

FILED
KING COUNTY, WASHINGTON
MAY 16 2016
SUPERIOR COURT CLERK

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

MIDTOWN LIMITED PARTNERSHIP, a
Washington Limited Partnership,

Plaintiff,

v.

OMARI TAHIR-GARRETT, a.k.a. OMARI
TAHIR, a.k.a. JAMES C. GARRETT, and
ALL OTHER OCCUPANTS,

Defendants.

NO. 16-2-10995-1

DECLARATION OF HUGH F.
BANGASSER (CORRECTED)

I declare, under penalty of perjury of the laws of the State of Washington, that :

1. I am Hugh F. Bangasser, the Manager of Fathom Properties LLC. Fathom Properties LLC is the General Partner of plaintiff MidTown Limited Partnership ("MidTown"). I have personal knowledge of the facts set forth below and am competent to make this declaration.

2. MidTown was created in 1988, in part, to manage and eventually liquidate an assemblage of property situated on the block between 23rd and 24th, and East Union and East Spring, in Seattle (the "Property").

3. For the past several years, MidTown has been engaged in serious efforts to sell the roughly 2.4-acre Property to a real estate developer who would demolish existing structures and build multi-story units with retail on the first floor and residential on the remaining floors.

1 4. Among the buildings to be demolished on the Property are two
2 dilapidated houses situated on two lots at the south end of the Property. One of those
3 lots, "the Premises" is located at 2314 East Spring Street, Seattle, and is presently
4 occupied by defendant Omari Tahir-Garrett ("Mr. Garrett").

5 5. Mr. Garrett is presently hosting an unlawful temporary encampment at the
6 Premises. True copies of photographs I took on April 13, 2016, of the house and unlawful
7 encampment at the Premises are *Exhibit D*. Despite our requests, Mr. Garrett has not
8 removed that unlawful encampment, but instead, appears to have invited and supported
9 it. See *Exhibit C*, p. 4, a true copy of an article from the *South Seattle Emerald* dated
10 April 5, 2016.

11 6. On or about March 6, 2012, MidTown, as landlord, entered into a lease of
12 the Premises with UMOJA Peace Center, a.k.a. UMOJA Fest Peace Center ("UMOJA").
13 A true copy is *Exhibit A*. The UMOJA lease expired by its terms on September 30, 2014,
14 and was not renewed. On April 27, 2016, UMOJA disclaimed: (a) all rights under the
15 UMOJA lease; and (b) any interest in the Premises. A true copy of that disclaimer is
16 *Exhibit B*.

17 7. Mr. Garrett is presently occupying the Premises without the permission of
18 MidTown, as are those who are occupying the illegal and unpermitted transitional
19 encampment. To the extent that Mr. Garrett claims any rights under the UMOJA lease,
20 he has breached that lease by hosting and supporting the unpermitted transitional
21 encampment, and by committing and permitting waste at the Premises, which has
22 deteriorated, not been maintained, and has become unsanitary, unsightly and
23 dangerous. See *Exhibit D*.

Exhibit A

**MIDTOWN CENTER
LEASE AGREEMENT**

THIS LEASE is made this 6th day of March, 2012, between MIDTOWN LIMITED PARTNERSHIP, a Washington limited partnership ("Landlord") and UMOJA FEST PEACE CENTER, a Washington non-profit ("Tenant").

1. LEASE DATA AND EXHIBITS: As parties hereto, Landlord and Tenant agree that the following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:
- (a) SHOPPING CENTER AND LAND: The Shopping Center known as MIDTOWN CENTER, situated on the Land located in Seattle, King County, Washington, legally described on the site plan attached hereto as Exhibit "A" and made a part hereof.
 - (b) PREMISES: The leased Premises consists of two homes located on the southeast corner of the MidTown block at 24th and Spring Street, which is cross-hatched on the site plan(s) attached hereto as Exhibit "A" and commonly referred to as 1107 24th Avenue and 2314 East Spring; Seattle, Washington 98122.
 - (c) RENTABLE AREA OF PREMISES: The agreed net Rentable Area of the Premises is approximately 10,000 square feet of land with two homes situated thereon. Tenant shall not sublease all or any part of the Leased Premises without Landlord's prior written consent, which will not be unreasonably withheld or delayed.
 - (d) RENTABLE AREA OF MIDTOWN CENTER: The Rentable Land Area of MidTown Center is approximately 106,000 square feet.
 - (e) TERM: The Lease Term is Three (3) years, subject to Landlord's exclusive right to cancel this lease with 90 days written notice if (1) Landlord should decide to redevelop the site; and/or (2) should the United States Postal Service need the subject premises for expansion.
 - (f) COMMENCEMENT DATE: October 1, 2011.
 - (g) TERMINATION DATE: September 30, 2014, unless otherwise earlier terminated pursuant to the terms and conditions of the Lease.
 - (h) BASE RENT: \$3,000.00 per month paid through "in-kind" maintenance services for the entire MidTown block.
 - (i) PERCENTAGE RENT RATE: Tenant's Percentage Rent Rate is n/a %.
 - (j) TENANT'S SHARE OF ESTIMATED AND ACTUAL EXPENSES: In addition to the in-kind Base Rent, Tenant shall pay its prorata share of all real estate taxes, utilities and insurance on the subject land and houses.
 - (k) PREPAID RENT DEPOSIT: Tenant has deposited with Landlord on the date hereof \$0.00 to be applied to the first month's payment of Base rent. Tenant has also

deposited \$0.00 to be applied to the last month's payment of Base Rent due hereunder.

