

Skagit County Auditor  
7/16/2014 Page

1 of

7

\$78.00  
2:02PM

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

**Furlong Butler Attorneys  
825 Cleveland Avenue  
Mount Vernon, WA 98273**

*(Space Above this Line for Recorder's Use Only)*

The information contained in this boxed section is for recording purposes only pursuant to RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

**Document Title: Second Amendment to Memorandum of Lease**

**Grantor:** Public Hospital District No. 1 of Skagit County, a Washington public hospital district, Landlord

**Grantee:** MV Investors LLC, a Washington limited liability company, Tenant

**Abbreviated Legal Description:** Lot 4, Lots 5-8 and Lots 11-13, DALE AND SHEA'S ADD TGW VAC. MONTGOMERY ST.

**Complete or Additional Legal Description on Exhibit A of Document.**

**Assessor's Parcel Number(s):** P52645/3717-000-005-0003; P126330/3717-000-008-0200; P129783/3717-000-008-0118; and P52655/3717-000-007-0100

**SECOND AMENDMENT TO MEMORANDUM OF LEASE**

This Second Amendment to Memorandum of Lease is made as of June 25, 2014 between Public Hospital District No. 1 of Skagit County, a Washington public hospital district formed pursuant to Chapter 70.44 RCW, ("the Landlord") and MV Investors LLC, a Washington limited liability company, the ("Tenant").

**RECITALS**

A. Landlord and Tenant entered into a ground lease on September 12, 2005 (the "Ground Lease"), upon which the Tenant has constructed a cancer care center – imaging center – medical office building and related site improvements, a memorandum of which was recorded in the real property records of Skagit County, Washington, on November 30, 2006, under recording no. 2000511300086 and a "First Amendment to Memorandum of Ground Lease" of which, dated February 6, 2007 and was recorded in the real property records of Skagit County, Washington, February 20, 2007, under recording no. 200702200204 (collectively the "Memoranda").

## AGREEMENT

1. The parties hereby agree to amend the Memoranda by including the following language:

The Lease includes the attached portion of the Lease, Article VI, "Right of First Refusal – Sale," appended hereto as Attachment No. 1.

2. This Amended Memorandum of Lease applies to the property legally described in Exhibit A hereto.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum to be executed by their duly authorized representatives as of the date first set forth above.

### GRANTOR:

Public Hospital District No. 1 of Skagit  
County, a Washington public hospital district

By: 

Print name: GREGG DAVIDSON

Its: CEO

### GRANTEE:

MV Investors LLC, a Washington limited  
liability company

By: Capstone Partners NW LLC, a  
Washington limited liability company,  
Its Manager

By: CBHL Group, LLC a Washington  
limited liability company,  
Authorized Member

By:   
Kirk A. Johnson  
Its: Sole Member

By:   
Michael K. Hubbard  
Its: Authorized Member

SECOND AMENDMENT TO MEMORANDUM OF LEASE

GRANTOR: PUBLIC HOSPITAL DISTRICT NO. 1 OF SKAGIT COUNTY

GRANTEE: MV INVESTORS, LLC

Page 2 of 4



201407160029

Skagit County Auditor

7/16/2014 Page

2 of

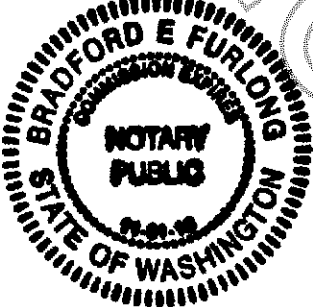
7 2:02PM

\$78.00

STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF Skagit )

On this day 27 of June, 2014, before me personally appeared Gregg A Davidson to me known to be the CFO of Public Hospital District No. 1 of Skagit County, a Washington public hospital district, that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute the same and that the seal affixed is the corporate seal of said entity.

