Space.** Any open space parcel created as part of the Subdivision shall be owned in equal shares by all properties in the Subdivision.

8. **Agreement to Incorporate.** The Parties hereto shall contemporaneously execute and record the Agreement to Incorporate the Development Tract into CMCC. A copy of the Agreement to Incorporate is attached as Exhibit B hereto.

9. **CR&As Revision.** CMCC shall also contemporaneously execute and record an amendment to the CR&As. A copy of the amendment to the CR&As is attached as Exhibit C hereto.

10. **Terminate Existing Easement.** Upon or within sixty (60) days following execution of this Agreement, CMCC shall terminate the portion of that certain sixty foot (60') wide easement, recorded at Skagit County Auditor's File Nos. 808995 and 8005190033, that encumbers Tract 62, Tract 63, and Tract 64. Schlemmer shall provide CMCC an appropriate legal document for said easement termination that is acceptable to CMCC's attorney, which CMCC will execute. Approval and execution of said legal document shall not be unreasonably withheld.

11. **Future Water Line Easement.** Schlemmer shall work, in good faith, with the owner(s) of one or more neighboring properties on an easement for a future water line extension to Wood Lane. Schlemmer shall not be required to materially impair, which shall be determined in Schlemmer's discretion, the lots created by the Subdivision with any such easement. If an agreement is made, said easement shall be granted by Schlemmer to Colony Mountain Community Club. Failure of Schlemmer and the owner(s) of one or more neighboring properties to agree to an easement shall not be a breach of this Agreement. Schlemmer shall not be responsible for any costs or expenses, directly or indirectly, related to or resulting from the future waterline extension contemplated by this paragraph.

12. **Reimbursement of CMCC Expenditures on this Agreement.** One purpose of this Agreement is to provide a framework for CMCC to work with Schlemmer prior to entering into a formal DEA. In preparing this Agreement and coordinating with Schlemmer, CMCC has

incurred expenses associated with administration, legal services, and engineering support that would normally be reimbursed under a DEA. Schlemmer shall be responsible for the payment of all such reasonable administration, legal services, and engineering costs incurred by CMCC related to preparing and executing this Agreement. CMCC costs to be borne by Schlemmer under this Agreement shall be based upon actual time and expenses billed to or incurred by CMCC. Payment or reimbursement to CMCC of costs incurred shall be made within thirty (30) days of CMCC presenting a bill and accounting to Schlemmer.

13. **Reimbursement of CMCC Expenditures on Installed Improvements.** CMCC and Schlemmer agreed it would be mutually beneficial for the CMCC contractor to install certain items for the use of Tracts 62, 63, and 64 during the construction of the CMCC Improvements. CMCC has received a quote for the installation of two fire hydrants and the three water services for these Tracts. CMCC has obtained a quote, attached as Exhibit D, for SIXTEEN THOUSAND TWO HUNDRED AND SEVENTY FIVE DOLLARS AND 00/100 (\$16,275.00) for these improvements. Payment in said amount shall be made to CMCC within ten (10) days of the execution of this Agreement.

14. **Binding Effect and Assignment.** The rights, responsibilities, obligations, and covenants contained herein shall be deemed appurtenant to and shall run with the lands described herein. Said rights, responsibilities, obligations, and covenants shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, personal representatives, transferees, successors or assigns. Either Party may assign this Agreement to a third party following the written consent of the other Party; provided that such consent shall not be unreasonably withheld.

15. **Indemnity.** CMCC shall indemnify, defend, and hold Schlemmer harmless from any and all liabilities, damages, injuries, expense, liens or claims (including attorney's fees) suffered by any person, including CMCC or its directors, members, agents, and contractors, or property arising out of CMCC's exercise of any rights under this Agreement. Schlemmer shall indemnify, defend, and hold CMCC harmless from any and all liabilities, damages, injuries, expense, liens or claims (including attorney's fees) suffered by any person, including Schlemmer or its directors, members, agents, and contractors, or property arising out of Schlemmer's exercise of any rights under this Agreement.

16. **Notices.** All notices and statements provided for herein shall be sent to the Parties at the following addresses:

Alec and Elizabeth Schlemmer

Colony Mountain Community Club

P.O. Box 91

Bow, WA 98232

Email: info@colonymtcc.org

c/o Bradley Swanson

Belcher Swanson Law Firm, PLLC

900 Dupont Street

Bellingham, WA 98225

Email: brad@belcherswanson.com

17. **Attorney's Fees.** In the event any of the Parties institute any action to enforce this Agreement, the successful Party shall be entitled to court costs and reasonable attorney's fees against the losing Party.

18. **Jurisdiction and Venue.** Jurisdiction for any action to enforce the terms of this Agreement shall be in the Superior Court for the State of Washington. Venue for any such action shall be in Skagit County.

