

AFTER RECORDING RETURN TO:

Name _____

Address _____

City, State, Zip _____



200905120076

Skagit County Auditor

5/12/2009 Page

1 of

6 10:35AM

Grantor. ERROL HANSON FUNDING, INC
Grantee. TRONSDAL, Howard S.
Abbrev. Leg. Ptn of NE ¼ and Govt Lots 1 and 5, Sec. 31, T33N, R4E, WM,
Tax Account Nos. 330431-1-004-0004/P17557, 330431-1-002-0105/P17555, 330431-0-008-0002/P17535,
P17529 AND P107977

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION is made and entered into this
30 day of March 2009, by and between Errol Hanson Funding, Inc., a
Washington corporation, hereinafter referred to as "Optionor" or "Seller" and Howard S.
Tronsdal, as his separate estate, herein after referred to as "Optionee" or "Purchaser."

OPTION TO PURCHASE REAL PROPERTY

This is a memorandum of that certain Lease and Option to Purchase dated March
27, 2009, by and between the Seller and Purchaser identified above, for the purchase of
the following described property situated in Skagit County, Washington:

For full legal description, see EXHIBIT A, which is attached hereto and
by this reference incorporated herein.

TERM

The Option shall expire on April 30, 2010

PURPOSE OF MEMORANDUM

The purpose of this Memorandum of Option is for recording purposes, and the
terms of this memorandum shall in no way modify the original Option agreement
between the parties.

DATED March 30, 2009

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 12 2009

HansonTronsdalMemoOption

1

Amount Paid
By Skagit Co. Treasurer
Deputy *M. M. M.*

OPTIONOR
ERROL HANSON FUNDING, INC.,

By: [Signature]
Errol Hanson, President

OPTIONEE
HOWARD S. TRONSDAL

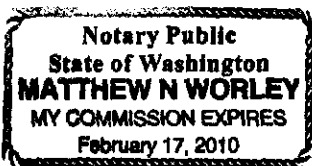
[Signature]
Howard S. Tronsdal

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that HOWARD S. TRONSDAL ^{is}are the person ~~is~~ who appeared before me, and said person ~~s~~ acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Witness my hand and official seal hereto affixed this 27th day of MARCH, 2009.

[Signature]

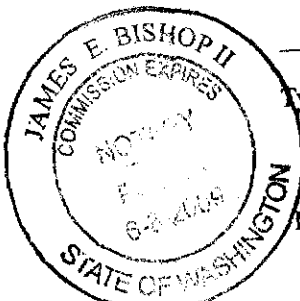


Typed/Printed Notary Name Matthew N Worley
Notary Public in and for the State of Washington, residing at SKAGIT
My appointment expires 2/17/10

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that ERROL HANSON 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 ERROL HANSON, FUNDING, INC. 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 30th day of MARCH, 2009.



[Signature]
Typed/Printed Notary Name JAMES E BISHOP II
Notary Public in and for the State of Washington, residing at BURLINGTON
My appointment expires 060809

Hanson Tronsdal Memo Option



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Skagit County Auditor

EXHIBIT A

I

PARCEL "A":

That portion of Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., and that portion of the North $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., describe as follows:

Beginning at the Northeast corner of said Section 31, Township 33 North, Range 4 East, W.M.;
thence North $88^{\circ}15'45''$ West along the North line of said subdivision, a distance of 1,069.81 feet
thence South $8^{\circ}52'21''$ West a distance of 658.61 feet;
thence South $47^{\circ}52'36''$ West a distance of 115.10 feet to the true point of beginning;
thence continue South $47^{\circ}52'36''$ West to the North right of way line of County road known as the Milltown Road;
thence in a Westerly direction along said right of way line to the intersection with the Easterly right of way of Pacific Highway;
thence Northerly along said East right of way line to a point which bears North $88^{\circ}15'45''$ West from the true point of beginning;
thence South $88^{\circ}15'45''$ East parallel with the North line of the Northeast $\frac{1}{4}$ of said Section 31 to the true point of beginning.

EXCEPT that portion of Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M. described as follows:

Beginning at the intersection of the East line of Pacific Highway with the North line of the County road along the South line of said Government Lot 1;
thence North along said East line of Pacific Highway 200 feet;
thence East parallel with said County road along the South line of said Government Lot 1, 200 feet;
thence Southwesterly to a point 200 feet East of the true point of beginning;
thence West to the true point of beginning.

