

After Recording Return To:

Thomas A. Lerner
Stokes Lawrence, P.S.
800 Fifth Avenue, Suite 4000
Seattle, WA 98104-3179



200402090144

Skagit County Auditor

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Document Title: Nursery Lease

Reference Number(s) of Documents Assigned or Released: N/A

Additional reference numbers on page ____ of document.

Grantor(s): Nina Wells

Additional names on page ____ of document.

Grantee(s): Wells Nursery, LLC

Additional names on page ____ of document.

Legal Description: See Exhibit A NE NW 18-344

Complete legal description is on page 11-16 of document.

Assessor's Property Tax Parcel/Account Number(s):

N/A 340418-2-005-0007

NURSERY LEASE

This Lease Agreement, effective this 1st day of November, 2001, between NINA WELLS, hereinafter "Lessor", and ~~NEIL G. HALL~~ and ~~SUSAN WELLS HALL, husband and wife,~~ hereinafter "Lessee",

SKH
WELLS
NURSERY,
LLC

W I T N E S S E T H:

1. LEASED PREMISES. The Lessor does hereby lease to Lessee and the Lessee does hereby lease from Lessor the premises situate in the county of Skagit, state of Washington, described as follows:

Those certain premises described on EXHIBIT "A" attached hereto and by reference made a part hereof, except the residence occupied by Lessor and the "entertainment room/apartment".

hereinafter called "premises".

2. USE-PURPOSE. The premises are to be used solely for the purpose of operating a nursery and for no other purpose, without the written consent of Lessor, which consent shall not be unreasonably withheld. Lessor shall operate the nursery in accordance with reasonable standards for the operation of nurseries within Skagit County, Washington.

3. TERM. The term of this lease shall be for a period of five (5) years. This lease shall commence effective November 1, 2001 and end October 31, 2006.

4. RENTAL. Lessee covenants and agrees to pay the Lessor as rental for the premises the sum of Four Thousand Eight Hundred Seventy-five Dollars (\$4,875.00) per month in lawful money of the United States, in advance, on the 1st day of each calendar month, with the first said payment due and payable on the 1st day of November, 2001, and with each subsequent payment due and payable on the same day of each and every month of the lease term. There shall be a late charge of ten percent (10%) of the rental due if not paid by the 10th day of the month.

5. ADDITIONAL RENT. Lessor shall pay all sums levied against the premises for real property taxes and assessments assessed against the property occupied by Lessee by any governmental agency.



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6. ANNUAL RENTAL ADJUSTMENT. The monthly rental shall be adjusted annually on each anniversary date. The adjustment shall be in an amount equal to the net percentage increase in the Pacific City and U.S. City Average U.S. Department of Labor Price Index for Western Cities, All Urban Consumers, above the index amount on the previous anniversary/lease commencement date. This net percentage increase shall be multiplied against the then due monthly rental amount. The result of said multiplication shall then be added to the rent to determine the rent then to be due for the next twelve months.

7. OPTION TO RENEW. If the Lessee shall not be in default at the time of exercise of this option, the Lessee shall have the right to extend the term of this lease for one additional five (5) year period upon the same terms and conditions as set forth in this lease, excepting rental, upon giving written notice to the Lessor of the exercise of such right by the Lessee at least ninety (90) days prior to the expiration of the original term. The rent for the extended term shall be renegotiated, but in the event the rent cannot be agreed upon by the parties within thirty (30) days after the notice of the exercise of the option in writing given by the Lessee to the Lessor, then the rent shall be determined in the following manner: each of the parties shall appoint an arbitrator, and the two arbitrators shall appoint a third, and the three arbitrators shall determine the rent to be paid by the Lessee to the Lessor for the extended term utilizing the standard of fair market rental for the same or substantially similar property within Skagit County, and such determination of the arbitrators shall be binding upon the parties. Provided, however, in the event the two arbitrators appointed by the parties are unable, within fifteen (15) days of their appointment, to agree as to a third arbitrator, then the third arbitrator shall, upon the petition of either the Lessor or the Lessee, be appointed by the Superior Court of the county in which the rental premises are located. If either the Lessor or the Lessee appoints an arbitrator and the other fails to appoint an arbitrator within fifteen (15) days of the appointment of the first arbitrator, then the party who appointed the first arbitrator may petition the Superior Court of the county in which the property is located to appoint the two remaining arbitrators. Provided, further, that in no event, unless otherwise agreed by the parties, shall the rental be less than the rental payable during the initial term. The cost of arbitration shall be paid one-half by each party.

