

RITE AID #5245



201512090080

Skagit County Auditor

\$79.00

12/9/2015 Page

1 of

7 2:53PM

This instrument prepared by:

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Matthew J. Swett, Esq.

After recording, mail to:

Rite Aid Corporation
30 Hunter Lane
Camp Hill, PA 17011
Attention: Joseph J. Notarianni, Jr.

GUARDIAN NORTHWEST TITLE CO.

109877

MEMORANDUM OF SUBLEASE AGREEMENT

THIS MEMORANDUM OF SUBLEASE AGREEMENT (“**Memorandum of Sublease**”) dated as of the 3 day of December, 2015, and effective December 4, 2015 by and between MDC EAST COLLEGE, LLC, a Delaware limited liability company (“**Landlord**”), having an address of 11995 El Camino Real, San Diego, California 92130, and THRIFTY PAYLESS, INC., a California corporation (“**Tenant**”), having an address of 30 Hunter Lane, Camp Hill, Pennsylvania 17011.

17-34-4 / NW / SW WITNESSETH:
P 200984

- A. Mount Vernon Plaza Associates, LLC, as successor-in-interest to Mount Vernon Plaza Associates, as ground lessor (“**Ground Lessor**”), and Tenant, as ground lessee, are parties to a Ground Lease dated March 30, 1998 (the “**Original Ground Lease**”), as evidenced by that certain Memorandum of Lease, recorded in the office of the Recorder of Deeds in and for Skagit County, Washington, as Instrument No. 200106150020 (the “**Memorandum of Lease**”), as amended by that certain First Amendment to Ground Lease dated March 30, 2007 (the “**First Amendment**”), as amended by that certain Second Amendment to Ground Lease dated June 6, 2012 (the “**Second Amendment**”), and as amended by that certain Third Amendment to Ground Lease dated on or before the date hereof (the “**Third Amendment**”; the Original Ground Lease, the Memorandum of Lease, the First Amendment, the Second Amendment and the Third Amendment, collectively, the “**Ground Lease**”), under which Ground Lessor leased to Tenant (i) certain land having an address of 412 East College Way, City of Mt. Vernon, Washington 98273 (the “**Land**”) the legal description of which Land is set forth on Exhibit A attached hereto and (ii) the building and certain other improvements located thereon (collectively, the “**Improvements**”; the Land and the Improvements, collectively, the “**Leased Premises**”).

- B. Pursuant to that certain Assignment of Ground Lease dated and recorded on or about the date hereof, Tenant has assigned all of its rights, title and interest in and to the Leased Premises under the Ground Lease to Landlord, and Landlord has assumed the same.
- C. Landlord and Tenant have entered into a Sublease Agreement (the “**Sublease**”) of even date herewith, whereby Landlord has leased to Tenant its leasehold estate under the Ground Lease in and to the Leased Premises.
- D. Landlord and Tenant now wish to memorialize of record the existence of the Sublease and certain specific terms of the same.

NOW, THEREFORE, in consideration of the Sublease and other good and valuable consideration, Landlord and Tenant agree as follows:

1. The term of the Sublease (the “**Term**”) commences on the Commencement Date (as defined in the Sublease) and continues through, and expires on, December 31, 2035. Thereafter, the Term shall be automatically extended for six (6) successive periods of five (5) years each, subject to Tenant’s right to cancel any renewal term in accordance with Section 5 of the Sublease.
2. During the Term of the Sublease and any renewals thereof, Tenant shall have the right of first refusal to Landlord’s interest in and to the Leased Premises pursuant to terms set forth in Section 33 of the Sublease.
3. The Sublease is, in all respects, subject and subordinate to all of the terms and conditions of the Ground Lease, as more specifically set forth in Section 37 of the Sublease.
4. All terms and conditions of the Sublease are hereby incorporated herein by reference as if fully set forth herein. Unless otherwise noted, capitalized terms used in this Memorandum of Sublease shall have the meanings set forth in the Sublease.
5. This Memorandum of Sublease shall extend to and be binding upon the parties hereto and their legal representatives, heirs, successors and assigns. This Memorandum of Sublease is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Sublease. In the event of any inconsistency between the provisions of this Memorandum of Sublease and the provisions of the Sublease, the provisions of the Sublease shall govern.

