

MILLER & MARTIN PLLC
Suite 800, 1170 Peachtree Street, N.E.
Atlanta, Georgia 30309-7649
Telephone: (404) 962-6100
Facsimile: (404) 962-6300
CATHERINE HARRISON KING, ESQ. (GA 331752)

Objection Deadline: July 7, 2011
at 4:00 p.m.
Hearing: July 19, 2011 at 10:00 a.m.

*Attorneys for Henrietta Station Inc.,
Miramar Station LLC, and Southgate
Partners Limited Partnership*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

-----X

In re:

Chapter 11

BLOCKBUSTER INC., *et al*¹.

Case No.: 10-14997 (BRL)

Debtors.

(Jointly Administered)

-----X

**LIMITED OBJECTION OF HENRIETTA STATION INC., MIRAMAR STATION LLC,
AND SOUTHGATE PARTNERS LIMITED PARTNERSHIP TO THE NOTICE OF (I)
FOURTH SUPPLEMENTAL PAC DESIGNATION AND (II) OBJECTION DEADLINE
TO PROPOSED ASSUMPTION AND ASSIGNMENT OF UNEXPIRED
NONRESIDENTIAL REAL PROPERTY LEASES TO PURCHASER OR AN
AFFILITATE THEREOF**

Henrietta Station Inc. (“Henrietta”), Miramar Station LLC (“Miramar”), and Southgate Partners Limited Partnership (“Southgate”) (collectively, the “Objecting Landlords”), by and through undersigned counsel, respectfully submit this Limited Objection of Henrietta Station Inc., Miramar Station LLC, and Southgate Partners Limited Partnership to the Notice of (I) Fourth Supplemental PAC Designation and (II) Objection Deadline to Proposed Assumption and Assignment of Unexpired Nonresidential Real Property Leases to Purchaser or an Affiliate

¹ The debtors whose Chapter 11 bankruptcy cases pending before this Court, the same being jointly administered under Case No. 10-14997, are: Blockbuster, Inc.; Blockbuster Canada Inc.; Blockbuster Digital Technologies Inc.; Blockbuster Distribution, Inc.; Blockbuster Gift Card, Inc.; Blockbuster Global Services Inc.; Blockbuster International Spain Inc.; Blockbuster Investments LLC; Blockbuster Procurement LP; Blockbuster Video Italy, Inc.; Movielink, LLC; Trading Zone Inc.; and B² LLC.



Thereof (the “Limited Objection”) and, in support of the same, hereby would respectfully show this Court as follows:

BACKGROUND

1. On September 23, 2010 (the “Petition Date”), each of the above-referenced debtors (collectively, the “Debtors”) filed petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

2. On of the above-reference debtors, Blockbuster Inc. (“Blockbuster”), is a tenant under the following unexpired leases of real property:

LANDLORD	PREMISES	STORE NO.
Henrietta Station Inc. (“Henrietta”)	1100 Jefferson Road Rochester, NY (“Henrietta Premises”)	36233
Miramar Station LLC (“Miramar”)	2010 Baseport Boulevard Seabrook, TX (“Miramar Premises”)	48500
Southgate Partners Limited Partnership (“Southgate”)	613 Hebron Road Heath, OH (“Southgate Premises”)	92295

(collectively, the “Premises”). The Objecting Landlords’ leases shall hereinafter collectively be referred to as the “Leases,” and the leases separately shall be referred to as the “Henrietta Lease”, the “Miramar Lease”, and the “Southgate Lease”.

3. On April 6, 2011, the Debtors and entered into that certain Asset Purchase and Sale Agreement (as subsequently amended and restated on April 20, 2011, collectively, the “Purchase Agreement”), with DISH Network Corporation or its permitted assignee thereunder (collectively, the “Purchaser”). Under the terms of the Purchase Agreement, the Debtors agreed to sell to Purchaser certain “Assets”, as such term is more specifically defined therein, and

Purchaser agreed to assume (or cause certain of its subsidiaries and/or affiliated to assume) certain liabilities related to the Debtors' business) (the "Sale Transaction").

