

After Recording Mail To:

Douglas E. Wheeler
Lane Powell PC
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101-2338



201108180031
Skagit County Auditor

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ACCOMMODATION RECORDING ONLY

MEMORANDUM OF LEASE

GUARDIAN NORTHWEST TITLE CO.

WILD
CM-3376
(14) L#75

Grantor (Lessor):	Dahlstedt Family Properties, LLC
Grantee (Lessee):	Sulex, Inc.
Legal Description:	Ptn. NW 1/4' Section 9. Township 34, Range 3 (Additional legal attached as <u>Exhibit 1</u>)
Tax Parcel/Account Number:	P21277, P21278 and P21281

This Memorandum of Lease is executed by **Dahlstedt Family Properties, LLC**, a Washington limited liability company ("Lessor"), and **Sulex, Inc.**, a California corporation ("Lessee"), to be recorded and give notice that:

1. Premises. Lessor has leased to Lessee the real property described in attached Exhibit 1 located in Skagit County, Washington.
2. Term. The term of the Lease shall be for five (5) years, commencing as of February 1, 2011, and ending on January 31, 2016, unless sooner terminated or extended.
3. Extension Options. Lessee has the option to extend the term of the Lease for three (3) additional five (5) year periods by written notice to Lessor not less than 180 days prior to the end of the Lease term as it may be extended under the Lease.
4. Waste Water Pond. Lessee has a non-exclusive right to use, in accordance with certain terms set forth in the Lease, the 0.9 acre settling pond located on Lot 4 of Dahlstedt Family Properties Binding Site Plan PL07-0187 approved August 10, 2011 and recorded under Auditor's File Number 201108100067 (formerly parts of Lot 1 and 4 of Skagit County Short Plat No. 7-89), records of Skagit County, Washington, as depicted on the site map attached as Exhibit 2, and an exclusive right to use the existing concrete pit (catch basin) and pump house, and pipes appurtenant thereto.
5. Driveway Access. Reserved for the benefit of Lessor and Lessor's tenants, and such party's agents, employees, licensees, contractors, vendors or invitees are non-exclusive rights of use, access, egress and ingress for the driving of vehicles across a specific portion of the Premises known as the "Driveway Access" and as depicted on attached Exhibit 3.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

121303.0001/5077582.1

AUG 18 2011

Amount Paid \$
Skagit Co. Treasurer
By *MEM* Deputy

This instrument filed for record by
First American Title Insurance Company
As an accommodation only, it has not
Been examined as to its execution or
As to its effect upon the title

6. West Road. During Lessee's occupancy of the Premises, Lessee shall have non-exclusive rights of use, access, egress, and ingress over and upon a portion of Lot 4 of Dahlstedt Family Properties Binding Site Plan PL07-0187 known as the "West Road", as depicted and legally described in attached Exhibit 4.

7. Maintenance Access. During Lessee's occupancy of the Premises, Lessee shall have non-exclusive rights of use, access, egress and ingress to and from, over, upon, and under Lessor's lands for the purpose of lay down, construction, operation, maintenance, inspection, alteration, removal, relocation, and repair of (i) utility, telephone and sewer lines, and all equipment and appurtenances as may be necessary or convenient in connection therewith, (ii) fencing of the Premises, and (iii) all purposes necessary or incidental to the foregoing.

8. Addresses of the Parties. The addresses of the parties, until changed as provided in Section 27 of the Lease, are set forth in the Lease as follows:

Lessor: Dahlstedt Family Properties, LLC
13048 Farm to Market Road
Mount Vernon, WA 98273
Facsimile # none

Lessee: Sulex, Inc.
13221 Farm to Market Road
Mount Vernon, WA 98273
Facsimile #360-424-9611

9. Lessee's Rights in the Event of a Sale. If at any time during the Lease term, Lessor, or Lessor's successors or assigns, should desire to sell Lessor's interest in the Premises, Lessee shall have option to purchase the Premises on terms and conditions set forth in the Lease.

10. Prior Memorandum Superseded. This Memorandum supersedes in its entirety the memorandum of lease dated April 10, 2006, and recorded on May 8, 2006, under Auditor's File No. 200605080209, as well as the memorandum of lease dated June 1, 1995, and recorded on June 27, 1995, under Auditor's File No. 9506270030, including the "First Option to Purchase" referenced therein.