[signatures and acknowledgements on following pages]

IN WITNESS WHEREOF, this Memorandum of Sublease has been duly executed by the parties hereto as of the day and year first above written.

LANDLORD:

MDC EAST COLLEGE, LLC, a Delaware limited liability company

By: 
Name: Michael R. Pfeiffer
Title: Executive Vice President,
General Counsel

Approved As To Form
Legal Department

S. Jensen

TENANT:

THRIFTY PAYLESS, INC.,
a California corporation

By: Joseph J. Notarianni, Jr.
Vice President

IN WITNESS WHEREOF, this Memorandum of Sublease has been duly executed by the parties hereto as of the day and year first above written.

LANDLORD:

MDC EAST COLLEGE, LLC, a Delaware limited liability company

By: _____

Name: Michael R. Pfeiffer

Title: Executive Vice President,
General Counsel

TENANT:

THRIFTY PAYLESS, INC.,
a California corporation

By: _____

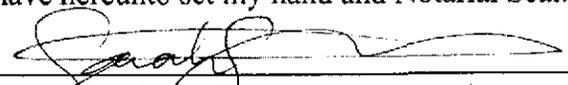
Name: Joseph J. Notarianni, Jr.

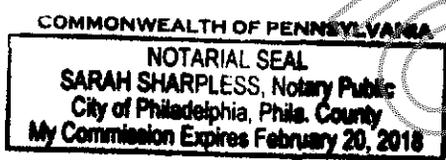
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA :
:
COUNTY OF PHILADELPHIA :

On the 3 day of December, 2015, before me, the undersigned officer, personally appeared Joseph J. Notarianni, Jr., who acknowledged himself to be the Vice President of THRIFTY PAYLESS, INC., a California corporation, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.


My Commission Expires: 2/20/18



A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On _____, 2015 before me, _____, Notary Public, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

COMMONWEALTH OF _____ :

COUNTY OF _____ :

On the _____ day of _____, 2015, before me, the undersigned officer, personally appeared Joseph J. Notarianni, Jr., who acknowledged himself to be the Vice President of THRIFTY PAYLESS, INC., a California corporation, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

My Commission Expires:

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

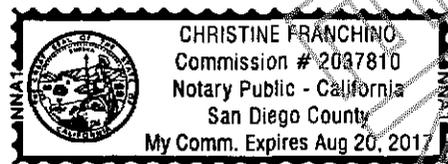
COUNTY OF SAN DIEGO

On December 1, 2015 before me, Christine Franchino, Notary Public, personally appeared Michael R. Pfeiffer, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Christine Franchino
Signature of Notary Public



(Notary Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER; THENCE SOUTH 87°56'09" EAST, ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 231.95 FEET;

THENCE SOUTH 02°04'51" WEST, PARALLEL TO THE WEST LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 103.74 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 02°04'51" WEST, A DISTANCE OF 194.57 FEET;

THENCE NORTH 87°55'09" WEST, A DISTANCE OF 99.07 FEET;

THENCE NORTH 02°04'51" EAST, A DISTANCE OF 8.73 FEET;

THENCE NORTH 87°55'09" WEST, A DISTANCE OF 23.61 FEET;

THENCE NORTH 01°32'41" EAST, A DISTANCE OF 154.84 FEET;

THENCE NORTH 49°43'09" EAST, A DISTANCE OF 46.01 FEET;

THENCE SOUTH 87°55'09" EAST, A DISTANCE OF 90.13 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE NON-EXCLUSIVE BENEFITS OF THE DECLARATION OF PARKING EASEMENT AND RECIPROCAL ACCESS EASEMENTS BETWEEN 223 NORTH GREEN BAY STREET, LLC AND MOUNT VERNON PLAZA ASSOCIATES, LLC DATED 7/21/09, RECORDED 7/30/09, AUDITOR'S NO. 200907300083.