(l) SECURITY DEPOSIT: \$0.00

(m) NORMAL BUSINESS HOURS: N/A

(n) NOTICES AND PAYMENTS ADDRESSES:

Landlord: MIDTOWN LIMITED PARTNERSHIP
c/o Bangasser & Associates, Inc.
Post Office Box 22300
Seattle, Washington 98122-0300
(206) 323-7575 TIN 91-1435159
Email: tfb@bangasser.com

Tenant: UMOJA FEST PEACE CENTER
Attn: Wyking Garrett, Managing Director
Post Office Box 22328
Seattle, Washington 98122
(206) 941-2527 TIN #14-1798232
Email: wyking@gmail.com

(o) PERMITTED USES: The Premises are to be used only for legal business

(p) TENANT'S TRADE NAME: To be determined.

(q) NUMBER OF DAYS FOR COMPLETION OF TENANT'S WORK: n/a

(r) BROKER: None

(s) NAME AND ADDRESS OF GUARANTOR: none

(t) By initialing this section in the space provided below, the parties acknowledge that they have read and understand Section 15 of the Lease regarding indemnification obligations, and further acknowledge that it was specifically negotiated.

Landlord's Initials

Tenant's Initials

(u) EXHIBITS: The following rider and exhibits are made a part of this Lease:
Standard Sections to MidTown Center Lease Agreement and Appendix –
Definitions
Exhibit "A" – Site Plan of Premises and Legal Description of Land
Exhibit "B" – Rules and Regulations
Exhibit "C" – Description of Landlord's and Tenant's Work

FB

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

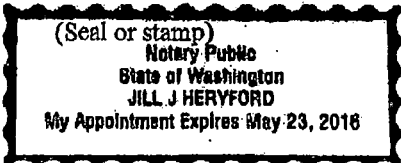
LANDLORD: MIDTOWN LIMITED PARTNERSHIP
Bangasser & Associates, Inc., General Partner
By Thomas F. Bangasser
Thomas F. Bangasser, President

TENANT: UMOJA FEST PEACE CENTER
By Wyking Garrett
Wyking Garrett, Managing Director

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that THOMAS F. BANGASSER is the person who appeared before me, and said person acknowledged that he was authorized to execute this instrument, and acknowledged it as the PRESIDENT of BANGASSER & ASSOCIATES, INC., General Partner of MIDTOWN LIMITED PARTNERSHIP, to be the free and voluntary act of such partnership for the uses and purposes mentioned in the instrument.

DATED: 7/16/12



Jill J. Heryford
Notary Public in and for the State of Washington, residing at Vashon
My appointment expires 5/23/16

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

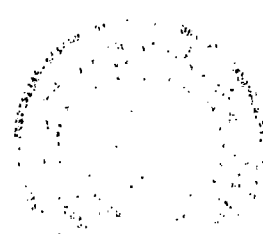
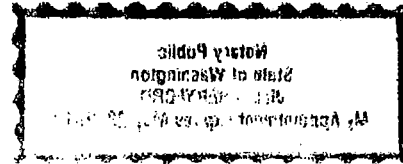
I certify that I know or have satisfactory evidence that WYKING GARRETT is the person who appeared before me, and said person acknowledged that he was authorized to execute this instrument, and acknowledged it as the MANAGING DIRECTOR of UMOJA FEST PEACE CENTER, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



DATED: 6/22/12

Khalilah Williams
Notary Public in and for the State of WA

Washington, residing at Seattle
My appointment expires 7/24/2015



STANDARD SECTIONS TO
MIDTOWN SHOPPING CENTER
LEASE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
2. <u>PREMISES</u>	4
3. <u>RENT</u>	4
3.1 BASE RENT	4
3.2 BASE RENT ADJUSTMENT	4
3.3 PERCENTAGE RENT	4
3.4 BOOKS AND RECORDS; INSPECTION BY LANDLORD	5
3.5 MINIMUM GROSS SALES	6
3.6 NO PARTNERSHIP	6
4. <u>TENANT'S SHARE OF EXPENSES AND TAXES</u>	7
4.1 ADDITIONAL RENT	7
4.2 PRORATION OF EXPENSES	7
4.3 LANDLORD'S BOOKS AND RECORDS	7
5. <u>POSSESSION</u>	7
6. <u>SECURITY DEPOSIT</u>	8
7. <u>USE OF THE PREMISES</u>	8
8. <u>CARE OF THE PREMISES; TRADE FIXTURES</u>	8
9. <u>COMPLIANCE WITH RULES AND REGULATIONS</u>	9
10. <u>MAINTENANCE AND REPAIR OF PREMISES</u>	9
11. <u>COVENANT OF CONTINUOUS OPERATION</u>	10
12. <u>SERVICES AND UTILITIES</u>	10
12.1 TENANT'S OBLIGATIONS	10
12.2 LANDLORD'S OBLIGATIONS	11
12.3 FAILURE OR INTERRUPTION OF SERVICES	11
13. <u>COMMON AREAS</u>	11
13.1 LICENSE	11
13.2 COMMON AREA SURCHARGE	12
13.3 COMMON AREA MAINTENANCE	12

