



200706010143  
Skagit County Auditor

6/1/2007 Page

1 of 21 3:48PM

WHEN RECORDED RETURN TO:

BRADLEY D. SWANSON  
BELCHER SWANSON LAW FIRM, P.L.L.C.  
900 DUPONT STREET  
BELLINGHAM, WA 98225

Document Title:	First Right of Refusal and Option Agreement
Grantor/borrower:	The Wilma V. Morgan Trust, Wilma V. Morgan, Trustor/Trustee
Grantee/assignee/beneficiary:	Dana D. Johnson and Diana L. Johnson, husband and wife
Legal Description:	A portion of Section 28, Township 35N, Range 4E, WM, Skagit Co., WA.
Assessor's Tax Parcel ID#s:	P67628 and P67624

FIRST AMERICAN TITLE CO.

91309-3

**FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT**

**ACCOMMODATION RECORDING ONLY**

**THIS FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT**, herein the "Agreement," is made and entered into on this 1 day of June, 2007 by and between THE WILMA V. MORGAN TRUST, dated February 27, 2006, WILMA V. MORGAN, TRUSTOR/TRUSTEE, hereinafter "Seller" and DANA D. JOHNSON and DIANA L. JOHNSON, husband and wife, hereinafter "Buyer."

**RECITALS:**

A. The Seller currently owns the real property located in Skagit County, Washington, legally described as follows:

**See Exhibit A**

Skagit County Tax Parcel ID No.: P67628

Hereinafter referred to as the "Morgan Lane Property." Exhibit A is attached hereto and incorporated herein by reference. The Morgan Lane Property is located at 20955 Morgan Lane.

B. The parties have entered into a purchase and sale agreement for the Morgan Lane Property. That purchase and sale agreement is dated March 15, 2007, and is MLS No. 27036098 (herein the "20955 Morgan Lane Purchase and Sale").

C. The parties previously entered into a separate purchase and sale agreement for the purchase and sale of properties located at 20938 Morgan Lane (Parcel No. P67629) and 20948

OPTION AGREEMENT - 1

Morgan Lane (P67630) (herein the "20938/20948 Morgan Lane Purchase and Sale"). Buyer purchased those properties from Seller. Those transactions closed at the end of April 2007.

D. The parties attempted to create a right of first refusal/option like that contemplated by this Agreement in the 20938/20948 Morgan Lane Purchase and Sale by executing two addendums (herein the "Addenda"), which are attached as Exhibit B. Exhibit B is incorporated herein by reference.

E. With this Agreement, the parties intend to rescind the Addenda.

F. Seller owns certain real property in Skagit County, Washington, legally described as follows:

**See Exhibit C**

**Skagit County Tax Parcel ID No. P67624**

Hereinafter referred to as "District Line Road Property." Exhibit C is attached hereto and incorporated herein by reference. The District Line Road Property is located at 10756 District Line Road.

G. As part of the consideration for purchase of the Morgan Lane Property, the parties intend to execute an addendum to the 20955 Morgan Lane Purchase and Sale requiring the parties to execute this Agreement when the Morgan Lane Property closes.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements contained herein, the parties agree as follows:

1. **Rescind Addenda.** The parties hereby expressly rescind the Addenda, a copy of which is attached as Exhibit B. The Addenda shall have no further force or effect.

2. **Right of First Refusal.**

A. **Right of First Refusal to Purchase District Line Road Property.** For consideration, receipt of which is hereby acknowledged, if a third party (herein "Offeror") makes an offer (herein the "Offer") to purchase the District Line Road Property from Seller, Seller hereby grants to Buyer the Right of First Refusal to purchase the same under the terms and conditions of the Offer (herein "Right of First Refusal").

B. **Seller Transmits Offer to Buyer.** Seller, within two (2) days of receipt of such an Offer, shall provide to Buyer the offer in writing in its entirety.

OPTION AGREEMENT - 2



**C. Buyer Acceptance or Rejection.** The Buyer, within fourteen (14) days of receipt of the Offer from Seller, shall accept or reject the Offer. Should Buyer choose to accept the Offer, such acceptance shall be in writing. If accepted by Buyer, the transaction shall be consummated pursuant to the terms and conditions of the Offer. In the event the Buyer accepts the Offer, but the transaction does not close, the Seller may sell the District Line Road Property to the Offeror. Should the Buyer reject the Offer or not respond within fourteen (14) days, the Seller may accept the Offer and convey the District Line Road Property to the Offeror. If the Seller does not sell the District Line Road Property to the Offeror, or any subsequent offeror, this Right of First Refusal shall remain in full force and effect.

