

City of Portland, Maine – Building or Use Permit Application 389 Congress Street, 04101, Tel: (207) 874-8703, FAX: 874-8716

Location of Construction: 498 Congress St.		Owner: Bill Gower		Phone: 892-0984		Permit No: 990395 PERMIT ISSUED APR 30 1999 CITY OF PORTLAND Zone: CBL: 037-1-001	
Owner Address: P.O. Box 1088 Windham, ME 04092		Lessee/Buyer's Name: Sub Builders Inc		Phone:			PERMIT ISSUED APR 30 1999 CITY OF PORTLAND
Contractor Name: Loren Goodridge		Address: 921 Augusta Rd, Bowdoin, ME 04887		Phone:			
Past Use: Empty - Vacant		Proposed Use: Subway Sandwich Shoppe		COST OF WORK: \$ 25,000 PERMIT FEE: \$ 150.00 FIRE DEPT. <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied INSPECTION: Use Group: A3 Type: 54 Signature: [Signature] Signature: [Signature]			
Proposed Project Description: Change of Use				PEDESTRIAN ACTIVITIES DISTRICT (P.A.D.) Action: Approved <input type="checkbox"/> Approved with Conditions: <input type="checkbox"/> Denied: <input type="checkbox"/> Signature: _____ Date: _____		Zoning Approval: Special Zone or Reviews: <input type="checkbox"/> Shoreland <input type="checkbox"/> Wetland <input type="checkbox"/> Flood Zone <input type="checkbox"/> Subdivision <input type="checkbox"/> Site Plan maj <input type="checkbox"/> minor <input type="checkbox"/> mm <input type="checkbox"/>	
Permit Taken By: SF		Date Applied For: 21 April 1999					

1. This permit application does not preclude the Applicant(s) from meeting applicable State and Federal rules.
2. Building permits do not include plumbing, septic or electrical work.
3. Building permits are void if work is not started within six (6) months of the date of issuance. False information may invalidate a building permit and stop all work..

PERMIT ISSUED WITH REQUIREMENTS

PERMIT ISSUED WITH REQUIREMENTS

CERTIFICATION

I hereby certify that I am the owner of record of the named property, or that the proposed work is authorized by the owner of record and that I have been authorized by the owner to make this application as his authorized agent and I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in the application is issued, I certify that the code official's authorized representative shall have the authority to enter all areas covered by such permit at any reasonable hour to enforce the provisions of the code(s) applicable to such permit

21 April 1999

SIGNATURE OF APPLICANT	ADDRESS:	DATE:	PHONE:
RESPONSIBLE PERSON IN CHARGE OF WORK, TITLE			PHONE:

CEO DISTRICT



COMMENTS

4/21/99 - Rough framing ok - ? on Trap door to gallery -
 guardrails Reg'd. - ?? - Rough framing & Rough plb by as
 far as was done was ok - Kitchen w/ exhaust syst. Must meet
 BC Act Chapt 5 & 101 like Safety + BOCA Mechanical 1997 D

6/2/99 - Went for final. Not quite READY FOR FS Insp., also explained that trap door was a violation as
 it is. also spoke w/ owner by phone, and informed him that a C of O will not be ISSUED
 until either the trap door has been discontinued, or if the door is protected on 3 sides
 by railing/guardrails. J. Reed

6/4/99 - TRAP Door ok - Proper guard rails installed. Jon Reed did
 FSE for opening - C of O OK

Inspection Record

Type	Date
Foundation: _____	_____
Framing: _____	_____
Plumbing: _____	_____
Final: _____	_____
Other: _____	_____

THIS IS NOT A PERMIT/CONSTRUCTION CANNOT COMMENCE UNTIL THE PERMIT IS ISSUED

**Building or Use Permit Pre-Application
Attached Single Family Dwellings/Two-Family Dwelling
Multi-Family or Commercial Structures and Additions Thereto**

In the interest of processing your application in the quickest possible manner, please complete the Information below for a Building or Use Permit.

NOTEIf you or the property owner owes real estate or personal property taxes or user charges on ANY PROPERTY within the City, payment arrangements must be made before permits of any kind are accepted.**

Location/Address of Construction (include Portion of Building): <u>498 CONGRESS ST. CORNER OF BROWN & CONGRESS</u>			
Total Square Footage of Proposed Structure <u>1372 FT²</u>		Square Footage of Lot	
Tax Assessor's Chart, Block & Lot Number Chart# <u>37</u> Block# <u>I</u> Lot# <u>1-14</u>		Owner: <u>BILL GOWEN SHEKINAH CO. II</u>	Telephone#: <u>812-0984</u>
Owner's Address: <u>P.O. BOX 1088 WINDHAM, ME 04062</u>		Lessee/Buyer's Name (If Applicable) <u>SUB BUILDERS INC #161A SUBWAY</u>	Cost Of Work: <u>\$ 25,000</u> Fee <u>\$ 115.00 150.00</u>
Proposed Project Description:(Please be as specific as possible) <u>SUB BUILDERS INC. PROPOSES TO CONSTRUCT A SUBWAY SANDWICH SHOP IN THE EXISTING SPACE LOCATED ON THE CORNER OF BROWN AND CONGRESS.</u> <u>C/U</u>			
Contractor's Name, Address & Telephone <u>LOREN GOODRIDGE 921 AUGUSTA RD BOWDOIN, ME 04287</u>			Rec'd By
Current Use: <u>EMPTY</u>		Proposed Use: <u>SUBWAY SANDWICH SHOP</u>	

Separate permits are required for Internal & External Plumbing, HVAC and Electrical installation.

