



200801020098

Skagit County Auditor

WHEN RECORDED RETURN TO:

1/2/2008 Page

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8 12:39PM

Law Office Of
LAWRENCE A. PIRKLE
321 West Washington, Suite 300
Mount Vernon, Washington 98273
(360) 336-6587

DOCUMENT TITLE(S)

First Right of Refusal

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR(S):

*TLB Family Properties, LLC
Thomas L. Brown, SR.*

GRANTEE(S):

*Lisa J. Newman
Debbie Monetti*

ABBREVIATED LEGAL DESCRIPTION:

Section 19 T1W 34N, RANGE 4

TAX PARCEL NUMBER(S):

P26377 + P26378

FIRST RIGHT OF REFUSAL

This first right of refusal is entered into by and between LISA J. NEWMAN and/or DEBBIE MONETTI (hereinafter Optionee) and TLB FAMILY PROPERTIES, LLC, a Washington Limited Liability Company and THOMAS L. BROWN, SR. (hereinafter collectively Optionor).

WHEREAS, Optionee's business (MOUNT VERNON CARPET CENTER, L.L.C.) currently leases the property from Optionor and Optionor has agreed to give Optionee a first right of refusal to purchase the property if it is sold.

IN CONSIDERATION of the mutual promises, agreements hereinafter set forth, the parties agree as follows:

**I
REAL PROPERTY**

The real property which is subject to this agreement is legally described on Exhibit A, incorporated herein by this reference.

**II
FIRST RIGHT OF REFUSAL**

Optionor hereby grants Optionee the first right of refusal to purchase the property on the same price, terms and conditions as those of a third-party offer which are acceptable to Optionor. Optionee shall give Optionor written notice of her intent to match these terms and conditions within thirty (30) days of receiving notice from Optionor.

**III
TERM**

This Agreement shall terminate upon the earlier of (1) mutual consent of the parties, or (2) January 1, 2019.

**IV
INDEBTEDNESS**

Optionor hereby warrants that the property being transferred will be free and clear of all liens and any security interest.

**V
CLOSING FEE AND PRORATIONS**

Optionor and Optionee herein agree to split the cost of the escrow fee. Real property taxes payable in the year of closing, rents and other payments under assumed contracts or leases, shall be pro-rated as of closing. Unless otherwise agreed in writing, Optionor shall pay all transfer and/or excise taxes associated with the sale and standard title insurance. Closing shall be done by such party as mutually agreed upon by



Optionee and Optionor. Each party shall pay their respective attorney fees.

VI
LEGAL RELATIONSHIPS

No partnership, joint venture, or joint undertaking shall be construed from this Agreement, and except as herein specifically provided, neither party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. All terms, covenants, and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and if default by any one or more of such persons shall be deemed a default on the part of the other party with whom said person or persons are identified.

VII
TIME IS OF THE ESSENCE

Time is of the essence of this Agreement.

VIII
COST OF ENFORCING AGREEMENT

If either party to this Agreement defaults hereunder, such party shall pay the costs of the non-defaulting party hereunder, which are reasonably incurred by reason of such default, including, without limitation, the cost of attorneys and investigative costs, whether or not a lawsuit is commenced because of such default.

IX
NOTICES

Any notice, document or communication required or permitted to be given hereunder shall be in writing and shall be deemed to be given if delivered by hand to the appropriate party at the address set out below, or if mailed by registered or certified mail, postage prepaid, return receipt requested. The addresses for the respective parties for hand delivery or mail shall be as follows:

To Optionee: LISA J. NEWMAN
 PO Box 2574
 Mount Vernon, WA 98273

 DEBBIE MONETTI
 1015 Joanna Lane
 Camano Island, WA 98282

To Optionor: TLB FAMILY PROPERTIES, LLC
 THOMAS L. BROWN, SR.
 310 Lilac Drive
 Mount Vernon, WA 98273



Any party hereto may change its address for the service of notices and elections hereunder by giving written notice of said change to the other party hereto, in the manner herein provided, at least ten (10) days prior to the effective date of said change. Any notice, document or communication shall be deemed to have been given and received if delivered when delivered, and if mailed as aforesaid, five (5) days after the date of mailing.

X

ENTIRE AGREEMENT/MODIFICATION

This written Agreement, including all exhibits and attachments hereto, constitutes the entire and complete Agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the transaction contemplated herein. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants, and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by the parties hereto.

XI

BINDING EFFECT

This Agreement shall bind and inure to the benefit of the heirs, administrators, successors and assigns of Optionee and Optionor.

