

Store #52015

WHEN RECORDED MAIL TO:

BLOCKBUSTER VIDEOS, INC.  
5010 Shoreham Place, Suite 100  
San Diego, California 92122  
Attn: Lease Administration

KATHY HILL  
SKAGIT COUNTY AUDITOR

'99 JUN -3 AM 1:40

RECORDED \_\_\_\_\_ FILED \_\_\_\_\_  
REQUEST OF \_\_\_\_\_

9906030042

SPACE ABOVE THIS LINE FOR  
RECORDER'S USE

### MEMORANDUM OF LEASE

This is a Memorandum of Lease by and between MADRONA REAL ESTATE INVESTORS ONE, LLC, a Washington limited liability company, hereinafter called LANDLORD, and BLOCKBUSTER VIDEOS, INC., a Delaware corporation, hereinafter called TENANT upon the following terms:

1. Date of Lease: October 30, 1998
2. Description of Shopping Center: See Exhibit "A" attached hereto.  
*Lts 1-8, 18-20, part 17 B146 City Anacortes P55158*
3. Date of Commencement: The Primary Term of the Lease shall begin on the date which is the later of (i) the date upon which Landlord "substantially completes" (as defined in the Lease) Landlord's Work (as defined in the Lease), and Tenant receives written notice of same, and (ii) the Demised Premises is delivered to Tenant free of all tenancies.
4. Term: Five (5) Years.
5. Extension Option(s): Three (3) 5-year extension options.
6. Purchase Option(s): None.
7. Right of First Refusal Option: None.
8. Tenant Exclusive: Landlord covenants and agrees that, during the Term, Tenant

SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

JUN 3 - 1999

Amount Paid \$  
Skagit County Treasurer  
By: *[Signature]* Deputy

9906030042

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shall have the exclusive right (hereinafter, "Tenant's Exclusive Right") in the Shopping Center (or any property contiguous or adjacent to the Shopping Center), owned or leased by Landlord (or any affiliate of Landlord), or in which Landlord (or any affiliate of Landlord) has an interest, directly or indirectly, to sell, rent and/or distribute prerecorded video cassettes, video tapes, video discs, laser discs, video games (including without limitation CD-I), DVD, divx, or other video software (including CD-ROM) and/or any substitutes for, or items which are a technological evolution of, the foregoing items (hereinafter, collectively "Tenant's Exclusive Items"). This covenant and Tenant's Exclusive Right shall run with the land on which the Shopping Center is located and on any property contiguous or adjacent to the Shopping Center owned or leased by Landlord (or any affiliate of Landlord), or in which Landlord (or any affiliate of Landlord) has an interest, directly or indirectly, during the Term of the Lease. Landlord agrees to enforce Tenant's Exclusive Right against other tenants in the Shopping Center using all reasonable legal means. In the event of a breach by Landlord under this Paragraph 8, Tenant shall be entitled to injunctive relief as well as all other remedies available at law or in equity.

9. Use Restrictions: Tenant has entered into the Lease in reliance upon representations by Landlord that the Shopping Center is, and will remain, retail in character and, further, that no part of the Shopping Center shall be used for (i) a theater, (ii) an auditorium, meeting hall, or other place of public assembly, (iii) a school, (iv) any type of karate facility, gymnasium, health club, physical fitness facility, or an exercise or dance studio, (v) a dance hall, (vi) a bar, (vii) an off-track betting business, (viii) a billiard or pool hall, (ix) for bingo or similar games of chance, (x) a massage parlor, (xi) a game arcade, (xii) a bowling alley, (xiii) a skating rink, (xiv) automobile sales or a car wash, car repair or car rental agency, (xv) a night club, or (xvi) an adult book or adult video tape store (which are defined as stores in which any portion of the inventory is not available for sale or rental to children under 18 years old because such inventory explicitly deals with or depicts human sexuality), (xvii) hotel or other lodging facilities, or (xviii) flea market. In addition, except for Taco Bell, its successor and

**REMAINDER OF PAGE LEFT BLANK INTENTIONALLY**

assigns, or a primarily take-out type restaurant occupying not more than 2,200 square feet of leasable space, no restaurant shall be permitted in the Shopping Center, within two hundred fifty (250) feet of the Demised Premises.

greater than 2,000 square feet.

mtg  
DLA

The purpose of this Memorandum of Lease is to give record notice of the lease and of the rights created thereby, all of which are hereby confirmed.

IN WITNESS WHEREOF the parties have executed this Memorandum of Lease as of the dates set forth in their respective acknowledgments.

(SEAL)

Witness:

FL SM  
Yusef M. M. M.

(SEAL)

Witness:

Amirah C. Lopez  
Andrea Curry

LANDLORD:

MADRONA REAL ESTATE INVESTORS  
ONE, LLC, a Washington limited liability  
company

By:

Bradford G. Augustine

Bradford G. Augustine,  
Managing Member

TENANT:

BLOCKBUSTER VIDEOS, INC.,  
a Delaware corporation

By:

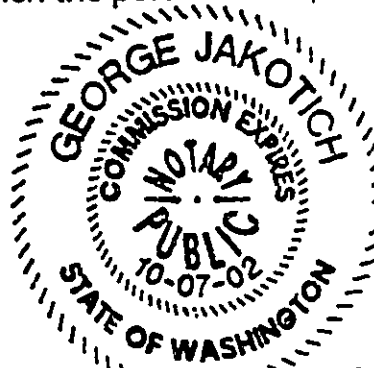
Mark Gilman

Mark Gilman, Executive  
Vice President - Development

STATE OF Washington }  
COUNTY OF King } SS.

On October 30, 1998 before me, George Jakotich, personally appeared **Bradford G. Augustine**, as Managing Member of **MADRONA REAL ESTATE INVESTORS ONE, LLC**, a Washington limited liability company, 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 executed the same in his authorized capacity, and that by his 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.



(This area for official notarial seal)

Signature [Signature]

STATE OF TEXAS

COUNTY OF DALLAS

On 10-14-98 before me, Lisa Moore, personally appeared **Mark Gilman**, as Executive Vice President - Development of **BLOCKBUSTER VIDEOS, INC.**, a Delaware corporation, 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 executed the same in his authorized capacity, and that by his 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.



(This area for official notarial seal)

Signature [Signature]

Exhibit "A" To Memorandum of Lease

Legal Description

Lots 1 through 8, inclusive, the East 24 feet of Lot 17, and all of Lots 18 through 20, inclusive, Block 46, MAP OF THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington;

Situated in Skagit County, Washington.