AFTER RECORDING RETURN TO:

Fox Creek Timber, LLC

200409240130 Skagit County Auditor

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Address P.O. Box 295

City, State, Zip Hame1, MN 55340

LAND TITLE OF SKAGIT COUNTY

Grantor.

Frank Harkness Logging & Trucking, LLC

Grantee.

Fox Creek Timber, LLC

Abbr. Legal.

ptn SE 1 of SE 1, 13-35-6 & ptn NE 1 of NE 1, 24-35-6 E W.M.

Tax Acct Nos. 350624-0-005-0000/P41889; 350624-0-005-0100/ P100079;

350624-0-005-0200/P102464; 350613-4-007-0300/P10083;

350613-4-007-0200/ P10084

RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

In consideration of good and valuable consideration, receipt of which is hereby acknowledged, the Grantor, FRANK HARKNESS TRUCKING & LOGGING, LLC, a Washington limited liability company,

hereby grants to the Grantee, FOX CREEK TIMBER, LLC, a Washington limited liability company, its successors, and assigns, the first right of refusal to purchase the real property described located at 35837 Fox Creek Lane, Sedro Woolley, Skagit County, Washington, described below and hereafter referred to as "the property."

Tracts 5 and 6 of that certain Survey recorded May 7, 1990, in Volume 9 of Surveys, page 185, under Auditor's File No. 9005070053, being a portion of Government Lot 7, Section 24, Township 35 North, Range 6 East, W.M., records of Skagit County, Washington, and a portion of Government Lot 5, Section 13, of said Township and Range.

TOGETHER WITH a non-exclusive easement for ingress, egress, and utilities over, under and across that certain 60 foot wide easement for said purposes as delineated on the face of said survey.

Situate in the County of Skagit, State of Washington.

If Grantors decide to sell the property, they will first offer it for sale to grantees at the price and terms they intend to offer on the open market. Grantee shall have 10 days from receipt of the written offer to accept, reject or counter offer in writing. If Grantor and

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Grantee are unable to come to agreement within 10 days of the date Grantor first offers the property to Grantee, the Grantor may then offer the property for sale on the open market.

If, after offering the property for sale on the open market, Grantor receives a bona fide written offer to purchase the real property described herein, from a third party purchaser, grantors must within 5 days of the receipt of such offer, deliver a written Notice of Offer, along with a copy of said written offer to purchase, to grantees. For purposes of this agreement, the term "purchase" does not include a lease, rental or royalty agreement.

The right of refusal must be exercised by Grantee within 30 days of receipt by Grantee of the Notice of Offer, by delivering to Grantor a written notice of intent to exercise the right of first refusal along with a written offer to purchase upon terms and conditions at least equal to the offer to purchase received from a bona fide third party purchaser.

Whenever, within the time specified above, Grantee has delivered to Grantor a written offer equal or better to the offer received from the third party purchaser, the Grantors shall execute a proper deed of conveyance for said property and deliver the same to a licensed escrow agent or attorney at law to be held in escrow and delivered to Grantee upon payment of the purchase price.

All notices for the purposes of this agreement must be in writing and delivered personally or by certified first class mail, return receipt requested.

The agreements and covenants contained herein are intended to run with the land and be binding upon the heirs, successors, or assign s of the parties hereto.

Dated Syptembu 22 20 04

FRANK HARKNESS TRUCKING & LOGGING, LLC, by.

Frank Harkness, Sr., Managing Member

SKAGIT COUNTY WASHINGTON REAL ESTATE EXCES JAX

FOX CREEK TIMBER, LLC, by

Susan Witaraft Mambar

SEP 2 4 (1984)

Amount inajor Skagit On Treasuring By Dec in

Susan Witcraft, Member /

200409240130

Skagit County Auditor

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that FRANK HARKNESS 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 MANAGING MEMBER of FRANK HARKNESS TRUCKING AND LOGGING, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

September Dated CARRIE HUFFER Carrie Huffer STATE OF WASHING COnjunted notary name Burlington Residing at MVabbointment expires 12/31/2007 MY COMMISSION EXPIRES 12-31-07

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that SUSAN WITCRAFT is the person who appeared before me, and said person acknowledged that SHE signed this instrument, on oath stated that SHE was authorized to execute the instrument and acknowledged it as MANAGING MEMBER of FOX CREEK TIMBER, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

September 22 2004 Dated CARRIE HUFFINER printed notary name Residing at Carrie Huffer Burlington STATE OF WASHINGTON Jointment expires 12/31/2007 NOTARY - - - PUBLIC COMMISSION EXPIRES 12-31-07

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