

After Recording, please return to:

Land Title & Escrow of Skagit & Island County
111 E George Hopper Rd.
Burlington, WA 98233



201707050005

Skagit County Auditor

\$83.00

7/5/2017 Page

1 of

11 8:57AM

Land Title and Escrow
01-161867-S

Recording Cover Page

Document Title(s) (for transactions contained therein):

1. Ground Lessor Estoppel and Agreement
- 2.
- 3.
- 4.

Reference Number(s) of Documents assigned or released:
(on page _____ of documents(s))

200511300086
200702200204
201407160029
200702200205
201412010145

Grantor(s)

1. ARHC MVMVNA01, LLC, a Delaware limited liability company
- 2.
- 3.
- 4.

Additional Names on page _____ of document.

Grantee(s)

1. Capital One, National Association, a national banking association as administrative agent
- 2.
- 3.

Additional Names on page _____ of document.

Legal Description (abbreviated i.e. lot, block, plat or section, township, range)

Ptn Lots 4-8 & 11-13, Dale and Shea's Add. TGW Vac Montgomery Street

Additional legal is on page _____ of document.

Assessor's Property Tax Parcel/Account Number

3717-000-008-0118, P129783, 3717-000-008-0200, P126330, 3717-000-007-0100, P52655, 3717-000-005-0003, P52645, 3717-000-012-0004, P52664, 3717-000-005-0102, P52646

The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

THIS INSTRUMENT PREPARED BY
AND UPON RECORDATION RETURN BY MAIL TO:
Blank Rome LLP
1825 Eye Street NW
Washington, DC 20006
Attn: Jason R. Eig, Esq.

GROUND LESSOR ESTOPPEL AND AGREEMENT

June 27, 2017

The undersigned warrants, represents, covenants, agrees and certifies to ARHC MVMVNW01, LLC, a Delaware limited liability company ("Lessee"), any lenders and CAPITAL ONE, NATIONAL ASSOCIATION, a national banking association, as administrative agent for such lenders under the hereinafter described Loan Documents (together with its successors and assigns in such capacity, "Administrative Agent"), for the benefit of such lenders that may make a loan (a "Loan") secured by the hereinafter Premises, and each of their respective affiliates, successors and assigns, as of the date hereof as follows:

1. It is the ground lessor under that certain ground lease dated September 12, 2005 (together with all amendments, modifications and supplements thereto, collectively, the "Lease"), between the undersigned (or its predecessor-in-interest), as lessor ("Lessor") and Lessee, as ground lessee, covering property located at 307 South 13th Street, Mount Vernon, Washington (the "Premises"), more particularly described on Exhibit A attached hereto. A true and correct copy of the Lease is attached hereto as Exhibit B.

2. The Lease is in full force and effect. The Lease has not been assigned, modified, supplemented or amended except as described on Exhibit B hereto. There are no other agreements, whether oral or written, between Lessee and Lessor with respect to the Lease or concerning the Premises except for that certain Linear Accelerator Space Lease Agreement dated September 9, 2005, that certain Space Lease Agreement dated September 9, 2005 and that certain Cancer Care Center Lease Agreement dated September 9, 2005, each as amended.

3. The term of the Lease commenced on November 1, 2006, and expires on October 31, 2046, subject to the following renewal options: two (2) options of ten (10) years each, for a total rental period including extensions and renewals of 60 years.

4. The current fixed rent under Section 3.1 of the Lease is \$106,746.00 per annum, payable in monthly installments, and has been paid in full through June, 2017. The rent obligation also includes participation Rent as described in Section 3.2 of the Lease and Additional Rent, as described in Section 3.3 of the Lease. No additional rent or charge (including, without limitation, as applicable, taxes, maintenance, operating expenses or otherwise) that has been billed to Lessee by Lessor is overdue. Lessor has no right to terminate the Lease or increase the rent payable thereunder except in each case as expressly set forth in the Lease. There is no security deposit currently held by Lessor under the Lease.

