

RECORDING REQUESTED BY  
AND WHEN RECORDED, MAIL TO:

Grocery Outlet Inc.  
Vice President Real Estate  
5650 Hollis Street  
Emeryville, CA 94608-2597  
Parcel: P53856  
Legal: NW 1/4, S17, T34, R04

**MEMORANDUM OF LEASE**

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Heather Beauvais  
DATE 10/08/2020

THIS MEMORANDUM OF LEASE is made and entered by and between MOUNT VERNON CENTER ASSOCIATES LLP, a Washington Professional Limited Liability Partnership ("Landlord"), and GROCERY OUTLET INC., a California corporation ("Tenant").

RECITALS

A. On September 9<sup>th</sup>, 2020, Landlord and Tenant entered into that certain Lease (the "Lease") pertaining to real property commonly known as 525 East College Way, Mt. Vernon, WA 98273; and

B. Landlord and Tenant desire to file for record a Memorandum of Lease to evidence the execution of the Lease and to provide specific notice of certain provisions contained in the Lease.

LEASE PROVISIONS

1. **LANDLORD.** The Landlord under the Lease is MOUNT VERNON CENTER ASSOCIATES LLP, a Washington Professional Limited Liability Partnership. The Landlord's address is Mount Vernon Center Associates LLP 650 South Orcas Street - Suite 210 Seattle, Washington 98108 Attention: Ezra Genauer, Manager. For purposes of the Lease, all notices to the Landlord shall be sent to the Landlord at the address set forth in the preceding sentence.

2. **TENANT.** The Tenant under the Lease is GROCERY OUTLET INC., a California corporation. The Tenant's address is: 5650 Hollis Street, Emeryville, CA 94608-2597, Attn: Vice President Real Estate. For purposes of the Lease, all notices to the Tenant shall be sent to the Tenant at the address set forth in the preceding sentence.

3. **LEASED PREMISES.** The premises leased by the Tenant pursuant to the Lease are located at the shopping center described in Exhibit A attached hereto and incorporated herein by this reference (the "Shopping Center").

4. **LEASE TERM.** The term of the Lease commences on the date that is following the last to occur of (i) the Premises Delivery Date (as defined in Paragraph 3) and (ii) the Tenant's receipt of its Necessary Permits (as defined in Paragraph 43), and unless sooner terminated, shall expire on the date that is the last day of the one hundred twentieth (120<sup>th</sup>) full calendar month

following the Rent Commencement Date (the "Lease Term"), which Lease Term is subject to four (4) additional extension periods of up to sixty (60) months each.

5. **TENANT'S EXCLUSIVE RIGHT; PROHIBITED USES.** Pursuant to the Lease, Tenant has the following exclusive right at the Shopping Center: to sell grocery items and beer and wine and spirits in the Shopping Center or any property within one (1) mile of the Shopping Center owned, managed and/or controlled by Landlord or any affiliate of Landlord. Landlord agrees not to sell to, lease to, nor approve any sublease or assignment of lease, or change in use, unless prevented by the terms of any lease then currently in force and effect, for any competing tenant, sub-tenant, assignee or user that would violate Tenant's Exclusive Right. Tenant's Exclusive Right shall not be applicable to (i) tenants utilizing five hundred (500) square feet or less of floor area (which shall be measured to include all display areas and one-half (1/2) of the adjacent aisle space) for the sale of grocery items and beer and wine and spirits, (ii) restaurants, (iii) drug stores with a licensed pharmacist; and (iv) any existing tenants at the Shopping Center as shown on Exhibit J attached to the Lease ("Existing Tenants"); as long as the subject leases for the Existing Tenants remain in effect, provided however, that this exception shall not apply if (a) Landlord permits or agrees to an expansion of the applicable premises for any such use which violates the Tenant's Exclusive Right (it being understood and agreed that the inapplicability of this exception shall relate only to the applicable expansion space to the extent that Landlord has the right to control the use of said expansion space), or (b) Landlord permits or agrees to the change of a permitted use which violates the Tenant's Exclusive Right by any such lessee or its successors or assigns (it being understood and agreed that the inapplicability of this exception shall only relate to such change in use to the extent that Landlord has the right to control the change in use), or (c) Landlord permits or agrees to an assignment or sublease of such existing lease which results in a change of use which violates the Tenant's Exclusive Right if Landlord may deny the granting of such permission.

