



200507130050

Skagit County Auditor

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When Recorded Return to:  
College Way Retail, LLC  
C/o Gramor Development Washington LLC  
1133-164<sup>th</sup> Street S.W., Suite 107  
Lynnwood, WA 98037-8121

### SHORT FORM LEASE

**Grantor:** COLLEGE WAY RETAIL, LLC, a Washington limited liability company  
**Grantee:** AUTOZONE DEVELOPMENT CORPORATION, a Nevada corporation  
**Legal Description:** Ptn. NW SW, Sec. 17, T34N, R4E W.M.  
Additional legal is on Page 6 of document.  
**Assessor's Tax Parcel Number:** 340417-0-057-0009 (P25596)  
**Reference Numbers of Documents Assigned or Released:** [N/A]

**THIS SHORT FORM LEASE** (the "Short Form Lease") is made as of the 24<sup>th</sup> day of June, 2005, by and between **College Way Retail, LLC** a Washington limited liability company ("Landlord"), and **AutoZone Development Corporation**, a Nevada corporation ("Tenant"), who hereby agree as follows.

### WITNESSETH:

**FOR AND IN CONSIDERATION** of One Dollar (\$1.00) and for other good and valuable consideration paid and to be paid by Tenant to Landlord, Landlord does hereby demise and lease unto Tenant, and Tenant does hereby lease and take from Landlord upon the terms and conditions and subject to the limitations more particularly set forth in that certain Ground Lease (the "Ground Lease") dated as of the date hereof by and between Landlord and Tenant to which Ground Lease reference is hereby made for all the terms and conditions thereof, which terms and conditions are made a part hereof as fully and particularly as if set out verbatim herein, the premises (the "Demised Premises") situated in the City of Mt. Vernon, County of Skagit, State of Washington, consisting of land, together, with improvements placed and/or to be placed thereon, and more particularly described in **Exhibit "A"** and shown on **Exhibit "B"** each attached hereto and incorporated herein by reference. The Demised Premises is a part of the "Entire Premises" described in **Exhibit "A"** and shown on **Exhibit "B"**.

1. TO HAVE AND TO HOLD the Demised Premises unto Tenant for a term of fifteen (15) years, commencing as provided in the Ground Lease, and ending on the last day of the month following fifteen (15) years after the Commencement Date (as defined in the Ground Lease), unless sooner terminated, extended or modified as provided therein.
2. In the Ground Lease, Landlord has granted to Tenant certain rights to renewal options which are exercisable by Tenant as provided in the Ground Lease.

3. The Ground Lease contains, among other things, the following provisions:

(a) Landlord grants Tenant the right to merchandise any products or services normally sold in Tenant's other auto parts, supply and accessories stores without restriction, except as provided for below.

(b) Tenant may use the Demised Premises for any lawful purpose except for (i) the installation or use of underground storage tanks, and (ii) a financial lending institution or bank or (iii) manufacturing or industrial uses; flea markets or similar businesses; adult entertainment; commercial indoor amusements; schools of any type; churches; car rentals or sales parking vehicles offered for lease or sale in the parking areas of the Entire Premises; nightclubs; cocktail lounges; taverns; entertainment facilities; undertaking establishments; bingo games, casinos or off-track betting agencies; pawn and gun shops; post offices, gymnasiums, , dance studios or full service health clubs; family planning clinics; theaters, either motion picture or live; bowling alleys; skating rinks of any type; or call centers

(c) Landlord agrees for itself, its successors and assigns, its officers, directors and shareholders (holding more than ten percent (10%) of its stock), its parent, affiliated and subsidiary corporations and any partner or other party affiliated with it, if any, that none of the foregoing shall use, suffer, permit or consent to the use or occupancy of any part of the Entire Premises (except for the Demised Premises) as an auto parts store or for the sale of any automobile parts, supplies and/or accessories or any other business which otherwise competes with Tenant as long as the Ground Lease is in effect.

This restriction shall not apply to any business whose principal business is a drug-store and/or pharmacy, grocery store, department store, variety store, hardware store, home improvement store or any other seller of a broad mix of general merchandise which sells auto (or similar) parts as an incidental part of its general merchandise business; provided that, no business sells automobile carburetors, starters, brakes, alternators, fuel pumps, water pumps or other coolant pumps for off-premises installation. Further, Landlord agrees that Prohibited uses of the Entire Premises include the following: manufacturing or industrial uses; flea markets or similar businesses; adult entertainment; commercial indoor amusements; schools of any type; churches; car rentals or sales parking vehicles offered for lease or sale in the parking areas of the Entire Premises; nightclubs; cocktail lounges; taverns; entertainment facilities; undertaking establishments; bingo games, casinos or off-track betting agencies; pawn and gun shops; post offices, gymnasiums, , dance studios or full service health clubs; family planning clinics; theaters, either motion picture or live; bowling alleys; skating rinks of any type; or call centers. Furthermore, neither Landlord nor Tenant shall, without the prior written consent of the other party, permit the construction or location anywhere on the Entire Premises of any structure or improvement which would adversely affect the quantity of access to parking for, or visual use or physical access to, the Entire Premises or signs therefore, except for such structures and improvement existing on the date of this Ground Lease or shown on the plot plan attached hereto as **Exhibit "B"**.

