

Return Address:
Bartko, Zankel, Tarrant & Miller
900 Front Street, Suite 300
San Francisco, CA 94111
Attn: Theani C. Louskos, Esq.



200408160080

Skagit County Auditor

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11 10:10AM

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|---|
| Document Title(s) (or transactions contained therein): (all areas applicable to your document <u>must</u> be filled in) <p style="text-align: center;">MEMORANDUM OF LEASE</p> |
| Reference Number(s) of Documents assigned or released: N/A <input type="checkbox"/> Additional reference #'s on page ___ of document |
| Grantor(s) (Last name first, then first name and initials) 1. NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC (Landlord) <input type="checkbox"/> Additional names on page ___ of document |
| Grantee(s) (Last name first, then first name and initials) 1. ROSS STORES, INC. (Tenant) <input type="checkbox"/> Additional names on page ___ of document |
| Legal description (abbreviated: i.e., lot, block, plat or section, township, range): LOTS 2-11, INCLUSIVE, AND LOT 15, CITY OF BURLINGTON BINDING SITE PLAN NO. BURL-01-04, BEING A PORTION OF GOV. LOT 8 AND THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4, SECTION 7, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M. <input checked="" type="checkbox"/> Additional legal is described on Exhibit A of this document. |
| Assessor's Property Tax Parcel/Account Numbers: 340407-1-023-0018, P24092, 340407-1-028-0005, P24106, 340407-1-023-0300, P112790, 340407-1-087-0005, P24033, 340407-1-027-0006, P24105, 340407-0-008-0001, P23909, 340407-0-008-0100, P23910, 340407-0-023-0200, P23928, 340407-0-006-0003, P23907, 340407-0-006-01021, P90025, 340407-0-010-0007, P23912. |

RECORDING REQUESTED BY

Ross Stores, Inc.

AND WHEN RECORDED MAIL TO:

Bartko, Zankel, Tarrant & Miller
900 Front Street, Suite 300
San Francisco, CA 94111
Attn: Theani C. Louskos, Esq.

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

MEMORANDUM OF LEASE

1
2
3 1. This Memorandum of Lease is effective upon recordation and is entered into by
4 and between NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC, a Washington
5 limited liability company ("Landlord"), having its principal place of business at 2255 Van Ness
6 Avenue, Suite 102, San Francisco, CA 94109, and ROSS STORES, INC., a Delaware
7 corporation ("Tenant"), having its principal place of business at 4440 Rosewood Drive, Building
8 #4, Mail Stop PL4 4E 2, Pleasanton, CA 94588-3050, who agree as follows:

9 2. By written lease (the "Lease"), Landlord leases to Tenant and Tenant hires from
10 Landlord a portion of the real property located in the City of Burlington, County of Skagit, State
11 of Washington, described in Exhibit A hereto, for a term of approximately ten (10) years which
12 term is subject to extension by Tenant for four (4) additional periods of five (5) years each. The
13 Exhibit A lands are sometimes herein referred to as the "Shopping Center," and are referred to in
14 the Lease as Landlord's Parcel.

15 3. Landlord has granted Tenant and its authorized representatives and invitees the
16 nonexclusive right to use the Shopping Center common area with others who are entitled to use
17 those areas subject to Landlord's rights as set forth in the Lease.

18 4. The provisions of the Lease are incorporated into this Memorandum of Lease by
19 reference. The Lease contains the following provision(s):

20 '3.2.1. Retail Use.

21 (a) Tenant has entered into this Lease in reliance
22 upon representations by Landlord that Landlord's Parcel is and
23 shall remain retail in character, and, further, except as provided in

Burlington Crossings Shopping Center
Burlington, WA
Store No. 873
6061.614/290291.1

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1 Section 3.2.1(b), no part of Landlord's Parcel (including the Store)
2 shall be used for office or residential purposes or as a theater,
3 auditorium, meeting hall, school, church or other place of public
4 assembly, "flea market," gymnasium, veterinary services, overnight
5 stay pet facilities, health club, dance hall, billiard or pool hall,
6 massage parlor, video game arcade (i.e. any premises containing
7 more than five (5) electronic games, which parlor or arcade is not
8 incidental to a restaurant or other permitted use under this Lease),
9 bowling alley, skating rink, car wash, facility for the sale, display,
10 leasing or repair of motor vehicles, night club, adult products, adult
11 books or adult audio/video products (which are defined as stores in
12 which at least ten percent (10%) of the inventory is not available
13 for sale or rental to children under the age of majority in the state
14 in which the Store is located because such inventory explicitly
15 deals with or depicts human sexuality). No ATM or similar
16 machine shall be permitted on the exterior walls of the Inline
17 Building within one hundred (100) feet of the front and side
18 perimeter walls of the Store. Further, no restaurant or other "High
19 Intensity Parking User" (as hereinafter defined) shall be permitted
20 in Landlord's Parcel within three hundred (300) feet of the front
21 and side perimeter walls of the Store. A "High Intensity Parking
22 User" is a tenant or occupant whose use requires more than five (5)
23 parking spaces per one thousand (1,000) square feet of Leasable
24 Floor Area in accordance with governmental regulations. The
25 foregoing use restrictions are referred to herein as the Ross
26 Prohibited Uses.