8. UTILITIES. Lessee shall pay all sums for all charges for any and all utilities utilized upon the premises by both Lessee and Lessor.

9. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this lease, or any part hereof, and shall not let or sublet the whole or any portion of the premises, without the prior written consent of Lessor or Lessor's agent. This lease shall not be



assignable by operation of law. Any assignment of this lease shall not extinguish or diminish Lessee's liability. If consent is once given by Lessor to the assignment of this lease or any interest herein, Lessor shall not be barred from afterward refusing to consent to any further assignment. It is agreed that this lease and all rights of the Lessee hereunder shall, at the option of the Lessor, terminate upon the Lessee being by any court adjudicated bankrupt or insolvent, or upon the Lessee making any assignment for the benefit of creditors or in the event of any assignment by operation of law.

10. TENANT'S PROPERTY. All personal property and/or fixtures placed upon the premises by Lessee shall be at the Lessee's risk. Neither Lessor nor Lessor's agent shall be liable for any damage either to person or property sustained by Lessee or others caused by any defects now in the premises or hereafter occurring in the premises, nor due to the buildings or any part or appurtenance thereof becoming out of repair, or caused by the bursting or leaking of water, gas, sewer or steam pipes, or from any act or neglect of any employee or any other person, or due to the happening of any accident from whatsoever cause in and about the buildings and/or premises.

11. PERSONAL PROPERTY TAXES. During the term hereof, Lessee shall pay prior to delinquency all taxes assessed against and levied upon fixtures, furnishings, equipment, and all other personal property of Lessee contained in the premises and, when possible, Lessee shall cause the fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from Lessor's real property. In the event any of Lessee's fixtures, furnishings, equipment, other personal property, or any leasehold improvements installed after commencement of this lease shall be assessed and taxed with Lessor's real property, Lessee shall pay to Lessor its share of such taxes within ten (10) days after payment thereof by Lessor.

12. REPAIRS AND MAINTENANCE. Lessee agrees to maintain the structures upon the premises, including Lessor's residence and the "entertainment room/apartment" and adjoining yards, lawn, plant beds and patio, in good condition and repair, reasonable wear and tear excepted, including but not limited to walls, floors, foundation and roof.

The premises have been inspected and are accepted by the Lessee in their present condition and Lessee agrees that at the expiration of this lease, Lessee will quit and surrender the premises without notice and in a neat and clean condition. Lessee shall remove all nursery stock except the "yard plants", including those in the memorial garden, on the "Fortin" and "Zindorf" parcels upon termination of the lease.

Lessee shall keep the leased premises free from any liens arising out of any work performed, materials furnished or



obligations incurred by Lessee in any repairs or maintenance done to the premises.

13. ALTERATIONS. Lessee shall not make any alterations, additions or improvements on the premises without Lessor's prior written consent, which consent will not be unreasonably withheld and all alterations, additions and improvements which shall be made, shall be at Lessee's sole cost and expense. All improvements made by Lessee shall remain a part of the premises upon termination of the lease and the improvements shall become Lessor's absolute property, without cost or obligation on the part of Lessor to reimburse Lessee in any regard. Lessee shall keep the leased premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee for the purpose of making any changes and/or alterations in and to the premises.

