

FILED FOR RECORD AT THE  
REQUEST OF/RETURN TO:  
Earl F. Angevine  
1003 Cleveland Avenue, Suite B  
Mount Vernon, WA 98273



200107250121  
Skagit County Auditor  
7/25/2001 Page 1 of 4 3:20:18PM

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Grantor (s) SKAGIT STATE BANK, a Washington commercial bank

Grantee (s) PALMERS RESTAURANTS, INC.

Additional Grantor (s) on page(s)

Additional Grantee(s) on page(s)

Abbreviated Legal: Track 7, corrected supplemental to plate 18, tide and shoreland and track 2, map of LaConner.

Additional Legal: See attached Exhibit "A"

Assessor's Tax Parcel No's: P74458, P74457, P74105, P2522

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MEMORANDUM OF LEASE AGREEMENT WITH OPTION TO PURCHASE  
AND RIGHT OF FIRST REFUSAL

This is a Memorandum of Lease Agreement with Option to Purchase executed this 20<sup>th</sup> day of July, 2001, between SKAGIT STATE BANK, a Washington commercial bank ("Landlord/Optioner") and PALMERS RESTAURANTS INC. ("Tenant/Optionee").

1. Purpose: The parties execute this Memorandum of Lease Agreement with Option to Purchase and Right of First Refusal for recording purposes only.
2. Incorporation by Reference: The parties incorporate herein by reference that certain Lease Agreement with Option to Purchase of even date herewith.
3. Term of Lease: The term of said lease is from July 1, 2001, through June 30, 2006. There are options to extend or renew said lease.
4. Description: See Exhibit "A" attached hereto and incorporated herein by reference.
5. Option to Purchase: Said lease includes an option to purchase exercisable by Tenant/Purchaser on or before June 30, 2003.

6. Right of First Refusal: Said lease includes a right of first refusal exercisable at any time during the term of the lease or after the end of the lease term if tenant is still occupying the premises.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease Agreement with Option to Purchase the day and year first above mentioned.

**LANDLORD:**

SKAGIT STATE BANK  
a Washington commercial bank

By: 

JAMES E. BISHOP, ~~RE~~

**TENANT:**

PALMERS RESTAURANTS, INC.

By: 

THOMAS PALMER

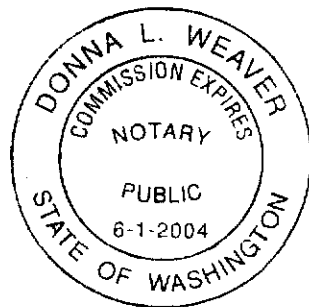
By: 


DANIELLE PALMER

STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that JAMES E. BISHOP, ~~RE~~, is the person who appeared before me, and he acknowledged that he signed this instrument, on oath, stated that he was authorized to execute the instrument and he acknowledged it as CO-CEO of SKAGIT STATE BANK, a Washington commercial bank, to be the free and voluntary act of such party the uses and purposes mentioned in the instrument.

DATED: July 20, 2001



  
SIGNATURE OF NOTARY PUBLIC  
(Print Name) Donna L. Weaver  
In and for the State of Washington,  
Residing at Oberlin, WA  
My appointment Expires: June 1, 2004



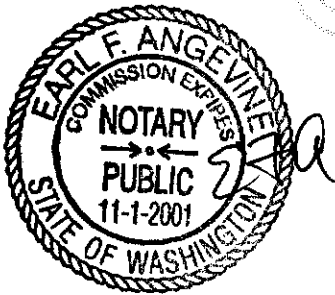
200107250121

, Skagit County Auditor

STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that THOMAS AND DANIELLE PALMER are the persons who appeared before me, and they acknowledged that they signed this instrument, on oath, stated that they were authorized to execute the instrument and acknowledged it as PRESIDENT AND TREASURER of PALMERS RESTAURANTS, INC., to be the free and voluntary act of such party the uses and purposes mentioned in the instrument.

DATED: 7-24-01  
SIGNATURE OF NOTARY PUBLIC



Earl F. Angevine  
EARL F. ANGEVINE  
Notary Public in and for the  
State of Washington, residing  
at Mount Vernon  
My appointment expires 11/01/01

SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

JUL 25 2001

Amount Paid \$  
Skagit County Treasurer  
By: Sp Deputy



200107250121

, Skagit County Auditor

COPY

LEGAL DESCRIPTION

REAL PROPERTY

PARCEL "A":

Tract 7 of "CORRECTED SUPPLEMENT TO PLATE 18, TIDE AND SHORE LANDS OF SECTION 36, TOWNSHIP 34 NORTH, RANGE 2 EAST, W.M., LACONNER HARBOR", according to the official map thereof in the office of the State Land Commissioner at Olympia, Washington, EXCEPT the Southerly 114 feet as conveyed to Glen A. Cornwall by Deed dated January 22, 1942 and recorded July 23, 1942 in Volume 186 of Deeds, page 577.

ALSO, Tract 2 of "MAP OF LACONNER, WHATCOM COUNTY, WASHN. TERRY., 1872", as per plat recorded in Volume 2 of Plats, page 49, records of Skagit County, Washington, EXCEPT that portion conveyed to the Town of LaConner by Deed dated July 20, 1915 and recorded December 2, 1942, under Auditor's File No. 358036, in Volume 187 of Deeds, page 536.

Situate in the County of Skagit, State of Washington.

PARCEL B:

The Southerly 114 feet of Tract y of "CORRECTED SUPPLEMENT TO PLAT 18, LACONNER TIDE LAND", as per map thereof filed in the office of the Commissioner of Public Lands at Olympia, Washington, EXCEPT that portion conveyed to the Town of LaConner, by Deed dated July 20, 1915, filed December 2, 1942, under Auditor's File No. 358036 and recorded in Volume 187 of Deeds, page 536.

Situate in the County of Skagit, State of Washington.

EXHIBIT "A"



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