

When Recorded Return to:  
McCullough Hill, P.S.  
701 Fifth Avenue, Suite 7220  
Seattle, WA 98104  
Attn.: D. Douglas Matson



200901290047  
Skagit County Auditor

1/29/2009 Page 1 of 5 10:26AM

**MEMORANDUM OF LEASE**

Grantor/Landlord: Spruce Street, LLC  
Grantee/Tenant: Lindal Cedar Homes, Inc.  
Abbrev. Legal Description: Ptn. Blks. 3, 4, 7 and 8, Albertsons Add.  
*Complete legal on Exhibit A*  
Tax Parcel ID #: 4078-009-011-0007 (P72436)

THIS MEMORANDUM OF LEASE is dated as of October 23, 2008, between SPRUCE STREET, LLC, a Washington limited liability company ("Landlord"), and LINDAL CEDAR HOMES, INC., a Washington corporation ("Tenant").

1. Premises. Landlord has leased to Tenant, upon the terms and conditions of that certain Lease between the parties dated October 23, 2008 (the "Lease"), which terms and conditions are incorporated by this reference, the real property located at 942 South Spruce Street and 1010 South Spruce Street, Burlington, Skagit County, Washington, legally described in Exhibit A attached hereto, and all improvements thereon.

2. Term; Options to Extend. This Lease shall be for a term of ten (10) years, commencing on October 23, 2008, and terminating on October 22, 2018, plus three (3) option terms of five (5) years each.

*[intentional page break]*

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

JAN 29 2009

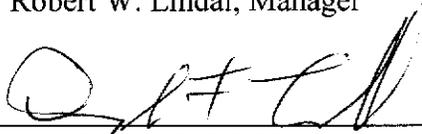
Amount Paid \$ 0  
Skagit Co. Treasurer  
By *MF* Deputy

3. Purpose of Memorandum of Lease. This Memorandum of Lease is prepared for the purpose of recordation and in no way modifies the Lease.

LANDLORD:

SPRUCE STREET, LLC, a Washington limited liability company

By:   
Robert W. Lindal, Manager

By:   
Douglas F. Lindal, Manager

By:   
Martin J. Lindal, Manager

TENANT:

LINDAL CEDAR HOMES, INC., a Washington corporation

By:   
Print name: Robert W Lindal  
Title: CEO

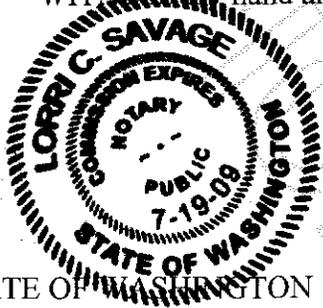
*[acknowledgments on following pages]*



STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Robert W. Lindal 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 a Manager of SPRUCE STREET, 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.

WITNESS my hand and official seal hereto affixed this 21<sup>st</sup> day of October, 2008.

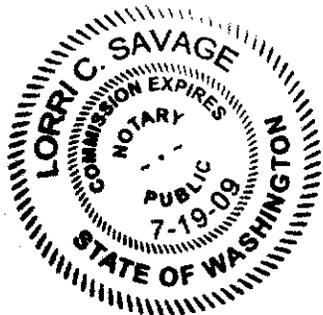


Lorri C. Savage  
Notary Public in and for the State of Washington  
residing at Bremerton, WA  
Commission expires: 7-19-09

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Douglas F. Lindal 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 a Manager of SPRUCE STREET, 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.

WITNESS my hand and official seal hereto affixed this 21<sup>st</sup> day of October, 2008.



Lorri C. Savage  
Notary Public in and for the State of Washington  
residing at Bremerton, WA  
Commission expires: 7-19-09



STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Martin J. Lindal 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 a Manager of SPRUCE STREET, 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.

WITNESS my hand and official seal hereto affixed this 21<sup>st</sup> day of October, 2008.



Lorric C. Savage

Notary Public in and for the State of Washington  
residing at Bremerton WA  
Commission expires: 7-19-09

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this 21<sup>st</sup> day of October, 2008, before me personally appeared Robert W. Lindal, to me known to be the Chief Executive Officer of LINDAL CEDAR HOMES, INC., a Washington corporation, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Lorric C. Savage

Notary Public in and for the State of Washington  
residing at Bremerton WA  
Commission expires: 7-19-09



EXHIBIT A

LEGAL DESCRIPTION

The East Half and the North 25 feet of the West Half of Block 3; all of Block 4, EXCEPT the North 25 feet of the West Half; the South 13 feet of Lot 8, Block 6 and all of Bocks 7, 8 and 9, inclusive, all located in Albertson's Addition to the Town of Burlington, according to the plat thereof recorded in Volume 4 of Plats, page 1, records of Skagit County, Washington;

Also, together with those portions of Acre Street and Mount Vernon Street vacated by City of Burlington Ordinance #874 and that portion of Byron Street vacated by City of Burlington Ordinance No. 880; EXCEPT the West 15 feet of Byron Street adjacent to Block 5 of said Plat; AND EXCEPT the East 15 feet of the North 50 feet of Byron Street as vacated by said Ordinance No. 880.

Situated in Skagit County, Washington.