4. On April 14, 2011, this Court entered an order approving the Sale Transaction (the "Sale Order"). See Docket No. 1602 in the above-entitled, jointly administered Chapter 11 bankruptcy cases. On April 26, 2011, this Court entered an order approving the Purchase Agreement (the "Supplemental Sale Order"). See Docket No. 1723 in the above-entitled, jointly administered Chapter 11 bankruptcy cases.

5. Pursuant to the Sale Order and Supplemental Sale Order, the Debtors are authorized to seek the assumption and assignment of unexpired nonresidential real property leases relating to the Assets that are designated by the Purchaser in accordance with the terms thereof and of the Purchase Agreement.

6. On June 29, 2011, the Debtors filed their Notice of (I) Fourth Supplemental PAC Designation and (II) Objection Deadline to Proposed Assumption and Assignment of Unexpired Nonresidential Real Property Leases to Purchaser or an Affiliate Thereof (the "Fourth PAC Notice") with this Court [Docket No. 1911], indicating that, among other unexpired nonresidential real property leases listed therein, the Purchaser desired to designate the Leases for assumption and assignment. Under the Fourth PAC Notice, the Debtors asserted purported cure amounts to be paid upon the assumption and assignment of the nonresidential real property leases listed thereunder.

LIMITED OBJECTIONS

7. Section 365(b) of the Bankruptcy Code states that a lease can only be assumed if all monetary defaults are cured, the non-debtor party is compensated for any losses resulting from the default, and the non-debtor party is provided with adequate assurance of future performance under the lease. See 11. U.S.C. §§ 365(b)(1)(A)-(C).

8. Under the Fourth PAC Notice, the Debtors stated that the cure amounts for Henrietta, Miramar and Southgate are as follows:

<u>Landlord</u>	<u>Debtor's Cure Amount</u>
Henrietta	\$ 0.00
Miramar	\$ 0.00
Southgate	\$ 0.00

Based upon the records of Henrietta, Miramar and Southgate Partners, the appropriate cure amounts are set forth below:

<u>Landlord</u>	<u>Landlord Cure Amount</u>
Henrietta	\$ 21,601.10 (the "Henrietta Cure")
Miramar	\$ 8,644.66 (the "Miramar")
Southgate	\$ 9,260.00 (the "Southgate Cure")

9. Under the terms of the Henrietta Lease, Blockbuster is responsible for monthly rental payments and common area maintenance charges ("CAM"), as well as year-end reconciliation charges for CAM, insurance, utilities and real property taxes. Pursuant to Henrietta's books and records, Blockbuster has failed to pay the following charges:

<u>Pre-Petition Date</u>	
CAM Reconciliation	\$ - 556.41
Prior Year Insurance Reconciliation	\$ - 840.08
Utilities Reconciliation	\$ 916.57
Prior Year Real Estate Tax Reconciliation	\$ 8,379.36
Pre-Petition Date Total:	\$ 7,899.44
<u>Post-Petition Date</u>	
Legal Services	\$ 105.00
CAM Reconciliation	\$ - 194.85
Prior Year Insurance Reconciliation	\$ - 312.49
Utilities Reconciliation	\$ 345.87
Prior Year Real Estate Tax Reconciliation	\$ 3,162.02
CAM Charges	\$ 520.81
Insurance Charges	\$ 155.30
Rent Charges	\$ 9,920.00
Post-Petition Date Total:	\$ 13,701.66

Pursuant to above calculations, the correct amount of the Henrietta Cure is \$21,601.10. Documents setting forth this itemization are attached hereto as **Exhibit A** and incorporated herein by reference. Pursuant to Section 365(b) of the Bankruptcy Code, the Henrietta Cure must be satisfied in full prior to the Debtors' assumption of the Henrietta Lease and its assignment to the Purchaser.

