

When recorded, return to:

PETsMART, Inc.
19601 N. 27th Avenue
Phoenix, Arizona 85027
Attention: Hemali Patel
Store No. 1273



200406020074

Skagit County Auditor

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5 3:22PM

MEMORANDUM OF LEASE

LAND TITLE OF SKAGIT COUNTY

M-14580

Notice is hereby given that **NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC**, a Washington limited liability company ("Landlord"), and **PETsMART, Inc.**, a Delaware corporation ("Tenant"), have entered into a Shopping Center Lease (the "Lease") dated MAY 3, 2004, pertaining to certain premises identified on Exhibit A attached hereto and located within the real property described in Exhibit B attached hereto (the "Shopping Center"). The initial term of such Lease is fifteen (15) Lease Years, and Tenant has the option to extend such term for up to four (4) renewal periods of five (5) Lease Years each. Among other things, the Lease grants to Tenant the right along with Landlord and other tenants in the Shopping Center to use the Common Areas depicted on Exhibit A, including without limitation roads, driveways, sidewalks and parking areas, grants certain rights with respect to Landlord's pylon sign structures, prohibits certain uses within the Shopping Center and during the term of the Lease prohibits other occupants and tenants of the Shopping Center and any other real property which is located within a one (1) mile radius of the Shopping Center and which is owned and/or controlled by Landlord or by an entity which is owned and/or controlled by Landlord or an affiliate thereof from engaging in the retail sale of: (i) pets (including, but not limited to fish, birds, reptiles, dogs, cats and other small animals); (ii) food, accessories and other products related to pets and animals, including equestrian products and apparel related thereto; and (iii) services related to pets and animals, such as grooming, boarding, animal training and obedience classes, pet adoption and veterinary services.

8048-000-002-0000 GL87SENET-3A-4

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease as of the 3rd day of MAY, 2004.

LANDLORD:

NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC, a Washington limited liability company

By: [Signature]
Name: George A. Avel
Title: MEMBER

TENANT:

PETsMART, Inc., a Delaware corporation

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

JUN 2 2004

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

By: [Signature]
Name: Steven C. Jackson
Title: Vice President Real Estate

STATE OF California)
) ss:
COUNTY OF San Francisco)

The foregoing instrument was acknowledged before me this 6th day of may, 2004, by George Axel as member of **NEWMAN DEVELOPMENT GROUP OF BURLINGTON, LLC**, a Washington limited liability company, in behalf of Landlord.

Karin Marie Lomax
Notary Public

My Commission expires:



STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30th day of April, 2004, by Steven E. Jackson as J.P. Real Estate of **PETSMART, Inc.**, a Delaware corporation, on behalf of the Tenant.

Hemali Patel
Notary Public

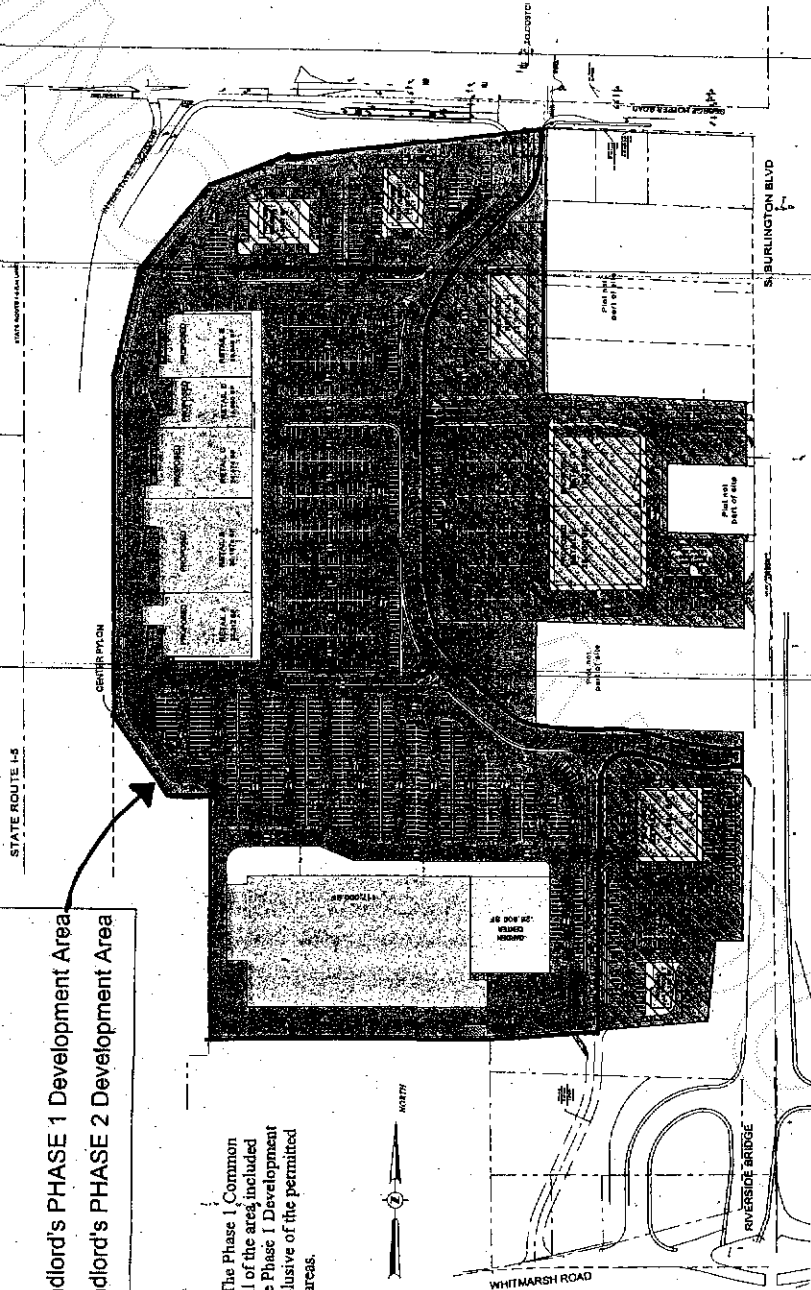
My Commission expires:



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- KEY**
- Landlord's PHASE 1 Development Area
 - Landlord's PHASE 2 Development Area

NOTE: The Phase 1 Common Area is all of the area included within the Phase 1 Development Area, exclusive of the permitted building areas.



