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03/24/2023 01:13 PM Pages: 1 of 3 Fees \$205.50
Skagit County Auditor

March 11, 2023

Brian Kelly
Kim Kelly
1301 2d Avenue #1950
Seattle WA 98101

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 24 2023

RE: **Septic & Easement Agreement**

Amount Paid \$
By *MR* Skagit Co. Treasurer Deputy

Dear Brian & Kim: P 66298
LT 24 BL 1 Lake Cavanaugh Div 1

In view of new information that has arisen following a conversation with Frank Nickel and Gary Lohman, those who are responsible for developing a plan/permit for, and construction of, a new septic system on 33734, the following addenda are added to this Septic and Easement Agreement. Secondly, these addenda are added to align this agreement more closely with the verbal agreement established between Brian Kelly and Dan Pugerude on March 11, 2023, and will still allow Dom and Annie Herrick to close the sale of 33744 with Brian and Kim Kelly by March 31, 2023. These addenda will refine and will supersede the agreement previously signed and notarized.

Kathleen and I herein agree to promptly hire a contractor to install a new code-compliant septic system and drain field on our property (33734 NSD) between now and May 31, 2023, so long as the weather allows for installation of said septic system and drain field. If weather prevents us from installing the new septic by that time, this deadline will be extended as necessary. We agree to pay soft and hard costs associated therewith.

If our contractor is actively working on the installation to completion but additional time is needed beyond May 31, 2023 to finish the scope of work, Brian and Kim herein agree to allocate additional days to complete the project.

Furthermore, Kathleen and I agree to provide Brian and Kim a copy of our fully signed contract agreement with our septic system contractor via email as soon as possible.

Simultaneously, Kathleen and I will submit a request form with the County and or other jurisdiction as needed and pay one half of all associated fees and expenses associated with the removal of the drain field easement on 33744 NSD. We will pursue this easement removal in earnest and agree that said easement will be removed as soon as the new septic system/drain field is installed.

In the unlikely event Kathleen and I do not install the septic system and drain field on 33734 and/or remove the drain field easement on 33744 by May 31, 2023, then we acknowledge and agree that the new owners of 33744 (Brian and Kim Kelly) shall have the right to place a lien on our property (33734 NSD) to cover the cost associated with

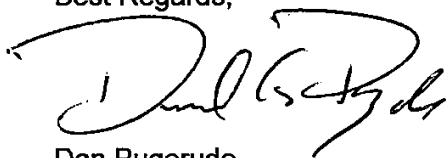
the purchase and installation of the septic system and the time and effort associated with managing this project and easement removal to completion.

It is further agreed that Kathleen and I will not be required to disassemble and remove the subject septic system and corresponding drain field located on 33744. Said system shall remain in place and in good working order. It is noted that this concession is contrary to the verbal agreement Brian and Dan agreed to in our preparatory agreement made between the two parties on Saturday, March 11, 2023. The verbal agreement which preceded these concessions would have allowed me to salvage any parts from the current septic system if it would minimize costs for the new system on 33734. We relinquish our option to reuse any of the existing septic system yield it for the use of 33744.

The action Plan summarized above is intended to accommodate Dominic and Annie's wishes to close the sale on 33744 NSD on or before March 31, 2023. Both Kathleen and I understand that time is of the essence for Dominic and Annie. Once this letter is fully signed and notarized it is understood that Brian and Kim Kelly will be one step closer to accommodating Dominic and Annie's needs and target to close on March 31, 2023.

As a personal concession to Dan and Kathleen, Brian and Kim agree that Dan and Kathleen may continue to use that portion of the asphalt drive that encroaches 33744 for up to ten (10) years from the date of this letter "East Asphalt Encroachment". Furthermore, Brian and Kim Kelly agree to not demolish the new asphalt drive (East Asphalt Encroachment) for the same period. After said period, 33744 and 33734 will then revisit the encroachment and resolve according to a mutually agreed resolution.

Best Regards,



Dan Pugerude



Kathleen Pugerude

By: Dan PugerudeDate: 3/24/23

STATE OF WASHINGTON

COUNTY OF Suagit

On this day personally appeared before me Daniel Pugerude and Kathleen Pugerude to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 20 day of march, 2023.

Notary Public residing at SuagitPrinted Name: Brycen HoytinkMy Commission Expires: 5/9/23