



201109220097

Skagit County Auditor

When Recorded Return To

9/22/2011 Page 1 of 7 3:05PM

Donald W. Black  
OGDEN MURPHY WALLACE, P.L.L.C.  
1601 Fifth Avenue, Suite 2100  
Seattle, Washington 98101-1686

### MEMORANDUM OF LEASE

Reference Number(s)  
of Related Documents:

N/A

Grantor/Lessor:

ISLAND HOSPITAL MEDICAL PROPERTIES, a  
Washington non-profit corporation

Grantee/Lessee:

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2, a  
Washington municipal corporation d/b/a Island Hospital

Legal Description:

Portion of Block 3, Hensler's First Addition

Additional Legal on page 7

Assessor's Tax

Account Number:

P57320, P57321, P57322, P57323 P124698 and P31916

**THIS MEMORANDUM OF LEASE** ("Memorandum") is made this 5th day of August, 2011 (the "Memo Date"), between Island Hospital Medical Properties, a Washington non-profit corporation ("Landlord"), and Skagit County Public Hospital District No. 2, a Washington municipal corporation doing business as Island Hospital ("Tenant").

Landlord and Tenant hereby acknowledge that they entered into a Lease Agreement (the "Lease"), dated August 5, 2011, for the property legally described in Exhibit A attached hereto and incorporated herein (the "Leased Premises").

**Principal Terms of the Lease.** The following is a brief description of certain terms of the Lease. This is not intended as an amendment, modification or restatement of any term of the Lease, and no rights or obligations shall separately arise under this Memorandum. Reference should be made to the full Lease that is maintained in the records of Landlord and

Memorandum of Operating Lease  
{CAS907533.DOC;2\14335.010009\}

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SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

SEP 22 2011

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

Tenant. In the event of any conflict between any term of this Memorandum and any term of the Lease, the term of the Lease shall prevail.

1. Term. Tenant's rights to occupy the Leased Premises is for thirty two (32) years (the "Term"), commencing on the "Commencement Date" as defined in the Lease, unless sooner terminated pursuant to the terms of the Lease.
2. Extension of Term. The Term of the Lease may be extended for two (2) additional term of seven (7) years each pursuant to the terms set forth in the Lease.
3. Third Party Beneficiaries. Kitsap County NMTC Subsidiary Allocatee Three, LLC, a Washington limited liability company ("Kitsap CDE"), and NDC New Markets Investment LXIII, LLC, a Delaware limited liability company ("NDC CDE"), are intended third party beneficiaries of the Lease as to performance by Tenant, and as such, are permitted to enforce Landlord's rights independently of Landlord.

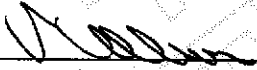
[Remainder of page intentionally blank. Signature pages follow.]



IN WITNESS WHEREOF, the parties have duly executed, acknowledged and delivered this instrument as of the latest date set forth next to/beneath their signatures below.

**LANDLORD:**


ISLAND HOSPITAL MEDICAL PROPERTIES

  
By: Vincent C. Oliver  
Its: President

Date: 8/3/11

**TENANT:**

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

  
By: Vincent C. Oliver  
Its: Superintendent and CEO

Date: 8/3/11

Memorandum of Operating Lease

Signature Pages

{CAS907533.DOC;2\14335.010009\}

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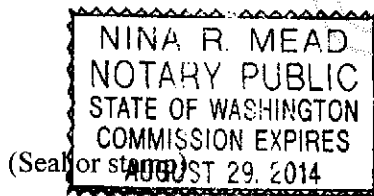
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7 3:05PM

STATE OF WASHINGTON )  
) ss.  
COUNTY OF SKAGIT )

On this 3rd day of Aug, 2011, before me personally appeared Vincent C. Oliver to me known to be the president of ISLAND HOSPITAL MEDICAL PROPERTIES, the non-profit corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Nina R. Mead  
(Signature)

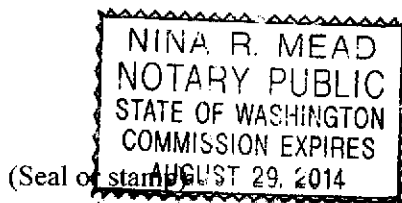
Nina R. Mead  
(Name legibly printed or stamped)

Notary Public in and for the State of Washington,  
residing at Anacortes  
My appointment expires 8-29-14

STATE OF WASHINGTON )  
) ss.  
COUNTY OF SKAGIT )

On this 3rd day of Aug, 2011, before me personally appeared Vincent C. Oliver, to me known to be the Superintendent and Chief Executive Officer of Skagit County Public Hospital District No. 2, the municipal corporation that that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Nina R. Mead  
(Signature)

Nina R. Mead  
(Name legibly printed or stamped)

Notary Public in and for the State of Washington,  
residing at Anacortes  
My appointment expires 8-29-14