10. Under the terms of the Miramar Lease, Blockbuster is responsible for monthly rental payments and common area maintenance charges ("CAM"), as well as year-end reconciliation charges for CAM, insurance, utilities and real property taxes. Pursuant to Miramar's books and records, Blockbuster has failed to pay the following charges:

<u>Pre-Petition Date</u>	
CAM Reconciliation	\$ - 716.53
Prior Year Insurance Reconciliation	\$ 1,589.71
Prior Year Real Estate Tax Reconciliation	\$ 3,299.31
Pre-Petition Date Total:	\$ 4,172.49
<u>Post-Petition Date</u>	
Legal Services	\$ 34.00
CAM Reconciliation	\$ - 253.53
Prior Year Insurance Reconciliation	\$ 601.87
Prior Year Real Estate Tax Reconciliation	\$ 1,245.02
CAM Charges	\$ 582.53
Insurance Charges	\$ 68.52
Rent Charges	\$ 6,366.25
Post-Petition Date Total:	\$ 8,644.66

On or about April 13, 2011, Blockbuster entered into a certain letter agreement with Miramar in regards to the Miramar Lease (the "Miramar Letter Agreement"), a true and exact copy of which is attached hereto as **Exhibit B** and incorporated herein by reference, pursuant to which Miramar was made to understand that it was waiving any obligations on the party of Blockbuster to cure pre-petition obligations owed under the Miramar Lease in the event that it was assumed during the course of the above-entitled, jointly administered Chapter 11 bankruptcy cases. pre-petition

obligations in the event that the Miramar Lease was assumed. Pursuant to this waiver, and based upon the above calculations, Miramar asserts that the correct amount of the Miramar Cure is \$8,644.66. Documents setting forth this itemization are attached hereto as **Exhibit C** and incorporated herein by reference. Pursuant to Section 365(b) of the Bankruptcy Code, the Miramar Cure must be satisfied in full prior to the Debtors' assumption of the Miramar Lease and its assignment to the Purchaser.

10. Under the terms of the Southgate Lease, Blockbuster is responsible for monthly rental payments and common area maintenance charges ("CAM"), as well as year-end reconciliation charges for CAM, insurance, utilities and real property taxes. Pursuant to Southgate's books and records, Blockbuster has failed to pay the following charges:

<u>Pre-Petition Date</u>	
CAM Reconciliation	\$ - 1,540.99
Prior Year Real Estate Tax Reconciliation	\$ 3,276.41
Pre-Petition Date Total:	\$ 1,735.42
 <u>Post-Petition Date</u>	
Real Estate Tax Charge	\$ 358.00
Late Fee	\$ 40.57
Legal Fees	\$ 71.00
Real Estate Tax Charge	\$ 358.00
Late Fee	\$ 40.04
Real Estate Tax Charge	\$ 358.00
CAM Reconciliation	\$ - 554.08
Prior Year Real Estate Tax Reconciliation	\$ 1,247.76
Real Estate Tax Charge	\$ 358.00
Late Fee	\$ 40.39
CAM Charge	\$ 358.00
Late Fee	\$ 575.41
CAM Charge	\$ 948.00
Real Estate Tax Charge	\$ 755.00
Rent Charge	\$ 3,375.00
Late Fee	\$ 572.91
CAM Charge	\$ 948.00
Real Estate Tax Charge	\$ 755.00
Rent Charge	\$ 3,375.00
July 2011 EFT	\$ - 4,720.00

Post-Petition Date Total:

\$ 9,260.00

On or about April 13, 2011, Blockbuster entered into a certain letter agreement with Southgate in regards to the Southgate Lease (the "Southgate Letter Agreement"), a true and exact copy of which is attached hereto as **Exhibit D** and incorporated herein by reference, pursuant to which Southgate was made to understand that it was waiving any obligations on the party of Blockbuster to cure pre-petition obligations owed under the Southgate Lease in the event that it was assumed during the course of the above-entitled, jointly administered Chapter 11 bankruptcy cases. Pursuant to this waiver, and based upon the above calculations, Southgate asserts that the correct amount of the Southgate Cure is \$9,260.00. Documents setting forth this itemization are attached hereto as **Exhibit E** and incorporated herein by reference. Pursuant to Section 365(b) of the Bankruptcy Code, the Southgate Cure must be satisfied in full prior to the Debtors' assumption of the Southgate Lease and its assignment to the Purchaser.

