

~~PREPARED BY, AND WHEN RECORDED, RETURN TO:~~  
ROBINS, KAPLAN, MILLER & CIRESI L.L.P.  
2800 LaSalle Plaza  
800 LaSalle Avenue  
Minneapolis, MN 55402-2015  
Attention: Martina Sailer, Esq.  
(Best Buy Store #798)



200903250114

Skagit County Auditor

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Space Above This Line for Recorder's Use

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement (this "Memorandum") is executed as of February 25, 2009, by and between STRATFORD HALL, INC., ("Landlord") a Delaware corporation, successor-in-interest to NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC, a California limited liability company ("Original Landlord"), and BEST BUY STORES, L.P., a Virginia limited partnership ("Tenant").

WITNESSETH:

WHEREAS, Original Landlord and Tenant entered into a Lease (the "Lease") dated as of January 19, 2004, as may be amended or modified from time to time, the terms, provisions and conditions of which are incorporated herein by reference to the same extent as if recited in their entirety herein, whereby Original Landlord leased to Tenant the premises (the "Premises") located in the Sakuma Market Center (the "Shopping Center"), in Burlington, Washington, said Shopping Center being more particularly described on Exhibit A attached hereto and restated here:

Lots 2 - 9, inclusive, and Lots 13 and 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 1/4 of the Northeast 1/4, Section 7, Township 34 North, Range 4 East, W.M. # 340407-0-009-0000

TOGETHER WITH an easement for ingress, egress and utilities as described in that instrument recorded on February 11, 2004, under Auditor's File No. 200402110099, records of Skagit County, Washington.

ALSO TOGETHER WITH an easement for ingress, egress and utilities as described in that instrument recorded on March 15, 2004 under Auditor's File No. 200403150158 and re-recorded April 8, 2004, under Auditor's File No. 200404080093, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

Special reference is hereby made to the following terms and provisions of the Lease:

1. **TERM.** The term of the Lease (the "Lease Term") shall be for a period of ten (10) "Lease Years," as that term is defined in the Lease. The term shall commence on the date (the "Commencement Date") which is the earlier of (i) the one hundredth (100th) day after the later of the scheduled "Possession Date," as that term is defined in the Lease, or the date Original Landlord's engineer certifies in writing that Original Landlord has fully completed Original Landlord's Work as described in Article 5 of the Lease; or (ii) the date Tenant opens for business to the public at the Premises. The term shall expire on the last day of the tenth (10th) consecutive Lease Year, unless sooner terminated or extended as provided in the Lease.

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

MAR 25 2009

Amount Paid \$ 0  
Skagit Co. Treasurer  
By *MMS* Deputy

1

(1812)  
15128086.3

RETURN TO  
First American Title Insurance Co.  
National Commercial Services  
801 Nicollet Mall, Suite 1900  
Minneapolis, MN 55402  
NCS 232270-97 MPLS (CH)

2. **OPTION TO EXTEND.** Tenant is given the right to extend the Lease Term for four (4) additional period(s) of five (5) year(s) per period.

3. **SIGNS.** Original Landlord shall, at its sole cost and expense, obtain all requisite approvals for and construct a Shopping Center pylon sign and monument sign for Tenant's installation of its standard sign panels having space equal to the largest space afforded any other tenant or party (excluding anchor tenants occupying in excess of 75,000 square feet of retail space in the Shopping Center) for Tenant's standard yellow and black tilted ticket on a blue background sign at the locations designated on Exhibit B to the Lease. In addition to the foregoing and not in substitution therefor, if Original Landlord shall construct any additional pylon or freestanding sign(s) for the Shopping Center on which any tenant occupying equal or lesser space in the Shopping Center shall be entitled to a position, then Tenant shall be entitled to a yet to be determined position on such pylon or freestanding sign(s) with space on all such signs equal to the largest space afforded any other tenant or party except for anchor tenants occupying in excess of 75,000 square feet of retail space in the Shopping Center. The location of Tenant's panel position on any and all Shopping Center pylon sign(s) shall be subject to Tenant's approval which shall not be unreasonably withheld so long as Tenant's panel shall not be on the bottom position and Tenant's panel shall be no lower than any other Tenant occupying equal or less space in the Shopping Center. If the Shopping Center contains no pylon sign, Tenant may construct one pylon sign in the "Common Area," as such term is defined in the Lease, in a place to be designated by Tenant, subject to Original Landlord's commercially reasonable approval and satisfaction.

