

Recorded at the Request of
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200403030073

Skagit County Auditor

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GRANTOR: Fourteenth Street Corporation, a Washington corporation
GRANTEE: Macjennen LLC, a Washington Limited Liability Company
LEGAL DESCRIPTION: Ptn Anacortes Block 42, Aband Right-of-Way thru Block
Anacortes Lots 10, Block 42 – 6 to 10
TAX PARCEL I.D. #: P55123 and P55120
REFERENCE #'S: N/A

MEMORANDUM OF SUBLEASE

This MEMORANDUM OF SUBLEASE (this "Memorandum") is made as of FEBRUARY 26TH, 2004, by and between **Fourteenth Street Corporation**, a Washington corporation ("Sublandlord") and **MACJENNEN, LLC**, a Washington Limited Liability Corporation ("Subtenant"), as a memorandum of an unrecorded Sublease (the "Sublease") dated concurrently herewith, between Sublandlord and Subtenant concerning a portion of the real property described on Attachment A which portion is shown cross-hatched on the plot plan attached as Attachment B, together with the improvements located thereon (collectively, the "Premises").

1. Sublease. Sublandlord Subleases to Subtenant and Subtenant Subleases from Sublandlord all of Sublandlord's right, title and interest in the Premises upon the terms, covenants and conditions set forth in the Sublease, which provisions are incorporated in this Memorandum by reference.

2. Term. The initial Sublease Term commenced on the 14TH day of OCTOBER, 2002, and shall continue until the 13TH day of OCTOBER, 2012.

3. Options to Extend. Subtenant has two (2) five (5)-year options, and one two year option to extend the Sublease Term. Said options shall be exercised in the manner provided in and in accordance with and subject to the provisions of the Sublease.

4. Size of Premises. The actual rentable area of the Premises for purposes of the calculation of the Subtenant's Proportionate Share is agreed to be 10,500 square feet.

5. Interpretation. This Memorandum is not a complete summary of the Sublease. Provisions in this Memorandum shall not be used in interpreting the Sublease provisions. In the event of conflict between the Memorandum and the unrecorded Sublease, the unrecorded Sublease shall control.

6. Exclusive Use. The Sublease provides that Subtenant shall have the exclusive right to operate an espresso business on the land of which the Premises is a part.

SUBTENANT:

MACJENNEN, LLC,
a Washington corporation

By: Eddie R. Mack
Eddie R. Mack
Its: President

Memorandum of Sublease
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 03 2004

SUBLANDLORD:

Fourteenth Street Corporation
a Washington corporation

By: Daniel Currid
Its: PRESIDENT

Amount Paid \$0
Skagit Co. Treasurer
By MEM Deputy



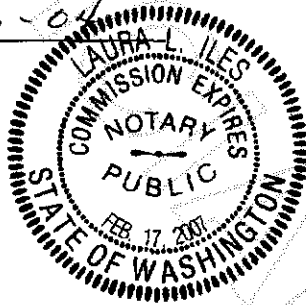
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STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that DANIEL AVERILL is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the PRESIDENT of Fourteenth Street Corporation, a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 2-26-04



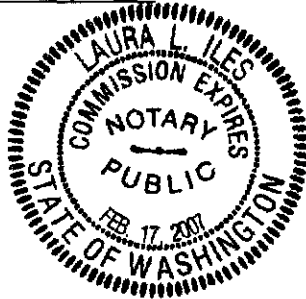
Laura L. Iles

NOTARY PUBLIC, in and for the State of
Washington, residing at: Anacortes
Printed Name: LAURA L. ILES
My Commission expires: 2-17-07

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Eddie R. Mack 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 Fourteenth Street Corporation, a Washington Limited Liability Company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 2-26-04



Laura L. Iles

NOTARY PUBLIC, in and for the State of
Washington, residing at: Anacortes
Printed Name: LAURA L. ILES
My Commission expires: 2-17-07

undamental Principles of Sublease 2-4-05



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Exhibit A

Parcel 11

Lot 6 to 10 inclusive, Block 42, "City of Anacortes." According to the plat recorded in volume 2 of Plats, page 4, Records of Skagit County, Washington.

Parcel 12

Lot 11, Block 42, "City of Anacortes." According to the plat recorded in Volume 2 of Plants, page 4, records of Skagit County, Washington, TOGETHER WITH that portion of vacated alley adjoining on the north.

Parcel 13

That portion of abandoned right of way of the Great Northern Railway Company in Government Lot 1, Section 19, Township 35 North, Range 2 East, W.M., bounded as follows: on the north by the north lines of Block 42, "City of Anacortes," according to the plat recorded in Volume 2 of the Plats, page 4, Records of Skagit County, Washington extended westerly; on the east by the northeasterly line of said abandoned right of way; on the south line of said Block 42; on the west by the southwesterly line of said abandoned right of way and the east line of "O" Avenue, EXCEPT that portion lying between the extended north and south lines of the alley through said Block 42.



