

When Recorded Return to:  
Michael A. Winslow  
411 Main St.  
Mount Vernon, WA 98273



200502180087  
Skagit County Auditor

2/18/2005 Page 1 of 4 2:23PM

1. **Grantors:** Marjorie P. Swenson
2. **Grantees:** Danelle Knutson and Khris Knutson, husband and wife and Terry Wiggin and Cheryl Wiggin, husband and wife
3. **Property Description:** That portion of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE1/4) of Section 1, Township 34 North, Range 3 East, W.M., described as follows:

Commencing at the Southeast Corner of said Section 1 ; thence S 86°36'01" W along the South line of said subdivision, a distance of 20.04 feet, more or less, to the Westerly right of way line of Pulver Road and the TRUE POINT OF BEGINNING of this property description; thence continuing S 86°36'01" W along said South line, a distance of 237.15 feet; thence N 0°00'56" W along a line parallel to the East line of said subdivision, a distance of 184.00 feet; thence N 86°36'01" E along a line parallel to the South line of said subdivision, a distance of 237.15 feet to the Westerly right of way line of Pulver Road; thence S 0°00'56" E along said road right of way on a line parallel to and 20 feet distant when measured at right angles to the East line of said subdivision, a distance of 184.00 feet to the True Point Of Beginning, and containing 1.00 acres.

Situate in the County of Skagit, State of Washington..

4. **Tax Id. Number:** P105130; 340301-4-008-0100
5. **Documents Assigned or Released:** None

### RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

Grantor named above hereby grants to the Grantees named above rights of refusal to acquire the property described above. The rights of refusal granted hereunder shall be governed by the terms stated below.

### RECITALS OF PARTIES

A. The Grantor is Marjorie Swenson (hereinafter *Swenson* or *Grantors*), who is the grandmother of the Grantees, Danelle Knutson and Khris Knutson (hereafter *Knutson*). Grantees, Earl L. Wiggin III and Cheryl S. Wiggin, Husband and Wife (hereafter *Wiggin*) are owners of lands adjoining Swenson and purchasers of contiguous property formerly owned by Swenson. As part of the purchase agreement between the Wiggin

and Swenson, Swenson desired to provide for a right of first refusal on the subject property to Swenson's grand-daughter and her husband, Knutson, with a second right of refusal granted to Wiggin.

B. Purchase of the property by the Wiggin from Swenson involved a boundary line adjustment of the property acquired from Swenson by an aggregation of said property with property already owned by Wiggin. Grantor retained the property described above and segregated the same from the transferred property in order to retain the family home separate from the farm land.

#### AGREEMENT

1. Recitals Incorporated. Grantors and Grantee agree that the above recitals are true and correct and are made a part of this agreement.

2. Property. The property is described above, which legal description is incorporated by this reference.

3. First Refusal Right to Purchase. During the term of this agreement, if the Grantors receive and intend to accept an offer to purchase the subject property, then the Grantors shall request an unconditional, bonified, written offer from the prospective purchaser stating the purchase price and the material terms of the proposed purchase. Immediately upon receiving the offer, the Grantors shall transmit a notice, setting forth in reasonable detail all material terms for the contemplated sale, to Knutson. Such notice shall be given to Knutson by certified mail to the their last known address. It shall be the obligation of Knutson to keep the Grantors informed as to their whereabouts and current mailing address. As part of the notice given by the Grantors to the Knutson, the Grantors shall specify the title company which shall be acting as escrow agent in regard to the third party offer.

a. Within twenty days following mailing of the notice of the offer to Knutson, they shall give notice of their intent to exercise their right of first refusal. Such notice of intent to exercise the right of first refusal shall be given in writing to the escrow agent specified in the notice sent by Grantors. In the event that Knutson decline to exercise the right of first refusal or fails to respond to the escrow agent within the twenty day period, then this right of first refusal shall terminate.

b. The terms of the offer received from the third party shall apply in respect to this right of first refusal only for the purpose of establishing the selling price of the property. If the third party offer calls for seller financing of the transaction, then the provision of seller financing to the either party hereto hereunder shall be solely at the option of the Grantors.

4. Second Refusal Right to Purchase. Should Knutson elect not to exercise their rights hereunder or should they otherwise fail to do so within the time specified herein, then Wiggin shall have the right to acquire the subject property upon the same terms and conditions, subject to the same notice and response time periods specified in this agreement. The commencement of the notice period applicable to Wiggin shall start after Knutson has waived their rights of refusal or Knutsons' time for response has elapsed. The notice periods shall not run concurrently against Knutson and Wiggin.

5. Exercise of Right. Grantor shall give at least Twenty (20) days' notice of Purchase Terms. Notice shall be given in writing to Grantee by certified mail, with return receipt. Closing of the sale shall take place not later than 40 days from exercise of the refusal right. The parties agree that time is of the essence. If the right is not exercised and sale not closed within 60 days following giving notice of purchase offer, then the rights granted hereunder are terminated, unless the Grantor has frustrated performance in closing of this sale.



