

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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201806290174

06/29/2018 03:43 PM Pages: 1 of 5 Fees: \$103.00
Skagit County Auditor

The information contained in this boxed section is for recording purposes only pursuant to RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Document Title: Memorandum of Lease

Landlord: BRAD & LINDA PROPERTIES, LLC, a Washington limited liability company

Tenant: MODERN CLEANERS OF SKAGIT VALLEY, LLC, a Washington limited liability company

Abbreviated Legal Description: Ptn SW ¼ SW ¼ S17 T34N R4E

Parcel/Tax Id. Number: P25557/340417-0-026-0007

Reference Number(s) of Documents Affected: N/A

Full Legal Description set forth in Exhibit A of Document.

MEMORANDUM OF LEASE WITH RIGHT OF FIRST REFUSAL TO PURCHASE

THIS MEMORANDUM OF LEASE WITH RIGHT OF FIRST REFUSAL TO PURCHASE (the "Memorandum") is entered into June 29, 2018 by **BRAD & LINDA PROPERTIES, LLC**, a Washington limited liability company ("Landlord"), whose address is 2319 S. 18th Street, Mount Vernon, Washington, 98273 and **MODERN CLEANERS OF SKAGIT VALLEY, LLC**, a Washington limited liability company ("Tenant"), whose address is 20452 English Road, Mount Vernon, Washington 98274.

RECITALS

A. The parties have entered into a Lease ("Lease") in which Tenant has leased the building located on real property, the legal description of which is set forth in **Exhibit A**, which by this reference is incorporated herein ("Property"), from Landlord.

B. The purpose of this Memorandum is to put third parties on notice of certain terms of the Lease, including, but not limited to, the term of the Lease, the option to extend, and the Tenant's right of first refusal to purchase the Property.

AGREEMENT

1. Defined Terms. All capitalized terms used herein that are not defined shall have the same meaning as used in the Lease.

2. Term of Lease. The initial term of the Lease is for a period of five (5) years ("Initial Term"), beginning on June 29, 2018, and terminating on June 30, 2023, subject to an option to extend.

3. Option to Extend. Provided Tenant is not in default under the Lease at the time of exercise of its Option to Extend or under the terms or conditions of any of its loan documents with respect to its purchase and financing of the assets as described in the Asset Purchase and Sale Agreement by and between J & J Cleaners, Inc. and Tenant dated June 15, 2018 ("Purchase Agreement"), Tenant shall have an option to extend the term of this Lease beyond the Initial Term for one (1) additional five-year term ("Extended Term"), subject to the terms and conditions of the Lease.

4. Right of First Refusal to Purchase. Landlord has granted to Tenant a one-time right of first refusal to purchase the Building during the Initial Term, if Landlord chooses to sell the Building during the Initial Term and Landlord has a prospective purchaser for the Building, further provided: a) Tenant is not, and has not been, in default of the terms and conditions of the Lease; b) Tenant has the financial ability to exercise its right of first refusal; and c) Tenant exercises its right of first refusal within fifteen (15) days of Landlord's written notice. The right of first refusal is strictly personal to Tenant, is not assignable, and is a one-time right that, if not exercised within the fifteen-day period shall lapse. If not timely and properly exercised, the right of first refusal shall terminate with no action required by the parties, on the earlier of: a) June 30, 2023; or b) upon Tenant defaulting on its obligations under the Lease or not exercising its rights within the Initial Term if and when give the opportunity to do so.

5. Successors and Assigns. This Memorandum and the Lease bind and inure to the benefit of the parties and their respective heirs, successors, and assigns.

6. No Alteration of Lease. This Memorandum is subject to the terms, covenants, conditions, and provisions of the Lease, and is not intended to, and shall not be construed to, alter, modify, limit, or abridge any of the terms, covenants, conditions, or provisions of the Lease. In the event of any conflict or inconsistency between this Memorandum and the Lease, the Lease shall control.

7. Governing Law. This Memorandum and the Lease shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action with respect to the interpretation or enforcement of the Lease, or this Memorandum, shall be in Skagit County.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum to be executed by their duly authorized representatives as of the date first set forth above.

[Signatures on following page]

LANDLORD:

BRAD & LINDA PROPERTIES, LLC, a
Washington limited liability company

By: *Bradford L. Pickett*
Bradford L. Pickett, its Co-Manager

TENANT:

MODERN CLEANERS OF SKAGIT
VALLEY, LLC, a Washington
limited liability company

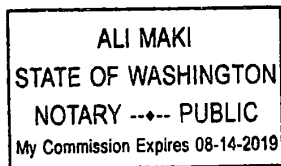
By: *Jessica Caughlin*
Jessica Caughlin, its Manager

By: *James Caughlin*
James Caughlin, its Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

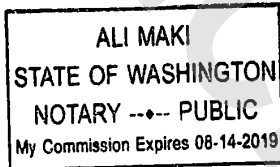
On this 28th day of June 2018, I certify that I know or have satisfactory evidence that Bradford L. Pickett is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Co-Manager of BRAD & LINDA PROPERTIES, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Ali Maki
Printed Name: Ali Maki
Notary Public in and for the State of Washington
residing at Mukilteo
My commission expires: 08/14/2019

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

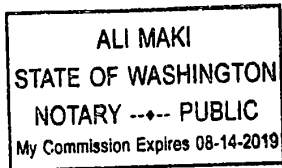


Printed Name: Ali Maki
Notary Public in and for the State of Washington
residing at Mukilteo
My commission expires: 08/14/2019

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 28th day of June 2018, I certify that I know or have satisfactory evidence that James Caughlin 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 MODERN CLEANERS OF SKAGIT VALLEY, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Printed Name: Ali Maki
Notary Public in and for the State of Washington
residing at Mukilteo
My commission expires: 08/14/2019

EXHIBIT A

PARCEL A:

That portion of the Southwest Quarter of the Southwest Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the North line of the County road, which extends along the South line of said Section, 410.3 feet East of the West line of said Section;

Thence North 120 feet;

Thence East 60 feet;

Thence South 120 feet to the North line of the County road;

Thence West along the County road 60 feet to the point of beginning.

Situate in Skagit County, Washington.

PARCEL B:

The West 5 feet of the South 15 feet of the following described real property:

That portion of the Southwest Quarter of the Southwest Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the north line of the County road, which extends along the South line of said Section 17, 470.3 feet East of the West line of said Section 17;

Thence North 10 feet;

Thence East 60 feet;

Thence South 120 feet to the North line of the County road;

Thence West along the County road 60 feet to the point of beginning.

Situated in Skagit County, Washington.

SUBJECT TO: All easements, exceptions, restrictions, and reservations of record.