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



(Signature)

(Print Name)

Notary Public in and for the State of Washington

Residing at Mount Vernon

My appointment expires: 11-01-16

STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF King )

On this day 23 of June, 2014, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn personally appeared Kirk A. Johnson, known to me to be the Sole Member of CBIL Group, LLC, acting in its capacity as Authorized Member of Capstone Partners NW LLC, the Manager of MV Investors LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the 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)

(Print Name)

Notary Public in and for the State of Washington

Residing at Seattle, WA

My appointment expires: 10/29/16

SECOND AMENDMENT TO MEMORANDUM OF LEASE  
GRANTOR: PUBLIC HOSPITAL DISTRICT NO. 1 OF SKAGIT COUNTY  
GRANTEE: MV INVESTORS, LLC

Page 3 of 4



201407160029

Skagit County Auditor

7/16/2014 Page

3 of

\$78.00

7 2:02PM

STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF King )

On this day 23 of June, 2014, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn personally appeared Michael K. Hubbard, known to me to be the Authorized Member of Capstone Partners NW LLC, acting as Manager of MV Investors LLC, a Washington limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentions, 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)

Sheila Marie G. Co.

(Print Name)

Notary Public in and for the State of Washington

Residing at Seattle, WA

My appointment expires: 10/29/16

SECOND AMENDMENT TO MEMORANDUM OF LEASE  
GRANTOR: PUBLIC HOSPITAL DISTRICT NO. 1 OF SKAGIT COUNTY  
GRANTEE: MV INVESTORS, LLC

Page 4 of 4



201407160029

Skagit County Auditor

\$78.00

7/16/2014 Page

4 of

7 2:02PM

**ARTICLE VI.**

**Right of First Refusal – Sale**

**6.1 Tenant's Offer** Subject to Section 6.2.3 below, if Tenant desires to sell or otherwise transfer all of the Improvements in connection with a transfer of Tenant's interest in this Lease for consideration, Tenant shall first offer to sell such property to Landlord. Tenant's offer ("Tenant's Offer") shall be in writing and shall specify the purchase price, terms and conditions on which Tenant would sell such property to Landlord. Landlord shall have thirty (30) days after receipt of Tenant's Offer ("Review Period") to accept Tenant's Offer in writing. Landlord shall have ninety (90) days after expiration of the Review Period (or such longer time as may be specified in Tenant's Offer) to consummate the transaction on the terms contained in Tenant's Offer ("Transaction Term"). In the event such sale is in connection with a partial interest, Landlord understands that Tenant will first offer purchase rights to other partial interest owners of Tenant. In the event such partial owners elect not to purchase the partial interest of the partial tenant, Landlord shall be granted these rights with respect to the partial tenant interest subject to the terms contained herein.

**6.1.1 Sale by Tenant.** If Landlord does not timely accept Tenant's Offer or, if Landlord timely accepts Tenant's offer but fails to consummate the purchase of such property prior to the end of the Transaction Term, Tenant shall be free to sell such property to a third party at a price not less than the offering price, nor on terms more favorable to the purchaser, than those set forth in Tenant's Offer.

**6.1.2 Failure to Complete Transaction.** If Tenant fails to consummate the sale or other transfer of such property as set forth in Section 6.2.1 above, within: (a) one hundred eighty (180) days after expiration of the Review Period, if Landlord does not accept Tenant's Offer within the Review Period; or (b) the later to occur of (i) the expiration of the Transaction Term; or (ii) one hundred eighty (180) days after expiration of the Review Period, if Landlord has timely accepted Tenant's Offer, then Tenant may not sell or transfer such property without first offering such property to Landlord as set forth in Section 6.1, and the remaining provisions of this Article VI shall remain in effect so that Landlord will have a continuing right of first refusal.

**6.1.3 Permitted Transfers.** This Section 6.1 shall not apply to a proposed sale or transfer by Tenant of Tenant's interest in this Lease to an Affiliate; *provided*, that such Affiliate shall agree in writing to be subject to and bound by all provisions in this Lease and in any other agreements between the Parties which are ancillary or related to this Lease.

