

WHEN RECORDED RETURN TO:

James & Linda Macy
3918 Mallard Point Drive
Anacortes, WA 98221



201610070154

Skagit County Auditor \$77.00
10/7/2016 Page 1 of 5 3:27PM

Document Title: Right of First Refusal

Grantors: Gordon E. Smith and Pat Hoyland Smith, husband and wife

Grantees: James W. Macy and Linda S. Macy, husband and wife

Tax/Parcel ID Number: 350125-0-151-0006 / P32156

Abbreviated Legal: PARCEL 2 OF BLA 2010-0006 RECORDED UNDER AF#201012030125.

RIGHT OF FIRST REFUSAL

Land Title and Escrow
#155671-STE

For value received, Gordon E. Smith and Pat Hoyland Smith (also known as Patricia A. Hoyland-Smith), husband and wife ("Grantors") hereby grant to James W. Macy and Linda S. Macy, husband and wife ("Grantees") a right of first refusal on the following terms:

1. **The Property.** The Property that is subject to this Right of First Refusal ("hereafter referred to as "Parcel 2") is commonly known as Skagit County Parcel No. P32156, and is legally described at Exhibit A, below. This Right of Refusal is for the benefit of Grantees in their ownership of the adjoining Skagit County Parcel No. P32331, legally described at Exhibit B, below ("hereafter referred to as "Parcel 1"). As indicated below, this Right of First Refusal shall run with the land to successors in title of Parcel 1 and Parcel 2.
2. **Notice of Sale.** If Grantors contemplate a sale of Parcel 2 or any portion thereof, Grantors shall notify Grantees thereof, describing in detail the terms of the contemplated sale. The furnishing to Grantees of a copy of the proposed contract of sale will constitute sufficient notice. The parties agree that a sale under a mortgage or deed of trust foreclosure, tax foreclosure, or other lien foreclosure will also trigger Grantees' right of first refusal.
3. **Exercise of Right.** Grantees shall have twenty-one (21) days after the date of the Notice of Sale within which to elect to purchase under the terms of said contemplated sale. Such election shall be made by written notice to Grantors, and Grantees shall tender the earnest money down payment or price proposed in said contemplated sale. Thereafter, the parties shall execute such contracts and other instruments of conveyance as are necessary to close said sale on the terms specified in the Notice of Sale. If Grantees fail to exercise this right to purchase as hereinabove provided, Grantors shall be free to sell under the terms stated or referred to in the Notice of Sale. If Grantees fail to so elect to purchase and the terms of the contemplated sale are materially changed, Grantees shall again be given notice as hereinabove provided and shall be given the same time within which to make an election to purchase on the changed terms. If Grantees fail to so exercise this right to purchase and Grantors do not close said contemplated

sale. Grantees shall not be deemed to have relinquished the rights herein granted in the event of a future contemplated sale.

4. **Notice.** All notices required herein shall be in writing and mailed to the party to whom directed at the addresses hereinafter set forth or personally delivered to such party. Notice shall be deemed given when deposited in the U.S. Mail, postage prepaid, or if personally delivered, when received by a party. The parties' addresses for Notice purposes shall be following, unless or until one party informs the other in writing that Notice shall be sent to a different address:

Grantors: Gordon E. Smith and Pat Hoyland Smith, Post Office Box 31, Anacortes, WA 98221.

Grantees: James W. Macy and Linda S. Macy, 3918 Mallard Point Drive, Anacortes, WA 98221

5. **Effectiveness.** This Right of Refusal shall become effective upon execution by Grantors and remain in effect until the occurrence of a Sale (as defined below). If Grantors sell Parcel 2 after abiding by the terms of this agreement, where Grantees fail to exercise their right of refusal, this right of first refusal shall at that time terminate and become null and void. "Sale" shall mean a transfer for value of Parcel 2. The following events shall not constitute as Sale and shall not trigger Grantees' right to purchase Parcel 2; however, this first right of refusal shall survive such events:

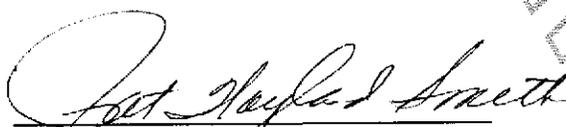
- (a) A transfer of Parcel 2 by Grantors, or either of them, to a revocable trust for which at least one Grantor is a trustee and at least one Grantor is a beneficiary;
- (b) A transfer of Parcel 2 from one Grantor to another, whether as a gift, an incident of marital dissolution, or otherwise;
- (c) A transfer of Parcel 2 pursuant to death, where the only consideration is distribution according to a will or trust.

6. **Miscellaneous.** This right of refusal shall run with the land at equity and at law, and shall bind and enure to benefit of the successors in title of Parcel 1 and Parcel 2. Time is of the essence. The prevailing party in any litigation to enforce this right of refusal will be entitled to recover reasonable attorney fees and costs from the non-prevailing party.

Executed this 30 day of September, 2016.

GRANTORS:

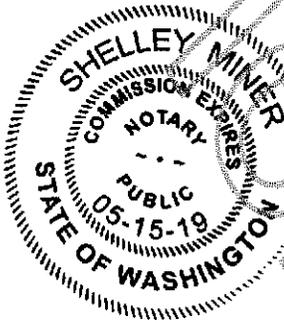

GORDON E. SMITH

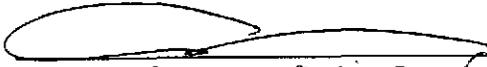

PAT HOYLAND SMITH

STATE OF WASHINGTON)
) :ss
COUNTY OF SKAGIT)

On this day personally appeared before me GORDON E. SMITH AND PAT HOYLAND SMITH, to me known to be the individual described in and who executed the foregoing document and acknowledged that he signed said document as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30 day of September, 2016.




