

**PATCH SERVICES, LLC -
MEMORANDUM OF AGREEMENT**

NOAH TRANSACTION ID: 102147

RECORDING REQUESTED BY:

CA Form 201 (Rev. 7/26/19)

PATCH HOMES INC.

AND WHEN RECORDED MAIL TO:

PATCH HOMES INC.

6621 California Street, Lower Unit

San Francisco, CA 94121

Transaction ID. 102147

Effective Date 4/8/2021

Number Date of Signature

APN: P25569/340417-0-036-0005

**Abbr Legal: THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4
OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.**

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** ("Recorded Memorandum"), is entered into as of "Effective Date" noted above, by and between Jenifer Lynn Bright and Ken Edward Bright, wife and husband (individually or collectively "Owner"), and Patch Services, LLC, a Delaware limited liability company and its successors and assignees ("Benefited Party"), whose address is 6621 California Street, Lower Unit, San Francisco, CA 94121.

MEMORANDUM OF REAL ESTATE PURCHASE OPTION AGREEMENT

Owner hereby declares that Owner and Benefited Party have entered into that certain Patch Services, LLC Real Estate Purchase Option Agreement dated the same date as the Effective Date ("**Option Agreement**"), pursuant to which Owner grants and conveys to Benefited Party the option ("**Option**") to purchase an undivided fractional interest in all of that certain real property described in Exhibit A attached hereto (the "**Property**"), all as more particularly described, and on the terms and conditions stated in the Option Agreement. The fractional interest shall equal the Designated Percentage, as specified in the Option Agreement. The Option is irrevocable by Owner. The term of the Option shall commence on the Effective Date and shall expire at 11:59 p.m., Pacific Time, on the day immediately preceding the Expiration Date. The terms of the Option Agreement

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are hereby incorporated into this Recorded Memorandum by this reference, and unless otherwise defined herein, capitalized terms used in this Recorded Memorandum shall have the meanings attributed to such terms in the Option Agreement.

MEMORANDUM OF COVENANTS RUNNING WITH THE LAND

By entering into the Option Agreement, Owner has made certain covenants and promises to or for the benefit of Benefited Party in connection with the Property.

This Recorded Memorandum identifies the covenants and promises set forth in the Option Agreement that run with the land and are binding upon any party who acquires Owner's (or Owner's heirs, successors and assigns) interest in the Property for the benefit of the Benefited Party and its successors and assigns, so long as the Option Agreement remains in full force and effect and has not expired or been terminated in accordance with the terms provided for therein.

The covenants that run with the land are as follows:

- a. Section 7.1 of the Option Agreement which, among other things, requires Owner to maintain and repair the Property and to ensure that use of the Property complies with all applicable state, federal and local laws and regulations.
- b. Section 7.2 of the Option Agreement which, among other things, requires Owner to maintain insurance on the Property against all hazards in the amounts and types provided for therein.
- c. Section 7.3 of the Option Agreement which, among other things, requires Owner to pay all taxes and assessments accruing on the Property.
- d. Section 7.4 of the Option Agreement which, among other things: requires Owner to continuously occupy the Property as Owner's Principal Residence in the event the Property is indicated as Owner's Principal Residence on Exhibit C to the Option Agreement; requires that the Property be used as a single family residence; and prohibits use of the Property for any commercial or other non-residential purposes.
- e. Section 8.1 of the Option Agreement which, among other things, restricts the ability of Owner to increase the amount of debt that is secured by a lien on the Property beyond the Maximum Authorized Debt specified in the Option Agreement.

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- f. Section 8.3 of the Option Agreement which, among other things, requires Owner to keep the Property free of liens not approved by Benefited Party.
- g. Section 9.5 of the Option Agreement which, among other things, restricts the right of Owner to transfer the Property without Benefited Party's consent or deemed consent.
- h. Section 9.6 of the Option Agreement which, among other things, restricts Owner's right, upon sale of the Property, to receive all the benefits of improvements made on the Property.
- i. Section 11.7 of the Option Agreement which, among other things, requires Owner to provide Benefited Party with a right of first refusal in connection with any proposed sale of the Property by Owner.

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SPECIAL POWER OF ATTORNEY COUPLED WITH AN INTEREST

Each person whose signature appears below as Owner hereby irrevocably nominates, constitutes and appoints, in general, Benefited Party and its successor and assignees, and, in particular, each of its and their Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, Managing Directors and Vice Presidents, as Owner's true and lawful agents and attorneys-in-fact (with full power of substitution) in Owner's name and on Owner's behalf (in any and all capacities) to exercise the powers set forth below consistent with the provisions contained in this Recorded Memorandum and in the Option Agreement ("**Power of Attorney**").

This Power of Attorney will be exercised: (i) only when Benefited Party or its successor or assignee exercises the Option pursuant to either Section 2.4.2 of the Option Agreement (up to six (6) months prior to the Expiration Date) or Section 2.4.3 of the Option Agreement (which includes instances in which Owner fails to protect or jeopardizes Benefited Party's contingent interest in the Property), and becomes a co-owner of the Property; and (ii) only for the sole purpose of authorizing and empowering Benefited Party (although only a co-owner of the Property) to market, advertise, sell and transfer title to one hundred percent (100%) of the Property, including Owner's interest therein.

