



200603140125

Skagit County Auditor

3/14/2006 Page 1 of 10 2:50PM

Recorded at Request of:  
Jack R. Wallace, Attorney  
P.O. Box 372  
Burlington, WA 98233

CHICAGO TITLE IC31157

**Termination Of BAP Sublease**

Grantor: **FMA Building Addition Partnership**, a  
Washington General Partnership (BAP); and  
**Island Medical Dental Center**, a Washington  
General Partnership (IMDC)

Grantee: **Skagit County Public Hospital District No. 2**  
(dba **Island Hospital**), a Washington  
Public Hospital District (Island  
Hospital)

Abbreviated Legal: **Ptn SE 24-35-01**

Additional legal description on Exhibit "A"  
attached hereto

Assessor's Tax Parcel No. **P31917 (Island  
Hospital)**

**THIS TERMINATION AGREEMENT** ("Agreement") is entered  
into as of the 13 day of March, 2006 ("Effective  
Date"), by and among **FMA BUILDING ADDITION PARTNERSHIP**, a  
Washington General Partnership composed of Mark S. Backman,  
MD; C. Les Conway, MD; Harold R. Clure, MD; and Harold L  
Eiesland, MD, ("BAP") ; and **ISLAND MEDICAL DENTAL CENTER**, a  
Washington General Partnership composed of Mark S. Backman,  
MD; C. Les Conway, MD; Harold R. Clure, MD; Harold L  
Eiesland, MD; John D. Chambers, MD; Darrell R. Cornelius,  
MD; Winston G. Jones, MD; Judy Schwenk; and Roger L.  
Kisner, DDS ("IMDC"); and **HAROLD R. CLURE, MD, and MARTHA  
CLURE, husband and wife** ("Clure"); and **ROGER L. KISNER,  
DDS, and NANCY KISNER, husband and wife** ("Kisner").

**R E C I T A L S**

**A.** Subject to the rights of Island Hospital pursuant

to the Ground Lease (as hereinafter described), the parties own the BAP and Island Medical - Dental Center Building located at 1213 24<sup>th</sup> Street in Anacortes, Washington, listed under Skagit County Treasurer's personal property tax parcel numbers P6128 and P100698 (the "Building").

**B.** IMDC leases the underlying real estate from Island Hospital pursuant to a ground lease dated 7/10/1973, recorded under Skagit County recording #798039, amended by First Amendment to Ground Lease dated 6/11/1974 and recorded under Skagit County recording #802693, and Second Amendment to Ground Lease, dated 7/11/1989 and recorded under Skagit County recording #8907210082 (such ground lease, as amended, shall be hereinafter referred to as the "Ground Lease"). The Ground Lease covers certain real estate legally described on Exhibit "A" and incorporated herein by this reference (the "Property"). IMDC has sublet a portion of its rights under the Ground Lease to BAP by sublease dated July 20, 1989, and recorded under Skagit County recording number 8910270068 (the "IMDC-BAP Sublease").

**C.** IMDC and BAP have sublet portions of the Building to various subtenants. IMDC and BAP have agreed to sell the Building, including all assets and rights associated with the Building, and all rights of Sellers under the Ground Lease, to **SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT No. 2 (d/b/a ISLAND HOSPITAL)**, a Washington State public hospital district ("Island Hospital") and **CHALLENGE DEVELOPMENTS II, LLC**, a Washington limited liability company ("Challenge") or assigns. BAP has conveyed an undivided interest in its assts to Clure, and IMDC has conveyed undivided interests in its assets to Clure and Kisner. IMDC, BAP, Clure, and Kisner have agreed to terminate the BAP sublease from IMDC effective upon closing of the sale to Challenge and Island Hospital.

**NOW, THEREFORE, the Parties hereto agree as follows:**

**1. Termination.** IMDC, BAP, Clure, and Kisner hereby terminate the IMDC-BAP Sublease effective on the day and year first above written. The parties shall prorate any amounts due under said sublease as of the Effective Date outside of escrow and shall be guided by their CPA, Kim Ray, in making any prorations and adjustments.