14. CASUALTY INSURANCE. Lessee agrees to keep the buildings adequately insured against loss by fire and normal extended coverages, and agrees to keep adequate insurance against loss by damage of fire and normal extended coverages on all of Lessee's equipment and property located on the premises and to hold Lessor harmless from any lawsuit resulting from any form of damage caused to any personal property owned by Lessee. Lessor shall be named the insured in any such policy, a copy of which shall be delivered to Lessor on the anniversary date of each renewal.

15. GOVERNMENTAL FEES. All fees, taxes and other governmental charges payable by Lessee to the city, county or state during the life of this lease, resulting from Lessee's operations, shall be paid by Lessee.

16. COVENANT TO HOLD HARMLESS. Lessee shall indemnify and hold harmless Lessor and/or Lessor's agents or assigns from all damages of every kind and nature whatsoever and all expenses arising therefrom that may be claimed to accrue by reason of any accident upon or about the premises. All personal property in the premises shall be at Lessee's sole risk. Lessee agrees to indemnify and hold Lessor harmless from any and all claims by or on behalf of any person, firm or corporation arising from the conduct or management of the business conducted in or about the premises by Lessee or from work or things done by Lessee in or about the premises, and will further indemnify and save Lessor harmless against and from any and all claims arising during the term of this lease of any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed hereunder or arising from any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees in or about the premises, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim, action or proceeding brought thereon, and in case of any action or proceeding to be brought against Lessor by reason of



any such claim, Lessee, upon notice by Lessor, covenants to resist or defend such action or proceeding by attorneys reasonably satisfactory to Lessor. Lessee shall at its own expense maintain proper and adequate liability insurance in the amount of \$1,000,000.00 with a reputable insurance company or companies rated A VIII or better by "Best's Insurance Guide". Lessor shall be named in said insurance policies as one of the named insureds and Lessor shall be furnished with a copy of the policy or policies of insurance and all renewals.

17. PREMISES DESTRUCTION. If the premises or a building are rendered untenable by fire or other casualty, Lessor may elect (a) to terminate this lease as of the date of the fire or other casualty by notice to Lessee within 30 days after that date, or (b) to repair, restore or rehabilitate the building or the premises at Lessor's expense within 180 days after the Lessor is able to take possession of the damaged premises and to undertake the repairs, restoration and rehabilitation, in which later event the term of this lease shall not terminate but the fixed rent shall be abated on a per diem basis while the premises are untenable. If Lessor elects to repair, restore or rehabilitate the building or premises and does not substantially complete the work within the first 120 day period, due allowance being made for any prevention of Lessor's so doing by reason of practical impossibility caused by strikes, lockouts, fires or unavoidable casualty beyond Lessor's control, or weather, either party can terminate this lease as of the date of the fire or other casualty by notice to the other party of not later than 130 days after Lessor is able to take possession of the injured premises and undertake the repairs, restoration and rehabilitation. In the event of termination of this lease pursuant to this section, rental payments shall be apportioned on a per diem basis and be paid to the date of the fire or other casualty. If the premises are partially destroyed and are partially tenable, Lessor shall as soon as practicably possible, and within 120 days after Lessor is able to take possession of the damaged premises, repair the partial destruction. During the period of repair, the rent shall be abated in proportion that the unusable area bears to the total leased area.

18. USE OF INSURANCE PROCEEDS. All insurance proceeds payable to either party by reason of any insured loss for damage or destruction to the improvements shall be available to the Lessor for its use in reconstruction or repair, as the case may be, should the premises be repaired.

Should Lessor elect not to repair the damaged or destroyed premises, then the insurance proceeds payable to either party shall be payable pursuant to the term of the insurance policies.

19. CONDEMNATION. The term "condemnation", as used in this lease, shall mean the exercise of the power of eminent domain



by any person, entity, body, agency, authority or private person in lieu of eminent domain. The date of condemnation shall mean the day on which an actual physical taking of possession pursuant to the exercise of the power of eminent domain or private person in lieu thereof occurs, or the date of settlement or compromise of the claims of the parties thereto, whichever first occurs, and the property shall be deemed "condemned" on the date.