Memorandum of Operating Lease  
Signature Pages  
{CAS907533.DOC;2\14335.010009\}

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**ACKNOWLEDGED AND AGREED TO** as third party beneficiaries:

**KITSAP CDE:**

Kitsap County NMTC Subsidiary Allocatee  
Three, LLC

By: Kitsap County NMTC Facilitators I, LLC  
Its: Managing Member

By: Kitsap County Consolidated  
Housing Authority  
Its: Manager

By: Tony L. Caldwell  
Tony L. Caldwell, Executive Director

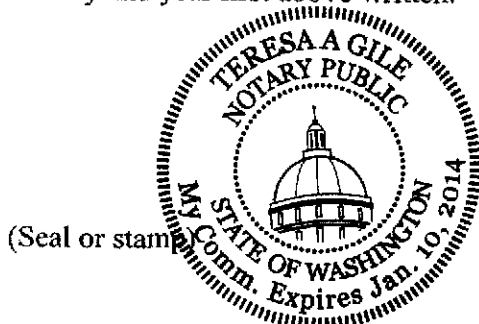
STATE OF WASHINGTON )

) ss.

COUNTY OF KITSAP )

On this 2nd day of August, 2011, before me personally appeared Tony L. Caldwell, to me known to be the Executive Director of Kitsap County Consolidated Housing Authority, the public body corporate and politic of the State of Washington that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Kitsap County NMTC Subsidiary Allocatee Three, LLC, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Teresa A. Gile  
(Signature)

TERESA A GILE  
(Name legibly printed or stamped)

Notary Public in and for the State of  
Washington, residing at BREMERTON.  
My appointment expires 01/10/2014

Memorandum of Operating Lease  
Signature Pages  
(CAS907533.DOC;2\14335.010009\ )



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ACKNOWLEDGED AND AGREED TO as third party beneficiaries:

NDC CDE:

NDC New Markets Investments LXIII, LLC

By: HEDC New Markets, Inc.

Its: Managing Member

By: [Signature]  
Robert W. Davenport, Chairman

STATE OF New York

COUNTY OF New York

)  
) ss.  
)

On this 5<sup>th</sup> day of August, 2011, before me personally appeared Robert W. Davenport, to me known to be the Chairman of HEDC New Markets, Inc, the corporation that that executed the within and foregoing instrument, and acknowledged 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 was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]  
(Signature)

Wendoly Castro

(Name legibly printed or stamped)

Notary Public in and for the State of New York,  
residing at Bronx

My appointment expires 06/02/2012

(Seal or stamp)

**WENDOLY CASTRO**  
Notary Public, State of New York  
No. 01CA6188055  
Qualified in Bronx County  
Commission Expires June 2, 2012



## EXHIBIT A

### LEGAL DESCRIPTION

All that portion of the Northeast Quarter of the Southeast Quarter of the Southeast Quarter of Section 24, Township 35 North, Range 1 East, WM, as delineated on that survey recorded under Auditor's File Number 9703110090, records of Skagit County, Washington, AND all that portion of Lots 8 through 17 of Block 3 of the Plat of Hensler's First Addition to the City of Anacortes as per the plat recorded in Volume 3 of Plats, Page 46, records of Skagit County, Washington AND all that portion of the alley of said Block 6 as vacated under Ordinance #2845 recorded March 15, 2011 under Skagit County Auditor's File No. 201103150061, described as follows:

Commencing at the southeast corner of Lot 17 of said Block 3, as delineated on that survey recorded under Auditor's File Number 200803120069, records of Island County, Washington;

Thence S 89°58'18" W, along the south line of said Lot 17, a distance of 28.78 feet;  
Thence N 00°01'42" W a distance 24.50 feet to the **TRUE POINT OF BEGINNING** of this Lease Legal Description;

Thence S 89°58'18" W a distance of 60.59 feet;

Thence S 00°01'42" E a distance of 5.00 feet;

Thence S 89°58'18" W a distance of 42.00 feet;

Thence N 00°01'42" W a distance of 5.00 feet;

Thence S 89°58'18" W a distance of 26.41 feet;

Thence N 00°01'42" W a distance of 90.51 feet;

Thence N 45°45'46" E a distance of 35.12 feet;

Thence N 89°58'18" E a distance of 64.18 feet;

Thence S 00°01'42" E a distance of 17.00 feet;

Thence N 89°58'18" E a distance of 51.65 feet;

Thence S 00°01'42" E a distance of 41.50 feet;

Thence S 89°58'18" W a distance of 12.00 feet;

Thence S 00°01'42" E a distance of 56.50 feet to the **POINT OF BEGINNING**;

Containing 14,561 square feet, more or less.

Memorandum of Operating Lease

Exhibits

8/3/11 {CAS907533.DOC;2\14335.010009\}

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