- All construction must be conducted in compliance with the 1996 B.O.C.A. Building Code as amended by Section 6-Art II.
- All plumbing must be conducted in compliance with the State of Maine Plumbing Code.
- All Electrical Installation must comply with the 1996 National Electrical Code as amended by Section 6-Art III.
- HVAC(Heating, Ventillation and Air Conditioning) installation must comply with the 1993 BOCA Mechanical Code.

You must Include the following with you application:

- 1) A Copy of Your Deed or Purchase and Sale Agreement
- 2) A Copy of your Construction Contract, if available
- 3) A Plot Plan/Site Plan

Minor or Major site plan review will be required for the above proposed projects. The attached checklist outlines the minimum standards for a site plan.

4) Building Plans

Unless exempted by State Law, construction documents must be designed by a registered design professional.

A complete set of construction drawings showing all of the following elements of construction:

- Cross Sections w/Framing details (including porches, decks w/ railings, and accessory structures)
- Floor Plans & Elevations
- Window and door schedules
- Foundation plans with required drainage and dampproofing
- Electrical and plumbing layout. Mechanical drawings for any specialized equipment such as furnaces, chimneys, gas equipment, HVAC equipment (air handling) or other types of work that may require special review must be included.

Certification

I hereby certify that I am the Owner of record of the named property, or that the proposed work is authorized by the owner of record and that I have been authorized by the owner to make this application as his/her authorized agent. I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in this application is issued, I certify that the Code Official's authorized representative shall have the authority to enter all areas covered by this permit at any reasonable hour to enforce the provisions of the codes applicable to this permit.

Signature of applicant: <u>Loren A. Goodridge Pres</u>	Date: <u>3/25/99</u>
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Building Permit Fee: \$25.00 for the 1st \$1000.cost plus \$5.00 per \$1,000.00 construction cost thereafter.

Additional Site review and related fees are attached on a separate addendum

*Mail to
Sub Builders Inc
231 US RT 1
Bowdoin 04032*

**DEPT. OF BUILDING INSPECTION
CITY OF PORTLAND, ME**

RECEIVED

APR 21 1999

21385
GOODRIDGE

LEASE AGREEMENT

THIS LEASE made this 14th day of March, 1999, by and between WILLIAM W. GOWEN, d/b/a Shekinah Co, with a mailing address of P.O. Box 1088 Windham, Maine 04062-1088 (hereinafter "Landlord"), and SUBWAY REAL ESTATE, with a mailing address of 325Bic Drive, Milford, Ct 06460-3059 (hereinafter "Tenant"). Corp.

PII
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1. Premises. In consideration of the rent and covenants herein reserved and contained on the part of the Tenant to be performed, paid and observed, the Landlord does hereby lease unto the Tenant, and the Tenant does hereby let from the Landlord, a portion of the building situated and known as The Beaver Block, 498 Congress Street, Portland, Maine and more particularly described as follows:

Retail space situated on the corner of Brown Street and Congress Street, formerly occupied by Kitty Komics, measuring 1,530 square feet, more or less.

2. Term. The term of this Lease shall be for five (5) years commencing April 1, 1999 and ending March 31, 2004, unless sooner terminated as herein provided.

3. Option. Tenant will have the option to extend this Lease for four (4) additional five (5) year terms, as set forth in Section 4. herein, provided that the Lease is in full force and effect at the end of the initial term and the Tenant shall have performed all of its terms and conditions under the Lease.

The Tenant shall notify the Landlord one hundred eighty (180) days prior to the expiration of the initial term, or the expiration of any exercised option periods, if he wishes to exercise the option to extend. If no written notice is received prior to one hundred eighty (180) days in advance of the expiration of the initial term, the option to extend shall be forfeited.

4. Rent. Tenant shall pay to Landlord during the original term, the following rent:

<u>Year</u>	<u>Monthly</u>	<u>Annual Rent</u>
1	\$1,292.00	\$15,504.00
2	\$1,292.00	\$15,504.00
3	\$1,330.25	\$15,963.00
4	\$1,369.65	\$16,435.77
5	\$1,410.23	\$16,922.72

The Tenant's option periods during this lease shall continue at 3% annual escalators throughout the option periods. Payments shall be as follows:


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OPTION PERIOD 1	Year 1- \$17,430.40 Year 4 - \$19,046.67	Year 2 - \$17,953.31 Year 5 - \$19,618.07	Year 3 - \$18,491.91
OPTION PERIOD 2	Year 1- \$20,206.61 Year 4 - \$22,080.31	Year 2 - \$20,812.81 Year 5 - \$22,742.72	Year 3 - \$21,437.20
OPTION PERIOD 3	Year 1- \$23,425.00 Year 4 - \$25,597.13	Year 2 - \$24,127.75 Year 5 - \$26,365.05	Year 3 - \$24,851.58
OPTION PERIOD 4	Year 1- \$27,156.00 Year 4 - \$29,674.09	Year 2 - \$27,970.68 Year 5 - \$30,564.31	Year 3 - \$28,809.80

All rent shall be paid without demand so as to be received by the Landlord on the first day of each month. If rent is paid more than seven (7) days late, Tenant shall pay Landlord, in addition to the rent, a late fee equal to Six Percent (6%) of such late payment.

