

RETURN ADDRESS

Subway Real Estate Corp.
Lease Recording
325 Bic Drive
Milford, CT 06460
800-888-4848



200404060007
Skagit County Auditor

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DOCUMENT TITLE: Memorandum of Lease

GRANTOR(S): SHDP Associates, LLC, 1359 N. 205th Street, Ste. B, Shoreline, WA 98133

GRANTEE(S): Subway Real Estate Corp., 325 Bic Drive, Milford, CT 06460

LEGAL DESCRIPTION:

The property is situated in the State of Washington, County of Skagit, and is described as follows: 340407-1-055-0011

Parcel "A":

That portion of the Southeast 1/4 of the Northeast 1/4, Section 7, Township 34 North, range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway No. 99 that is 30 feet West and 305.07 feet South of the Northeast corner of said subdivision; thence North 88 degrees 50'30" West parallel to the West line of said subdivision, 398.8 feet, more or less, to the West line of the certain tract Deeded to Emil Hanson by Deed recorded under Auditor's File No. 362759; thence Southerly parallel to the East line of said subdivision, 101.55 feet; thence South 88 degrees 50'30" East to the West line of said Highway; thence North along said West line to the point of beginning, EXCEPT that portion thereof lying East of a line drawn 40 feet West of and parallel with the East line of said subdivision.

Parcel "B":

That portion of the Southeast 1/4 of the Northeast 1/4, Section 7, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway No. 99, that is 0 feet West and 406.62 feet South of the Northeast corner of said subdivision; thence North 88 degrees 50'30" West parallel to the North line of said subdivision, 399.09 feet, more or less, to the West line of that certain tract Deeded to Emil Hason by Deed recorded under Auditor's File No. 362759; thence Southerly parallel to the East line of said subdivision, 50 feet; thence South 88 degrees 50'30" East to the West line of said Highway; thence North along said West line to the point of beginning, EXCEPT that portion thereof lying East of a line drawn 40 feet West of and parallel with the east line of said subdivision.

Parcel "C":

A non-exclusive easement for ingress, egress and utilities in favor of the above described parcel "A" and "B" over and across an adjoining portion of the Southeast ¼ of the Northeast ¼ of Section 7, Township 34 North, Range 4 East, W.M. as established and more particularly described on Easement Agreement dated September 30, 1998 and recorded November 2, 1998 as Auditor's File No. 9811020023.

ASSESSOR'S PARCEL NO. (S), 340407-1-055-0011
340407-1-055-0011



Signature of Requesting Party
Subway Store # 12781



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MEMORANDUM OF LEASE

This is a Memorandum of Lease for the Lease executed on **12/16/2003**, between **Subway Real Estate Corp.** a corporation organized under the laws of the State of Delaware, having its principal office at 325 Bic Drive, Milford, CT 06460, hereinafter called "the Tenant," and **SHDP Associates, LLC**, having its principal office at: **1359 N. 205th Street, Ste. B, Shoreline, WA 98133** hereinafter called "the Landlord."

For the purpose of this document and/or the Lease, as well as the exhibits/schedules executed by the Landlord and Tenant, the terms "Landlord" and "Lessor" or "Tenant" and "Lessee" as used shall be deemed synonymous.

The Landlord leases to the Tenant the premises as described in the Lease: _____

1. Premises:

Store Number: **12781** approximately: **1295** Square Feet.

Located at: **1765 S Burlington Blvd, Burlington, WA, 98233**

State of: **WA** County of: **SKAGIT**

**SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX**

APR 05 2004

Amount Paid \$
Skagit Co. Treasurer
By  Deputy

2. Term:

The Lease is for a term of **10 years** to commence 90 days from turnover (01/15/2004) or first day open for business, whichever comes first.

3. Renewal (Option) Periods:

The Tenant shall have the right to renew this lease for: **2 - 5 years**

Within ten (10) days of the expiration or earlier termination of this lease, Tenant, upon Landlord's request, shall deliver to Landlord an executed Memorandum of Termination of Lease.

Landlord and Tenant agree that any conflict between the terms of the Master Lease and the provisions of this Memorandum of Lease shall be resolved in favor of this Memorandum of Lease.



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Skagit County Auditor

In Witness whereof the "Landlord" has hereunto executed this document this 1st day of March, 2004.

Landlord: SHDP Associates, LLC

[Signature]
Signature

Mack H. DuBose
Print

Managing / Member
Title:

March 1, 2004
Date

[Signature]
Witness

[Signature]
Witness

Linda A. Nelson
Print

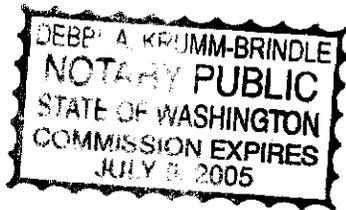
Corina Applegate
Print

STATE OF WASHINGTON

COUNTY OF KING

On this the 1st day of March in the Year 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared **Mack H. DuBose**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledge to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public



(Notary Seal)
My Commission expires *July 9, 2005*



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Skagit County Auditor

In Witness Whereof the "Tenant" has hereunto executed this document this 9th
day of March, 2004.

Tenant: Subway Real Estate Corp.

[Signature]
John C. Devine, Its: Vice President

[Signature]
Witness

[Signature]
Witness

[Signature]
Print

[Signature]
Print

STATE OF CONNECTICUT

COUNTY OF NEW HAVEN

On this the 9th day of March in the Year 2004,
before me, the undersigned, a Notary Public in and for said State, personally appeared
John C. Devine, Vice President of Subway Real Estate Corp., personally known to me or
proved to me on the basis of satisfactory evidence to be the individual whose name is
subscribed to the within instrument and acknowledge to me that he executed the same in
his capacity, and that by his signature on the instrument, the individual, or the person
upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public

(Notarial Seal)

My Commission expires 4/30/07