**D. Term.** The term of this Right of First Refusal is forty (40) years. If the Right of First Refusal is not exercised during the term thereof, then it shall automatically expire.

**E. Exercise.** This Right of First Refusal shall be exercised in writing by Buyer giving notice to Seller of the exercise thereof at the place provided for notices herein.

**3. Option.**

**A. Option to Purchase District Line Road Property.** For consideration, receipt of which is hereby acknowledged, if Seller decides to sell the District Line Road property, Seller hereby grants to Buyer the sole and exclusive option to purchase the same (herein "Option") under the terms and conditions of the Real Estate Purchase and Sale Agreement attached as Exhibit D. Exhibit D is incorporated herein by reference.

**B. Term.** The term of this Option is forty (40) years. If the Option is not exercised during the term thereof, then it shall automatically expire.

**C. Exercise.** This option shall be exercised in writing by Buyer giving notice to Seller of the exercise thereof at the place provided for notices herein.

**4. Miscellaneous.**

**A. Time of the Essence.** Time is of the essence in the performance of this Agreement.

**B. Entire Agreement.** There are no other verbal or other agreements which modify or affect this Agreement.



**C. Benefit.** The provisions in this Agreement shall inure to the benefit of and be binding upon the successors, assigns and personal representatives of the parties hereto.

**D. Notices.** All notices or demands to be given by each party to the other pursuant to this Agreement and all sums to be paid by each party shall be deposited in the United States mails, postage prepaid, by certified or registered mail, return receipt requested, and addressed as follows:

**BUYER:**

Dana D. Johnson  
Diana L. Johnson  
3450 Home Road  
Bellingham, WA 98226

**SELLER:**

The Wilma V. Morgan Trust  
Wilma V. Morgan, Trustor/Trustee  
10756 District Line Road  
Burlington, WA 98233

Notices and demands sent by mail shall be deemed to have been given and delivered when properly mailed and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

**E. Execution of Documents.** The parties agree to execute any documents which may be necessary, appropriate or convenient to carry out the intent of the transaction contemplated by this Agreement.

**K. Default and Remedies.** In the event of default either party, the other party may seek any remedies authorized by law or in equity, including specific performance or damages.

**F. Attorney's Fees.** In the event either Buyer or Seller shall institute any action to enforce any rights hereunder, the prevailing party shall be entitled to court costs and reasonable attorney's fees against the other party.

**G. Survival.** All of the terms and covenants in this Agreement shall survive the closing and delivery of any deed.

**H. Severability.** If any provision of this Agreement shall be deemed to be null and void or unenforceable by the action of a court of law, such provision shall be severable and not effect the balance of this Agreement which shall remain in full force and effect.


**I. Applicable Law.** This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of

Skagit County shall be the appropriate venue of any suit or proceeding brought with respect to this Agreement or the District Line Road Property.

IN WITNESS WHEREOF, the parties have signed this Agreement the date above first written.

**BUYER:**

  
DANA D. JOHNSON

  
DIANA L. JOHNSON

**SELLER:**

*Wilma V. Morgan,*  
THE WILMA V. MORGAN TRUST  
WILMA V. MORGAN, TRUSTOR/TRUSTEE

STATE OF WASHINGTON )  
 : ss.  
COUNTY OF WHATCOM )

On this 1<sup>ST</sup> day of ~~May~~ <sup>June</sup>, 2007, before me personally appeared DANA D. JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me 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 the day and year first above written.

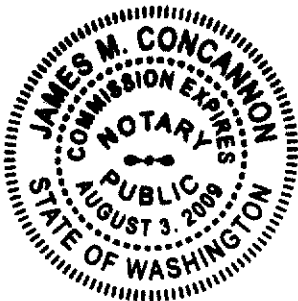


S M Concannon  
Notary Public in and for the State of Washington,  
residing at Bellingham.  
My Commission Expires: 8/3/2009

STATE OF WASHINGTON )  
 : ss.  
COUNTY OF WHATCOM )

On this 1<sup>ST</sup> day of ~~May~~ <sup>June</sup>, 2007, before me personally appeared DIANA L. JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me 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 the day and year first above written.