19. **Captions.** The captions and paragraph headings contained in this Agreement are for the convenience of the Parties and for reference only, and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

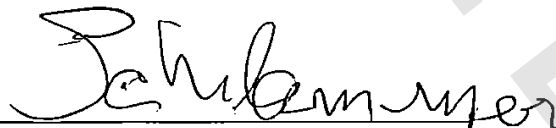
20. **No Waiver.** Failure to enforce any provision of this document shall not operate as a waiver of any such provision.

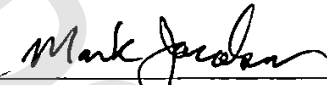
21. **Severability.** Invalidation of any of the provisions of this document by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

22. **Entire Agreement.** This Agreement and its Exhibit contain all representations and is the entire understanding between the Parties hereto with respect to the subject matter hereof.

SCHLEMMER:

COLONY MOUNTAIN COMMUNITY CLUB:


ALEC SCHLEMMER


By: MARK JACOBSEN
Its: PRESIDENT


ELIZABETH SCHLEMMER

Attachments:

- Exhibit A - Schlemmer Properties Legal Description
- Exhibit B - Agreement to Incorporate Property Into CMCC Homeowner's Association
- Exhibit C - Amendments to Covenants, Restrictions and Agreements
- Exhibit D - Change Order Proposal #3 - Improvements Installed by CMCC Contractor

EXHIBIT A

LEGAL DESCRIPTIONS FOR SCHLEMMER PROPERTIES

(four pages)

MEMBERSHIP SHARE AGREEMENT

**MEMBERSHIP SHARE AGREEMENT
EXHIBIT A**

**LEGAL DESCRIPTION - SCHLEMMER TRACTS
QUIT CLAIM DEED AFN 201808280074**

Skagit County Assessor's Tax Parcels #350322-1-001-4206; p48036; 360322-1-110-2002; P48014

A Tract of land in Section 22, Township 36 North, Range 3 East, W.M., Skagit County, Washington, described as follows:

Beginning at a point on the Easterly line of said Section 22, a distance of 2053.03 feet on a bearing of South 0°55'15" East from the Northeast corner of said Section 22; thence continuing on said Easterly line South 0°55'15" East, 265.00 feet; thence South 66°27'20" West, 801.29 feet; thence North 33°00'00" West, 248.00 feet; thence North 66°27'25" East, 943.97 feet to the point of beginning; **EXCEPT** roads as conveyed by Auditor's File No. 8005190033. (Also known as Tract 62 of Colony Mountain, an unrecorded plat.)

Situate in the County of Skagit, State of Washington.

Skagit County Assessor's Tax Parcel #360322-1-001-1707; P48011

A Tract of land in Section 22, Township 36 North, Range 3 East, W.M., Skagit County, Washington, described as follows:

Beginning at the East 1/4 corner of said Section 22; thence South 65°39'56" West, 630.31 feet; Thence North 33°00'00" West, 303.58 feet; thence North 66°27'20" East, 801.29 feet to the Easterly line of said Section 22; thence South 0° 55'15" East along said Easterly line, 315.00 feet to the point of beginning. (Also known as Tract 63 of Colony Mountain, an unrecorded plat.)

EXCEPT that portion thereof, if any, lying within that certain tract of land conveyed to Skagit County for road purposes by Deeds dated April 9, 1962, and November 16, 1984 and recorded April 11, 1962, and November 19, 1984, and January 4, 1985, under Auditor's File Nos. 620123, 8411190079 and 8501040050.

Also EXCEPT all mineral rights reserved by Deed dated August 4, 1966, and recorded January 2, 1969, as Auditor's File No. 721935.

QUIT CLAIM DEED AFN 201808280075

Skagit County Assessor's Parcel #360322-1-001-3901; P48034

That portion of the Northeast 1/4 of the Southeast 1/4 of Section 22, Township 36 North, Range 3 East, W.M., more particularly described as follows:

Commencing at the East 1/4 corner of Section 22, Township 36 North, Range 3 East, W.M.; thence South 0°28'18" East along the East line of said Section 22, a distance of 1195.95 feet to the true point of beginning; thence South 0°28'18" East along the East line of Section 22, a distance of 90.42 feet to the Northeasterly right of way line of the road serving Colony Mountain Tracts being the intersection with a curve having a radius point bearing North 48°45'43" East a distance of 2970.00 feet; thence

Northwesterly along the arc of said curve, being also along said right of way line, through a central angle of 2°16'49" an arc distance of 118.20 feet to the intersection of a line bearing West from the true point of beginning; thence East a distance of 75.39 feet to the true point of beginning; **EXCEPT** mineral rights as reserved by L. K. Heiner, et ux, in an Instrument dated August 4, 1966, and recorded August 8, 1966, under Auditor's File No. 686520, **AND EXCEPT** that portion, if any, lying within the boundaries of that certain 60 foot wide county road known as Wood Road No. 472, as conveyed to Skagit County by Deed dated April 9, 1962, and recorded April 11, 1962, under Auditor's File No. 620123, records of Skagit County. (The above-described Tract is also known as a portion of Tract 65 of unrecorded Survey of Colony Mountain. Not for building or residential use. Situate in the County of Skagit, State of Washington.