Handwritten initials

14.	<u>TAXES PAYABLE BY TENANT</u>	13
15.	<u>INDEMNIFICATION</u>	13
16.	<u>LIABILITY INSURANCE</u>	13
17.	<u>WAIVER OF SUBROGATION</u>	14
18.	<u>LIENS AND INSOLVENCY</u>	14
19.	<u>DAMAGE OR DESTRUCTION</u>	14
20.	<u>CONDEMNATION</u>	15
21.	<u>DEFAULTS AND REMEDIES</u>	15
22.	<u>DEFAULT BY LANDLORD</u>	16
23.	<u>TENANT'S REMEDIES</u>	16
24.	<u>SUBORDINATION</u>	16
25.	<u>ESTOPPELS</u>	17
26.	<u>ASSIGNMENT AND SUBLETTING</u>	17
27.	<u>ASSIGNMENT BY LANDLORD</u>	18
28.	<u>QUIET ENJOYMENT</u>	18
29.	<u>ACCESS</u>	18
30.	<u>RELOCATION OF TENANT</u>	18
31.	<u>DEVELOPMENT OF THE LAND</u>	18
32.	<u>SURRENDER OF PREMISES</u>	18
33.	<u>HOLDOVER</u>	19
34.	<u>HAZARDOUS SUBSTANCES</u>	19
35.	<u>MERCHANTS' ASSOCIATION</u>	20
36.	<u>DISPLAYS</u>	20

37.	<u>AUCTIONS AND SALES</u>	20
38.	<u>SIGNS</u>	21
39.	<u>NOTICES</u>	21
40.	<u>KEYS</u>	21
41.	<u>LIGHT, AIR AND VIEW</u>	21
42.	<u>ARBITRATION</u>	21
43.	<u>MISCELLANEOUS PROVISIONS</u>	21
43.1	RECORDING	21
43.2	NONWAIVER	21
43.3	ATTORNEYS' FEES	22
43.4	CAPTIONS	22
43.5	GOVERNING LAW	22
43.6	ENTIRE AGREEMENT AND MODIFICATIONS	22
43.7	JOINT AND SEVERAL OBLIGATIONS	22
43.8	BROKER'S COMMISSIONS	22
43.9	NAME	22
43.10	SUCCESSOR AND ASSIGNS	22
43.11	TIME	23
43.12	SEVERABILITY	23
43.13	INTERPRETATION	23
43.14	REMEDIES CUMULATIVE	23

JAB

STANDARD SECTIONS TO SHOPPING CENTER LEASE AGREEMENT

2. PREMISES: For the Term specified in Section 1(e), Landlord does hereby lease the Premises to Tenant, and Tenant does hereby lease the Premises from Landlord, upon and subject to the terms and conditions herein set forth.
3. RENT:
- 3.1 BASE RENT: Tenant shall pay Landlord the monthly Base Rent stated in Section 1(h) hereof, Percentage Rent as provided in Section 3.3, and Additional Rent as provided in Section 4.1 and any other additional payments due under this Lease (collectively called "Rent") without deduction or offset, and without delay or demand, in advance on or before the day specified in Section 1(h) for Base Rent, 3.3 for Percentage Rent and 4.1 for Additional Rent, to Landlord at the address noted in Section 1(n) hereof, or to such other party or at such other place as Landlord may hereafter from time to time designate in writing. Rent for any partial month at the beginning or ending of the Term shall be prorated.
- 3.2 BASE RENT ADJUSTMENT. Commencing with the first anniversary of the Commencement Date of this Lease and on each anniversary date thereafter (herein after referred to as the "Adjustment Date"), the Base Rent shall be increased by the percentage increase, if any, of the Consumer Price Index. The CPI published the Base Year 1982-84 equals 100 shall be used for comparison purposes with any adjustment in Base Rent to be effective for the following year as of the first day of the month in which the Adjustment Date occurs, if such Adjustment Date occurs on or before the first day of a month. If such Adjustment Date occurs after the first day of a month, then the adjustment in Base Rent shall be effective with the month next following the month in which the Adjustment Date occurs. In no event shall the Base Rent be less than the sum or sums as specified in Section 1(h) above as adjusted upward on the last Adjustment Date, if any. All such adjustments shall be compounded. The Base Rent as adjusted shall be the Base Rent until the next Adjustment Date. If the aforementioned CPI is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would have been obtained if the CPI had not been discontinued or revised; provided, that Tenant shall continue to pay an amount equal to the Base Rent payable for the last month before the Adjustment Date until the adjusted Base Rent can be determined.
- 3.3 PERCENTAGE RENT. Tenant covenants and agrees to pay Percentage Rent to Landlord without demand. Tenant's Percentage Rent is based on the amount by which, if any, Tenant's Gross Sales during each full or partial calendar month of the Lease Term multiplied by the Percentage Rent Rate specified in Section 1(i) hereof exceeds the Base Rent payable for that full or partial month. No deductions from Gross Sales shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, or if included there shall then be deducted (but only to the extent they have been included), the following:

- 3.3.1 The amount of any cash or credit refund made upon any sale in or from the Premises when the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant.
- 3.3.2 Any sums paid by Tenant to third parties for the use or rental of pay telephones, stamp machines, music machines, amusement machines and other vending machines.
- 3.3.3 Sums received by Tenant from casual sales of used trade fixtures or equipment, provided that such property is not Tenant's inventory or stock in trade, and such sales are permitted under this Lease.
- 3.3.4 Amounts received by Tenant in settlement of claims made by Tenant for loss of or damage to Tenant's merchandise.
- 3.3.5 Sales taxes and other similar taxes now or in the future imposed on the sale of merchandise or services, but only if such taxes are added to the sales price, separately stated and collected from customers or purchasers.

