

WHEN RECORDED RETURN TO:

The Nathanson Group
One Union Square
600 University Street
Suite 2000
Seattle, WA 98101



200612120189
Skagit County Auditor

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Attn: Steve LaForte, Esq.

LAND TITLE OF SKAGIT COUNTY

DOCUMENT TITLE(s)

1 Memorandum of Sublease

Order Number: DS 20264994

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3
4

REFERENCE NUMBER(s) OF DOCUMENT ASSIGNED OR RELEASED:

Additional reference numbers on page ____ of document

GRANTOR(s):

1 Stanley & Shorten, LLC

2
3

Additional names on page ____ of document

GRANTEE(s):

1 Cascade Living Group-Ashley Gardens, LLC

2
3

Additional names on page ____ of document

ABBREVIATED LEGAL DESCRIPTION:

Lot A of City of Bremerton Short Plat No. B-229 (SP-09-96) recorded Under Auditor's File No. 9607020330

Complete legal description is on page 5 of document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s): 022401-3-128-2006
P24800, P115534

Additional Tax Accounts are on page ____ of document

Note: This cover sheet is prepared to conform to the requirements of Chapter 143, Laws of 1996. Nothing on this sheet alters the names, legal description or other information in the attached document. The only purpose of this cover sheet is to assist the auditor in indexing the document in conformance with statute.

The Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

MEMORANDUM OF SUBLEASE

THIS MEMORANDUM OF SUBLEASE is made as of December 8, 2006 by and between **STANLEY & SHORTEN, LLC**, a limited liability company organized under the laws of the State of Washington (the "Sublandlord") and **CASCADE LIVING GROUP-ASHLEY GARDENS, LLC**, a limited liability company organized under the laws of the State of Washington (the "Subtenant").

1. Sublease. Sublandlord and Subtenant have entered into and executed a Sublease Agreement (the "Sublease") dated as of December 8, 2006 ("Effective Date") relating to the real property described on Exhibit A attached hereto ("Subject Property").

2. Address of Sublandlord. Sublandlord's address as set forth in the Sublease is 2231 3rd Street, Renton, Washington 98056.

3. Address of Subtenant. Subtenant's address as set forth in the Sublease is 2231 SE 3rd Street, Renton, Washington 98056.

4. Term of Sublease. The initial term ("Initial Term") of the Sublease commences on the Effective Date and expires at 12:00 Midnight Eastern Time on December 31, 2021 ("Expiration Date"); provided, however, that [i] Subtenant has the option to renew the Sublease for one or more renewal terms as set forth in the Sublease; and [ii] that the Initial Term may be extended from time to time pursuant to the provisions of the Sublease.

5. Option to Purchase. Subtenant does not have any option to purchase the Subject Property.

6. Mechanic's Liens. The Sublease provides that Subtenant shall have no authority to permit or create a lien against Sublandlord's interest in the Subject Property.

7. Incorporation of Sublease. The Sublease is unrecorded and is herein expressly incorporated by reference for a complete statement of the rights and obligations of Sublandlord and Subtenant with respect to the Subject Property. Any conflict between this Memorandum of Sublease and the Sublease shall be governed by the terms of the Sublease.

8. Release. Subtenant agrees to promptly execute a release of this Memorandum of Sublease at any time after the release has terminated.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

DEC 12 2006

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



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IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Memorandum of Sublease as of the date first set forth above.

Signed and acknowledged in the presence of:

STANLEY & SHORTEN, LLC

Signature: _____

By: William Shorten

Print here: _____

Title: Authorized Manager

Signature: _____

Print here: _____

CASCADE LIVING GROUP-ASHLEY GARDENS, LLC by Stanley & Shorten, LLC, its sole member

Signature: Blederson

By: William Shorten and Manager

Print here: Blederson

Signature: MA

Title: Authorized Manager

Print here: Steve Lott

STATE OF WASHINGTON)

) SS:

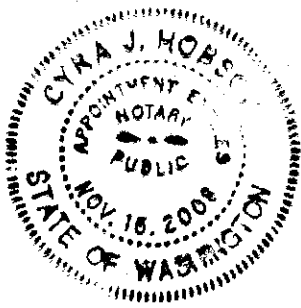
COUNTY OF KING)

The foregoing instrument was acknowledged before me this 7th day of December, 2006 by William Shorten, the _____ of STANLEY & SHORTEN, LLC, on behalf of the limited liability company.

Cyrus
Notary Public

My Commission Expires: 11-15-08

[SEAL]



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STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

The foregoing instrument was acknowledged before me this 2nd day of December, 2006 by William Shorten, the _____ of Cascade Living Group-Ashley Gardens, LLC, on behalf of the limited liability company.

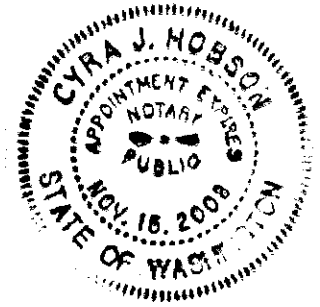
Cyra J. Hobson
Notary Public

My Commission Expires: 11-15-08

[SEAL]

THIS INSTRUMENT PREPARED BY:

Steve LaForte, Esq.
The Nathanson Group
One Union Square
600 University Street
Suite 2000
Seattle, WA 98101



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EXHIBIT A: LEGAL DESCRIPTION

Facility Name: Ashley Gardens – Mt. Vernon

PARCEL A:

The North 306 feet of the South 511 feet of the East 237 feet of the West 267 feet of the Southwest ¼ of the Northwest 1/4 of Section 15, Township 34 North, Range 4 East, W.M.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL B:

Lot 1 of Survey recorded April 8, 1999, under Auditor's File No. 9904080041 in Volume 21 of Surveys, page 174, records of Skagit County, Washington; being a portion of the Southwest ¼ of the Northwest ¼ of Section 15, Township 34 North, Range 4 East, W.M.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



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