Skagit County Assessor's Tax Parcel #360322-1-004-0102; P48045

A tract of land in the Northeast 1/4 of Section 22, Township 36 North, Range 3 East W.M., described as follows:

Beginning at a point 2159.17 feet South and 211.21 feet West of the Northeast corner of said Section 22; thence South 66°27'25" West 677.59 feet; thence North 33°00'00" West, 230.04 feet to curve to the left having a radius of 2030 feet, the center of which curve bears South 57°00'00" West; thence Northwesterly along said curve to the left, through a central angle of 2°43'18", an arc distance of 96.45 feet; thence North 68°06'14" East, 665.92 feet; thence South 36°11'00" East, 310.00 feet to the point of beginning. (Also known as Tract 61 of Colony Mountain unrecorded plat.)

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across a strip of land ten (10) feet in width lying upon Tract 60 of said Colony Mountain and extending from the easement road crossing Tract 60 and extending to Tract 61 along that certain boundary line bearing South 66°27'25" West which forms the Southerly boundary of Tract 61 described above.

Skagit County Assessor's Tax Parcel #360322-1-001-2002; P48014 and #350322-1-001-4206; P48036

A Tract of land in Section 22, Township 36 North, Range 3 East, W.M., Skagit County, Washington, described as follows:

Beginning at a point on the Easterly line of said Section 22, a distance of 2053.03 feet on a bearing of South 0°55'15" East from the Northeast corner of said Section 22; thence continuing on said Easterly line South 0°55'15" East, 265.00 feet; thence South 66°27'20" West, 801.29 feet; thence North 33°00'00" West, 248.00 feet; thence North 66°27'25" East, 943.97 feet to the point of beginning; **EXCEPT** roads as conveyed by Auditor's File No. 8005190033. (Also known as Tract 62 of Colony Mountain, an unrecorded plat).

Situate in the County of Skagit, State of Washington.

Skagit County Assessor's Tax Parcel #360322-1-001-1004; P48004

A Tract of land in the Northeast 1/4 of the Southeast 1/4 of Section 22, Township 36 North, Range 3 East W.M., described as follows:

Beginning at the East 1/4 corner of said Section 22; thence South 0°28'18" East along the Easterly line of said Section 22, a distance of 473.35 feet; thence South 73°20'37" West, 432.53 feet to an intersection with a curve having a radius of 462 feet, the center of which curve bears South 82°55'00" West; thence

Northwesterly along said curve to the left through a central angle of 25°55'00", an arc distance of 208.98 feet; thence North 33°00'00" West, 170.43 feet; thence North 65°39'56" East, 630.31 feet to the point of beginning; **EXCEPT** all minerals, oils, and gases of any nature what so ever as reserved by L.K. Heiner, et ux, by Contract dated August 4, 1966 and recorded August 8, 1966 under Auditor's File No. 686520, records of Skagit County, **AND EXCEPT** that portion, if any, lying within the boundaries of that certain 60 foot wide County road known as Wood Road No. 472, as conveyed to Skagit County by Deed dated April 9, 1962 and recorded April 11, 1962 under Auditor's File No. 620123, records of Skagit County. (Also known as Tract 64 of the unrecorded Survey of Colony Mountain.)

Skagit County Assessor's Parcel #360323-3-005-1609; P48120 and #360323-3-005-1906; P48122

PARCEL "A":

That portion of the Southwest ¼ of the Northwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of that certain road referred to in instruments recorded under Auditor's File Nos. 374043, 407100 and 456152.

Situated in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northwest ¼ of the Southwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of the certain road referred to in instruments recorded under Auditor's File Nos. 407101 and 456152, records of Skagit County, Washington;

EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated April 4, 1949, and recorded November 14, 1956, under Auditor's File No. 544073;

AND EXCEPT that portion thereof lying within the following described tract:

Beginning at the Southeast corner of said Northwest ¼ of the Southwest ¼ of said Section 23; thence North along the East line of said subdivision to its intersection with the Northerly line of that certain right of way conveyed to Skagit County by Deed dated April 4, 1949 and recorded November 14, 1956, under Auditor's File No. 544073; thence Northerly and Southerly along the Northerly and Westerly line of said right of way to its intersection with the South line of said subdivision; thence Easterly along said South line to the point of beginning.

Situated in the County of Skagit, State of Washington.

PARCEL "C":

That portion of the Southwest ¼ of the Southwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of a line drawn parallel and five (5) feet Westerly of the centerline of Wood Lane, described as follows:

Beginning at the West ¼ corner of said Section 23; thence North 0°55'15" West along the West line of said Section 23, a distance of 1,316.52 feet to the Northwest corner of the Southwest ¼ of the

Northwest ¼ of said Section 23; thence East a distance of 807.21 feet to the true point of beginning of said line; thence South 6°10'28" East a distance of 910.37 feet to the beginning of a curve to the left having a radius of 1,432.40 feet; thence along the arc of said curve through a central angle of 3°54'05" an arc distance of 97.54 feet; thence South 10°04'33" East a distance of 500.11 feet to the beginning of a curve to the right having a radius of 421.72 feet; thence along the arc of said curve through a central angle of 21°56'21" an arc distance of 161.48 feet to the terminal point of this description.

