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After Recording Mail To:
GARY T. JONES
PO Box 1245
Mount Vernon, WA 98273

Skagit County Auditor \$75.00
8/21/2015 Page 1 of 4 9:29AM

OPTION TO PURCHASE REAL ESTATE

SE ¼ of NE ¼, Section 17, T33N, R4E WM

Abbreviated Legal Description: The SW1/4 of the NW ¼ Section 16, T33N, R4E WM
Assessor's Tax Parcel No.: P127485 and P16651, P 16719, P90169

DONALD N. VAN POLEN, and FRANCES J. VAN POLEN, husband and wife, (hereafter "Optionors") for and in consideration of Ten Thousand (\$10,000.00) Dollars paid to them by NATHANAEEL J. THALHOFER and JOY M. THALHOFER, husband and wife, (hereafter "Optionees") the receipt whereof is hereby acknowledged and future monthly option extension payments of \$1,000.00/month do grant and give to Optionees the privilege of purchasing on or before September 30, 2022, real estate in Skagit County, State of Washington described as follows:

Exhibit A attached hereto and incorporated herein by this reference as if fully set forth, hereafter the "Property". The portable sawmill and shop tools on the premises are not included in the Property subject to this Option.

for a total cash purchase price of Three Hundred Seventy-five Thousand (\$375,000.00) Dollars.

Notice of the exercise of this option may be given by letter addressed to the undersigned Optionors at 20306 Hill Creek Road, Mount Vernon, Washington 98274 or such alternate address as they provide for Notice. Credit shall be given toward the total cash purchase price for the initial \$10,000.00 option money payment plus each monthly extension payment of One Thousand (\$1,000.00) Dollars per month commencing September 1, 2015 and monthly thereafter until exercise of this option and closing of the transaction contemplated by the attached Real Estate Purchase and Sale Agreement. Optionors may declare forfeit and terminate this Option to Purchase for default exceeding thirty days after the due date of any option extension payment by giving Notice of Default mailed to the last known address of Optionees.

During the option period Optionors agree to maintain the property as a habitable residence and forest land and agricultural land qualified for Current Use Classification, to

pay all taxes assessed and insure the property and its improvements in reasonable amounts.

Optionors shall not be required to vacate the premises before September 30, 2022. If prior to that time they choose to vacate for good cause, die, or are incapacitated and propose to sell the premises before September 30, 2022 to a buyer other than Optionees the Optionees shall receive 90 days' notice by mail and an opportunity to exercise the Option before the property is sold to a third party. If the Option is not exercised in 90 days or any agreed extension of time to close the Option sale or if the Optionees consent to the third party sale is voluntarily given, then the sum of all Option payments with interest at the rate of two percent per annum from the date Optionors received each payment shall be a lien on the Property and shall be paid to Optionees from the proceeds of any sale to a third party. Optionees agree to sign a Quit Claim Deed or other recordable notarized release of their Option and deliver the release to Optionors if their rights are waived, forfeit or otherwise not exercised.

In the event that the privilege to purchase here given is not exercised by the Optionees, or the conditions described above are not fully performed by Optionees, on or before September 30, 2022, the privilege to buy on the terms expressed herein shall wholly cease and the sum of Ten Thousand (\$10,000.00) Dollars plus any monthly option money extension payments made by Optionees shall be retained by Optionors. This Option is made by and between family members and is personal to the parties who intend to bind their lawful successors. However the privilege to purchase is personal and not assignable by Optionees.

Optionors agree to file for recording this Option in the office of the Skagit County Auditor and acknowledge that the Property will not be sold or further encumbered without the consent of Optionees while this Option is not in default, valid and enforceable, except to a purchaser of standing timber under contract for harvest pursuant to a Forest Practices Act permit issued by the Department of Natural Resources of the State of Washington. Optionors shall be entitled to net proceeds of timber harvested prior to closing of a sale to Optionees provided that Optionors shall bear monetary costs of logging including the cost of replanting required by any harvest permit or logging contract..

DATED this 7th day of August, 2015.


DONALD N. VAN POLEN


FRANCES J. VAN POLEN

EXHIBIT "A"

Parcel A: The North half of the North half of the Southwest quarter of the Northwest quarter of Section 16, Township 33 North, Range 4 East WM Skagit County Washington

Together with an easement for roadway, along and over the East 20 feet of the South half of the Southeast quarter of the Northeast quarter of Section 17, Township 33 North, Range 4 East, W.M., and along and over the East 20 feet of the South half of the North half of the Southeast quarter of the Northeast quarter of Section 17, Township 33 North, Range 4 East, W. M.

Parcel No. P16651

Parcel B: The North half of the North half of the Southeast quarter of the Northeast quarter, EXCEPT the West 530 feet thereof in Section 17, Township 33 North, Range 4 East, W.M., Skagit County Washington ALSO EXCEPT right-of-way of Dike District No. 3 condemned in Skagit County Superior Court Cause No. 2982.

Together with an easement for roadway, along and over the East 20 feet of the South half of the Southeast quarter of the Northeast quarter of Section 17, Township 33 North, Range 4 East, W.M., and along and over the East 20 feet of the South half of the North half of the Southeast quarter of the Northeast quarter of Section 17, Township 33 North, Range 4 East, W.M.

Parcel No. P16719 and Parcel No. 12785

Parcel C: That portion of the South half of the North half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 33 North, Range 4 East of the Willamette Meridian lying West of the Hill Ditch, a lot approved as Boundary Adjustment 8/31/90 by Skagit County Planning Department pursuant to Skagit County Code Section 14.12.030, the above described property will be combined or aggregated with contiguous property owned by the grantee. This boundary adjustment is not for the purposes of creating an additional building lot.

Parcel No. P90169

All of the above described land situate in the County of Skagit, State of Washington.