



200512190179

Skagit County Auditor

12/19/2005 Page 1 of 8 1:54PM

RETURN TO:

LAW OFFICE
of

BRADFORD E. FURLONG, P.S.
825 CLEVELAND AVENUE
MOUNT VERNON, WASHINGTON 98273
(360) 336-6508

Document Title: Grant of Option

Reference number of documents assigned or released: N/A

Grantor: Michael Owen, a single person

Grantee: Skagit County Public Hospital District No. 1

Partial Legal Description: (Full legal on page 1 of Option)

Ptn of Lot 11, "Dale and Shea's Add. To City of Mt. Vernon"

Assessor's Parcel/Tax I.D. Number: 3717-000-012-0004/P52664

GRANT OF OPTION

THIS GRANT OF OPTION is made this 12th day of December 2005, by and between Skagit County Public Hospital District No. 1, a Washington municipal corporation (hereinafter referred to as the "Optionee") and Michael Owen, a single person (hereinafter referred to as the "Optionor").

1. **Property:** The Property subject to this Grant of Option (hereinafter referred to as the "Option") is the real property owned by Optionor located in Skagit County and legally described below (the "Property").

The North ½ of Lot 11, EXCEPT the West 50 feet; the North ½ of Lot 12, EXCEPT the East 50 feet, "DALE AND SHEA'S ADDITION TO THE CITY OF MT. VERNON," according to the Plat recorded in Volume 3 of Plats, page 68, records of Skagit County, Washington.

Situate in the City of Mount Vernon, Skagit County, state of Washington.

Parcel I.D. #3717-000-012-0004/P52664

Commonly known as: 1122 E. Montgomery Street, Mount Vernon, Skagit County, Washington.

2. **Consideration:** "Consideration" for this Option is five thousand dollars (\$5,000.00) to be paid by Optionee to Optionor on mutual acceptance hereof, the adequacy and sufficiency of which are acknowledged by Optionor. The Consideration shall be credited to Optionee at the closing of this transaction and is not refundable, except: (a) under the conditions set forth in paragraph 7, "Title," and paragraph 14, "Hazardous Substances;" or (b) upon breach of this Option by Optionor.

3. **Agreement:** Optionor agrees to execute a limited power of attorney, in the form as set forth in Exhibit A hereto, giving Optionee the authority to pursue, on Optionor's behalf, a petition to vacate a portion of Montgomery Street and request to modify the comprehensive plan designation and zoning for the Property.

4. **Right to Purchase:** Optionor hereby conveys and grants to Optionee an exclusive right to purchase the Property set forth in paragraph 1, "Property," *provided* that the closing of occur on or before June 30, 2007, subject to paragraph 5, "Exercise of Option," hereof.



5. **Exercise of Option:** Optionee shall, if it so elects, exercise this Option by giving written notice thereof to Optionor at any time after or upon May 1, 2006, with the closing of the sale to occur no less than sixty (60) days after the exercise of this Option. Optionor may at any time by written notice to Optionee demand that the Option be exercised and that the closing of the sale occur within sixty (60) days of such notice; *provided*, that Optionor may only exercise the Option upon such notice if the City of Mount Vernon has approved the Optionee's street vacation petition and request to modify the comprehensive plan designation and zoning for the Property.

6. **Purchase Price:** The purchase price shall be two hundred fifteen thousand dollars (\$215,000.00) paid in cash at closing.

7. **Title:** Title to the Property shall be marketable at closing. Rights, reservations, covenants, conditions, and restrictions, easements, and encroachments, presently of record, and not materially affecting the value of the Property or unduly interfering with Optionee's intended use of the Property shall not cause the title to be considered unmarketable. Optionee shall conclusively be deemed to have accepted the condition of title unless Optionor receives notice of Optionee's objections within fourteen (14) days after the preliminary commitment for title insurance and any supplement thereto is received by or made available to Optionee. Encumbrances not assumed in writing by Optionee shall be paid by Optionor on or before closing.