XII

COUNTERPARTS

This Agreement may be executed in two or more counterparts and all counterparts so executed shall for all purposes constitute one agreement, binding upon all the parties hereto, notwithstanding that all parties shall not have executed the same counterpart.

XIII

SEVERABILITY

Each paragraph, section and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, section and/or provision herein is determined to be invalid and contrary to any existing or future law or regulation, such shall not impair the operation of or affect the remaining paragraphs, sections and/or provisions of this Agreement.

XIV

FURTHER DOCUMENTS OR NECESSARY ACTION

On or after the Closing Date Optionee and Optionor, respectively, shall take all such action as may be necessary or appropriate in order to effectuate the transactions contemplated hereby.



XV
ARBITRATION

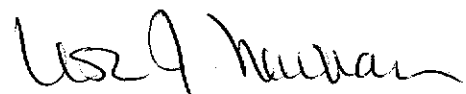
Any controversy or claim arising out of or relating to this Agreement and related documents shall be settled by arbitration unless otherwise provided for in this Agreement. The arbitration shall be held in accordance with the Commercial Arbitration Rules of the American Arbitration Association. In the event of a controversy or claim, then each party hereto shall select an arbitrator, and said arbitrators shall select a neutral third arbitrator. In the event that the arbitrators cannot agree on selection of a third arbitrator, then one may be appointed by the county Superior Court upon application by either party. The three arbitrators shall decide all controversies or claims arising hereto and the decision, judgment, or award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The prevailing party in the arbitration shall be entitled to a reasonable attorney's fee, arbitration costs and court costs, if any, to be paid by the non-prevailing party, as fixed by the arbitrators.

XVI
INTERPRETATION/CONSTRUCTION

Both parties acknowledge that they have had the opportunity to have this Agreement reviewed by independent counsel of their choice, and have been advised to do so. Therefore, no interpretation or construction shall be made with respect to this Agreement, based on which party drafted the Agreement.

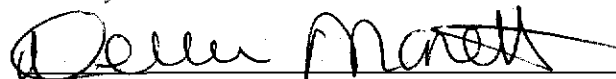
XVII
NON-ASSIGNABLE

This first right of refusal is non-assignable.



LISA J. NEWMAN

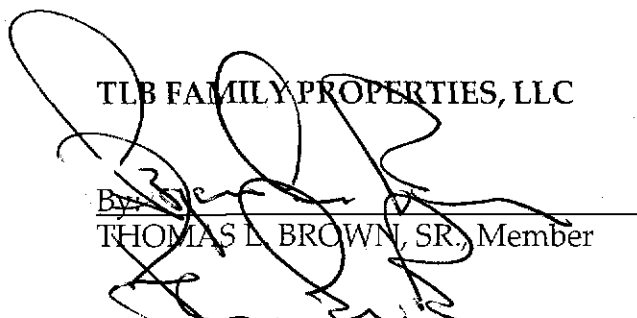
11-08
Date



DEBBIE MONETTI

11-08
Date

TLB FAMILY PROPERTIES, LLC



THOMAS L. BROWN, SR., Member

11-08
Date

THOMAS L. BROWN, SR., Individually

11-08
Date



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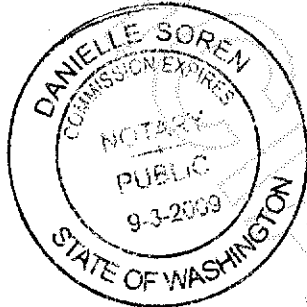
Skagit County Auditor

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

SS

On this day personally appeared before me, LISA J. NEWMAN, to me known to be the individual 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 27th day of December, 2007.



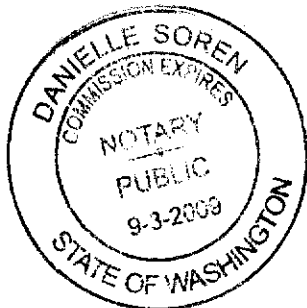
Danielle Soren
(Notary's printed name)
Danielle Soren
NOTARY PUBLIC in and for the
State of Washington
Residing at Sedro Woolley
My Commission Expires: 9-3-2009

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

SS

On this day personally appeared before me, DEBBIE MONETTI, to me known to be the individual 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 27th day of December, 2007.



