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Skagit County Auditor

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**Recorded at the Request of
and after Recording Return to:**
Michael A. Winslow, Attorney at Law
411 Main Street
Mount Vernon, WA. 98273

Grantor: Skagit Valley Real Estate Partnership, LLP, a Washington Limited Liability Partnership

Grantee: Skagit Valley Medical Center, Inc. P.S., a Washington Corporation

Legal Description (abbreviated):

Portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, W.M.

Situate in Skagit County, State of Washington.

See attached Exhibit A for full legal description.

Assessor's Tax Parcel ID#(s): P26778, P52385, P52384, P26782, P26780, P53559, P53557, P53553, P53554, P53558, P52384, P26783

MEMORANDUM OF LEASE
Skagit Valley Medical Center Lease

This MEMORANDUM OF LEASE (this "Memorandum") is made as of March 26, 2007, by and between Skagit Valley Real Estate Partnership, LLP, a Washington Limited Liability Partnership ("Landlord"), and Skagit Valley Medical Center, Inc. P.S., a Washington Corporation ("Tenant"), as a memorandum of an unrecorded Lease (the "Lease") dated January 1, 2007, between Landlord and Tenant concerning the real property described on **Exhibit A**, together with any improvements located at the common address of 1400 E. Kincaid Street, Mount Vernon, Skagit County, Washington (collectively, the "Premises"). The Premises demised under the Lease involve the existing medical facilities and related parking spaces, and do not include any other portion of the property, including specifically the area where the new building will be built in the Southeast corner of the same block as 1400 E. Kincaid.

1. Lease. Landlord leases to Tenant and Tenant leases from Landlord all of Landlord's right, title and interest in the Premises upon the terms, covenants and conditions set

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forth in the Lease, which provisions are hereby incorporated into this Memorandum by reference as if fully set forth herein. Capitalized terms not herein defined shall have the meanings ascribed to them in the Lease.

2. **Term.** The initial term of the Lease commenced on January 1, 2007, and shall continue until December 31, 2017.

3. **Options to Extend.** There is no option to extend this Lease.

4. **Interpretation.** This Memorandum is not a complete summary of the Lease. Provisions in this Memorandum shall not be used in interpreting the Lease provisions. In the event of conflict between the Memorandum and the unrecorded Lease, the unrecorded Lease shall control.

5. **Purpose of Memorandum.** This Memorandum is prepared for the purpose of providing for record notice of the following:

- A. The existence of the Lease between the parties;
- B. The Tenant's interest in the Premises thereunder; and
- C. The perpetual and temporary easement appurtenant to the Premises, licenses, rights of way and terms, covenants, conditions and provisions thereof as described in the Lease, and in no way modifies the express and particular provisions of the Lease.


6. **Use Restrictions and Exclusives.** Pursuant to the Lease terms, the Tenant may have certain exclusive rights or may be subject to certain restrictions which are more carefully outlined as follows:

The Tenant's use of the Premises is restricted to health care and related services only. No other purpose may be made of the Premises without the express written consent of Landlord.

The Tenant shares all parking on the Premises on a non-exclusive basis with other building tenants.

LANDLORD:

Skagit Valley Real Estate Partnership, LLP,
a Washington Limited Liability Partnership

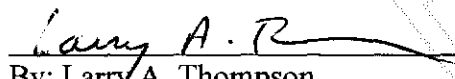

By: John S. Halsey, M.D.
Its: Managing Partner

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TENANT:

Skagit Valley Medical Center, Inc. P.S.,
a Washington Corporation


By: Larry A. Thompson
Its: Chief Executive Officer

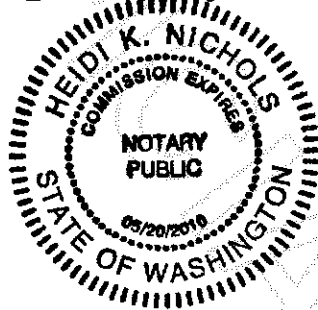


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that John S. Halsey, M.D. signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Partner of Skagit Valley Real Estate Partnership, LLP, a Washington Limited Liability Partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 26, 2007.



Heidi K. Nichols
(Signature)

Heidi K. Nichols
NOTARY PUBLIC (print name)
My appointment expires: May 20, 2010

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

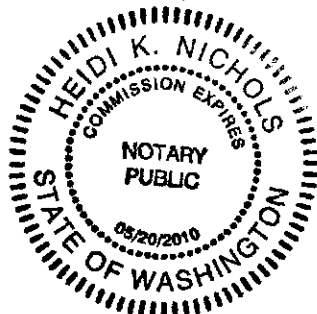
MAR 29 2007

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

Amount Paid \$ 0
Skagit Co. Treasurer
By [Signature] Deputy

I certify that I know or have satisfactory evidence that Larry A. Thompson signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of Skagit Valley Medical Center, Inc. P.S., a Washington Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 26, 2007.