S M Concannon  
Notary Public in and for the State of Washington,  
residing at Bellingham.  
My Commission Expires: 8/3/2009

OPTION AGREEMENT - 6



200706010143  
Skagit County Auditor

6/1/2007 Page 6 of 21 3:48PM

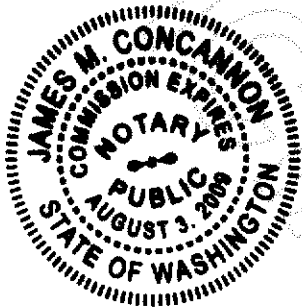
STATE OF WASHINGTON )

: ss.

COUNTY OF WHATCOM )

On this 1<sup>ST</sup> day of JUNE, 2007, before me personally appeared WILMA V. MORGAN, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me 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 the day and year first above written.



[Signature]  
Notary Public in and for the State of Washington,  
residing at Bellingham.  
My Commission Expires: 8/3/2009

OPTION AGREEMENT - 7



200706010143

Skagit County Auditor

6/1/2007 Page

7 of 21 3:48PM

## EXHIBIT A

Tract "A" of Revised Skagit County Short Plat No. 1-75, approved May 6, 1977 and recorded July 7, 1977 as Auditor's File No. 859984 in Volume 2 of Short Plats, page 80, records of Skagit County, Washington, being a portion of Tract "A" of "MORGAN'S TRACTS", as per plat recorded in Volume 6 of Plats, page 11, records of Skagit County, Washington.

TOGETHER WITH those portions of Lots 2, 3 and 4 of the "PLAT OF STERLING VIEW DIV. NO. 1", as per plat recorded in Volume 14 of Plats, page 182 records of Skagit County, Washington, lying both within Parcels "B", "C" and "D" of that certain boundary line adjustment deed approved and recorded as Auditor's File No. 9202060015 and between the Northerly extensions of both the Easterly and Westerly lines of said Tract "A".

ALSO TOGETHER WITH an additional portion of said Lot 4 described as follows:

Beginning at the Southwest corner of Parcel "D" conveyed to Jordan P. Morgan and Wilma V. Morgan by deed recorded February 6, 1992 as Auditor's File No. 9202060015; thence North  $01^{\circ}49'09''$  East, a distance of 6.20 feet to the Northwest corner of said Morgan parcel; thence North  $88^{\circ}10'51''$  West a distance of 5 feet; thence South to a point on the South line of said Lot 4 that is 5 feet West of the point of beginning; thence East along said South line to the point of beginning.

ALSO TOGETHER WITH a non-exclusive easement for access as delineated on the face of said Short Plat No. 1-75.

Situate in Skagit County, Washington.

*W. V. M.*

OPTION AGREEMENT - 8



200706010143

Skagit County Auditor

6/1/2007 Page

8 of

21

3:48PM



## EXHIBIT B

NWMLS Form 34  
Addendum/Amendment to P & S  
Rev. 5/96  
Page 1 of 1

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Northwest Multiple Listing Service  
ALL RIGHTS RESERVED

## ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated March 15th, 2007 1  
between Dana and Diana Johnson ("Buyer") 2  
and Morgan ("Seller") 3  
concerning 20938, 20948 and 20955 Morgan Lane ("the Property") 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

Dana and Diana Johnson shall be in first position to purchase the property of Wilma Morgan located at 10756 6  
District Line Road in Burlington, WA (P67624). At such time that Mrs. Morgan and/or her estate shall decide to 7  
sell this property, the Johnson's shall have 14 days to make an offer subject to a price determined by a neutral 8  
Appraiser. 9  
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*W. V. M.*

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 41

AGENT (COMPANY) Coldwell Banker Miller-Amason 42

BY: Wilma Morgan 43

Initials: BUYER: D.D.J. DATE: 4-24-07 SELLER: WPM DATE: 4-24-07 44  
BUYER: DLJ DATE: 4-24-07 SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 45

OPTION AGREEMENT - 9



200706010143  
Skagit County Auditor

# ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated March 15th, 2007 1  
 between Dana and Diana Johnson ("Buyer") 2  
 and Morgan ("Seller") 3  
 concerning 20938, 20948 and 20955 Morgan Lane ("the Property") 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