11. Conflicts with Lease. This Memorandum of Lease is intended to provide notice of the Lease and Lessee's interest the Premises and the easements and use rights referenced herein. The terms of this Memorandum of Lease shall not be interpreted to modify or amend the respective rights and obligations of Lessor and Lessee under the Lease, and in the event of any conflict between the terms of the Lease and this Memorandum of Lease, the terms of the Lease shall prevail.

[Signatures on following page]



LESSOR:

Dahlstedt Family Properties, LLC,
a Washington limited liability company

By: Norman H Dahlstedt
Norman Dahlstedt
Its Managing Member

By: Patricia Dahlstedt
Patricia Dahlstedt
Its Managing Member

LESSEE:

Sulex, Inc., a California corporation

By: _____
Its _____



LESSOR:

Dahlstedt Family Properties, LLC,
a Washington limited liability company

By: _____
Norman Dahlstedt
Its Managing Member

By: _____
Patricia Dahlstedt
Its Managing Member

LESSEE:

Sulex, Inc., a California corporation

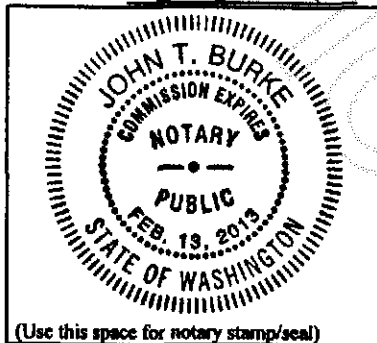
By: *Paul D. Miller*
Its SUP OPERATIONS



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **Norman Dahlstedt and Patricia Dahlstedt** are the persons who appeared before me, and said person acknowledged that he or she signed this instrument, on oath stated that he or she is authorized to execute the instrument and acknowledged it as the Managing Members of **Dahlstedt Family Properties, LLC** to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: 5-26-11



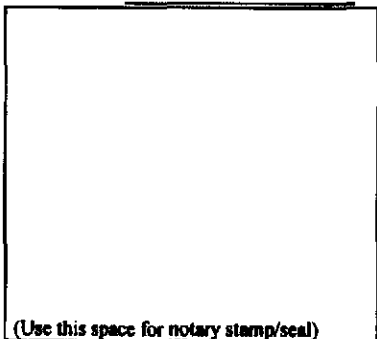
John T. Burke
Print Name: **JOHN T. BURKE**
NOTARY PUBLIC for the State of Washington, residing at
Marst Vernon, WA

My appointment expires:
2-13-2013

PROVINCE OF ONTARIO)
) ss.
Municipality of Metropolitan Toronto)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he or she signed this instrument, on oath stated that he or she is authorized to execute the instrument and acknowledged it as the _____ of **Sulex, Inc.** to be the free and, voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____

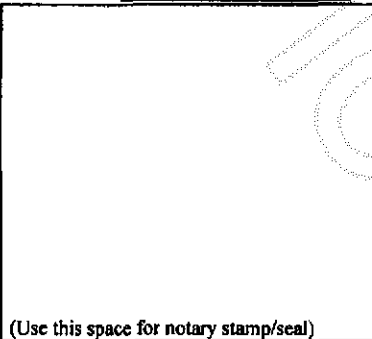


Print Name: _____
NOTARY PUBLIC for _____
My appointment or commission expires:

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that **Norman Dahlstedt** and **Patricia Dahlstedt** are the persons who appeared before me, and said person acknowledged that he or she signed this instrument, on oath stated that he or she is authorized to execute the instrument and acknowledged it as the Managing Members of **Dahlstedt Family Properties, LLC** to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____



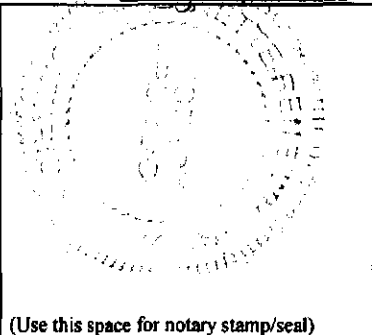
Print Name: _____
NOTARY PUBLIC for the State of Washington, residing at _____