5. Security Deposit. Concurrently with the execution of this Lease, the Tenant shall have paid to the Landlord the sum of One Thousand Three Hundred Twenty Five Dollars (\$1,325.00) as security for the performance by Tenant of all of the conditions required herein. The Tenant agrees that this security deposit shall not be applied as the last month's rent payment. The security deposit shall be returned to Tenant upon expiration of the Lease term, or extended term, provided the premises are in good condition, reasonable wear and tear excepted, and all rents and other conditions have been met.

6. Tenant Improvements. Landlord shall install one handicap accessible bathroom in a location requested by the Tenant, and shall provide the Tenant with a separately metered gas fired, five ton HVAC system. The Tenant shall have the authority to install all necessary equipment with plumbing and wiring to service such equipment and to install ceiling, wall and floor covering as is necessary in order for the Tenant to conduct its business and that is required by Subway.

7. Acceptance. With the exception of improvements as per Section 5. Herein, Tenant shall at the commencement of the term, accept the premises in their existing condition, and acknowledges that no representation, statement of warranty, express or implied, has been made by or on behalf of the Landlord as to the condition or as to the available use that may be made of such property. All improvements or alterations made for Tenant's business on the premises shall be made at Tenant's sole expense (subject to the provisions of Section 7. herein), unless Landlord expressly agrees in writing to make any such renovations or repairs.

8. Maintenance and Repair. The Tenant shall not cause or permit any waste or damage to the property, reasonable and ordinary wear and tear excepted. Tenant shall be responsible for all repairs, maintenance and replacement due to damages caused by Tenant, Tenant's employees, licensees, invitees or guests. Further, the Tenant, at his sole expense, shall keep the property, with all improvements made thereto, in good condition, shall make all repairs, replacements and renewals necessary to maintain the premises, including all repairs to the plumbing, HVAC and



8. Maintenance and Repair. (CONTINUED)

electrical systems, glass, doors and windows, flooring or floor covering, and suspended ceiling system, and shall, at his own cost, make any alterations or improvements, or decorations to the interior as shall be reasonably necessary or appropriate for Tenant's business, provided that prior to the commencement of any such alterations, the Landlord shall have approved the plans and specifications therefor.

9. Additional Rent.

Utilities. The Tenant shall be responsible for the payment of charges for utilities used in or upon the premises, including, but not limited to, gas, electricity, heat and telephone services, and shall indemnify the Landlord against any liability for said charges. Tenant shall be responsible for establishing accounts with each utility or service company providing such services, and make such necessary provisions with such companies so that all charges are in the name of the Tenant, and Tenant shall be directly responsible for all such charges.

A \$17.00 per month water and sewer payment is reflected in the monthly payments for the initial lease term and the first, two year option period towards Tenants water and sewer use. Such charges will be re-evaluated at the time of the second renewal term based on Tenant's water and sewer usage at that time.

(b) Insurance. The Landlord, at Landlord's expense, shall keep the building containing the leased premises insured against loss or damage by fire. The Tenant shall, at his sole expense, insure against claims for personal injury or property damage occasioned by his tenancy under a policy of general public liability insurance with limits of at least \$1,000,000 for bodily injury and \$300,000 for property damage. Such policies shall name the Landlord and Tenant as insured, and the Tenant shall provide Landlord with a certificate of such coverage at the commencement date of the Lease. Tenant shall further assume the sole obligation of insuring his personal property, business fixtures, business interruption, and glass breakage.

(c) Maintenance. The Tenant shall be responsible for all interior maintenance, exterior non-structural maintenance, including extermination (as required under Section 8. hereof), trash removal, snow plowing and grounds care, and other similar costs, and shall indemnify the Landlord against any liability for said charges. Tenant shall be responsible for establishing accounts with each company providing such services, and make such necessary provisions with such companies so that all charges are in the name of the Tenant, and Tenant shall be directly responsible for all such charges.

10. Non-Liability. The Tenant covenants that the Landlord shall not be liable for any damage or injury to the Tenant, his agents or employees, or any person entering the premises, or the goods or chattels therein, and further, the Tenant agrees and hereby does indemnify and save the Landlord harmless from all claims of any kind and nature, except for claims for damage or injury as result or fault of Landlord, except if caused by the negligence of the Landlord, its Agents or Employees.

11. Assignment. Tenant shall not have the right to assign or sublet this Lease without the prior written consent of the Landlord. In the event such consent is granted by Landlord, Tenant shall continue to remain primarily liable for the performance of all terms and conditions of this Lease, except as provided in the attached rider.

12. Fire. In case of partial destruction or injury by fire or other casualty, so as to make the premises temporarily unfit for use or occupation, then the rent reserved or a proportion thereof shall be suspended until the premises shall have been rebuilt for use by said Tenant; or in the event the premises are rendered totally untenable by fire, then at the election of either the Landlord or Tenant, on written notice within twenty (20) days of said destruction, the Lease may be terminated and rent shall be paid to the date of such injury or destruction.

13. Permitted Use. Tenant may use the premises for the business of a Subway Sandwich Shop and related activities, but for no other purposes.


