

After recording return to:

Adelstein, Sharpe & Serka LLP  
400 North Commercial Street  
Bellingham, WA 98225



201302270097  
Skagit County Auditor

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Document Title: Memorandum of Lease  
Grantors (Lessors): Gardner East, LLC, a Washington Limited Liability Company; National, LLC, a Washington Limited Liability Company; Visser, LLC, a Washington Limited Liability Company  
Grantee (Lessee): Sterling Hill Potatoes, Inc., a Washington Corporation  
Abbrev. Legal Descriptions: Ptn E 1/2 NE 1/4, 20-35-4 E W.M.  
S 1/2 NE 1/4 20-35-4 E W.M.  
Ptn Tract 2, Skagit County SP No. 27-81, 20-35-4 E W.M.  
  
W 1/2 SE 1/4, 20-35-4, E W.M.  
Ptn SW 1/4, 20-35-4, E W.M.  
Ptn E 1/2 SW 1/4, 20-35-4, E W.M.  
N 1/2 NE 1/4 29-35-4, E W.M.  
Ptn W 1/2 SE 1/4, 20-35-4, E W.M.  
SE 1/4 NE 1/4, 29-35-4, E W.M.  
  
Ptn E 1/2 NE 1/4 SW 1/4, 21-35-4 E W.M.  
Ptn W 1/2 NE 1/4 SW 1/4, 21-35-4 E W.M.  
  
Ptn S 1/2 N 1/2 SE 1/4 SW 1/4, 21-35-4 E W.M.  
Ptn E 1/2 N 1/2 N 1/2 SE 1/4, SW 1/4, 21-35-4 E W.M.  
Ptn S 1/2 SE 1/4 SW 1/4 21-24-4 E W.M.  
Ptn N 1/2 NE 1/4 NW 1/4 28-35-4 E W.M.  
(complete legal descriptions on pages 7 through 13)

Assessor's Parcel/Tax I.D. Numbers:

P36940 350420-0-001-0000 & P36941 350420-0-002-0009;  
P36958 350420-1-004-0104 & P119956 350420-1-004-0200  
P119963 350420-014-0200  
P36967 350420-3-001-0004 & P36969 350420-3-001-0202  
P36987 350420-4-004-0009 & P36989 350420-4-005-0008  
P38056 350429-1-001-0009 & P38057 350429-1-002-0008  
P36984 350420-3-001-0004 & P38059 350429-1-004-0006  
P37011 350421-3-003-0001 & P37014 350421-3-005-0009  
P37024 350421-3-009-0005 & P37025 350421-3-010-0002  
P37027 350421-3-012-0000 & P37974 350428-2-001-0008

Reference: Farm Lease (unrecorded)

## MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is entered into by and between Gardner East, LLC, a Washington Limited Liability Company; National, LLC, a Washington Limited Liability Company; and Visser, LLC, a Washington Limited Liability Company, ("Lessors") and Sterling Hill Potatoes, Inc., a Washington Corporation ("Lessee").

### 1. PREMISES.

Lessors lease to Lessee and Lessee leases from Lessors, upon the terms and conditions contained in that certain Farm Lease dated January 25, 2013 entered into between the parties ("Farm Lease"), which terms and conditions are incorporated by this reference, certain real property located in Skagit County, Washington, legally described on **Exhibits A-1, A-2, A-3 and A-4** attached hereto and incorporated herein by this reference ("Premises").

### 2. TERM.

The Lease is for a term of fifteen (15) years, commencing on the 1st day of April, 2013 and ending on the 31st day of March, 2028 unless extended or terminated earlier pursuant to the terms of the Lease.

### 3. PURPOSE OF MEMORANDUM OF LEASE.

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

### LESSORS:

Gardner East, LLC,  
a Washington Limited Liability Company

By: Carol J. Miller  
Carol J. Miller, Manager

Marvin Omdal  
Marvin Omdal, Manager

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

FEB 27 2013

Amount Paid \$  
Skagit Co. Treasurer  
By mlm Deputy

Date: 2/14/13

Date: 2/14/13



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National, LLC,  
a Washington Limited Liability Company

