

After recording, return to:
TERRANCE M. FROESE
Attorney at Law
P.O. Box 999
Anacortes, WA 98221



200103210074
, Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

m12789

RIGHT OF FIRST REFUSAL

GRANTOR: James W. Macy and Linda S. Macy,
husband and wife.
4501 Anaco Beach Road
Anacortes, WA 98221

Telephone: 360.293.3013

GRANTEES: Marine Heights, LLC,
a Washington Limited Liability Company.
3538 207th Ave. S.E.
Issaquah, WA 98029

Telephone: 206.230.0236

Tax Parcel No.'s: 790333

Legals: 5214 27-35-1

RECITALS:

A. Grantor is the owner of real property, namely; Lots 50 and 51 (the "grantor parcels"), Anacortes, Washington, more fully described on Exhibit "A", attached hereto and incorporated herein by reference.

B. Grantee is the owner of real property, namely; Lots in the Marine Heights Subdivision, Anacortes, Washington.

C. The purpose of this agreement is to grant Grantee a right of first refusal to purchase the Grantor parcels.

NOW, THEREFORE, it is hereby agreed as follows:

1. RIGHT OF FIRST REFUSAL:

For valuable consideration, receipt of which is hereby acknowledged, Grantor grants and conveys to Grantee a right of first refusal to purchase Lots 50 or 51, the grantor parcels, including any personal property and improvements thereon, provided, that if the proposed sale of said properties is to James W. Macy, Jr., Donald L. Macy or Jodi C. Ford, or if a gift of said property is made to James W. Macy, Jr., Donald L. Macy or Jodi C. Ford, then Grantee shall not have a right of first refusal. If a sale or gift is not so made to James W. Macy, Jr., Donald L. Macy or Jodi C. Ford, the following shall apply:

a. If Grantor receives a written offer for sale of the premises, before accepting or rejecting the offer, Grantor shall first give written notice to Grantee and provide a copy of the offer to Grantee. The offer must contain all material terms relating to the proposed purchase and sale, including but not limited to, the name and address of the proposed purchaser and the price and terms.

b. For three (3) days after notice is received by Grantee, Grantee shall have the option to purchase the premises upon the terms set forth in the offer.

c. If such option is not exercised by Grantee, Grantor may sell premises in accordance with the terms and conditions and to the person(s) described in the offer.

2. NOTICE:

Any notice required to be given hereunder or any notice to be given by law shall be in writing and may be given by personal delivery or by



certified mail, addressed to the parties at their addresses set forth above or such other address as they shall provide to the other party in writing, or to either of them in any other manner prescribed or authorized by law. All notices given hereunder shall be conclusively deemed received on the third day, excluding Sundays, following the date of posting in the United States Mail, if such notice is given by mail.

3. LITIGATION EXPENSE:

In the event it is necessary to interpret or enforce any provisions of this Agreement, including enforcement of payments due for repair and maintenance, the prevailing party therein shall be entitled to a reasonable attorney's fee in any trial proceeding or appeal thereof, to be set by the arbitration panel or the court, in addition to costs and disbursements allowed by law.

4. ARBITRATION:

Except for injunctive relief, any dispute arising between the parties to this agreement regarding the rights, terms or conditions therein contained shall be submitted to the Judicial Arbitration and Mediation Service (JAMS), Seattle, Washington for binding arbitration. Using the American Arbitration Association rules for arbitration, JAMS shall render a decision which decision may be entered into a Skagit County, State of Washington, Superior Court Judgment by any party and so enforced.

5. BINDING ON HEIRS AND SUCCESSORS:

This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties.

6. PARTIAL INVALIDITY:

Should any provision of this Agreement be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this agreement shall remain in full force and effect unimpaired by the holding.

7. TIME OF ESSENCE:

Time is expressly declared to be of the essence in this agreement.



8. LAW:

This agreement shall be governed by, construed and enforced in accordance with the laws of the State of Washington, irrespective of the fact that any one of the parties is now or may become a resident of a different state. Venue for any action under this agreement shall lie in Skagit County, Washington.

