



200609130113  
Skagit County Auditor

9/13/2006 Page 1 of 10 1:33PM

**AFTER RECORDING MAIL TO:**


Name McDonald's Corporation  
Address One McDonald's Plaza  
City/State Oak Brook, Illinois 60523  
Attn: Denise Nash LIC 46-1025

**Document Title(s):** (or transactions contained therein)

1. Memorandum of Lease
- 2.
- 3.
- 4.

**Reference Number(s) of Documents assigned or released:**

- Consideration
- Additional numbers on page \_\_\_\_\_ of document



**First American Title Insurance Company**

FIRST AMERICAN TITLE CO.  
85739-1

*(this space for title company use only)*

**Grantor(s):** (Last name first, then first name and initials)

1. Stratford Hall, Inc.
- 2.
- 3.
- 4.
5.  Additional names on page 2 of document

**Grantee(s):** (Last name first, then first name and initials)

1. McDonald's USA, LLC
- 2.
- 3.
- 4.
5.  Additional names on page \_\_\_\_\_ of document

**Abbreviated Legal Description as follows:** (i.e. lot/block/plat or section/township/range/quarter/quarter)

Lot 13, "City of Burlington Binding Site Plan No. Burl-01-04, entitled Newman Development of Burlington LLC, Retail/Commercial Center"

- Complete legal description is on page \_\_\_\_\_ of document

**Assessor's Property Tax Parcel / Account Number(s):**

8048-000-013-0000 (P121448)

**NOTE:** The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

BURLINGTON, WASHINGTON  
Burlington Crossings  
L/C: 046-1025

Prepared by: Connie Boyd  
After recording, return to: Denise Nash  
McDONALD'S CORPORATION  
One McDonald's Plaza  
Oak Brook, Illinois 60523

### MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is dated August 2, 2006 between **STRATFORD HALL, INC.**, a New York corporation (successor-in-interest to **NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC**, a Washington limited liability company, "Landlord"), whose address is Burlington Crossing c/o Grubb & Ellis Management Services, 445 South Figueroa Street, Suite 3300, Los Angeles, California 90071, and **McDONALD'S USA, LLC**, a Delaware limited liability company ("Tenant"), whose principal place of business is located at One McDonald's Plaza, Oak Brook, Illinois 60523.

Landlord leases to Tenant the Premises with improvements and appurtenant easements, if any, in the City of Burlington, County of Skagit, State of Washington, described on Exhibit A, attached, ("Premises") and made a part of this Memorandum of Lease.

1. **TERM:** To have and to hold for a term commencing on April 24, 2006 and ending 20 years from the date when a McDonald's Restaurant constructed on the Premises opens for business.

2. **OPTION TO EXTEND:** The term of the Lease shall be automatically extended for 4 successive periods of 5 years each aggregating 20 years if Tenant does not elect to terminate the Lease at the end of the primary term or any option period.

3. **FIRST REFUSAL:** Landlord grants to Tenant the right of first refusal to purchase the Premises as more particularly set forth in the Lease.

4. **COMMON AREA EASEMENT:** Landlord grants to Tenant and Tenant's invitees, licensees, assigns, subtenants and patrons, during the term of the Lease and any extensions, a non-exclusive ingress/egress and parking easement to use all of those portions of the property described on Exhibit C, attached, ("Shopping Center") designated as common areas, parking areas and driveways.

5. **UTILITY EASEMENT:** Landlord grants to Tenant, during the term of the Lease and any extensions, a non-exclusive easement to use portions of the Shopping Center as may reasonably be required now or in the future by the Tenant for the installation, maintenance and repair of sanitary sewer, water, gas and electric utility lines and related facilities.

6. **STORM SEWER EASEMENT:** Landlord grants to Tenant, during the term of the Lease and any extensions, a non-exclusive easement to connect to and use the storm sewer line and related facilities located in the Shopping Center and/or to surface drain over the Shopping Center.