Buyer's will waive the inspection and will accept the above properties in "AS IS" condition in consideration 6  
 that Buyer's will have a recorded First Right of Refusal (at the Seller's expense) to purchase the residence 7  
 located at 10756 District Line Road (parcel number P67624). The purchase price will be determined by a 8  
 neutral 3rd party Appraiser, ~~per appraisal of 20938 and 20948 Morgan Lane.~~ 9

Buyer's request closing on 20955 Morgan Lane to be extended until tenants have vacated both Unit A and Unit B 10  
 on or before 6/30/07. Upon the closing of the properties at 20938 and 20948 Morgan Lane, the deposited 11  
 earnest money (\$2,000) will be transferred onto the escrow of 20955 Morgan Lane and an additional amount of 12  
 \$10,000 will also be deposited and the total amount of \$12,000 will become non-refundable. 13  
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 41

AGENT (COMPANY) Chanel + Dana + Diana Johnson 42

BY: Lynda Hansen CRS, GRI 43

Initials: BUYER: [Signature] DATE: \_\_\_\_\_ SELLER: [Signature] DATE: 4-9-07 44  
 BUYER: [Signature] DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 45

OPTION AGREEMENT - 10



200706010143  
 Skagit County Auditor

EXHIBIT B - PAGE 3

Legal Description

MORGANS TRS PTN TR 1 OF MORGANS TRS AKA TR D SBT PL TDK 12  
1-75 AF#828753 TGW TH PTN LOT 1 OF PLAT OF STERLING VIEW DIV  
#1 DAF BAT SE COR SD LT 1 TH N 88-10-51 W ALG S LI SD LT 1  
105FT TO SW COR SD LT TH N 1-49-09 E 5.34FT TH S 86-54-11 E  
104.96FT TO E LI SD LT 1 TH S 0-35-00 W 3FT TO POB & TGW TH  
PTN LOT 2 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR SD  
LT 2 TH N 88-10-51 W 105FT TO SW COR SD LT 2 TH N 1-49-09 E  
6.66FT TH S 87-27-38 E 105.01FT TO E LI SD LT 2 TH S 1-49-09  
W 5.34FT TO POB TGW TH PTN LT 3 OF PLAT OF STERLING VIEW DIV  
#1 DAF BAT SE COR SD LT TH N 88-10-51 W ALG S LI SD LT 3  
105FT TO SW COR SD LT 3 TH N 1-49-09 E 6.20FT TH S 88-75-55  
E 105FT TO E LI OF SD LT 3 TH S 1-49-09 W 6.66FT TO TPOB TGW  
TH PTN LT 4 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR  
SD LT 4 TH N 88-10-51 W ALG S LI SD LT 4 70.98FT TH N  
1-49-09 E 6.20FT TH S 88-10-51 E 70.98FT TO E LI SD LT 4 TH  
S 1-49-09 W 6.20FT TO POB

*W. V. M.*

END OF EXHIBIT B

*[Signature]*

OPTION AGREEMENT - 11



200706010143  
Skagit County Auditor

EXHIBIT C

MORGANS TRS PTN TR 1 OF MORGANS TRS AKA TR D SHT PL TDK 12 1-75  
AF#828753 TGW TH PTN LOT 1 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE  
COR SD LT 1 TH N 88-10-51 W ALG S LI SD LT 1 105FT TO SW COR SD LT TH N 1-  
49-09 E 5.34FT TH S 86-54-11 E 104.98FT TO E LI SD LT 1 TH S 0-35-00 W 3FT TO  
POB & TGW TH PTN LOT 2 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR  
SD LT 2 TH N 88-10-51 W 105FT TO SW COR SD LT 2 TH N 1-49-09 E 6.66FT TH S  
87-27-38 E 105.01FT TO E LI SD LT 2 TH S 1-49-09 W 5.34FT TO POB TGW TH PTN  
LT 3 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR SD LT TH N 88-10-51  
W ALG S LI SD LT 3 105FT TO SW COR SD LT 3 TH N 1-49-09 E 6.20FT TH S 88-75-  
55 E 105FT TO E LI OF SD LT 3 TH S 1-49-09 W 6.66FT TO TPOB TGW TH PTN LT 4  
OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR SD LT 4 TH N 88-10-51 W  
ALG S LI SD LT 4 70.98FT TH N 1-49-09 E 6.20FT TH S 88-10-51 E 70.98FT TO E LI  
SD LT 4 TH S 1-49-09 W 6.20FT TO POB

