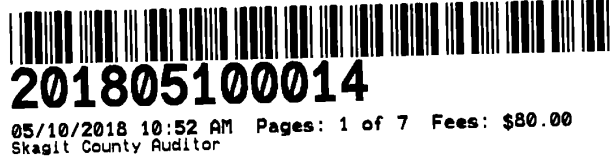


FILED FOR RECORD AT THE
REQUEST OF/RETURN TO:
Skagit Valley Medical Center, Inc. P.S.
c/o John A. Boyes, M.D.
4629 Samish Point Road
Bow, WA 98232



SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 10 2018

Amount Paid \$
Skagit Co. Treasurer
By *Mmm* Deputy

TERMINATION OF CONDOMINIUM UNIT LEASE AGREEMENT

Reference No.: 201007270074 (Condominium Unit Lease Agreement)

Grantor (s): SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1,
a Washington municipal corporation

Grantee (s): SVMC, PLLC, a Washington professional limited liability company,
formerly known as
SKAGIT VALLEY MEDICAL CENTER, INC., P.S.,
a Washington professional service corporation

Abbreviated Legal: Unit 2, Pavilion Condominium per Dedication
recorded under Skagit County AFN 200704040079

Additional Legal on page(s): 2

Assessor's Tax Parcel No.: P129810 / 4923-000-002-0000

1. Lease. SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1, a Washington municipal corporation, and SVMC, PLLC, a Washington professional limited liability company, successor by merger dated July 28, 2010 with SKAGIT VALLEY MEDICAL CENTER, INC., P.S., a Washington professional service corporation, hereby provide notice that by mutual agreement they have terminated that certain Condominium Unit Lease Agreement ("Lease Agreement") scheduled to end on June 30, 2025 (the "Original Expiration Date"), executed on or about July 13, 2010, which Lease Agreement was recorded on July 27, 2010 under Auditor's File Number 201007270074, records of Skagit County, Washington, in which SKAGIT

TERMINATION OF CONDOMINIUM
UNIT LEASE AGREEMENT - 1

VALLEY MEDICAL CENTER, INC., P.S. is the Lessor ("Lessor") and SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1 is the Lessee/Tenant ("Tenant"), and which Lease Agreement was for real property consisting of 19,950 square feet of rentable medical office space in Sedro-Woolley, Washington, commonly known as Unit 2, The Pavilion Condominium (the "Premises"), and is legally described as follows:

Unit 2, "THE PAVILION CONDOMINIUM," according to the declaration thereof, recorded April 4, 2007, under Auditor's File No. 200704040079, records of Skagit County, Washington, and the Survey Map and Plans recorded April 4, 2007, under Auditor's File No. 200704040078, records of Skagit County, and being a portion of West ½ of the Southeast ¼ of the Northeast ¼ of Section 27, Township 35 North, Range 4 East, W.M.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

2. Lease Termination. The termination of the Lease Agreement is effective as of 11:59 p.m. on March 31, 2018 (the "Early Termination Date") and the Tenant does not have any further rights under the Lease Agreement. Upon such early termination, the Lease shall be deemed terminated with the same force and effect as if it had terminated on the Original Expiration Date. For purposes of clarification, any related documents such as any subordination, nondisturbance and attornment agreements, recognition agreements, or the like (collectively, "Collateral Agreements") that may have been executed by Tenant shall also terminate on the Early Termination Date, and Lessor hereby agrees to indemnify, defend and hold harmless the Tenant from any and all claims, demands, sums of money, actions, rights, causes of action, obligations and liabilities arising out of any Collateral Agreements or asserted by Lessor's lenders or other mortgagees of the Premises. Any and all options to extend the term of the Lease Agreement have also been terminated. Tenant acknowledges that it has no further right to or interest in any of the real property described above.

3. Reconciliation of Expenses. Both parties acknowledge and agree to be bound by all rent (as set forth in Section 4 of the Lease) and Tenant's share of any utility charges (as set forth in Section 17 of the Lease), taxes and assessments (as set forth in Section 19 of the Lease) and the like paid by Tenant through the Early Termination Date and neither shall have any obligation or liability to the other if such payments on an estimated basis were greater than or less than the amount of rent and Tenant's share of any such costs or expenses actually due. However, Tenant agrees to indemnify and hold Landlord harmless against any utility, service, maintenance, or other costs or charges relating to the Premises resulting from contracts between Tenant and utility and other suppliers, including parking operators.