Original Landlord shall have no right to (i) place or maintain any signs, other than those of Tenant, on the Premises, including the exterior walls and roof thereof, or (ii) permit any person or entity, other than a retail tenant of the Shopping Center, to place or maintain any signage in the Shopping Center. Notwithstanding the foregoing, Original Landlord shall be entitled to install such directional or related signage as may be required by the City of Burlington and the fee owner of the retail complex adjacent to the Shopping Center commonly known as "Sakuma Market" (who is also the fee owner of the Shopping Center as of the effective date of this Lease) shall have the right to install signage on the Shopping Center identifying Sakuma Market so long as such signage shall not adversely affect Tenant's signage rights specified in this Lease.

4. **ALTERATIONS TO SHOPPING CENTER.** Original Landlord will not place or permit to be placed by any person or entity, any building, wall, landscaping, fence or other improvement or make any other alteration to that portion of the Shopping Center designated as "Tenant's Critical Area" on Exhibit B to the Lease other than buildings or improvements shown as existing or planned (or within permissible building areas shown) on the site plan attached as Exhibit B to the Lease; or other material improvements or changes to the balance of the Shopping Center or upon any outparcel(s) thereto other than improvement(s) shown as existing or planned on the site plan attached as Exhibit B to the Lease without Tenant's prior approval, not to be unreasonably withheld or delayed.

5. **EXCLUSIVITY AND USE.** Original Landlord shall not permit any person or entity other than Tenant in space leased directly or indirectly from Original Landlord in the



Shopping Center, to sell, rent, service and/or warehouse (and, if applicable, install in motor vehicles) the following product categories: electronic equipment or appliances (including, without limitation, televisions, stereos, and video recorders); major household appliances (including, without limitation, refrigerators, freezers, stoves, microwave ovens, dishwashers, washers and dryers); personal computers and peripherals, computer software; car radios, stereos, tape decks or phones; entertainment software, including compact discs, music videos and prerecorded tapes; telephones, telecopy, facsimile and photocopy machines; photographic cameras or equipment; office equipment, supplies or furniture; any substitutes for or items which are a technological evolution of the foregoing items; or any other related items carried in a majority of Tenant's stores, without Tenant's prior written consent, which may be granted or withheld in Tenant's sole and absolute discretion. The sale of any one or all of the foregoing product categories by another tenant or occupant of the Shopping Center shall be excluded from the foregoing restriction provided that such tenant or occupant restricts the sales area dedicated to the sale of one or all of the foregoing product categories to less than 1,500 square feet within such tenant's premises or occupant occupies more than 90,000 square feet in the Shopping Center or such tenant is an anchor tenant that owns its own parcel. In addition to the foregoing, Tenant shall have the right to (a) sell gourmet and other food items in support of and incidental to the foregoing product categories, and (b) sell books, magazines, sporting equipment and toys. In addition, Original Landlord shall not lease, or permit the use by any tenant or subtenant of Original Landlord of any property adjacent to the Shopping Center for use as a consumer electronics store such as Fry's, Good Guys or Circuit City.

Notwithstanding the foregoing, Original Landlord shall have the right to lease or sell space within the Shopping Center for use as an office supply store including but not limited to Staples, Office Max or Office Depot so long as such business shall not be located within two hundred fifty (250) feet of the Premises.