SITUATE IN SKAGIT COUNTY, WASHINGTON  
TAX PARCEL ID # P67624

*W. V. M.*

OPTION AGREEMENT - 12



200706010143

Skagit County Auditor

**EXHIBIT D**

**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**THIS AGREEMENT** is made and entered this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between THE WILMA V. MORGAN TRUST, dated February 27, 2006, WILMA V. MORGAN, TRUSTOR/TRUSTEE, hereinafter "Seller" and DANA D. JOHNSON and DIANA L. JOHNSON, husband and wife, hereinafter "Buyer."

**RECITALS:**

A. This Agreement arises out of the Buyer exercising that certain option contained in the First Right of Refusal and Option Agreement executed by the parties on the \_\_\_\_ day of \_\_\_\_\_, 2007, which is recorded under Auditor's File No. \_\_\_\_\_, records of Skagit County, Washington.

B. Buyer exercised the option on the \_\_\_\_ day of \_\_\_\_\_, 2007.

**WITNESSETH:**

1. **Realty.** Buyer agrees to buy and Seller agrees to sell, on the following terms and conditions, the real property hereinafter referred to as the "Property", situated in Skagit County, Washington, legally described as follows:

*See Attached Exhibit A*

The Property is more commonly known as 10756 District Line Road, Skagit County, Washington.

2. **Price and Terms.** The purchase price for the District Line Road Property shall be the appraised value of the land and improvements existing on the District Line Road Property at the time this option is exercised. The appraised value shall be determined by a neutral appraiser familiar with property in Skagit County, Washington. Neutral appraiser shall be mutually agreed to by the parties. If the parties cannot agree, then the appraiser shall be selected by BRADLEY D. SWANSON, Esquire or one of the partners in the BELCHER, SWANSON LAW FIRM, P.L.L.C., or its successor law firm, if BRADLEY D. SWANSON is not available. The appraisal

OPTION AGREEMENT - 13

*W. V. M.*



200706010143  
Skagit County Auditor

6/1/2007 Page 13 of 21 3:48PM

shall be in writing and the cost thereof split equally between the parties. The purchase price as determined by the appraisal shall be paid in cash at closing.

3. **Closing.** The purchase and sale of the Property shall be closed at the offices of Chicago Title Company, Bellingham, Washington, or at such other licensed escrow office, as the parties may mutually agree. Such closing shall take place within thirty (30) days after the appraisal contemplated by this Agreement has been completed. Buyer and Seller agree to deposit with the closing agent all instruments and monies required to complete the purchase in accordance with this Agreement.

4. **Closing Costs and Prorations.** Seller and Buyer shall each pay one-half of the closing fee. Seller shall pay the real estate excise tax, and the cost of title insurance. Taxes for the current year and insurance acceptable to the Buyer shall be prorated as of the date of closing. All utilities shall be prorated as of the date of closing, outside of escrow. The Seller shall be responsible for the payment of any and all back taxes or compensating taxes, payable upon removal of the Property from a reduced tax classification, up to and including the date of closing.

5. **Condition of Title.** Title to the Property is to be free of all encumbrances or defects, except those encumbrances or defects to be discharged by Seller at closing or waived by Buyer within ten (10) days after receipt of a preliminary commitment for title insurance provided by Seller. Rights reserved in federal patents or state deeds; building or use restrictions general to the district, other than governmental platting and subdivision requirements; utility easements; other easements not inconsistent with Buyer's intended use; and oil, gas and mineral right reservations shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller shall be paid from the purchase money at the date of closing.

6. **Conveyancing.** Title shall be conveyed by Statutory Warranty Deed, which shall be free of encumbrances or defects except those noted in paragraph 5 above, or accepted by Buyer.