Situated in the County of Skagit, State of Washington.

EXHIBIT B

**AGREEMENT TO INCORPORATE REAL PROPERTY INTO THE
COLONY MOUNTAIN COMMUNITY CLUB HOMEOWNERS' ASSOCIATION**

(seven pages)

MEMBERSHIP SHARE AGREEMENT

After Recording Please Return To:
ROBERT A. CARMICHAEL
Carmichael Clark, PS
1700 D Street
Bellingham, WA 98225



201901280087

01/28/2019 11:59 AM Pages: 1 of 7 Fees: \$105.00
Skagit County Auditor

Document Title:

AGREEMENT TO INCORPORATE REAL PROPERTY INTO THE
COLONY MOUNTAIN COMMUNITY CLUB HOMEOWNERS' ASSOCIATION

Reference # of Related Documents:

Grantor(s):

ALEC SCHLEMMER AND ELIZABETH SCHLEMMER, a Married Couple

Grantee:

COLONY MOUNTAIN COMMUNITY CLUB, a Washington Non-Profit Corporation

Abbreviated Legal Description:

Portion of Section 23, Township 36 North, Range 3 East.

Full legal description at Exhibit A attached hereto.

Assessor's Tax Parcel No(s):

P48120 and P48122

**AGREEMENT TO INCORPORATE REAL PROPERTY INTO THE
COLONY MOUNTAIN COMMUNITY CLUB HOMEOWNERS' ASSOCIATION**

THIS AGREEMENT TO INCORPORATE REAL PROPERTY INTO THE COLONY MOUNTAIN COMMUNITY CLUB HOMEOWNERS' ASSOCIATION ("AGREEMENT") is entered into on the 15th day of January, 2019, by and between COLONY MOUNTAIN COMMUNITY CLUB, a Washington Non-Profit Corporation ("CMCC" or "CMCC Homeowners' Association" or "Grantee"), and ALEC SCHLEMMER AND ELIZABETH SCHLEMMER ("Owner" or "Grantor") for the purposes set forth herein. CMCC and Owner shall be referred to herein individually as "Party" and collectively as "Parties".

ARTICLE 1. RECITALS

- 1.1 Owner is owner in fee of the property described at Exhibit A, fully incorporated herein by this reference, commonly known as:
- Property Address(s): 16039 Wood Road
Tax Parcels Number(s): P48120 and P48122
Hereafter, the "Property".
- 1.2 CMCC Homeowners' Association is organized pursuant to the laws of Washington State.
- 1.3 Owner has applied to join the CMCC Homeowners' Association and to have the Property included within the boundaries CMCC Homeowners' Association; and the CMCC Board of Directors has approved said application.
- 1.4 CMCC owns and operates a Group A municipal water system located within Skagit County, State of Washington (the "CMCC Water System" or "Water System"). CMCC has the authority and sufficient water available to provide potable water to the Property.
- 1.5 This Agreement shall be subject to the terms and conditions of the CMCC Covenants, Restrictions and Agreements ("CR&As") recorded at Skagit County Auditor File No. 200104300175, as amended now and in the future.
- 1.6 The foregoing recitals are a material part of this Agreement.

NOW THEREFORE, PURSUANT to the terms and conditions of this Agreement and the obligations set forth herein, Parties do agree as follows:

ARTICLE 2. AGREEMENT

- 2.1 **Purchase of CMCC Membership Shares.** In exchange for payment of a one-time fee of \$17,500.00 (Seventeen Thousand Five Hundred and 00/100 Dollars) per Membership Share, Owner shall become a member of CMCC with five (5) shares of Class A Stock ("Stock") in the CMCC Homeowners' Association. Said fee will be changed from time to time by the CMCC Board of Directors. The Stock shall be appurtenant to the title of the Property and shall be transferable only as a part of the transfer of the Property title. Each share of Stock shall entitle the Owner to and impose upon the Owner the privileges and responsibilities described in the Membership Share Agreement executed contemporaneously with this Agreement ("Membership Share Agreement") and the Governing Documents (as defined in section 2.4 below). The Stock shall also entitle the Owner to the use of corporate facilities and services,

including the private roads and water system, subject to the Governing Documents. Note that there shall be only one (1) water service per legal lot of record.

- a. The following CMCC stock share numbers are assigned to the Property:

Stock Numbers: 99, 100, 101, 102, 103

Parcel ID Number(s): P48120 and P48122

Abbrev. Legal Description: Portion of Section 23, Township 36 North, Range 3 East.