On or before the 20th day of each calendar month during the Lease Term, beginning with the calendar month following the month in which Tenant's obligation to pay Base Rent commences, Tenant shall furnish to Landlord a statement of Tenant's Gross Sales for the preceding calendar month. Each statement shall be signed and certified to be correct by an officer of Tenant. At the time Tenant submits the statement of Tenant's Gross Sales, Tenant shall also pay to Landlord the amount, if any, by which Tenant's Gross Sales for the calendar month covered by the statement multiplied by the Percentage Rent Rate exceeds the Base Rent payable for that month.

- 3.4 BOOKS AND RECORDS; INSPECTION BY LANDLORD. Tenant shall install and maintain accurate receipt-printing cash registers and shall record on the cash registers every sale and other transaction made from the Premises; or, if the Tenant does not use receipt-printing cash registers, Tenant shall use serialized sales slips and shall record every sale and other transaction made in, on, from or through the Premises on such sales slips. Such receipts or sales slips shall be kept and maintained as provided for in this Section. Tenant shall also furnish to Landlord copies of Tenant's sales and excise tax returns at the time each is filed with the State of Washington. Tenant shall keep and maintain on the Premises complete, appropriate, and accurate books, records and accounts of the Gross Sales, both for cash and credit, in accordance with standard accounting practice. These books, records and accounts, including true copies of receipts and sales slips and any sales and other excise tax reports that Tenant may be required to furnish to any government or governmental agency, shall at all reasonable times be open to the inspection of Landlord or Landlord's auditor or other authorized representative or agent for a period of at least three (3) years after the expiration of the Lease Year to which the books, records and accounts relate. If at any time during the Term, the books, records and accounts prove inadequate in the reasonable judgment of Landlord to record the Gross Sales in the detail herein required, Tenant shall, upon the request of Landlord, keep and maintain such books, records and accounts as shall be, in character and form, adequate for such purposes. Each twelve (12) month calendar period during the Term

11B

of this Lease, commencing on the first (1st) day of the first (1st) full calendar month of the Lease Term and ending on the last day of the twelfth (12th) month thereafter is a "Lease Year."

The acceptance by Landlord of Percentage Rent shall not prejudice Landlord's right to an examination of Tenant's books, records and accounts of gross receipts and inventories of merchandise at the Premises in order to verify the amount of Gross Sales made in, on, from or through the Premises. At its option, Landlord may at any reasonable time, during the Lease Term and for a period of three (3) years after the expiration or termination of the Lease Term, upon five (5) business days' prior notice to Tenant, cause a complete audit to be made of Tenant's entire records relating to the Premises, including the records of any sublessee, concessionaire, licensee or any other person or entity on the Premises, for a period covered by any statement issued by Tenant under Section 3.3 above. If the audit shall disclose that Tenant's Gross Sales have been underreported to the extent of two percent (2%) or more on an annual basis, Tenant shall pay to Landlord within ten (10) days after demand the cost of the audit in addition to the deficiency, which deficiency shall be payable in any event. In addition, if the audit shall disclose that Tenant's Gross Sales have been underreported to the extent of six percent (6%) or more on an annual basis, Landlord shall have the further remedy of declaring this Lease terminated and the Lease Term ended by notice to Tenant, in which event this Lease shall cease and terminate on the date specified in the notice with the same force and effect as though the date set forth in the notice were the date originally set forth herein and fixed for the Termination Date, and Tenant shall vacate and surrender the Premises on the date specified in the notice but shall remain liable for the deficiency and the costs of the audit as provided in this Section.

Tenant's reporting and recordkeeping obligations and Landlord's inspection and audit rights set forth in this Section 3.4, shall exist and be enforceable whether or not Tenant is required to pay Percentage Rent hereunder.

3.5 MINIMUM GROSS SALES. If no Percentage Rent shall be due and payable by Tenant for a period of twelve (12) consecutive months during the Lease Term, Landlord may notify Tenant in writing of Landlord's proposed increase in the Base Rent ("Rent Increase Notice"). Tenant shall have a period of fifteen (15) days from the date Tenant receives the Rent Increase Notice within which to notify Landlord in writing that Tenant elects either to terminate this Lease (in which event this Lease shall terminate effective as of the last day of the calendar month in which Tenant's notice is received by Landlord and all Rent shall be paid to the Date of Termination), or to pay the increased Base Rent specified in the Rent Increase Notice (in which case Tenant shall pay such increased Base Rent beginning on the first day of the calendar month following the month in which Tenant's notice is received by Landlord). If Tenant shall fail to notify Landlord of Tenant's election within the 15-day period, Tenant shall be deemed to have elected to pay the increased Base Rent specified in the Rent Increase Notice.

3.6 NO PARTNERSHIP: It is understood and agreed that the fixing of a portion of the rental on a percentage of the sales of the business to be done by Tenant does not create a partnership or joint venture relationship between the parties hereto; that Landlord

assumes no liability hereunder for the operation of the business of Tenant; and that the provisions with reference to rents herein are for the sole purpose of fixing and determining the total rents to be paid by Tenant to Landlord.