5. Lessor has not delivered or received any notices of default under the Lease; to the best knowledge of Lessor, there is no default by Lessee or Lessor under the Lease, nor has any event or omission occurred which, with the giving of notice or the lapse of time, or both, would constitute a default by Lessee or Lessor thereunder. To the best knowledge of Lessor, Lessee has no defense, set-offs, basis for withholding rent, claims or counterclaims against Lessor for any failure of performance of any of the terms of the Lease.

6. To the best of Lessor's actual knowledge, there is no defense, offset, claim or counterclaim by or in favor of Lessor against Lessee under the Lease.

7. Lessor has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against Lessor's interest in the Premises.

8. Neither Lessor nor Lessee has assigned the Lease.

9. Lessee has no options to purchase, expand or contract the Premises, rights of first refusal, rights to terminate, renew or extend the term of the Lease, or other rights to otherwise modify the Lease, except as follows: two (2) extension options of ten (10) years each.

10. Any improvements required by the terms of the Lease to be made by Lessee have been completed to the satisfaction of Lessor, and Lessee's current use and operation of the Premises complies with any use covenants or operating requirements contained in the Lease.

11. Lessor is the fee owner of the Premises, and the Lease is not subordinate, and has not been subordinated by Lessor, to any mortgage, lien or other encumbrance. Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Premises, and there are no mortgages, deeds of trust or other security interests encumbering the Lessor's fee interest in the Premises.

12. No third party has any option or preferential right to purchase all or any part of the Premises from Lessor.

13. Lessor has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Premises, including, without limitation, any governmental law or regulation related to any Hazardous Substance. As used herein, "Hazardous Substance" means any substance, material or waste (including petroleum and petroleum products), which is designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is similarly designated, classified or regulated under any federal, state or local law, regulation or ordinance.

14. Copies of all notices of a default and any defaults continuing after the expiration of the applicable notice and cure period provided or to be provided under the Lease by or to either Lessee or Lessor shall also be provided to Administrative Agent as follows:

If to Administrative Agent:

Capital One, National Association
77 W. Wacker Drive, 10TH Floor
Chicago, Illinois 60601
Attention: Jeffrey Muchmore, Credit Executive
Facsimile: (855) 332-1699
Reference: HTI/MOB Portfolio

15. Lessor hereby (a) acknowledges that (i) pursuant to that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated on or about the date hereof (as the same may be amended or modified from time to time, the "Mortgage"), Lessee has granted to Administrative Agent a mortgage with respect all of its right, title and interest in and to the Premises, the improvements thereon, and all of Lessee's personal property located on the Premises, for the purpose of securing a loan (the "Loan") made by Administrative Agent to Lessee and other entities contemporaneously with the execution and delivery of the Mortgage, as more fully described in the documents evidencing the Loan (the "Loan Documents"); (b) consents to the security interest of the Administrative Agent, and the Loan, the Mortgage and the other Loan Documents, waives any right to receive and approve the Loan Documents set forth in Article XII of the Lease (other than the Mortgage which has been delivered to Lessor), and agrees that no further request for approval or notice is required under the Lease with respect thereto; (c) recognizes and agrees (i) that the Mortgage constitutes a "Mortgage" with respect to the Premises, within the meaning of Article XII and the other provisions of the Lease, and (ii) that Administrative Agent is and shall be deemed to be the Lessee's "Permitted Mortgagee" (as that term is effectively defined and used in the Lease) with respect to the Mortgage and the Premises; (d) confirms that the requirements set forth in first two sentences in Sections 12.1(a) and in Sections 12.1(c), and 12.2.1 of the Lease have been satisfied with respect to the Loan and the Loan Documents and waives any right to enforce the same, which waivers shall be effective during the period commencing on the date hereof and continuing through and including the date on which all of Lessee's obligations under the Mortgage and the other Loan Documents are fully and completely paid and performed and the Premises has been released of record from the lien of the Mortgage; (e) notwithstanding anything to the contrary in the last sentence of Section 12.1(c) of the Lease, agrees to deliver to Administrative Agent any notice sent to Lessee of any default by Lessee or any termination of the Lease concurrently with sending such notice to Lessee; and (f) acknowledges and agrees that Section 12.1(e) of the Lease is not applicable with respect to the Loan or the Loan Documents. In furtherance of the foregoing, Lessor acknowledges and agrees that the Administrative Agent shall have the rights of Permitted Mortgagee as more particularly set forth in Articles XII, XIII and XVI and the other provisions of the Lease, and consents to the exercise by Administrative Agent of all rights and remedies afforded to a Permitted Mortgagee under the Lease and pursuant to the documents evidencing and/or securing the Loan.

