

FILED FOR RECORD AT THE
REQUEST OF/RETURN TO:



200701050126

Skagit County Auditor

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MEMORANDUM OF AGREEMENT

Grantor (s) NORDCO GROUP, LLC, a Washington limited liability company
Grantee (s) ~~THE PUBLIC~~ LANDED GENTRY DEVELOPMENT, INC., a Washington corporation
Additional Grantor(s) on page(s) P28021
Additional Grantee(s) on page(s)
Abbreviated Legal: 28-34-4
Additional Legal on page(s)
Assessor's Tax Parcel No's:

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JAN 05 2007

Amount Paid
Skagit Co. Treasurer
By [Signature]

This is a Memorandum of Agreement executed this December 26, 2006, between NORDCO GROUP, LLC, a Washington limited liability company and LANDED GENTRY DEVELOPMENT, INC., a Washington corporation.

1. Purpose: The parties execute this Memorandum of Agreement for recording purposes only.
2. Incorporation by Reference: The parties incorporate herein by reference that certain Agreement Regarding Purchase and Sale Agreement of even date herewith.
3. Terms of Agreement: The pertinent terms of said Agreement provide as follows:
 1. Option to Purchase Lots. Following final plat approval for the Nordco property (or any portion of the Nordco Property that includes Lots 42 and 43 from Nordco's proposed plat of the Nordco Property), Gentry may elect to purchase the Option Lots for a total price of Two Hundred Thousand and No/100's Dollars (\$200,000.00). The sale of the lots to Gentry is expressly conditioned on final plat approval. Gentry must

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exercise this option to purchase within ninety (90) days of notice to Gentry by Nordco that Nordco has obtained final plat approval. Gentry shall exercise this option by providing written notice to Nordco that Gentry is exercising this option. In the event that Gentry exercises this option, then closing of such purchase must occur within thirty (30) days of Gentry's notice of exercise. In the event that Gentry does not provide a written notice that Gentry is exercising this option within ninety (90) days of notice by Nordco that Nordco has obtained final plat approval, then this option shall terminate.

2. Installation of Utilities.

- a. Installation. Unless the other party has previously installed such utility mains pursuant to this Section, either Nordco or Gentry may elect to install utility mains connected to the systems (including without limitation sanitary sewer) owned and operated by the City of Mount Vernon, PUD#1 and all franchise utilities (i.e.: Cascade Natural Gas, Verizon Telecommunications, Comcast, et. al) with such mains connected at one end to utility mains in the publicly maintained right-of-way of South 30th Street (at the northern boundary of the Property) and, at the other end, with stubs for mains for such utilities into Blackburn Road (along the southern boundary of the Nordco Property). The utility mains shall follow the routes described in the Meyer Easement and the Nordco Easement (as such routes may be modified pursuant to the terms of the Meyer Easement and Nordco Easement).
- b. Procedure. A party that intends to install the utility mains shall give the other party at least sixty (60) days advance notice of the planned installation. If Nordco is the party planning to install the mains, at the time of such notice Nordco shall provide Gentry with copies of the plans for the utility mains and Gentry may require that Nordco increase the size of the mains. The parties acknowledge that Nordco will require eight-inch water and sewer mains (the "Eight Inch Mains"). The engineer responsible for the design of the mains shall prepare a calculation of the installation costs for the Eight Inch Mains (the "Nordco Share") and of any additional costs due to increases in the size of the mains required by Gentry (the "Gentry Share"), which calculation shall be subject to the reasonable approval of Gentry and Nordco prior to the installation of the mains. In the event that Gentry requests that Nordco install larger utility mains, then Nordco shall install such size of utility mains as Gentry requests and Gentry shall reimburse Nordco for the Gentry Share (but Nordco shall otherwise be solely responsible for the cost of installing the mains). If Gentry installs the mains, Gentry shall pay the cost of the installation at the time of the installation. If Nordco desires to connect to or use mains installed by Gentry, Nordco shall first pay to Gentry the Nordco Share. The party that installs the mains shall allow the other party to connect to and use the mains following payment of the amounts required under this



Section. However, Nordco shall have the right to connect four existing residences to any utilities installed by Gentry without triggering Nordco's obligation to pay the Nordco Share.

