



201004220085

Skagit County Auditor

4/22/2010 Page

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WHEN RECORDED RETURN TO:

Michele K. Boal, Esq.
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114

Washington State Recorder's Cover Sheet (RCW 65.01)

Document Title: Memorandum of Lease	GUARDIAN NORTHWEST TITLE CO. 98860
Reference Number(s) of Related Documents: N/A	
Landlord: Highland Woods, LLC, a Washington limited liability company and Trinity Connection, LLC, a Washington limited liability company	
Tenant: KeyBank National Association, a national banking association	
Abbreviated Legal Description: Parcel A: Lots 1, 2, 3 and 4, Block 45, "Map of the City of Anacortes, Skagit County, Washington", according to the plat thereof recorded in Volume 2 of Plats, Pages 4 through 7, records of Skagit County, Washington. Parcel B: Lot 5 and 6, Block 45, "Map of the City of Anacortes, Skagit County, Washington", according to the plat thereof recorded in Volume 2 of Plats, Pages 4 through 7, records of Skagit County, Washington.	
Assessor's Property Tax Parcel/Account Numbers: 3772-045-004-0001 and 3772-045-006-0009	

Recording Requested by and
When Recorded Mail to:

Michele K. Boal, Esq.
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114

This Instrument Prepared By:

Michele K. Boal, Esq.
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114

Address of Property:

1600 Commercial Avenue
1011 16th Street

Location of Property:
Anacortes, Washington

Lease
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 22 2010

(Space above this line for Recorder's Use)

MEMORANDUM OF LEASE

Amount Paid \$ ☒
Skagit Co. Treasurer
By *mm* Deputy

This Memorandum of Lease (this "**Memorandum**") is made and entered into as of the 6th day of April, 2010, by and between HIGHLAND WOODS, LLC, a Washington limited liability company and TRINITY CONNECTION, LLC, a Washington limited liability company (collectively, "**Landlord**"), and KEYBANK NATIONAL ASSOCIATION, a national banking association ("**Tenant**").

WITNESSETH

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated as of April 6th, 2010 (the "**Lease**") for the land located at 1600 Commercial Avenue and 1011 16th Street, each in the City of Anacortes, County of Skagit, and State of Washington, collectively consisting of approximately 18,000 total square feet (the "**Land**"), and all of the improvements currently located thereon, including without limitation the existing retail building consisting of approximately 4,554 square feet (the "**Building**") and the existing residential building (the "**Residential Building**") and lot consisting of approximately 6,000 square feet. The Land, the Building, the Residential Building and all other improvements now located thereon and any improvements hereafter constructed thereon (including, without limitation, the Improvements (as hereinafter defined)) shall be referred to herein as the "Premises." The Premises is depicted on Exhibit A attached hereto. The Land is described on Exhibit B attached hereto. In addition to the Premises, Landlord leases to Tenant all right, title and interest of Landlord in and to the (1) real property lying within any street, highway, road, roadway, avenue or other thoroughfare, whether open or proposed, adjoining, abutting or contiguous to all or any portion of the Land, to the centerline thereof, (2) rights-of-way, easements, licenses, and other rights and privileges,



hereditaments, and appurtenances now or hereafter belonging to or benefiting the Land or any portion thereof (including, without limitation, an easement for the right to use, operate, maintain and repair any utility lines serving the Land or the Improvements located thereon), and (3) all alleys, gores and strips of land, pertaining to or located on real property adjoining, abutting, contiguous to or appurtenant to all or any portion of the Land whether presently in existence or created or arising after the date of this Lease, or which are or may hereafter be used or available for use or which otherwise pertain to the Land or any portion thereof.

WHEREAS, the parties have requested the execution and delivery of this Memorandum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent as follows:

1. **Term**. The initial term of the Lease shall be for a period of twenty (20) years (the "Initial Term"), commencing on the Rent Commencement Date. The "Rent Commencement Date" is the earlier of (i) Tenant opening for business to the public or (ii) September 1, 2010. The Initial Term shall expire on the later of (i) the day preceding the twentieth (20th) anniversary of the Rent Commencement Date or (ii) of the Rent Commencement Date is not the first (1st) day of a calendar month, the last day of the month in which the twentieth (20th) anniversary of the Rent Commencement Date occurs.

2. **Extension Terms**. Tenant shall have three (3) options to extend the Initial Term for consecutive periods of five (5) additional years each with respect to the Premises so that Tenant may extend the Term for a total of fifteen (15) additional years.

3. **Severability**. In case any one or more of the provisions contained in the Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Lease, but the Lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained therein.