11. Prior to assumption of the Leases and their assignments to the Purchaser, the Debtors must pay the above-reference cure amounts in full pursuant to Section 365(b) of the Bankruptcy Code.

13. The Objecting Landlords reserve the right to amend this **Limited Objection** as such other amounts become known.

WHEREFORE, the Objecting Landlords respectfully request that this Court (i) prohibit the Debtors from assuming the Leases and assigning the same to the Purchaser unless and until the above-reference cure amounts are satisfied in full pursuant to Section 365(b) of the Bankruptcy Code, and (ii) grant the Objecting Landlords such other and further relief as it may deem to be just, necessary and property under the circumstances.

This 7th day of July, 2011.

Respectfully submitted,

MILLER & MARTIN PLLC

By: /s/ Catherine Harrison King
MILLER & MARTIN PLLC
Catherine Harrison King
(Admitted *Pro Hac Vice*)
Georgia Bar No. 331752
Suite 800, 1170 Peachtree Street NE
Atlanta, Georgia 30309-7649
(404) 962-6100
(404) 962-6300 (Facsimile)
cking@millermartin.com

*Counsel for Henrietta Station Inc., Miramar
Station LLC, and Southgate Partners Limited
Partnership*

CERTIFICATE OF SERVICE

On July 7th, 2011, I certify that I will cause a copy of the foregoing to be filed with the Clerk of Court using the CM/ECF system, which automatically sent e-mail notification of such filing to the following attorneys of record, each of whom is a registered participant in the Court's electronic notice and filing system and served by FedEx and facsimile as indicated below:

Office of the United States Trustee for Region 2
33 Whitehall Street, 21st Floor
New York, NY 10004
Attn: Brian Masumoto, Esq. and
Facsimile: 212-668-2255

Blockbuster, Inc.
1201 Elm Street
Dallas, Texas 75270
Attn: Rod McDonald, Esq.

Weil, Gotshal & Manges LLP
Attorneys for Debtor
767 Fifth Avenue
New York, NY 10153
Attn: Stephen Karotkin, Esq.
Facsimile: 212-310-8007

Weil Gotshal & Manges LLP
200 Crescent Court
Suite 300
Dallas, TX 75201
Attn: Martin A. Sosland, Esq.
Facsimile: 214-746-7777

Pachulski Stang Ziehl & Jones, LLP
Attorneys to the Ad Hoc Studio Committee
780 Third Avenue, 36th Floor
New York, NY 10017
Attn: Robert J. Feinstein
Facsimile: 212-561-7777

Cooley, LLP
Attorneys for the Creditors' Committee
1114 Avenue of the Americas
New York, NY 10036
Attn: Jay R. Indyke, Esq.
Richard S. Kanowitz, Esq.
Jeffrey L. Cohen, Esq.
Facsimile: 212-479-6275

Sidley Austin LLP
Attorneys for Steering Committee and
the DIP Lenders
787 Seventh Avenue
New York, NY 10019
Attn: James Seery, Esq.
Facsimile: 212-839-5599

Sheppard, Mullin, Richter & Hampton LLP
Attorneys for U.S. Bank National
Association
333 South Hope St., Floor 43
Los Angeles, CA 90071
Attn: Kyle J. Mathews, Esq.
Facsimile: 213-620-1398

Emmet, Marvin & Martin, LLP
Attorneys for The Bank of New York Trust
Company
120 Broadway, 32nd Floor
New York, NY 10271
Attn: Edward P. Zujkowski, Esq.
Facsimile: 212-238-3100

Skadden, Arps, Slate, Meagher & Flom LLP
Attorneys for Wilmington Trust FSB
4 Times Square
New York, NY 10036
Attn: Alexandra Margolis, Esq.
Attn: Mark Chehi, Esq.
Facsimile: 212-735-2000

Linklaters LLP
Attorneys for the Purchaser
1345 Avenue of the Americas
New York, NY 10105
Attn: Martin Flics, Esq.
Attn: Paul Hessler, Esq.
Attn: Edward Rasp, Esq.