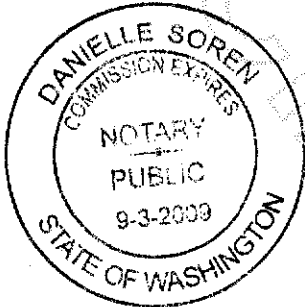
Danielle Soren
(Notary's printed name)
Danielle Soren
NOTARY PUBLIC in and for the
State of Washington
Residing at Sedro Woolley
My Commission Expires: 9-3-2009



STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) SS

I certify that I know or have satisfactory evidence that THOMAS L. BROWN, SR. is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Member/Manager of TLB FAMILY PROPERTIES, LLC) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 27th day of December, 2007.

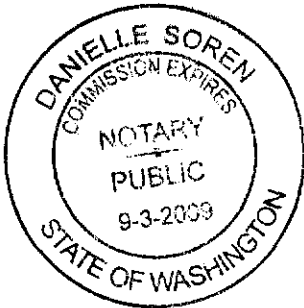


Danielle Soren
(Notary's printed name)
Danielle Soren
NOTARY PUBLIC in and for the
State of Washington
Residing at 2610 Woolley
My Commission Expires: 9-3-2009

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) SS

On this day personally appeared before me, THOMAS L. BROWN, SR., to me known to be the individual 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 27th day of December, 2007.



Danielle Soren
(Notary's printed name)
Danielle Soren
NOTARY PUBLIC in and for the
State of Washington
Residing at 2610 Woolley
My Commission Expires: 9-3-2009



Parcel 3 - Tax Parcel #340419-0-064-0008 (P26377), #340419-0-065-0007 (P26378)

All Grantors partnership interest in MVC Investors in the following described property as herein attached and by reference made a part hereof

SUBJECT TO: Reservations as contained in Deed recorded September 6, 1958 under Auditor's File No. 523642 and correction deed recorded January 3, 1958 under Auditor's File No. 540264; Easements dated August 5, 1958 and August 4, 1958 under Auditor's File Nos. 569469 and 569470; Easements dated March 1, 1912 and August 31, 1911 recorded under Auditor's File No. 36357, Vol. 87, page 134 and 90055 Vol. 88 page 163; Easement recorded August 28, 1924 under Auditor's File No. 178764, Vol. 133 page 433; Possible franchise for the operation of a railroad as disclosed by instrument recorded under Auditor's File No. 253500, Vol. 161, page 378; Easement recorded June 25, 1940 under Auditor's File No. 328798, Vol. 181, page 30.

SUBJECT TO: Grantees agree to assume all underlying indebtedness in connection with the above referred to partnership.

PARCEL "A":

That portion of the North 46 rods of Government Lot 9 in Section 19, Township 34 North, Range 4 East W.M., described as follows:

Beginning at the intersection of the North line of said Government Lot 9 with a line drawn parallel with and 25 feet Northwesterly, when measured at right angles from the center line of Seattle & Montana Railway (now Great Northern Railway Co.); thence West 400 feet; thence South 300 feet; thence East to a point on a line drawn parallel with and 25 feet Westerly, when measured at right angles from the center line of Seattle & Montana Railway right of way; thence North along said right of way to place of beginning, EXCEPT the Easterly 50 feet thereof, AND EXCEPT that portion conveyed to the City of Mount Vernon for street purposes by deed dated May 22, 1956, recorded June 20, 1956 as Auditor's File No. 537661.

PARCEL "B":

That portion of the North 46 rods of Government Lot 9, Section 19, Township 34 North, Range 4 East W.M., lying Westerly of the Great Northern Railway right of way; EXCEPT that portion sold to Pugar Sound Power and Light Company by deed recorded November 9, 1946, under Auditor's File No. 397841, Records of Skagit County, Wash.; EXCEPT that portion lying Westerly of a line drawn from a point on the North line of said Lot 9, 1,038 feet West of the Northeast corner thereof, to a point on the South line of said North 46 rods, 360 feet West of the Southeast corner thereof; EXCEPT that portion thereof lying Westerly of the West line of that certain tract of land conveyed by the State of Washington to J.B. Cameron, et al, by deed recorded January 3, 1958, under Auditor's File No. 560264; EXCEPT that portion conveyed to the City of Mount Vernon for street purposes by deed dated May 22, 1956, recorded June 20, 1956 as Auditor's File No. 537661, AND EXCEPT the following described tract:

Beginning at the intersection of the North line of said Government Lot 9 with a line drawn parallel with and 25 feet Northwesterly, when measured at right angles from the center line of the Great Northern Railway right of way; thence West along the North line of said Government Lot 9, 400 feet; thence South 300 feet; thence East to a point on a line drawn parallel with and 25 feet Westerly when measured at right angles from the center line of the Great Northern Railway right of way; thence Northeast along said parallel line to the point of beginning.

Situate in the County of Skagit, State of Washington.



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