4. **Purpose**. The purpose of this Memorandum is to evidence of record the Lease and certain provisions thereof. All the other terms, covenants, agreements, provisions and articles contained in the Lease, executed copies of which have been delivered by each party hereto to the other, are, by this reference, made a part hereof the same as though fully rewritten herein. Third parties are hereby put on notice of the interests of Landlord and Tenant with respect to the Premises the terms and conditions of which are more specifically set forth in the Lease. This Memorandum does not alter, amend, modify or change the Lease in any respect. This Memorandum is executed by the parties solely for the purpose of recordation in the real estate records of King County, Washington, and it is the intent of the parties that it shall give notice to and confirm the Lease to the same extent as if all of the provisions of the Lease were fully set forth herein. The parties hereby ratify and confirm all of the terms and provisions of this Memorandum and the provisions of the Lease. In the event of any conflict or inconsistency between the provisions of this Memorandum and the provisions of the Lease, the provisions of the Lease shall control.



5. **Eminent Domain; Damage and Destruction.** Awards from condemnation and insurance proceeds from damage and destruction pertaining to the Premises shall be governed by Sections 24 and 25 of the Lease, respectively.

6. **Termination of Memorandum of Lease.** This Memorandum and all rights of Tenant in the Premises shall terminate upon the expiration or earlier termination of the Lease, which may be evidenced by a written notice of such expiration or termination signed by Landlord and Tenant recorded or filed in the appropriate land records of the County in which the Premises is located.

7. **Notices.** The name and address of Landlord to which notices shall be addressed is:

Highland Woods, LLC and Trinity Connection, LLC
Attn: Steve Estvold
4134 Sharpe Road
Anacortes, WA 98221

The name and address of Tenant to which notices shall be addressed is:

KeyCorp/KeyBank National Association (PID No. 6853)
Attn: Real Estate Asset Manager

P.O. Box 94839
Cleveland, Ohio 44101-4839 (if by mail)

100 Public Square, Suite 600
Cleveland, Ohio 44113-2207 (if by overnight courier)

Notices of Default, or any notices requiring Tenant's signature shall also be sent to:

KeyBank National Association (PID No. 6853)
127 Public Square
Cleveland, Ohio 44114
Attention: Legal Department

8. **Terms.** Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine and neuter adjectives and pronouns include one another.

9. **Captions.** The captions of Sections are for convenient reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such Sections.

10. **Applicable Law.** This Memorandum shall be governed in all respects by the laws of the State of Washington.

11. **Counterparts.** This Memorandum may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute one and the same Memorandum.

12. **Incorporation by Reference.** The purpose of this instrument is to evidence of record the Lease. Third parties are hereby put on notice of the interests of Tenant with respect to the Premises, the terms and conditions of which are more specifically set forth in the Lease.

[Signature Page Follows]



201004220085

Skagit County Auditor

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be executed and delivered as of the day and year first above written.

LANDLORD:

HIGHLAND WOODS, LLC, a Washington limited liability company

By: [Signature]
Name: STEVEN B ESTVOLD
Title: MANAGER

TRINITY CONNECTION, LLC, a Washington limited liability company

By: [Signature]
Name: STEVEN B ESTVOLD
Title: MANAGER

TENANT:

KEYBANK NATIONAL ASSOCIATION, a national banking association

By: _____
Name: Joseph A. Prcela
Title: Vice President

LANDLORD'S NOTARY

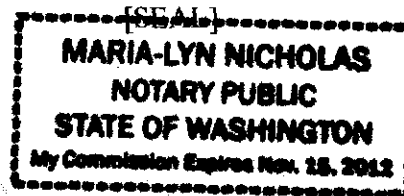
STATE OF Washington)
) SS
COUNTY OF Skagit)

On April 6th, 2010 before me, the undersigned a notary public personally appeared Steven B. Scheld as the Manager of Highland Woods, LLC, 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 or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Maria-Lyn Nicholas
Notary Public

Notary Expiration Date: 11-15-2012



LANDLORD'S NOTARY

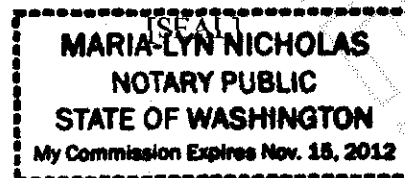
STATE OF Washington)
) SS
COUNTY OF Skagit)

On April 6th 2010 before me, the undersigned a notary public personally appeared Steven B. Scheld as the Manager of Trinity Connection, LLC, 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 or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Maria-Lyn Nicholas
Notary Public

Notary Expiration Date: 11-15-2012



IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be executed and delivered as of the day and year first above written.

LANDLORD:

HIGHLAND WOODS, LLC, a Washington
limited liability company

By: _____
Name: _____
Title: _____

TRINITY CONNECTION, LLC, a
Washington limited liability company

By: _____
Name: _____
Title: _____

TENANT:

KEYBANK NATIONAL ASSOCIATION, a
national banking association

By: Joseph A. Prcela
Name: Joseph A. Prcela
Title: Vice President



TENANT'S NOTARY

STATE OF OHIO)
) SS
COUNTY OF CUYAHOGA)

On April 6, 2010 before me, the undersigned a notary public personally appeared Joseph A. Prcela, as Vice President of KeyBank National Association, 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 or the entity upon behalf of which the person acted, executed the instrument.