By: Carol J. Miller  
Carol J. Miller, Manager

Date: 2/14/13

Visser, LLC,  
a Washington Limited Liability Company

By: Carol J. Miller  
Carol J. Miller, Manager

Date: 2/14/13

Marvin Omdal  
Marvin Omdal, Manager

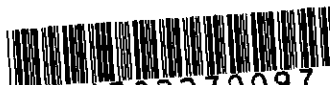
Date: 2/14/13

**LESSEE:**

Sterling Hill Potatoes, Inc.  
a Washington Corporation

By: Norm Nelson  
Norm Nelson, President

Date: FEB-25-2013



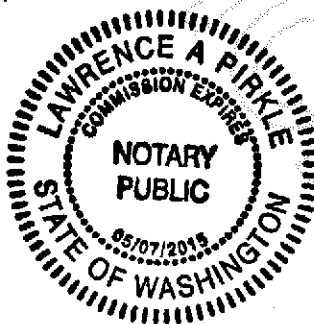
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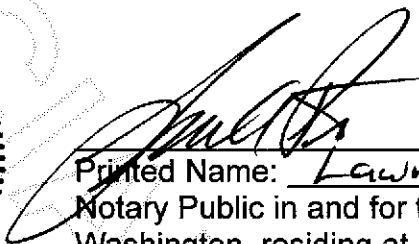
STATE OF WASHINGTON)

Skagit ) ss.  
COUNTY OF ~~WHATCOM~~ )

On this 14<sup>th</sup> day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carol J. Miller, to me known to be a Manager of Gardner East, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute said instrument on behalf of the company.

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



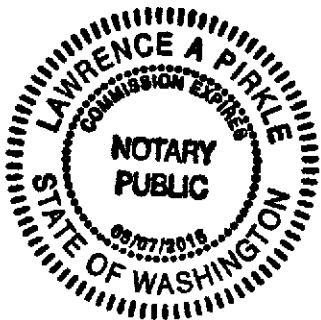
  
Printed Name: Lawrence A. Pirkle  
Notary Public in and for the state of  
Washington, residing at Mt. Vernon  
My commission expires: 05-07-2015

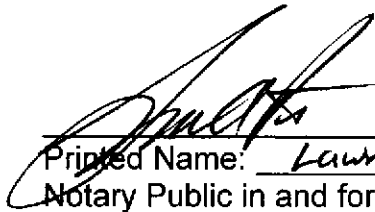
STATE OF WASHINGTON)

Skagit ) ss.  
COUNTY OF ~~WHATCOM~~ )

On this 14<sup>th</sup> day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marvin Omdal, to me known to be a Manager of Gardner East, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the company.

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



  
Printed Name: Lawrence A. Pirkle  
Notary Public in and for the state of  
Washington, residing at Mt. Vernon  
My commission expires: 05-07-2015



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Skagit County Auditor


STATE OF WASHINGTON)

Skagit ) ss.  
COUNTY OF ~~WHATCOM~~ )

On this 14<sup>th</sup> day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carol J. Miller to me known to be the Manager of National, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the company.

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



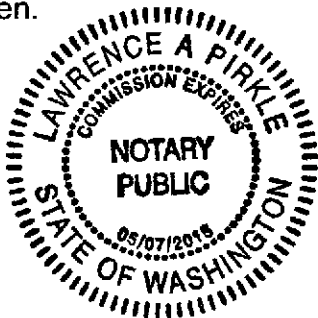
  
Printed Name: Lawrence A. Pirkle  
Notary Public in and for the state of  
Washington, residing at Mt. Vernon  
My commission expires: 05-07-2015

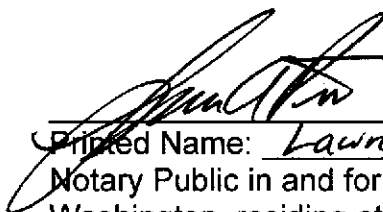
STATE OF WASHINGTON)

Skagit ) ss.  
COUNTY OF ~~WHATCOM~~ )

On this 14<sup>th</sup> day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carol J. Miller to me known to be a Manager of Visser, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the company.

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



  
Printed Name: Lawrence A. Pirkle  
Notary Public in and for the state of  
Washington, residing at Mt. Vernon  
My commission expires: 05-07-2015



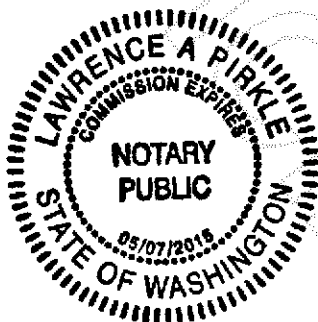
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STATE OF WASHINGTON)

Skagit) ss.  
COUNTY OF ~~WHATCOM~~)

On this 14<sup>th</sup> day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marvin Omdal to me known to be a Manager of Visser, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that she/he is authorized to execute said instrument on behalf of the company.