7. **Title Insurance.** Seller authorizes Buyer, upon Buyer's exercise of the option, at Seller's expense to apply for a preliminary commitment for a standard form Buyer's title policy of title insurance in the full amount of the purchase price, to be issued by Chicago Title Insurance Company or at such other title insurance company, as the parties may mutually agree. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than

OPTION AGREEMENT - 14

*24. 2. 2. 2.*



200706010143

Skagit County Auditor

provided for in paragraph 5 hereof or waived by Buyer. Seller agrees to pay any cancellation fee assessed by the title insurance company for preparation of the preliminary commitment if the title is defective.

8. **Sale as is.** This purchase and sale contemplated by this Agreement is made as is without warranty by Seller.

9. **Possession.** Buyer shall be entitled to possession on closing.

10. **Included Items.** All attached floor coverings, attached television antenna, window screens, screen doors, storm windows, storm doors, plumbing and lighting fixtures (except floor, standing and swag lamps), shades, venetian blinds, curtain rods, attached bathroom fixtures, trees, plants, shrubbery, water heating apparatus and fixtures, awnings, ventilating, cooling and heating systems, including built-in and "drop-in" ranges, shall be included in the sale, except the following: None.

11. **Destruction of Improvements.** If, prior to closing, the improvements on the Property shall be destroyed or materially damaged by fire or other casualty, this Agreement at option of the Buyer shall become null and void. Provided, however, the Buyer may elect to receive the insurance proceeds covering the building, improvements and fixtures (but not the personal property of Seller) and elect to close.

12. **Remedies.** In the event of default by Buyer, after the option has been exercised, the Seller may seek any remedies authorized by law, including specific performance or damages. In the event of a default by the Seller, the Buyer shall be entitled to any remedies authorized by law, including specific performance and/or damages.

13. **Miscellaneous.**

A. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

B. **Entire Agreement.** There are no other verbal or other agreements which modify or affect this Agreement.

C. **Benefit.** The provisions in this Agreement shall inure to the benefit of and be binding upon the successors, assigns and personal representatives of the parties hereto.



**D. Notices.** All notices or demands to be given by each party to the other pursuant to this Agreement and all sums to be paid by each party shall be deposited in the United States mails, postage prepaid, by certified or registered mail, return receipt requested, and addressed as follows:

**BUYER:**  
Dana D. Johnson  
Diana L. Johnson  
3950 Home Road  
Bellingham, WA 98226

**SELLER:**  
The Wilma V. Morgan Trust  
Wilma V. Morgan, Trustor/Trustee  
10756 District Line Road  
Burlington, WA 98233

Notices and demands sent by mail shall be deemed to have been given and delivered when properly mailed and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

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**F. Attorney's Fees.** In the event either Buyer or Seller shall institute any action to enforce any rights hereunder, the prevailing party shall be entitled to court costs and reasonable attorney's fees against the other party.

**G. Survival.** All of the terms and covenants in this Agreement shall survive the closing and delivery of any deed.

**H. Severability.** If any provision of this Agreement shall be deemed to be null and void or unenforceable by the action of a court of law, such provision shall be severable and not affect the balance of this Agreement which shall remain in full force and effect.

**J. Applicable Law.** This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington and the parties agree that the Superior Court of Skagit County shall be the appropriate venue of any suit or proceeding brought with respect to this Agreement.

**K. Compliance With the Foreign Investment in Real Property Tax Act.** Seller shall deliver or cause to be delivered to Buyer at the closing an affidavit executed by Seller under penalty of perjury stating Seller's United States Tax Identification Number and Seller's

*W. V. M.*





warranty and representation that Seller is not a foreign person as set forth in Internal Revenue Code Section 1445. In the event that Seller in this sale is subject to the Foreign Investment In Real Property Tax Act, Seller agrees to comply with the withholding requirements and all other requirements of said Act at closing of this sale.

**L. 1031 Exchange.** Either party of this transaction may elect to participate in a 1031 in connection with the transaction contemplated by this Agreement. In that event, the other party, the non-exchanging party, agrees to participate in the exchange at no additional cost to the non-exchanging party.

