

WHEN RECORDED, RETURN TO:

THIS SPACE PROVIDED FOR
RECORDER'S USE:

BRADFORD E. FURLONG
Attorney at Law
904 South Third
Mount Vernon, WA 98273

9609250119

LAND TITLE COMPANY OF SKAGIT COUNTY

T-80018

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

SEP 25 1996

17
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20

Amount Paid \$
By Skagit Co. Treasurer Deputy

EASEMENT OPTION AGREEMENT

A. **PARTIES and CONSIDERATION:** GRANTOR is Exchange Properties Corporation, a Washington Corporation, and GRANTEES are: Christopher A. Gratton and Gale L. Thomas, husband and wife. References herein to Grantor and Grantees are to the parties named herein as well as to their successors, assigns and/or subsequent owners of the subject properties. All rights and obligations herein shall enure to such successors, assigns or subsequent owners. The grant of option herein is a portion of the consideration from Grantor to Grantees for the purchase of the property described in Exhibit "A" hereto. The parties hereto hereby acknowledge that said consideration is adequate.

B. **PROPERTIES EFFECTED:** This Option Agreement effects the real property described in Exhibit "A" hereto and herein referred to as "Lot 10," and is for the benefit of the property described in Exhibit "B" hereto, hereinafter referred to as "Lot 11."

C. **GRANT OF OPTION:** Grantor hereby grant to Grantees the right to obtain one (1) easement for ingress egress and one (1) easement for utilities (including electricity, cable television, natural gas, water supply, including pump, if necessary) from the routes set forth below. Grantees may select a separate route for ingress and egress and a separate route for utilities or may combine both ingress and egress and utilities in one route. All utilities must be placed within one (1) route. The three (3) routes to which this option applies are as follows:

1. That easement delineated on the face of the survey recorded under Skagit County Auditor's File No. 840303.
2. That easement effecting the northwesterly thirty feet (30') of Lot 10 (as delineated on survey recorded under Skagit County Auditor's File No. 840303) for the benefit of Lot 11, Bonnie Acres, and recorded under Skagit County Auditor's File No. 9207220022.

A sixty foot (60') route with its centerline following a path as indicated on the Grading Permit Application Plans (submitted March 15, 1994 and approved by the Skagit County Public Works Department on March 30, 1994) and attached hereto as Exhibit "C."

D. **EXERCISE OF OPTION:** Grantees, to exercise this option, shall indicate to Grantor Grantees' selected route(s) in writing. Should Grantee choose route No. 3, Grantor shall prepare and execute an easement deed granting and conveying to Grantees an easement for ingress and

KATHY HILL
SKAGIT COUNTY CLERK

'96 SEP 25 P3:33

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BK 1588 PG 0396

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Attorney at Law
904 SOUTH THIRD STREET
MOUNT VERNON, WASHINGTON 98273
(360)336-6308

gress or for utilities or both, as the case may be, along a sixty foot (60') route the centerline of which is along a path as described in C.3 above and Exhibit "C" hereto. Should routes No. 1 or No. 2 be chosen, no deed for therefor need be prepared nor executed by Grantor. Said deed, if any, shall be held by Grantor until such time as Grantees provide quit claim deeds to those easements and/or routes set forth above and not utilized. Should Grantees make use of a route for only one (1) purpose (ingress and egress or utilities), Grantees shall provide a quit claim deed for such route abandoning the route for the purpose not to be utilized. Upon receipt of sufficient quit claim deeds as set forth herein and funds to pay for recordation thereof from Grantees, Grantor shall record said quit claim deeds and the easement grant deed. If either or both easements No. 2 or No. 3 is (are) chosen, the quit claim deed to easement No. 1 shall not include that portion of easement No. 1 common to the selected route.

E. FORM OF DEEDS: The easement grant deed(s) shall set forth that the easement(s) shall be perpetual and run with the land and be for the benefit of Lot 11 and that such easement shall be non-exclusive. The quit claim deed(s) shall fully and completely extinguish those easement rights not utilized by Grantees.

F. MAINTENANCE AND CONSTRUCTION: Grantor and Grantees hereby agree that the construction of improvements and maintenance thereof following exercise of the options shall be governed by the construction and maintenance agreement appended hereto as Exhibit "D."