6. Payment. The purchase price shall be paid all in cash at time of closing, unless specific terms of seller financing are proposed, including actual documents of finance (real estate contract or promissory note and deed of trust). A party with a refusal right shall be offered the same terms of seller financing proposed and agreeable with a third party.

7. Possession. The buyer shall be entitled to possession of the property at closing of the transaction.

8. Fees and Costs of Closing. Grantor shall pay title insurance, excise taxes, one half of escrow closing costs and recording fees for the Statutory Warranty Deed. A party exercising the refusal right under this agreement shall pay one half escrow closing costs and recording costs for seller financing documents.

9. Encumbrances. Encumbrances to be discharged by the Grantor shall be paid from Grantor's funds at date of closing. The following shall not be deemed encumbrances or defects: rights reserved in federal patents or estate deeds, building or use restrictions consistent with current zoning, other government platting and subdivision requirements; utility easements and other easements not inconsistent with the buyer's intended use; reserved oil and mineral rights.

10. Conveyance. Conveyance by Grantor shall be conveyance of fee title pursuant to Bargain and Sale Deed free of encumbrances, except for covenants, conditions, restrictions and easements of record. Title to the property shall be marketable.

11. Proration of Expenses. Property Taxes, utilities, and other charges, shall be prorated as of date of closing unless otherwise agreed in writing. The subject property currently is in open space taxation in agricultural use. The Grantors shall not be responsible for any expense or back taxes associated with termination of the open space taxation election on the subject property should the buyers choose to terminate open space taxation. All such expense shall be borne by the buyers.

12. Risk of Loss. All risk of loss from damage or destruction of building as the same relates to sale of the property, shall be borne by Grantor until closing of the transaction.

13. Title Insurance. Title insurance shall be issued by Land Title Company and shall contain no exceptions other than those provided for in such standard form and encumbrances as delineated above. If title cannot be made so insurable prior to closing date, buyer may terminate the transaction, unless buyer elects to waive such defects or encumbrances and proceed with purchase.

14. Property Disclosure Statement. The parties waive the requirements of the Real Property Disclosure Statement (RCW 64.06). Further, any sale hereunder shall be a transfer of the property and all improvements "as is," where is, subject only to the reasonable obligation of the Grantors to remove Grantors' personal property, refuse, and hazardous materials introduced to the premises by the Grantors.

15. Notices. Unless otherwise specified in this agreement, any period of time stated in this agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in our CW 1.16.050, in which event the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five days or less shall not include Saturdays, Sundays or legal holidays. Time is of the essence in this agreement.



16. **Integration.** This agreement constitutes the entire understand between the Parties and supercedes all prior or contemporaneous understandings and representations. No modification of this agreement shall be effective unless agreed in writing and signed by Grantor and Grantees. **There are no verbal agreements or understandings which modify this agreement. This agreement states the full understanding between the parties.**

17. Assignment. Neither Grantee may not assign the rights to this agreement, except that Wiggin may transfer their rights to a corporation or similar entity, the majority ownership of which belongs to Wiggin.

18. **FIRPTA- Tax Withholding at Closing.** The closing agent shall prepare a certification that the Grantee is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act. The Grantor agrees to sign this certification if applicable. If the Grantor is a foreign person and the transaction is not exempt from FIRPTA then closing agent shall withhold and pay the required sums to the Internal Revenue Service.

19. **Remedies.** Either Grantee may obtain specific performance of this agreement, in addition to all other remedies available at law or in equity.

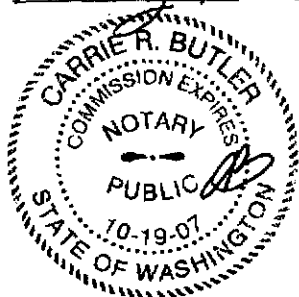
20. Dispute Resolution. Any dispute between the parties shall be decided according to the Mandatory Arbitration Rules of the county in which the suit is filed, regardless of the amount in dispute. The arbitrator's award shall not be limited by otherwise applicable MAR rules. The arbitrator shall have authority to determine the amount, validity and enforceability of rights of specific performance and other equitable matters. The arbitrator's decision may only be appealed pursuant to RCW Ch. 7.04. The most prevailing party shall be awarded his or her reasonable attorney's fees. There shall be one and only one prevailing party, which shall be the single party in whose favor a net monetary settlement or arbitration award is received, after all offsets, back charges, counterclaims, etc. are resolved, and regardless of which party may have prevailed on which issues. In determining the party in whose favor a net monetary judgment is awarded, the arbitrator cannot consider tenders or payments of money made after suit has been filed. This Disputes clause supersedes all statutes and court rules dealing with the determination of prevailing party and the award of attorney fees.

Marjorie P. Swenson  
Marjorie P. Swenson

State of Washington )  
County of Skagit )ss

I certify that I know or have satisfactory evidence that Marjorie P. Swenson, a single person, is the person who appeared before me, and she acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes in the instrument.

Dated: February 9, 2005



Notary Public  
My Commission expires 10-19-07

Notary Public  
My Commission expires 10.19.07

