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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, P125894, P53563, P26782, P26780, P53559, P53557, P53553, P53551, P53554, P53558

MEMORANDUM OF LEASE

Skagit Valley Medical Center Office Expansion Lease

This MEMORANDUM OF LEASE (this "Memorandum") is made as of August 4, 2008, 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 April 9, 2007, between Landlord and Tenant concerning the real property described on **Exhibit A**, together with 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 Skagit Valley Medical Center Office Expansion and related parking spaces, but do not include the previously existing Medical Center building in the Northeast 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

Memorandum of Lease - 1

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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 March 1, 2008, and shall continue until Dec. 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.

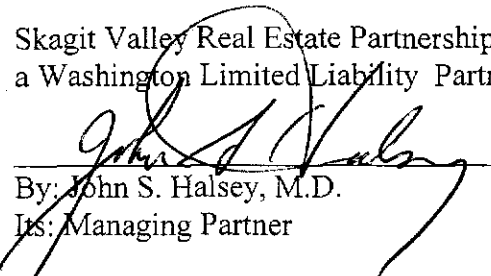
6. **Use Restrictions and Exclusives.** Pursuant to the Lease terms, the Tenant may have certain exclusive rights or may be subject to certain restrictions which are more carefully outlined as follows:

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.

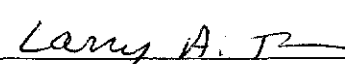
LANDLORD:

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


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

TENANT:

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


By: Larry A. Thompson
Its: Chief Executive Officer

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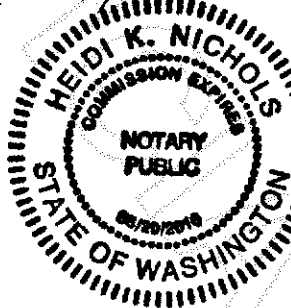
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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

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: Aug. 04, 2008.

Heidi K. Nichols
(Signature)



Heidi K. Nichols
NOTARY PUBLIC (print name)

My appointment expires: May 20, 2010

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

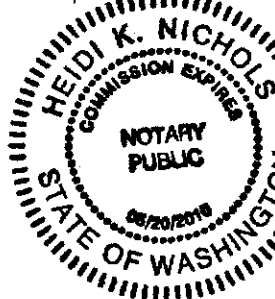
AUG 15 2008

Amount Paid \$ 0
By Sp Skagit Co. Treasurer 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: Aug. 04, 2008.

Heidi K. Nichols
(Signature)



Heidi K. Nichols
NOTARY PUBLIC (print name)

My appointment expires: May 20, 2010

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EXHIBIT A

To
LEASE BETWEEN
SKAGIT VALLEY REAL ESTATE PARTNERSHIP, LLP
And
SKAGIT VALLEY MEDICAL CENTER, INC. P.S

Skagit Valley Medical Center Office Expansion
Legal Descriptions of Property

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

PARCEL A: P 26778

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 C: P 125899

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 114.84 feet to THE TRUE POINT OF BEGINNING; Thence continue South 0° 22' 16" East 19.61 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 North 89° 46' 43" East, along said margin, 125.58 feet to the West margin of South 15th Street; Thence North 1° 09' 02" West, along said line, 145.05 feet to a point which lies North 89° 47' 39" East from the true point of beginning; Thence South 89° 47' 39" West 100.45 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 P 53563

Lots 10 to 12, 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.

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

PARCEL E P 26782

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:

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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.

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

PARCEL F

P26780

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.

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

PARCEL G

P53559

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.

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

PARCEL H

P53557

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.

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

PARCEL I

P53553

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.

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

PARCEL J

P53551

Lots 11 and 12, Block 6, 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

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

PARCEL K

P53554

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.

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

PARCEL L

P53558

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Lots 11 and 12, 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.

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

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