G. PRE-SELECTION COOPERATION: Grantor and Grantees hereby agree to cooperate on a reasonable basis so as to allow Grantee to ascertain the feasibility of each easement route. Grantees shall request access to the property for the purpose of surveying and recognizance by notice to Grantor who shall not unreasonably withhold permission for such access.

H. MISCELLANEOUS PROVISIONS: This Option Agreement constitutes the entire understanding between parties and the parties hereby acknowledge that there are no oral understandings or modifications inconsistent with the terms hereof. Any modifications to this Option Agreement must be made in writing and signed by both parties.

I. NOTICES: All notices herein shall be delivered to Grantor at: Debra J. Peek, Exchange Coordinator, 40 Lake Bellevue, Suite 101, Bellevue, Washington 98005; and to Grantees at: P.O. Box 1427, LaConner, Washington 98257. All notices shall be mailed by first-class United States Mail, return receipt requested. Should any notice required herein be returned undeliverable and should the party sending such notice not be able, after a good faith effort, to locate the other party, the originating party may petition the Skagit County Superior Court to carry out the other party's obligations and quiet title in the originating party pursuant to the terms set forth in this Option Agreement. The party originating notice in such case shall bear full cost of any such action.

J. TIME: Time is of the essence to this agreement.

EASEMENT OPTION AGREEMENT

K. **DISPUTE RESOLUTION:** Should any dispute develop between the parties, venue for any suit shall be exclusively laid in Skagit County Superior Court. The prevailing party in any action based upon this Option Agreement shall receive its reasonable attorney's fees and costs, including those of appeal.

GRANTOR:

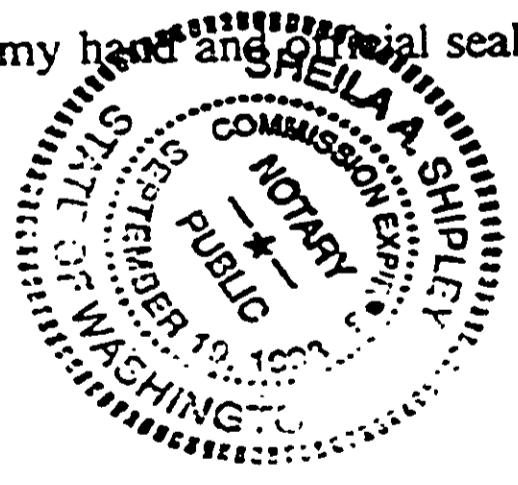
Exchange Properties Corporation

Debra J. Peek
Debra J. Peek, Exchange Coordinator

STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

On this 23rd day of September, 1996, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared DEBRA J. PEEK, to me known to be the Exchange Coordinator of EXCHANGE PROPERTIES CORPORATION, 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 on behalf of said corporation.

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



Sheila Shipley
Notary Public, state of Washington
Residing at: Bothell
Commission expires: 9/19/98
Printed Name: SHEILA SHIPLEY

PARCEL "A":

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 1 East, W.M., described as follows:

Beginning at the Southwest corner of the Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14;
thence South $89^{\circ}03'50''$ East along the North line of the West $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, a distance of 333.95 feet to the Northeast corner of said West $\frac{1}{4}$;
thence South $00^{\circ}17'40''$ East along the East line of said West $\frac{1}{4}$, a distance of 355.41 feet to the true point of beginning;
thence North $76^{\circ}28'01''$ East 473.90 feet;
thence South $38^{\circ}42'10''$ East 555.29 feet to the South line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14;
thence North $89^{\circ}26'34''$ West along said South line, a distance of 806.34 feet to the Southeast corner of said West $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14;
thence North $00^{\circ}17'40''$ West along the East line of said West $\frac{1}{4}$, a distance of 314.62 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

All that portion of the Southwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 1 East, W.M., described as follows:

Beginning at the Southwest corner of Lot 10 as shown on Survey filed August 5, 1976 under Auditor's File No. 840303 at page 197 in Book 1 of Surveys, records of Skagit County, Washington;
thence South $89^{\circ}26'34''$ East along the South line of said Lot 10 for 269.46 feet;
thence South $0^{\circ}33'26''$ West for 161.66 feet;
thence North $89^{\circ}26'34''$ West for 269.46 feet;
thence North $0^{\circ}33'26''$ East for 161.66 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