(d) Landlord hereby grants to Tenant a non-exclusive access easement providing continuous uninterrupted ingress and egress for two way vehicular traffic over and across that portion of the Entire Premises which is shown on **Exhibit "B"** as the Access Easement Area (the "Access Easement Area"). Further Landlord grants to Tenant, the above easements shall be for ingress and egress and shall not be for parking purposes, and each party agrees to use reasonable efforts to enforce this prohibition.



(e) Landlord hereby grants and conveys to Tenant an easement on the Entire Premises necessary to construct, reconstruct, repair, install, alter, maintain, inspect, use and operate Tenant's improvements on the Demised Premises. Landlord also grants Tenant an easement on the Entire Premises to construct and install any and all improvements required as part of Tenant's Approval process.

(f) The easements, restrictions and agreements granted herein shall run with the land and shall be binding and inure to the benefit of Landlord and Tenant and their respective successors, assigns and lessees for so long as the Ground Lease shall remain in effect.

4. Landlord has agreed with Tenant that any mortgage placed on the Demised Premises or to be placed on the Demised Premises shall provide for non-disturbance of Tenant in the event of foreclosure, provided Tenant shall not default in the performance of its obligations under the Ground Lease beyond applicable cure periods. Tenant has agreed that it will attorn to the mortgagee in possession or the purchaser at or in lieu of foreclosure provided its possession shall not be disturbed.

5. This Short Form Lease does not set forth all of the material terms or conditions of the Ground Lease. This Short Form Lease is not intended to, and does not and shall not, amend, modify, diminish or affect in any way the Ground Lease or the construction or interpretation thereof or any rights or obligations of any of the parties thereto. The sole purpose of this Short Form Lease is to give notice of said Ground Lease and of certain of its terms, covenants and conditions."

IN WITNESS WHEREOF, Landlord and Tenant have caused this Short Form Lease to be executed on the day and year set forth above.

**LANDLORD:**  
College Way Retail, LLC,  
a Washington limited liability company

By: [Signature]  
John C. Graham  
Its: Manager

**TENANT:**  
AutoZone Development Corporation,  
a Nevada corporation

By: [Signature]  
Its: Vice President

By: [Signature]  
Its: Vice President & Treasurer

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

JUL 13 2005

Amount Paid \$ [Signature]  
Skagit Co. Treasurer  
By [Signature] Deputy

Approved for Execution

[Signature] [Signature]



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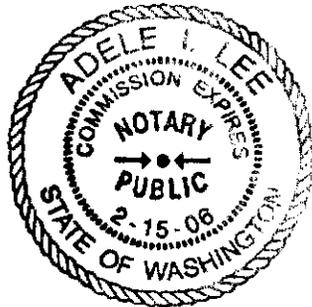
STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

On this 27<sup>th</sup> day of June, 2005 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN C. GRAHAM, to me known to be the Manager of COLLEGE WAY RETAIL, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

*Adele I. Lee*

Print Name: Adele I. Lee  
Notary Public for the State of Washington  
Residing at: Lynnwood  
My Commission Expires: 2-15-06



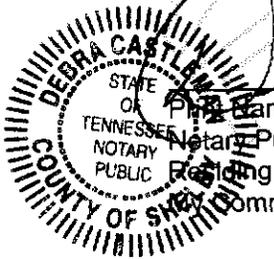
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STATE OF Tennessee )  
COUNTY OF Shelby ) ss.

On this 20th day of June, 2005 before me, the undersigned, a Notary Public in and for the State of Tennessee, duly commissioned and sworn, personally appeared Wm. David Gilmore and James A. Cook III to me known to be the \_\_\_\_\_ and \_\_\_\_\_, respectfully, of AUTOZONE DEVELOPMENT CORPORATION, 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/she/they was/were authorized to execute the said instrument.

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

 Debra Castleman  
Name: Debra Castleman  
Notary Public for the State of Tennessee  
Residing at: 1706 McGowan Southaven MS  
Commission Expires: 5-13-09



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James A. Cook III

UNOFFICIAL DOCUMENT

**EXHIBIT "A"**

**LEGAL DESCRIPTIONS**

**Entire Premises:**

**EXHIBIT "A"**

That portion of the Northwest Quarter of the Southwest Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point where the South right-of-way line of the Furber Road No. 208, now known as State Route 538, as said road existed on August 25, 1921, intersects the West right-of-way line of the Great Northern Railway Company, the said point being 30 feet South and 1,158.95 feet East along the East and West center line from the West Quarter corner of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;  
thence South 58°41' West along the West line of the right-of-way of the Great Northern Railway Company a distance of 759.6 feet, more or less, to the North line of the South Half of the Northwest Quarter of the Southwest Quarter of said Section 17;  
thence West along said North line a distance of 63.5 feet, more or less, to the East line of the right-of-way of the Pacific Northwest Traction Co.;  
thence North along the East line of the right-of-way of the Pacific Northwest Traction Co. a distance of 654.4 feet, more or less, to the South line of the right-of-way of said Furber Road No. 208;  
thence East along the South line of said right-of-way of said Furber Road No. 208 a distance of 368.61 feet to the point of beginning;

