



200603140127

Skagit County Auditor

3/14/2006 Page

1 of

9 2:50PM

When Recorded Return To:

Donald W. Black
Ogden Murphy Wallace, P.L.L.C.
1601 Fifth Avenue, Suite 2100
Seattle, WA 98101

CHICAGO TITLE IC31157

Document Title: SPECIAL WARRANTY DEED
(Building and Leasehold Interests)

Reference Numbers of Documents Assigned or Released:

Auditor's No(s): 798039 and 802693 and 8907210082, records of Skagit County, Washington (Ground Lease from Island Hospital)

Additional Reference on page: N/A

Grantors:

ISLAND MEDICAL DENTAL CENTER, a Washington State general partnership, FMA BUILDING ADDITION PARTNERSHIP, a Washington State general partnership, HAROLD R. CLURE, M.D. and MARTHA CLURE, husband and wife, and ROGER KISNER, DDS and NANCY KISNER, husband and wife.

Additional Grantors on page: N/A

Grantees:

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (d/b/a ISLAND HOSPITAL), a Washington State public hospital district; and CHALLENGE DEVELOPMENTS II, L.L.C., a Washington State limited liability company, as Tenants in Common

Additional Grantees on page: N/A

Legal Description:

Ptn. E1/2 SE1/4 Sec. 24-35N-01E

Additional Legal on page 9

Situate in Skagit County, Washington, as fully described in Exhibit A attached hereto and incorporated herein by this reference (hereinafter the "Described Property").

Assessor's Property Tax Parcel/Account Number:

P31917; Account No. 350124-0-139-0103
P100698 and P6128

Consideration:

Ten Dollars (\$10.00) and other good and valuable consideration the sufficiency and receipt of which are hereby acknowledged.
And as part of an IRS 1031 Tax Deferred Exchange.

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**Conveyance of
Grantors' Interest:**

For the above-mentioned consideration, in accordance with the terms of that Purchase and Sale Agreement entered into as of the 30th day of December, 2005, between Grantors and Grantees (the "Agreement"), the Grantors hereby convey and assign all of their leasehold estate and any other rights, titles and interests they may have in and to the Described Property, and all improvements located thereon, which are and shall remain real property, including all rights of the Lessee arising from that Ground Lease from Skagit County Public Hospital District No. 2 (Island Hospital), dated July 10, 1973, recorded under Skagit County recording number 798039, as amended by First Amendment to Ground Lease, dated June 11, 1974, recorded under Skagit County recording number 802693, and Second Amendment to Ground Lease, dated July 11, 1989, recorded under Skagit County recording number 8907210082, to the Grantees, as tenants in common, and Grantors hereby covenant, promise and agree that each will warrant and defend all rights, titles and interests hereby conveyed, against all persons lawfully claiming any rights or interests therein by, through or under either or both of said Grantors, subject only to the encumbrances, easements, restrictions and reservations set forth on the attached Schedule A. Grantors hereby restate and confirm to Grantees the representations and warranties of Grantors contained in the Agreement, which are incorporated herein by this reference. Grantors disclaim any warranties against claims of adverse possession or prescriptive easement.

DATED this 13th day of March, 2006.

ISLAND MEDICAL DENTAL CENTER, a Washington State general partnership

By: Harold Eresland
Name: Harold Eresland
Its: 3-13-06 Partner

#1142
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 14 2006

Amount Paid \$ 80105.00
By [Signature] Skagit Co. Treasurer Deputy

AND

By: John D. Chambers MD
Name: JOHN D. CHAMBERS MD
Its: PARTNER

FMA BUILDING ADDITION PARTNERSHIP, a Washington State general partnership

By: Harold Eresland
Name: Harold Eresland
Its: Partner 3-13-06

AND

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By: Mark S Backman
Name: Parties
Its: Mark S Backman
3-13-06

Harold R. Clure, M.D. by [Signature] in fact.

HAROLD R. CLURE, M.D.

Martha Clure by [Signature] in fact.

MARTHA CLURE

Roger L. Kisner DDS by John D. Chambers MD as

ROGER L. KISNER, DDS ATTY IN FACT

Nancy Kisner by John D. Chambers MD as ATTY IN FACT

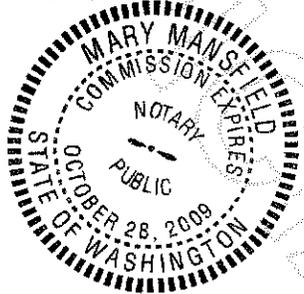
NANCY KISNER



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 13th day of March, 2006, before me personally appeared Harold Eiestand to me known to be the partner of ISLAND MEDICAL DENTAL CENTER, the Washington State general partnership that executed the within and foregoing instrument, and acknowledged 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/she was authorized to execute said instrument.

SUBSCRIBED AND SWORN TO before me this 13 day of March, 2006.



Mary Mansfield
NOTARY PUBLIC in and for the State
of Washington, residing at Anacortes
My commission expires: 10-28-09

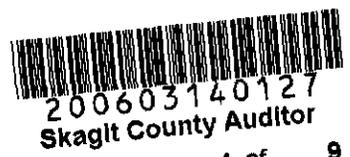
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 13th day of March, 2006, before me personally appeared John D. Chambers to me known to be the partner of ISLAND MEDICAL DENTAL CENTER, the Washington State general partnership that executed the within and foregoing instrument, and acknowledged 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/she was authorized to execute said instrument.