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7. **SIGN EASEMENT:** Landlord grants to Tenant, during the term of this Lease and any extensions, a non-exclusive easement appurtenant to the Premises, for the purpose of installing, operating, maintaining, repairing, replacing and renewing Tenant's panels erected on the pylon sign and/or monument sign as shown on Exhibit B, attached.

Landlord shall be responsible for the maintenance of the pylon sign and/or monument sign, including electrical hookup to Landlord's existing electrical line. All such maintenance shall be at Landlord's sole cost. Landlord agrees to keep the sign(s) and electrical hookup in good repair at all times.

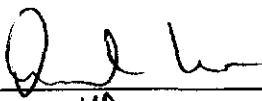
8. **PERMANENT EASEMENT:** If the Tenant acquires fee title to the Premises under the terms of the Lease, the easements conveyed in paragraphs 4, 5, 6, and 7 above shall be perpetual.

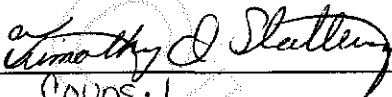
9. **MEMORANDUM:** The rentals to be paid by Tenant and all of the obligations and rights of Landlord and Tenant are set forth in the Ground Lease dated April 18, 2006 ("Lease") executed by the parties. This instrument is merely a memorandum of the Lease and is subject to all of its terms, conditions and provisions. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail. This memorandum is binding upon and shall inure to the benefit of the heirs, successors, assigns, executors and administrators of the parties.

To indicate their consent to this agreement, the parties, or their authorized representatives or employees have signed this document.

**LANDLORD: STRATFORD HALL, INC.,**  
a New York corporation

**TENANT: McDONALD'S USA, LLC,**  
a Delaware limited liability company

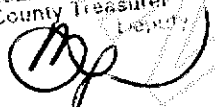
By:   
Its: VP

By:   
Its: Counsel

(Attach Acknowledgment of Signatures and Exhibits A and B)

SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

SEP 13 2006

Amount Paid \$  
Skagit County Treasurer  
By: 



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**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On 8/29/2006 before me, Julia Sima Levine  
(here insert name and title of the officer)

personally appeared Krunk Lee

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Julia Sima Levine

(Seal)



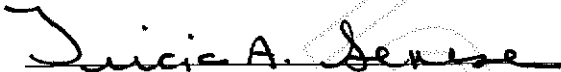
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ACKNOWLEDGMENT - McDONALD'S USA, LLC

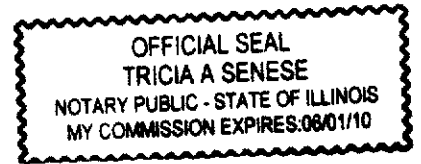
STATE OF ILLINOIS     )  
                                  ) SS:  
COUNTY OF DUPAGE    )

I, Tricia A. Senese, a Notary Public in and for the county and state aforesaid, DO HEREBY CERTIFY that Timothy J. Slattery, Senior Counsel of McDonald's USA, LLC, a Delaware corporation, whose principal place of business is at Oak Brook, Illinois 60523, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Senior Counsel appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act as such Senior Counsel and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 15th day of August, 2006.

  
Tricia A. Senese, Notary Public

My commission expires:



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Exhibit "A"  
Legal description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

**PARCEL 1:**

That portion of Lot 13, "CITY OF BURLINGTON UPDATED BINDING SITE PLAN NO. BURL-01-04, ENTITLED NEWMAN DEVELOPMENT OF BURLINGTON, LLC, RETAIL/COMMERCIAL CENTER", approved June 12, 2006 and recorded June 27, 2006 under Skagit County Auditor's File No. 200606270207, and being a portion of Government Lot 8 and the Southeast ¼ of the Northeast ¼ of Section 7, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of said Lot 13; thence North 00°51'19" West along the East line of said Lot 13 a distance of 81.20 feet to the true point of beginning; thence Westerly along a non-tangent curve to the right, having a radius of 65.00 feet, a central angle of 51°24'57", the center of which bears North 52°14'30" West, an arc distance of 58.33 feet to a point of tangency; thence South 89°10'27" West 83.24 feet to the beginning of a tangent curve to the right; thence along said tangent curve to the right, having a radius of 80.00 feet, a central angle of 27°54'57", the center of which bears North 00°49'33" West, an arc distance of 38.98 feet to a point of tangency; thence North 62°54'36" West 39.47 feet; thence North 65°04'12" West 43.86 feet to the beginning of a tangent curve to the right; thence along said tangent curve to the right, having a radius of 42.18 feet, a central angle of 19°51'14" the center of which bears North 24°55'48" East, an arc distance of 14.62 feet to the West line of said Lot 13; thence along the West and North lines of said Lot 13 the following courses and distances:

North 00°49'33" West 117.67 feet to the beginning of a tangent curve to the right; thence along said tangent curve to the right, having a radius of 38.00 feet, a central angle of 91°44'48", the center of which bears North 89°10'20" East, an arc distance of 60.85 feet to a point of tangency; thence South 89°04'45" East 31.33 feet; thence South 71°49'34" East 112.88 feet to the beginning of a tangent curve to the left; thence along said tangent curve to the left, having a radius of 247.00 feet, a central angle of 15°14'03", the center of which bears North 18°10'26" East, an arc distance of 65.67 feet to a point of tangency; thence South 87°03'37" East 5.77 feet; thence leaving said North line, South 00°49'33" East 19.75 feet; thence North 89°10'27" East 10.48 feet to the East line of said Lot 13; thence South 00°51'19" East along said East line 115.77 feet to the true point of beginning.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities established by Auditor's File No. 200402110099 extending Southerly from Marketplace Drive to Whitmarsh Road.

**PARCEL 2:**

Non-exclusive easements for ingress, egress, parking and utilities over, across, upon and below Lots 1 through 15, inclusive, "CITY OF BURLINGTON UPDATED BINDING SITE PLAN NO. BURL-01-04, ENTITLED NEWMAN DEVELOPMENT OF BURLINGTON, LLC, RETAIL/COMMERCIAL CENTER", approved June 12, 2006 and recorded June 27, 2006 under Skagit County Auditor's File No. 200606270207, and being a portion of Government Lot 8 and the Southeast ¼ of the Northeast ¼ of Section 7, Township 34 North, Range 4 East, W.M. said easements being established by restriction agreement and grant of easements recorded under Auditor's File No. 200404080093, and amended by documents recorded as Auditor's File Nos. 200603150120, 200603150121 and 200607060000 ... Skagit County, Washington;

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UNRECORDED

EXCEPT that portion of Lot 13, "CITY OF BURLINGTON UPDATED BINDING SITE PLAN NO. BURL-01-04, ENTITLED NEWMAN DEVELOPMENT OF BURLINGTON, LLC, RETAIL/COMMERCIAL CENTER", approved June 12, 2006 and recorded June 27, 2006 under Skagit County Auditor's File No. 200606270207, and being a portion of Government Lot 8 and the Southeast ¼ of the Northeast ¼ of Section 7, Township 34 North, Range 4 East W.M., described as follows:

Commencing at the Southeast corner of said Lot 13; thence North 00°51'19" West along the East line of said Lot 13 a distance of 81.20 feet to the true point of beginning; thence Westerly along a non-tangent curve to the right, having a radius of 65.00 feet, a central angle of 51°24'57", the center of which bears North 52°14'30" West, an arc distance of 58.33 feet to a point of tangency; thence South 89°10'27" West 83.24 feet to the beginning of a tangent curve to the right; thence along said tangent curve to the right, having a radius of 80.00 feet, a central angle of 27°54'57", the center of which bears North 00°49'33" West, an arc distance of 38.98 feet to a point of tangency; thence North 62°54'36" West 39.47 feet; thence North 65°04'12" West 43.86 feet to the beginning of a tangent curve to the right; thence along said tangent curve to the right, having a radius of 42.18 feet, a central angle of 19°51'14" the center of which bears North 24°55'48" East, an arc distance of 14.62 feet to the West line of said Lot 13; thence along the West and North lines of said Lot 13 the following courses and distances:

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**BURLINGTON  
CROSSINGS**

Newman Development  
George Hopper Rd & Burlington Blvd.  
Burlington, WA

Meyer Sign & Advertising Co., Inc.  
2508 Hwy 69 SW, Mount Vernon, WA 98279  
Phone: (360) 424-1225 Fax: (360) 424-6212

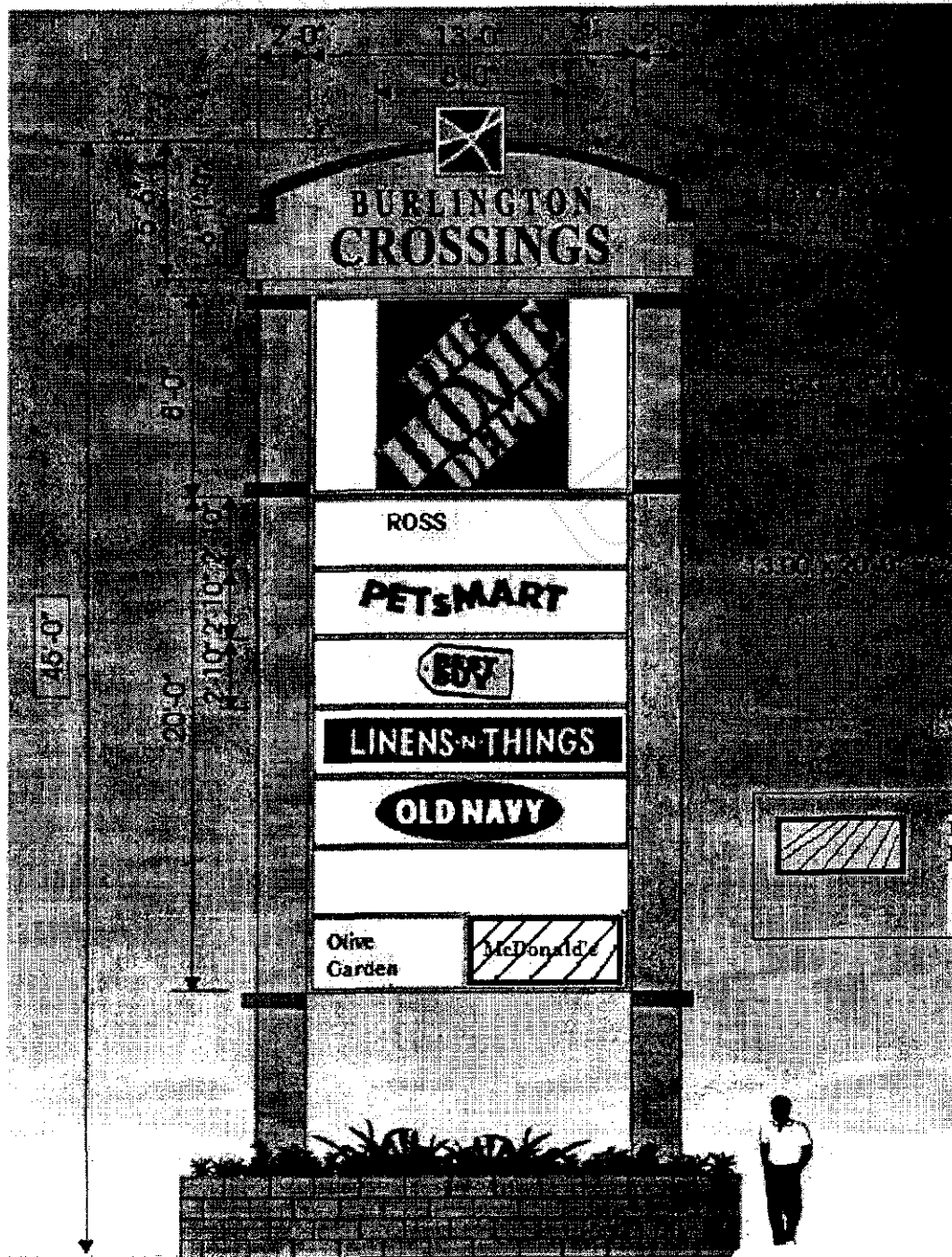
**Center Pylon Sign: "Type A."**

Sign area allowed: 350-sq. square feet, maximum height: 22'

Sign type: Double faced internally illuminated aluminum sign cabinet construction, white lexan tenant sign faces to accommodate vinyl scotchcal graphics. Aluminum top cap & pole cover painted to match building colors.