2.2 Purchase of Further Stock. Owner has the right to purchase an additional five (5) shares of Stock at a later date, as set forth in the Membership Share Agreement. The Owner may also purchase more shares of Stock, beyond the ten (10) shares of Stock contemplated by this Agreement, if needed for the subdivision. Requests for additional shares of Stock must be presented to the Board and approved by the general Membership. Such shares of Stock are subject to water system availability, and this Agreement does not guarantee approval of or issuance by CMCC for the same.

2.3 Active and Inactive Stock. The terms of the Membership Share Agreement dictate that one (1) of the Stocks listed above is "active" and the remaining four (4) shares are "inactive." Stock number 99 shall be the Active stock. Stocks 100, 101, 102, and 103 shall be the Inactive stocks. The issued certificates of stock shall reflect this distinction. Revised certificates of stock may be issued when the stocks 100, 101, 102, and 103 become active.

2.4 Owner Subject to Governing Documents. The Property and the Owner shall be subject to the terms and conditions of the CMCC governing documents, including but not limited to: the CR&As; By-laws; Articles of Incorporation; Consolidated Policies and Procedures adopted September 13, 2011 and as thereafter amended (collectively "Governing Documents"); and all financial and monetary obligations. Owner shall have the right to use and enjoyment of the CMCC facilities and services.

2.5 Future Subdivision. The Property has been approved by CMCC for a total of 10 membership shares. The number of lots to be included in a future subdivision is not yet determined, but it may be greater than ten (10). Requests for membership shares for additional lots must be presented to the Board and approved by the general Membership, and is subject to available capacity in the water system. CMCC may require the Owner to enter into a Developer Extension Agreement to subdivide the Property, and CMCC will require the Owner to record a revised Agreement to incorporate listing all of the properties in the future.

2.6 Grant of Access and Water Utility Easements. The Owner previously granted CMCC a non-exclusive perpetual access and water utility easement to install, operate, and maintain the CMCC Water System, including the right to enter upon said easement, for the purpose of constructing, repairing, reconstructing, improving and maintaining water pipes and appurtenances ("Water Utility Easement"), which is recorded at Skagit County Auditor's File No. 201803290053.

2.7 Reserved.

2.8 Indemnification.

2.8.1 Grantor Obligation. Grantor shall indemnify and hold harmless Grantee, including its board of directors, officers, employees, contractors, consultants, and agents, from any and all claims, actions, or suits seeking damages or reimbursement of any kind arising as a result of any negligent act or omission of the Grantor related to any activity on the Property.

2.8.2 Grantee Obligation. Grantee shall indemnify and hold harmless Grantor from any and all claims, actions, or suits seeking damages or reimbursement of any kind arising as a result of any negligent act or omission of the Grantee related to any activity on the Property.

2.9 Excise Tax and Recording Cost. The Grantee shall pay any real estate excise tax due and all costs related to recording this Agreement with the Skagit County Auditor.

2.10 Dues, Fees and Assessments. All lots and tracts covered by this Agreement shall be subject to all fees, dues and assessments, on the same terms and conditions as all other lots and tracts in the Colony Mountain Community Club. Terms and conditions are set forth in the Governing Documents and in any resolution approved or other action taken by the CCMC Board of Directors.

2.11 Lien holders. All lienholders and mortgagees with an interest in the lots or tracts hereby subordinate their interests to the obligations in this Agreement.

2.12 CR&As. The CR&As may be amended and the amended CR&As recorded at the convenience of CMCC to include the Property within the legal description of property to which such CR&As apply.

ARTICLE 3. GENERAL PROVISIONS

3.1 Run with the Land -- Binding on Successors. The provisions in this Agreement shall run with the land and shall inure to the benefit of and be binding upon the successors, assigns, heirs and personal representatives of the Parties hereto

3.2 Non-waiver of Breach. A waiver by either Party of any terms or conditions of this Agreement shall not be deemed or construed to be a waiver of any other term or condition, nor shall the waiver of any breach be deemed or construed to constitute a waiver of any subsequent breach, whether of the same or any other term or condition of this Agreement.

3.3 Invalidity of Term. If any term or provision of this Agreement or the application thereof to any person, entity or circumstance shall to any extent be adjudicated invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

3.4 Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by electronic transmission in the form of email or facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To the CMCC:
Colony Mountain Community Club
P.O. Box 91
Bow, WA 98232
Email: info@colonymtcc.org

To Owner:
ALEC SCHLEMMER
ELIZABETH SCHLEMMER
c/o Bradley Swanson
Belcher Swanson Law Firm, PLLC
900 Dupont Street
Bellingham, WA 98225
Email: brad@belcherswanson.com

or to such other address designated in writing by the addressee.

3.5 Authority. Each Party represents and warrants that it has the power and legal authority to enter into this Agreement. The Parties executing this Agreement represent and warrant that they have the power and authority to do so.

3.6 Effective Date. This Agreement shall become effective upon the date of mutual execution of this Agreement.

3.7 Remedies for Breach or Default. Any and all remedies in law and equity shall be available to the Parties in the event of a breach or default of this Agreement, including the remedy of specific performance.

