

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

The Gap, Inc.
Real Estate Law Department
901 Cherry Avenue
San Bruno, CA 94066
Attn: Sean Dennison, Esq.
Store #3837



200509130149
Skagit County Auditor

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MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into as of this 3RD day of MAY, 2004 by and between NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC, a Washington limited liability company ("Landlord"), and OLD NAVY, LLC, a Delaware limited liability company ("Tenant").

1. **Premises.** Pursuant to the Unrecorded Lease (as defined below), Landlord leases to Tenant that certain store premises (the "Premises") containing approximately 14,800 square feet of gross leasable area and constituting a part of a retail shopping center (the "Shopping Center") commonly known as Burlington Crossings, located at S. BURLINGTON BLVD., in the City of BURLINGTON, State of Washington. All land comprising the Shopping Center is referred to as the "Property" and is legally described in **Exhibit A** attached hereto.

2. **Unrecorded Lease.** This Memorandum of Lease is made upon all of the terms, covenants and conditions set forth in that certain unrecorded lease by and between the parties hereto of even date herewith (the "Unrecorded Lease"), all of the terms and conditions of which are made a part hereof as though fully set forth herein.

3. **Term/Commencement Date.** The term of this Memorandum of Lease and the Unrecorded Lease shall commence in accordance with the terms of the Unrecorded Lease, and shall expire on the last day of the month five (5) years next following the commencement date unless earlier terminated or extended in accordance with the provisions of the Unrecorded Lease. Alternatively, the original term may expire on the January 31st following the fifth (5th) anniversary of the commencement date, upon the occurrence of certain conditions set forth in the Unrecorded Lease. In addition, Tenant is granted two (2) option(s) to extend the original term for additional periods of five (5) years each.

4. **Common Easement.** Tenant and the employees, agents, officers, directors, licensees, contractors, subcontractors, successors and assigns (collectively, "Agents") of Tenant and Tenant's customers and invitees shall have all rights appurtenant to the Premises and a non-exclusive, irrevocable easement and right, in common with the other occupants of the Shopping Center and with the public, for the purpose of access over and across as well as the use of all areas for the common use of the occupants of the Shopping Center, including, without limitation, the sidewalks, driveways and parking areas on the Property (collectively, the "Common Areas"), which easement shall be appurtenant to the Premises and shall run with the land.

5. **Use.** The Premises may be used for the sale of apparel and accessories and, at Tenant's option, such other uses as are consistent with Tenant's other stores operating under the same tradename used by Tenant at the Premises. Any merchandise may be sold through the use of vending machines. The foregoing is collectively referred to herein as the "Permitted Use." Landlord shall take no action which would impair or limit Tenant's ability to conduct the Permitted Use.

6. **Restrictions.** Tenant is entering into this Memorandum of Lease and has entered into the Unrecorded Lease in reliance upon its ability to conduct the Permitted Use without any limitation or restriction whatsoever by reason of any exclusive provision or contractual restriction granted to any other party whatsoever and wherever located, which applies or pertains to the Premises or Tenant's use therein, except as contained in the Lease.

7. **Interpretation.** Landlord and Tenant have entered into this Memorandum of Lease in order that third parties may have notice of the existence of the Unrecorded Lease and some of its specific provisions. This Memorandum of Lease is not a complete summary of the Unrecorded Lease. This Memorandum of Lease is not intended to amend, modify, or otherwise change the terms and conditions of the Unrecorded Lease between the parties hereto. Provisions in this Memorandum shall not be used in interpreting the provisions of the Unrecorded

Lease. In the event of a conflict between this Memorandum and the Unrecorded Lease, the Unrecorded Lease shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date and year first above written.

LANDLORD

Newman Development Group of Burlington, LLC,
a Washington limited liability company

By: 

Its: MEMBER

TENANT

Old Navy, LLC,
a Delaware limited liability company

By: 

Title: DAVID B. MATTHEWS
ASSOCIATE GENERAL COUNSEL

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

SEP 13 2005

Amount Paid By
Skagit Co. Treasurer Deputy



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Skagit County Auditor

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) Ss:
COUNTY OF SAN MATEO)

On April 30, 2004, before me, Jennifer Ellen Shao, Notary Public, personally appeared David B. Matthews personally known to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Jennifer Ellen Shao (SEAL)
Notary Public Signature



STATE OF California)
) ss:
COUNTY OF San Francisco)

On May 6, 2004, before me, Karin Marie Lomax, Notary Public, personally appeared George Axel personally known to me to 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.

Karin Marie Lomax (SEAL)
Notary Public Signature



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EXHIBIT A

Legal Description

Lots 2 – 11, inclusive, and Lots 13 – 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 $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Section 7, Township 34 North, Range 4 East, W.M.



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