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2. **Binding.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto.

3. **Attorney Fees.** If any action is brought by either Party to interpret or enforce its rights under this Agreement, the Party substantially prevailing will be entitled to attorney fees and court costs as determined by the court or arbitrator.

4. **Waivers.** No waiver of any provision of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver will be binding unless executed in writing by the Party making the waiver. Either Party may waive any provision of this Agreement intended for its sole benefit; provided, however, such waiver will in no way excuse the other Party from the performance of any of its other obligations under this Agreement.

DATED as of the day and year first set forth above.

**FMA BUILDING ADDITION PARTNERSHIP**

By: Harold Eiesland  
Its. Partner  
Date 3-13-06

AND

By: Mark Sullivan  
Its. Partner  
Date 3-13-06

**ISLAND MEDICAL DENTAL CENTER**

By: Harold Eiesland  
Its. Partner  
Date 3-13-06

AND

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

MAR 14 2006

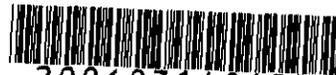
Amount Paid \$  
Skagit Co. Treasurer  
By [Signature] Deputy



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By: John D. Chamberlain MD  
Its: Fairness  
Date: 3-13-06

(ADDITIONAL SIGNATURES FOLLOW)



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HAROLD R. CLURE, MD

*Harold R. Clure, MD. See health records for atty in fact.*

Date 3/14/06

MARTHA CLURE

*Martin Clure, See health records for atty in fact.*

Date 3/14/06

ROGER L. KISNER, DDS

*Roger L. Kisner, DDS by  
John D. Chambers MD as ATTY IN FACT*

Date 3-13-06

NANCY KISNER

*Nancy KISNER by John D. Chambers MD as ATTY IN FACT*

Date 3-13-06

(ACKNOWLEDGEMENTS FOLLOW)



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STATE OF WASHINGTON )  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Harry Eiesland, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as one of the Managing Partners of **ISLAND MEDICAL DENTAL CENTER**, A Washington General Partnership, to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 3-13, 2006.



Mary Mansfield  
NOTARY PUBLIC

Mary Mansfield

(Print or Type Name of Notary)  
My Appointment Expires: 10-28-09

STATE OF WASHINGTON )  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that \_\_\_\_\_, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as one of the Managing Partners of **ISLAND MEDICAL DENTAL CENTER**, A Washington General Partnership, to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_, 2006.

\_\_\_\_\_  
NOTARY PUBLIC



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Skagit County Auditor

STATE OF WASHINGTON )  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Harold Eiesland, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as one of the Managing Partners of **FMA BUILDING ADDITION PARTNERSHIP**, A Washington General Partnership, to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 3-13-06, 2006.

Mary Mansfield  
NOTARY PUBLIC

Mary Mansfield

(Print or Type Name of Notary)  
My Appointment Expires: 10-28-09



STATE OF WASHINGTON )  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Mark Bachman, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as one of the Managing Partners of **FMA BUILDING ADDITION PARTNERSHIP**, A Washington General Partnership, to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 3-13-06, 2006.

Mary Mansfield  
Mary Mansfield  
comm. exp. 10-28-09 NOTARY PUBLIC



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Skagit County Auditor

STATE OF WASHINGTON

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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STATE OF WASHINGTON

COUNTY OF SKAGIT

}  
}ss.

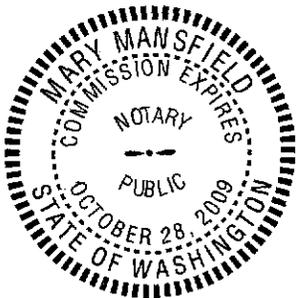
\*MARTHA K. CLURE

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 ~~12th~~ <sup>14<sup>th</sup></sup> 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"**

Building and Leasehold interests located on:

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.

Situate in Skagit County, Washington.

**- END OF EXHIBIT "A" -**



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