3.8 Attorney's Fees and Costs. In the event that either Party commences any legal action or proceeding relating to the provisions or enforcement of this Agreement, the prevailing Party shall be entitled to receive, and the non-prevailing Party shall pay, its reasonable attorneys' fees and costs, including those incurred in any appeal.

3.9 Governing Law and Venue. The laws of the State of Washington shall govern any disputes arising under this Agreement. Any disputes shall be adjudicated in the Superior Court for Skagit County, Washington, unless otherwise agreed.

3.10 Complete Agreement. This Agreement constitutes the entire agreement between the Parties. There are no other oral understandings or agreements. This Agreement may be modified or amended in writing only, on the mutual agreement of the Parties.

3.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereunto enter this Agreement the day and year first above written.

COLONY MOUNTAIN COMMUNITY CLUB



By: MARK JACOBSEN
Its: President

OWNER



ALEC SCHLEMMER



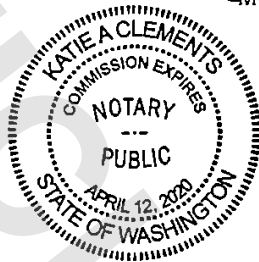
ELIZABETH SCHLEMMER

State of Washington)
) §
County of Skagit)

I certify that I know or have satisfactory evidence that MARK JACOBSEN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the PRESIDENT of COLONY MOUNTAIN COMMUNITY CLUB to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 21st day of January, 2019.

Katie A. Clements
Notary Public in and for the state of Washington.
My appointment expires: 4/12/20.

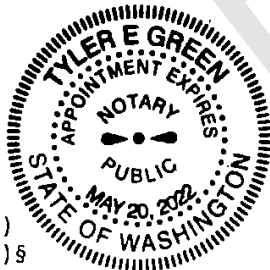


State of Washington)
) §
County of Skagit)

I certify that I know or have satisfactory evidence that ALEC SCHLEMMER 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 the instrument.

Dated this 15th day of January, 2019.

Tyler E. Green
Notary Public in and for the state of Washington.
My appointment expires: _____.



State of Washington)
) §
County of Skagit)

I certify that I know or have satisfactory evidence that ELIZABETH SCHLEMMER 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 the instrument.

Dated this 16th day of January, 2019.

Tyler E. Green
Notary Public in and for the state of Washington.
My appointment expires: _____.

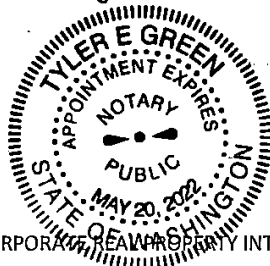


EXHIBIT A

Skagit County Assessor's Parcel #360323-3-005-1609; P48120 and #360323-3-005-1906; P48122

PARCEL "A":

That portion of the Southwest ¼ of the Northwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of that certain road referred to in instruments recorded under Auditor's File Nos. 374043, 407100 and 456152.

Situated in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northwest ¼ of the Southwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of the certain road referred to in instruments recorded under Auditor's File Nos. 407101 and 456152, records of Skagit County, Washington;

EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated April 4, 1949, and recorded November 14, 1956, under Auditor's File No. 544073;

AND EXCEPT that portion thereof lying within the following described tract:

Beginning at the Southeast corner of said Northwest ¼ of the Southwest ¼ of said Section 23; thence North along the East line of said subdivision to its intersection with the Northerly line of that certain right of way conveyed to Skagit County by Deed dated April 4, 1949 and recorded November 14, 1956, under Auditor's File No. 544073; thence Northerly and Southerly along the Northerly and Westerly line of said right of way to its intersection with the South line of said subdivision; thence Easterly along said South line to the point of beginning.

Situated in the County of Skagit, State of Washington.

PARCEL "C":

That portion of the Southwest ¼ of the Southwest ¼ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of a line drawn parallel and five (5) feet Westerly of the centerline of Wood Lane, described as follows:

Beginning at the West ¼ corner of said Section 23; thence North 0°55'15" West along the West line of said Section 23, a distance of 1,316.52 feet to the Northwest corner of the Southwest ¼ of the Northwest ¼ of said Section 23; thence East a distance of 807.21 feet to the true point of beginning of said line; thence South 6°10'28" East a distance of 910.37 feet to the beginning of a curve to the left having a radius of 1,432.40 feet; thence along the arc of said curve through a central angle of 3°54'05" an arc distance of 97.54 feet; thence South 10°04'33" East a distance of 500.11 feet to the beginning of a curve to the right having a radius of 421.72 feet; thence along the arc of said curve through a central angle of 21°56'21" an arc distance of 161.48 feet to the terminal point of this description.

Situated in the County of Skagit, State of Washington.