SHOPPING CENTER PHASE 1 SITE IMPROVEMENT
PROPOSED BURLINGTON CROSSINGS
Burlington, WA - April 6, 2004

Northwest Development Group, LLC
1220 Van Ness Avenue, Suite 100
Seattle, WA 98109
Phone: (206) 465-1234
www.nwdevelopmentgroup.com

SCALE: 1/8" = 1'-0"



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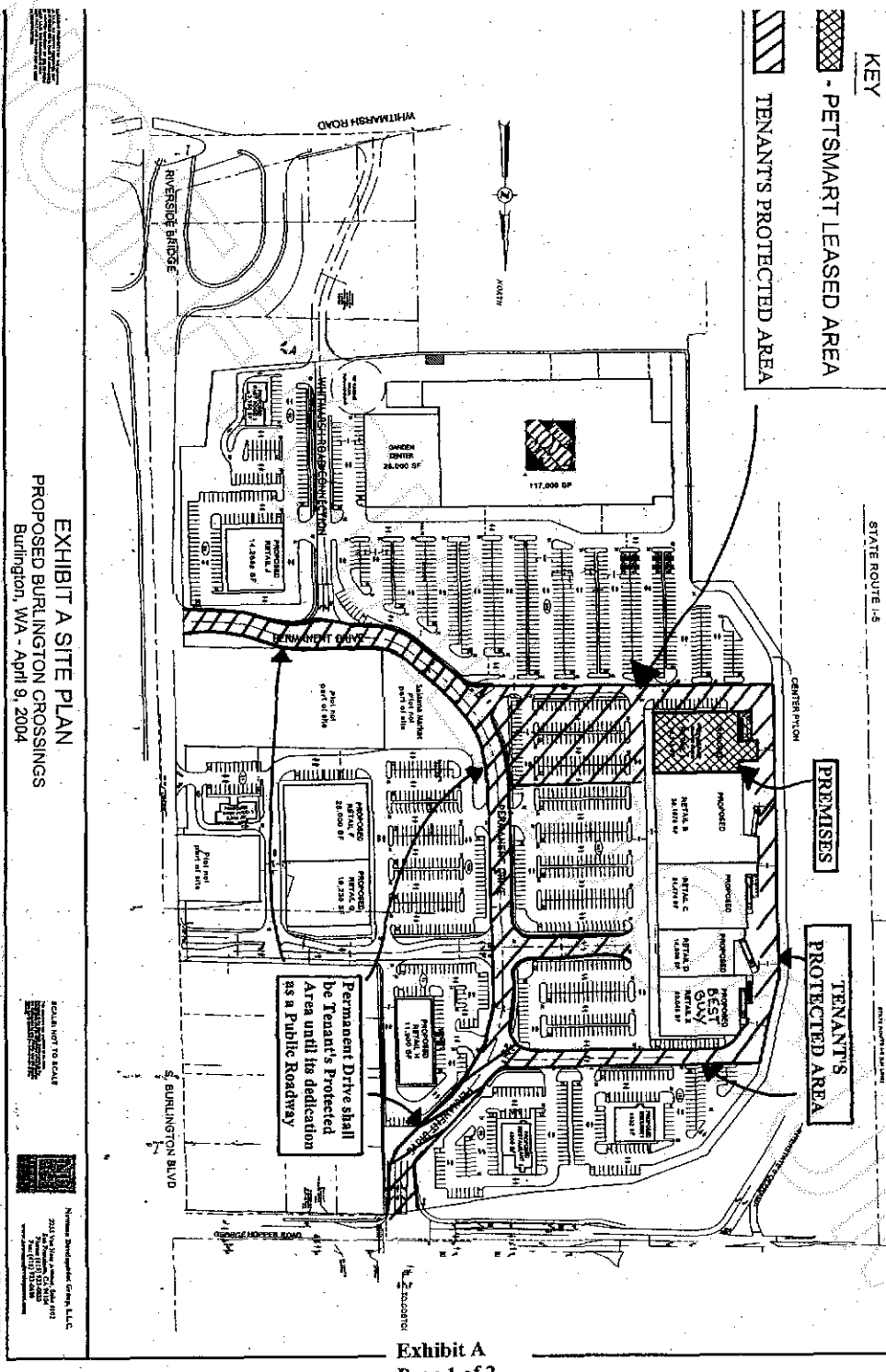


Exhibit A
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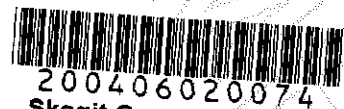


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EXHIBIT B

LEGAL DESCRIPTION OF LAND

Lots 2 – 11, inclusive, and Lot 15, City of Burlington Binding Site Plan No. Burl-01-04, entitled Newman Development of Burlington, LLC, Retail/Commercial Center, approved March 8, 2004 and recorded March 15, 2004 under Skagit County Auditor's File No. 200403150156, and being a portion of Government Lot 8 and the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Section 7, Township 34 North, Range 4 East, W.M.



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Exhibit B
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