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



Lawrence A. Pirkle  
Printed Name: Lawrence A. Pirkle  
Notary Public in and for the state of  
Washington, residing at Mt. Vernon  
My commission expires: 05-07-2015

STATE OF WASHINGTON )

COUNTY OF WHATCOM )

On this 25 day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Norm Nelson to me known to be the President of Sterling Hill Potatoes, Inc., the 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 she/he is authorized to execute said instrument on behalf of the corporation.

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



Philip C. Sharpe Jr.  
Printed Name: Philip C. Sharpe Jr.  
Notary Public in and for the state of  
Washington, residing at Bellingham, WA 98204  
My commission expires: 12-1-16



**POOR ORIGINAL**

**EXHIBIT "A-1"**

**Parcel "A" (P36940)**

That portion of the East 1/2 of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said subdivision; thence West along the North line thereof, 882.75 feet; thence south 1,083 feet, more or less, to the Northwest corner of a tract conveyed to C.E. Megee by Deed recorded in Volume 186 of Deeds, page 365; thence East 417 feet to the Northeast corner of said tract; thence South 1,567 feet, more or less, to the South line of the Northeast 1/4; thence East to the East section line; thence North to the point of beginning, EXCEPT roads.

Situate in the County of Skagit, State of Washington.

**Parcel "B" (P36941)**

That portion of the East 1/2 of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., described as follows:

Beginning 20 feet North and 53 1/2 rods West of the Southeast corner of the Northeast 1/4; thence North 1,567 feet; thence East 417 feet; thence South 1,567 feet; thence West to the point of beginning.

Situate in the County of Skagit, State of Washington.

**Parcel "C" (P119963)**

The South 1/2 of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M.,  
EXCEPT the West 874.5 feet thereof,  
AND EXCEPT the East 882.75 feet thereof,  
ALSO EXCEPT the West 20 feet of the East 445.5 feet of the Southwest 1/4 of the Northeast 1/4 of said Section for private road,  
AND EXCEPT public road and drainage ditch rights of way,  
ALSO EXCEPT that portion thereof described as follows:

Beginning at a point on the South line of said subdivision, 882.75 feet West of the East 1/4 corner of said Section 20; thence North 170 feet; thence West 150 feet; thence South 170 feet; thence East 150 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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**Parcel "D" (P36958)**

Tract 2 of Skagit County Short Plat No. 27-81, Revised, approved April 30, 1981, and recorded May 15, 1981, in Volume 5 of Short Plats, page 69, under Auditor's File No. 8105150023,

EXCEPT County road along the North line thereof, said tract being a portion of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M.,

EXCEPT that portion described as follows:

Beginning at the Northwest corner of Tract 1 of said Short Plat; thence South 89°35'45" East along the North line of said Tract 1, a distance of 345.99 feet to the Northeast corner thereof; thence South 00°28'38" East along the East line of said Tract 1, a distance of 198.87 feet to the Northerly right of way margin of Cook Road; thence South 89°35'45" East along said margin 219.58 feet to a line parallel with and 20.00 feet Westerly of the East line of said Tract 2; thence North 00°28'38" West along said line a distance of 330.00 feet; thence North 89°35'45" West parallel with the North line of said Tract 1, a distance of 565.57 feet to a line parallel with and 20.00 feet Easterly of the Westerly line of said Tract 2; thence South 00°28'38" East along said line a distance of 131.13 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

**Parcel "E" (P119956)**

That portion of Skagit County Short Plat No. 27-81, Revised, approved April 30, 1981, and recorded May 15, 1981, in Volume 5 of Short Plats, page 69, under Auditor's File No. 8105150023, said short plat situated in a portion of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., Skagit County Washington, described as follows:

Beginning at the Northwest corner of Tract 1 of said Short Plat; thence South 89°35'45" East along the North line of said Tract 1, a distance of 345.99 feet to the Northeast corner thereof; thence South 00°28'38" East along the East line of said Tract 1, a distance of 198.87 feet to the Northerly right of way margin of Cook Road; thence South 89°35'45" East along said margin 219.58 feet to a line parallel with and 20.00 feet Westerly of the East line of said Tract 2; thence North 00°28'38" West along said line a distance of 330.00 feet; thence North 89°35'45" West parallel with the North line of said Tract 1, a distance of 565.57 feet to a line parallel with and 20.00 feet Easterly of the Westerly line of said Tract 2; thence South 00°28'38" East along said line a distance of 131.13 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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Skagit County Auditor



EXHIBIT "A-2"  
(Legal Description)

Parcel "A":

The West 1/2 of the Southeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., EXCEPT the East 855 feet thereof; AND ALSO EXCEPT the right-of-way for the County Road known as the Cook Road along the North line thereof, which right-of-way includes the property conveyed to Skagit County by Auditor's File No. 770212.

