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KATHY HILL
SKAGIT COUNTY CLERK

'97 DEC -2 18:45

RECORDED 28 FILED
REQUEST #

RETURN TO:

Liz Debin (best)

Office Depot

2200 Old Germantown Rd.

Delray Beach, FL 33445

9712020001

DOCUMENT TITLE(S) (or transactions contained herein):

Memorandum of Lease

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

|| ADDITIONAL REFERENCE NUMBERS ON PAGE OF DOCUMENT.

Landlord

GRANTOR(S) (Last name, first name and initials):

1. 42nd/Geary Partners, L.P.

2.

3.

4.

|| ADDITIONAL NAMES ON PAGE OF DOCUMENT.

Tenant

GRANTEE(S) (Last name, first name and initials):

1. Office Depot, Inc

2.

3.

4.

|| ADDITIONAL NAMES ON PAGE OF DOCUMENT.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

See attached document

See 18 twp 34 Rng 4 E Wm. et al

X || ADDITIONAL LEGAL(S) ON PAGE 5 OF DOCUMENT.

ASSESSOR'S PARCEL/TAX I.D. NUMBER:

8005-000-004-0003, 8005-000-002-0100,
8005-000-002-0001, 8005-000-0001-0100,

|| TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE OF DOCUMENT.

8005-000-002-0201

9712020001

BK | 738 PG 0408

PLEASE COMPLETE THIS INFORMATION.

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

UCC FILING & SEARCH SERVICES, INC.
P O BOX 11250
TALLAHASSEE FL 32302-3250

THIS SPACE FOR RECORDER'S USE ONLY

Memorandum of Lease

(Please fill in document title(s) on this line)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

9712020001

BK 1738 PG 0409

#480
Record and return to:
OFFICE DEPOT, INC.
2200 Old Germantown Road
Delray Beach, FL 33445
Attention: Lease Administration Dept.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") made as of the 26th day of August, 1997, by and between OFFICE DEPOT, INC., a Delaware corporation ("Tenant"), and 42ND/GEARY PARTNERS, L.P., a California limited partnership ("Landlord").

WITNESSETH:

1. **Premises.** Landlord and Village Seattle Partners, a California general partnership ("VSP") have entered into a lease ("Lease") dated May 19, 1997, for that certain real property lying, being and situate in the County of Skagit, City of Mt. Vernon, State of Washington, together with the building containing approximately thirty thousand (30,000) square feet erected thereon ("Premises"), which Lease was assigned to Landlord pursuant to that certain Assignment of Lease, dated July 11, 1997 between VSP and Landlord.

The Premises are part of a shopping center known as "College Way Marketplace", which shopping center is located on that certain real property lying, being and situate in the County of Skagit, City of Mt. Vernon, State of Washington, more particularly described on EXHIBIT A attached hereto and made a part hereof ("Shopping Center").

The boundaries and location of the Premises are shown on the diagram of the Shopping Center attached hereto and made a part hereof as EXHIBIT B ("Site Plan").

2. **Term and Renewal Options.** The Lease has an initial term of ten (10) years, subject to extension (at Tenant's option) as provided therein for four (4) successive additional periods of five (5) years each.

3. **Certain Restrictions:** The Lease contains the following provisions:

A. Landlord shall not permit any occupant of the Shopping Center, other than Tenant, to: (i) use more than one thousand (1,000) square feet of floor area for the sale, leasing, distribution or display of office supplies, including office furniture; office fixtures; office machines and equipment; computers; computer hardware, software and accessories; art supplies; architectural supplies; engineering supplies; photocopying services; facsimile services; or instant print shop services; or (ii) be primarily engaged in the sale, leasing, distribution or display of the items set forth in (i) above. No space in or portion of any real property adjacent to or within five hundred feet (500') of the Shopping Center which is now or may subsequently be acquired by Landlord (or a related entity or affiliate of Landlord), shall be leased or occupied by or conveyed to any other party for a competing use in violation of the Tenant's exclusive use set forth in this paragraph.

B. No portion of the Shopping Center shall be used or occupied for any of the following purposes: theater; auditorium, meeting hall or other place of assembly; automobile sales or repairs; bowling alley, pool hall or skating rink; bar serving alcoholic beverages (except as an incident to a full kitchen restaurant operation); funeral parlor; massage parlor; hotel or lodging facilities; gun range; off track betting establishment (except incidental sales of state lottery tickets); a so-called "flea market" or other operation selling used goods (except that up to five percent (5%) of a Shopping Center occupant's stock may consist of used goods); any business or use which emits offensive odors, fumes, dust or vapor, or constitutes a public or private nuisance, or emits loud noise or sounds which are objectionable, or which create a fire, explosive or other hazard; manufacturing facility; warehouse (except incidental to a retail operation); adult book store or similar store selling or exhibiting pornographic materials as a substantial part of its business; night club, discotheque or dance hall.