EXCEPT that portion conveyed to the State of Washington for highway purposes by deed recorded July 30, 1951, under Auditor's File No. 463811, records of Skagit County, Washington;

ALSO EXCEPT all portion of said premises lying Northerly of a line drawn parallel with and 40 feet Southerly of, when measured at right angles to, the SR 538 survey line of SR 538, Jct. SR 5 to L'aventure Road, as conveyed by right-of-way deed recorded on September 13, 1991, under Auditor's File No. 9109130066, records of Skagit County, Washington.

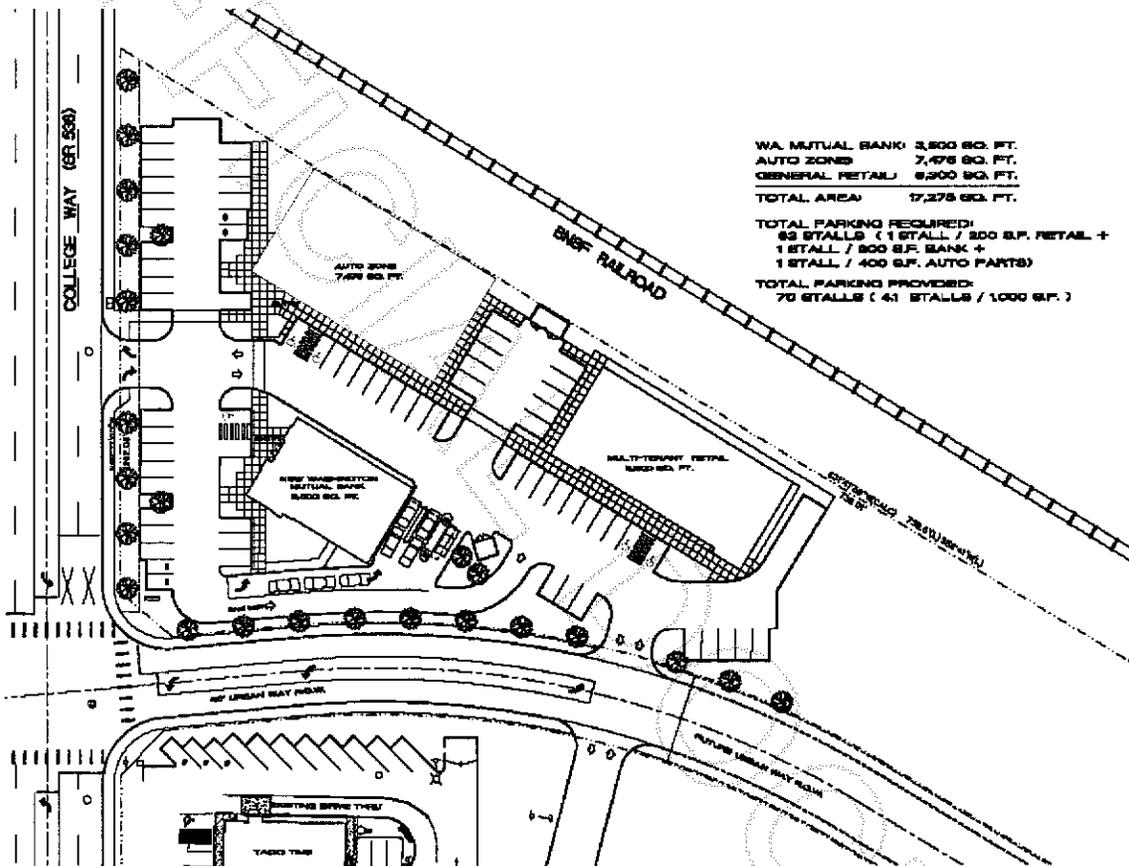
Situated in Skagit County, Washington.



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# EXHIBIT "B"

## PLOT PLAN - ENTIRE PREMISES



WA. MUTUAL BANK 3,500 SQ. FT.  
AUTO ZONE 7,476 SQ. FT.  
GENERAL RETAIL 6,500 SQ. FT.  
TOTAL AREA 17,276 SQ. FT.

TOTAL PARKING REQUIRED:  
83 STALLS ( 1 STALL / 200 S.F. RETAIL +  
1 STALL / 500 S.F. BANK +  
1 STALL / 400 S.F. AUTO PARTS)  
TOTAL PARKING PROVIDED:  
70 STALLS ( 41 STALLS / 1,000 S.F. )



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