16. Lessor agrees that, in the event of the termination of the Lease with respect to the Premises by reason of any default thereunder by Lessee, in addition to Administrative Agent's rights set forth in the Lease, Lessor will enter into a new lease with respect to the Premises with Administrative Agent or its nominee for the remainder of the term of the Lease, effective as of the date of such termination, at the rent and upon the terms, options, provisions, covenants and agreements then contained in the Lease applicable to the Premises; provided, that:

a) Administrative Agent shall make written request upon Lessor for such new lease prior to or within thirty (30) days after the date of such termination of the Lease with respect to the Premises, and such written request is accompanied by payment to Lessor of all sums then due to it under the Ground Lease with respect to the Premises, including the payment of all rent to the date of such new lease with respect to the Premises;

(b) Administrative Agent or its nominee shall pay to Lessor, at the time of the execution and delivery of such new lease, any and all sums that would then be due under the Lease with respect to the Premises but for such termination, together with any reasonable expenses, including reasonable attorneys' fees, incurred by Lessor as a result of such termination, as well as in the preparation, execution and delivery of such new lease;

(c) Administrative Agent shall not become liable under the agreements, terms, covenants or conditions of the Lease with respect to the Premises unless and until it becomes the owner of the leasehold estate and the interests of Lessee in and to the Premises;

(d) all provisions contained in either the Lease or this Agreement with respect to the Mortgage and the rights of Administrative Agent shall survive the termination of both the Lease with respect to the Premises and this Agreement for such period of time as shall be necessary to effectuate any and all rights effectively granted to Administrative Agent by the provisions of the Lease with respect to the Premises; and

(e) nothing contained herein or in the Lease shall be construed to require Administrative Agent or its nominee to cure any default by Lessee under the Lease with respect to the Premises except as provided in Section 12.8 of the Lease and the terms and conditions of the Subordination, Non-Disturbance and Attornment Agreement between Lessor, Lessee and Administrative Agent for Lenders dated on or about the date hereof.

17. Lessor hereby acknowledges the Loan made by Administrative Agent to Lessee is cross-collateralized with other properties and waives the requirements set forth in Section 12.1(d) of the Lease that any loan encumbering the Premises not encumber any other real property and that the Mortgage not contain a cross-default provision.

18. Lessor further agrees that this Estoppel and Agreement shall satisfy any requirement under Section 12.1(f) or the other provisions of the Lease regarding requests for notice from Administrative Agent. Lessor shall send all notices, statements, information and communications to Administrative Agent in accordance with the provisions set forth above. Administrative Agent shall not to foreclose its mortgage lien until it has provided Lessor with notice and opportunity to cure pursuant to the terms of Section 12.2.3 of the Lease; provided, however, that notwithstanding the foregoing and any provision in Section 12.2.3 or the other provisions of the Lease to the contrary, Administrative Agent will allow Lessor a cure period with respect to any default under the Loan Documents which is curable by Lessor as follows (i) a cure period of fifteen (15) days following such notice from Administrative Agent with respect to a monetary default which is specific to the Premises, and (ii) a cure period of thirty (30) days after such notice with respect to any curable non-monetary default which is specific to the Premises, provided that if such default is not reasonably curable within such period of thirty (30) days, such cure period shall be extended as may be reasonably necessary, provided that within such thirty (30) day period Lessor actively, diligently and in good faith commences such cure and thereafter continues to do so until it is fully cured. To the extent the provisions of Article 12.2.3 of the Lease are inconsistent with this Estoppel and Agreement, this Estoppel and Agreement shall control and Administrative Agent shall not be required to allow Lessor to cure within a cure period which extends beyond the Lessee's cure period pursuant to this Estoppel and Agreement. Administrative Agent agrees to accept any such performance by Lessor with same force and effect as though performed by Lessee. Lessor acknowledges and agrees that the release of Lessor from its covenants not to terminate the Lease set forth in Section 12.3.4 of the Lease shall not be effective unless Lessor has given Administrative Agent written notice of Administrative Agent's failure to comply with any of the provisions of Section 12.3 (describing such failure in reasonable detail) and Administrative Agent fails to (i) cure any such failure to pay any sum to Lessor required to be