4. Surrender; Personal Property. Notwithstanding anything in the Lease or otherwise to the contrary, Tenant shall have no obligation under the Lease, or otherwise, to restore, maintain, replace, repair, renew or rebuild the Premises or make or remove any additions, improvements or alterations with respect thereto or to remove any equipment, fixtures or personal property on or at the Premises. For the sake of clarity, Tenant shall have the right, but not the obligation, to

TERMINATION OF CONDOMINIUM
UNIT LEASE AGREEMENT - 2

remove any of Tenant's equipment and personal property from the Premises and shall not have any obligation to make any repairs, replacements, alterations or restoration to the Premises in respect of any such removal. All furniture, fixtures, shelving, cabinets, tables, equipment, lighting, and other trade fixtures or personal property in, on or attached to any portion of the Premises or Building and remaining therein or thereon after the Early Termination Date (the "Abandoned Property"), whether or not belonging to Tenant, shall be deemed abandoned and may be appropriated, sold, destroyed or otherwise disposed of by Lessor at Lessor's expense without notice to Tenant and without obligation to account therefor.

5. Release by Lessor. Lessor hereby releases, acquits and forever discharges Tenant and its affiliates, and their respective successors, assigns, agents, stockholders, employees, officers, directors and insurers, from any and all claims, demands, sums of money, actions, rights, causes of action, obligations and liabilities, whether known or unknown, of every kind or nature whatsoever which Lessor had, has or may have, now or in the future, arising out of or related to the Lease or the Premises, including without limitation any obligations or liabilities with respect to any Collateral Agreements, but excluding any of the foregoing arising out of any breach of this Agreement (collectively, "Claims"). Lessor hereby covenants that it shall not make, assert, maintain or prosecute, against any person or entity herein released, any Claims, and represents and warrants that no Claim has been assigned, transferred, hypothecated, pledged or set over in any manner whatsoever, in whole or in part, to any person or entity, and Lessor has the exclusive right to release all of the Claims. Upon termination of the Lease as aforesaid, Lessor further releases and discharges any and all obligors, guarantors, tenants or other parties who were Tenant's predecessors in interest or were in any way liable under the terms of the Lease or any Collateral Documents, including without limitation any guaranties, from all liability under the Lease or under any Collateral Documents. Lessor represents and agrees that no promises, statements or inducements have been made to it which caused it to execute this Agreement other than those expressly stated in this Agreement.

6. Release by Tenant. Tenant hereby releases, acquits and forever discharges Lessor and its affiliates, and their respective successors, assigns, agents, stockholders, employees, officers, directors and insurers, from any and all Claims. Tenant hereby covenants that it shall not make, assert, maintain or prosecute, against any person or entity herein released, any Claims, and represents and warrants that no Claim has been assigned, transferred, hypothecated, pledged or set over in any manner whatsoever, in whole or in part, to any person or entity, and Tenant has the exclusive right to release all of the Claims. Tenant represents and agrees that no promises, statements or inducements have been made to it which caused it to execute this Agreement other than those expressly stated in this Agreement.

7. Tenant's Representations and Warranties. Tenant hereby represents and warrants to Lessor the following, each of which shall survive the termination of the Lease, the vacation and surrender of the Premises, the surrender of the Lease and Tenant's leasehold estate, and the termination of this Agreement:

- a. Tenant has not made any assignment, sublease, transfer, conveyance or other

disposition of the Lease, Tenant's leasehold estate, the premises occupied by Tenant, any other rights, title, interest under or arising by virtue of the Lease, or of any claim, demand, obligation, liability, action or cause of action arising from or pursuant to the Lease or arising from any rights of possession arising under or by virtue of the Lease, Tenant's leasehold estate, or the premises occupied by Tenant, and no party other than Tenant has any right to use, possession, or occupancy of any portion of the premises occupied by Tenant or any claim whatsoever against the Tenant's interest in the Lease.

b. The person or entity executing this Agreement on behalf of Tenant has the full right and authority to execute this Agreement on behalf of said party and to bind said party without the consent or approval of any other person or entity.

c. Tenant has the full power, capacity, authority and legal right to execute and deliver this Agreement.

d. This Agreement is legal, valid and binding upon Tenant and this Agreement is enforceable against Tenant in accordance with its terms.

e. Tenant has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially, all of its assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of its assets, (v) admitted in writing to its inability to pay its debts as they become due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