In the event the entire leased premises are taken, or so much thereof is taken that in Lessee's opinion said leased premises are no longer suitable for continuation of the business then being conducted thereon, then, in either event, this lease shall terminate on the date of condemnation.

In the event only a part of the leased premises is so taken and the remaining part thereof, in Lessee's opinion, remains reasonably suitable for Lessee's continued occupancy and conduct of its business thereon, this lease shall, as to the part so taken, terminate on the date of condemnation and the minimum monthly rental shall thereupon be reduced in the same proportion that the number of square feet of the leased premises so taken bears to the original number of square feet of the leased premises.

Lessor and Lessee shall each be entitled to receive and retain such separate awards and portions of lump sum awards, including severage damages, if any, as may be allocated to their respective interests in any condemnation proceedings. Termination of this lease shall not affect the rights of the respective parties to such awards. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of this paragraph.

20. WAIVER OF SUBROGATION. Lessor hereby releases Lessee of and from every and all right, claim and demand that Lessor may hereafter have against Lessee or Lessee's successor or assigns arising out of or in connection with any loss or losses occasioned by fire or such other causes as are included under the normal extended coverage clauses of the insurance policy contracts provided for herein, and does hereby waive all rights of subrogation in favor of insurance carriers against Lessee arising out of any losses occasioned by fire and such other causes for damage as are included under the normal extended coverage clauses of the insurance policy contracts provided for herein and sustained by Lessor in or about the premises.

Lessee hereby releases Lessor of and from every and all right, claim and demand that Lessee may hereafter have against Lessor or Lessor's successor or assigns arising out of or in connection with any loss or losses occasioned by fire or such other causes as are included under the normal extended coverage clauses of the insurance policy contracts provided for herein, and does hereby waive all rights of subrogation in favor of insurance



carriers against lessor arising out of any losses occasioned by fire and such other causes for damage as are included under the normal extended coverage clauses of the insurance policy contracts provided for herein and sustained by Lessee to trade, income, fixtures, furniture, equipment and/or merchandise in the premises.

The waivers provided for in this paragraph shall not be effective until appropriate waivers of subrogation are obtained from each insurer. The above waivers, additionally, shall be ineffective to the extent the waiver shall invalidate any insurance policy, either in whole or in part.

21. SIGNS. All signs, symbols and other advertising media of a permanent nature placed in, on or about the premises or upon any exterior portion of the building shall be subject to the approval of the municipal permitting authorities. Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings, nor apply any paint or other exterior decoration without the previous written consent of Lessor. Any signs placed on the premises shall be so placed with the understanding and agreement that Lessee will remove same at the termination of the tenancy and repair any damage or injury to the premises caused thereby and, if not so removed by Lessee, then Lessor may have the same so removed at Lessee's expense, unless otherwise agreed upon between the parties.

Lessor reserves the right to temporarily remove any exterior signs for the purpose of repairing the exterior of the building.

22. QUIET POSSESSION. Lessor hereby covenants and agrees that at all times during the term hereof, that Lessee is not in default, Lessee shall have full, peaceful and quiet possession of the premises.

23. RIGHT TO ENTER. The right is reserved to Lessor, its agent and workmen, at all reasonable times, to enter upon any part of the premises for the purpose of inspecting the same and making any repairs which Lessor may deem necessary for the protection or preservation of the building or its equipment or appurtenances. Lessor may, during the last 30 days of the lease term, post "For Rent" signs. Lessee, upon the execution of this lease, shall at all times provide all keys or lock combinations necessary to access all structures and gates.