4. Description: The Agreement covers the property more particularly described in the Exhibit "A" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Agreement the day and year first above written.

LANDED GENTRY DEVELOPMENT, INC., a Washington corporation
a Washington corporation

By: [Signature]

Dated: 12-26-06

Its: Chairman

NORDCO GROUP, LLC, a Washington limited liability company

By: [Signature]

Dated: 12-26-06

Its: Manager

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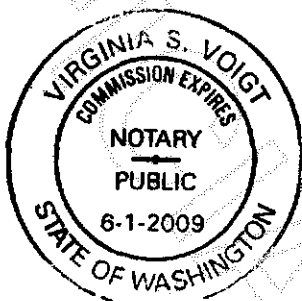


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STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Rendall Gentry is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CHAIRMAN of LANDED GENTRY DEVELOPMENT, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

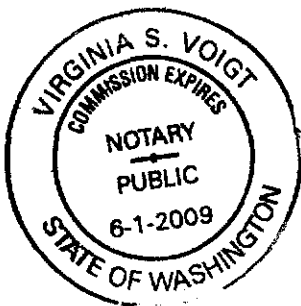


Dated: 12/26/06
Virginia S. Voigt
(Signature)
NOTARY PUBLIC
VIRGINIA S. VOIGT

Print Name of Notary
My appointment expires: 6/1/09

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Craig E. Cammack is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as a member of NORDCO GROUP, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated: 12/26/06
Virginia S. Voigt
(Signature)
NOTARY PUBLIC
VIRGINIA S. VOIGT

Print Name of Notary
My appointment expires: 6/1/09

Memorandum of Agreement

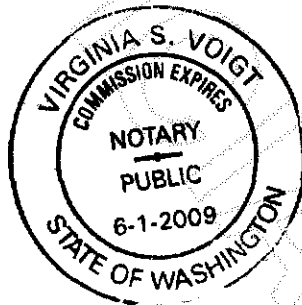


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STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

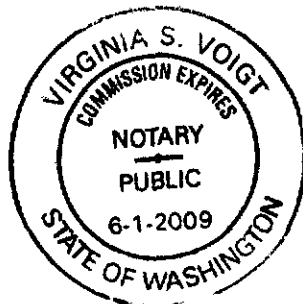
I certify that I know or have satisfactory evidence that Kendall Gentry is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the LANDED GENTRY DEVELOPMENT, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated: 12/26/06
Virginia S. Voigt
(Signature)
NOTARY PUBLIC
VIRGINIA S. VOIGT
Print Name of Notary
My appointment expires: 6/1/09

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Craig E. Cammack is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the NORDCO GROUP, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated: 12/26/06
Virginia S. Voigt
(Signature)
NOTARY PUBLIC
VIRGINIA S. VOIGT
Print Name of Notary
My appointment expires: 6/1/09

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Legal Description

PARCEL "A":

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southeast corner of said subdivision;
thence North $1^{\circ}23'$ East 649.45 feet to the Northeast corner of said subdivision;
thence South $89^{\circ}26'28''$ West along the North line of said subdivision a distance of 105.0 feet;
thence South $1^{\circ}43'$ West parallel to the East line of said subdivision to the South line of said subdivision;
thence North $89^{\circ}07'$ East along the South line of said subdivision a distance of 105.0 feet, more or less, to the point of beginning,

EXCEPT that portion thereof lying within the boundaries of the County Road as conveyed to Skagit County by Deed recorded October 17, 1947 in Volume 221 of Deeds, page 322, under Auditor's File No. 410086.