My appointment expires: _____

PROVINCE OF ONTARIO)
) ss.
Municipality of Metropolitan Toronto)

I certify that I know or have satisfactory evidence that Keith McLeod is the person who appeared before me, and said person acknowledged that he or she signed this instrument, on oath stated that he or she is authorized to execute the instrument and acknowledged it as the SVP Operations of **Sulex, Inc.** to be the free and, voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: May 26, 2011



Lanette Rene Wilkinson
Print Name: Lanette Rene Wilkinson
NOTARY PUBLIC for the Province of Ontario, residing at Toronto

My appointment or commission expires: _____



Exhibit 1

Legal Description

The Premises being Lot 2 of the Binding Site Plat, are more particularly described as follows:

Lot 2 of Dahlstedt Family Properties Binding Site Plan PL07-0187 approved August 10, 2011 and recorded under Auditor's File Number 201108100067, records of Skagit County, Washington; being a portion of the NW 1A of the NW 1A of Section 9 Township 34 North Range 3 East, W.M.

Together with those easements and use rights described in Section 11 of this Lease and the appurtenant easements shown on Dahlstedt Family Properties Binding Site Plan PL07-0187.

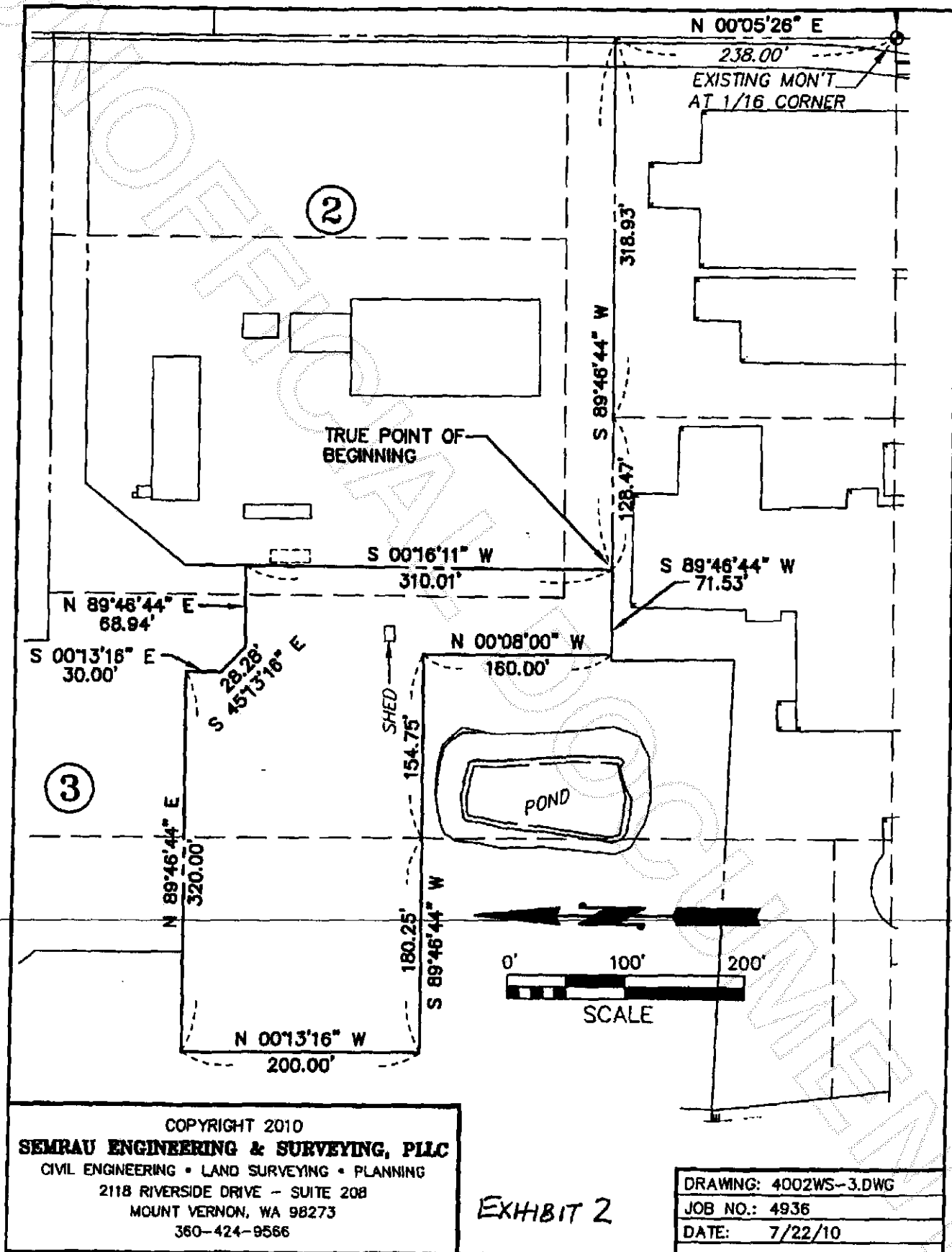


Exhibit 2

Settling Pond

(See attached)





COPYRIGHT 2010
SEMAU ENGINEERING & SURVEYING, PLLC
 CIVIL ENGINEERING • LAND SURVEYING • PLANNING
 2118 RIVERSIDE DRIVE - SUITE 208
 MOUNT VERNON, WA 98273
 360-424-9566

EXHIBIT 2

DRAWING: 4002WS-3.DWG
 JOB NO.: 4936
 DATE: 7/22/10



201108180031
 Skagit County Auditor

Exhibit 3

Driveway Access

(See attached)

121303.0001/5077582.1

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Skagit County Auditor

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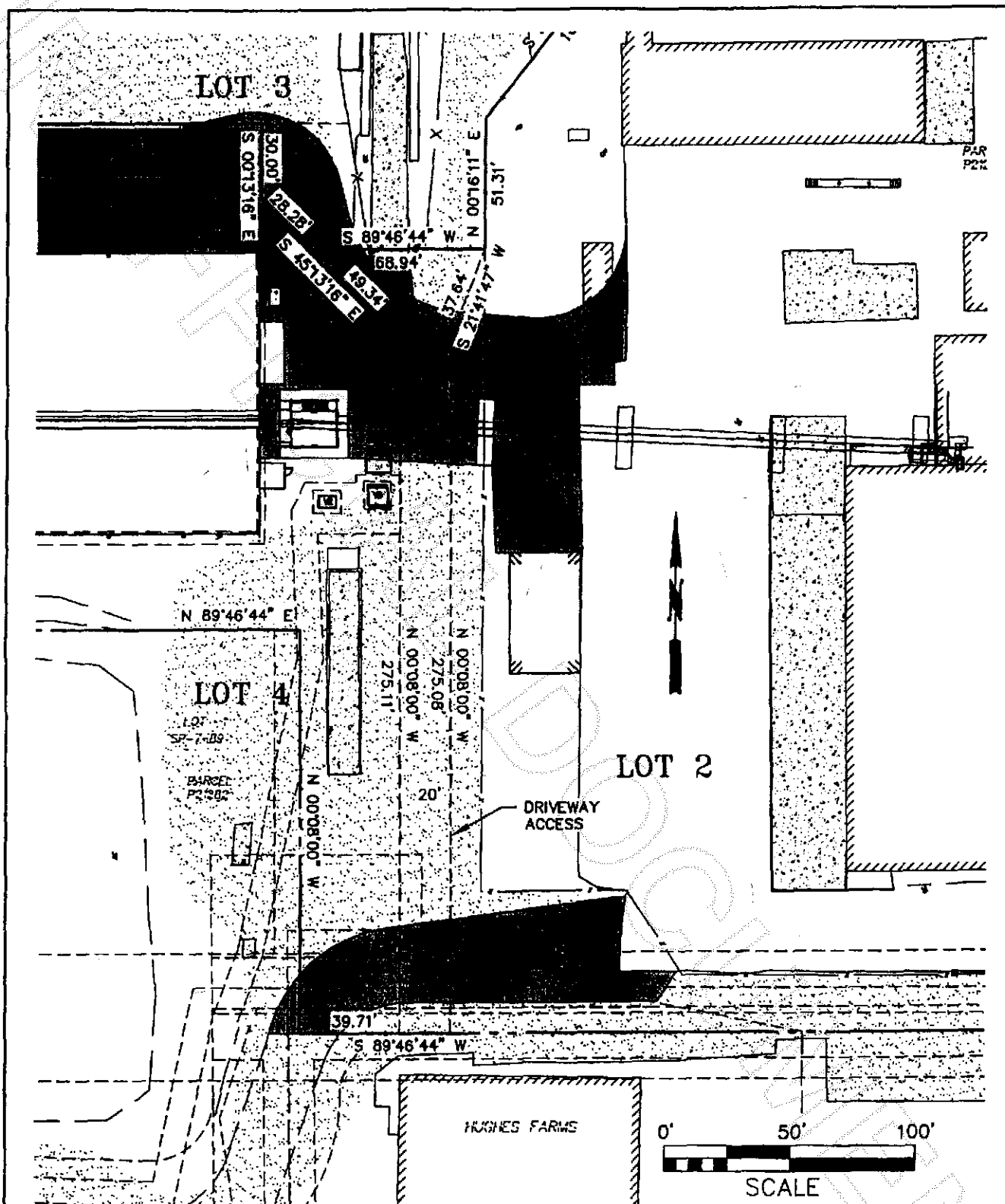


