

When recorded return to:

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Mount Vernon, Washington 98273



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Skagit County Auditor

\$78.00

2/15/2017 Page

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6 11:14AM

RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

Grantors: Kathy S. Thurmond and Joe F. Thurmond, wife and husband.

Grantees: Maureen E. Harlan and Harold Milton Harlan, wife and husband.

Legal Description:

Lot 7, Block 10, Calhoun's Addition to La Conner.

Situate in the County of Skagit, State of Washington.

Assessor's Property Tax

Parcel or Account No.

A portion of P74148

Reference Nos of Documents

Assigned or Released:

None.

RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

Grantors named above hereby grant to the Grantees named above the right of first refusal to acquire the property described above. The consideration for this agreement is love and affection.

The right of refusal granted hereunder shall be governed by the terms stated below.

RECITALS OF PARTIES

A. The Grantors received their interest in the subject property by way of distribution from the Estate of Maxine M. O'Leary.

- B. The Grantor, Kathy S. Thurmond, is sister to Grantee, Maureen E. Harlan.
- C. The Grantees are the owners of an adjoining lot, Lot 6, Block 10, Calhoun's Addition to La Conner.
- D. The parties hereto have agreed that each of the parties should be granted a right of first refusal to acquire the adjoining parcel from the other party.

AGREEMENT

1. Recitals Incorporated. Grantors and Grantees agree that the above recitals are true and correct and are made a part of this Agreement. The consideration for this Agreement is love and affection, and the granting of reciprocal rights of first refusal between the parties.

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

3. First Refusal Right to Purchase. Grantors hereby grant to Grantees a right of first refusal to acquire the subject property. This right shall be valid for ten (10) years from date hereof and shall expire automatically without further action by the parties. 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, bonafide, 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 Grantee. Such notice shall be given by certified mail to the Grantees' last known address. It shall be the obligation of Grantees to keep the Grantors informed as to their whereabouts and current mailing address. As part of the notice given by the Grantors to the Grantees, the Grantors shall specify the title company which shall be acting as escrow agent in regard to the third party offer.

a. Within the time specified by Grantor (which time shall be not less than ten (10) days following the date of mailing of the notice of the offer to Grantees), Grantees 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 Grantees decline to exercise the right of first refusal or fail to respond to the escrow agent within the ten-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 either party hereto hereunder shall be solely at the option of the Grantors.

4. Exercise of Right. Grantors shall give at least ten (10) days' notice of purchase terms.

Notice shall be given in writing to Grantees by certified mail, with return receipt. Closing of the sale shall take place not later than 50 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 50 days following giving notice of purchase offer (unless a longer time be agreed between the parties), then the rights granted hereunder are terminated. Grantor agrees to act reasonably in giving the notice required hereunder.

5. Payment. The purchase price shall be paid all in cash at time of closing, unless specific terms of seller financing are mutually agreed to (which shall be strictly at the option of seller), including actual documents of finance (real estate contract or promissory note and deed of trust).

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

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

8. Encumbrances. Encumbrances to be discharged by the Grantors shall be paid from Grantors' 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 governmental platting and subdivision requirements; utility easements and other easements not inconsistent with the buyer's intended use; reserved oil and mineral rights.

9. Conveyance. Conveyance by Grantors 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.

10. Proration of Expenses. Property taxes, utilities, and other charges shall be prorated as of date of closing, unless otherwise agreed in writing. The Grantees shall not be responsible for any expense or back taxes associated with termination of the Open Space taxation election on the subject property.

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

12. Title Insurance. Title Insurance shall be Owners ALTA Standard Coverage, 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.

13. 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.

14. 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 RCW 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.

15. Integration. This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous discussions and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Grantors and Grantees. **There are no verbal agreements or understandings which modify this Agreement. This Agreement states the full understanding between the parties.**

16. Assignment. Grantees may not assign the rights to this Agreement, except to a limited liability company, the majority interest of which is owned by Grantees.

17. 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.

18. Remedies. Grantees may obtain specific performance of this Agreement, in addition to all other remedies available at law or in equity.

19. Dispute Resolution. Any dispute between the parties shall be decided by Mandatory Arbitration, 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. 7.06. 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's fees.

DATED this 6th day of February, 2017.

Grantor:

Kathy S. Thurmond
Kathy S. Thurmond

Grantor:

Joe F. Thurmond
Joe F. Thurmond

Grantee:

Maureen E. Harlan
Maureen E. Harlan

Grantee:

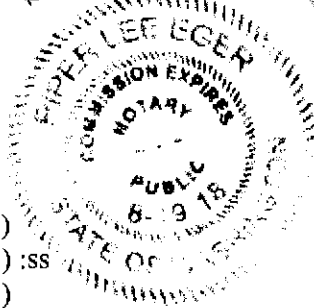
Harold Milton Harlan
Harold Milton Harlan

State of Washington)
):SS
County of Skagit)

I certify that I know or have satisfactory evidence that Kathy S. Thurmond 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 in the instrument.

Dated: February 6, 2017

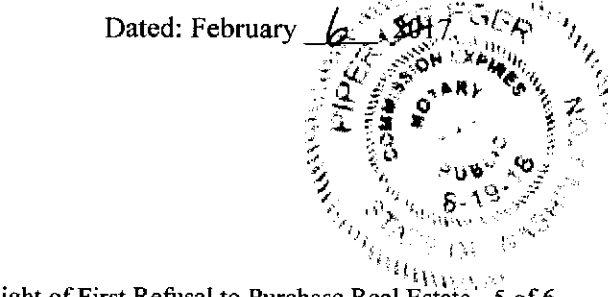
State of Washington)
):SS
County of Skagit)



Piper Lee Eger
Piper Lee Eger, Notary Public
My appointment expires 8/19/18

I certify that I know or have satisfactory evidence that Joe F. Thurmond 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 in the instrument.

Dated: February 6, 2017



Piper Lee Eger
Piper Lee Eger, Notary Public
My appointment expires 8/19/18

State of Washington)
) :ss
County of Skagit)

I certify that I know or have satisfactory evidence that Maureen E. Harlan 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 in the instrument.

Dated: February 6, 2017.



Piper Lee Eger
Piper Lee Eger Notary Public
My appointment expires 8/19/18

State of Washington)
) :ss
County of Skagit)

I certify that I know or have satisfactory evidence that Harold Milton Harlan 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 in the instrument.

Dated: February 6, 2017.



Piper Lee Eger
Piper Lee Eger Notary Public
My appointment expires 8/19/18