Landlord covenants and agrees that during the term of this Lease the Shopping Center is and will remain substantially retail in character, consistent with its current tenant mix, and, unless approved in writing by Tenant (which approval may be withheld or conditioned in Tenant's sole discretion), no part of the Shopping Center (except for the Premises) shall be used for the following purposes (collectively, the "Prohibited Uses") except to the extent that a tenant has a right to do so under a lease now existing: (a) auditorium, meeting hall, church, funeral home or other place of public assembly; (b) telemarketing or call center; (c) gambling, bingo or similar games of chance; (d) as a massage parlor (except for a first class massage parlor such as Massage Envy or in connection with the operation of a spa, chiropractor's or doctor's office); (e) skating rink; (f) strip club or night club; (g) cocktail lounge, bar or any other establishment that sells alcoholic beverages for on-premises consumption (however, this shall not prohibit any such business operated in connection with a restaurant provided the revenue derived from the sale of alcoholic beverages does not exceed 30% of the gross revenues of such business and the such business complies with the Location Limitation); (h) restaurant within hundred (100) feet of the Premises as measured from door to door ("Location Limitation"); (i) adult book store, adult theatre, adult amusement facility or any facility selling or displaying pornographic materials or having such displays; (j) auction houses or flea markets; (k) any industrial use or use involving the use, storage, disposal or handling of hazardous materials or underground storage tanks (however, this shall not prohibit the use, storage, disposal or handling of reasonable quantities of hazardous materials customarily used in connection with a permitted business in compliance

with applicable laws); (l) a dry cleaner (except facilities for drop off and pick up of clothing cleaned at another location) or (m) any use which constitutes a public or private nuisance or which causes unreasonably loud noises or noxious or offensive smoke or odors (including any business using exterior loud speakers) which materially interferes with Tenant's use of the Premises.

Further, no part of the Shopping Center which is in the No Build Area and south of the north wall of Aaron's (per Exhibit A-3) ("South Part of The Main Building"), may be used for the following purposes:

(1) educational or training facility (including, without limitation, a beauty school, barber college, school or other facility catering primarily to students or trainees rather than customers); (2) video game arcade, pool hall or billiard parlor; (3) bowling alley; (4) car wash, car repair or car rental agency; or (5) marijuana or vapor/cigarette dispensaries or stores (cigarettes sold in a grocery or drug store would be permitted but no store selling primarily cigarettes or vapor products); Any such usage in the South Part of The Main Building will also be deemed to be a Prohibited Use (but will not be considered a Prohibited Use anywhere else in the Shopping Center).

6. **COMMON AREA PROVISIONS.** Pursuant to the Lease, Landlord shall not erect, construct, or install or allow to be erected, constructed, or installed any subsequent signage, buildings or other improvements, (either permanent or temporary in nature) or make any changes to the No Build Area delineated in Exhibit A-3 ("No Build Area") which would obstruct or diminish the parking, signage, visibility of or the access and proximity to the Premises or otherwise interfere with the traversing of vehicular and/or pedestrian traffic from nearby thoroughfares, intersections, parking areas and the Common Area. Without limitation of the foregoing, any modification of the No Build Area shall require Tenant's prior written approval, which consent shall be in Tenant's sole and absolute discretion. On the other hand, any modifications outside of the No Build Area shall require Tenant's prior approval, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall not obstruct or diminish any of the parking in the No Build Area nor shall Landlord obstruct or diminish any of the parking outside of the No Build Area of the Shopping Center to fewer than the greater of those required by government codes or otherwise reduce parking spaces (outside of the No Build Area) where such reduction would have a direct material impact on Tenant parking availability within the No Build Area.

In addition, Tenant shall have the exclusive right to use the sidewalks adjacent to the Premises for the display and sale of items from Tenant's store, including, without limitation, the right to maintain a propane tank rental/exchange storage area on such exterior sidewalks, subject in all cases to compliance with applicable Laws. In addition, Tenant shall have the right, subject to compliance with applicable laws, to conduct periodic "tent displays" in the parking areas outside the front of the Premises so long as such displays do not unreasonably interfere with ingress to or egress from the Shopping Center parking areas. Landlord agrees that no public telephones, newspaper machines, or vending machines shall be affixed by or on behalf of, Landlord or any other tenant on the exterior walls of the Premises or placed on the sidewalks adjacent to the Premises.