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EXHIBIT A 2

5	4	3	2	1
ALLEY				
A	B	8	7	6
9	10	D	E	F
12	13	14	15	16

ALLEY				
A	B	8	7	6
9	10	D	E	F
12	13	14	15	16



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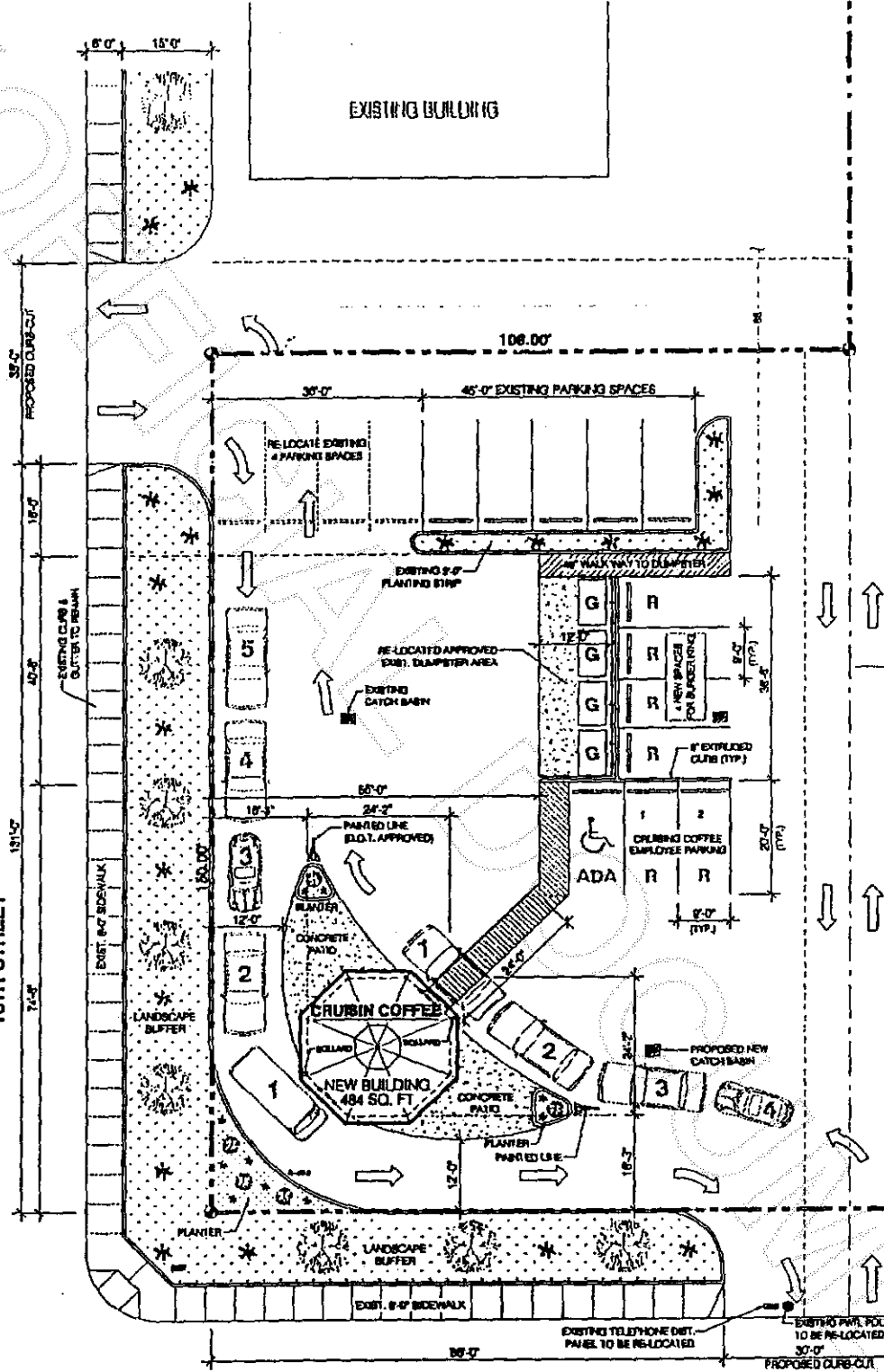
ANACORTES FIRE STATION

15TH STREET

EXISTING BUILDING

BURGER KING

EXPRESS LUBE
SERVICE STATION



10th AVENUE



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ANACORTES

EXHIBIT "B"