8. **Title Insurance:** Upon mutual acceptance hereof, Optionor authorizes closing agent, at Optionee's expense, to apply for a standard form owner's policy of title insurance, inflation protection endorsements, if applicable, and available at no additional cost, to be issued by Land Title Company. The title policy shall contain no exceptions other than those contained in said standard form and those not inconsistent with this Option. If title is not so insurable and cannot be made so insurable before or at closing, Optionee may elect either to waive such encumbrances or defects, or to terminate this Option and receive a refund of the Option Consideration.

9. **Conveyance:** Title shall be conveyed by statutory warranty deed free of encumbrances and defects except those accepted by Optionee in writing.

10. **Closing:** Closing agent shall be the Law Office of Bradford E. Furlong, P.S., 825 Cleveland Avenue, Mount Vernon, Washington 98273. This sale shall be closed in accordance with a date consistent with paragraph 4, "Right to Purchase," and paragraph 5, "Exercise of Option," hereof. "Closing" means the date on which all documents are recorded and the sale proceeds are available for disbursement to Optionor. Optionee and Optionor shall

deposit with closing agent all documents and monies required to complete this sale in accordance with this Option.

11. **Closing Costs & Proration:** Optionee shall pay title insurance, escrow fee, and real estate excise tax. Property taxes shall be prorated at closing.

12. **Possession:** Optionee shall be entitled to possession on closing.

13. **Notices:** Unless otherwise specified in this Option, any and all notices required or permitted to be given under this Option must be given in writing. All notices must be signed by an authorized representative of party giving the notice. Notices shall be deemed to be given when actually received by or at the address/or facsimile number of the intended recipient or three (3) business days after deposited in the U.S. Mail, postage prepaid, to such addresses, whichever is sooner. Notices may be transmitted by facsimile so long as the original notice is deposited in the United States mail or other parcel delivery service by the next business day, addressed to the other party. Transmittal confirmation shall be preclusive evidence of addressee's receipt of notice by facsimile.

Notices shall be given to:

Michael Owen
3929 Montgomery Ct.
Mount Vernon, Washington 98274
Facsimile No. () -

Skagit County PHD No. 1:
Gregg A. Davidson, Superintendent
P.O. Box 1376
Mount Vernon, WA 98273
Facsimile No. (360) 428-2416

Each party shall be deemed to have received notices when delivered to the foregoing address/facsimile numbers unless addressee has notified addressor of an address change prior to transmittal. The person authorized by Optionee to give notices hereunder is: Gregg A. Davidson, Superintendent, Skagit County Public Hospital District No. 1, or his successor.

14. **Hazardous Substances:** Optionor shall disclose to Optionee within thirty (30) days of mutual acceptance:

(a) whether, to Optionor's knowledge, the Property, or any portion thereof, has been affected by the presence of, or there is present on any portion of the Property, oil, hazardous waste, toxic substances or other pollutants or material (hereinafter "Hazardous Substances") present that could be a detriment to the Property or in violation of any local, state or federal law or regulation; and/or

(b) whether, to Optionor's knowledge, there are potentially hazardous environmental conditions upon any portion of the Property; and/or

(c) whether, to Optionor's knowledge, Optionor or any other user or occupant of any part of the Property known to Optionor has ever been cited for violating any federal, state or local Hazardous Substances or environmental law or regulation with respect to operations or activities on or about the Property. Optionor shall also deliver any and all reports, test results, and/or other documents relating to the presence or absence of Hazardous Substances on or about the Property to Optionee within said thirty (30) day period. If Optionee shall receive information that the Property has been affected with any environmental contaminants or Hazardous Substances at any time prior to closing, Optionee, at its discretion, may; (i) delay closing up to ninety (90) days to investigate environmental conditions; or (ii) terminate its obligation to purchase the Property and receive a refund of its Consideration.

15. **Hold Harmless:** In the event it is determined, after this transaction closes, that due to any act or omission of Optionor or its predecessor owners of the Property, there is a presence of Hazardous Substances or other pollutants or material that could be a detriment to the Property or which renders the Property in violation of any local, state or federal law or regulation, and of which Optionor had knowledge prior to closing, then in that event, Optionor agrees to pay, be responsible for and hold Optionee harmless from any remedial action to either remove or repair the cause of said Hazardous Substance, waste or other pollutants or material that is a detriment to the Property or that renders the Property in violation of any local, state or federal law or regulation or constitutes a health hazard to any life form and from any and all fines, penalties or assessments imposed upon Optionee therefor. This paragraph 15 shall survive closing and shall bind and inure to the benefit of the parties' successors and assigns.