C. The following shall be prohibited at any location in the Shopping Center within four hundred feet (400') of the Premises: any sports or entertainment facility (including, without limitation, a karate or other martial arts facility, gymnasium, health club or physical fitness facility); or car wash.

D. The following shall be prohibited at any location in the Shopping Center within two hundred feet (200') of the Premises: restaurant (except that one (1) fast food or take-out restaurant may be located in buildings located in each Building Pad Area, as same are identified on the Site Plan); amusement or game room; or school (including, without limitation, trade school or class sessions, but excepting incidental customer training in the use of computer hardware or software sold by Tenant or by any other Occupant of the Shopping Center permitted to engage in such sales).

E. Landlord shall not sell, lease, rent or permit any other premises in the Shopping Center to be used or occupied for other than retail uses customarily found in similar shopping centers in the state and county where the Shopping Center is located.

F. Landlord covenants and agrees that no portion of the Shopping Center shall be used for offices, excepting (i) offices incidental to retail uses, and (ii) offices providing services to the general public and customarily found in similar shopping centers (e.g., banking for finance services, real estate or securities brokerage services, financial or tax planning services, accounting, insurance or legal services, optical, medical or dental services or travel agencies).

G. The Prohibited Uses set forth above shall be subject to the rights of Occupants under leases in effect as of the Effective Date of this Lease for as long as such lease(s) remains in effect.

4. Incorporation of Lease. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This instrument is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail.

5. Binding Effect. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

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

Witnesses:

Alisa Carver
Signature of Witness
Alisa Carver
Printed Name of Witness
Joan E. King
Signature of Witness
JOAN E. KING
Printed Name of Witness

LANDLORD:

42ND/GEARY PARTNERS, L.P.,
a California limited partnership

By: VPI, INC., a California corporation,
its general partner

By: Robert Isackson
Robert Isackson, President

Witnesses:

Deatrice I. Williams
Signature of Witness
Deatrice I. Williams
Printed Name of Witness
Joan Vinik
Signature of Witness
JOAN VINIK
Printed Name of Witness

AGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

DEC - 1 1997

Amount Paid \$
Skagit County Treasurer
By: [Signature]

TENANT:

OFFICE DEPOT, INC., a Delaware corporation

By: Richard Blews
Richard Blews
Corporate Counsel and Assistant Secretary

STATE OF California)
COUNTY OF San Francisco) SS:

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Robert Isackson, to me known to be the person described as the President of VPI, INC., a California corporation, the general partner of 42ND/GEARY PARTNERS, L.P., a California limited partnership, who signed the foregoing instrument in such capacity, and acknowledged the execution thereof to be his free act and deed as such person in such capacity for the uses and purposes therein mentioned, and that the said instrument is the act and deed of said limited partnership.

WITNESS my hand and official seal this 26th day of August, 1997.



[Signature]
Notary Public
State of _____
My Commission expires: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Richard Blews as Corporate Counsel and Assistant Secretary of OFFICE DEPOT, INC., a Delaware corporation, to me known to be the person who signed the foregoing instrument as such officer and he acknowledged that the execution thereof was his free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said corporation.

WITNESS my hand and official seal this 12 day of August, 1997.

[Signature]
Notary Public
State of Florida
My Commission expires: _____

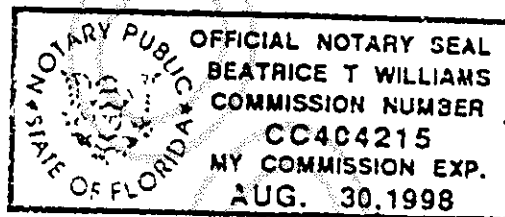


EXHIBIT A

SHOPPING CENTER LEGAL DESCRIPTION

[to be supplied by Landlord pending correction of the title report]

Parcel "A": Tax Parcel #107480

Lot 1A of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, Pages 77 to 81, inclusive, records of Skagit County, Washington, being a portion of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M.

Parcel "B": Tax Parcel #107487

Lot 2B of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, Pages 77 to 81, inclusive, records of Skagit County, Washington, being a portion of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M.

Parcel "C": Tax Parcel #107492

Lot 4 of the City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, under Auditor's File No. 9405310129, in Volume 11 of Short Plats, Pages 77 to 81, inclusive, records of Skagit County, Washington, EXCEPT the North 100 feet of said Lot 4, being a portion of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M.

