

When Recorded Return to:

Richard E. Gifford, PLLC
600 Main Street, Suite E
Edmonds, WA 98020



200511180091
Skagit County Auditor

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Memorandum of Lease

Grantor(s): Anacortes Concept, LLC
RYAY, LLC

Grantee(s): Thrive Community Fitness Anacortes, LLC

Legal Description (abbreviated): Lot 2B of BLA AFN 200306060196

Assessor's Tax Parcel Number: 350219-0-040-0100 P118625

Date: November 15, 2005

Landlord: Anacortes Concept, LLC, and RYAY, LLC, as to their respective
interests as specified in the Lease referenced herein.

Tenant: Thrive Community Fitness Anacortes, LLC

1. **Premises.** By Lease Agreement dated and effective as of November 15, 2005 (the "Lease"), Landlord leased to Tenant and Tenant leased from Landlord all of the real property located in the City of Anacortes, County of Skagit, State of Washington, legally described as follows and inclusive of land, buildings, fixtures, improvements, and appurtenances thereto (the "Premises"):

Lot 2B of that certain Boundary Line Adjustment Survey recorded June 6, 2003, under Auditor's file No. 200306060196, being a revision of Lots 2A, 2B, 2C and 2D, "Seafarer's View", as recorded under Auditor's File No. 200112030101, and that certain Boundary Line Adjustment Survey recorded April 29, 2003, under Auditor's File No. 200304290104, records of Skagit County, Washington; being in portions of Government Lots 1 and 2, Section 19, Township 35 North, Range 2 East, W.M., "Anacortes Harbor", according to the official map thereof on file with the State Land Commissioner at Olympia, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

Memorandum of Lease

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Elliott W. Johnson Inc. P.S.
711 South First Street
Mount Vernon, WA 98273
(360) 336-6502 Fax 336-5616
Email Elliott@EWJLaw.com

TOGETHER WITH, a non-exclusive, perpetual easement for ingress and egress over and across the existing as built roadway immediately North of Lot 2B of the BLA Surveys beginning at R Avenue and continuing East and thereafter continuing Southwesterly to the point where said roadway connects with the existing as built entry driveway across the Southerly portion of the above described property, said easement for the benefit of said Lot 2B of the BLA Surveys.

SUBJECT TO: a non-exclusive perpetual easement for ingress and egress over and across the existing as built driveway across the Southerly portion of Lot 2B of the BLA Surveys and on the existing interior driveways through said Lot 2B to parking lots along the Westerly boundary of Lot 2A of the BLA Survey.

The Premises also is commonly known and identified as 1609 R Avenue, Anacortes, Washington. The terms and conditions of the Lease are incorporated herein by this reference.

2. Term. The term of the Lease is 10 years. The commencement date of the Lease Term is November 15, 2005 and the expiration date is November 14, 2015

3. Option to Extend Term. Tenant has two successive, five year, options to extend the term of the Lease beyond the expiration date stated above.

4. Option to Purchase. The Lease contains an option to purchase the Premises, upon terms and conditions as are contained in the Lease, in favor of the Tenant commencing January 1, 2006 and thereafter during the entire term of the Lease and any extensions.

5. First Right to Purchase. The Lease contains first right to purchase provisions applicable to the Premises, upon terms and conditions as are contained in the Lease, in favor of the Tenant during the entire term of the Lease and any extensions.

6. Purpose. This Memorandum is prepared for the purposes of recording and to provide constructive notice of the Lease, and it in no way modifies or amends the terms and conditions of the Lease.

EXECUTED as of the day and year first above written.

LANDLORD:
Anacortes Concept, LLC,

By: Marc Youngberg
Marc Youngberg

RYAY, LLC

By: Richard Youngberg
Richard Youngberg

Anna Youngberg
Anna Youngberg, Its sole members

Annie Youngberg
Annie Youngberg, Its sole members

TENANT:
Thrive Community Fitness Anacortes, LLC

By: Pacific Northwest Fitness, Inc., its sole member

By: Joe Culver
Joe Culver, Its President

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SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

NOV 18 2005

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

Elliott W. Johnson Inc. P.S.
711 South First Street
Mount Vernon, WA 98273
Phone 360 450 2500 Fax 336-5616

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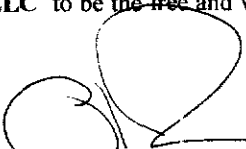
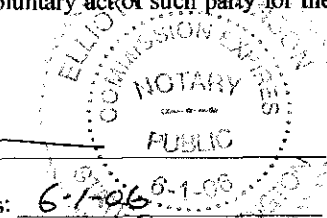
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State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that **Marc Youngberg** and **Anna Youngberg** appeared before me and acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the sole members of **Anacortes Concept, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

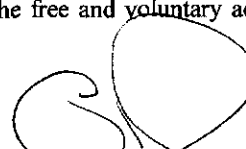
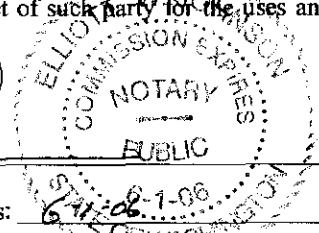
Dated: November 15, 2005


Notary Public
My appointment expires: 6-1-06 6-1-06


State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that **Richard Youngberg** and **Annie Youngberg** appeared before me and acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the sole members of **RYAY, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

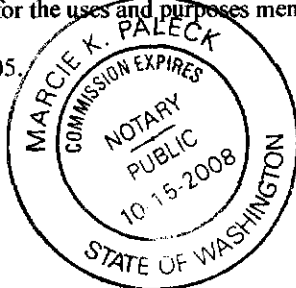
Dated: November 15, 2005



Notary Public
My appointment expires: 6-1-06 6-1-06


State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that **Joe Culver** appeared before me and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Pacific Northwest Fitness, Inc., the sole Member of **Thrive Community Fitness Anacortes, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 17th, 2005.




Notary Public
My appointment expires: October 15 2008

MARCIE K. PALECK

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