

After Recording Return to:

Leslie Wilson
Fikso Kretschmer Smith Dixon
Market Place Tower
2025 First Avenue, Suite 1130
Seattle, WA 98121-2100



200711290050
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

Reference Number of Related Document: N/A

Grantor(s): THE SKAGIT HIGHLANDS, LLC

Grantee(s): THE QUADRANT CORPORATION

Abbreviated Legal Description: Lots 18-30 & Tract 911, Skagit Highlands Div. II

Additional Legal Description is on Exhibit A of Document

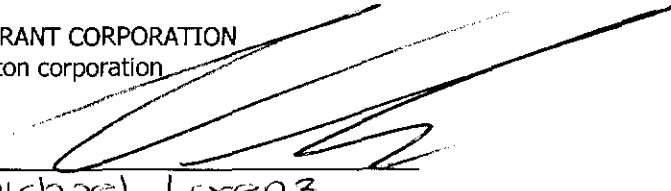
Assessor's Property Tax Parcel or Account No.: 48870000180000, 48870000190000,
~~48870000200000~~, 48870000200000, 48870000210000, 48870000220000, 48870000230000,
48870000240000, 48870000250000, 48870000260000, 48870000270000, 48870000280000,
48870000290000, 48870000300000, 488700009110000

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is being executed and recorded solely for the purpose of providing notice of that certain Real Estate Purchase and Sale Agreement by and between THE SKAGIT HIGHLANDS, LLC ("SH") and THE QUADRANT CORPORATION ("Quadrant") dated October 27, 2004 ("Agreement"), as amended, pursuant to which SH has the obligation to pay over all proceeds from the sale of certain real property located within the plat of Skagit Highlands, Division II, located in Mount Vernon, Washington ("Property"), including without limitation the property that is described on Exhibit 1 attached, until the outstanding principal and interest under the "Division 1 Advances" (as defined in the Agreement) is paid in full, as more fully described in the Agreement. This Memorandum is purely for the purpose of providing notice of the Agreement and of the entitlement of the undersigned to the proceeds of the sale of the property (but not an interest in the Property itself), and in no way amends, modifies, supplements or otherwise affects any terms or conditions of the Agreement.

DATED as of November 28 2007.

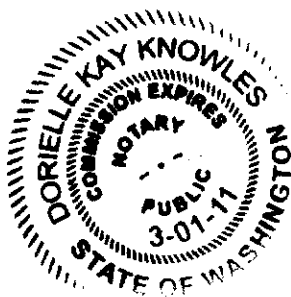
THE QUADRANT CORPORATION
a Washington corporation

By 
Name Michael Lorenz
Title VP of Land Acquisition

STATE OF WASHINGTON)
)ss.
COUNTY OF King)

On this 28 day of November, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Michael Lorenz, to me known to be the VP of Land Acq. of THE QUADRANT CORPORATION, a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the 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/she was authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.



Dorielle Kay Knowles
Name DORIELLE KNOWLES
NOTARY PUBLIC in and for the
State of Washington, residing at
Benton
My commission expires 3/1/11.



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EXHIBIT 1
TO
MEMORANDUM OF AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

PARCEL "A":

Lots 18 to 30, inclusive, "SKAGIT HIGHLANDS, DIVISION II," as per plat recorded on April 4, 2006, under Auditor's File No. 200604040052, records of Skagit County, Washington.

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

PARCEL "B":

Tract 911, "SKAGIT HIGHLANDS, DIVISION II," as per plat recorded on April 4, 2006, under Auditor's File No. 200604040052, records of Skagit County, Washington.

EXCEPT therefrom that portion conveyed to the City of Mount Vernon for right-of-way by Deed recorded on November 9, 2007, under Auditor's File No. 200711090160, records of Skagit County, Washington.

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



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