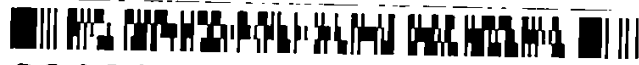
EXHIBIT C

**AMENDMENT TO THE COVENANTS, RESTRICTIONS AND AGREEMENTS
COLONY MOUNTAIN COMMUNITY CLUB**

(five pages)

MEMBERSHIP SHARE AGREEMENT

After recording return to:
CARMICHAEL CLARK, P.S.
ROBERT A. CARMICHAEL
P. O. BOX 5226
BELLINGHAM, WA 98227



201901280086

01/28/2019 11:59 AM Pages: 1 of 5 Fees: \$103.00
Skagit County Auditor

Document Title: Amendments to the Covenants, Restrictions, and Agreements for Colony Mountain Community Club

Reference Numbers of Related Documents: 787652; 845592; 8005190033; 8505150010; 8707160044; 9405110055; 9610160031; 200104300175

Grantors: Colony Mountain Community Club, a Washington non-profit corporation

Grantees: Colony Mountain Community Club, a Washington non-profit corporation

Brief Legal Description: Portions of Sections 22, 23 and Section 26, Township 36 North, Range 3 East, W. M.
Full legal description attached as Exhibit A

Parcel Numbers: P47992, P47993, P47994, P47996, P47997, P47998, P48000, P48001, P48002, P48003, P48004, P48005, P48006, P48007, P48008, P48009, P48010, P48011, P48012, P48013, P48014, P48015, P48018, P48019, P48020, P48021, P48022, P48023, P48024, P48025, P48026, P48027, P48028, P48029, P48030, P48031, P48032, P48033, P48034, P48036, P48040, P48042, P48043, P48044, P48045, P48078, P48079, P48103, P48104, P48105, P48106, P48107, P48108, P48109, P48110, P48111, P48112, P48113, P48114, P48116, P48117, P48118, P48119, P48306, P48307, P48308, P48309, P48310, P48311, P48313, P48314, P48315, P48316, P48317, P48318, P48324, P48325, P48327, P48328, P48329, P48330, P48331, P48332, P48333, P48334, P48335, P48337, P48338, P48339, P48347, P48348, P48350, P48351, P48352, P100897, P120716, P130509, P48120, P48122

**AMENDMENT TO THE COVENANTS, RESTRICTIONS AND AGREEMENTS
COLONY MOUNTAIN COMMUNITY CLUB**

THIS AMENDMENT ("Amendment") to the Covenants, Restrictions and Agreements of Colony Mountain Community Club, recorded under Skagit County Auditor File No. 200104300175 ("CR&As") is made this 21 day of January, 2019.

1. **Amendments to CR&As:** This Amendment amends the CR&As as follows. Additions to the CR&As are shown by underlined text, and deletions are shown by struck through text, as set forth herein.

Colony Mountain Community Club is a non-profit corporation within Washington State. Each tract purchaser must become a shareholder in said corporation, with each tract owner or purchaser entitled to one share of class A stock and entitled to one vote in the corporation. As a one-time modification of this general rule, the 57-acre single legal lot of record ascribed tax parcel numbers P48120 and P14822 ("Development Tract") may be granted more than one share of stock; however, only one share, designated as an active share, shall afford its owner all the rights and obligations of membership including one vote in the corporation. At such time as the other inactive shares granted to the Development Tract are each assigned one share per new lot therein following subdivision pursuant to the Member Share Agreement, said inactive shares shall become active and the owners thereof afforded all the rights and obligations of membership including one vote in the corporation per share. The stockholders of said corporation will elect a Board of Directors who will govern the corporation and appoint the officers thereof. Said shares of stock shall be appurtenant to the title to the land and shall be transferable only as part of the transfer of title to the tracts...

RESTRICTIONS TO EACH TRACT

The use of each tract within the property described in Exhibit A hereto attached shall be subject to the following restrictions:

8. There shall be no subdivision of any property or portion of property within the boundaries of the Colony Mountain Development Community Club that results in a higher overall density than one single family residence per 5 acres in the subdivision.
9. No dwelling or other building shall be constructed closer than eighty (80) feet from the center of any road nor closer than fifty (50) feet from any interior boundary, except that in the case of single-family residential lots that are under two and one half (2.5) acres, setbacks shall be as stated in the Skagit County Code.
11. No trader or businesses or other commercial enterprises shall be operated on any lot, except home occupations with no more than two (2) employees, except that the commercial uses on tax parcel

**CMCC COVENANTS, RESTRICTIONS AND AGREEMENTS
EXHIBIT A**

Legal Description

The Northeast $\frac{1}{4}$ and the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ and the East half of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, all in Section 22, Township 36 North, Range 3 East, W.M.; and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and that portion of the West half of the East half of the Southwest $\frac{1}{4}$ lying Southerly of the County Road, all in Section 23, Township 36 North, Range 3 East, W.M.; and that portion of the Northwest $\frac{1}{4}$ lying Northerly of the Old School Trail Road and that portion of the West half of the Northwest $\frac{1}{4}$ LYING Southerly of the Old School Trail Road and the North half of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, ALL IN Section 26, Township 36 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

TOGETHER WITH

Skagit County Assessor's Parcel #360323-3-005-1609; P48120 and #360323-3-005-1906; P48122

PARCEL "A":

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of that certain road referred to in instruments recorded under Auditor's File Nos. 374043, 407100 and 456152.