AMANDA M. KLONOWSKI
NOTARY PUBLIC • STATE OF OHIO
My commission expires Apr. 6, 2014


Notary Public

Notary Expiration Date: _____

[SEAL]



EXHIBIT A

Depiction of Premises

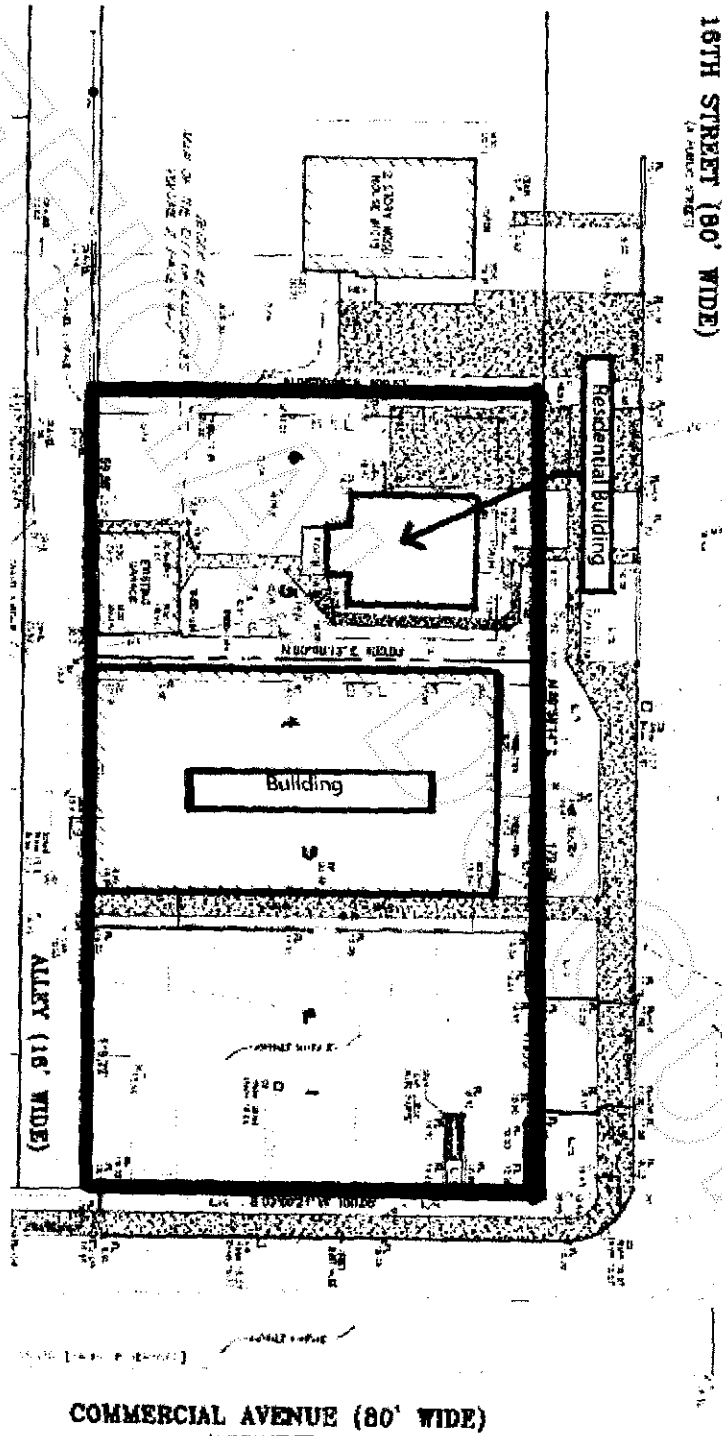


EXHIBIT B

Legal Description of the Land

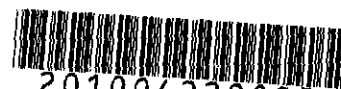
Parcel A:

Lots 1, 2, 3 and 4, Block 45, "Map of the City of Anacortes, Skagit County, Washington", according to the plat thereof recorded in Volume 2 of Plats, Pages 4 through 7, records of Skagit County, Washington.

Parcel B:

Lot 5 and 6, Block 45, "Map of the City of Anacortes, Skagit County, Washington", according to the plat thereof recorded in Volume 2 of Plats, Pages 4 through 7, records of Skagit County, Washington.

FIRST AMERICAN TITLE INS. CO.
NATIONAL COMMERCIAL SERVICES
No. WA 201004220085



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Skagit County Auditor

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