/s/ Catherine Harrison King

Catherine Harrison King

EXHIBIT A

HENRIETTA STATION INC

6141 PAYSHERE CIRCLE
CHICAGO, IL 60674

OPEN ITEM STATEMENT

Blockbuster Inc. #36233
3000 Redbud Boulevard
McKinney, TX 75069

Date: 7/6/2011
Account Number: 003092 001075

Amount enclosed: _____

Please enclose this portion with your remittance.

Make checks payable to:
HENRIETTA STATION INC

-pre

6141 PAYSHERE CIRCLE
CHICAGO, IL 60674

Statement for:

Blockbuster Inc. #36233
3000 Redbud Boulevard
McKinney, TX 75069

Unit	Date	Code	Description	Charges	Payments	Amount Due
0002	4/29/2011	CMP	CMP Reconciliation 12/10	-556.41	.00	-556.41
0002	4/29/2011	INP	INP Reconciliation 12/10	-840.08	.00	-840.08
0002	4/29/2011	UTP	UTP Reconciliation 12/10	916.57	.00	916.57
0002	4/29/2011	TXP	TXP Reconciliation 12/10	8,379.36	.00	8,379.36
			Balance:	<u>7,899.44</u>	<u>.00</u>	<u>7,899.44</u>

Contact at (800) 875-6585 extension for questions on your account.

Payment is due on or before: Monday, August 01, 2011
Please pay by due date to avoid late charges

HENRIETTA STATION INC

6141 PAYSHERE CIRCLE
CHICAGO, IL 60674

OPEN ITEM STATEMENT

Blockbuster Inc. #36233
3000 Redbud Boulevard
McKinney, TX 75069

Date: 7/6/2011
Account Number: 003092 006984

Amount enclosed: _____

Please enclose this portion with your remittance.

Make checks payable to:
HENRIETTA STATION INC - *POST*

6141 PAYSHERE CIRCLE
CHICAGO, IL 60674

Statement for:
Blockbuster Inc. #36233
3000 Redbud Boulevard
McKinney, TX 75069

Unit	Date	Code	Description	Charges	Payments	Amount Due
0002	1/11/2011	LEG	LEGAL SRVCS THRU 11/30/10	105.00	.00	105.00
0002	4/29/2011	CMP	CMP Reconciliation 12/10	-194.85	.00	-194.85
0002	4/29/2011	INP	INP Reconciliation 12/10	-312.49	.00	-312.49
0002	4/29/2011	UTP	UTP Reconciliation 12/10	345.87	.00	345.87
0002	4/29/2011	TXP	TXP Reconciliation 12/10	3,162.02	.00	3,162.02
0002	7/1/2011	CAM	CAM Charge	520.81	.00	520.81
0002	7/1/2011	INS	Insurance Charge	155.30	.00	155.30
0002	7/1/2011	RNT	Rent Charge	9,920.00	.00	9,920.00
Balance:				<u>13,701.66</u>	<u>.00</u>	<u>13,701.66</u>

Contact at (800) 875-6585 extension for questions on your account.

Payment is due on or before: Monday, August 01, 2011
Please pay by due date to avoid late charges

EXHIBIT B

MIR-0095



April 13, 2011

Miramar Station, LLC
c/o Pelp Properties
11501 Northlake Drive
Cincinnati, OH 45242

Re: Lease (the "Lease") with Blockbuster Inc. regarding Store # 48500, 2010 Bayport Blvd., Seabrook, TX

Dear Landlord:

On September 23, 2010, Blockbuster Inc. ("Tenant") and its debtor affiliates, as debtors and debtors in possession (collectively, "Blockbuster" or the "Debtors") filed for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Landlord and Tenant desire to modify certain terms and conditions of the Lease, effective as of the date on which the Bankruptcy Court enters an order approving the assumption of the Lease, as amended by this letter agreement (the "Effective Date").

Landlord and Tenant hereby agree that, as of the Effective Date, the Lease is modified as set forth in this letter agreement and on Schedule A attached hereto.