SUBSCRIBED AND SWORN TO before me this 13th day of March, 2006.



Mary Mansfield
NOTARY PUBLIC in and for the State
of Washington, residing at Anacortes
My commission expires: 10-28-09



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 13 day of March, 2006, before me personally appeared Harry Eiesland, to me known to be the Partner of FMA BUILDING ADDITION PARTNERSHIP, the Washington State general partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said general partnership, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

SUBSCRIBED AND SWORN TO before me this 13th day of March, 2006.



Mary Mansfield
NOTARY PUBLIC in and for the State
of Washington, residing at Alvord
My commission expires: 10-28-09

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 13th day of March, 2006, before me personally appeared Mark S. Backman to me known to be the Partner of FMA BUILDING ADDITION PARTNERSHIP, the Washington State general partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said general partnership, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

SUBSCRIBED AND SWORN TO before me this 13th day of March, 2006.



Mary Mansfield
NOTARY PUBLIC in and for the State
of Washington, residing at Alvord
My commission expires: 10-28-09



STATE OF WASHINGTON

COUNTY OF SKAGIT

}
}ss.
}

*MARTHA K. CLURE

On this day personally appeared before me BRADLEY HAROLD CLURE, who executed the within instrument as Attorney in Fact for HAROLD R. CLURE MD and * and acknowledged to me that he/she signed and sealed for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said HAROLD R. CLURE MD and MARTHA is now living, and is not incompetent.

K. CLURE

Given under my hand and official seal this 15th day of March, 2006

14th Mary Mansfield

Notary Public in and for the State of Washington.

Name printed Mary Mansfield

Residing at Anacortes

My commission expires 10-28-09

Acknowledgement - Attorney in Fact



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COUNTY OF SKAGIT

ss.

On this day personally appeared before me JOHN D. CHAMBERS, who executed the within instrument as Attorney in Fact for ROGER KISNER AND NANCY KISNER and acknowledged to me that he/she signed and sealed for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said ROGER KISNER AND NANCY KISNER is now living, and is not incompetent.

Given under my hand and official seal this 13th day of March, 2006

Mary Mansfield

Notary Public in and for the State of Washington.

Name printed Mary Mansfield

Residing at Anacortes

My commission expires 10-28-09

Acknowledgement - Attorney in Fact



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EXHIBIT A

Legal Description

(To be revised as may be required by survey of the Property or final title insurance commitment by Title Company.)

That portion of the Southeast Quarter of Section 24, Township 35 North, Range 1 East of the Willamette Meridian, described as follows:

Commencing at the East Quarter corner of said Section 24;
thence South 0°59'30" East, along the East line of said Section 24, 1,223.17 feet to an intersection with the South line of 24th Street;
thence South 89°58'48" West, along the South line of 24th Street, 396.27 feet to the true point of beginning;
thence South 0°01'35" East, 264.46 feet;
thence South 89°58'25" West, 358.50 feet to the East line of "M" Avenue;
thence North 0°01'35" West, along the East line of "M" Avenue, 264.50 feet to the South line of 24th Street;
thence North 89°58'48" East along the South line of 24th Street, 358.50 feet to the true point of beginning;

SUBJECT TO THE FOLLOWING:

1. Easement, including the terms and conditions thereof, granted by instrument:
Recorded: May 15, 1955
Auditor's No.: 514549, records of Skagit County, Washington
In favor of: Puget Sound Power & Light Company
For: Underground electric system, together with necessary appurtenances

2. Exceptions and Reservations contained instrument(s):
From: United States of America
Recorded: June 2, 1953
Auditor's No.: 489013, records of Skagit County, Washington
As follows:
Subject also to a reservation to the United States of America of fissionable materials in accordance with the provisions of Executive Order 9908 (12 F. R. 8223) as follows:

All uranium, thorium, and all other materials determined pursuant to Section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of the fissionable material, contained, in whatever concentration, in deposits in the lands covered by this instrument are hereby reserved for the use of the United States, together with the right of the United States, through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. However, such land may be used, and any rights otherwise acquired by this disposition may be exercised, as if no reservation of such materials had been made; except that, when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under the Atomic Energy Act of

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1946, as it now exists or may hereafter be amended, such material shall be the property of the United States Atomic Energy Commission, and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated as such from the ores in which it was contained. If the Commission required the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for the discovery, mining, development production, extraction, and other services performed with respect to such material prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of deposit in nature. If the commission does not require delivery of such material to it, the reservation hereby made shall be of no further force or effect.

3. Record of a survey recorded March 11, 1997 in Volume 19 of Surveys, Page 78, under Auditor's File No. 9703110090, records of Skagit County, Washington.
4. A Leasehold Estate, or memorandum thereof including the terms and conditions thereof:
Dated: July 10, 1973
Recorded: March 19, 1974
Auditor's No.: 798039, records of Skagit County, Washington
Lessor: Skagit County Hospital District No.2 (Island Hospital)
Lessee: Anacortes Medical-Dental Center, a partnership

The Lessee's interest thereunder is now held of record by Island Medical Dental Center, formerly Anacortes Medical Dental Center, a partnership.

AMENDED by instrument(s):

Recorded: June 24, 1974 and July 21, 1989
Auditor's No(s): 802693 and 8907210082, records of Skagit County, Washington

Situate in Skagit County, Washington.

END OF EXHIBIT A