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AND WHEN RECORDED, MAIL TO:

The Gap, Inc.
900 Cherry Avenue
San Bruno, CA 94066

Attn: Joel R. Hall, Esq.

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JAMES ASHAUER, DAVIS CNTY RECORDER
1997 SEP 2 8:36 AM FEE 22.00 DEP JJA
REC'D FOR TITLE WEST TITLE COMPANY

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MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into as of the 5th day of August, 1997 by and between WOODBURY AMSOURCE, INC., a Utah corporation (hereinafter referred to as "Landlord") and THE GAP, INC., a Delaware corporation (hereinafter referred to as "Tenant").

1. **Demise.** Landlord leases to Tenant and Tenant hires from Landlord that certain store premises (herein the "Premises") containing approximately 15,340 square feet of gross leaseable area and constituting a part of a retail shopping center commonly known as Layton Market Center (the "Shopping Center") located the City of Layton, County of Davis, State of Utah. All land comprising the Shopping Center is referred to as the "Property" and is legally described in Exhibit B attached hereto and made a part hereof. All buildings and improvements situated on the Property may sometimes be collectively referred to as "Shopping Center Buildings" and except with respect to the outparcels and expansion areas, are depicted on Exhibit A-1. The Premises is part of that certain building (the "Building") which constitutes one (or all) of the Shopping Center Buildings; said Premises is identified on Exhibit A-1.

The OEA. This Lease is subject to that certain Operation and Easement Agreement dated as of February 12, 1997, by and between Dayton Hudson Corporation and Woodbury Amsource, Inc., as amended by that First Amendment dated June 16, 1997 and Second Amendment dated July 29, 1997 (the "OEA").

2. **Unrecorded Lease.** This Lease is made upon all of the terms, covenants and conditions set forth in that certain unrecorded lease by and between the parties hereto dated as of July 31, 1997, all of the terms and conditions of which are made a part hereof as though fully set forth herein (the "Unrecorded Lease").

3. **Term/Commencement Date.** This Lease shall commence in accordance with the terms of the Unrecorded Lease, and shall expire on the last day of the month, ten (10) years next following the commencement date unless earlier terminated or extended in accordance with the provisions of the unrecorded Lease. Alternatively, the original term may expire on the January 31st following the tenth (10th) anniversary of the commencement date upon the occurrence of certain conditions set forth in the unrecorded lease. In addition, Tenant is granted one (1) option to extend the original term for an additional five (5) years.

4. **Common Easement.** (a) The use and occupancy by the Tenant of the Leased Premises shall include the use in common, with other entitled thereto, of the common areas, as may be designated from time to time by the Landlord, subject, however, to the terms and conditions of the Unrecorded Lease and to reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord, which rules and regulations shall be subject to the provisions of Section 24.01 of the Unrecorded Lease. Tenant and its employers shall not park their cars only in areas specifically designated from time to time by Landlord for that purpose.

The provisions of this Paragraph 4 (a) shall be subject to the provisions of Paragraph 4

Layton Market Center
Memorandum of Lease
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8/5/97

Handwritten initials: JJA
6/26

COURTESY RECORDING
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(b) below and to Article 21 of the Unrecorded Lease. Landlord hereby reserves the right at any time, and from time to time, to make alterations or additions to, and to build additional stories on the building in which the Leased Premises are contained (but not above the Leased Premises itself) and to build adjoining the same. Landlord also reserves the right to construct other buildings or improvements in the Shopping Center Area, and to construct double deck or elevated parking facilities. The purpose of the plot plan attached hereto as Exhibit "A-1" is to show the approximate location of the Leased Premises within the Shopping Center and Landlord reserves the right at any time to relocate the various buildings, automobile parking areas and other common areas shown on said plot plans other than the building in which the Leased Premises is located. If the Shopping Center Area is expanded so as to include any additional buildings wherefrom commercial retail sales shall be made, Landlord agrees to maintain a parking ration of not less than four (4) parking spaces per 1,000 square feet of gross leasable area contained within the Shopping Center development as expanded.

(b) No Build Area. Landlord shall not do any of the following within the area designated on Exhibit A-1 as "No Build Area," without Tenant's prior written consent, which consent may be withheld by Tenant in its sole and absolute discretion: (1) erect or place any structures or objects of any kind; (2) erect any barriers, obstructions or medians; (3) alter or modify the pattern or flow of traffic or number of parking spaces from that existing on the date of this Lease or as may be reflected on Exhibit A-1; or (4) eliminate or reduce in size any driveways. There shall be exempted from the foregoing restrictions (a) plants, shrubs and other landscaping not exceeding four feet (4') in height; (b) any replacements of any existing landscaping (whether or not in excess of four feet (4') in height) with items of the same or smaller size, and (c) any structures or objects existing on the date of this Lease or as may be generally reflected on Exhibit A-1 or replacements thereof of the same or smaller size.