An easement for ingress, egress and utilities over, across and under a strip of land 60.00 feet in width in the North $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 1 East, W.M., Skagit County, Washington, lying 30.00 feet on each side of the following described center line:
Beginning at the Southwest corner of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 14;
thence North $00^{\circ}09'45''$ West along the West line of said Northwest $\frac{1}{4}$, a distance of 342.12 feet;
-continued-

EXHIBIT "A" (1 of 2)

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PARCEL "C" Continued:

thence South 88°40'52" East parallel to the North line of said Northwest ¼, a distance of 98.54 feet;
thence North 01°45'38" East 330.00 feet to the North line of said Northwest ¼, said North line being also the center line of the county road;
thence South 88°40'52" East along said North line and said center line, a distance of 408.45 feet to the beginning of a curve to the right, from which a radial line bears South 01°19'08" West to the radius point;
thence Southeasterly along said curve to the right, being also along said center line, having a radius of 200.00 feet, through a central angle of 38°29'19", an arc distance of 134.35 feet to the true point of beginning of said easement center line;
thence South 22°40'39" West 264.16 feet;
thence South 55°03'04" West 273.07 feet;
thence South 35°44'14" West 233.22 feet;
thence South 08°59'04" West 227.43 feet;
thence South 21°30'46" East 133.03 feet;
thence South 75°41'16" East 204.00 feet;
thence South 38°16'05" East 269.28 feet;
thence South 55°16'05" East 56.50 feet;
thence South 77°47'49" East 197.15 feet;
thence North 83°27'28" East 124.92 feet;
thence North 06°32'32" West 320.00 feet to the terminus of said easement center line;

EXCEPT all that portions thereof lying within the herein described Parcel "A".

Situate in the County of Skagit, State of Washington.

EXHIBIT "A" (2 of 2)

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BK 1588 PG 0401

That portion of the Northeast Quarter of the Southwest Quarter of Section 14, Township 34 North, Range 1 East of the Willamette Meridian, Skagit County, Washington, described as follows:

Beginning at the Southeast corner of said Northeast Quarter of the Southwest Quarter of Section 14;
thence North $89^{\circ}26'34''$ West along the South line of said Northeast Quarter of the Southwest Quarter of Section 14, a distance of 200.00 feet;
thence North $38^{\circ}42'10''$ West 555.29 feet;
thence North $40^{\circ}55'47''$ East 549.21 feet to the Southwesterly right-of-way margin of the county road;
thence South $49^{\circ}04'13''$ East along said Southwesterly right-of-way margin, a distance of 236.88 feet to the East line of said Northeast Quarter of the Southwest Quarter of Section 14;
thence South $00^{\circ}41'43''$ East along said East line, a distance of 695.09 feet to the point of beginning; (being also known as Lot 11 of that Survey recorded under Auditor's File no. 840303, records of Skagit County, Washington, and in Volume 1 of Surveys, page 197.)

Situate in Skagit County, Washington.

EXHIBIT "B"