This letter agreement does not constitute an assumption of the Lease under section 365 of the Bankruptcy Code, and Tenant is not seeking at this time to assume the Lease pursuant to such provisions. Prior to the Effective Date, Tenant expressly reserves its right to assume, reject, or assign the Lease pursuant to section 365 of the Bankruptcy Code. If the Bankruptcy Court does not enter an order approving the assumption of the Lease, as amended by this letter agreement, this letter agreement shall be null and void in all respects, and nothing in this letter agreement shall give rise to any claim, causes of action, or damages (compensatory or consequential) against either party.

Landlord and Tenant each represents to the other that it has the right and authority to enter into this letter agreement. Subject to the provisions herein with respect to the assumption of the Lease, upon the Effective Date, this letter agreement shall be binding upon and shall inure to the benefit of Tenant's successors and assigns, including Tenant, if so reorganized pursuant to a chapter 11 plan approved by the Bankruptcy Court, and a trustee, if any, subsequently appointed under chapter 7 or chapter 11 of the Bankruptcy Code. This letter agreement and each of its provisions are binding upon and shall inure to the benefit of Landlord's successors and assigns. Landlord represents and warrants that no consent of any lender is required for this letter agreement or, if required, has been obtained.

Please execute this letter agreement in the space provided below indicating your agreement with the foregoing terms and conditions.

Very truly yours,

BLOCKBUSTER INC.

Thomas Kurrikoff, Senior Vice President

AGREED AND ACCEPTED:

MIRAMAR STATION, LLC,
an Ohio limited liability company

By: Ronald E. Meyers, Jr.
Name: Ronald E. Meyers, Jr.
Title: Authorized Signatory

Schedule A

Amendments to Lease – Store No. 48500

1. Landlord and Tenant acknowledge and agree that the current Term of the Lease is set to expire on June 30, 2013.

2. Notwithstanding anything to the contrary contained in the Lease and in lieu of any and all other provisions in the Lease providing for the payment of Base Annual Rent (including any modifications thereto), Landlord and Tenant acknowledge and agree that, as of April 1, 2011, Base Annual Rent for the remainder of the current Term shall be in the amount specified below:

<u>Period</u>	<u>Sq. Ft. Rate</u>	<u>Monthly Rate</u>	<u>Annual Rate</u>
April 1, 2011 – June 30, 2013	\$7.40	\$3,391.67	\$40,700.00

In the event that, upon the Effective Date, Tenant has paid Base Annual Rent in excess of the amounts specified above for the periods specified above, then Tenant shall be entitled to offset such excess amounts against the next installment(s) of Rent coming due under the Lease until such time as such excess amounts have been recouped in full by Tenant.

3. At any time following the Effective Date, either Landlord or Tenant shall have the right to terminate the Lease upon not less than ninety (90) days' prior written notice to the other party.

4. In connection with any assumption of the Lease, as amended hereby, Landlord agrees to waive (i) any and all cure obligations of Tenant pursuant to section 365 of the Bankruptcy Code, (ii) any claim under section 503(b)(7) of the Bankruptcy Code, and (iii) any unpaid rent or additional rent under the Lease relating to and/or accruing during prepetition time periods, regardless of whether such unpaid rent or additional rent is yet due and payable.

5. All terms and definitions used in this Amendment not herein defined are to be given the definition of the term as provided in the Lease, unless specifically stated otherwise.

EXHIBIT C

MIRAMAR STATION LLC

P O BOX 644573
PITTSBURGH, PA 15264-4573

OPEN ITEM STATEMENT

Date: 7/6/2011
Account Number: 000045 006989

BLOCKBUSTER #48500
LEGAL DEPARTMENT
1201 ELM STREET
DALLAS, TX 75270

Amount enclosed: _____

Please enclose this portion with your remittance.

