

RECORDING REQUESTED BY

Cost Plus, Inc.

AND WHEN RECORDED MAIL TO:

Brian E. McLaughlin, Esq.  
1871 Atlas Peak Road  
Napa, California 94558



SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

MEMORANDUM OF LEASE

This Memorandum of Lease is effective upon recordation and is entered into by and between CHURCH STREET PLAZA LLC ("Landlord") having its principal place of business at c/o AHC Evanston LLC, 5 Revere Drive, Suite 300, Northbrook, IL 60062, and COST PLUS, INC., a California corporation ("Tenant") having its principal place of business at 200 4th Street, Oakland, CA 94607; who agree as follows:

1. By written lease (the "Lease"), Landlord leases to Tenant and Tenant hires from Landlord a portion of the real property located in the Village of Evanston, County of Cook, State of Illinois, described in Exhibit A hereto, for a term of approximately ten (10) years which term is subject to extension by Tenant for three (3) additional periods of five (5) years each. The Exhibit A lands are sometimes herein referred to as the "Shopping Center."

2. Landlord has granted Tenant and its authorized representatives and invitees the nonexclusive right to use the Shopping Center common area with others who are entitled to use those areas subject to Landlord's rights as set forth in the Lease.

3. The provisions of the Lease are incorporated into this Memorandum of Lease by reference. The Lease contains the following section(s):

"3.1 Demising. Tenant has entered into this Lease in reliance upon representations by Landlord that the Building is and will remain retail, restaurant and entertainment in character, and, further, no part of which shall be used for residential purposes or as a "flea market," gymnasium and/or health club (provided the foregoing shall not preclude a day spa which is not located above the Store), dance hall, billiard or pool hall (except in connection with a restaurant use), massage parlor (other than as part of a day spa

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operation), video game arcade (except in connection with a restaurant use), bowling alley, skating rink, car wash, facility for the repair of motor vehicles, night club (except in connection with a restaurant use), or adult book or adult video store (which are defined as stores at least ten percent (10%) of the inventory of which is not available for sale or rental to children under 15 years old because such inventory explicitly deals with or depicts human sexuality). The restrictions on uses in the Building contained of this Section 3.1 shall not apply to any lease executed prior to July 20, 2000 under which Landlord does not have the ability to prevent such use(s).

"9.3 Protection. If, without the prior written consent of Tenant, a tenant or occupant (other than Permitted Tenants as hereinafter defined) of any portion of the Project owned or controlled by Landlord (or any parent or subsidiary of Landlord or a subsidiary of Landlord's parent) uses an aggregate of five hundred (500) square feet or more of its premises for the display and/or sale of gourmet foods, beer and wine for off-premises consumption and/or products made from wicker and/or rattan ("Limited Use"), Tenant shall . . . have the right, exercisable by written notice to Landlord, to . . .

"The provisions hereof shall apply to any subsequent operation of a Limited Use. "Permitted Tenants" are Tenant, any tenant that executed a lease with respect to the Building prior to June 5, 2000 and (with respect to beer and wine) any restaurant or micro-brewery."

4. The provisions of the Lease to be performed by Landlord whether to be performed at the Tenant's store, or any other portion of the Shopping Center, whether affirmative or negative in nature, are intended to and shall bind the Landlord, its successors and assigns at any time and shall inure to the benefit of Tenant, its successors and assigns.

5. This Memorandum of Lease is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Memorandum of Lease on this 17th day of October, 2000.

**LANDLORD:**  
CHURCH STREET PLAZA LLC,  
an Illinois limited liability company

By: AHC MANAGEMENT INC.  
Name: AN ILLINOIS CORPORATION

Its Managing Member ~~Sole Manager~~

By: Bruce Herd  
ITS: EXEC. VICE PRES.

**TENANT:**  
COST PLUS, INC.,  
a California corporation

By: Murray Dashe  
Murray Dashe  
Chairman of the Board, CEO & President

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State of Illinois )  
 ) ss.  
County of Cook )

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On October 24, 2000 before me, Sara J. McCartney, a Notary Public, personally appeared Bruce A. Reid, 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.

Sara J. McCartney  
Notary Public

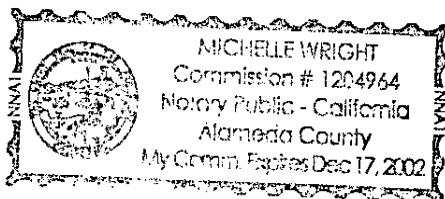


State of California )  
 ) ss.  
County of Alameda )

On October 17, 2000 before me, Michelle Wright, a Notary Public, personally appeared Murray Dasher, 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.

Michelle Wright  
Notary Public



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## SCHEDULE A

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### DESCRIPTION OF SHOPPING CENTER

Lot 1 in Church Maple resubdivision, being a resubdivision of part of Dempster's Subdivision of Block 66 of the Village of Evanston, Cook County, Illinois; part of the Chicago and Northwestern Railroad right of way (formally Chicago, Milwaukee and St. Paul Railroad right of way); part of Block 18 in the Village of Evanston; all of Blocks 2 and 3 in Circuit Court Subdivision in partition of Lot 22 in the County Clerk's Division of un subdivided lands; and part of vacated Clark Street and East Railroad Avenue; being in the northwest  $\frac{1}{4}$  and the southwest  $\frac{1}{4}$  of Section 18, Township 41 North, Range 14 East of Third Principal Meridian, in the City of Evanston, according to the Plat thereof recorded June 2, 1999 as document 99528041. All in Cook County, Illinois.

Tax No. 11-18-125-010-3001

Property of Cook County Clerk's Office