14. Signs. Tenant shall have the right to erect and maintain a sign advertising the business of the Tenant, provided, however, Landlord shall approve the location, form and content of any proposed sign. Any sign shall be maintained by Tenant and comply with all laws and ordinances applicable thereto. Notwithstanding anything in this lease to the contrary, Tenant may use the Franchisor's standard logo and colors. Tenant may use the Franchisor's standard neon tubing/banding and window advertising, including but not limited to neon open signs and static clings.

15. Default. If the Tenant shall be in default of rent or any portion thereof for more than seven (7) days after due date, or if there shall be default in the performance of any other covenant or condition herein contained for more than twenty (20) days after notice of such default by Landlord, then the term of this Lease, at the option of the Landlord, shall thereupon terminate and the Landlord shall have the right to re-enter or re-possess the property, and dispossess and remove the Tenant and its effects, without being liable for any prosecution therefore. In such case, Landlord may relet the premises as agent of Tenant, and the Tenant, notwithstanding early termination of the lease term pursuant to this provision, shall pay to the Landlord the difference between the rent hereby reserved for the remainder of the then current term had the lease term not ceased due to Tenant's default, and the amount, if any, received under any reletting for such remaining portion of the current term, within ten (10) days of Tenant's receipt of written notice.

Tenant further agrees to pay all reasonable costs, attorneys' fees and expenses that may be incurred by the Landlord in enforcing any of the covenants contained in this Lease, including broker's commissions, advertising costs, cleaning expenses and storage expenses, legal and court fees, and other expenses relating to the Tenant's default.

16. Snow and Trash Removal. Tenant, at his sole cost and expense, shall be responsible for snow and ice removal from the premises, and any adjacent sidewalks; and further shall be responsible for the removal of trash and refuse from the Premises.

A handwritten signature in black ink, appearing to be "EMM", is located in the bottom right corner of the page.

WILLIAM W. GOWEN
D/BA SHEKINAH CO.
E.M.M. 

Rider to Lease dated the 19th day of March 1999, made by and between Shekinah Co., ("Landlord") and Subway Real Estate Corp., ("Tenant"). Premises will be known as:

498 Congress Street
Portland, ME

Notwithstanding any clause in this lease to the contrary, the following provisions shall prevail:

Definitions

The following terms when used hereinafter shall be defined as follows:

Building:

The Landlord's property (including the land), of which demised premises comprise a portion.

Premises:

The portion of the Building which is leased to Tenant.


R1 The minimum and all additional rent shall commence ninety (90) days after the commencement date.

R2. Tenant may assign this lease or sublet the premises to any bona-fide licensee/franchisee of Doctor's Associates Inc. doing business as a SUBWAY® sandwich shop, without the prior consent of or written notice to the Landlord. Such assignment or subletting shall not alter the Tenant's responsibility to the Landlord under this lease. Landlord agrees to accept rent from the Tenant, its assignee or sublessee.

R3. LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT TENANT IS A DELAWARE CORPORATION AND THAT TENANT'S ASSETS CONSIST ALMOST EXCLUSIVELY OF LEASES, SUBLEASES, AND OPTIONS TO PURCHASE LEASED PREMISES. LANDLORD ALSO RECOGNIZES AND ACKNOWLEDGES THAT TENANT WAS ORGANIZED PRINCIPALLY FOR THE PURPOSE OF NEGOTIATING AND DRAFTING LEASES WITH A VIEW TOWARDS SUBLETTING THE LEASED PREMISES TO FRANCHISEES/LICENSEES OF DOCTOR'S ASSOCIATES INC. ("DAI"). LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN ADVISED THAT DAI IS A FLORIDA CORPORATION THAT OWNS ALL RIGHTS TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS AND THAT LANDLORD HAS ALSO BEEN ADVISED THAT TENANT HAS NO RIGHTS WHATSOEVER TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS OR COLLECT ANY FRANCHISE RELATED ROYALTIES FROM ANY PROSPECTIVE SUBLESSEE OF THE PREMISES. LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN GIVEN AN OPPORTUNITY, WHETHER BY ITSELF OR WITH THE ASSISTANCE OF ITS PROFESSIONAL ADVISORS, TO MAKE INQUIRY OF TENANT'S FINANCIAL STATUS AND TO EVALUATE SAID