8. Lessor's Representations and Warranties. Lessor hereby represents and warrants to Tenant the following, each of which shall survive the termination of the Lease, the vacation and surrender of the Premises, the surrender of the Lease and Tenant's leasehold estate, and the termination of this Agreement:

a. The person or entity executing this Agreement on behalf of Lessor has the full right and authority to execute this Agreement on behalf of said party and to bind said party without the consent or approval of any other person or entity.

b. Lessor has the full power, capacity, authority and legal right to execute and deliver this Agreement.

c. This Agreement is legal, valid and binding upon Lessor and this Agreement is enforceable against Lessor in accordance with its terms.

d. Lessor has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of its

assets, (v) admitted in writing to its inability to pay its debts as they become due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

9. Miscellaneous

a. Time is of the essence in the performance of the parties' respective obligations set forth in this Agreement.

b. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

c. If for any reason, any provision of this Agreement shall be held to be unenforceable, it shall not affect the validity or enforceability of any other provision of this Agreement.

d. Each party agrees to keep the terms hereof confidential and not to discuss the terms or the negotiations hereof with anyone except with their attorneys, lenders, consultants, as required by law or as may be necessary or appropriate to enforce the terms and benefits hereunder.

e. This Agreement shall be governed by and construed under the laws of the State of Washington.

f. This Agreement, including addenda, if any, expresses the entire agreement of the parties and supersedes any and all previous agreements between the parties with regard to the premises occupied by Tenant and the Lease. There are no other understandings, oral or written, which in any way alter or enlarge its terms, and there are no warranties or representations of any nature whatsoever, either expressed or implied, except as may be set forth herein. Any and all future modifications of this Agreement will be effective only if they are in writing and signed by the parties hereto. The terms and conditions of any and all addenda attached hereto and any and all future modifications of this Agreement shall supersede and replace any inconsistent provisions in this Agreement.

g. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original.


h. In the event any dispute between the parties results in litigation or other proceeding, the prevailing party shall be reimbursed by the nonprevailing party for all reasonable costs and expenses, including, without limitation, reasonable attorneys' and experts' fees and costs incurred by the prevailing party in connection with such litigation or other proceeding and any appeal thereof. Such costs, expenses and fees shall be included in and made a part of the judgment recovered by the prevailing party, if any.

TERMINATION OF CONDOMINIUM
UNIT LEASE AGREEMENT - 5

IN WITNESS WHEREOF, the parties hereto have executed this Notice of Termination of Condominium Unit Lease Agreement this 4th day of April, 2018.


LESSOR:

SVMC, PLLC, a Washington professional limited liability company,
Successor by merger with
SKAGIT VALLEY MEDICAL CENTER, INC. P.S.,
a Washington professional service corporation

By: 
MORRIS JOHNSON, M.D.
Its: Chairman of the Board of Managers / President

TENANT:

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1,
a Washington municipal corporation

By: 
Printed Name: Brian K. Ine
Its: President / CEO

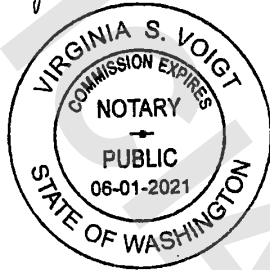
(acknowledgments follow)

TERMINATION OF CONDOMINIUM
UNIT LEASE AGREEMENT - 6

State of Washington)
) ss
County of Skagit)

I certify that I know or have satisfactory evidence that MORRIS JOHNSON, M.D. is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President and Chairman of the Board of Managers of SVMC, PLLC, a Washington professional limited liability company, successor by merger with SKAGIT VALLEY MEDICAL CENTER, INC. P.S., a Washington professional service corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 4, 2018.

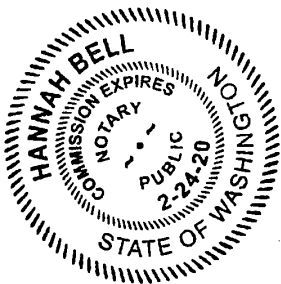


Virginia S. Voigt
(Signature)
NOTARY PUBLIC
VIRGINIA S. VOIGT
Print Name of Notary
My appointment expires: 6/1/21

State of Washington)
) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Brian K. Ivie is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President/CEO & Superintendent of SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 4, 2018.



Hannah Bell
(Signature)
NOTARY PUBLIC
Hannah Bell
Print Name of Notary
My appointment expires: 2-24-20

TERMINATION OF CONDOMINIUM
UNIT LEASE AGREEMENT - 7