27 (b) Notwithstanding the provisions of Section
28 3.2.1(a) above, the following uses shall be permitted in Landlord's
29 Parcel:

30 (i) Retail offices (i.e. offices which are open to the
31 general public for the sale of services and products such as
32 optometrist, stock broker, insurance broker, etc.) located on an
33 Outparcel, including spaces Retail F, G, and H as shown on the
34 Site Plan; provided, however, veterinary services and overnight pet
35 facilities shall not be permitted except as provided in Section
36 3.2.1(b)(ii) below.

37 (ii) One (1) veterinary service or overnight pet
38 facility provided it is located in the PetsMart space shown on the
39 Site Plan.



1 (iii) One (1) car wash if ancillary to a Fuel Center (as
2 defined in the REA) provided that the Fuel Center is located on
3 one (1) of the Outparcels adjacent to S. Burlington Boulevard.

4 (iv) During the existence of Landlord's current lease
5 with PetsMart for the PetsMart Space ("PetsMart Lease"), an ATM
6 machine will be permitted on the exterior wall of the PetsMart
7 Space if Landlord cannot legally prevent same according to the
8 terms of the PetsMart Lease.

9 (v) During the existence of Landlord's current lease
10 with Best Buy, a restaurant shall be permitted except any restaurant
11 which is in violation of the REA.

12
13 '15.3. Protection.

14 Without the prior written consent of Tenant, which consent may be
15 withheld in the absolute and sole discretion of Tenant, no tenant or
16 occupant of Landlord's Parcel (other than Tenant) may (a) use its
17 premises for the Off Price Sale (as hereinafter defined) of merchandise,
18 or (b) use in excess of ten thousand (10,000) square feet or more of its
19 space for the Off Price Sale of those items listed in Section 15.1 above.

20 For purposes of this Section 15.3, "Off Price Sale" shall mean the retail
21 sale of merchandise on an every day basis at prices reduced from those
22 charged by full price retailers, such as full price department stores;
23 provided, however, this definition shall not prohibit sales events by a
24 retailer at a price discounted from that retailer's every day price
25 including permanent "clearance" or other discounted sales. (As of the
26 Effective Date, examples of Off Price Sale retailers include such
27 retailers as T.J. Maxx, Marshall's, Nordstrom Rack, Goody's, Factory
28 2U, Burlington Coat, Steinmart, and Filene's Basement.)

29
30 5. The provisions of the Lease to be performed by Landlord whether to be performed
31 at the Tenant's store, or any other portion of the Shopping Center, whether affirmative or
32 negative in nature, are intended to and shall bind the Landlord, its successors and assigns at any
33 time and shall inure to the benefit of Tenant, its successors and assigns.

34 6. This Memorandum of Lease is prepared for the purpose of constructive notice and
35 in no way modifies the provisions of the Lease.



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Contents of Memorandum of Lease:

- Paragraphs 1-6
- Exhibit A - Legal Description
- Exhibit B - Site Plan

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Memorandum of Lease on this 30th day of July, 2004.

LANDLORD:
NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC,
a Washington limited liability company

TENANT:
ROSS STORES, INC.,
a Delaware corporation

By: George Akel, III
George Akel, III
Its: Member

By: James Fassio
James Fassio
Its: Sr. Vice President

By: Gregg McGillis
Gregg McGillis
Its: Vice President, Real Estate

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

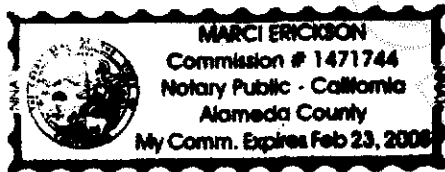
AUG 16 2004
Auditor of Public
Skagit Co. Treasurer
By: [Signature]



1 State of California)
2) ss.
3 County of Alameda)
4

5 On August 2, 2004 before me, Marci Erickson,
6 a Notary Public, personally appeared James Fassio and Gregg McGillis, personally known to me
7 or proved to me, on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are
8 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
9 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
10 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

11
12 WITNESS my hand and official seal.



13
14
15 Marci Erickson
16 Notary Public
17
18

19
20 State of California)
21) ss.
22 County of San Francisco)
23

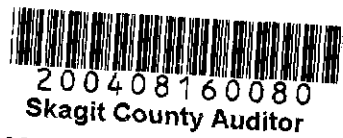
24 On Aug. 3, 2004 before me, Karin Marie Lomax, a Notary
25 Public, personally appeared George Axel,
26 personally known to me or proved to me, on the basis of satisfactory evidence, to be the
27 person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
28 he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
29 signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
30 acted, executed the instrument.

31
32 WITNESS my hand and official seal.