BK1588PG0402

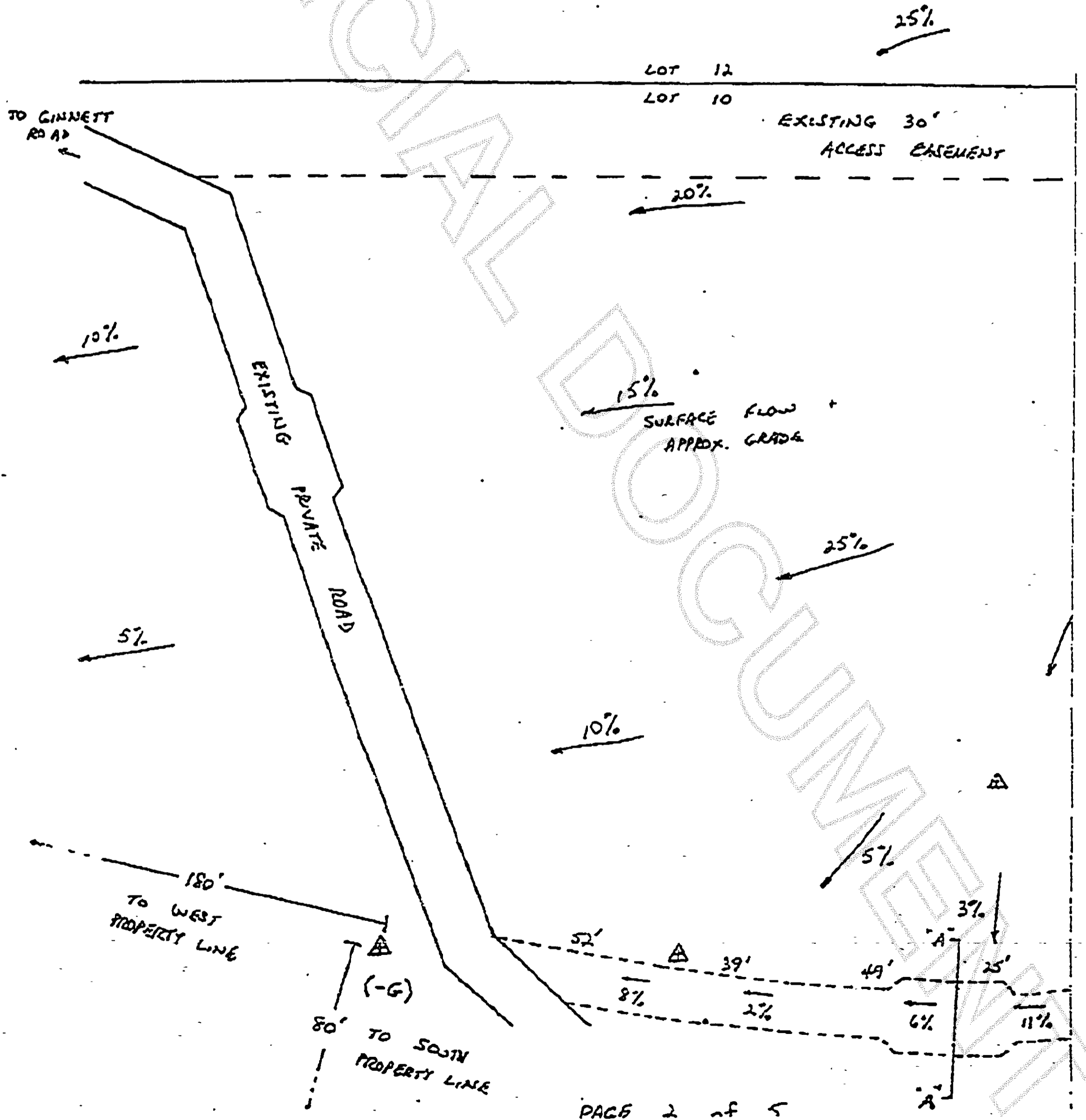
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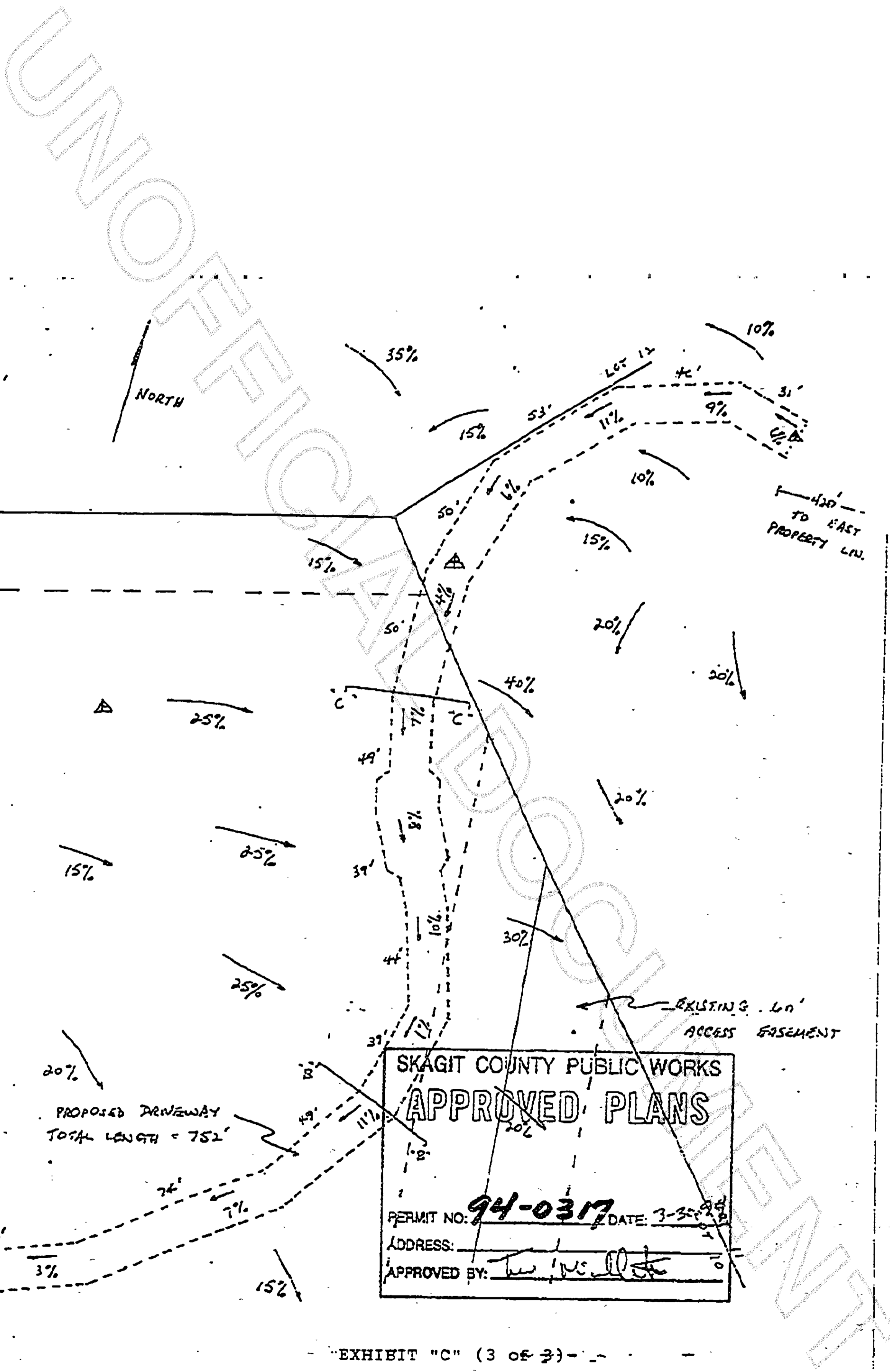
UNOFFICIAL