16. **Computation of Time:** Unless otherwise expressly specified herein, any period of time specified in this Option shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is Saturday, Sunday, or legal holiday, as prescribed in RCW 1.16.050, in which event the specified period of time shall expire at 5:00 p.m. of the next business day. Any specified period of five (5) days or less shall include business days only.

17. **Termination:** In the event of termination of this Option, any costs authorized under this Option shall be paid by the party responsible therefor.

18. **General Provisions:** Time is of the essence. There are no verbal agreements which modify this Option. This Option constitutes the full understanding between Optionor and Optionee.

19. **Litigation, Costs:** If any legal action or any other proceeding, including an arbitration or action for declaratory relief, is brought for the enforcement of this Option or because of a dispute, breach, default, or misrepresentation in connection with any of the

provisions of this Option, the prevailing party shall be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, including appeals, in addition to any other relief to which the prevailing party may be entitled.

"Prevailing party" shall include without limitation:

- (a) a party dismissing an action in exchange for sums allegedly due;
- (b) a party receiving performance from the other party of an alleged breach of covenant or a desired remedy where the performance is substantially equal to the relief sought in an action; or
- (c) the prevailing party as determined by a court of law.

Venue for any suit shall be solely in Skagit County; this Option shall be interpreted pursuant to Washington law.

20. **Successors and Assigns:** This Option shall, in whole or in part, inure to the benefit of and be binding on the parties and their respective successors, heirs, assigns, mortgagee and/or beneficiaries. All references to "Optionor" and "Optionee" include respective successors, heirs, assigns, mortgagees and/or beneficiaries of each.

21. **Recordation:** This Option, or a memorandum thereof, may be recorded at Optionee's option and expense.

22. **Quitclaim Deed:** Upon termination of this Option in accordance with its terms, Optionee shall deliver to Optionor a signed and acknowledged Quitclaim Deed in the appropriate form. Optionor may record the Quitclaim Deed following the termination of this Option.

23. **Exhibits:** Any and all exhibits, or any others referred to in this Option, are incorporated into this Option by reference.

24. **Captions:** Captions and headings in this Option, including the title of this Option, are for convenience only and are not to be considered in construing this Option.

25. **Modification and Amendment:** This Option may not be modified or amended except in writing signed by Optionor and Optionee.



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Skagit County Auditor

Signed this 12th day of December 2005, by:

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1

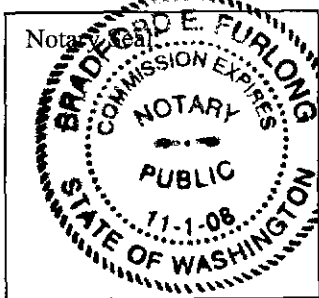
By:

Gregg A. Davidson
GREGG A. DAVIDSON, Superintendent

STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

On this 12th day of December before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gregg A. Davidson to me known to be the superintendent of Skagit County Public Hospital District No. 1, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



Bradford E. Furlong
Notary Public in and for the State of Washington,
Residing at mt Vernon
My commission expires: 11/1/08

Print Name: Bradford E. Furlong

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

DEC 19 2005

Amount Paid \$
Skagit Co. Treasurer
By [Signature] Deputy



200512190179
Skagit County Auditor

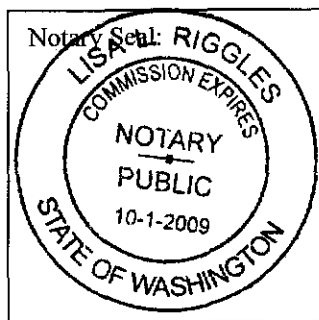
Signed this 5 day of DECEMBER 2005, by:

Michael Owen
Michael Owen

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me Michael Owen 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 5 day of December 2005.



Lisa L. Riggles
Notary Public in and for the state of
Washington, residing at Mount Vernon
My commission expires: 10/1/2009
Printed Name: Lisa L. Riggles