EXHIBIT 3

DATE: MAY 17, 2011	SEMRAU ENGINEERING & SURVEYING	4936MIDRD.DWG
MERIDIAN: ASSUMED	SURVEYING • ENGINEERING • PLANNING MOUNT VERNON, WA 98273 360-474-0566	JOB NO. 4936



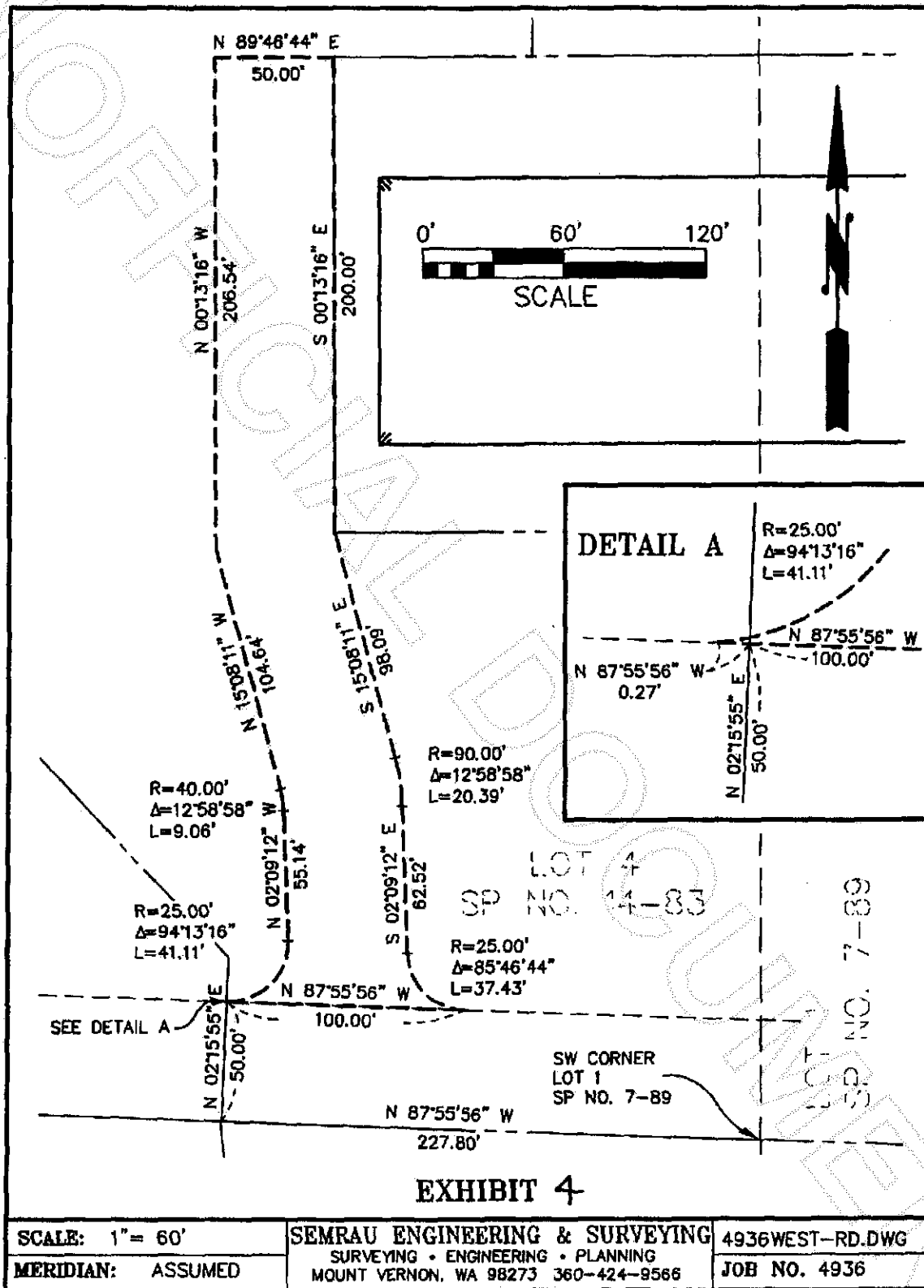
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Exhibit 4