24. DEFAULT AND RE-ENTRY. If the Lessee shall be in arrears in the payment of the rent, or if the Lessee shall fail or neglect to do, keep, perform, or observe any of the covenants and agreements contained herein on Lessee's part to be done, kept, performed, and observed, and if such default(s) shall continue for thirty (30) days or more after written notice of such failure or



neglect shall be given to Lessee, or if said Lessee shall be declared bankrupt or insolvent according to law, or if any assignment of Lessee's property shall be made for the benefit of creditors, or if on the expiration of this lease Lessee fails to surrender possession of the premises, then in and either of said cases or events, the Lessor, at Lessor's option, immediately or at any time thereafter, without demand or notice, may enter into and upon the premises and every part thereof and repossess the same and expel Lessee and those claiming by, through, and under Lessee and remove Lessee's effects at Lessee's expense, forcibly if necessary, and store the same, all without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used. Lessee shall make good to the Lessor any deficiency arising from a re-entry and reletting of the premises for the balance of the lease term at a lesser rental than herein agreed to.

25. NON-WAIVER OF BREACH. The failure of lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect. Lessor shall retain the right to forfeit this lease after acceptance of subsequent rents even if prior rents remain unpaid.

26. COSTS AND ATTORNEYS' FEES. If by reason of any default on the part of either party it becomes necessary for either party to employ an attorney, or in case either party shall bring suit to recover any rent due hereunder, or for any breach of any provision of this lease, or to recover possession of the leased premises, or if either party shall bring any action arising from this lease for any form of relief, declaratory or otherwise, arising out of this lease, the prevailing party shall have and recover against the other party, in addition to the costs allowed by law, such sum as the Court may adjudge to be a reasonable attorneys' fee. In the event Lessee defaults in the payment of rental, Lessee agrees to pay for the cost of any collection agency, or attorney, employed by Lessor for the purpose of collecting said rent.

27. HOLDOVER. If Lessee shall, with or without the written consent of lessor, hold over after the expiration of the term of this lease, such tenancy shall be for a period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the state of Washington. During such tenancy, Lessee agrees to pay to Lessor the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants and conditions as herein specified, so far as applicable.

28. RELATIONSHIP OF PARTIES. This lease, or any part hereof, is not to be construed as a joint enterprise, a



partnership, or any other relationship except that of Lessor and Lessee.

29. HEIRS AND SUCCESSORS. Subject to the provisions hereof, pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors, and assigns of any or all of the parties hereto.

30. ANIMALS. There shall be no pets or guard animals kept on the Blodgett Road properties but these may be kept on the Riverbend Road parcels.

31. DRIVEWAY. The driveway to Lessor's residence on the Blodgett Road parcels shall be kept clear of any and all obstructions. Particularly, there shall be no plants placed within the driveway.

32. SECURITY DEVICES. All security devices shall be operated and maintained by Lessee at Lessee's expense.

33. KLAXON. The KLAXON shall be operated only during business hours.

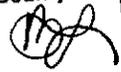
34. HAZARDOUS SUBSTANCES. Lessee shall not permit any substance which would violate any law to be used upon the premises.

35. SHORT FORM LEASE FOR RECORDING. Upon execution of this lease and completion of the buildings, a short form lease shall be executed by the parties for recording, which form will indicate the parties to the lease, the real property to be leased, and the term of the lease.

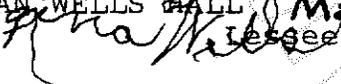
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

FEB 09 2004

Amount Paid \$
Skagit County Treasurer
Deputy
By: 

WELLS NURSERY, LLC
NEIL G. HALL

by 
SUSAN WELLS HALL, Managing Member
 Lessee

NINA WELLS

Lessor



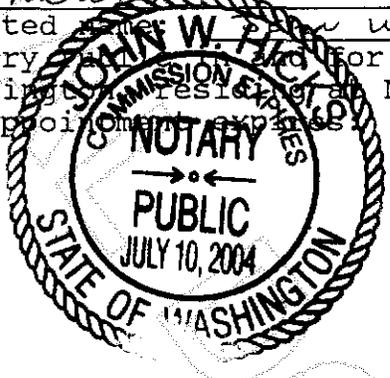
200402090144
Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that NINA WELLS is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 11-19, 2002.