STATUS TO ITS SATISFACTION. LANDLORD HAS EITHER MADE SUCH INQUIRY AND IS SATISFIED WITH THE RESPONSE TO SUCH INQUIRY OR HAS AFFIRMATIVELY AND VOLUNTARILY DETERMINED NOT TO DO SO. LANDLORD FURTHER RECOGNIZES AND ACKNOWLEDGES THAT NO PERSON OR ENTITY OTHER THAN TENANT HAS MADE ANY REPRESENTATIONS OF ANY KIND WITH REGARD TO THE ABILITY OF TENANT TO PERFORM TENANT'S OBLIGATIONS HEREUNDER. LANDLORD ALSO RECOGNIZES AND ACKNOWLEDGES THAT TENANT INTENDS TO SUBLEASE THE PREMISES TO A PERSON(S) WHO HAS OR WILL BE AWARDED A FRANCHISE/LICENSE FOR A SUBWAY® SANDWICH SHOP FROM DAI, UNDER WHICH SUBLEASE THE SUBLESSEE WILL PAY RENT DIRECTLY TO LANDLORD SO THAT THE RENTAL PAYMENT FROM SUCH SUBLESSEE WILL NORMALLY NOT BE RECEIVED OR HELD BY TENANT. ALTHOUGH THE SUBLESSEE MAY OPEN A BUSINESS OPERATION DOING BUSINESS AS A SUBWAY® SANDWICH SHOP AND MAY HAVE FRANCHISE AND OTHER BUSINESS RELATIONSHIPS WITH CORPORATIONS RELATED TO OR ASSOCIATED BY THE GENERAL PUBLIC WITH "SUBWAY", AS IT IS COMMONLY KNOWN, LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT THE SOLE AND EXCLUSIVE PERSON OR ENTITY AGAINST WHICH IT MAY SEEK DAMAGES OR ANY REMEDIES UNDER THIS OR ANY OTHER DOCUMENT IN WHICH THE LANDLORD AND TENANT OR LANDLORD AND SUBLESSEE ARE PARTIES, WHETHER FOR UNPAID RENT AND ASSOCIATED DAMAGES, CLAIMS OF UNJUST ENRICHMENT, CLAIMS OF UNFAIR TRADE PRACTICES, OR ANY OTHER THEORY OF RECOVERY OF ANY KIND OR NATURE, IS TENANT OR SUBLESSEE. FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THERE WILL NOT BE ANY LIABILITY WHATSOEVER AGAINST (A) DAI, ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND/OR AGENTS, AND/OR (B) ANY PERSONS AND ENTITIES WHO ARE THE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AND/OR AGENTS OF THE TENANT. SUCH EXCULPATION OF LIABILITY SHALL BE ABSOLUTE AND WITHOUT ANY EXCEPTION WHATSOEVER.

Tenant Initials


EMM
Landlord Initials

R4. Landlord shall, at his expense, maintain the exterior of the Building, including the roof, walls, foundations, walks, driveways, parking areas, and the structural portion of the Premises, in good condition and repair, except when damaged by Tenant.

Further, Landlord warrants that the Premises are fully in compliance with the Americans with Disabilities Act of 1990, as well as any applicable local ordinances. Landlord agrees to indemnify Tenant for any damages ensuing from a lawsuit brought either by an individual or the Attorney General for violation of this Code. Any alterations required to bring the Building into compliance with the Code shall be the Landlord's sole expense and responsibility, and any charges incurred by the Landlord shall not be charged back to the Tenant either as part of the common area maintenance charges, or otherwise.

R5. Landlord warrants that the Premises including the heating and air conditioning systems, plumbing, hot water heater, and electrical systems on the Premises will be in compliance with all building codes, in good working order, and that the roof will be free of leaks for the term of this lease.


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R10. If the whole or any part of the Premises shall be taken by any lawful authority under the power of eminent domain, then this lease and the term demised, shall thereupon terminate and Tenant shall be liable for rent only up to the date of such termination. In addition, Tenant shall be entitled to participate in any and all awards for such taking to the extent that any such award includes the loss, if any, sustained by Tenant as a result of the termination of this lease for loss of business, fixtures, goodwill, and moving expenses.

R11. In the event of litigation between the Landlord and the Tenant relative to rights, obligations and duties of either party under this lease, each party shall pay its own attorney fees and costs. Further, Landlord hereby waives any claim(s) against Tenant and any related parties for consequential, exemplary, and/or punitive damages. In addition, both parties hereby waive their rights to a trial by jury.

R12. If the Landlord shall fail, refuse or neglect to comply with Landlord obligations in accordance with the terms of this lease, or if Tenant makes any repairs by reason of any act, omission or negligence of the Landlord or its employees or agents, Tenant shall have the right, at its option, to make such repairs on the behalf of and for the account of the Landlord and deduct all costs and expenses thereof from the next installment(s) of rent due under this lease. Alternatively, if a default by Landlord continues for a period of thirty (30) days after Landlord's receipt of a written notice specifying the default, Tenant, at Tenant's option, may terminate this lease by notifying the Landlord in writing and specifying the termination date. This lease shall automatically be deemed void and both parties shall be relieved of all obligations. Tenant shall vacate the Premises within an additional period of thirty (30) days paying rent only to the date of said vacating. Landlord shall return any and all security deposits and/or advanced rent paid by Tenant within three (3) business days.

R13. For good and valuable consideration, Landlord agrees to the following provision: In the event of a default by the Tenant, Landlord acknowledges an affirmative duty to mitigate damages and shall in no event accelerate rent due to the remainder of the term. Further, Landlord and Tenant agree that Tenant's liability upon default shall not exceed six (6) month's base rent or the remainder due pursuant to this lease, whichever is less. Upon the termination of this lease, whether in accordance with this section or otherwise, Tenant shall be permitted access to the Premises to remove any and all logo or trademark items. Such items shall include, but shall not be limited to, signage and murals.

R14. Upon ten (10) days written request from the Tenant, Landlord agrees to acknowledge and deliver to the Tenant a Memorandum of Lease, attached hereto as Exhibit B.

In the event Landlord fails or refuses to execute a Memorandum of Lease within the specified time period Tenant, at Tenant's option, may consider this a default by the Landlord and terminate this lease.