Notary Public in and for the State of
Washington, residing at Mr. Jensen
My appointment expires 5-15-19

STATE OF WASHINGTON)
) :ss
COUNTY OF SKAGIT)

On this day personally appeared before me PAT HOYLAND SMITH, to me known to be the individual described in and who executed the foregoing document and acknowledged that he signed said document as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30 day of September, 2016.




Notary Public in and for the State of
Washington, residing at Mr. Jensen
My appointment expires 5-15-19

EXHIBIT A - GRANTORS' PARCEL P32156

The East 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 25, Township 35 North, Range 1 East, W.M.,

EXCEPT that portion, if any, lying within the West 20 rods of said Southwest 1/4 of the Southeast 1/4 of the Southeast 1/4,

AND EXCEPT that portion lying within the boundaries of the following described tract:

A portion of Section 25, Township 35 North, Range 1 East, W.M., described as follows:

BEGINNING at a point on the West line of the East 1/2 of the Southeast 1/4 of the Southeast 1/4, 392.989 feet North of the South line of Section 25;
thence North $88^{\circ}51'40''$ West, 163.364 feet;
thence North $0^{\circ}59'07''$ East 266.643 feet, more or less, to the South line of the Northwest 1/4 of the Southeast 1/4 of the Southeast 1/4;
thence South $89^{\circ}02'05''$ East along the South line of the Northwest 1/4 of the Southeast 1/4 of the Southeast 1/4, 163.364 feet, more or less, to the West line of the East 1/2 of the Southeast 1/4 of the Southeast 1/4;
thence South along the said West line South $0^{\circ}59'07''$ West (called $0^{\circ}59'07''$ West in previous descriptions), 266.643 feet to the POINT OF BEGINNING.

AND ALSO EXCEPT the South 195.00 feet (as measured perpendicular to the South line) thereof,

TOGETHER WITH that portion of the East 1/2 of the Southeast 1/4 of the Southeast 1/4 of said Section 25, Township 35 North, Range 1 East, W.M., described as follows:

BEGINNING at the Southwest corner of said East 1/2 of the Southeast 1/4 of the Southeast 1/4;
thence North $2^{\circ}05'03''$ East along the West line of said subdivision for a distance of 395.00 feet to the North line of the South 395.00 feet (as measured perpendicular to the South line) of said subdivision, also being the South line of Lot 3 of City of Anacortes Short Plat No. AN-86-003, approved May 18, 1987 and recorded May 21, 1987 under Skagit County Auditor's File No. 8705120020;
thence South $87^{\circ}46'22''$ East along the South line of Lots 3 and 4 of Short Plat No. AN-86-003, also being the North line of said South 395.00 feet, for a distance of 361.98 feet, more or less, to an angle point on the South line of said Lot 4;
thence South $1^{\circ}04'58''$ West along a Westerly line of said Lot 4 for a distance of 230.05 feet, more or less, to an angle point on said line, also being the Northeast corner of the South 165.00 feet (as measured perpendicular to the South line) of the West 366.00 feet (as measured perpendicular to the West line) of said East 1/2 of the Southeast 1/4 of the Southeast 1/4;
thence South $2^{\circ}05'03''$ West along said Westerly line of Lot 4, also being the East line of said West 366.00 feet, for a distance of 165.00 feet, more or less, to the South line of said East 1/2 of the Southeast 1/4 of the Southeast 1/4 at a point bearing South $87^{\circ}46'22''$ East from the POINT OF BEGINNING;
thence North $87^{\circ}46'22''$ West along said South line for a distance of 366.00 feet, more or less, to the POINT OF BEGINNING;

EXCEPT the South ^{195.00}~~165.00~~ feet (as measured perpendicular to the South line) of the West 315.43 feet (as measured perpendicular to the West line) of said East 1/2 of the Southeast 1/4 of the Southeast 1/4;

AND ALSO EXCEPT that portion, if any, that lies within the boundaries of the as built and existing road commonly known as Haddon Lane.

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

Situate in the City of Anacortes, County of Skagit, State of Washington.

Containing 194,123 sq. ft.

EXHIBIT B - GRANTEES' PARCEL P32331

The South 195.00 feet (as measured perpendicular to the South line) of the West 184.00 feet (as measured perpendicular to the West line) of the East 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 25, Township 35 North, Range 1 East, W.M.,

EXCEPT that portion, if any, that lies within the boundaries of the as built and existing road commonly known as Haddon Lane.

TOGETHER WITH a 10-foot wide easement for a water line 5.0 feet on either side of an existing domestic water line from the well and pump house located to the East as shown on the map attached as Exhibit "G", the centerline of said water line being more particularly described as follows:

Commencing at the Southeast corner of said South 195.00 feet of the West 184.00 feet of the East 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 25, Township 35 North, Range 1 East, W.M.; thence North $1^{\circ}59'19''$ East along the East line of said West 184.00 feet for a distance of 103.5 feet to the TRUE POINT OF BEGINNING of said line; thence North $67^{\circ}01'40''$ East for a distance of 186 feet, more or less, to the pump house and being the terminus of said line.

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

Situate in the City of Anacortes, County of Skagit, State of Washington.

Containing 35,880 sq. ft.