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Skagit County Auditor
10/31/2001 Page 1 of 5 4:03:28PM

Return Address:

James T. Hunter
550 Kirkland Way, Suite 100
Kirkland, WA 98033

FIRST AMERICAN TITLE CO.

RIGHT OF FIRST REFUSAL

A65755E-4

GRANTOR: SEACREST REAL ESTATE DEVELOPMENT, LLC

GRANTEE: JAMES T. HUNTER and CORNELIA S. HUNTER

ABBREVIATED LEGAL DESCRIPTION: PORTION LOTS 1 - 7, BLOCK 1401,
"NORTHERN PACIFIC TO NACORTES"
COMPLETE LEGALS ON PAGES 4 & 5 AKA LOTS 2 & 4, SURVEY 21-187

ASSESSOR'S TAX PARCEL NOS.: 3809-401-010-0200 R116201; and
3809-401-010-0400 R116203

THIS RIGHT OF FIRST REFUSAL ("Agreement"), is made and entered into the
25th day of OCTOBER, 2001 (the "Agreement"), by SEACREST REAL ESTATE
DEVELOPEMNT, LLC, a Washington limited liability company ("Seller").

WITNESSETH:

WHEREAS, Seller is the owner of that certain real property located in Skagit
County, Washington, hereinafter referred to as "Lot 4" and legally described as Lot 4 on
Exhibit "A" attached hereto; and

WHEREAS, James T. Hunter and Cornelia S. Hunter (collectively, "Hunter"), is the
owner of that certain real property located in Skagit County, Washington, hereinafter
referred to as "Lot 2" and legally described as Lot 2 on Exhibit "A" attached hereto; and

WHEREAS, this Agreement is made pursuant to that certain Purchase and Sale Agreement (the "Purchase Agreement") dated June 22, 2001 between Seller and Hunter, pursuant to which Purchase Agreement Seller has agreed to grant Hunter a right of first refusal to purchase Lot 4.

NOW, THEREFORE, for and in consideration of the foregoing, the Purchase Agreement and the covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby covenants and agrees as follows:

1. Seller hereby grants to Hunter the right to purchase Lot 4 on the following terms and conditions. If Seller receives an acceptable written offer to purchase Lot 4, Seller shall give Buyer written notice ("Seller's Notice") of Seller's intent to accept the offer, including a copy of the offer (and Seller's then current address for purposes Hunter's notice described below), and Buyer shall have the right of first refusal to purchase Lot 4 upon the same terms and conditions as are set forth in the offer. The right of first refusal shall be exercised by Hunter by mailing or delivering written notice ("Hunter's Notice") to Seller within five (5) days after receipt of Seller's Notice. Hunter's Notice, if mailed, shall be sent by certified mail, postage prepaid, to Seller at the address set forth below or, if different, the address set forth in Seller's Notice, and shall be deemed to have been given on the day following the date shown on the postmark of the envelope in which such notice was mailed. Any failure by Hunter to elect to exercise the right of first refusal at the time and in the manner set forth herein shall be deemed to be an election by Hunter not exercise the right of first refusal granted herein, whereupon such right of first refusal and this agreement shall terminate and be of no further force or effect.

2. Notwithstanding anything to the contrary contained herein, in the event Seller elects to sell Lot 4 to Vince Ventimiglia ("Ventimiglia"), a member of Seller, the foregoing right of first refusal shall not apply with respect to such sale, but such right of first refusal shall apply with respect to any subsequent sale of Lot 4 by Ventimiglia.

3. This right of first refusal is personal to Hunter and may not be assigned or otherwise transferred to by Hunter to any person or entity, and, if not previously terminated pursuant to any provision hereof, this right of first refusal shall terminate and be of no further force or effect at such time as neither James T. Hunter nor Cornelia S. Hunter holds any interest in or to Lot 2.

4. The foregoing covenant and agreement shall be and constitute a burden on Lot 4, shall be appurtenant to and for the benefit of Lot 2, and shall be and constitute a covenant running with the land.

