

**STATE OF MICHIGAN**  
**COURT OF APPEALS**

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ROLLAND RANG and IRENE RANG,

Plaintiffs-Appellees,

v

ROBERT J. VALLEAU, JR. and SANDRA K.  
VALLEAU,

Defendants-Appellants.

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UNPUBLISHED

February 23, 1999

No. 205235

Cheboygan Circuit Court

LC No. 96-005658 CH

Before: McDonald, P.J., and Hood and Doctoroff, JJ.

PER CURIAM.

Defendants appeal of right from a judgment in favor of plaintiffs entered after a bench trial. We affirm. This appeal is being decided without oral argument pursuant to MCR 7.214(E).

The parties entered into an agreement pursuant to which plaintiffs purchased the Stargate Motel, an ongoing business, from defendants. An addendum to the agreement gave plaintiffs a 72-hour right of first refusal on a house and fourteen acres adjacent to the motel. Subsequently, defendants' attorney informed plaintiffs that defendants had received an offer for the house and property for \$180,000 cash or its equivalent at closing. Plaintiffs were unaware that defendants and Shank Partnership had entered into an agreement whereby Shank would trade ninety feet of lakefront property, improved with a pole barn, for four parcels of property adjacent to the motel. Two of those parcels were those for which plaintiffs held the right of first refusal. Plaintiffs did not exercise their right of first refusal. Thereafter, plaintiffs entered into a land contract with Shank to purchase the house and 10.8 of the 14 acres for \$92,000.

Plaintiffs filed suit alleging that defendants breached the purchase agreement providing for the right of first refusal by failing to present a good faith offer which reflected the actual agreement. At trial, plaintiffs' trial exhibit indicated that Duane Shank, president of Shank Partnership, valued the transaction at \$80,000 rather than at \$180,000. Rang testified that had the offer quoted a price of \$80,000, plaintiffs would have accepted. Shank testified that he would require a price of \$30,000 for the remaining 3.2 acres of the original 14-acre parcel.

The trial court found that defendants breached the purchase agreement by failing to present a bona fide offer for the property on which plaintiffs held the right of first refusal. The price of \$180,000 quoted to plaintiffs had no basis in fact. The court awarded plaintiffs damages in the amount of \$30,000, the price of the remaining property covered by the addendum to the purchase agreement.

We review a trial court's factual findings for clear error, *Featherston v Steinhoff*, 226 Mich App 584, 588; 575 NW2d 6 (1997), and legal rulings de novo. *Bradley v Saranac Comm Schools Bd of Ed*, 455 Mich 285, 293; 565 NW2d 650 (1997).

We affirm. A right of first refusal is similar to an option. *Amoco Oil Co v Kraft*, 89 Mich App 270, 274-275; 280 NW2d 505 (1979). Strict compliance with the terms of an option is required. Substantial compliance is not sufficient. *LeBaron Homes, Inc v Pontiac Housing Fund, Inc*, 319 Mich 310, 315; 29 NW2d 704 (1947). The trial court's finding that defendants did not put forth a bona fide offer that complied with the terms of the purchase agreement was not clearly erroneous. MCR 2.613(C). Defendants did not offer plaintiffs the right of first refusal on the specific property covered by the addendum to the purchase agreement.

The trial court's holding that defendants did not present a bona fide offer to plaintiffs under the terms of the addendum did not constitute an unreasonable restraint on the alienation of property. Defendants' position that they were entitled to disregard the terms of the addendum giving plaintiffs the right of first refusal on specific property finds no support in the law. A lease giving a lessee both an option and a right of first refusal does not constitute an unreasonable restraint on the alienation of property. *Stenke v Masland Development Co, Inc*, 152 Mich App 562, 568-569; 394 NW2d 418 (1986).

Finally, the trial court's award of \$30,000 in damages to plaintiffs was supported by the record. Damages based on speculation are not recoverable; however, damages are not speculative simply because they cannot be calculated with mathematical certainty. Proof is sufficient if it provides a reasonable basis for calculation of damages. *Berrios v Miles, Inc*, 226 Mich App 470, 478; 574 NW2d 677 (1997). Shank's testimony regarding his required price for the remaining property constituted a reasonable basis for the calculation of plaintiffs' damages.

Affirmed.

/s/ Gary R. McDonald

/s/ Harold Hood

/s/ Martin M. Doctoroff