

40/8
RETURNED
MAY 22 1998

3A thru 9A
Layton Market Center
2nd Amendment
10-200-0003 thru 0009

MEMORANDUM OF SHOPPING CENTER LEASE

Effective Date of Lease. November 4, 1997.

E 1406715 B 2295 P 658
JAMES ASHAUER, DAVIS CNTY RECORDER
1998 MAY 22 9:07 AM FEE 30.00 DEP JB
REC'D FOR MICHAELS STORES INC

Name and Address of Landlord. I.G., L.C., a Utah limited liability company, having an office c/o Woodbury Amsource, Inc., 2677 East Parleys Way, Salt Lake City, Utah 84109, Attn: Greg Glissmeyer.

Name and Address of Tenant. MICHAELS STORES, INC., a Delaware corporation, having an office at 8000 Bent Branch Drive, Irving, Texas 75063, Attention: Director of Real Estate Administration.

Description of Premises. Approximately 19,512 (exterior dimensions 115' frontage x 170' depth) Leasable Square Feet and being a part of Layton Market Place (the "Shopping Center") located in the City of Layton, County of Davis, State of Utah, and constructed on land described in Exhibit A attached hereto.

Term of Lease. Commencing on the "Completion Date" of the Lease (as such term is defined in the Lease) and ending on February 28, 2010.

Options to Extend. The Lease grants to Tenant successive options to extend the Lease Term from the date upon which the Lease Term would otherwise expire for three (3) additional periods of five (5) years each.

Restrictions on Construction. Landlord will not create out parcels or pad sites, in addition to the out parcels or pad sites shown on Exhibit B of this Lease. Landlord will not construct, or allow any

other party to construct, other buildings or improvements in the "No Build Area" shown on Exhibit B of this Lease. Landlord will not construct or allow any other party to construct any buildings or improvements outside the No Build Area if such building or improvement (a) materially adversely affects visibility of the Premises from adjacent thoroughfares, or (b) adversely affects access to the Shopping Center or the flow of pedestrian or vehicular traffic to the Premises, or (c) causes the parking ratio for the Shopping Center to fall below the ratio required by Section 4.3 of Exhibit C of the Lease.

E 1406715 B 2295 P 659

Prohibited Uses. There exists in the Lease various restrictions upon other uses at the Shopping Center.

Employee Parking. Landlord will designate, and may from time to time change the designation of, the particular parking areas in the Shopping Center to be used by the employees of the various occupants of the Shopping Center (the "Employee Parking Areas"); provided that the rules for parking shall be uniformly imposed upon all tenants of the Shopping Center. Landlord agrees that any designated Employee Parking Areas shall impose no unreasonable burden upon the employees of Tenant and shall impose no greater safety or security risk upon Tenant's employees than any other parking areas of the Shopping Center. Should Tenant fail to require its employees to comply with uniformly-applied employee parking restrictions, Tenant shall pay a parking fee of \$10.00 for each Landlord-identified violation, after Tenant's receipt of written notice of such violation.

Exclusive. Neither Landlord nor any entity controlled by Landlord will use, lease (or permit the use, leasing or subleasing of) or sell any space in or portion of the Shopping Center or any property contiguous to the Shopping Center owned or controlled now or at any time hereafter by Landlord or any affiliate of Landlord, to any "craft store", store selling picture frames or picture framing services, store selling artificial flowers, artificial floral arrangements, wedding or party goods (except apparel),