4. TENANT'S SHARE OF EXPENSES AND TAXES.

4.1 ADDITIONAL RENT. Tenant shall pay to Landlord as Additional Rent one-twelfth (1/12th) of Tenant's Share of the Expenses for each Expense Year on or before the first day of each month of such Expense Year, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant. As of the date of this Lease, Tenant's Share of Expenses is estimated to be the amount specified in Section 1(j) hereof for the Expense Year specified in that section. With reasonable promptness after the expiration of each Expense Year, Landlord shall furnish Tenant with a statement ("Landlord's Expense Statement"), setting forth in reasonable detail the Expenses for such Expense Year, and Tenant's Share of Expenses. If Tenant's Share of the actual Expenses for such Expense Year exceeds the estimated Expenses paid by Tenant for such Expense Year, Tenant shall pay to Landlord the difference between the amount paid by Tenant and Tenant's Share of actual Expenses within fifteen (15) days after the receipt of Landlord's Expense Statement, and if the total amount paid by Tenant for any such Expense Year shall exceed Tenant's Share of actual Expenses for such Expense Year, such excess shall be credited against the next installment of the estimated Expenses or other Rent due from Tenant to Landlord hereunder.

4.2 PRORATION OF EXPENSES. If any part of the first or the last years of the Lease Term shall include part of an Expense Year, Tenant's obligations under this Section 4 shall be apportioned so that Tenant shall pay only for such parts of such Expense Years as are included in the Lease Term. Landlord may, pending the determination of the amount of actual Expenses for the partial Expense Year in which the Term ends, furnish Tenant with a statement of estimated actual Expenses, and Tenant's Share thereof for such partial Expense Year. Within fifteen (15) days after receipt of such estimated statement, Tenant shall remit to Landlord, as Additional Rent the amount of Tenant's Share of anticipated actual Expenses. After the actual Expenses have been finally determined and Landlord's Expense Statement has been furnished to Tenant pursuant to Section 4.1, and if there shall have been an underpayment of Tenant's Share of Expenses, Tenant shall remit the amount of such underpayment to Landlord within fifteen (15) days of receipt of such statement, and if there shall have been an overpayment, Landlord shall remit the amount of any such overpayment to Tenant within fifteen (15) days of the issuance of such statement.

4.3 LANDLORD'S BOOKS AND RECORDS. Landlord shall keep full and accurate books of account covering Expenses. During the term of this Lease, Tenant shall have the right at Tenant's cost to inspect, copy and audit such books of account annually at a reasonable time on ten (10) days' prior written notice to Landlord.

5. POSSESSION. If for any reason whatsoever Landlord does not deliver possession of the Premises to Tenant on the Commencement Date of this Lease, rent shall be abated until the date possession of the Premises is tendered to Tenant by Landlord, provided that in all other respects this Lease shall remain in full force and effect, and the Lease Term

118

shall not be extended thereby. In no event shall Landlord be liable or responsible for any claims, damages, or liabilities caused by the failure or delay in delivering possession of the Premises. If possession of the Premises has not been tendered to Tenant by the date which is six (6) months after the Commencement Date stated in Section 1(f), this Lease shall be void and of no force or effect.

6. SECURITY DEPOSIT: As partial consideration for the execution of this Lease, Tenant has paid to Landlord the sum specified in Section 1(l) hereof, the receipt of which is hereby acknowledged. Landlord may commingle the deposit with its general funds and Tenant shall not be entitled to interest on the deposit. If Tenant shall default with respect to any covenant, condition, or obligation contained in this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of such deposit to the payment of any sum in default or any other sum which Landlord may be required to spend or incur by reason of Tenant's default, and in such event, Tenant shall upon demand deposit with Landlord the amount so applied. If Tenant shall have fully complied with all of the obligations, covenants and conditions of this Lease, but not otherwise, such sum shall be repaid to Tenant within thirty (30) days after the end of the Lease Term. If Landlord sells, assigns or otherwise transfers its interest in this Lease, Landlord may transfer the deposit to the new landlord. Upon such transfer, Landlord shall be relieved from all liability for return of the deposit and Tenant shall look solely to the new landlord for return of the deposit.

7. USE OF THE PREMISES: The Premises are to be used only for purpose set out in Section 1(o) and for no other business or purpose without the prior written consent of Landlord. Tenant agrees it has determined to its satisfaction that the Premises can be used for the purpose set out in Section 1(o). No act shall be done in or about the Premises that is unlawful. Tenant shall not commit any act that will increase the then existing rate of insurance on the Shopping Center without Landlord's written consent. Tenant shall promptly pay upon demand the amount of the increase in insurance rates caused by such act or acts done by Tenant. Tenant shall not commit or allow to be committed any waste upon the Premises, or any nuisance or other act which disturbs the quiet enjoyment of any other tenants in the Shopping Center. Tenant shall not, without the written consent of Landlord, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise, vibration or fumes. If any of Tenant's machines or equipment should disturb the quiet enjoyment of any other tenant in the Shopping Center, then Tenant shall provide adequate insulation, or take other action as may be necessary to eliminate the disturbance. Tenant shall comply with all governmental rules, orders, regulations or requirements relating to its use or occupancy of the Premises.

8. CARE OF THE PREMISES; TRADE FIXTURES: Tenant's taking possession of the Premises constitutes Tenant's acknowledgment that the Premises were then in good condition. Tenant shall take good care of the Premises and shall keep the Premises and all items installed therein by Tenant neat and clean. Tenant shall make no additions, improvements, alterations, repairs or decorations to the Premises without the prior written consent of Landlord. Any such additions, improvements, alterations, repairs or decorations which are made without the prior written consent of Landlord, shall be removed by Tenant at its cost within ten (10) days after Landlord requests the removal.

