

UNOFFICIAL

copy

SKAGIT COUNTY WASHINGTON
KATHY HULL

EXHIBIT "B"

FIRST AMERICAN TITLE CO.
48104-3

MEMORANDUM OF LEASE
9605210083

'96 MAY 21 P3:46
RECORDED FILED
REQUEST OF

THIS MEMORANDUM OF LEASE is entered into this 15th day of May, 1996, by and between JOHN WALTON and VIOLET E. WALTON, a Washington corporation ("Landlord") and SKAGIT PARTNERS III, INC., a Washington corporation ("Tenant").

1. Premises: Landlord and Tenant heretofore entered into a Lease, dated the 3rd day of May, 1996 (the "Lease") covering certain leased premises described in the Lease, comprising a portion of that certain real property located in Skagit County, Washington and legally described in the Lease and in attached Exhibit "A". ("Leased Premises").

2. Term: The primary term of the Lease is for a period of twenty (20) years commencing on the Lease Commencement Date, as defined in the Lease, and terminating on the last day of the calendar month during which the twentieth (20th) anniversary of said date occurs.

3. Purchase Options: The Lease includes reciprocal options to purchase that are incorporated herein.

4. Extension Options: Tenant may, in accordance with the terms of the Lease, extend the term of the Lease for two (2) additional ten (10) year terms.

5. Notices: Notice may be given to Landlord and Tenant at the following addresses:

If to Landlord:

John Walton
1728 Anderson Road
Mount Vernon, WA 98273

If to Tenant:

Skagit Partners III, Inc.
1729 GEORGE PO
P.O. Box 1165
Mt Vernon WA 98273

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

MAY 21 1996

Amount Paid \$
Skagit County Treasurer
By: Deputy

9605210083

BK 155 | PG 0074

The address of either party for notice purposes may be changed as provided in the Lease.

6. **Lease Incorporated:** All the terms, conditions and covenants of the Lease, are incorporated herein by this reference.

DATED this 15th day of May, 1996.

LANDLORD:

JOHN WALTON and
VIOLET E. WALTON

John Walton

John Walton

Violet E. Walton

Violet E. Walton

TENANT:

SKAGIT PARTNERS III, INC.
a Washington corporation

Russ Wilson

Russ Wilson

Its President

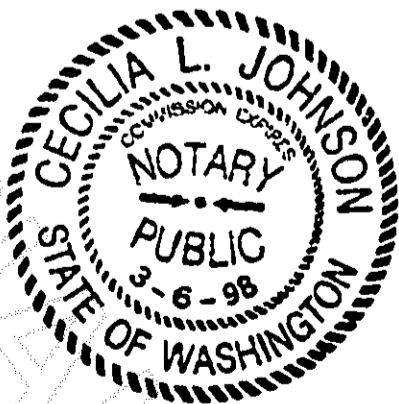
STATE OF WASHINGTON)

) ss

COUNTY OF SKAGIT)

On this 15th day of May, 1996, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared John Walton the Landlord and executed the foregoing instrument.

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



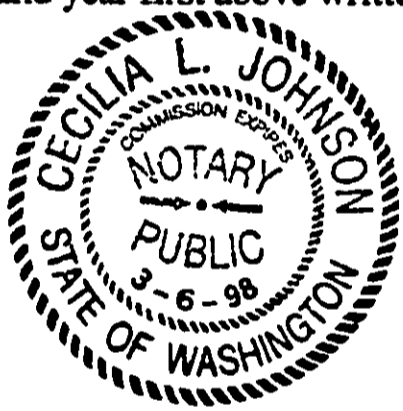
Cecilia L. Johnson
Notary Public in and for the State
of Washington

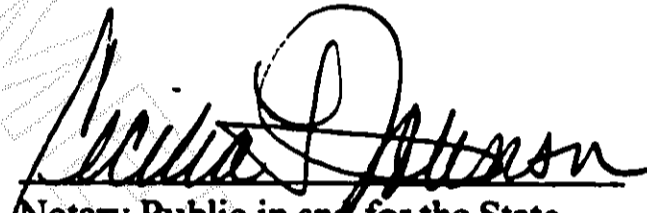
Printed Name: CECILIA L JOHNSON
My appointment expires: 03.06.98

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 15th day of May, 1996, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Violet E. Walton the Landlord and executed the foregoing instrument.

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




Notary Public in and for the State

of Washington

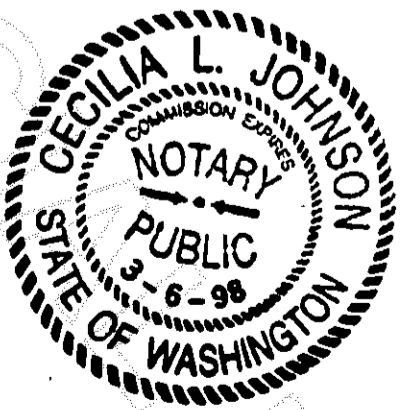
Printed Name: CECILIA L JOHNSON

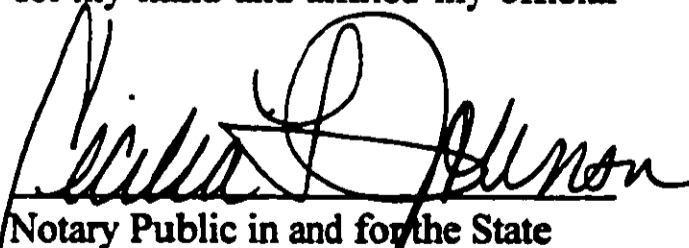
My appointment expires: 03.06.98

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 15th day of May, 1996, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Russ Wilson, pro Skagit partner in charge Skagit Partners III Inc. to the known to be the Tenant of Skagit Partners III 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 he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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




Notary Public in and for the State

of Washington

Printed Name: CECILIA JOHNSON

My appointment expires: 03.06.98

9605210083

BK 155 | PG 0076



Order No. : 48104N

AMENDED
SCHEDULE "C"

The land referred to herein is situated in the County of Skagit, State of Washington, and is described as follows:

Lot 1, of Short Plat No. 96-001, approved May 10, 1996, recorded May 17, 1996, in Volume 12 of Short Plats, Pages 100 and 101, as Auditor's File No. 9605170034, records of Skagit County, Washington, and being a portion of the Northeast 1/4 of the Northwest 1/4, Section 32, Township 34 North, Range 4 East, W.M.

9605210083

BK 155 | PG 0077