



200810150037

Skagit County Auditor

WHEN RECORDED RETURN TO:

Skadden, Arps, Slate, Meagher & Flom LLP
300 S. Grand Ave., 34th Floor
Los Angeles, CA 90071
Attn: Kathleen Tam, Esq.

10/15/2008 Page 1 of 6 11:30AM

CHICAGO TITLE CO.

1963120

DOCUMENT TITLE(S)

Memorandum of Lease

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR(S):

SCI Properties, LLC

ACCOMMODATION RECORDING

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

GRANTEE(S):

Snelson Companies, Inc.

ABBREVIATED LEGAL DESCRIPTION:

Lot 1, City of Sedro-Woolley Short Plat No. 2653, as recorded April 22, 2005, under Auditor's
File No. 200504220128, and being a portion of the West 378 feet of Lot 18, "SEDRO
ACREAGE," as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County,
Washington.

TAX PARCEL NUMBER(S):

Parcel # P122696

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is entered into as of this 19th day of September, 2008, by and between SCI PROPERTIES, LLC ("Landlord") and SNELSON COMPANIES, INC. ("Tenant").

WITNESSETH:

1. Premises. Landlord and Tenant have entered into that certain Industrial Real Estate Lease, executed June 9, 2008, by and between Landlord and Tenant, as amended by that certain Amendment to Real Estate Leased, dated July 3, 2008 (collectively, the "Lease") pursuant to which, among other things, Landlord has leased to Tenant and Tenant has leased from Landlord certain real property located at 531 West State Street, Sedro-Wooley, Washington, and more particularly described on Exhibit A attached hereto and by reference made a part hereof (the "Property").

2. Term. The Lease has a term of ten (10) years beginning on the first date of occupancy or October 1, 2008, whichever occurs first (as such date is otherwise subject to adjustment as provided in the Lease). The Tenant has the option to extend the term of the Lease for one additional five (5) year term, subject to the terms and conditions applicable thereto set forth in the Lease.

3. Option to Purchase. Landlord has granted to Tenant the right of first refusal to purchase the Property in accordance with the terms and conditions set forth in the Lease.

4. Memorandum of Lease. This Memorandum is for information purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this Memorandum, the terms of the Lease shall prevail.

5. Binding Effect. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

6. Counterparts. This Memorandum may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

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SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

OCT 15 2008

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



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IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date set forth below.

Signed on September 19, 2008
at 601 W. State Street, Sedro-Woolley, WA

Signed on September 19, 2008
at 601 W. State Street, Sedro-Woolley, WA

LANDLORD:

SCI PROPERTIES, LLC

By: J.R. Norton

Name: J.R. Norton
Title: Manager

TENANT:

SNELSON COMPANIES, INC.

By: E.J. Shannon

Name: E.J. Shannon
Title: President



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STATE OF WASHINGTON

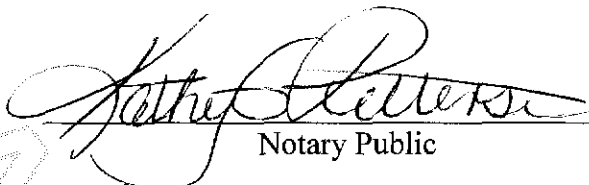
)
ss.
)

COUNTY OF Skagit

I certify that I know or have satisfactory evidence that John R. Norton 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 Manager of SCI PROPERTIES, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: September 19, 2008




Notary Public

Printed Name: Kathy G. Pettersen

Residing at: Burlington

My appointment expires: March 15, 2012



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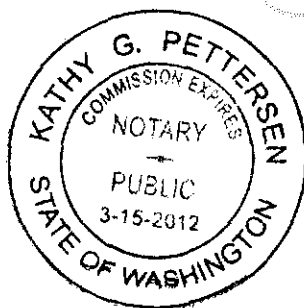
STATE OF WASHINGTON)

ss.

COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that E.J. Shannon 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 President of SNELSON COMPANIES, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: September 19, 2008



Kathy G. Pettersen
Notary Public

Printed Name: Kathy G. Pettersen

Residing at: Burlington

My appointment expires: March 15, 2012



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EXHIBIT A

Property Legal Description

Lot 1, City of Sedro-Woolley Short Plat No. 2653, as recorded April 22, 2005, under Auditor's File No. 200504220128, and being a portion of the West 378 feet of Lot 18, "SEDRO ACREAGE," as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

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