Otherwise, all additions, improvements, alterations, decorations and repairs made by Tenant shall remain on the Premises and shall become the property of Landlord upon the expiration or sooner termination of this Lease. All damage or injury done to the Premises or the Shopping Center by Tenant or by any persons who may be in or upon the Premises or the Shopping Center with the consent of Tenant, shall be paid for by Tenant. Subject to the terms of this Section 8, Tenant may install in the Premises such equipment as is customarily used in the type of business conducted by Tenant on the Premises. Upon the expiration or sooner termination of this Lease, Tenant shall, at its expense, remove from the Premises all such equipment and all other property of Tenant and shall repair any damage to the Premises, the Land and the Shopping Center occasioned by such removal. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by Tenant and shall become the property of Landlord to dispose of as Landlord deems expedient without accounting to Tenant therefor.

9. COMPLIANCE WITH RULES AND REGULATIONS. The Rules and Regulations attached to this Lease as Exhibit "B" is a part of this Lease and Tenant shall comply with it. Landlord shall have the right from time to time to promulgate amendments and additional rules and regulations for the safety, care and cleanliness of the Premises, the Land and the Shopping Center and for the preservation of good order. On delivery of a copy of such amendments and additional rules and regulations to Tenant, Tenant shall comply with them, and a violation of any of them shall constitute a default by Tenant under this Lease. Rules and Regulations are not made to restrict Tenant unnecessarily, but to enable Landlord to operate the Shopping Center in a way which will be beneficial and advantageous to both parties. If there is an express and direct conflict between the Rules and Regulations and any of the provisions of this Lease, the provisions of the Lease shall control. Landlord shall not be liable to Tenant or to any third parties for failure of other tenants or occupants of the Shopping Center to perform or observe the Rules and Regulations.
10. MAINTENANCE AND REPAIR OF PREMISES. Tenant's taking possession of the Premises shall constitute Tenant's acknowledgment that the Premises are in good condition and repair. Subject to Section 18, Tenant, at its sole cost and expense, shall keep the Premises and every part thereof (including without limitation, the glass doors and windows, heat pumps (if any), and all tenant improvements and alterations) in good condition and shall make all repairs and replacements as and when necessary to keep the Premises in good working order and condition. Landlord shall maintain the structural portions of the Shopping Center and the central heating, ventilating and air conditioning ("HVAC"), water and sewer, fire protection (if any) and mechanical and electrical distribution systems and facilities installed by Landlord and lying outside the Premises, as provided in Section 11.1. If maintenance work or repairs are required to HVAC, water, sewer, fire protection or electrical or mechanical systems or facilities within the Premises and, in Landlord's judgment, such maintenance work or repairs if done improperly could adversely affect any central systems or facilities installed by Landlord and lying outside the Premises, Landlord may, at its election, make the repairs or do the maintenance work necessary within the Premises and Tenant shall pay all costs and

JTB

expenses incurred by Landlord in making such repairs or doing such maintenance work within ten (10) days after receipt of Landlord's invoice therefor.

11. COVENANT OF CONTINUOUS OPERATION. Tenant shall use its best efforts to operate its business on the Premises in a manner that will produce the maximum dollar volume of Gross Sales. Tenant shall continuously use and operate the Premises for the Permitted Uses specified in Section 1(o). Tenant shall keep the Premises open for business and cause Tenant's business to be conducted on the Premises during the Normal Business Hours specified in Section 1(m), subject to the following:

11.1 If the Premises are damaged or partially taken by condemnation and this Lease shall remain in effect, Tenant shall continue the operation of its business at the Premises to the extent reasonably practical during any period of repair.

11.2 If the Premises should be closed and the business of Tenant temporarily discontinued because of strikes, walkouts or similar causes beyond Tenant's control, Tenant shall be temporarily relieved of its obligation to keep the Premises open for and to conduct business on the Premises during the Normal Business Hours specified above; provided that if Tenant's business on the Premises shall be discontinued for a period of sixty (60) consecutive days by reason of any such cause beyond Tenant's control, Tenant shall be in default hereunder and Landlord shall have all the remedies available to Landlord as set forth in Section 21. The parties agree that lack of financial resources is not a cause beyond Tenant's control.

12. SERVICES AND UTILITIES:

12.1 TENANT'S OBLIGATIONS. Tenant shall pay before delinquent, at its sole cost and expense, all charges for water, gas, heat electricity, power, telephone service, sewer service charges, garbage service, and sewer rentals charged or attributable to the Premises, and all other services or utilities used in, upon or about the Premises during the Lease Term and the cost of installing meters therefor; provided, however, that if any such services or utilities shall be billed to Landlord and are not separately metered to the Premises, the amount thereof shall be prorated, and Tenant shall pay to Landlord upon demand, as additional rental hereunder, an amount equal to that proportion of the total charges therefor which the Rentable Area of the Premises bears either to the Rentable Area of the Shopping Center or if the area covered by the combined charges is less than the entire Shopping Center then to the total number of square feet of gross floor area so covered by the combined charges. If any services or utilities shall be billed to Landlord and are not separately metered and if Landlord reasonable determines that there is disproportionate use by any tenant (including Tenant) of such services and utilities who is not separately metered for such services or utilities, Landlord may charge such tenant (including Tenant) the increased charges attributable to such tenant's disproportionate use (the "Utility Surcharge"). The Utility Surcharge shall be due and payable in the same manner and at the same time as provided in Section 12.2 for payment of Tenant's Share of Expenses, and Tenant agrees to so pay the Utility Surcharge (if any). Any Utility Surcharge paid by Tenant (and by other tenants in the Shopping Center pursuant to similar provisions in their leases) shall be excluded for purposes of computing Expenses to be paid by Tenant pursuant to Section 12.