John W. Hicks
Printed John W. Hicks
Notary Public for the state of
Washington, residing at Mount Vernon
My appointment expires 11-19-02



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Skagit County Auditor

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DESCRIPTION:

PARCEL "A":

The East ½ of the following described lands:

The Northeast ¼ of the Northwest ¼ of Section 18, Township 34 North, Range 4 East, W.M.,

EXCEPT the East 20 rods thereof,

AND EXCEPT that portion thereof conveyed to Skagit County for road purposes by Deed dated April 4, 1911 and recorded April 5, 1911 under Auditor's File No. 84220.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast ¼ of the Northwest ¼ of Section 18, Township 34 North, Range 4 East, W.M., being more particularly described as follows:

Beginning at the Southwest corner of said subdivision;
thence North 89°45' East along the South line of said subdivision, a distance of 680.92 feet to the true point of beginning;
thence North 1°11'34" West, a distance of 1,332.41 feet to the North line of said subdivision being 689.33 feet West of the Northeast corner of said subdivision;
thence South 89°48'30" West along the North line of said subdivision, a distance of 159.26 feet;
thence South 0°47'45" East a distance of 1,332.45 feet to the South line of said subdivision;
thence North 89°45' East along the South line of said subdivision, a distance of 168.24 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

The North 48 feet, 5 inches of the East 689 feet, 4 inches, of the Southeast ¼ of the Northwest ¼ of Section 18, Township 34 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

EXHIBIT A - page 1



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DESCRIPTION CONTINUED:

PARCEL "D":

The West $\frac{1}{2}$ of the following described tract:

The Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M.,

EXCEPT the East 330 feet thereof,

AND EXCEPT dike and ditch rights-of-way,

AND EXCEPT that portion thereof conveyed to Skagit County for road purposes by deed dated April 4, 1911, and recorded April 5, 1911, under Auditor's File No. 84220.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

That portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of said subdivision;
thence North $89^{\circ}45'$ East along the South line of said subdivision, a distance of 256.34 feet;
thence North $0^{\circ}55'23''$ West, a distance of 1,332.75 feet to the North line of said subdivision;
thence South $89^{\circ}48'30''$ West along the North line of said subdivision, a distance of 259.30 feet to the Northwest corner of said subdivision;
thence South $1^{\circ}03'$ East, a distance of 1,333.05 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

That portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M., being more particularly described as follows:

Beginning at the Southwest corner of said subdivision;
thence North $89^{\circ}45'$ East along the South line of said subdivision, a distance of 256.34 feet to the true point of beginning;
thence continue North $89^{\circ}45'$ East, a distance of 256.34 feet;
thence North $0^{\circ}47'45''$ West, a distance of 1,332.45 feet, more or less, to the North line of said subdivision;

EXHIBIT A - p:



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DESCRIPTION CONTINUED:

PARCEL "F" Continued:

thence South 89°48'30" West along the North line of said subdivision, a distance of 259.30 feet;
thence South 0°55'23" East, a distance of 1,332.75 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

That portion of the Northwest ¼ of the Northwest ¼ of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the North line of the South ½ of the Northeast ¼ of the Northwest ¼ of the Northwest ¼ of said Section 29 with the East line of South Seventh Street as established in the City of Mount Vernon;
thence South along the East line of said South 7th Street, 200 feet;
thence East to the Westerly line of Blodgett Road;
thence Northerly along the Westerly line of Blodgett Road to a point East of the point of beginning;
thence West to the point of beginning;

EXCEPT Primary State Highway I-5 as conveyed to the State of Washington by deeds recorded December 14, 1953, under Auditor's File Nos. 496200 and 496201, and as condemned and taken by Skagit County Superior Court Cause No. 33942 on January 24, 1974, and that portion of the above described parcel lying westerly of Primary State Highway I-5.

Situate in Skagit County, Washington.