33
34
35 Karin Marie Lomax
36 Notary Public
37
38

Burlington Crossings Shopping Center
Burlington, WA
Store No. 873
6061.614/290291.1



UNOFFICIAL DOCUMENT



**EXHIBIT A
LEGAL DESCRIPTION**

Lots 2 - 11, inclusive, and Lot 15, 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 1/4 of the Northeast 1/4, Section 7, Township 34 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

Burlington Crossings Shopping Center
Burlington, WA
Store No. 873
6061.614/290280.1



200408160080
Skagit County Auditor

STATE ROUTE I-5 (LM LINE)

INTERSTATE 5 OFF RAMP

MAXIMUM SQ FT 7,000 SF

MAXIMUM SQ FT 6,000 SF

TO COST

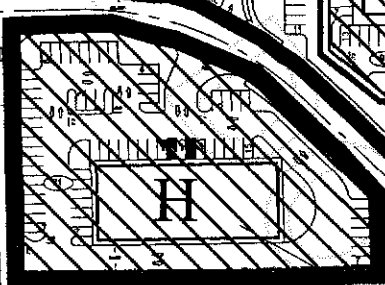
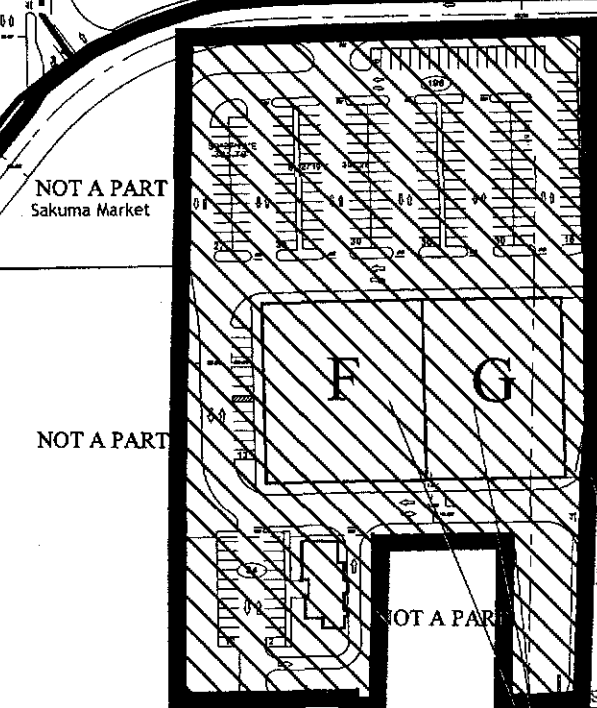
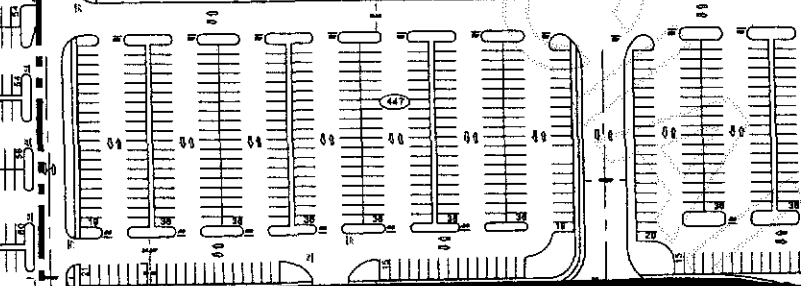
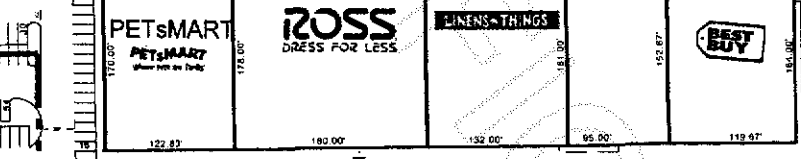
MAXIMUM SQ FT 12,250 SF

MAXIMUM SQ FT 52,000 SF

S. BURLINGTON BLVD

SHOPPING CENTER

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NOT A PART



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STATE ROUTE I-5 (LM LINE)

CENTER
PYLON SIGN 'A'

PRINCIPAL PARKING
AREA

INTERSTATE 5 OVERPASS

MAXIMUM
SQ FT
7,000 SF

MAXIMUM
SQ FT
6,000 SF

CENTER
MONUMENT
SIGN

TO COST

NOT A PART
Sakuma Market

NOT A PART

NOT A PART

NOT A PART

S. BURLINGTON BLVD

GEORGE HOPPER ROAD

PAGE 2 OF 2

" SITE PLAN
ON CROSSINGS
July 20, 2004

SCALE: NOT TO S







200408160080

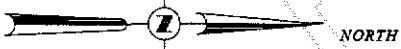
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KEY

-  -LANDLORD BUILDING ENEVELOPES
-  -CONTROL AREA
-  -FUTURE DEVELOPMENT AREA / PHASE 2
-  -HOME DEPOT PARCEL

STATE ROUTE I-5



WHITMARSH ROAD

RIVERSIDE BRIDGE

CENTE
MONUME
SIGN



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Small vertical text on the left margin, likely a project or drawing ID.