

CHARLES E. BRODSKY ATTNY
5 BIRCHWOOD COURT
PRINCETON JUNCTION, NEW JERSEY
08550-5101


200106150020
Skagit County Auditor
6/15/2001 Page 1 of 5 9:46:00AM

MEMORANDUM OF LEASE

M7579
FIRST AMERICAN TITLE CO.
ACCOMMODATION RECORDING ONLY

THIS MEMORANDUM OF LEASE made this 8th day of June, 2001, by and between **MOUNT VERNON PLAZA ASSOCIATES**, with offices at 6318 57th Avenue South, Seattle, Washington 98118 ("Landlord") and **THRIFTY PAYLESS, INC.**, with offices at Post Office Box 3165, Harrisburg, Pennsylvania 17105 ("Tenant").

P25678 a portion of the N 1/2 NW 1/4 SW 1/4 of S-17, T-34 N, R-4 E, W.M.

W I T N E S S E T H:

WHEREAS, Tenant entered into a Lease with Landlord dated March 30, 1998 (the "Lease"), covering premises more fully described in Exhibit A attached hereto and located at the southeast corner of College Way and Riverside Drive, Mount Vernon, Washington (the "Premises"); and

WHEREAS, it is the desire of the parties hereto to enter into a Memorandum of Lease for the purpose of recording same and giving notice of the existence of the Lease.

NOW, THEREFORE, in consideration of the rents received and covenants and conditions more particularly set forth in the Landlord and Tenant do hereby covenant, promise and agree as follows:

1. Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant and Tenant hereby rents from Landlord, the Premises described on Exhibit A attached hereto and made a part hereof.

2. The Term commenced on January 1, 2000 and expires on December 31, 2019.

3. Tenant has the option to renew the term of the Lease

for four (4) successive five (5) year renewal terms.

4. During the term of this Lease and all renewal terms exercised by Tenant, Landlord shall not lease any premises within a radius of five (5) miles of the Premises for the use of, or allow any of the premises located therein, to be used for the sale of prescription drugs and/or the sale of health and/or beauty aids, provided, however, that the forgoing prohibition shall not be deemed to restrict the use of that certain real property known as "Mount Vernon Center."

5. This Instrument is executed for the purpose of giving public record notice of the fact of execution of the above described Lease and all of the terms and conditions of the Lease are incorporated herein by reference.

6. This Agreement shall extend to and be binding upon the parties hereto and their legal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed these presents and set their hands and seals the day and year first above written.

WITNESS:

LANDLORD:
MOUNT VERNON PLAZA ASSOCIATES

Eli He

By: *Jack Genauer*
Name: Jack Genauer
Title: General Partner

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

JUN 15 2001

Amount Paid *0*
By: *Sp*
Skagit County Treasurer
Deputy

TENANT:
THRIFTY PAYLESS, INC.

Linda D. Brown

By: *I. Lawrence Gelman*
I. Lawrence Gelman
Vice President



200106150020
Skagit County Auditor

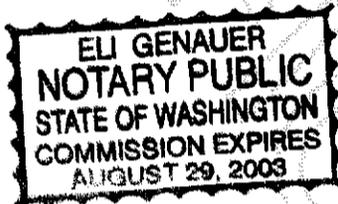
STATE OF WASHINGTON)

(SS:

COUNTY OF KING)

On the 21st day of May, 2001, before me, the undersigned officer, personally appeared Jack GENAUER, who acknowledged himself/herself to be the general partner of **MOUNT VERNON PLAZA ASSOCIATES**, a general partnership, and that he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as general partner.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.