Alternatively, Tenant may: i) complete the Memorandum of Lease on behalf of the Landlord, in which case the Landlord agrees that the Tenant may rely upon the information contained therein as being accurate or; ii) deposit the minimum and additional rent, that would have been payable to Landlord, into an escrow account until such time as the Memorandum to Lease is acknowledged and delivered to Tenant by Landlord.

R15. Landlord agrees not to sell, lease, let, use or permit to be used, any property owned or controlled by it within the center now or at any time during the initial term of this lease or any renewal thereof to any entity which sells or serves ready to eat food. Further, current tenants shall be prohibited from adding items to their menus which conflict with this exclusive.

Landlord warrants that Tenant shall not be in violation of any other exclusive rights when this lease commences. Further, Landlord shall indemnify and hold the Tenant harmless from any third party claim or suit regarding any other exclusive right granted by Landlord. Landlord agrees to provide the Tenant with all current and future exclusivity agreements with other tenants.

R16. If the Landlord receives an offer to purchase the Building during the term of this lease, and the offer to purchase shall be satisfactory to Landlord, Tenant shall have the opportunity to purchase the Building at the price and on the terms of said offer. Landlord shall give Tenant written notice via certified or registered mail requiring the Tenant to accept the offer in writing within thirty (30) days. Tenant's failure to accept the offer to purchase within thirty (30) days shall nullify and void the Tenant's option and Landlord shall be at liberty to sell the Building to any other entity. Any sale of the Premises, except to Tenant, shall be expressly subject to this lease and any renewals or extensions hereof.

R17. Landlord represents that there are no oral agreements affecting this lease; this lease, exhibits and rider, if any, attached hereto and forming a part hereof, supersede and cancel any and all previous negotiations, arrangements, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties and understandings between the parties as stated by, including but not limited to, Tenant's agent(s), employee(s), SUBWAY® franchisee(s), and/or SUBWAY® Development Agent(s) of Doctor's Associates Inc. No alteration, amendment, change or addition to this lease shall be binding upon either party unless reduced to writing and signed by each party.

R18. Tenant's responsibility to release or otherwise discharge any contractor's lien against the Premises or the Building shall be limited to that work which was performed both for the benefit of and by the Tenant.

Provided the foregoing requirement has been met, should any lien or encumbrance be filed against the premises or the shopping center, or Tenant's interest therein, by reason of Tenant's acts and omissions



EXHIBIT B
MEMORANDUM of LEASE

This is a memorandum of lease for the Lease executed on the 19th day of March 1999, 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 WILLIAM W. GOWEN an Corporation having its principal office at P.O. Box 1088 hereinafter called "the Landlord".
WINDHAM, ME 04062

1. Description of Leased Premises:

The Lessor leases to the Lessee the premises as described in Lease:

(Approximately 1,530 Square Feet)

2. Term:

The Lease is for a term of 5 years to commence on the 1st day of April, 1999 and terminate on the 31st day of March, 2004.

In Witness Whereof the parties have hereunto executed this memorandum of lease this 19th day of March, 1999.

Landlord:

Elizabeth Magnusson P.O.A.

Tenant: Subway Real
Estate Corp.

or because of a claim against Tenant, Tenant shall cause the same to be cancelled and discharged of record by bond or otherwise at Tenant's expense within ten (10) days after written notice by Landlord to Tenant.

WITNESS:

Landlord: SHEKINAH CO.

Ed B. C.

Elizabeth Magnusson, P.O.A.

WITNESS:

Tenant:
SUBWAY REAL ESTATE CORP.

106 Joseph L. Lu

Wm. P. ...
Vice President 3/18/99

DURABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, William W. Gowen, of Windham, ME, do hereby appoint Elisabeth M. Magnusson of 30 Clearwater Drive, Falmouth, ME, my true and lawful attorney, for me and in my name and stead, to do and execute all or any of the following described acts:

o To sign all real estate lease agreements with real estate brokers and to negotiate and sign all real estate leases and other documents necessary or convenient for the purpose.

Any person dealing with said attorney or substitute attorney may rely without inquiry on the continuing validity of this power unless he has notice that it has been revoked by me.

I hereby ratify and confirm, and agree to ratify and confirm whatever said attorney or substituted attorney shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I hereunto set my hand and seal this 19 day of MAY, 1997.

Signed and Sealed in presence of

William W. Gowen
William W. Gowen

STATE IF MAINE
CUMBERLAND, SS.

DATE: ,1997

Personally appeared the above named William W. Gowen and acknowledged the foregoing instrument to be his free act and deed.

Before me, 19 May 1997

My Commission
expires 12-5-00

Leodow L. Killinger Sr.
Notary Public/Attorney-at-Law

Leodow L. Killinger Sr.
Print Name

17. Subordination. This Lease shall be subject and subordinate to any and all mortgages which may now or hereafter affect the property. Tenant shall sign a Tenant Subordination Agreement upon request of Landlord provided Landlord's mortgagee agrees to attorn to the lease on ordinary commercial terms.

18. Notice. Any notice by either party to the other shall be in writing and if to Landlord shall be personally delivered or sent by certified mail to Landlord, and if to Tenant shall be personally delivered upon Tenant or an agent or employee of Tenant in the leased premises, or shall be sent by certified mail to Tenant in care of the address of the Premises; or shall be sent by regular U.S. mail to the address noted above, in which case notice shall run from three (3) days after the notice is deposited for mailing. Notice shall be deemed to have been given in the event either party refuses personal service or refuses to claim or accept certified mail.