Heidi K. Nichols
(Signature)

Heidi K. Nichols
NOTARY PUBLIC (print name)
My appointment expires: May 20, 2010

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**EXHIBIT A
TO
MEMORANDUM OF LEASE**

Legal Description of Real Property

The land is located in the County of Skagit, State of Washington, and is described as follows:

PARCEL A:

That portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, WM, described as follows:

Beginning at a point 30.83 feet South of the Northwest corner of said Southwest Quarter of the Southeast Quarter; Thence North 89° 48' 35" East, parallel to the North line of said Southwest Quarter of the Southeast Quarter 203.81 feet, more or less, to the northerly extension of the East line (East face of building) of the existing medical building as the same exists on January 1, 2007; Thence South 0° 22' 16" East, along the line of the East face of the existing building and the same projected a distance of 134.45 feet, more or less, to the Southeast corner of said building; Thence South 89° 37' 44" West, along the Southerly face of the existing building, a distance of 22.83 feet; Thence South 0° 13' 17" East 125.39 feet more or less, to the Northerly margin of Broadway Street; Thence South 89° 46' 43" West, along said margin, 177.30 feet to the West line of said Southwest Quarter of the Southeast Quarter of Section 20; Thence North 10° 06' 35" West, along said line, 260.05 feet to the point of Beginning.

The basis of bearing for the above legal description is North 1° 06' 35" West between the found South Quarter corner and the found and accepted 1/16th corner on Kincaid Street.

Situate in the City of Mount Vernon, County of Skagit, State of Washington

PARCEL B:

That portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, WM, described as follows:

Commencing at a point 30.83 feet South of the Northwest corner of said Southwest Quarter of the Southeast Quarter; Thence North 89° 48' 35" East, parallel to the North line of said Southwest Quarter of the Southeast Quarter 203.81 feet, more or less, to the northerly extension of the East line (East face of building) of the existing medical building as the same exists on January 1, 2007 and THE TRUE POINT OF BEGINNING; Thence South 0° 22' 16" East, along the line of the East face of the existing building and the same projected a distance of 73.95 feet; Thence North 89° 47' 39" East 99.89 feet to the West margin of South 15th Street; Thence North 1° 09' 02" West, along said line, 73.94 feet to a point which lies North 89° 48' 35" East from the true point of beginning; Thence South 89° 48' 35" West 98.89 feet to THE TRUE POINT OF BEGINNING.

The basis of bearing for the above legal description is North 1° 06' 35" West between the found South Quarter corner and the found and accepted 1/16th corner on Kincaid Street.

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

PARCEL D:

That portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, WM, described as follows:

Commencing at a point 30.83 feet South of the Northwest corner of said Southwest Quarter of the Southeast Quarter; Thence North 89° 48' 35" East, parallel to the North line of said Southwest Quarter of the Southeast Quarter 203.81 feet, more or less, to the northerly extension of the East line (East face of building) of the existing medical building as the same exists on January 1, 2007; Thence South 0° 22' 16" East, along the line of the East face of the existing building and the same projected a distance of 73.95 feet to THE TRUE POINT OF BEGINNING; Thence continue South 0° 22' 16" East 40.89 feet; Thence North 89° 47' 39" East 100.45 feet to the West margin of South 15th Street; Thence North 1° 09' 02" West, along said line, 40.89 feet to a point which lies North 89° 48' 35" East from the true point of beginning; Thence South 89° 48' 35" West 99.89 feet to THE TRUE POINT OF BEGINNING.

The basis of bearing for the above legal description is North 1° 06' 35" West between the found South Quarter corner and the found and accepted 1/16th corner on Kincaid Street.

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PARCEL E:

That portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point 360 feet South and 75 feet East of the Northwest corner;
Thence East a distance of 75 feet;
Thence South a distance of 135 feet;
Thence West a distance of 75 feet;
Thence North a distance of 135 feet to the point of beginning.

PARCEL F:

That portion of the Southwest Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point 360 feet South of the Northwest corner of said Southwest Quarter of the Southeast Quarter;
Thence East a distance of 75 feet;
Thence South a distance of 135 feet;
Thence West a distance of 75 feet;
Thence North a distance of 135 feet to the point of beginning.

PARCEL G:

Lots 1 and 2, Block 8, MAP OF MILLETT'S ADDITION TO MT. VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 63, records of Skagit County, Washington.

PARCEL H:

Lots 7 and 8, Block 7, MAP OF MILLETT'S ADDITION TO MT. VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 63, records of Skagit County, Washington.

PARCEL I:

Lot 3, Block 7, MAP OF MILLETT'S ADDITION TO MT. VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 63, records of Skagit County, Washington.

PARCEL K:

Lot 4, Block 7, MAP OF MILLETT'S ADDITION TO MT. VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 63, records of Skagit County, Washington.

PARCEL L:

Lots 9 and 10, Block 7, MAP OF MILLETT'S ADDITION TO MT. VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 63, records of Skagit County, Washington.

PARCEL O:

The South 41 feet of Lot 1, Block 1, BROADWAY ADDITION TO MOUNT VERNON, according to the plat thereof recorded in Volume 6 of Plats, page 7, records of Skagit County, Washington.

PARCEL R:

That portion of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 20, Township 34 North, Range 4 East, W. M., described as follows:

Beginning at a point 360 feet South and 150 feet East of the Northwest corner of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;
Thence East 75 feet;
Thence South 135 feet;
Thence West 75 feet;
Thence North 135 feet to the point of beginning



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