Design number: 3653  
12.24.03 12.4.03 12.11.03 12.22.03  
12.29.03 1.15.04 1.21.04 1.23.04  
1.26.04



9.50 sq. ft.  
6.50 sq. ft.  
6.00 sq. ft.

4.00 sq. ft.

60.00 sq. ft.  
26.00  
64.00  
260.00

350.00 sq. ft. sign



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# Center Monument Signs:

Sign area allowed: 110.0 square feet, 20 maximum height

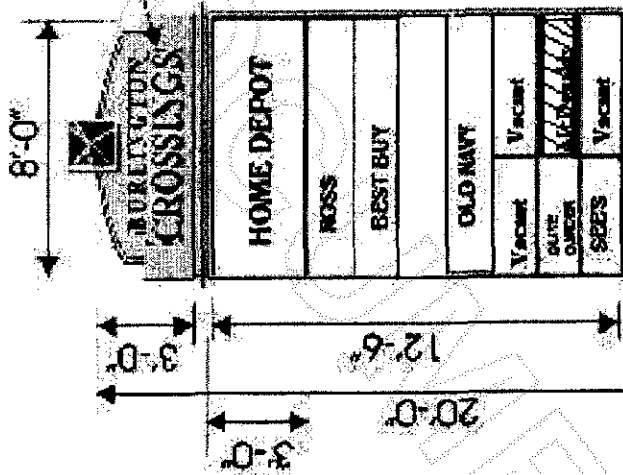
Sign type:

Double faced internally illuminated aluminum sign cabinet construction, white lexan tenant sign faces to accommodate vinyl scotchcal graphics. Aluminum top cap & pale cover painted to match building colors.

1.75' x 6.00' = 10.50 sq. ft.  
 .50' x .50' = .25 sq. ft.  
 .50' x .50' = .25 sq. ft.  
 .50 sq. ft.

10.50 sq. ft.  
 .50 sq. ft.

10.00 sq. ft. area inside dotted line



8.00' x 12.50' = 100.00 sq. ft.

10.00 sq. ft.  
 100.00 sq. ft.

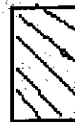
**BURLINGTON  
 CROSSINGS**

Newman Development  
 George Hopper Rd & Burlington Blvd.  
 Burlington, WA

Meyer Sign & Advertising Co., Inc.  
 2205 Hwy 39 S.W., Mount Vernon, WA 98040  
 Phone: (360) 494-1825 Fax: (360) 494-0812

Deal Number: 3685  
 November 24, 2003 12:11:03  
 1-23-04 1:26:17 1-27-04 4: 4:04

Mc Donald's (Tenant's)  
 Panel



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BURLINGTON, WASHINGTON  
L/C: 046-1025

**Exhibit C**

Legal description of Landlord's property located  
adjacent or contiguous to the Premises or within the shopping center

Lots 2 – 9, inclusive, and Lots 13 and 14, inclusive, City of Burlington Binding Site Plan No. Burl-01-04, entitled Newman Development of Burlington, LLC, Retail/Commercial Center, approved March 8, 2004 and recorded March 15, 2004 under Skagit County Auditor's File No. 200403150156, and being a portion of Government Lot 8 and the Southeast ¼ of the Northeast ¼, Section 7, Township 34 North, Ranch 4 East, W.M.

TOGETHER WITH an easement for ingress, egress and utilities as described in that instrument recorded on February 11, 2004, under Auditor's File No. 200402110099, records of Skagit County, Washington.

ALSO TOGETHER WITH an easement for ingress, egress and utilities as described in that instrument recorded on March 15, 2004 under Auditor's File No. 200403150158 and re-recorded April 8, 2004, under Auditor's File No. 200404080093, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



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