

RETURN DOCUMENT TO:

Terpstra Law, PLLC
709 Grover Street
Lynden, WA 98264

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY Kaylee Oudman
DATE 08/18/2025

DOCUMENT TITLE: MEMORANDUM OF LEASE (RIGHT OF FIRST REFUSAL)

GRANTOR: MLC PROPERTIES, LP

GRANTEE: S & B FARMS, INC.

ABBREVIATED LEGAL: Lot 3, Short Plat No. PL-07-0462, AF #200801080003

Full legal description on Exhibit A.

ASSESSOR PARCEL NO: 330324-2-006-0300 (P127350)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the “Memorandum”) is made as of the 14th day of August, 2025, by and between MLC PROPERTIES, LP, a Washington limited partnership (referred to herein as “MLC”) and S & B FARMS, INC., a Washington corporation (hereinafter referred to as “S & B”).

This Memorandum of Lease includes a right of first refusal to purchase the Property, as that term is defined below.

AGREEMENT

1. Memorandum. MLC and S & B have entered into that certain Lease Agreement dated as of January 1, 2025 (the “Lease”) pursuant to which MLC is leasing to S & B certain real property legally described on Exhibit A attached hereto (the “Property”). The parties hereto are entering into this Memorandum for the purpose of incorporating the terms and conditions of the Lease and for the purpose of recording an agreement to give notice of the terms of this Memorandum and the Lease.

2. Term. The term of the Lease is effective for a period of six (6) years commencing on January 1, 2025 and expiring December 31, 2030, unless extended by mutual agreement of MLC and S & B.

3. Notice. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be given by: (a) hand delivery; (b) first-class

mail postage prepaid and registered or certified mail, or (c) overnight receipted courier service, which notice is addressed to the party at the address set forth below, or such other address as may hereafter be designated in writing by the party. Notices given in accordance with this Section shall be effective upon receipt or when receipt is refused.

If to S & B: S & B Farms, Inc.

Physical Address:

18154 West Stackpole Road

Mount Vernon, WA 98273

Mailing Address:

P.O. Box 741

Conway, WA 98230

If to MLC: MLC Properties, LP

19208 Morrison Road

Mount Vernon, WA 98274

4. Additional Terms of Lease. Additional and supplementary terms, conditions, covenants and agreements pertaining to the Property are set forth in the Lease.

5. Right of First Refusal. The Lease includes a Right of First Refusal in favor of S & B to purchase all or a portion of the Property during the term of the Lease in accordance with that separate Right of First Refusal Agreement between the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date first written above.

MLC:

MLC PROPERTIES, LP, a Washington
limited partnership

By: Dan M. Manis

Its: General Partner

S & B:

S & B FARMS, INC., a Washington
corporation

By: Bradley S. Smith
Bradley S. Smith, its President

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that BRADLEY S. SMITH 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 the President of S & B FARMS to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 14, 2025.

(SEAL/STAMP)



A handwritten signature in black ink, appearing to read "Maddy Hilkey", written over a horizontal line.

NOTARY PUBLIC

My appointment expires: July 26, 2027

STATE OF WASHINGTON)

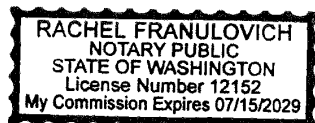
) ss.

COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Barren Morrison 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 the General partner of MLC PROPERTIES, LP to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 15, 2025.

(SEAL/STAMP)



A handwritten signature in black ink, appearing to read "Rachel", written over a horizontal line.

NOTARY PUBLIC

My appointment expires: 7-15-2029

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lot 3, Short Plat No. PL-07-0462, approved January 7, 2008, recorded January 8, 2008 under Auditor's File No. 200801080003, records of Skagit County, Washington; being a portion of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 24, Township 33 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.