CHRIS GRATTON
PO BOX 1091
ANACORTES, WA 98221
293-1149
MARCH 15, 1994

SITE PLAN

SCALE: 1"





SKAGIT COUNTY PUBLIC WORKS
APPROVED PLANS

PERMIT NO: **94-0317** DATE: **3-30-94**

ADDRESS: _____

APPROVED BY: *[Signature]*

After recording, return to:
Law Office of Paul W. Taylor, Inc., P.S.
1735 Cedardale Road Suite C-100
Mount Vernon WA 98274
(360) 416-8900

ROAD EASEMENT, CONSTRUCTION AND MAINTENANCE AGREEMENT

This Agreement is made this 23rd day of September, 1996, by and among EXCHANGE PROPERTIES CORPORATION and/or assigns ("EPC"), and CHRISTOPHER A. GRATTON and GALE L. THOMAS, husband and wife ("GRATTON").

RECITALS

A. This Agreement is Exhibit "D" to an Easement Option Agreement executed by the parties contemporaneously and incorporated herein by this reference.

NOW, THEREFORE, for the mutual promises referred to herein and other valuable consideration, the value of which is hereby acknowledged, the parties hereto agree as follows:

- Road Construction.** The easement road will be constructed along the path selected pursuant to paragraphs C and D of the Easement Option Agreement.
- Division of Maintenance and Construction Costs.** Common construction and maintenance costs shall be shared equally by EPC and GRATTON. Any roadway extension which will be solely for the benefit of Lot 10 or Lot 11 will be constructed and maintained solely by the respective owner(s) thereof.
- Installation and Maintenance of Utilities.** Each owner of a lot or parcel benefited by this easement shall pay for their own utility installation and utility maintenance costs. To the extent utilities are installed that commonly benefit both Lot 10 and Lot 11, then the owners shall share in the cost (with respect to that portion of said utility in the easement path). The parties hereto agree that utility installation shall be underground. Utilities include electricity, telephone, television cable, natural gas, and water, including a pump, if one is necessary to bring water to the homesites on Lots 10 and 11 from the west boundary of Lot 10. If a larger pipe than the existing pipe is needed to connect the community water reservoir to the west boundary of Lot 10, the cost of installing the new pipe will be borne by the owner(s) of Lot 11.
- Decisions Concerning Maintenance.** Any decision to take action to maintain or improve the road must be agreed upon by both parties hereto. Without such approval, the cost of said improvement shall be borne by the individual owner making the improvement. The parties hereto covenant and agree to pay (or reimburse) their proportionate share of road and utility maintenance and installation costs pursuant to this agreement. If any maintenance expense is not paid (or reimbursed) by a property owner as required herein, then said amount (together with interest computed at One