Accordingly, Benefited Party or its successor or assignee and the other parties designated above as attorneys-in-fact, shall have the power and authority to do all acts and to execute any and all documents, instruments and agreements as such agents and attorneys-in-fact deem necessary or advisable: (a) to solicit buyers for the entire Property and offers for a sale of the entire Property; (b) to advertise the entire Property for sale on reasonable and customary terms and conditions for a price that is reasonable in view of the then market conditions; and (c) to sell the entire Property and transfer Owner's entire interest in, and title to the Property on usual and customary terms and conditions, the proceeds of which will be allocated to Owner and Benefited Party as provided in the Option Agreement.

The Power of Attorney granted hereunder is coupled with an interest. All acts that the attorneys-in-fact shall lawfully do, or cause to be done, under the authority of this Power of Attorney are hereby expressly approved, ratified and confirmed.

This Power of Attorney is a durable power of attorney as authorized and shall remain in force despite any Owner's subsequent incapacity or death.

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RELEASE

This Recorded Memorandum shall remain in full force and effect until released by a written release, quitclaim deed or other written termination of this Recorded Memorandum that is executed and notarized by Benefited Party and is recorded in the real property records for the county where the Property is located.

To the extent of any inconsistency between the terms of the Option Agreement and this Recorded Memorandum, the terms of the Option Agreement shall prevail and control.

[Signatures and notarial acknowledgements appear on following pages]

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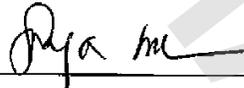
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READ THIS DOCUMENT CAREFULLY BEFORE SIGNING IT. ALL PRIOR ORAL, ELECTRONIC AND WRITTEN COMMUNICATIONS AND AGREEMENTS FROM OR WITH BENEFITED PARTY, INCLUDING ALL CORRESPONDENCE, OFFER LETTERS, TERM SHEETS, PRINTED MATERIALS, DISCLOSURES, AND THE PRODUCT GUIDE, ARE MERGED INTO AND SUPERSEDED AND REPLACED BY THIS RECORDED MEMORANDUM, THE OPTION AGREEMENT, AND THE OTHER WRITTEN AGREEMENTS MADE BY AND BETWEEN OWNER AND BENEFITED PARTY AS OF THE EFFECTIVE DATE.

IN WITNESS WHEREOF, the undersigned Benefited Party and Owner have each executed this Recorded Memorandum as of the Effective Date.

BENEFITED PARTY:

PATCH SERVICES, LLC
a Delaware limited liability company

By: 

Name: Sonja McIntosh

Title: Signatory Authorized

Date signed: 4/29/21

OWNER:

Signed in counterpart
Jenifer Lynn Bright

Signed in counterpart
Ken Edward Bright

Owner Address:

1111 North 9th Street
Mount Vernon, Washington, 98273

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READ THIS DOCUMENT CAREFULLY BEFORE SIGNING IT. ALL PRIOR ORAL, ELECTRONIC AND WRITTEN COMMUNICATIONS AND AGREEMENTS FROM OR WITH BENEFITED PARTY, INCLUDING ALL CORRESPONDENCE, OFFER LETTERS, TERM SHEETS, PRINTED MATERIALS, DISCLOSURES, AND THE PRODUCT GUIDE, ARE MERGED INTO AND SUPERSEDED AND REPLACED BY THIS RECORDED MEMORANDUM, THE OPTION AGREEMENT, AND THE OTHER WRITTEN AGREEMENTS MADE BY AND BETWEEN OWNER AND BENEFITED PARTY AS OF THE EFFECTIVE DATE.

IN WITNESS WHEREOF, the undersigned Benefited Party and Owner have each executed this Recorded Memorandum as of the Effective Date.

BENEFITED PARTY:

PATCH SERVICES, LLC
a Delaware limited liability company

By: Signed in counterpart

Name: Sonja Mcintosh

Title: Signatory Authorized

Date signed: _____

OWNER:

Jenifer Lynn Bright
Jenifer Lynn Bright

Ken Edward Bright
Ken Edward Bright

Owner Address:

1111 North 9th Street
Mount Vernon, Washington, 98273

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GENERAL ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

On April 29, 2021, before me
Liam F. Seel, Notary Public, personally

appeared SONJA MCINTOSH who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of OREGON that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(seal)



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EXHIBIT A
LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

That portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point 728.36 feet North of the Southeast corner of said subdivision; thence West 109.84 feet; thence North 75 feet, more or less, to the South line of that certain tract of land as conveyed to William J. Monk and Marie A. Monk, husband and wife, by instrument recorded February 28, 1968, under Auditor's File No. 710764; thence East 109.84 feet, more or less, to the East line of said subdivision; thence Southerly along the East line of said subdivision, 75 feet, more or less, to the point of beginning,

EXCEPT the East 25 feet thereof, conveyed to the City of Mount Vernon for street purposes by deed recorded April 21, 1971, as Auditor's File No.751464.

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