

After Recording Return To:
Peter A. Deming
Attorney at Law
P.O. Box 68
Kent, WA 98035



200806300217

Skagit County Auditor

6/30/2008 Page 1 of 4 3:45PM

LAND TITLE OF SKAGIT COUNTY

130102-P

MEMORANDUM OF LEASE

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 30 2008

Grantor: (1) McCarthy Investments, LLC

Grantee: (1) Heron Inn, Inc.

Abbreviated Legal: Lot 2, Blk 22, Syndicate Add. To LaConner

Tax Parcel No.: 4128-022-002-0001 (Property I.D. No.: P74397)

Amount Paid \$-0
Skagit Co. Treasurer
By *man* Deputy

THIS INDENTURE made and entered into this 25th day of June, 2008, by and between McCarthy Investments, LLC, a Washington limited liability company, hereinafter called "Lessor", and Heron Inn, Inc., a Washington corporation, hereinafter called "Lessee".

WITNESSETH

That for the term and upon the terms and conditions set forth in the Lease Agreement dated February 7, 2007 (including any amendments or addendums thereto), and which commenced on February 15, 2007, from the Lessor to Lessee, the Lessor has leased, demised and let, and does hereby lease, demise and let unto Lessee its interest in the following described real property:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN.

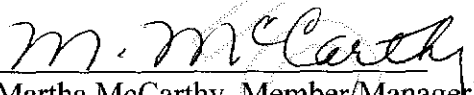
The lease, including options to renew or extend, is for a term of twenty two (22) years commencing on February 15, 2007 and terminating on February 14, 2029.

In witness thereof, the parties hereto have caused their respective names to be hereto subscribed as of the day and year first above written.

LESSOR:


McCarthy Investments, LLC,
a Washington limited liability company

By: 
George McCarthy, Member/Manager

By: 
Martha McCarthy, Member/Manager

LESSEE:

Heron Inn, Inc.,
a Washington corporation

By: 
George McCarthy, President

[Notary's Acknowledgments on next Page]

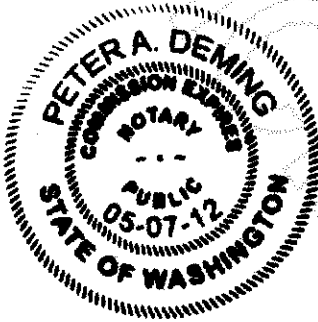


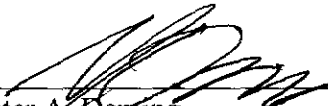
200806300217
Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that GEORGE MCCARTHY and MARTHA MCCARTHY are the persons who signed this instrument and acknowledged it as the MEMBERS/MANAGERS of MCCARTHY INVESTMENTS, LLC, a Washington limited liability company, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 25th day of June, 2008.





Peter A. Deming
NOTARY PUBLIC in and for the State
of Washington, residing at Kent.
My appointment expires: May 7, 2012

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that GEORGE MCCARTHY is the person who signed this instrument and acknowledged it as the PRESIDENT of HERON INN, INC., a Washington corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 25th day of June, 2008.




Peter A. Deming
NOTARY PUBLIC in and for the State
of Washington, residing at Kent.
My appointment expires: May 7, 2012



200806300217
Skagit County Auditor

EXHIBIT "A"
LEGAL DESCRIPTION

LOT 2, BLOCK 22, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA
CONNER, SKAGIT CO. WASH.", AS PER PLAT RECORDED IN VOLUME 2 OF
PLATS, PAGE 109, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE TOWN OF LACONNER, COUNTY OF SKAGIT, STATE OF
WASHINGTON.



200806300217

Skagit County Auditor

6/30/2008 Page

4 of

4 3:45PM