With respect to the remainder of the Common Area outside of the No Build Area, Landlord shall not decrease the number of parking spaces, reduce in size or eliminate any driveways nor do any act which will materially interfere with access to or visibility of the Leased Premises without Tenant's prior written consent, which consent shall not be unreasonably withheld.

5. Use. (a) The Leased Premises shall be used primarily for the sale of wearing apparel and related accessories, including, at Tenant's option, footwear. The Leased Premises may also be used for the sale of: luggage; umbrellas; sunglasses; watches; pins; infants', toddlers' and children's items such as baby strollers, stuffed animals, toys and games and furniture; cosmetics and other personal care items; domestic products such as candles, sundries, furniture and accents for the home; and pre-packaged foods and candies. The Leased Premises may also be used for an operation for the preparation and sale of ready-to-eat foods and non-alcoholic beverages. In addition, up to five percent (5%) of the Leased Premises may be used for any other lawful retail purpose, selling such merchandise or offering such services as are found in any of Tenant's other stores operating under the same trade name as is used by Tenant at the Leased Premises. Any merchandise may be sold through the use of vending machines. The foregoing is collectively referred to herein as the "Permitted Use." Landlord shall take no action which would impair or limit Tenant's ability to conduct the Permitted Use.

(b) Tenant shall use and occupy the Leased Premises during the continuance of this Lease solely for the permitted uses set forth in Paragraph 5 (a) above and will not use, permit or suffer the use of the Leased Premises for any other business or purpose. Subject to other provisions of this Lease, including, without limitation, those provisions of Article 5 of the Unrecorded Lease which govern Tenant's obligation to initially open the Leased Premises for business, Tenant shall occupy the Leased Premises within thirty (30) days after the expiration of Tenant's Construction Period (as defined in the Unrecorded Lease) and shall (provided that the Operating Requirements are being met) conduct continuously in the Leased Premises the business above stated throughout the Term set forth in Paragraph 3 hereof. Tenant shall not conduct catalogue sales in or from the Leased Premises except of merchandise which Tenant is permitted to sell "over the counter"

in or at the Leased Premises pursuant to the provisions of this Paragraph 5.

6. Restrictions. (A) Landlord acknowledges that, except as expressly set forth in this Paragraph 6, Tenant is entering into this Lease in reliance upon its ability to conduct the Permitted Use without any limitation or restriction, except as specifically set forth in this Lease, by reason of any exclusive provision or contractual restriction or limitation (collectively, "Restrictions") granted to any other party whatsoever and wherever located, which applies or pertains to the Leased Premises or Tenant's use therein.

(B) **Existing Restrictions.** Landlord has furnished to Tenant the names and parties and verbatim excerpts of all Restrictions existing as of the date of this Lease (an "existing Restriction"), regardless of such parties' use or business, which have been granted to any party and which are applicable to the Property. A schedule containing such existing Restrictions is attached to the Unrecorded Lease as Exhibit G. If Landlord fails to furnish Tenant any such existing Restriction, Landlord shall indemnify, defend and hold Tenant harmless from and against any and all Indemnified Costs relating to the enforcement by any party (including Landlord) of such existing Restriction. Landlord shall promptly deliver to Tenant an express, unconditional waiver duly executed by the beneficiary of the Restriction, pursuant to which such beneficiary waives the application of such existing Restriction to the Leased Premises (as the same may be enlarged or decreased) during the Term (as the same may be extended pursuant to this Lease or otherwise). The delivery of such waivers shall be a condition to the validity and effectiveness of this Lease. Such waivers are attached to the Unrecorded Lease as Exhibit G-1. Subject to Tenant's receipt of such waivers, Tenant shall not violate the existing Restrictions set forth in Exhibit G of the Unrecorded Lease.

(C) **Future Restrictions.** Any Restriction granted after the date of this Lease (a "future Restriction") that would in any way or manner pertain to the Permitted Use or the Leased Premises shall have no application whatsoever to the Leased Premises, and all such future Restrictions shall expressly exclude, by specific reference, the Leased Premises (as the same may be enlarged or decreased) during the Term (as the same may be extended pursuant to this Lease or otherwise). Landlord shall advise the beneficiaries of such future Restrictions of the provisions of this Paragraph 6 (being Section 7.01-1 and Section 7.01-2 of the Unrecorded Lease), and is hereby authorized to disclose such provisions verbatim to such parties. Landlord shall indemnify, defend and hold Tenant harmless from and against any and all Indemnified Costs relating to the enforcement by any party (including Landlord) of any future Restriction.