paid under Section 12.3.4 within ten (10) days following such notice from Lessor, or (ii) cure any such failure to perform any other obligation under Section 12.3.4 within thirty (30) days after such notice from Lessor, provided that if such default is not reasonably curable within such period of thirty (30) days, such cure period shall be extended as may be reasonably necessary, provided that within such thirty (30) day period Lessor actively, diligently and in good faith commences such cure and thereafter continues to do so until it is fully cured, subject to the provisions of Section 12.3.2. In addition, notwithstanding anything to the contrary in Section 12.4 of the Lease, Lessor agrees that Lessor's consent shall not be required for transfer of the leasehold estate under the Lease pursuant to any foreclosure or transfer in lieu of foreclosure; provided the foregoing shall not limit Landlord's rights to approve any successor lessee pursuant to Section 12.4 of the Lease, and to the extent applicable under said Section 12.4, Section 13.1 of the Lease.

[Remainder of Page Intentionally Left Blank]

Lessor hereby agrees that the covenants, terms and conditions in this Estoppel and Agreement and the rights and obligations created hereby shall run with the land and be binding upon and inure to the benefit of Lessor, Lessee and Administrative Agent, and their respective affiliates, successors and assigns. Lessor, and the person or persons executing this Estoppel and Agreement on behalf of Lessor, have the power and authority to execute this Estoppel and Agreement.

LESSOR:

PUBLIC HOSPITAL DISTRICT NO. 1, SKAGIT COUNTY, WASHINGTON, a Washington public hospital district formed pursuant to Chapter 70.44 RCW

By: 

Name: Tom Litaker

Title: Regional Vice President – Finance/CFO

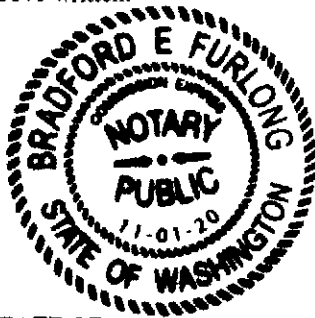
STATE OF WASHINGTON)

) ss

COUNTY OF SKAGIT)

On this 27 day of June, 2017, before me personally appeared Tom Litaker, to me known to be the Regional Vice President-Finance and CFO of Skagit County Public Hospital District No. 1, a Washington municipal corporation, the municipal corporation 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 on behalf a said municipal corporation.

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

My appointment expires: 11/01/2020

STATE OF _____)

) ss.

County of _____)

[Lessee and Administrative Agent Acknowledgments on following Pages]

Ground Lessor Estoppel and Agreement
HTI MOB Portfolio

[Mount Vernon Medical Center, WA]

Agreed and Approved:

LESSEE:

ARHC MVMVNW01, LLC,
a Delaware limited liability company

By: _____

Name: Jesse C. Galloway
Title: Authorized Signatory

STATE OF NEW YORK :
: ss.:
COUNTY OF New York :

I certify that I know or have satisfactory evidence that Jesse C. Galloway 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 Authorized Signatory, acting in its capacity as Authorized Signatory of ARHC MVMVNW01, LLC, a Delaware limited liability company, acting as Authorized Signatory, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: June 28, 2017