6. **PARKING.** Original Landlord covenants and agrees that the parking areas of Tenant's Critical Area shall at all times be as shown on the site plan attached as Exhibit B to the Lease and that the parking areas in all portions of the Shopping Center shall at all times be in conformity with any applicable governmental requirements related thereto. Original Landlord covenants and agrees that the parking areas of the Shopping Center shall at all times satisfy the following criteria as to the ratio of parking spaces of:

- (a) four (4) parking spaces per one thousand (1,000) square feet of building retail area, excluding restaurants, entertainment facilities, health clubs and grocery stores;
- (b) ten (10) parking spaces for every one thousand (1,000) square feet of building restaurant area for sit down full service restaurants in excess of 2,000 square feet;
- (c) eight (8) parking spaces per one thousand (1,000) square feet of building area for health clubs and entertainment facilities; and
- (d) five (5) parking spaces per one thousand (1,000) square feet of building area for a grocery store.



All parking spaces in Tenant's Critical Area shall measure a minimum of nine feet (9') by twenty feet (20') except for such number of "compact" stalls as shall be customary and depicted on the site plan attached as Exhibit B to the Lease.

Notwithstanding the foregoing, Original Landlord agrees to obtain Tenant's prior written consent, which shall be granted, withheld or conditioned in Tenant's sole and absolute discretion, in order to alter, change, reduce or otherwise modify the parking areas in Tenant's Critical Area, and/or the ingress and/or egress areas serving the Premises as depicted on the site plan attached as Exhibit B to the Lease; provided, no approval of Tenant shall be required if such alterations, changes, reductions or modifications are required by governmental authorities and which do not result from any action by Original Landlord or any other tenant or occupant of the Shopping Center.

This Memorandum is executed for the purpose of recordation in the Official Records of Skagit County, Washington, in order to give notice of the terms and provisions of the Lease and is not intended and shall not be construed to define, limit or modify the Lease. This Memorandum may be executed in counterpart. In the event of any conflict between the terms of the Lease and this Memorandum, the terms of the Lease shall control.

[SIGNATURES ON NEXT PAGE.]



EXECUTED on the date first recited above.

Signed, sealed and delivered  
in the presence of:

Joe Kai Ngou  
Witness

~~\_\_\_\_\_  
Witness~~

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_  
Witness

Kimberly Barker  
Witness

**LANDLORD:**

**STRATFORD HALL, INC.,**  
a Delaware corporation

By: [Signature]  
Name: FRANK LEE  
Title: V.P.

By: ~~\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_~~

Date: 2-19-09

**TENANT:**

**BEST BUY STORES, L.P.,**  
a Virginia limited partnership

By: BBC Property Co.,  
a Minnesota corporation  
Its: General Partner

By: [Signature]  
Name: Cara Helper  
Title: Sr. Corporate Counsel

Date: February 25, 2009



200903250114  
Skagit County Auditor

STATE OF California )  
 ) ss.  
COUNTY OF Los Angeles )

On Feb, 19, 2009, before me, Linda Sheldon, a Notary Public in and for said State, personally appeared Frank Lee, Vice President of Stratford Hall, Inc., a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, of the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Linda D. Sheldon  
Notary Public

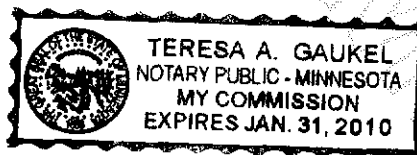
My Commission Expires: 2/17/2010

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF HENNEPIN )

On February 25, 2009, before me, Teresa A. Gaukel, a Notary Public in and for said State, personally appeared Cara Helper, the Sr. Corp Counsel of BBC Property Co., a Minnesota corporation, the general partner of BEST BUY STORES, L.P., a Virginia limited partnership, personally known to me (or proved to me on the basis of satisfactory evidence) 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, of the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Teresa A. Gaukel  
Notary Public  
My Commission Expires: 1/31/2010



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Skagit County Auditor

**EXHIBIT A TO MEMORANDUM OF LEASE AGREEMENT**

**Legal Description**

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Situate in the County of Skagit, State of Washington.

Burlington Crossings Shopping Center Parcel Numbers:

- #340407-0-009-0000
- #340407-0-023-0200
- #340407-0-087-0005
- #340407-1-027-0006
- #340407-1-023-0018
- #340407-1-028-0005
- #340407-0-010-0007
- #340407-1-023-0300
- #340407-0-008-0001
- #340407-0-008-0100



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