ALSO EXCEPT that portion of Government Lot 1 conveyed to Dike District No. 16, recorded October 14, 1929, under Auditor's File No. 227612.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Government Lot 5, Section 31, Township 33 North, Range 4 East, W.M., EXCEPT a tract conveyed to Milltown Trading Company, a co-partnership, by Deed recorded November 17, 1902, in Volume 48 of Deeds, page 197, records of Skagit County, Washington, more particularly described as follows:



Exhibit A, I, continued

PARCEL "B" continued:

Beginning at a point on the South line of a certain logging ditch South of the present County road at a point where the same intersects the East boundary line of the Seattle and Montana Railway near the North line of Government Lot 5, Section 31, Township 33 North, Range 4 East, W.M., in Skagit County, Washington; thence run East along the South line of said ditch 210 feet; thence in a Southwesterly direction parallel with the East boundary line of the aforesaid railway right of way 228 feet; thence West 210 feet; thence Northeasterly to the point of beginning.

ALSO EXCEPTING Great Northern Railway right of way (formerly Seattle and Montana Railway), as conveyed by Deed recorded August 27, 1890, in Volume 13 of Deeds, page 125,

ALSO EXCEPTING County roads as conveyed by Deeds recorded October 9, 1906, and March 6, 1936, under Auditor's File Nos. 59097 and 249431,

ALSO EXCEPT that portion conveyed to Dike District No. 16 by Deed recorded October 11, 1919, under Auditor's File No. 227599 and condemned in SC 4276.

Situate in the County of Skagit, State of Washington.



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II

PARCEL "A":

The Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., EXCEPT dike right of way, AND EXCEPT Starbird Road.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32, Township 33 North, Range 4 East, W.M., described as follows:

Beginning at the Northwest corner of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}06'18''$ West 30.00 feet along the West line of said subdivision to the South right of way margin of the Milltown Road (also known as the Starbird-Rosenborough Road) and being the true point of beginning;
thence South $88^{\circ}52'21''$ East 118.00 feet along said South right of way margin of the Milltown Road, parallel with the North line of said subdivision, to the Northwest corner of that certain tract conveyed to Norwegian Lutheran Evangelical Church of Conway and Fir by Quit Claim Deed recorded under Skagit County Auditor's File No. 210478;
thence South $2^{\circ}06'18''$ West 416.00 feet along the West line of said Norwegian Lutheran Evangelical Church of Conway and Fir Tract to the Southwest corner thereof;
thence South $13^{\circ}11'41''$ East 912.55 feet to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North $88^{\circ}46'28''$ West 358.82 feet along the South line of said subdivision to the Southwest corner thereof (also being the West $\frac{1}{4}$ corner of Section 32, Township 33 North, Range 4 East, W.M.);
thence North $2^{\circ}06'18''$ East 1,299.70 feet along the West line of said subdivision to the true point of beginning.

EXCEPT those portions described as follows:

1.) Beginning at the Northwest corner of the Southwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}02'58''$ West, along the West line thereof, a distance of 30 feet to the South right of way line of Milltown Road (also known as the Starbird-Rosenborough Road);
thence South $88^{\circ}52'34''$ East, along said South line, a distance of 118.01 feet to the true point of beginning, said point being the Northwest corner of that certain parcel as described under Auditor's File No. 210478;
thence South $2^{\circ}02'58''$ West, a distance of 416.00 feet to the Southwest corner of said parcel;
thence North $88^{\circ}52'34''$ West, parallel with the North line of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 32, a distance of 30.24 feet, more or less, to intersect an existing fenceline extended South;
thence North along said fenceline and fenceline extension, a distance of 416.4 feet, more or less, to the South right of way line of Milltown Road;
thence South $88^{\circ}52'34''$ East, along said line, a distance of 18.33 feet, more or less, to the true point of beginning.



Exhibit A, II, continued

PARCEL "B" continued:

2.) Beginning at the Northwest corner of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}06'18''$ West 30.00 feet along the West line of said subdivision to the South right of way
margin of the Milltown Road (also known as the Starbird-Rosenborough Road);
thence South $88^{\circ}52'21''$ East a distance of 118.00 feet along the South right of way margin of the Milltown
Road to the Northwest corner of that certain tract conveyed to Norwegian Lutheran Evangelical Church of
Conway and Fir by Quit Claim Deed recorded under Skagit County Auditor's File No. 210478;
thence South $2^{\circ}06'18''$ West 416.00 feet along the West line of said Norwegian Lutheran Evangelical Church
of Conway and Fir Tract to the Southwest corner thereof and the true point of beginning;
thence South $13^{\circ}11'41''$ East 912.55 feet to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North $88^{\circ}46'28''$ West, along the South line of said subdivision, to a point which is South $2^{\circ}06'18''$
West of the true point of beginning;
thence North $2^{\circ}06'18''$ East to the true point of beginning.

Situate in the County of Skagit, State of Washington.