Parcel "B":

The East 283.32 feet of the Southwest 1/4 of Section 20, Township 35 North, Range 4 East, W.M.; EXCEPT the right-of-way for County Road known as the Cook Road along the North line thereof, which right-of-way includes the property conveyed to Skagit County by Auditor's File No. 770212.

Parcel "C":

That portion of the East 1/2 of the Southwest 1/4 of Section 20, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said subdivision; thence North 89 degrees 35'45" West along the North line of said subdivision, a distance of 283.35 feet; thence South 0 degrees 23'40" East, parallel with the East line of said subdivision, a distance of 25.00 feet to the South right-of-way line of the Cook Road and the true point of beginning; thence South 0 degrees 23'40" East, a distance of 2632.09 feet to the South line of the southwest 1/4 of Section 20; thence North 89 degrees 15'20" West along the South line of said Southwest 1/4, a distance of 1043.92 feet to the Southwest corner of said East 1/2 of the Southwest 1/4 of Section 20; thence North 0 degrees 23'35" West along the West line of said subdivision, a distance of 332.58 feet to the center of the Olympic Marsh drainage ditch; thence South 89 degrees 15'20" East along the centerline of said ditch 241.05 feet to the beginning of a curve to the left having a radius of 80 feet; thence along said curve through a central angle of 89 degrees 55'40", an arc distance of 125.56 feet; thence North 0 degrees 49' East along the centerline of said ditch, a distance of 913.78 feet to the South line of the Northeast 1/4 of the Southwest 1/4 of Section 20; thence North 89 degrees 25'32" West along the South line of said subdivision, a distance of 4.36 feet to a point on the West line of the "East 990 feet" of said Northeast 1/4 of the Southwest 1/4 of Section 20; thence North 0 degrees 23'40" East along the West line of said "East 990 feet", a distance of 1301.44 feet to the South right-of-way line of the Cook Road; thence South 89 degrees 34'45" East along said road, a distance of 706.73 feet to the true point of beginning.

EXCEPT the right-of-way for the County Road known as the Cook Road along the North line thereof, which right-of-way includes the property conveyed to Skagit County by Auditor's File No. 770212.

TOGETHER WITH those easement rights as granted to National Frozen Foods Corporation by instrument dated March 17, 1995, recorded March 21, 1995 under Skagit County Auditor's File No. 9503210013.

Parcel "D":

The North 1/2 of the Northeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M.

TOGETHER WITH a non-exclusive easement for ingress and egress, over and across the West 20 feet of the East 24.75 feet of the West 1/2 of the Southeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., EXCEPT the North 20 feet thereof conveyed to Skagit County for road purposes.

EXCEPT from the above described property, lying within Section 20, Township 35 North, Range 4 East, W.M., any portion conveyed to County of Skagit, State of Washington by right-of-way deed(s) recorded under Skagit County Auditor's File Nos. 199911190072, 199911190073, 199911190074, 199912210013, 199912210014 and 199912210015.



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Parcel "E" (P36984):

The East 855 feet of the West 1/2 of the Southeast 1/4 of Section 20, Township 35 North, Range 4 East, W.M., EXCEPT the three following described tracts:

1. The East 24.75 feet thereof;
  2. The North 20 feet thereof as conveyed to Skagit County for road purposes by deed dated November 16, 1893 and recorded April 25, 1894, under Auditor's File No. 19199;
  3. Beginning at the Northeast corner of the Northwest 1/4 of the Southeast 1/4 of said Section 20, said point being 1,319.42 feet from the East 1/4 corner of said Section 20;  
thence North 89 degrees 35'45" West, along the North line of said subdivision, 492.14 feet;  
thence South 1 degrees 24'45" East, along an existing fence line, 396.15 feet;  
thence South 89 degrees 35'45" East parallel with said North line of said subdivision, 488.12 feet to the East line of said Northwest 1/4 of the Southeast 1/4 of Section 20;  
thence North 0 degrees 32'30" West, along said East line, 396.00 feet to the true point of beginning.
  4. The North 31 feet of the remainder as conveyed to Skagit County by Deed recorded November 19, 1999, as Auditor's File No. 199911190065.
- Situate in the County of Skagit, State of Washington.

