



201105060071

Skagit County Auditor

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MEMORANDUM OF LEASE

THIS IS A MEMORANDUM of that certain Lease dated the 29TH day of APRIL, 2008, by and between ALICE M. HOFFMAN as Trustee of the CLAUDE W. and ALICE M. HOFFMAN LIVING TRUST and as Trustee of the CLAUDE WILLIAM HOFFMAN TESTAMENTARY EXEMPTION EQUIVALENT TRUST, hereinafter called "Lessor," and NORM NELSON, INC., a Washington corporation, hereinafter called "Lessee" for the following described real property situated in Skagit County, Washington, to wit:

Tax Parcel No. P34448, P34458, P33880, P33882, P33883, P33891, and P33884

Legal Description: All of Lot one (1), and the North one-half (1/2) of Lot Two (2), the Northwest Quarter of the Northeast Quarter and the North one-half of the Southwest Quarter of the Northeast Quarter, all in Section 18, Township 35 North Range 3 East, W. M., in Skagit County, Washington.

Lot 5, South of Slough, Lot 6, East of Slough, Lot 7 and the SE 1/4 of the SW 1/4, all in Section 7, Township 35 North, Range 3 East of the W. M., less dike and drainage rights of way heretofore conveyed.

A parcel of land situated in Section 7, Township 35 North, Range 3 East, W. M., described as follows: Beginning where O'Keffe's slough running westerly touches the South line of the M. B. Richard warehouse lot, thence Southeasterly along the South line of said lot to an old dike, thence Southwesterly along said dikes 60 feet, thence Northwesterly to said slough, thence Northeasterly along said slough to the place of beginning. (Also described as Skagit County Assessor's Tax No. 2.)

LESS the following legally described property:

Acres 80.00, Open Space #58 #768913 1973 DK 5: The North 1/2 of Government Lot 2 (Per Aliquot Part Measurement) Section 18, Township 35 North, Range 3 East, W. M.; And the North 1/2 of the Southwest 1/4 of the

Northeast 1/4 (Per Aliquot Part Measurement) Section 18, Township 35 North, Range 3 East, W. M.; AND ALSO those portions of Government Lot 1 and the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 35 North, Range 3 East, W. M., lying southerly of the following described line: Commencing at the Southeast corner of the Southeast 1/4 of the Southeast 1/4 of said Section 18 (Southeast Section Corner) Thence North 0 degrees 06'06" East, 1332.26 feet, along the east line of said subdivision to the Northeast corner thereof, also being the centerline of D'Arcy Road; Thence South 88 degrees 56'24" West along said centerline of D'Arcy Road, 1332.44 feet, more or less, to an iron pipe at the intersection of the centerline of D'Arcy Road with the centerline of the Bayview-Edison Road; Thence North 0 degrees 24'48" East along said centerline of the Bayview-Edison Road (per road alignment found on that certain Skagit County Subdivision Map for Section 18, Township 35 North, Range 3 East, W. M., by Frank Gilkey, dated June 1959, available at Skagit County Public Works), 2692.50 feet to an angle point in the centerline; Thence North 0 degrees 59'48" East, 321.56 feet along said centerline to an intersection with the easterly extension of a gravel driveway; Thence North 89 degrees 38'28" West, 20.00 feet along said centerline of the gravel driveway to the westerly right-of-way margin of said Bayview-Edison Road and being the true point of beginning of said line description; Thence continue North 89 degrees 38'28" West along the centerline of said gravel drive, or centerline extended, 400.00 feet; Thence North 0 degrees 59'48" East, 260.00 feet; Thence North 89 degrees 38'28" West, 888.42 feet; thence South 0 degrees 14'38" West, parallel with the North-South centerline of said Section 18, 132.00 feet; Thence North 89 degrees 38'28" West, 1756.7 feet, more or less, to the centerline of the existing dike along the shore of Padilla Bay; Thence continue North 89 degrees 38'28" West to the West line of said Government Lot 1 and being the terminus of said line.

Said Lease is for a period of five (5) years ending March 31, 2013 and includes a First Right of Refusal to purchase any interest in the subject real property offered for sale except by gift, inheritance, or purchase among present owners of an undivided interest. Said Lease also includes a right to renew this Lease further described in the AGRICULTURAL LEASE between Landlord and Tenant.

Dated this 29TH day of APRIL, 2008.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

LESSOR
CLAUDE W. & ALICE HOFFMAN LIVING
TRUST & CLAUDE WILLIAM HOFFMAN
TESTAMENTARY EXEMPTION TRUST

LESSEE
NORM NELSON, MAY 06 2011

Amount Paid \$
Skagit Co. Treasurer
By am Deputy

Alice M. Hoffman
By: ALICE M. HOFFMAN, Trustee

Norm Nelson
By: _____, President

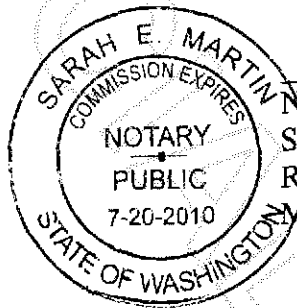


201105060071
Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I hereby certify that I know, or have satisfactory evidence, that ALICE M. HOFFMAN as Trustee of the CLAUDE W. and ALICE M. HOFFMAN LIVING TRUST and as Trustee of the CLAUDE WILLIAM HOFFMAN TESTAMENTARY EXEMPTION EQUIVALENT TRUST is the person who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 17th day of June, 2008.



Sarah E. Martin
NOTARY PUBLIC in and for the
State of Washington
Residing at Skagit County
My commission expires: 07/20/2010



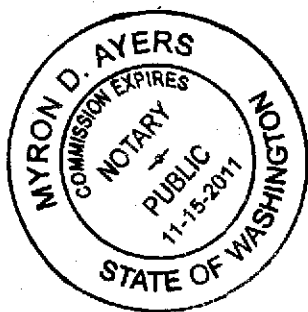
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STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 29TH day of APRIL, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GERALD E. NELSON, to me known to be the President of NORM NELSON, INC., the Washington 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 they are authorized to execute the said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 29TH day of APRIL, 2008.



[Signature]
NOTARY PUBLIC in and for the
State of Washington
Residing at MOUNT VERNON
My commission expires: 11/15/2011



201105060071

Skagit County Auditor