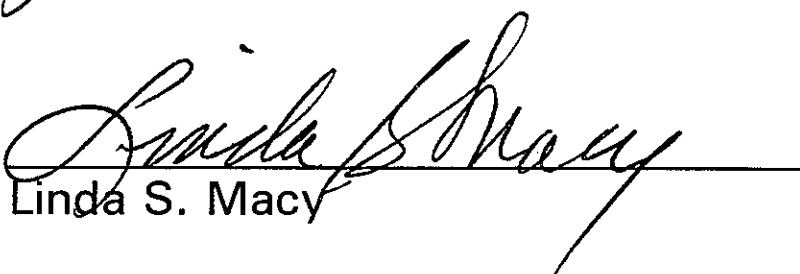
9. PARTIES AND SUCCESSORS:

This agreement shall inure to the benefit of, and be binding upon the parties, their successors and assigns.

DATED: March 9th, 2001.

GRANTOR'S:


James W. Macy


Linda S. Macy



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Notary

STATE OF WASHINGTON

)

) ss

County of Skagit

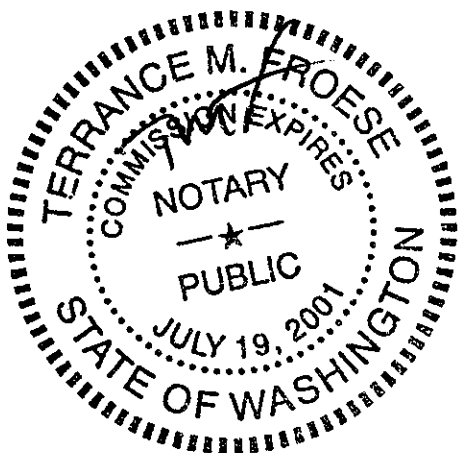
)

On this day before me personally appeared James W. Macy and Linda S. Macy, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Subscribed and sworn to before me this 9th day of March, 2001.

Terrance M. Froese

NOTARY PUBLIC in and for the
State of Washington, residing at ANACORTES
My Commission expires: 7-19-01



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Exhibit A

Lot 50

A parcel of land in the Southeast Quarter of Section 27, Township 35 North, Range 1 East of the Willamette Meridian, Skagit County, Washington, more particularly described as follows:

Commencing at the Northwest corner of Lot 31, Plat of Marine Heights, as recorded in Volume 16 of Plats, page 173, and running
thence South $01^{\circ}22'43''$ West along the West line of Lot 31, a distance of 118.06 feet; to the true point of beginning;
thence South $45^{\circ}00'00''$ East a distance of 30 feet;
thence North $88^{\circ}22'03''$ West a distance of 145 feet more or less to a point that lies 180 feet North $88^{\circ}22'03''$ West of the West line of Lots 30 and 31, Plat of Marine Heights;
thence South $01^{\circ}22'43''$ West and parallel with the West line of Lots 30 and 31, to the North line of Lot 9, Plat of Marine Heights;
thence South $88^{\circ}13'39''$ East along the North line of Lots 9 and 10, a distance of 180 feet to the Southwest corner of Lot 30;
thence North $01^{\circ}22'43''$ East along the West line of Lot 30, a distance of 160.31 feet to the true point of beginning;

Lot 51

A parcel of land in the Southeast Quarter of Section 27, Township 35 North, Range 1 East of the Willamette Meridian, Skagit County, Washington, more particularly described as follows:

Beginning at the Northwest corner of Lot 31, Plat of Marine Heights, as recorded in Volume 16 of Plats, page 173, and running
thence South $01^{\circ}22'43''$ West along the West line of Lot 31, a distance of 118.06 feet;
thence South $45^{\circ}00'00''$ East a distance of 30 feet;
thence North $88^{\circ}22'03''$ West a distance of 145 feet more or less to a point that lies 180 feet North $88^{\circ}22'03''$ West of the West line of Lots 30 and 31, Plat of Marine Heights;
thence North $01^{\circ}22'43''$ East and parallel with the West line of said Lots 30 and 31, to a point on the North line of that parcel conveyed to James W. Macy and Linda S. Macy by instrument recorded under Auditor's File No. 8603240051; said point being North $88^{\circ}22'03''$ West a distance of 180 feet from the Northwest corner of Lot 31;
thence South $88^{\circ}22'03''$ East a distance of 180 feet to the Northwest corner of Lot 31 and the true point of beginning.



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