**6.1.4 Continuing Right of First Refusal.** The right of first refusal described in this Section 6.1 shall continue to bind any transferee, buyer, or successor of Tenant, regardless of the method by which such Person acquired Tenant's interest in the Premises or under this Lease.

**6.1.5 Limitations on Tenant's Transferee.** Notwithstanding anything else to the contrary in this Section 6.1, Landlord's consent, not to be unreasonably withheld or delayed.



201407160029

shall be required for any transfer under this Section 6.1. Landlord will not be acting unreasonably if it withholds its consent for any of the following reasons:

- (a) The transferee is not a reputable party.
- (b) The transferee does not have reasonable financial worth and/or stability in light of responsibilities involved on the date of Tenant's Offer.
- (c) In Landlord's reasonable judgment, the transferee is of a character or engages in a business not in keeping with the standards of Landlord, including any transferee who conducts any of the activities prohibited in Section 7.3 below.
- (d) The transferee engages in a business that is inconsistent with the values and standards of Landlord, including the Statement referenced in Section 7.1 below.
- (e) Tenant is in default under this Lease at the date of Tenant's Offer.
- (f) The transferee does not possess the necessary reputation, skill, or experience to assume Tenant's responsibilities hereunder.

**6.1.6 Financing.** Landlord's rights under this Section 6.1 shall be subordinate to all permitted Mortgages to which Tenant may hereafter subject its leasehold title to the Premises in accordance with Article XII below, provided the Permitted Mortgagee recognizes Landlord's right of first refusal hereunder. A Foreclosure or transfer in lieu of foreclosure by such Mortgagee shall not constitute a "sale or transfer" for purposes of this Section 6.1. Landlord shall execute such further agreements reasonably requested by any such Mortgagee, including a subordination agreement, confirming the foregoing.



201407160029

Skagit County Auditor

7/16/2014 Page

6 of

\$78.00

7 2:02PM

Exhibit A

Legal Description

Parcel 1.

The West half of the tracks described as follows:

That portion of Lot 4 lying West of the West line of 13th Street, as conveyed to the City of Mount Vernon by deeds recorded October 28, 1955 and May 21, 1956, under Auditor's File Nos. 526414 and 536375, respectively, and all of Lots 5-8, inclusive in "DALE & SHEA'S ADDITION TO THE CITY OF MT. VERNON," as per plat recorded in Volume 3 of Plats, page 68, records of Skagit County, Washington.

Parcel 2.

The East half of the tracks described as follows:

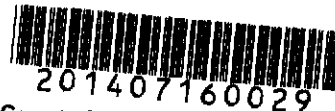
That portion of Lot 4 lying West of the West line of 13th Street, as conveyed to the City of Mount Vernon by deeds recorded October 28, 1955 and May 21, 1956, under Auditor's File Nos. 526414 and 536375, respectively, and all of Lots 5-8, inclusive in "DALE & SHEA'S ADDITION TO THE CITY OF MT. VERNON," as per plat recorded in Volume 3 of Plats, page 68, records of Skagit County, Washington.

Parcel 3.

Those portions of vacated East Montgomery Street described in those City of Mount Vernon Ordinance Nos. 3333 and 3310 as recorded on September 7, 2006 and January 9, 2006, under Auditor's File Nos. 200609070012 and 200601090167, records of Skagit County, Washington.

Parcel 4.

The North 72.00 feet of the east 187 feet of the West 202.00 feet of Lots 11 through 13 in "DALE AND SHEA'S ADDITION TO THE CITY OF MT. VERNON," as per plat recorded in Volume 3 of Plats, page 68, records of Skagit County, Washington.



201407160029

Skagit County Auditor

7/16/2014 Page

7 of

\$78.00

7 2:02PM