19. Successors Bound. The covenants, provisions and undertakings of this Lease shall extend to and be binding upon the heirs, personal representatives and successors of the parties hereto.


20. Entire Agreement. This Lease contains the entire agreement between the parties relating to the Premises, and it may not be modified except in a writing signed by both parties.

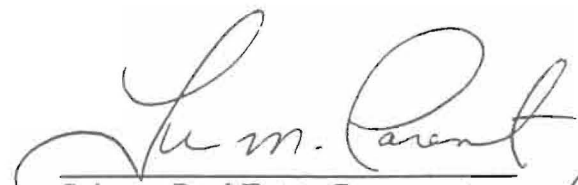
21. Interpretation. This Lease shall be interpreted, construed and governed in accordance with the laws of the State of Maine.

22. Memorandum of Lease. The parties agree that a Memorandum of Lease may be executed for recording in the Cumberland County Registry of Deeds upon the request of either party, the requesting party to prepare the Memorandum for execution and see to the recording thereof.

Landlord:

Tenant:


William W. Gowen P.O.A.
d/b/a Shekinah Co.


Subway Real Estate Corp.
Its Vice President 3/18/99

BUILDING PERMIT REPORT

DATE: 23/APRIL/99 ADDRESS: 498 Congress ST. CBL: 037-I-001
 REASON FOR PERMIT: Change of use From vacant To Subway Sandwich Shops.
 BUILDING OWNER: Bill Gowen
 PERMIT APPLICANT: Loren Goodridge Contractor Loren Goodridge
 USE GROUP A-3 BOCA 1996 CONSTRUCTION TYPE 3B

CONDITION(S) OF APPROVAL

This permit is being issued with the understanding that the following conditions are met:

Approved with the following conditions: *1, *11, *20, *21, *22, *23, *27, *28, *30, *32, *34, *35, #3, #3

- X 1. This permit does not excuse the applicant from meeting applicable State and Federal rules and laws.
2. Before concrete for foundation is placed, approvals from the Development Review Coordinator and Inspection Services must be obtained. (A 24 hour notice is required prior to inspection)
3. Foundation drain shall be placed around the perimeter of a foundation that consists of gravel or crushed stone containing not more than 10 percent material that passes through a No. 4 sieve. The drain shall extend a minimum of 12 inches beyond the outside edge of the footing. The thickness shall be such that the bottom of the drain is not higher than the bottom of the base under the floor, and that the top of the drain is not less than 6 inches above the top of the footing. The top of the drain shall be covered with an approved filter membrane material. Where a drain tile or perforated pipe is used, the invert of the pipe or tile shall not be higher than the floor elevation. The top of joints or top of perforations shall be protected with an approved filter membrane material. The pipe or tile shall be placed on not less than 2" of gravel or crushed stone, and shall be covered with not less than 6" of the same material. Section 1813.5.2
4. Foundations anchors shall be a minimum of 1/2" in diameter, 7" into the foundation wall, minimum of 12" from corners of foundation and a maximum 6' o.c. between bolts. (Section 2305.17)
5. Waterproofing and damp proofing shall be done in accordance with Section 1813.0 of the building code.
6. Precaution must be taken to protect concrete from freezing. Section 1908.0
7. It is strongly recommended that a registered land surveyor check all foundation forms before concrete is placed. This is done to verify that the proper setbacks are maintained.
8. Private garages located beneath habitable rooms in occupancies in Use Group R-1, R-2, R-3 or I-1 shall be separated from adjacent interior spaces by fire partitions and floor/ceiling assembly which are constructed with not less than 1-hour fire resisting rating. Private garages attached side-by-side to rooms in the above occupancies shall be completely separated from the interior spaces and the attic area by means of 1/2 inch gypsum board or the equivalent applied to the garage means of 1/2 inch gypsum board or the equivalent applied to the garage side. (Chapter 4, Section 407.0 of the BOCA/1996)
9. All chimneys and vents shall be installed and maintained as per Chapter 12 of the City's Mechanical Code. (The BOCA National Mechanical Code/1993). Chapter 12 & NFPA 211
10. Sound transmission control in residential building shall be done in accordance with Chapter 12, Section 1214.0 of the City's Building Code.
- X 11. Guardrails & Handrails: A guardrail system is a system of building components located near the open sides of elevated walking surfaces for the purpose of minimizing the possibility of an accidental fall from the walking surface to the lower level. Minimum height all Use Groups 42", except Use Group R which is 36". In occupancies in Use Group A, B, H-4, I-1, I-2, M and R and public garages and open parking structures, open guards shall have balusters or be of solid material such that a sphere with a diameter of 4" cannot pass through any opening. Guards shall not have an ornamental pattern that would provide a ladder effect. (Handrails shall be a minimum of 3e4" but not more than 38". Use Group R-3 shall not be less than 30", but not more than 38".) Handrail grip size shall have a circular cross section with an outside diameter of at least 1 1/4" and not greater than 2". (Sections 1021 & 1022.0) - Handrails shall be on both sides of stairway. (Section 1014.7)
12. Headroom in habitable space is a minimum of 7'6". (Section 1204.0)
13. Stair construction in Use Group R-3 & R-4 is a minimum of 10" tread and 7 1/4" maximum rise. All other Use Group minimum 11" tread, 7" maximum rise. (Section 1014.0)
14. The minimum headroom in all parts of a stairway shall not be less than 80 inches. (6'8") 1014.4
15. Every sleeping room below the fourth story in buildings of Use Groups R and I-1 shall have at least one operable window or exterior door approved for emergency egress or rescue. The units must be operable from the inside without the use of special knowledge or separate tools. Where windows are provided as means of egress or rescue they shall have a sill height not more than 44 inches (1118mm) above the floor. All egress or rescue windows from sleeping rooms shall have a minimum net clear opening height dimension of 24 inches (610mm). The minimum net clear opening width dimension shall be 20 inches (508mm), and a minimum net clear opening of 5.7 sq. ft. (Section 1018.6)
16. Each apartment shall have access to two (2) separate, remote and approved means of egress. A single exit is acceptable when it exits directly from the apartment to the building exterior with no communications to other apartment units. (Section 1010.1)
17. All vertical openings shall be enclosed with construction having a fire rating of at least one (1) hour, including fire doors with self closer's. (Over 3 stories in height requirements for fire rating is two (2) hours.) (Section 710.0)