PARCEL "H":

That portion of the Northwest ¼ of the Northwest ¼ of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point where the North line of Hazel Street intersects the East line of Seventh Street in the City of Mount Vernon;
thence North along the East line of said Seventh Street 97 feet;
thence East to the Easterly line of the State Highway right-of-way and the true point of beginning;
thence continue East to the West side of Blodgett Road;
thence South along the West side of Blodgett Road to the North line of Hazel Street;



DESCRIPTION CONTINUED:

PARCEL "H" Continued:

thence West along the North line of Hazel Street to the Easterly line of the State Highway right-of-way;
thence Northerly along said Easterly line to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

That portion of Block 8 of "ZINDORF'S FIRST ADD'N TO MOUNT VERNON, WASHINGTON", as per plat recorded in Volume 3 of Plats, page 12, records of Skagit County, Washington, lying Easterly of those premises conveyed to the State of Washington by deed dated October 10, 1953, filed December 14, 1953, under Auditor's File No. 496201 and recorded in Volume 260 of Deeds, page 54.

Situate in the County of Skagit, State of Washington.

PARCEL "J":

Lots 7 through 12, inclusive, Block 3, "CENTRAL ADDITION TO MT. VERNON", as per plat recorded in Volume 2 of Plats, page 103, records of Skagit County, Washington,

EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway #1, by deed dated July 15, 1953, recorded August 13, 1953, under Auditor's File No. 491578,

AND EXCEPT that portion excepted in deed from the State of Washington, dated September 10, 1953, recorded September 24, 1953, under Auditor's File No. 493217,

AND EXCEPT that portion conveyed to the State of Washington for State Route #5, by deed dated February 1, 1973, recorded March 30, 1973 under Auditor's File No. 782752.

Situate in the County of Skagit, State of Washington.

PARCEL "K":

All that part of the following described Parcel "A" lying Easterly and Southerly of a line described as beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 118+00 on the Line Survey of SR 5, Mount Vernon: Blackburn St. to Skagit River, and 100 feet Northeasterly therefrom.

EXHIBIT A - page



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DESCRIPTION CONTINUED:

PARCEL "K" Continued:

thence Northwesterly to a point opposite HES 119+70 on the said Line Survey and 115 feet Northeasterly therefrom;
thence Easterly to HES B 1+50 P.O.T. on the B Line Survey of said Highway and the end of this line description.

Parcel "A"

All that portion of the following described tract, (being a portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 20, Township 34 North, Range 4 East, W.M.) lying Easterly of the right-of-way of Primary State Highway No. 1, as condemned under Decree entered June 22, 1954 in Skagit County Superior Court Cause No. 22445, described as follows:

Beginning at a point 100 feet South of the Northeast corner of "PICKEN'S ADDITION TO THE TOWN OF MT. VERNON";
thence South along the East Line of said addition, 329 feet;
thence East 393 feet to the West line of the Blodgett Road;
thence Northerly along the West line of the Blodgett Road to a point East of the point of beginning;
thence West 368 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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DESCRIPTION CONTINUED:

PARCEL "L":

Lots 1 to 4, inclusive, Block 3, "CENTRAL ADDITION TO MT. VERNON", as per plat recorded in Volume 2 of Plats, page 103, records of Skagit County, Washington,

EXCEPT that portion of said lots conveyed to the State of Washington for Primary State Highway No. 1 by deed dated June 22, 1953, recorded August 13, 1953, under Auditor's File No. 491871.

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

PARCEL "M"

Lots 5 and 6, Block 3, "CENTRAL ADDITION TO MT. VERNON", as per plat recorded in Volume 2 of Plats, page 103, records of Skagit County, Washington,

EXCEPT that portion lying and being Westerly of a line drawn parallel with and 70 feet distant Easterly when measured at right angles and/or radially from the centerline survey of Primary State Highway No. 1, Conway Jct. to Jct. P.S.H. No. 1, North of Burlington.

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



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Neil Hall and Susan Hall personally guarantee the obligations of Wells Nursery, LLC arising from a Nursery Lease having an effective date of November 1, 2001.

Neil B. Hall
Neil Hall

Dated: 2 November 2002

Susan Hall
Susan Hall

Dated: November 1, 2002

OFFICIAL DOCUMENT



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