**IN WITNESS WHEREOF,** the parties have signed this Agreement the date above first written.

**BUYER:**

\_\_\_\_\_  
DANA D. CHINSEY

\_\_\_\_\_  
DIANA L. CHINSEY

**SELLER:**

\_\_\_\_\_  
THE WILMA V. MORGAN TRUST  
WILMA V. MORGAN TRUSTOR/TRUSTEE



STATE OF WASHINGTON )  
 : ss.  
COUNTY OF WHATCOM )

On this \_\_\_\_\_ day of May, 2007, before me personally appeared DANA D. JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me 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 the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at Bellingham.  
My Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 : ss.  
COUNTY OF WHATCOM )

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GIVEN UNDER my hand and official seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at Bellingham.  
My Commission Expires: \_\_\_\_\_

OPTION AGREEMENT - 18



200706010143  
Skagit County Auditor

STATE OF WASHINGTON     )  
  : ss.  
COUNTY OF WHATCOM     )

On this \_\_\_\_\_ day of May, 2007, before me personally appeared WILMA V. MORGAN, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me 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 the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at Bellingham  
My Commission Expires: \_\_\_\_\_

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OPTION AGREEMENT - 19



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Skagit County Auditor

6/1/2007 Page 19 of 21 3:48PM

EXHIBIT A (TO EXHIBIT D)

MORGANS TRS PTN TR 1 OF MORGANS TRS AKA TR D SHT PL TDK 12 1-75  
AFF#828753 TGW TH PTN LOT 1 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE  
COR SD LT 1 TH N 88-10-51 W ALG S LI SD LT 1 105FT TO SW COR SD LT TH N 1-  
49-09 E 5.34FT TH S 86-54-11 E 104.96FT TO E LI SD LT 1 TH S 0-35-00 W 3FT TO  
POB & TGW TH PTN LOT 2 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR  
SD LT 2 TH N 88-10-51 W 105FT TO SW COR SD LT 2 TH N 1-49-09 E 6.66FT TH S  
87-27-38 E 105.01FT TO E LI SD LT 2 TH S 1-49-09 W 5.34FT TO POB TGW TH PTN  
LT 3 OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR SD LT TH N 88-10-51  
W ALG S LI SD LT 3 105FT TO SW COR SD LT 3 TH N 1-49-09 E 6.20FT TH S 88-75-  
55 E 105FT TO E LI OF SD LT 3 TH S 1-49-09 W 6.66FT TO TPOB TGW TH PTN LT 4  
OF PLAT OF STERLING VIEW DIV #1 DAF BAT SE COR SD LT 4 TH N 88-10-51 W  
ALG S LI SD LT 4 70.98FT TH N 1-49-09 E 6.20FT TH S 88-10-51 E 70.98FT TO E LI  
SD LT 4 TH S 1-49-09 W 6.20FT TO POB

SITUATE IN SKAGIT COUNTY, WASHINGTON  
TAX PARCEL ID # P67624

*W.V.M.*

OPTION AGREEMENT - 20



200706010143

Skagit County Auditor

## EXHIBIT A

### LEGAL DESCRIPTION:

Tract "A" of Revised Skagit County Short Plat No. 1-75, approved May 6, 1977 and recorded July 7, 1977 as Auditor's File No. 859984 in Volume 2 of Short Plats, page 80, records of Skagit County, Washington, being a portion of Tract "A" of "MORGAN'S TRACTS", as per plat recorded in Volume 6 of Plats, page 11, records of Skagit County, Washington.

TOGETHER WITH those portions of Lots 2, 3 and 4 of the "PLATS OF STERLING VIEW DIV. NO. 1", as per plat recorded in Volume 14 of Plats, page 182 records of Skagit County, Washington, lying both within Parcels "B", "C" and "D" of that certain boundary line adjustment deed approved and recorded as Auditor's File No. 9202060015 and between the Northerly extensions of both the Easterly and Westerly lines of said Tract "A".

ALSO TOGETHER WITH an additional portion of said Lot 4 described as follows:

Beginning at the Southwest corner of Parcel "D" conveyed to Jordan P. Morgan and Wilma V. Morgan by deed recorded February 6, 1992 as Auditor's File No. 9202060015; thence North 01 49'09" East, a distance of 6.20 feet to the Northwest corner of said Morgan parcel; thence North 88 10'51" West a distance of 5 feet; thence South to a point on the South line of said Lot 4 that is 5 feet West of the point of beginning; thence East along said South line to the point of beginning.

ALSO TOGETHER WITH a non-exclusive easement for access as delineated on the face of said Short Plat No. 1-75.



200706010143  
Skagit County Auditor