18. The boiler shall be protected by enclosing with (1)hour fire rated construction including fire doors and ceiling, or by providing automatic extinguishment. (Table 302.1.1)
19. All single and multiple station smoke detectors shall be of an approved type and shall be installed in accordance with the provisions of the City's Building Code Chapter 9, Section 920.3.2 (BOCA National Building Code/1996), and NFPA 101 Chapter 18 &19. (Smoke detectors shall be installed and maintained at the following locations):
 - In the immediate vicinity of bedrooms
 - In all bedrooms
 - In each story within a dwelling unit, including basements
 In addition to the required AC primary power source, required smoke detectors in occupancies in Use Groups R-2, R-3 and I-1 shall receive power from a battery when the AC primary power source is interrupted. (Interconnection is required) Section 920.3.2.
- * 20. A portable fire extinguisher shall be located as per NFPA #10. They shall bear the label of an approved agency and be of an approved type. (Section 921.0)
- * 21. The Fire Alarm System shall maintained to NFPA #72 Standard.
- * 22. The Sprinkler System shall maintained to NFPA #13 Standard.
- * 23. All exit signs, lights and means of egress lighting shall be done in accordance with Chapter 10 Section & Subsections 1023.0 & 1024.0 of the City's Building Code. (The BOCA National Building Code/1996)
24. Section 25-135 of the Municipal Code for the City of Portland states, "No person or utility shall be granted a permit to excavate or open any street or sidewalk from the time of November 15 of each year to April 15 of the following year".
25. The builder of a facility to which Section 4594-C of the Maine State Human Rights Act Title 5 MRSA refers, shall obtain a certification from a design professional that the plans commencing construction of the facility, the builder shall submit the certification the Division of Inspection Services.
26. Ventilation shall meet the requirements of Chapter 12 Sections 1210.0 of the City's Building Code. (Crawl spaces & attics).
- * 27. All electrical, plumbing and HVAC permits must be obtained by a Master Licensed holder's of their trade. No closing in of walls until all electrical (min. 72 hours notice) and plumbing inspections have been done.
- * 28. All requirements must be met before a final Certificate of Occupancy is issued.
29. All building elements shall meet the fastening schedule as per Table 2305.2 of the City's Building Code (the BOCA National Building Code/1996).
- * 30. Ventilation of spaces within a building shall be done in accordance with the City's Mechanical Code (The BOCA National Mechanical Code/1993). (Chapter M-16)
31. Please read and implement the attached Land Use Zoning report requirements. *-Separate permits req. for New Signage*
- * 32. Boring, cutting and notching shall be done in accordance with Sections 2305.4.4, 2305.5.1 and 2305.5.3 of the City's Building Code.
33. Glass and glazing shall meet the requirements of Chapter 24 of the building code.
- * 34. All Food handling equipment shall be done in accordance with STATE and local codes.
- * 35. Kitchen exhaust equipment shall be done in accordance with Chapter 5 of the City's mechanical code (The BOCA Mech./1993) and the manufactures requirements.
36. Any exterior work will require a separate review

P. Samuel Hoffses, Building Inspector
 cc: Lt. McDougall, PFD
 Marge Schmuckal, Zoning Administrator

**On the basis of plans submitted and conditions placed on these plans any deviations shall require a separate approval.



Certificate of Occupancy

37-I-001

LOCATION 498 Congress St.- 1st floor

Issued to Loren Goodridge

Date of Issue 6/23/99

This is to certify that the building, premises, or part thereof, at the above location, built — altered — changed as to use under Building Permit No. 990395, has had final inspection, has been found to conform substantially to requirements of Zoning Ordinance and Building Code of the City, and is hereby approved for occupancy or use, limited or otherwise, as indicated below.

PORTION OF BUILDING OR PREMISES

1st Floor at Grade Level

APPROVED OCCUPANCY

Sandwich Shop

Use Group A3

Type 5B

Boca 96

Limiting Conditions:

This certificate supersedes certificate issued

Approved:

6/23/99 *L. Goodridge*
.....
(Date) Inspector

[Signature]
.....
Inspector of Buildings

11/10

Notice: This certificate identifies lawful use of building or premises, and ought to be transferred from owner to owner when property changes hands. Copy will be furnished to owner or lessee for one dollar.