12.2 LANDLORD'S OBLIGATIONS. Landlord covenants and agrees with Tenant that so long as Tenant is not in default of any of its obligations under this Lease, Landlord shall:

12.2.1 Furnish or cause to be furnished utility services to the common and public areas suitable for the intended use of such areas; provided that all facilities necessary to distribute utility services with the Premises shall be provided by Tenant at its sole cost and expense;

12.2.2 Furnish electrical service equipment sufficient to permit measurement of electricity as set forth in Section 11; and

12.2.3 Furnish elevator service which shall mean service by nonattended automatic elevators.

12.3 FAILURE OR INTERRUPTION OF SERVICES. Landlord shall not be in default hereunder and shall not be liable for any damages directly or indirectly resulting from, nor shall Tenant be relieved of any of its obligations hereunder by reason of:

12.3.1 The installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing utilities or services;

12.3.2 The failure to perform or furnish or delay in performing or furnishing any such maintenance, repairs, utilities or services where such failure or delay is caused by acts of God, the elements, labor disturbances of any character, any other accidents or other conditions beyond the reasonable control of Landlord, or by the making of repairs or improvements to the Premises, the Land or the Shopping center; or

12.3.3 The limitation, curtailment, rationing or restriction on use of water or electricity, gas or any other form of energy or any other service or utility serving the Premises or the Shopping Center. It is agreed that Landlord shall be entitled to cooperate voluntarily in a reasonable manner with the efforts of national, state or local government agencies or utility suppliers in reducing energy or other resource consumption.

13. COMMON AREAS.

13.1 LICENSE. Landlord gives to Tenant and its agents, employees, contractors and invitees, a nonexclusive license to use the Common Areas, with others who are entitled to use the Common Areas, subject to Landlord's rights to:

13.1.1 Establish and enforce reasonable rules and regulations for the maintenance, management, use and operations of the Common Areas;

13.1.2 Close any of the Common Areas to the extent required in the reasonable opinion of Landlord to prevent a dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas;

- 13.1.3 Close temporarily any of the Common Areas for purposes of cleaning, maintenance, repair, alterations, improvements or additions;
- 13.1.4 Designate other property to become part of the Common Areas;
- 13.1.5 Make changes to the Common Areas including, without limitation, changes in the arrangement and/or location of passageways, doors and doorways and corridors, elevators, stairs, or toilets. Nevertheless, Landlord shall not make any change which will prevent access to the Premises; and
- 13.1.6 Designate from time to time any portion of the sidewalk area and all or any portion of any parking area(s) for the use of specific tenant or tenants under such terms and conditions as Landlord may choose in its sole discretion.
- 13.2 COMMON AREA SURCHARGE. With respect to costs and expenses for management, operation, maintenance, cleaning and repair of common areas and facilities and property used in connection therewith, the provisions of Section 4 (and similar provisions in leases of other tenants in the Shopping Center) are based on the assumption that the businesses conducted by all retail tenants will result in approximately equal usage of such common areas, facilities and property. If Landlord reasonably determines that there is a disproportionate use by any tenant (including Tenant) which increases the costs and expenses of managing, operating, maintaining, cleaning and/or repairing any of the common areas or facilities or property used in connection therewith, Landlord may charge such tenant (including Tenant) the increased costs and expenses attributable to such tenant's disproportionate use ("Common Area Surcharge"). The Common Area Surcharge shall be due and payable in the same manner and at the same time as provided in Section 4.1 for payment of Tenant's Share of Expenses, and Tenant agrees to so pay the Common Area Surcharge (if any). Any Common Area Surcharge paid by Tenant (and by other tenants in the Shopping Center pursuant to similar provisions in their leases) shall be excluded for purposes of computing Expenses to be paid by Tenant pursuant to Section 4.
- 13.3 COMMON AREA MAINTENANCE. Landlord shall maintain or cause to be properly lighted, landscaped and maintained in reasonably good order and condition the common and public areas and facilities of the Shopping Center, including lobbies, stairs, elevators, corridors and restrooms (if any), hallways, parking areas, sidewalks, the central HVAC, water, sewer, fire protection, lighting systems and mechanical and electrical distribution systems and equipment installed by Landlord lying outside the Premises and serving the Shopping Center. If any such maintenance or repair is required because of the act or omission of Tenant or any person claiming through Tenant, or any of their respective agents, employees, contractors or invitees, all costs and expenses incurred by Landlord shall be paid by Tenant on demand by Landlord. Any injury to or interference with Tenant's business arising from any repairs, maintenance, alteration or improvement in or to any portion of the Shopping Center, including the Premises, or in or to the fixtures, appurtenances and equipment therein shall not be deemed to be an eviction of Tenant or relieve Tenant of any of its obligations hereunder, it being agreed that such repairs, maintenance, alterations and improvements will be accomplished with as little

inconvenience to Tenant as possible. Landlord shall not be obligated to repair or replace fixtures or equipment installed by Tenant.