Do
MBH

or any store similar to Tenant in operation or merchandising as Tenant operates and merchandises as of the Effective Date. This paragraph shall not apply to any lessee whose lease was fully executed on the Effective Date hereof and is identified on Exhibit I as an "Existing Lease Not Subject to Tenant's Exclusive;" provided, however, that this exception shall not apply if (a) Landlord permits or agrees to an expansion of the premises for any such permitted use which violates Tenant's exclusive to the extent Landlord has the right to withhold consent pursuant to the terms of the existing lease, or (b) Landlord permits or agrees to the change of a permitted use by any such lessee or its successors or assigns, or (c) Landlord permits or agrees to an assignment or sublease of such existing lease if Landlord may avoid the granting of such permission to the extent Landlord has the right to withhold consent pursuant to the terms of the existing lease, or (d) Landlord has the right, by virtue of the provisions of the existing lease, to cause said lessee to honor the exclusive granted to Tenant by giving said existing lessee notice of this exclusive or otherwise. This paragraph shall not prohibit the incidental sale of the products described in the first sentence hereof, by any lessee of the Shopping Center, so long as such lessee does not devote more than 1,000 Leasable Square Feet, in the aggregate, to the sale of such products (but this sentence shall not apply to framing services, it being the intent that no other lessee or occupant of the Shopping Center be permitted to offer or render framing services). Tenant acknowledges that certain of the "Existing Leases Not Subject to Tenant's Exclusive" may contain assignment and/or sublease rights which may prevent Landlord from withholding consent for or preventing any assignment or subletting which might result in a violation of this paragraph.

This instrument is intended to be only a Memorandum of Lease in respect to the Lease, to which Lease reference is made for the full agreement between the parties. This Memorandum is not intended to modify any term, provision or condition of the Lease and to the extent of any conflict between this Memorandum and the Lease, the Lease will control.

df
MDM

EXECUTED this 4 day of ~~October~~ ^{November}, 1997.

TENANT

E 1406715 B 2295 P 661

MICHAELS STORES, INC.,
a Delaware corporation

By: *Douglas B. Sullivan*
Name: Douglas B. Sullivan
Title: Executive Vice President - Development

ATTEST

By: *Janet S. Morehouse*
Name: Janet S. Morehouse
Title: Assistant Secretary

Date of Execution By Tenant:

October 31, 1997

Provided by Davis County Government - Not for Resale or Redistribution
This is not an official copy of this document. For an official copy, please contact Davis County Government.

MDH

LANDLORD

I.G., L.C.,
a Utah limited liability company

E 1406715 B 2295 P 662

By: Woodbury Amsource, Inc.,
a Utah corporation, its Manager

By: *W. Richards Woodbury*
Name: W. RICHARDS WOODBURY
Title: CHAIRMAN

WITNESS:

By: *John D. Gaskell*
Name: JOHN D. GASSELL
Title: PRESIDENT

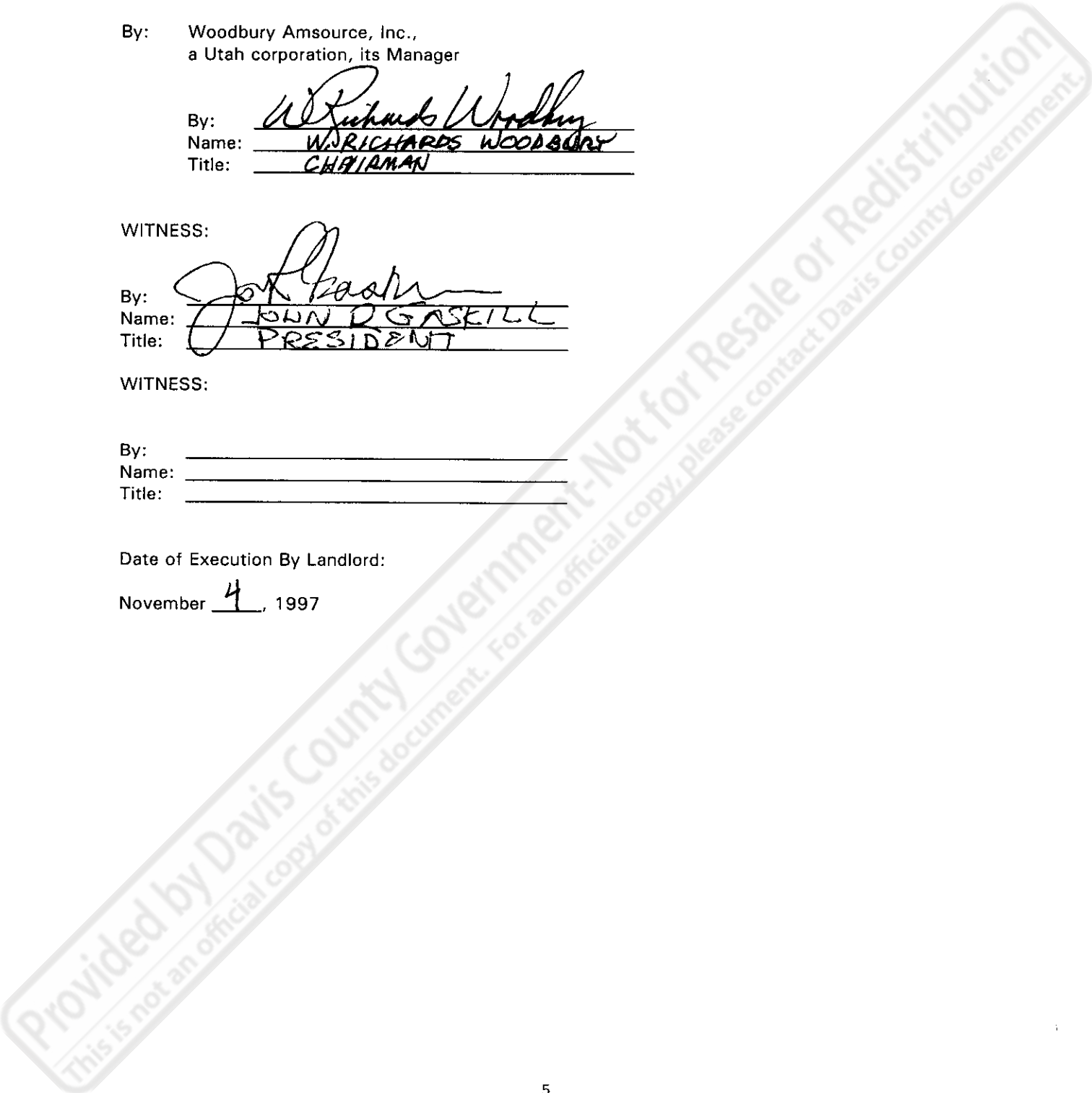
WITNESS:

By: _____
Name: _____
Title: _____

Date of Execution By Landlord:

November 4, 1997

MDM



ACKNOWLEDGEMENTS

E 1406715 B 2295 P 663

TENANT

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Douglas B. Sullivan, Executive Vice President - Development of MICHAELS STORES, INC., a Delaware corporation, who acknowledged that he was duly authorized to execute this agreement on behalf of said corporation.

GIVEN under my hand and seal of office this 3rd day of October, 1997.



Stephanie Ann Massey

Notary Public in and for the State of Texas

Stephanie Ann Massey

Notary's Printed Name

My Commission Expires: 6/19/00

[Handwritten initials]
MDM

Provided by Davis County Government - This is not an official copy of this document. For an official copy, please contact Davis County Government.

LANDLORD

E 1406715 B 2295 P 664

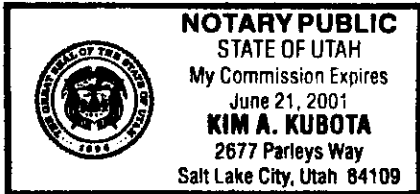
STATE OF Utah §

COUNTY OF Salt Lake §

On November 21, 1997 before me, Kim A. Kubota, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared W. Richards Woodbury, Chairman & John R. Baskill, President
NAME(S) OF SIGNER(S)

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.

Kim A. Kubota
SIGNATURE OF NOTARY

[Handwritten initials]
[Handwritten initials]
MDH

Provided by Davis County Government
This is not an official copy of this document. For an official copy, please contact Davis County Government.

LEGAL DESCRIPTION

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 SECTION 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.