West Road

(See attached)





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Skagit County Auditor

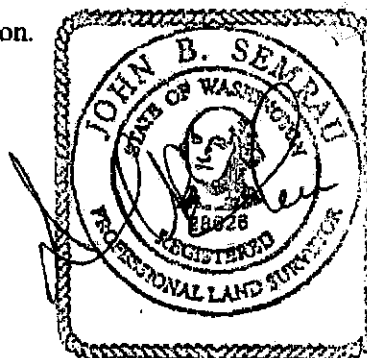
DAHLSTEDT FAMILY PROPERTIES BINDING SITE PLAN

ACCESS EASEMENT TO SULEX

A portion of Lot 4, Revised Short Plat No. 14-83, approved August 12, 1986 and recorded August 13, 1986 in Volume 7 of Short Plats, pages 108 and 109, under Auditor's File No. 8608130026, records of Skagit County, Washington, being in a portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 9, Township 34 North, Range 3 East, W.M., said portion being described as follows:

Beginning at the Southwest corner of Lot 1 Short Plat No. 7-89, approved March 1, 1989 and recorded March 2, 1989 in Volume 8 of Short Plats, pages 112 and 113, under Auditor's File No. 8903020017, records of said Skagit County, Washington;
thence North $87^{\circ}55'56''$ West a distance of 227.80 feet along the westerly extension of the South line of said Lot 1 (South line is called North $87^{\circ}55'35''$ West in said Short plat);
thence North $02^{\circ}15'55''$ East a distance of 50.00 feet to an intersection with a line that is 50 feet North of and parallel with the first described line, as measured at right angles, said intersection point being the TRUE POINT OF BEGINNING;
thence North $87^{\circ}55'56''$ West a distance of 0.27 feet along said parallel line to a cusp;
thence along the arc of a curve to the left, concave to the northwest, having a radius of 25.00 feet, through an central angle of $94^{\circ}13'16''$, an arc distance of 41.11 feet to a point of tangency;
thence North $02^{\circ}09'12''$ West a distance of 55.14 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 40.00 feet, through an central angle of $12^{\circ}58'58''$, an arc distance of 9.06 feet to a point of tangency;
thence North $15^{\circ}08'11''$ West a distance of 104.64 feet;
thence North $00^{\circ}13'16''$ West a distance of 206.54 feet;
thence North $89^{\circ}46'44''$ East a distance of 50.00 feet;
thence South $00^{\circ}13'16''$ East a distance of 200.00 feet;
thence South $15^{\circ}08'11''$ East a distance of 98.09 feet to a point of curvature;
thence along the arc of said curve to the right having a radius of 90.00 feet, through an central angle of $12^{\circ}58'58''$, an arc distance of 20.39 feet to a point of tangency;
thence South $02^{\circ}09'12''$ East a distance of 62.52 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 25.00 feet, through an central angle of $85^{\circ}46'44''$, an arc distance of 37.43 feet to a cusp on said parallel line;
thence North $87^{\circ}55'56''$ West a distance of 100.00 feet to the TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.



9-10-10

9/10/2010



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Skagit County Auditor