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

PARCEL "B":

Lot 1, Short Plat No. 18-87, approved June 22, 1987, recorded June 24, 1987 in Book 7 of Short Plats, page 183, under Auditor's File No. 8706240025 and being a portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M.

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

PARCEL "C":

Lot 2, Short Plat No. 18-87, approved June 22, 1987, recorded June 24, 1987, in Book 7 of Short Plats, page 183, under Auditor's File No. 8706240025; and being a portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M.,

EXCEPT that portion of said Lot 2, described as follows:

Beginning at the Southwest corner of said Lot 2, Skagit County Short Plat No. 18-87;
thence North $1^{\circ}23'39''$ East (shown as North $1^{\circ}19'00''$ East on the face of said Short Plat) along the West line of said Lot 2 for a distance of 225.72 feet;
thence North $86^{\circ}48'33''$ East, parallel with the South line of said Lot 2, for a distance of 145.80 feet;

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thence South 1°25'41" West, for a distance of 225.73 feet, more or less, to the South line of said Lot 2 at a point bearing North 86°48'33" East (shown as North 86°45'54" East on the face of said Short Plat);
thence South 86°48'33" West along the South line for a distance of 145.67 feet, more or less, to the point of beginning.

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

PARCEL "D":

That portion of the Southeast ¼ of the Southeast ¼ of the North- west ¼ of Section 28, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of said subdivision, 3.20 feet North of the Southwest corner thereof;

thence North along said West line, a distance of 367.80 feet;

thence East parallel to the South line of said subdivision, a distance of 173.85 feet;

thence South parallel with the West line of said subdivision, a distance of 361 feet to the North line of the County road, as the same existed on August 4, 1952;

thence West along said North line, a distance of 173.98 feet to the point of beginning,

EXCEPT that portion thereof conveyed to Skagit County for road purposes by Deed dated October 10, 1947 and recorded October 17, 1947, under Auditor's File No. 410086.

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

PARCEL "E":

The West 198.00 feet of the Southeast ¼ of the Southeast ¼ of the Northwest ¼ of Section 28, Township 34 North, Range 4 East, W.M.,

EXCEPT beginning at a point on the West line of said subdivision 3.20 feet North of the Southwest corner thereof;

thence North on the West line of said subdivision, a distance of 367.80 feet;

thence East parallel with the South line of said subdivision, a distance of 173.85 feet;

thence South parallel with the West line of said subdivision a distance of 361.0 feet to the

North right-of-way line of the County road as conveyed to Skagit County by deed dated October 10, 1947, and recorded October 17, 1947, in Volume 221 of Deeds, page 322, under Auditor's File No. 410086.

thence West along said County road, a distance of 173.98 feet to the point of beginning of this exception.

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

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PARCEL "F":

The Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M., EXCEPT the East $\frac{1}{2}$ thereof, ALSO EXCEPT the South 60 feet thereof conveyed for road purposes by Deeds recorded under Auditor's File Nos. 410085 and 9003160017.

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

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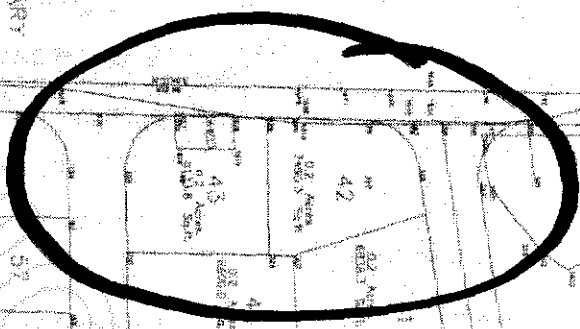
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LITTLE MOUNTAIN ADDITION NO.2

36 TH STREET

LOT 15 LOT 16 LOT 17 LOT 18 LOT 19 LOT 20 LOT 21

PRELIMINARY



EAST BLACKBURN ROAD

EAST BLACKBURN ROAD



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