

## WHEN RECORDED RETURN TO:

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**RIGHT OF FIRST REFUSAL**

**Document Title:** RIGHT OF FIRST REFUSAL  
**Grantor:** MORSEY, LLC  
**Grantees:** JUDSON MORSE AND ANNE MARIE MORSE  
**Legal Description:** A PTN OF GOVT LOT 2, SEC. 31, T36N, R2E  
**Assessor's Tax Parcel ID#:** P47317 / 360231-0-005-000-4;  
P67752 / 3964-000-032-0307  
**Full legal:** PAGES 7-8

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For value received, **MORSEY, LLC** (Grantor) hereby grants to **JUDSON MORSE** and **ANNE MARIE MORSE** (Grantees) a right of first refusal to purchase the property described above on the following terms:

**1. Grant of Right of First Refusal.** For ten dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantees the Right of First Refusal contained herein for the Property (as defined below).

**2. Legal Descriptions of Property Subject to Right of First Refusal:** This Right of First Refusal shall apply to the Property, which is legally described in the attached Exhibit A.

**3. First Opportunity to Purchase.** In the event that the Grantor wishes to sell the Property, the Grantor shall notify the Grantees in writing of its desire to do so. The Grantor and Grantees shall enter into good faith negotiations in an attempt to negotiate mutually agreeable terms and conditions of sale, and to negotiate and execute a

Purchase and Sale Agreement. In the event that the Parties are unable to agree on terms and enter into a Purchase and Sale Agreement within **thirty** (30) days of the Grantee's receipt of the Grantor's notice, then the Grantor may market the Property to third parties.

**4. Right of First Refusal.** In the event that the Grantor has negotiated a sale of the Property to a third-party (subject to the qualifications contained herein), then the Grantor shall, before entering into a purchase and sale agreement with such third-party purchaser, first provide the Grantees with written notice of the proposed third-party sale. The notice shall contain the terms and conditions of the proposed third-party sale. The Grantees shall, within fourteen (14) days, notify the Grantor in writing whether it will purchase the Property on the proposed terms and conditions. In the event that the Grantees elect not to purchase the Property on the proposed terms and conditions and/or if the Grantees fail to make timely notice of its election hereunder, then this Right of First Refusal shall be deemed terminated and the Grantor may sell the Property to a third party. In the event that the Grantees provide timely notice that one or more Grantees elect to purchase the Property, then the Grantee(s) shall promptly execute a purchase and sale agreement for the purchase of the Property that contains the terms and conditions set forth in the Grantor's notice. In the event that the Grantees fail to close the purchase of the Property without legal cause, then this Right of First Refusal shall be deemed terminated, and the Grantees shall be liable to the Grantor for Grantor's costs and expenses, including without limitation, (i) the Grantor's costs and expenses associated with the terminated sale to Grantee, (ii) Grantor's damages arising from Grantor's failure to sell the Property to the proposed third party purchaser because of the Grantee's exercise of the Right of First Refusal, and (iii) Grantor's costs and fees (including attorneys' fees) incurred in collection of the damages allowed hereunder.

**5. Further Acts.** The Parties agree to reasonably cooperate with each other to execute any documents necessary to effect the agreement herein. The parties shall promptly record the Right of First Refusal upon its mutual execution, and shall share equally in the costs associated with its being recorded.

**6. Survivability:** All covenants, promises and performance which are not fully performed as of the date of termination shall survive termination as binding obligations.

**7. Notices:** All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

**Grantor:** MORSEY, LLC  
218 N. BLOODWORTH STREET  
RALEIGH, NC 27601

**Grantees:** JUDSON MORSE and ANNE MARIE MORSE  
1849 WILDHAVEN CREST  
BELLINGHAM, WA 89226

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

8. **Amendment:** No modification, termination or amendment of this Right of First Refusal may be made except by written agreement signed by all parties, except as provided herein.

9. **Waiver:** No failure by any of the foregoing parties to insist upon the strict performance of any covenant, duty, agreement, or condition of this Right of First Refusal or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any party hereto, by notice, and only by notice as provided herein may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other party hereto. No waiver shall affect or alter this Right of First Refusal, and each and every covenant, agreement, term and condition of this Right of First Refusal shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

10. **Captions:** The captions of this Right of First Refusal are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Right of First Refusal.

11. **Severability:** In case any one or more of the provisions contained in this Right of First Refusal shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Right of First Refusal shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

12. **Neutral Authorship:** Each of the provisions of this Right of First Refusal has been reviewed and negotiated, and represents the combined work product of all parties hereto. No presumption or other rules of construction which would interpret the provisions of this Right of First Refusal in favor of or against the party preparing the

same shall be applicable in connection with the construction or interpretation of any of the provisions of this Right of First Refusal.

13. **Governing Law:** This Right of First Refusal, and the right of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the parties agree that in any such action, venue shall lie exclusively in Whatcom County, Washington.