Parcel "F" (P38059):

The Southeast 1/4 of the Northeast 1/4 of Section 29, Township 35 North, Range 4 East, W.M.,

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.



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EXHIBIT "A-3"

P37011

The East 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 21, Township 35 North, Range 4 East, W.M.

EXCEPT the North 20 feet thereof conveyed to Skagit County for road purposes by deed recorded April 25, 1894 in Volume 28 of Deeds, page 549, records of Skagit County, Washington;

ALSO, EXCEPT the South 5 feet of the North 25 feet thereof conveyed to Skagit County for road purposes by deed recorded June 27, 1972 under Auditor's File Nos 770209 and 770210,

ALSO, EXCEPT the following described tract:

Beginning at the Northwest corner of the East 1/2 of the Northeast 1/4 of the Southwest corner of said Section 21;  
thence North 89°29' East along the North line of said subdivision 225 feet;  
thence South 0°22'50" East, parallel with the West line of said subdivision, a distance of 185 feet;  
thence South 89°29' West, parallel with the North line of said subdivision, a distance of 225 feet to the West line of said subdivision;  
thence North 0°22'20" West a distance of 185 feet to the point of beginning.

ALSO, EXCEPT the North 25 feet thereof conveyed to Skagit County by Deed recorded September 21, 1999 Under Auditor's File No 199909210030, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington

P37014

The West 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 21, Township 35 North, Range 4 East, W.M.

EXCEPT the right-of-way for the as-built and existing county road known as Gardner Road along the West line thereof,

ALSO, EXCEPT the North 20 feet thereof conveyed to Skagit County for road purposes by deed recorded April 25, 1894 in Volume 28 of Deeds, page 549, records of Skagit County, Washington.

ALSO, EXCEPT the South 5 feet of the North 25 feet thereof conveyed to Skagit County for road purposes by deed recorded June 27, 1972 under Auditor's File Nos 770209 and 770210.

ALSO, EXCEPT the North 250 feet of the West 205 feet of said Northeast 1/4 of the Southwest



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Legal Description Continued

ALSO, EXCEPT the East 35 feet of the North 185 feet of the West ½ of the said Northeast ¼ of the Southwest ¼.

ALSO, EXCEPT that portion conveyed to Skagit County by Deed recorded September 21, 1999 under Auditor's File No. 19990210029, records of Skagit County, and described as follows

Beginning at the Northeast corner of the above described property said corner situated on the South Right of Way margin of Cook Road;

thence Southerly along the East line of said property a distance of 22.69 feet,

thence Westerly to a point on the West line of said property lying 28.03 feet Southerly of the Northwest corner of said property,

thence Northerly along said West line to said Northwest corner and said South margin,

thence Easterly along said South margin to the point of beginning

Situate in the County of Skagit, State of Washington



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EXHIBIT "A-4"

P37024 and P37025

The South 1/2 of the North 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 21,  
Township 35 North, Range 4 East, W.M.,  
EXCEPT a strip 15 feet in width off the North side thereof, extending from the West side  
thereof to the centerline of said described tract; and  
EXCEPT roads.

ALSO, the South 30 feet of the East 1/2 of the North 1/2 of the North 1/2 of the Southeast 1/4  
of the Southwest 1/4 of Section 21, Township 35 North, Range 4 East, W.M.,  
EXCEPT roads.

Situate in the County of Skagit, State of Washington.

P37027

The South 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 21, Township 35 North,  
Range 4 East, W.M.,  
EXCEPT road along the West line thereof.

Situate in the County of Skagit, State of Washington.

P37974

The North 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 28, Township 35 North,  
Range 4 East W.M.,  
EXCEPT road along the West line thereof;  
AND EXCEPT that portion, if any, lying within the South 40 rods of said Northeast 1/4 of the  
Northwest 1/4;  
AND EXCEPT mineral rights as reserved in Deed recorded June 24, 1901, in Volume 39 of  
Deeds, Page 584.

Situate in the County of Skagit, State of Washington.



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