Eli Genauer
My Commission Expires: 8/29/03

COMMONWEALTH OF PENNSYLVANIA)

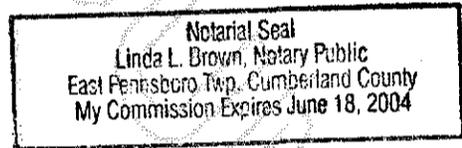
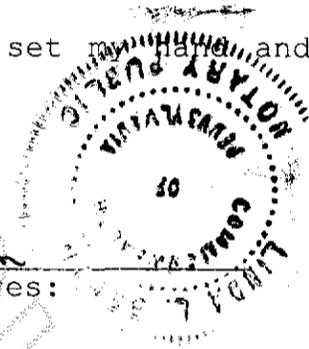
(SS:

COUNTY OF CUMBERLAND

On the 8th day of June, 2001, before me, the undersigned officer, personally appeared **I. LAWRENCE GELMAN**, who acknowledged himself to be the Vice President of **THIRTY PAYLESS, INC.**, a California corporation, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I have hereunder set my hand and Notarial Seal.

Linda L. Brown
My Commission Expires:



200106150020
, Skagit County Auditor

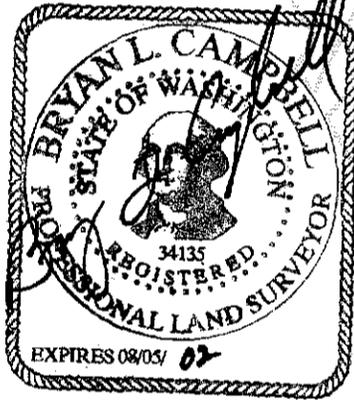
LEASE DESCRIPTION

THAT PORTION OF NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EAST MARGIN OF STATE HIGHWAY 99, ALSO KNOWN AS RIVERSIDE DRIVE, 335.00 FEET NORTH OF THE SOUTH LINE OF SAID NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17,
THENCE NORTH 0°24'00" EAST, 145.42 FEET ALONG SAID EAST MARGIN;
THENCE SOUTH 89°40'44" EAST, 22.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 89°40'44" EAST, 179.95 FEET TO AN INTERSECTION WITH THE WEST FACE OF AN EXISTING BUILDING LINE EXTENDED;
THENCE SOUTH 0°19'16" WEST ALONG SAID WEST FACE, 122.00 FEET TO A NORTH FACE OF SAID EXISTING BUILDING;
THENCE NORTH 89°40'44" WEST ALONG SAID NORTH FACE AND IT'S LINE EXTENDED, 38.42 FEET;
THENCE SOUTH 0°19'16" WEST, 11.00 FEET;
THENCE NORTH 89°40'44" WEST, 16.50 FEET;
THENCE NORTH 0°19'16" EAST, 11.00 FEET;
THENCE NORTH 89°40'44" WEST, 125.03 FEET;
THENCE NORTH 0°19'16" EAST, 122.00 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON.