Make checks payable to:
MIRAMAR STATION LLC - *Post*

P O BOX 644573
PITTSBURGH, PA 15264-4573

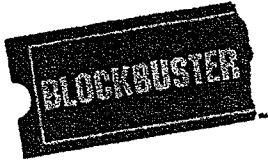
Statement for:
BLOCKBUSTER #48500
LEGAL DEPARTMENT
1201 ELM STREET
DALLAS, TX 75270

Unit	Date	Code	Description	Charges	Payments	Amount Due
OUT1	1/19/2011	LEG	LEGAL FEE NOV 30 2010	34.00	.00	34.00
OUT1	4/18/2011	CMP	CMP Recovery Reconciliation 12	-253.53	.00	-253.53
OUT1	4/18/2011	INP	INP Recovery Reconciliation 12	601.87	.00	601.87
OUT1	4/18/2011	TXP	TXP Recovery Reconciliation 12	1,245.02	.00	1,245.02
OUT1	7/1/2011	CAM	CAM Charge	582.53	.00	582.53
OUT1	7/1/2011	INS	Insurance Charge	68.52	.00	68.52
OUT1	7/1/2011	RNT	Rent Charge	6,366.25	.00	6,366.25
Balance:				<u>8,644.66</u>	<u>.00</u>	<u>8,644.66</u>

Contact at (800) 875-6585 extension for questions on your account.

Payment is due on or before: Monday, August 01, 2011
Please pay by due date to avoid late charges

EXHIBIT D



0064

April 13, 2011

Southgate Partners Limited Partnership
c/o Pelp Properties
11501 Northlake Drive
Cincinnati, OH 45249
Attn: A. Mark Addy, COO

Re: Lease (the "Lease") with Blockbuster Inc. regarding Store # 92295, 613 Hebron Rd, Heath, OH

Dear Landlord:

On September 23, 2010, Blockbuster Inc. ("Tenant") and its debtor affiliates, as debtors and debtors in possession (collectively, "Blockbuster" or the "Debtors") filed for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Landlord and Tenant desire to modify certain terms and conditions of the Lease, effective as of the date on which the Bankruptcy Court enters an order approving the assumption of the Lease, as amended by this letter agreement (the "Effective Date").

Landlord and Tenant hereby agree that, as of the Effective Date, the Lease is modified as set forth in this letter agreement and on Schedule A attached hereto.

This letter agreement does not constitute an assumption of the Lease under section 365 of the Bankruptcy Code, and Tenant is not seeking at this time to assume the Lease pursuant to such provisions. Prior to the Effective Date, Tenant expressly reserves its right to assume, reject, or assign the Lease pursuant to section 365 of the Bankruptcy Code. If the Bankruptcy Court does not enter an order approving the assumption of the Lease, as amended by this letter agreement, this letter agreement shall be null and void in all respects, and nothing in this letter agreement shall give rise to any claim, causes of action, or damages (compensatory or consequential) against either party.

Landlord and Tenant each represents to the other that it has the right and authority to enter into this letter agreement. Subject to the provisions herein with respect to the assumption of the Lease, upon the Effective Date, this letter agreement shall be binding upon and shall inure to the benefit of Tenant's successors and assigns, including Tenant, if so reorganized pursuant to a chapter 11 plan approved by the Bankruptcy Court, and a trustee, if any, subsequently appointed under chapter 7 or chapter 11 of the Bankruptcy Code. This letter agreement and each of its provisions are binding upon and shall inure to the benefit of Landlord's successors and assigns. Landlord represents and warrants that no consent of any lender is required for this letter agreement or, if required, has been obtained.

Please execute this letter agreement in the space provided below indicating your agreement with the foregoing terms and conditions.

Very truly yours,

BLOCKBUSTER INC.

Thomas Kurrikoff, Senior Vice President

AGREED AND ACCEPTED:

SOUTHGATE PARTNERS LIMITED PARTNERSHIP, a Delaware limited partnership,
By: Southgate Aegis LLC, its General Partner

By:
Name: Ronald E. Meyers, Jr.
Title: Authorized Signatory

Schedule A

Amendments to Lease – Store No. 92295

1. Landlord and Tenant acknowledge and agree that the current Term of the Lease is set to expire on October 31, 2011.

2. Notwithstanding anything to the contrary contained in the Lease and in lieu of any and all other provisions in the Lease providing for the payment of Base Annual Rent (including any modifications thereto), Landlord and Tenant acknowledge and agree that, as of April 1, 2011, Base Annual Rent for the remainder of the current Term shall be in the amount specified below:

<u>Period</u>	<u>Sq. Ft. Rate</u>	<u>Monthly Rate</u>	<u>Annual Rate</u>
April 1, 2011 – October 31, 2011	\$4.50	\$2,531.25	\$30,375.00

In the event that, upon the Effective Date, Tenant has paid Base Annual Rent in excess of the amounts specified above for the periods specified above, then Tenant shall be entitled to offset such excess amounts against the next installment(s) of Rent coming due under the Lease until such time as such excess amounts have been recouped in full by Tenant.