Percent (1%) per month, or the highest rate allowed by law, whichever is less), shall constitute a lien against that property owner's property in favor of those who paid said obligation. Said lien may be foreclosed as a mechanic's lien and the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

- 5. **Good Faith.** The parties agree to exercise their best efforts in good faith to resolve any disputes arising out of the easement or this agreement. Should the parties be unable to unwilling to amicably resolve any dispute concerning the easement, including the interpretation of this document, or their proportionate share of expenses relating to installation and/or maintenance of the roadway or utilities, then they agree to submit to binding arbitration under the Rules of Mandatory Arbitration for Skagit County, Washington, regardless of the nature of the dispute or the amount in controversy, and the parties agree that the result reached in such arbitration shall be binding and not appealable. The prevailing party or parties shall be entitled to an award of reasonable attorneys' fees and costs of suit.
- 6. **Successor/Assigns.** The benefits, burdens, and covenants created by this document and the easement herein shall be deemed to run with the land and bind the respective parcels covered by said easement and benefit Lots 10 and 11, the parties hereto and their respective heirs, successors, and assigns, and all persons possessing the property by, through, or under, the parties hereto or their respective heirs, successors, and assigns.
- 7. **Subdivision.** Should Lot 10 and/or Lot 11 be subdivided, then the owner(s) of the newly created parcels or lots shall be obligated to contribute for maintenance and other costs provided herein based upon actual use.
- 8. **Entire Agreement.** The terms of this agreement shall supersede any and all other easement agreements between the parties hereto or their predecessors, to the extent there are any conflicting provisions. There are no verbal or other agreements which modify or affect this agreement. This agreement is an integrated, complete document and constitutes the entire agreement among the parties. This agreement shall be construed according to the laws of the State of Washington.

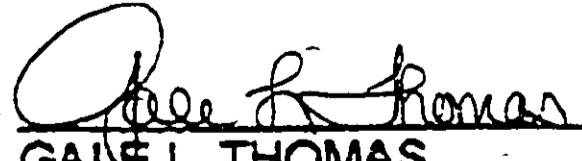
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.



 DEBRA J. PEEK, Exchange Coordinator
 Exchange Properties Corporation



 CHRISTOPHER A. GRATTON

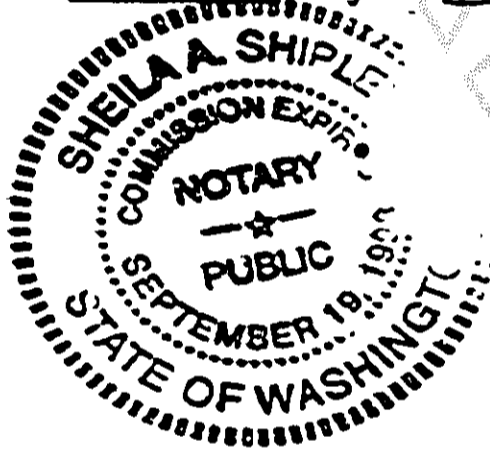


 GALE L. THOMAS

STATE OF WASHINGTON)
COUNTY OF King) ss.

I certify that I know or have satisfactory evidence that DEBRA J. PEEK is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Exchange Coordinator of Exchange Properties Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 23rd day of September, 1996.



Sheila Shipley - SHEILA SHIPLEY
NOTARY PUBLIC (type or print name)
Residence in Bothell
My Appointment Expires 9/14/98

STATE OF WASHINGTON)
COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that CHRISTOPHER A. GRATTON and GALE L. THOMAS, husband and wife, signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 25th day of September, 1996.

Sheila A. Shipley
NOTARY PUBLIC (type or print name)
Debra Shipley
My Appointment Expires 9-30-98