7. Interpretation. Landlord and Tenant have entered into this Memorandum of Lease in order that third parties may have notice of the existence of the Unrecorded Lease and some of its specific provisions. This Memorandum of Lease is not a complete summary of the Unrecorded Lease. This Memorandum of Lease is not intended to amend, modify, or otherwise change the terms and conditions of the Unrecorded Lease between the parties hereto. Provisions in this Memorandum shall not be used in interpreting the provisions of the Unrecorded Lease. In the event of a conflict between this Memorandum and the Unrecorded Lease, the Unrecorded Lease shall control.

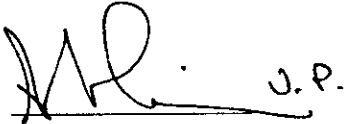
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bwb

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

LANDLORD

ATTEST:

WOODBURY AMSOURCE, INC.

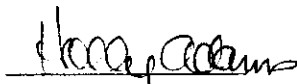
 J.P.


By: 
Chairman

TENANT

ATTEST:

THE GAP, INC.


Holly A. Adams
Assistant Secretary

By: 
Steven B. Kaplan
Senior Vice President

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STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN MATEO)

On August 5, 1997, before me, G. Yoko Jacobs, Notary Public, personally appeared Steven B. Kaplan and Holly Adams personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

G. Yoko Jacobs (SEAL)
Notary Public Signature

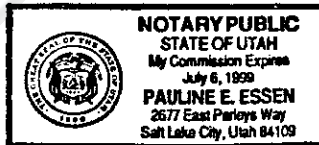


STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 21st, before me, Pauline E. Essen the undersigned, Notary Public, personally appeared Craig L. Calisberg & W. Robert 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/she executed the same in his/her authorized capacity, and that by his/her 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.

