

RECORDING REQUESTED BY
AND RETURN DOCUMENT TO:

Village Properties
Attn: Dona Gomez
562 Mission Street, Suite 201
San Francisco, CA 94105

9801200106

KATHY HILL
SKAGIT COUNTY AUDITOR

98 JAN 20 11:24

RECORDED _____ REQUESTED _____
RECORDED _____ REQUESTED _____

MEMORANDUM OF LEASE

Landlord: 42nd/Geary Partners, L.P.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

Tenant: Petco Animal Supplies, Inc.

JAN 20 1998

Abbreviated Legal Description:

Amount Paid \$ 0
By Skagit Co. Treasurer
Jm Deputy

NE 1/4, Section 18, Township 34N, Range 4E, a/k/a Lots 2, 2A &
3A of City of Mt. Vernon Binding Site Plan No. MV-1-9 BSP,
Volume 11, Page 77

X - Additional legal description is on page 4 of document

Assessor's Property Tax Parcel Account Number(s):

8005-000-002-0100 (R107486)
8005-000-002-0001 (R107485)

Reference Numbers of Documents Assigned or Released:

Non-applicable.

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BK1756PG0098

MEMORANDUM OF LEASE

STATE OF WASHINGTON
COUNTY OF SKAGIT

THIS Memorandum of Lease ("Memorandum") is executed to be effective the 5th day of January, 1998, by and between 42ND/GEARY PARTNERS, L.P., a California limited partnership ("Landlord"), and PETCO ANIMAL SUPPLIES, INC. ("Tenant").

WITNESSETH:

Landlord hereby demises and leases to Tenant, and Tenant hereby takes and accepts from Landlord, that certain real property located in the City of Mt. Vernon, County of Skagit, State of Washington, located at 201 East College Way, #B being approximately 16,420 square feet of rentable space, as same is more particularly described in *Exhibit A* attached hereto and incorporated herein by reference for all purposes, including all improvements situated thereon, the Leased Premises being situated in Mt. Vernon Marketplace, TO HAVE AND TO HOLD the same for a primary term ending on or about January 31, 2008 (commencing as provided in the Lease described hereafter), with all renewal options, if any, recited in that certain Lease Agreement, dated June 26, 1997, by and between Landlord and Tenant (the "Lease"), to which reference is made for all purposes and of which it is intended hereby to give notice. The terms, provisions, covenants, conditions and agreements set forth in the Lease are by this reference incorporated herein.

Landlord does hereby grant and convey to Tenant, Tenant's employees, representatives, customers and invitees a permanent non-exclusive right-of-way access and parking easement for the purpose of pedestrian and vehicular ingress, egress and parking over all access and entrance drives and over all parking areas of the Shopping Center. Landlord does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular this easement unto Tenant and its successors and assigns, and against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through or under Tenant.

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Landlord agrees not to erect, construct or install any subsequent signage, buildings, or other improvements in the Shopping Center or make any changes to the Common Area of the Shopping Center which would obstruct or diminish the visibility of or access and proximity to the Premises from nearby public thoroughfares, intersections, or interfere with parking and use of the Common Areas.


This Memorandum shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, representatives, successors and assigns.

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

LANDLORD:

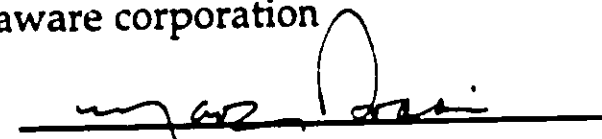
42nd/Geary Partners, L.P., a California limited partnership

By: VPI, Inc., a California corporation
its General Partner

By: 
Robert Isackson, President

TENANT:

PETCO ANIMAL SUPPLIES, INC.
a Delaware corporation

By: 
Its: Marc Drasin
Vice President - Real Estate

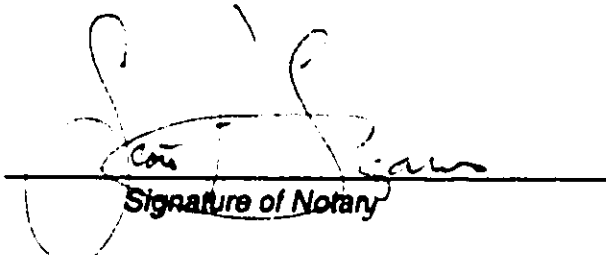
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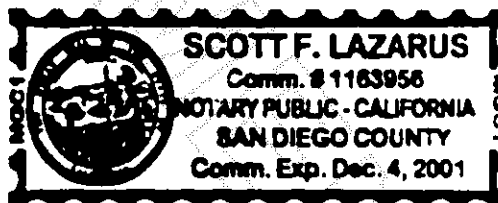
STATE OF CALIFORNIA §
COUNTY OF SAN DIEGO §

On JAN. 6, 1998, before me, SCOTT F. LAZARUS, a Notary Public in and for said County and State, personally appeared MARC M. DRASIN, personally known to me (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.



Signature of Notary

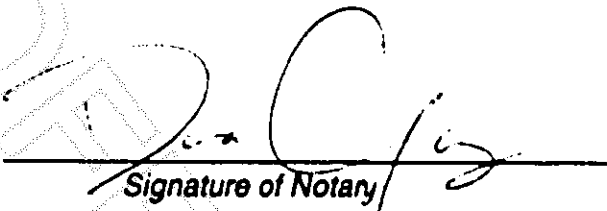


(For notary seal or stamp)

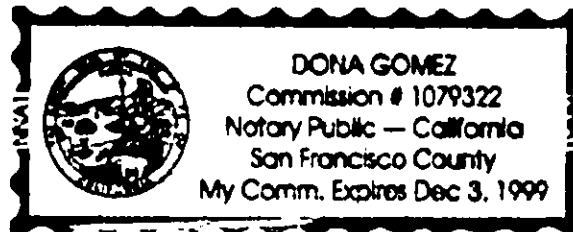
STATE OF CALIFORNIA §
COUNTY OF SAN FRANCISCO §

On January 5, 1998, before me, Dona Gomez, a Notary Public in and for said County and State, personally appeared Robert Isackson, personally known to me (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.



Signature of Notary



(For notary seal or stamp)

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EXHIBIT A

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 degrees 48' 40" West, 36.04 feet along said Westerly line; thence South 89 degrees 50' 52" East, 207.04 feet; thence South 00 degrees 09' 08" West, 5.00 feet; thence South 89 degrees 50' 52" East, 214.76 feet; thence North 00 degrees 09' 08" East, 40.35 feet; thence North 89 degrees 56' 35" East, 87.76 feet to the East line of said Lot 3A; thence South 00 degrees 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 degrees 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 degrees 44' 05"; thence South 35 degrees 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 degrees 19' 27" to the North line of said Lot 2C; thence West, 162.01 feet along said North line to the point of beginning.

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