14. **Time of Performance:** Time is specifically declared to be of the essence of this Right of First Refusal and of all acts required to be done and performed by the parties hereto.

15. **Entire Agreement:** The entire agreement between the parties with regards to the right of first refusal granted by the Grantor to the Grantees is contained in this Right of First Refusal, and this Right of First Refusal supersedes all of their previous understandings and agreements, written and oral, with respect to thereto. This Right of First Refusal may be amended only by written instrument executed by the parties subsequent to the date hereof.

16. **Termination.** All rights granted and obligations created herein shall terminate on January 1, 2042.





**EXHIBIT A**  
**Legal Description**

A portion of Government Lot 2, Section 31, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at the Southwest corner of said Government Lot 2 (South line of said Section 31 bears East-West); thence North  $1^{\circ}25'30''$  East along the West line of said Government Lot 2 a distance of 458.54 feet to the true point of beginning; thence North  $37^{\circ}56'30''$  East a distance of 185.52 feet; thence North  $25^{\circ}00'$  West a distance of 25.98 feet to the East line of that certain Tract of land Deeded to Ralph Stockton by Deed recorded under Auditor's File No. 510598; thence South  $25^{\circ}30'$  West a distance of 16.52 feet; thence North  $64^{\circ}30'$  West a distance of 81.88 feet to the East line of Lot 19 of the "PLAT OF ORCHARD BEACH TRACTS," as per plat recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington; thence South  $20^{\circ}52'$  West along the East line of said Lot 19 a distance of 24.02 feet to the Southeast corner of said Lot 19; thence North  $69^{\circ}08'$  West a distance of 9.91 feet to the West line of said Government Lot 2; thence South  $1^{\circ}25'30''$  West a distance of 171.33 feet to the true point of beginning.

TOGETHER WITH a portion of Government Lot 1, Section 31, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at the Southwest corner of Government Lot 2 (South line of said Section 31 bears East-West); thence North  $1^{\circ}25'30''$  East along the West line of said Government Lot 2 a distance of 458.54 feet to the true point of beginning; thence continue North  $1^{\circ}25'30''$  east a distance of 100.00 feet; thence North  $88^{\circ}34'30''$  West a distance of 30.00 feet; thence South  $1^{\circ}25'30''$  West a distance of 100.00 feet; thence South  $88^{\circ}34'30''$  East a distance of 30.00 feet to the true point of beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress over the North 20 feet of the following described Tract of land:

A Tract of land in Government Lot 2, Section 31, Township 36 North, Range 2 East, W.M., described as follows:

Beginning on the high water line of Padilla Bay which is 758.07 feet North and 232.09 feet East of the Southwest corner of said Lot 2; (the South line of said Lot 2 bears East and West) thence South  $64^{\circ}30'$  East, 200.0 feet; thence South  $25^{\circ}30'$  West, 171.68 feet; thence North  $64^{\circ}30'$  West 200.00 feet; thence North  $25^{\circ}30'$  East, 171.68 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress over the North 20 feet of the following described Tract of land:

A Tract of land in Government Lot 2, Section 31, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at a point on the high water line of Padilla Bay which is 779.60 feet North and 186.69 feet East of the Southwest corner of said Lot 2; (the South line of said Lot 2 bears East and West) thence South 64°30' East, 50.0 feet; thence South 25°30' West, 184.21 feet; thence North 64°30' West, 50.0 feet; thence North 25°30' East 184.21 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress over the following described strips of land:

1) A strip of land 20.0 feet in width through Government Lot 3, Section 6, Township 35 North, Range 2 East, W.M. and Government Lots 1 and 2 in Section 31, Township 35 North, Range 2 East, W.M., being 10.0 feet on each side of the following described center line:

Beginning at a point on the Section line between said Sections 6 and 31, 100.0 feet West of the Southeast corner of said Government Lot 1 in Section 31; thence North 14°44' East 620.0 feet, more or less, to an existing road. ALSO beginning at the above said Point of Beginning; thence South 14°44' West 570.0 feet, more or less to the Access Road as constructed across said Government Lot 3.

2) ALSO a 20.0 foot strip of land in the Northeast ¼ of the Northwest ¼ of Section 6, Township 35 North, Range 2 East, W.M., the center line of which is described as follows:

Beginning at a point on the North line of said Subdivision 527.74 feet East of the Northwest corner thereof; thence South 22°20' West 163.0 feet to an existing road.

3) Beginning at a point on the South line of said Government Lot 2, 527.74 feet East of the Southwest corner thereof; thence North 22°20' East 223.7 feet; thence North 71°08' East 85.47 feet; thence North 1°07' East 37.48 feet; thence North 31°39' West, 136.55 feet; thence North 22°39' East, 156.05 feet; thence North 68°39' West 307.50 feet to the East line of a Tract heretofore conveyed to Ada Hartman, all subject to easement in favor of Puget Sound Power and Light Company.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.