3. At any time following the Effective Date, either Landlord or Tenant shall have the right to terminate the Lease upon not less than ninety (90) days' prior written notice to the other party.

4. In connection with any assumption of the Lease, as amended hereby, Landlord agrees to waive (i) any and all cure obligations of Tenant pursuant to section 365 of the Bankruptcy Code, (ii) any claim under section 503(b)(7) of the Bankruptcy Code, and (iii) any unpaid rent or additional rent under the Lease relating to and/or accruing during prepetition time periods, regardless of whether such unpaid rent or additional rent is yet due and payable.

5. All terms and definitions used in this Amendment not herein defined are to be given the definition of the term as provided in the Lease, unless specifically stated otherwise.

EXHIBIT E

SOUTHGATE PARTNERS LP
 NW 601236
 PO Box 1450
 Minneapolis, MN 55485-6012

OPEN ITEM STATEMENT

BLOCKBUSTER INC STORE 92295
 AREA LEASE ADMINISTRATOR
 3000 REDBUD BLVD
 MCKINNEY, TX 75069

Date: 7/6/2011
 Account Number: 000064 006993
 Amount enclosed: _____

Please enclose this portion with your remittance.

Make checks payable to:
 SOUTHGATE PARTNERS LP
 NW 601236
 PO Box 1450
 Minneapolis, MN 55485-6012

Statement for:
 BLOCKBUSTER INC STORE 92295
 AREA LEASE ADMINISTRATOR
 3000 REDBUD BLVD
 MCKINNEY, TX 75069

Unit	Date	Code	Description	Charges	Payments	Amount Due
00090	1/1/2011	PTX	Property Tax Charge	755.00	397.00	358.00
00090	1/11/2011	LC	LATE FEE	40.57	.00	40.57
00090	1/18/2011	LEG	LEGAL FEE	71.00	.00	71.00
00090	2/1/2011	PTX	Property Tax Charge	755.00	397.00	358.00
00090	2/11/2011	LC	LATE FEE	40.04	.00	40.04
00090	3/1/2011	PTX	Property Tax Charge	755.00	397.00	358.00
00090	3/22/2011	CMP	CMP Reconciliation 12/10	-554.08	.00	-554.08
00090	3/22/2011	TXP	TXP Reconciliation 12/10	1,247.76	.00	1,247.76
00090	4/1/2011	PTX	Property Tax Charge	755.00	397.00	358.00
00090	4/11/2011	LC	LATE FEE	40.39	.00	40.39
00090	5/1/2011	CAM	CAM Charge	948.00	590.00	358.00
00090	5/11/2011	LC	LATE FEE	575.41	.00	575.41
00090	6/1/2011	CAM	CAM Charge	948.00	.00	948.00
00090	6/1/2011	PTX	Property Tax Charge	755.00	.00	755.00
00090	6/1/2011	RNT	Rent Charge	3,375.00	.00	3,375.00
00090	6/13/2011	LC	LATE FEE	572.91	.00	572.91
00090	7/1/2011	CAM	CAM Charge	948.00	.00	948.00
00090	7/1/2011	PTX	Property Tax Charge	755.00	.00	755.00
00090	7/1/2011	RNT	Rent Charge	3,375.00	.00	3,375.00
00090	7/5/2011	OPR	JULY 2011 EFT 0711	-4,720.00	.00	-4,720.00
Balance:				<u>11,438.00</u>	<u>2,178.00</u>	<u>9,260.00</u>

Contact at (800) 875-6585 extension for questions on your account.

Payment is due on or before: **Monday, August 01, 2011**
 Please pay by due date to avoid late charges