RITE AID CORPORATION
STORE #5245
BRYAN L. CAMPBELL, P.L.S.
BRH JOB NO. 97201.02
APRIL 18, 2001



4-18-01



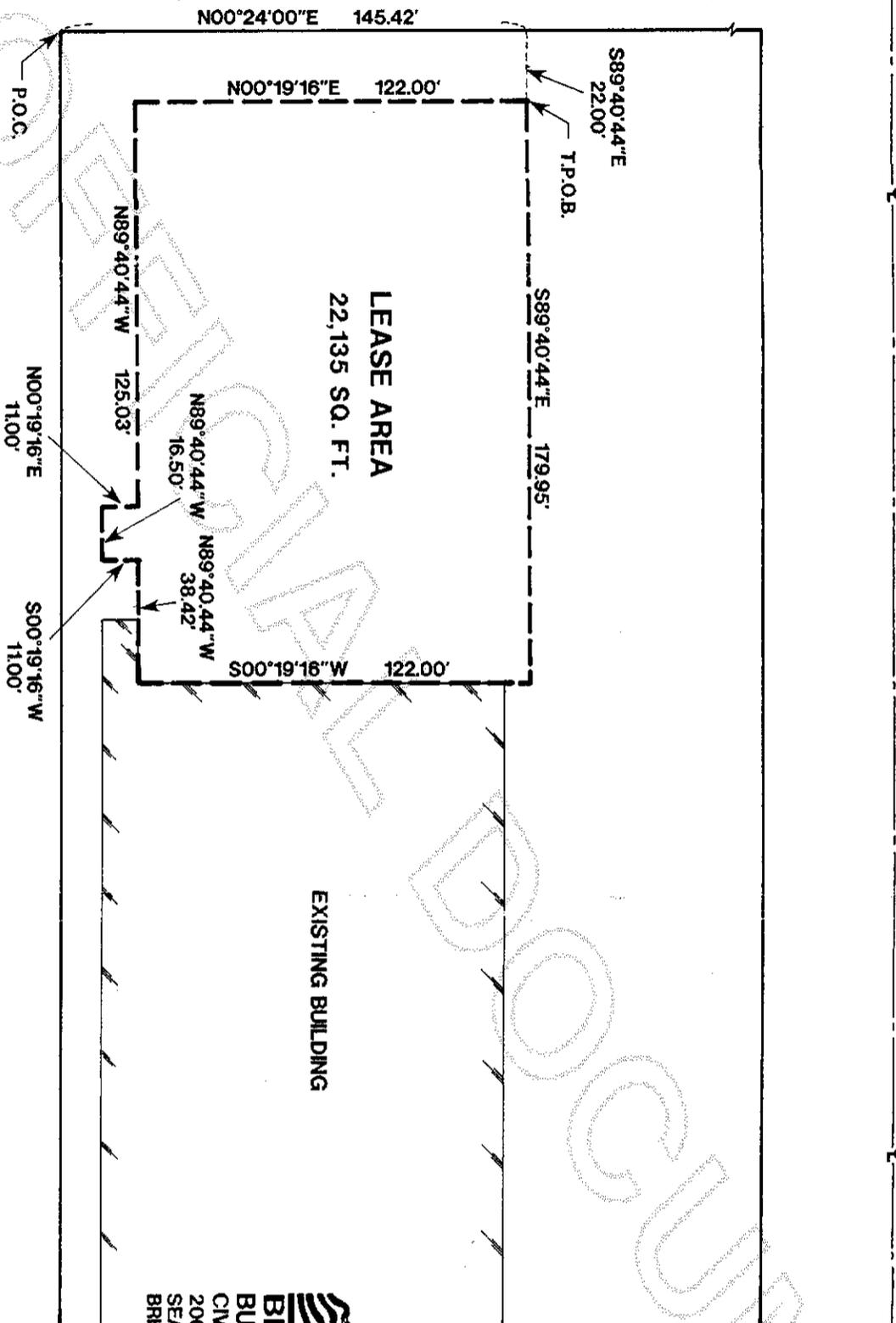
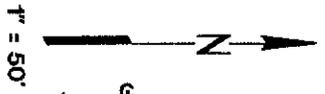
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Exhibit A

**STATE HIGHWAY 99
(RIVERSIDE DRIVE)**

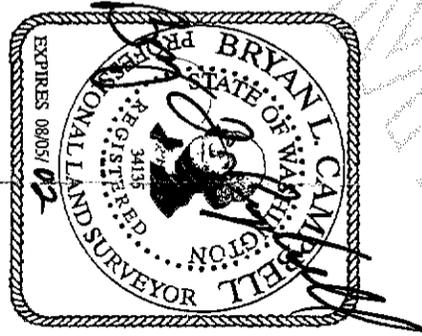


**LEASE AREA
22,135 SQ. FT.**

EXISTING BUILDING

COLLEGE WAY

BRH
BUSH, ROED & HITCHINGS, INC.
 CIVIL ENGINEERS & LAND SURVEYORS
 2009 MINOR AVE. E. (206) 323-4144
 SEATTLE, WA 98102-8513
 BRH JOB NO. 9720102
 4-18-01



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Exhibit B