3. This Agreement may be recorded by either or both of Seller and Hunter.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

"SELLER"

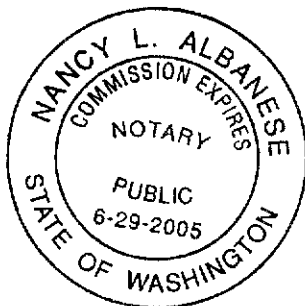
SEACREST REAL ESTATE
DEVELOPEMNT, LLC, a
Washington limited liability company

By: [Signature]
Name: _____
Its: members

STATE OF WASHINGTON)
COUNTY OF Skagit) ss

I certify that I know or have satisfactory evidence that John R. Cox and Vincent Ventinglia is the person who appeared before me, and said person acknowledged that he or she signed this instrument and acknowledged it, as the members of Seacrest Real Estate Development, LLC, a Washington limited liability company, to be the free and voluntary act and deed of said limited liability company for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on this 25 day of OCT, 2001.



[Signature]
(Print Name) Nancy L. Albanese
NOTARY PUBLIC in and for the State of
Washington, residing at Anacortes
My commission expires 6-29-05

EXHIBIT A

Legal Description

LOT 2

Lot 2 of Survey, recorded April 23, 1999, under Auditor's File No. 9904230058 in Volume 21 of Surveys, at pages 187 and 188, more particularly described as follows:

A portion of Lots 3, 4, 5, 6 and 7 of Block 1401, "Northern Pacific Addition To Anacortes", according to the Plat thereof recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington, and portions of the abandoned Great Northern Pacific Railway right-of-way, being more particularly described as follows:

Beginning at a point on the South line of Lot 7, lying 10 feet Easterly as measured perpendicular to the West line of said Lot 7; thence North 69 degrees 42'24" East along the South line of said Block 1401; a distance of 120.00 feet to a point on the South line of said Lot 3, lying 10 feet Easterly as measured perpendicular to the West line of said Lot 3; thence North 20 degrees 17'36" West parallel to and 10 feet Easterly as measured perpendicular, to the West line of said Lot 3, a distance of 127.63; thence South 69 degrees 42'24" West a distance of 90.00 feet; thence North 20 degrees 17'36" West a distance of 48.8 feet, more or less, to the North boundary of said Lot 6; thence continuing North 20 degrees 17'36" West a distance of 135.3 feet, more or less, to a point 15 feet distance Southeasterly, measured at right angles from the centerline of the railway of said Great Northern Railway Company, as located and constructed on March 6, 1940; thence Southwesterly along said right-of-way margin a distance of 30 feet, more or less, to a point lying North 20 degrees 17'36" West from the point of beginning; thence South 20 degrees 17'36" East, a distance of 309.67 feet to the point of beginning.

LOT 4

Lot 4 of Survey, recorded April 23, 1999, under Auditor's File No. 9904230058 in Volume 21 of Surveys, at pages 187 and 188, more particularly described as follows:

A portion of Lots 1, 2 and 3 of Block 1401, "Northern Pacific Addition To Anacortes", according to the Plat thereof recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington, and portions of the abandoned Great Northern Pacific Railway right-of-way, being more particularly described as follows:

Beginning at the Southeast corner of said Lot 1; thence North 20 degrees 17'36" West along the East line of said Lot 1, a distance of 183.28 feet to the Northeasterly corner of said Lot 1; thence North 67 degrees 59'20" East along the Northerly margin of New York Avenue, a distance of 80.01 feet to the Northwesterly corner of Block 1301;

thence North 20 degrees 17'36" West along the Westerly boundary of said Block 1301 extended to a point 15 feet distant Southeasterly, measured at right angles from the centerline of the railway of said Great Northern Railway Company, as located and constructed on March 6, 1940; thence Southwesterly along said right-of-way margin a distance of 124.69 feet; thence South 06 degrees 08'45" West a distance of 90.67 feet; thence South 20 degrees 17'36" East a distance of 78.19 feet; thence North 69 degrees 42'24" East a distance of 45.00 feet to a point lying 10 feet West, as measured perpendicular of the West line of said Lot 1; thence South 20 degrees 17'36" East parallel to and 10 feet distant Westerly of the West line of said Lot 1 a distance of 157.63 feet to the South line of said Block 1401; thence North 69 degrees 42'24" East along the South line of said Block 1401 a distance of 40.00 feet to the point of beginning.