KATHERINE MARIE McALLISTER
Notary Public, State of New York
No. 01MC8332191
Qualified in New York County
Commission Expires 10/26/2019



Notary Public in and for the State of
New York, Residing at _____

Name (printed or typed)
My appointment expires: _____

[Administrative Agent Acknowledgment on following Page]

UNRECORDED
AGREED AND APPROVED

ADMINISTRATIVE AGENT:

CAPITAL ONE, NATIONAL
ASSOCIATION

By: 

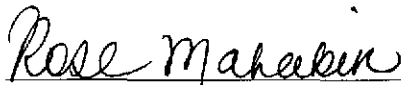
Name: Jason LaGrippe

Title: Duly Authorized Signatory

STATE OF MARYLAND)

COUNTY OF MONTGOMERY)

On June 28, 2017, before me, the undersigned officer, personally appeared Jason LaGrippe personally known and acknowledged himself / herself to me (or proved to me on the basis of satisfactory evidence) to be a Duly Authorized Signatory of **Capital One, National Association**, a national banking association (the "**Entity**") and that as such authorized signatory, being duly sworn, and being authorized to do so pursuant to its bylaws or a resolution of its board of directors, executed, subscribed and acknowledged the due execution of the foregoing instrument for the purposes therein contained, by signing the name of the Entity by himself / herself in his / her authorized capacity as such authorized signatory as his / her free and voluntary act and deed and the free and voluntary act and deed of the Entity. * Witness my hand and official seal.



Notary Public --- Commission expires 7 / 14 / 2019

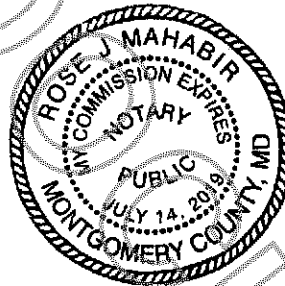


EXHIBIT "A"
LEGAL DESCRIPTION

Mount Vernon Medical Building
307 South 13th Street, Mount Vernon, Washington
Parcel ID: P52645

THE LEASEHOLD ESTATE IN THE FOLLOWING DESCRIBED REAL PROPERTY CREATED BY
MEMORANDUM OF LEASE FROM:

Lessor:	Public Hospital District No. 1 of Skagit County
Lessee:	MV Investors LLC a Washington limited liability company
Dated:	November 28, 2005
Recorded:	November 30, 2005
Auditor's Number	200511300086
Lease Dated:	September 2, 2005
For a Term of:	"40 years running from and including the date of September 12, 2045 through and including the right of Lessee to renew said lease for 2 additional 10 year periods upon the same terms and conditions, for a total rental period, including extensions and renewals, of 60 years" as stated in said lease

As amended by First Amendment to Memorandum of Ground Lease recorded February 20, 2007 under Auditor's File No. 200702200204, and Second Amendment recorded July 16, 2014, under Auditor's File No. 201407160029.

As amended by Ground Lessor's Estoppel and Agreement dated February 20, 2007, by and between Public Hospital District No. 1 of Skagit County and KeyBank National Association, recorded on February 20, 2007 under Auditor's File No. 200702200205, in the office of the County Recorder of Skagit County, Washington.

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LEASES WITH CONSENT AND
THE TERMS AND CONDITIONS THEREOF:

Between:	ARHC MVMVNWAO1, LLC, a Delaware limited liability company
And:	MV Investors LLC, a Washington limited liability company
Recorded:	December 1, 2014
Auditor's No.:	201412010145

DESCRIPTION:

PARCEL 1:

The West ½ of the tract 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 through 8, inclusive, "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.

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

PARCEL 2:

The East ½ of the tract 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 through 8, inclusive, "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.

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

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

PARCEL 4:

The North 72.00 feet of the East 187 feet of the West 202.00 feet of Lots 11 through 13, "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.

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