Pauline E. Essen (SEAL)
Notary Public Signature

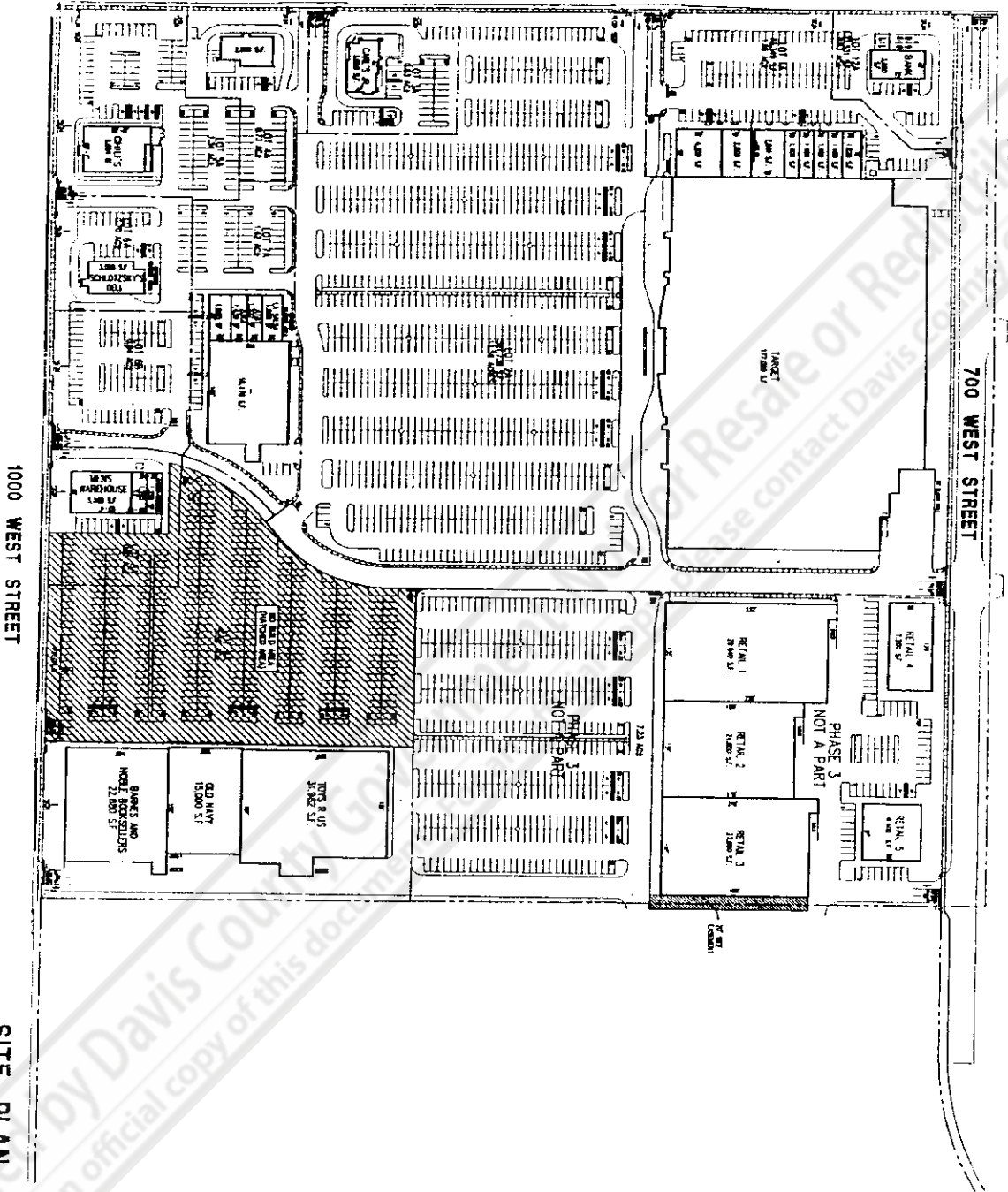


Pauline E. Essen

EXHIBIT A-1

1344216 2170 P 34

ANTELOPE DRIVE



1000 WEST STREET

700 WEST STREET

SITE PLAN



Sp-1

LAYTON MARKET CENTER
LAYTON, UTAH



1700 S. WICKBURY AND ASSOCIATES ARCHITECTS
2577 EAST PARKWAY WEST
SALT LAKE CITY, UTAH 84109
(801) 483-7772

PLEASE INITIAL
[Signature]

EXHIBIT "B"

LEGAL DESCRIPTION

E 1344216 S 2170 F 35

A PART OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN, BEING ALL OF LOTS 3, 4, 5, 6, 7, 8, AND 9 OF LAYTON MARKET CENTER SUBDIVISION, COUNTY OF DAVIS, STATE OF UTAH, FURTHER DESCRIBED AS FOLLOWS:

BEGIN AT THE POINT ON THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF ANTELOPE DRIVE AND THE EAST RIGHT-OF-WAY LINE OF 1000 WEST STREET. SAID POINT BEING NORTH 89 DEGREES 55 MINUTES 10 SECONDS EAST 1029.98 FEET ALONG THE SECTION LINE AND SOUTH 00 DEGREES 22 MINUTES 10 SECONDS WEST 57.00 FEET FROM THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECT 10N 17; THENCE NORTH 89 DEGREES 55 MINUTES 10 SECONDS EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE OF ANTELOPE DRIVE, A DISTANCE OF 543.92 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 04 SECONDS WEST, A DISTANCE OF 183.30 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 56 SECONDS WEST, A DISTANCE OF 216.17 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 04 SECONDS WEST, A DISTANCE OF 246.27 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 19 DEGREES 56 MINUTES 54 SECONDS AN ARC DISTANCE OF 34.82 FEET. A RADIUS OF 100.00 FEET AND A CHORD BEARING OF SOUTH 09 DEGREES 48 MINUTES 23 SECONDS EAST WITH A DISTANCE OF 34.64 FEET, THENCE ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 19 DEGREES 56 MINUTES 54 SECONDS AN ARC DISTANCE OF 34.82 FEET, A RADIUS OF 100.00 FEET AND A CHORD BEARING OF SOUTH 09 DEGREES 48 MINUTES 23 SECONDS EAST WITH A DISTANCE OF 34.64 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 04 SECONDS WEST, A DISTANCE OF 185.75 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 52 DEGREES 28 MINUTES 00 SECONDS AN ARC DISTANCE OF 22.89 FEET, A RADIUS OF 25.00 FEET AND A CHORD BEARING OF SOUTH 26 DEGREES 24 MINUTES 05 SECONDS WEST WITH A DISTANCE OF 22.10 FEET; THENCE SOUTH 52 DEGREES 38 MINUTES 05 SECONDS WEST, A DISTANCE OF 47.47 FEET; THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 02 DEGREES 08 MINUTES 36 SECONDS AN ARC DISTANCE OF 868 FEET. A RADIUS OF 232.00 FEET AND A CHORD BEARING OF SOUTH 36 DEGREES 37 MINUTES 31 SECONDS EAST WITH A DISTANCE OF 8.68 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 54 DEGREES 16 MINUTES 42 SECONDS AN ARC DISTANCE OF 189.47 FEET, A RADIUS OF 200.00 FEET AND A CHORD BEARING OF SOUTH 62 DEGREES 41 MINUTES 34 SECONDS EAST WITH A DISTANCE OF 182.46 FEET; THENCE SOUTH 89 DEGREES 49 MINUTES 56 SECONDS EAST, A DISTANCE OF 38.75 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 04 SECONDS WEST, A DISTANCE OF 440.72 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 10 SECONDS WEST, A DISTANCE OF 503.11 FEET; THENCE NORTH 00 DEGREES 22 MINUTES 10 SECONDS EAST, A DISTANCE OF 1263.03 FEET TO THE POINT OF BEGINNING. CONTAINING 535,309 SQUARE FEET OR 12.29 ACRES, MORE OR LESS.

* 2nd Amended

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L:\WPASSOCLAYTON\EXHIBIT B

PLEASE INITIAL
gwb