Parcel "D": Tax Parcel #107485

for 2A

Tax Parcel #107486

Those portions of Lots 2 and 2A, City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, in Volume 11 of Short Plats, Page 77, under Auditor's File No. 9405310129, records of Skagit County, Washington, being a portion of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M., described as a whole as follows:

Beginning at the Northwest corner of Lot 2C, said Binding Site Plan; thence North, 183.77 feet along the Northerly prolongation of the West line of said Lot 2C; thence East, 93.88 feet to the Westerly margin of Market Street, as shown and so designated on said Binding Site Plan; thence along said Westerly margin the following four courses:

Thence South 00°24'07" East, 16.10 feet to the beginning of a curve concave Easterly having a radius of 210.00 feet; thence Southerly and Southeasterly, 127.31 feet along said curve through a central angle of 34°44'05"; thence South 35°08'12" East, 24.60 feet to the beginning of a curve concave Southwesterly having a radius of 150.00 feet; thence Southeasterly 32.26 feet along said curve through a central angle of 12°19'27" to the North line of said Lot 2C; thence West, 162.01 feet along said North line to the point of beginning.

Landlord hereby warrants and represents that the above legal description conforms to the Shopping Center as depicted on the Site Plan.

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Parcel "E":

Lots 2 and 2A, City of Mount Vernon Binding Site Plan No. MV-1-94 BSP, approved May 31, 1994, and recorded May 31, 1994, in Volume 11 of Short Plats, Page 77, under Auditor's File No. 9405310129, records of Skagit County, Washington, being a portion of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M.

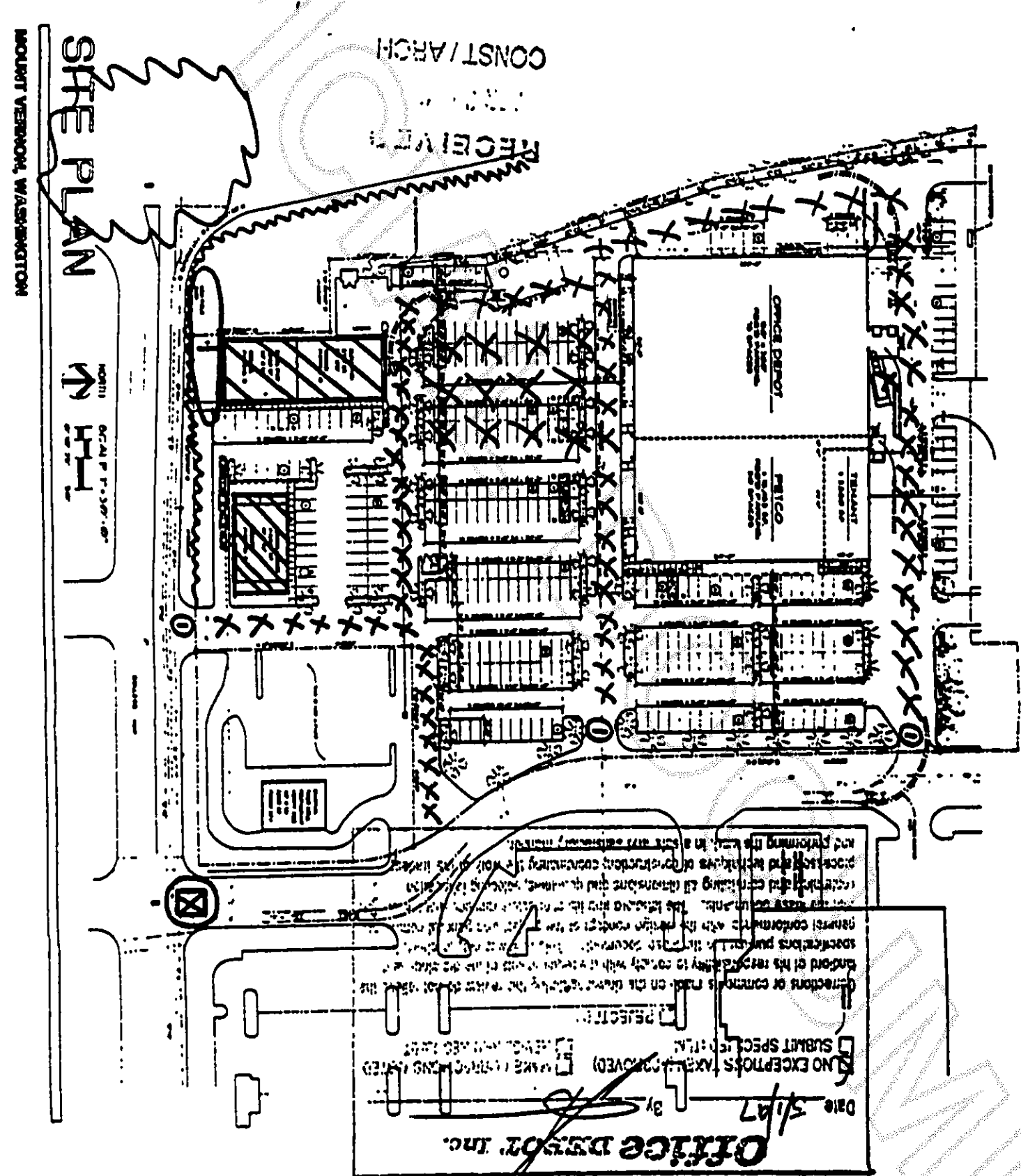
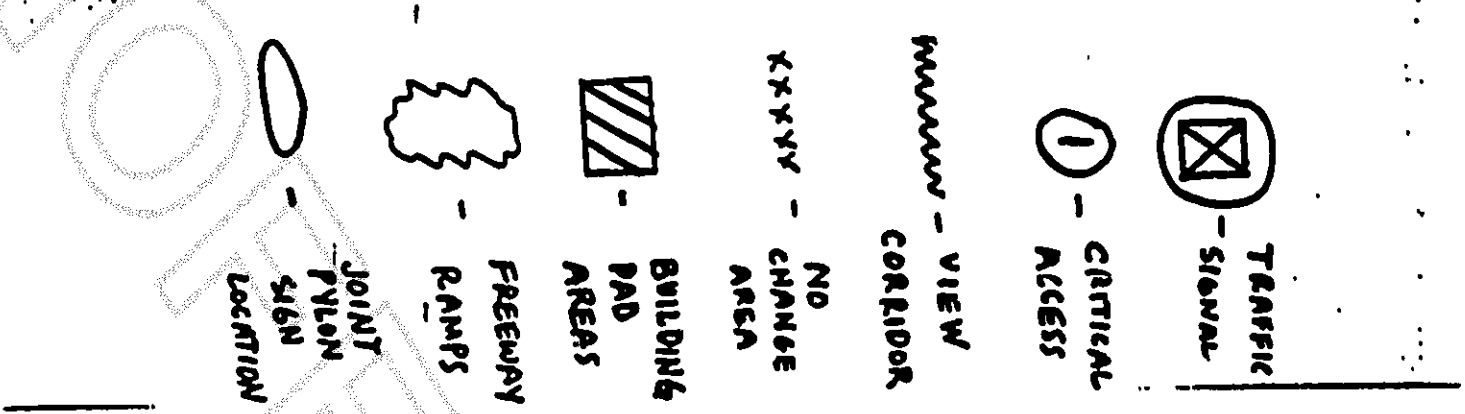
TOGETHER WITH that portion of Lot 3A, said Binding Site Plan, described as follows:

Beginning at the Southeast corner of said Lot 3A; thence West, 504.00 feet along the South line thereof to the Westerly line of said Lot 3A; thence North 09°48'40" West, 36.04 feet along said Westerly line; thence South 89°50'52" East, 207.04 feet; thence South 00°09'08" West, 5.00 feet; thence South 89°50'52" East, 214.76 feet; thence North 00°09'08" East, 40.35 feet; thence North 89°56'35" East, 87.76 feet to the East line of said Lot 3A; thence South 00°24'07" East, 69.83 feet along said East line to the point of beginning.

EXCEPT those portions of said Lots 2 and 2A, described as a whole as follows:

Beginning at the Northwest corner of Lot 2C, said Binding Site Plan, thence North, 183.77 feet along the Northerly prolongation of the West line of said Lot 2C; thence East, 93.88 feet to the Westerly margin of Market Street, as shown and so designated on said Binding Site Plan; thence along said Westerly margin the following four courses:

Thence South 00°24'07" East, 16.10 feet to the beginning of a curve concave Easterly having a radius of 210.00 feet; thence Southerly and Southeasterly 127.31 feet along said curve through a central angle of 34°44'05"; thence South 35°08'12" East, 24.60 feet to the beginning of a curve concave Southwesterly having a radius of 150.00 feet; thence Southeasterly 32.26 feet along said curve through a central angle of 12°19'27" to the North line of said Lot 2C; thence West, 162.01 feet along said North line to the point of beginning.



Office Design, Inc.
 Date 5/1/97 By [Signature]
 NO EXCEPTIONS (AXIAL APPROVED)
 SUBMIT SPECIFICATIONS
 DIRECTIONS OF CONSTRUCTION SHALL BE ON THE DRAWING. THE OWNER SHALL BE RESPONSIBLE FOR THE CORRECTNESS OF THE INFORMATION PROVIDED TO THE ARCHITECT. THE ARCHITECT SHALL BE RESPONSIBLE FOR THE CORRECTNESS OF THE INFORMATION PROVIDED TO THE OWNER.

Partners
 ARCHITECTS
 PROJECT: COLLEGE BAY OFFICE 5
 DATE: APRIL 16, 1997