

When recorded return to:

Craig Sjoström
Attorney at Law
1204 Cleveland Avenue
Mount Vernon, Washington 98273

RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

Grantor: Cow Cow Heaven LLC

Grantees: (1) Kenny Lynn Portis
(2) Ashley Marie Byer
(3) Austin Hunter Portis

Legal Description: ptn SE ¼ NE ¼ 18-34N-2EWM; ptn S ¼ SW ¼ NW ¼ 17-34N-2EWM

Assessor's Property Tax Parcel or Account No.: P20445; P20486

Reference Nos of Documents Assigned or Released: N/A

Grantor named above hereby grants to the Grantees named above the right of first refusal to acquire the property described above. The consideration for this agreement is the purchase by Grantor of the subject property. As used herein, the term "Grantees" shall include any or all of the persons named above.

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

RECITALS

- A. The subject property is undeveloped land, located at 7006 Sunrise Estates Drive, Anacortes, WA 98221 and is described in the attached Exhibit A.
- B. Grantor is the purchaser of the subject property under a Real Estate Purchase and Sale Agreement, dated August 19th, 2024.
- C. The parties have agreed to the granting by Grantor of a right of first refusal to Grantees, under the terms and conditions set forth herein, and execute this instrument to that end.

AGREEMENT

1. **Recitals Incorporated.** Grantors and Grantees agree that the above recitals are true and correct and are made a part of this Agreement.

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

3. **First Refusal Right to Purchase.** Grantor hereby grants to Grantees a right of first refusal to re-acquire the subject property. This right shall be valid for ten (10) years from the date hereof and shall expire automatically without further action by the parties. During the term of this Agreement, if the Grantor receive and intend to accept an offer to purchase the subject property, then the Grantor 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 Grantor shall transmit a notice, setting forth in reasonable detail, all material terms for the contemplated sale, to Grantees. Such notice shall be given by certified mail to the Grantees' last known address. It shall be the obligation of Grantees to keep the Grantor informed as to their whereabouts and current mailing addresses. As part of the notice given by the Grantor to the Grantees, the Grantor 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 (or any of them) shall give notice of such Grantee's (or Grantees') intent to exercise the within granted 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 Grantor. In the event that all of the Grantees decline to exercise the right of first refusal or fails 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 Grantor.

c. In the event more than one of the Grantees wish to exercise the right of first refusal as set forth herein, then they shall act together in the purchase and shall have equal interests in the property upon the purchase being completed.

4. **Exercise of Right.** Grantor shall give at least ten (10) days' notice of the 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 60 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 the 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.** Grantor shall pay title insurance, excise taxes, one half of escrow closing costs, and recording fees for the Deed. A party (or parties) exercising the refusal right under this Agreement shall pay one half escrow closing costs and recording costs for any seller financing documents.

8. **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 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 Grantor shall be conveyance of fee title pursuant to a 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 Grantee(s) shall not be responsible for any expense or back taxes associated with termination of the Open Space taxation election on the subject property, if applicable.

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 Grantor until closing of the transaction.

12. **Title Insurance.** Title Insurance shall be Owners ALTA Standard Coverage, issued by the title company handling the sale, 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

Grantor to remove Grantor's personal property, refuse, and hazardous materials introduced to the premises by the Grantor.

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 Grantor 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(s) are not "foreign person(s)" 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.** Grantee(s) 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 Skagit County, regardless of the amount in dispute. Venue for such an action shall lie in Skagit County, Wash. 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 5 day of October, 2024.

Grantor:

COW COW HEAVEN LLC

By: [Signature]

Richard Thompson
(Printed Name)

TRUSTEE

Grantees:

[Signature]
KENNY LYNN PORTIS

[Signature]
ASHLEY MARIE BYER

[Signature]
AUSTIN HUNTER PORTIS

STATE OF WASHINGTON)
(ss.
COUNTY OF SKAGIT)

On this 15 day of October, 2024, before me personally appeared Richard Thompson, to me known to be a governor of COW COW HEAVEN LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument on behalf thereof.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

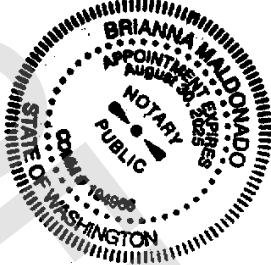


[Signature]
NOTARY PUBLIC in and for the State of Washington,
residing at Anacortes WA
My commission expires: 08/30/2025
Name: Brianna Maldonado

STATE OF WASHINGTON)
(ss.
COUNTY OF SKAGIT)

On this day personally appeared before me Kenny Lynn Portis, to me known to be one of the individuals described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 10 day of October, 2024.



Brianna Maldonado

NOTARY PUBLIC in and for the State of Washington, residing at

Anacortes

My commission expires: 08/30/2025

Name: *Brianna Maldonado*

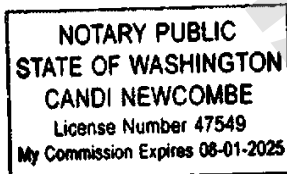
STATE OF WASHINGTON)

:SS

COUNTY OF SKAGIT)

On this day personally appeared before me Ashley Marie Byer, to me known to be one of the individuals described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 15 day of October, 2024.



Candi Newcombe

NOTARY PUBLIC in and for the State of Washington, residing at

At Home

My commission expires: 8/1/25

Name: *Candi Newcombe*

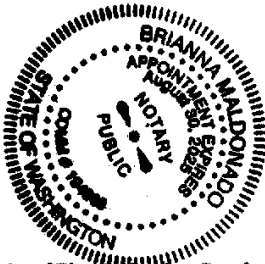
STATE OF WASHINGTON)

:SS

COUNTY OF SKAGIT)

On this day personally appeared before me Austin Hunter Portis, to me known to be one of the individuals described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 15 day of October, 2024.



Brianna Maldonado

NOTARY PUBLIC in and for the State of Washington, residing at

Anacortes WA 98221

My commission expires: 08/30/2025

Name: *Brianna Maldonado*