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Skagit County Auditor

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12/7/2015 Page

1 of

9 12:49PM

When Recorded Please Return To:
LAWRENCE A. PIRKLE
1220 Memorial Hwy., Suite A
Mount Vernon, WA 98273
(360) 336-6587

DOCUMENT TITLE(S): FIRST RIGHT OF REFUSAL TO PURCHASE

REFERENCE NUMBER(S): N/A

GRANTOR: KYLE M. NILSON, a single person

GRANTEE: GMN INVESTMENTS, LLC, a Washington Limited Liability Company

ABREVIATED LEGAL:

The Southwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 13, Township 34 North, Range 4 East, W.M.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

ASSESSOR PARCEL / TAX ID NUMBER: 340413-3-002-0003 (P24660)

FIRST RIGHT OF REFUSAL TO PURCHASE

This first right of refusal is entered into by and between KYLE M. NILSON (hereinafter Optionor) and GMN INVESTMENTS, LLC, a Washington Limited Liability Company (hereinafter Optionee).

WHEREAS, Optionee has currently sold the house and property to Optionor and as part of the Purchase and Sale Agreement, Optionee shall receive a first right of refusal to purchase the property if it is sold, transferred, etc., as set forth below.

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 upon the earlier of (1) transfer, sale, gift, foreclosure, etc. by Optionor, or (2) failure to have Optionor's future spouse to sign a Quit Claim Deed releasing her interest in the property to Optionor within sixty (60) days from the date of their marriage. Optionee shall have thirty (30) days from the above option trigger event to exercise its option to purchase, which shall be in writing to Optionor.

III PRICE

The option price shall be the price, terms and conditions as those of a third party offer, which are acceptable to Optionor, if Optionor sells the property or the tax assessed value at the date of the other trigger events in Article II (i.e. not a sale). If the purchase price is the assessed value, then the terms are as follows: All cash at closing with the Title free and clear of all loans, mortgages and liens. Optionor shall provide a Statutory Warranty Deed to Optionee. All other terms and conditions in Articles V and VI shall apply.

IV
TERM

This Agreement shall terminate upon the earlier of (1) mutual consent of the parties, or (2) January 1, 2031.

V
INDEBTEDNESS

If the Optionee chooses to exercise this first right of refusal, the Optionor agrees to convey the above described real property free and clear of all taxes, assessments, liens, encumbrances and charges to the date of the closing of the sale of the property. Optionor promises to give marketable title to the real property and to convey the property by a Statutory Warranty Deed.

VI
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. Optionee acknowledges that the Real Property purchased herein currently has special tax treatment as "Timber Land" or "Open Space". Optionor has informed Optionee that this sale may cause a reassessment of prior taxes upon change of ownership with a requirement of past taxes to be paid unless Optionee continues the "Timber Land" status. Any increase in past taxes occasioned because of this sale will be paid by Optionee unless Optionee agree to continue this tax treatment.

VII
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.

VIII
TIME IS OF THE ESSENCE

Time is of the essence of this Agreement.

IX
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.

X
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: KYLE M. NILSON
 23183 Gunderson Road
 Mount Vernon, WA 98273

To Optionor: GMN INVESTMENTS, LLC
 23145 Gunderson Road
 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.

XI
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.

XII
BINDING EFFECT

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

XIII
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.

XIV
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.

XV
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.

XVI
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.

XVII
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.



KYLE M. NILSON

11/20/15
Date

GMN INVESTMENTS, LLC

By: 

MARK L. NILSON, Member

11/20/15
Date

By: 

MORRIS R. NILSON, Member

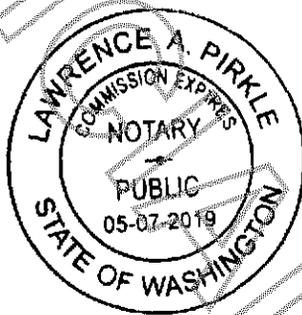
11/20/15
Date

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

ss.

I certify that I know or have satisfactory evidence that KYLE M. NILSON is the individual who appeared before me, and said individual acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 20th day of November, 2015.



Lawrence A. Pirkle
(Notary's printed name)

[Signature]
NOTARY PUBLIC in and for the
State of Washington
Residing at: Mt. Vernon
My Commission Expires: 05/07/2019

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

ss.

I certify that I know or have satisfactory evidence that MORRIS R. NILSON 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 GMN INVESTMENTS, 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 20th day of November, 2015.



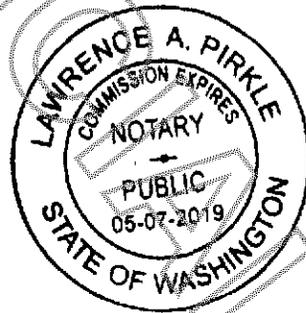
Lawrence A. Pirkle
(Notary's printed name)

[Signature]
NOTARY PUBLIC in and for the
State of Washington
Residing at: Mt. Vernon
My Commission Expires: 05/07/2019

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that MARK L. NILSON 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 GMN INVESTMENTS, 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 20th day of November, 2015.



Lawrence A. Pirkle
(Notary's printed name)

[Signature]
NOTARY PUBLIC in and for the
State of Washington

Residing at: Mt. Vernon
My Commission Expires: 05/07/2019

EXHIBIT A

Assessor's Parcel No: 340413-3-002-0003 (P24660)

The Southwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 13, Township 34 North, Range 4 East, W.M.,

SUBJECT TO a 20.00 foot wide easement for ingress, egress and utilities over, under and across the North 20.00 feet (as measured perpendicular to the North line) of the above described parcel for the benefit of contiguous property to the East (SE 1/4 of the NE 1/4 of the SW 1/4 of said Section 34, Township 34 North, Range 4 East, W.M.)

EXCEPT road rights-of- way

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Containing 9.7 acres.