Situated in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of the certain road referred to in instruments recorded under Auditor's File Nos. 407101 and 456152, records of Skagit County, Washington;

EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated April 4, 1949, and recorded November 14, 1956, under Auditor's File No. 544073;

AND EXCEPT that portion thereof lying within the following described tract:

Beginning at the Southeast corner of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 23; thence North along the East line of said subdivision to its intersection with the Northerly line of that certain right of way conveyed to Skagit County by Deed dated April 4, 1949 and recorded November 14, 1956, under Auditor's File No. 544073; thence Northerly and Southerly along the Northerly and Westerly line of said right of way to its intersection with the South line of said subdivision; thence Easterly along said South line to the point of beginning.

Situated in the County of Skagit, State of Washington.

PARCEL "C":

That portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 23, Township 36 North, Range 3 East, W.M., lying Westerly of a line drawn parallel and five (5) feet Westerly of the centerline of Wood Lane, described as follows:

Beginning at the West $\frac{1}{4}$ corner of said Section 23; thence North $0^{\circ}55'15''$ West along the West line of said Section 23, a distance of 1,316.52 feet to the Northwest corner of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 23; thence East a distance of 807.21 feet to the true point of beginning of said line; thence South $6^{\circ}10'28''$ East a distance of 910.37 feet to the beginning of a curve to the left having a radius of 1,432.40 feet; thence along the arc of said curve through a central angle of $3^{\circ}54'05''$ an arc distance of 97.54 feet; thence South $10^{\circ}04'33''$ East a distance of 500.11 feet to the beginning of a curve to the right having a radius of 421.72 feet; thence along the arc of said curve through a central angle of $21^{\circ}56'21''$ an arc distance of 161.48 feet to the terminal point of this description.

Situated in the County of Skagit, State of Washington.

EXHIBIT D

**CHANGE ORDER PROPOSAL #3
IMPROVEMENTS INSTALLED BY CMCC CONTRACTOR**

(one page)

MEMBERSHIP SHARE AGREEMENT

CHANGE ORDER PROPOSAL NO. 3

SHEET 1 OF 1

PROJECT NAME: CMCC WATER SYSTEM IMPROVEMENTS PROJECT

WILSON PROJ. #: 2017-089

DATE: 10/2/2018

OWNER: COLONY MOUNTAIN COMMUNITY CLUB

ENGINEER: WILSON ENGINEERING LLC

CONTRACTOR: RAM CONSTRUCTION GENERAL CONTRACTORS, LLC

AGREEMENT DATE: _____ per email

CONTRACTOR'S PROPOSAL

Adjust contract amount (not including WA State Sales Tax)

Lump Sum (increase)(decrease) of \$ _____

Unit Price See Below
 Other _____

Adjust Contract Time

Remains unchanged

Increased by 4 days
 Decreased by _____ days

SUMMARY

PROPOSED CHANGE IN CONTRACT TIME:

4 DAYS

PROPOSED CHANGE IN CONTRACT PRICE:

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
13	Hydrant Assembly	2	EA	\$ 4,200.00	\$8,400.00
18	Boilards	0	EA	\$ 850.00	\$0.00
32a	12-in CPP Storm Culvert	0	LF	\$ 85.00	\$0.00
24	1-inch Service Saddle Assy	3	EA	\$ 250.00	\$750.00
25	1-in. Ø Water Service Line - ESTIMATED QUANTITY	75	LF	\$ 33.00	\$2,475.00
28	Replace Water Service	3	EA	\$ 1,100.00	\$3,300.00
RFI #4	1-in by 12-in Long Threaded Brass Nipple & Cap	3	EA	\$ 25.00	\$75.00
					\$0.00
TOTAL THIS COP (not including tax):					\$15,000.00
TOTAL SALES TAX (8.5%):					\$1,275.00
TOTAL COP AMOUNT (including tax):					\$16,275.00

BY: Hugh Davis RAM CONSTRUCTION

DATE: 10/3/18

ENGINEER'S REVIEW

Acceptance is recommended by the Engineer after examination of this proposal and finding that the cost and time adjustments are reasonable.

WILSON ENGINEERING LLC

BY: Melanie Mankamyer
Melanie Mankamyer, PE

DATE: 10-25-18

ACCEPTANCE

The Owner accepts this proposal, pending review and approval of all detailed costs and the preparation of a formal change order.

This acceptance does constitute Work Authorization to proceed immediately with the modification.

COLONY MOUNTAIN COMMUNITY CLUB

BY: Mark Jacobsen
Mark Jacobsen, Board President

DATE: 1-24-19