7. **RESERVED PARKING.** Subject to any existing easements, or restrictions, rights or conditions of record, Landlord, upon Tenant's written request, will reserve for Tenant's exclusive use up to six (6) parking spaces designated by Tenant and adjacent to the Premises (or otherwise as shown on the Site Plan). Tenant shall have the right to mark said spaces "Reserved Parking Grocery Outlet Only", "Reserved for US Military and/or their Families" or "30 Minute Parking Only". Landlord shall have no obligation to monitor or enforce such restrictions, however. Tenant shall have the right, if necessary, to post signs in order to enforce this provision as well as the right to tow vehicles. Except to the extent required by law, Landlord shall not permit any fire lane, loading zone or other restrictive parking to be located in the vicinity of Tenant's storefront and entrance to the Premises.

THE FOREGOING IS INTENDED AS A SUMMARY ONLY TO PROVIDE NOTICE OF CERTAIN LEASE PROVISIONS, AND DOES NOT LIMIT OR OTHERWISE AFFECT THE FULL PROVISIONS OF THE LEASE.

[signature pages follow]

This instrument is being filed as an accommodation only. It has not been examined as to its execution, insurability, or affect on title.

EXHIBIT A-

-4-


Error! Unknown document property name.

9th IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day of September 2020

**LANDLORD:**

MOUNT VERNON CENTER ASSOCIATES  
LLP, a Washington Professional Limited  
Liability Partnership


By:

  
Name: Ezra Gansner  
Title: Manager

**TENANT:**

GROCERY OUTLET INC.,  
a California corporation

By:

  
Name: ERIC J LINDBERG JR  
Title: CEO

### ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

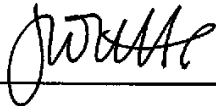
State of California  
County of Alameda

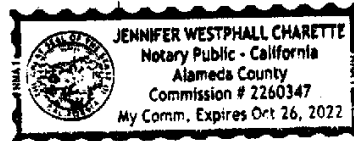
On September 4, 2020 before me, Jennifer Westphall Charette, Notary Public  
(insert name and title of the officer)

personally appeared Eric J. Lindberg, Jr.  
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



**ACKNOWLEDGMENT**

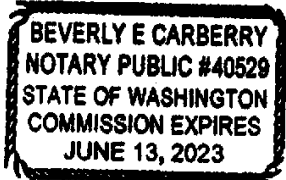
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF WA )  
COUNTY OF King ) SS.

On Sept 9, 2020 before me, Beverly Carberry  
Notary Public, personally appeared X Eya Strauer who 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.

I certify under PENALTY OF PERJURY, under the laws of the State of WA, that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
Beverly Carberry  
Notary Public  
My Commission expires: 6-13-2023



**EXHIBIT A-**  
**Legal Description**

**PARCEL "A":**

All those portions of the "PLAT OF MOUNT VERNON ACREAGE, SKAGIT COUNTY, WASH.," as per plat recorded in Volume 3 of Plats, page 102, records of Skagit County, Washington, described as follows:

- a.) Tracts 5 and 6, EXCEPT the West 256.41 feet thereof; AND ALSO EXCEPT that portion thereof conveyed to the City of Mount Vernon by Deed recorded March 26, 2002 under Auditor's File No. 200203260101.
- b.) Tract 7, Except the West 179 feet thereof;
- c.) All of Tract 8;
- d.) Tract 9, EXCEPT the West 268 feet of the North 29.5 feet thereof; AND ALSO EXCEPT the West 245 feet of the South 100 feet thereof;
- e.) Tract 10, EXCEPT the West 245 feet thereof; AND ALSO EXCEPT the South 10 feet of the East 285 feet thereof;
- f.) Tract 11, EXCEPT the South 10 feet thereof.

EXCEPT FROM ALL OF THE ABOVE DESCRIBED Parcel "A" those portions thereof conveyed to the City of Mount Vernon by deed recorded under Auditor's File No. 200806170067.

Situate in the County of Skagit, State of Washington.

**PARCEL "A-1":**

The Westerly 10 feet of that portion of the abandoned Puget Sound and Cascade Railway Company right of way in the Southwest ¼ of the Northwest ¼ of Section 17, Township 34 North, Range 4 East, W.M., lying between the Easterly extension of the North line of Tract 5 and the South line of Tract 11 of said "PLAT OF MOUNT VERNON ACREAGE, SKAGIT COUNTY, WASH.,"

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EXCEPT the South 10 feet thereof, as conveyed to the State of Washington for State Secondary Highway 1- G by instrument dated March 20, 1951, and recorded May 4, 1951, under Auditor's File No. 460430, records of Skagit County, Washington;

AND ALSO EXCEPT that portion thereof conveyed to the City of Mount Vernon by Deed recorded March 26, 2002, under Auditor's File No. 200203260101.

Situate in the County of Skagit, State of Washington.

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**EXHIBIT A-3**  
**Site Plan of Building**