14. TAXES PAYABLE BY TENANT: Tenant shall pay, before the same become delinquent, all taxes assessed or levied against Tenant's furniture, fixtures, equipment and other property in the Premises. Tenant shall pay to Landlord, as Additional Rent, within ten (10) days after notice of the amount thereof, any tax upon rent payable under this Lease or any tax or fee in any form (except net income tax) payable by Landlord due to or measured by receipts or income of Landlord derived from this Lease.
15. INDEMNIFICATION. Tenant agrees that Landlord shall not be liable for any claims for death of or injury to persons or damage to or destruction of property sustained by Tenant or by any other person in the Premises, including without limitation any claims caused by or resulting or arising from the condition or maintenance of any part of the Premises, the Shopping Center or the Land. Tenant hereby waives all claims therefor and agrees to indemnify and hold Landlord harmless against any loss, damage, liability or expense (including without limitation attorneys' fees) incurred by Landlord in connection therewith. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense (a) arising from construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any improvement to the Land (i) if such damage is caused by or results from the sole negligence of Landlord or (ii) to the extent such damage is caused by or results from Landlord's negligence, where the damage is caused by the concurrent negligence of Landlord and Tenant, or (b) caused by or resulting from the gross negligence or willful misconduct of Landlord.

Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefit acts.

Tenant's duty to defend, indemnify and hold Landlord harmless shall include, as to all claims, demands, losses and liability to which it applies, Landlord's reasonable attorneys' fees and court costs.

16. LIABILITY INSURANCE: Tenant at its sole cost and expense shall obtain and maintain in full force and effect during the Lease Term commercial general liability insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring in, on or about the Premises, the Shopping Center or the Land, in form and amounts satisfactory to Landlord, but in any case with a single combined liability limit of not less than \$1,000,000. All such insurance shall be written by companies satisfactory to Landlord, shall name Landlord as an insured party, and shall contain a provision requiring thirty (30) days' written notice to Landlord before cancellation or change in coverage, scope or amount of insurance. Prior to taking possession of the Premises, Tenant shall furnish Landlord with the certificate of such policy, and renewal certificates shall be furnished to Landlord prior to the expiration of any expiring policy. Such policy shall name Landlord as an insured, shall contain

cross-liability provisions, and shall specifically include the liability assumed under this Lease by Tenant (provided that the amount of such insurance shall not be construed to limit the liability of Tenant hereunder).

17. WAIVER OF SUBROGATION: Landlord and Tenant shall each procure an appropriate clause in, or an endorsement to, any policy of fire and special peril insurance covering the Premises, the Shopping Center and the Land and the personal property, fixtures and equipment located in or on the Premises, in which the insurance companies waive subrogation or consent to a waiver of right of recovery, and each party agrees that it shall not make any claim against or seek to recover from the other for any loss of or damage to its property resulting from fire or other hazards covered by such insurance, notwithstanding any other provisions of this Lease to the contrary; provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the terms and provisions of the waiver of subrogation clauses or endorsements consenting to a waiver of right of recovery, and shall be co-extensive therewith. If either party is unable to obtain such a clause or endorsement, it shall promptly notify the other party.
18. LIENS AND INSOLVENCY: Tenant shall keep its leasehold interest under this Lease, the Premises, the Shopping Center and the Land free from any liens arising out of any work performed, materials ordered or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless from any liability for losses or damages resulting directly or indirectly from any such liens or lien claims and from any work performed on or about the Premises by Tenant, its agents, employees, contractors or subcontractors. If any such lien or lien claim is filed against the Premises, the Shopping Center, the Land or Tenant's leasehold interest, Tenant shall cause the same to be discharged within thirty (30) days after the date of filing. If Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, or assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may terminate Tenant's rights of possession under this Lease at Landlord's option.
19. DAMAGE OR DESTRUCTION: In the event the Premises are destroyed or damaged by fire, earthquake, or other casualty to such an extent as to render the same untenantable in whole or in substantial part, Landlord may, at its option, proceed to repair the Premises. Landlord shall have not more than ninety (90) days after the date of such damage or destruction to notify Tenant in writing of Landlord's intention to repair. If Landlord elects to repair, it shall prosecute the work without unnecessary delay; and, during such period, the Base Rent 3.1 and the Additional Rent under Section 4.1 shall be abated in the same ratio that the portion of the Premises which is untenantable for the time being bears to all of the Premises. If Landlord shall fail to give the above-described notice, Tenant shall have the right to terminate this Lease by written notice to Landlord.

In the event the Shopping Center shall be damaged or destroyed by fire, earthquake or other casualty (even though the Premises shall not be damaged) to such an extent that, in the opinion of Landlord, it shall not be practicable to rebuild or repair, then it shall be optional with Landlord to terminate this Lease by written notice to Tenant within ninety (90) days after such destruction or damage.

20. CONDEMNATION: If all of the Premises, or such portions of the Shopping Center as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Tenant is required to vacate the Premises and all Rent shall be paid to that date. In case of a taking of a part of the Premises, or a portion of the Shopping Center not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, except as otherwise provided below, and where a portion of the Premises is taken, the Base Rent under Section 3.1 and Additional Rent under Section 4.1 shall be equitably reduced based on the proportion by which the Rentable Area of the Premises is reduced, such reduction to be effective as of the date possession of such portion is delivered to the condemning authority. If any part of the Shopping Center or Land is taken (whether or not the Premises are affected) and, in the opinion of Landlord, it is not economically feasible to continue this Lease in effect, Landlord may terminate this Lease effective as of the date of such taking and all Rent hereunder due shall be paid to that date. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any costs or loss which Tenant may incur for Tenant's moving expenses and for the interruption of or damage to Tenant's business, provided, that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Landlord.
21. DEFAULTS AND REMEDIES: Time is of the essence hereof, and in the event Tenant shall violate or breach or fail to keep or perform any covenant, agreement, term or condition of this Lease or the Rules and Regulations applicable to the Shopping Center and the Land, and if such default or violation shall continue or shall not be remedied within three (3) days (or, if no default in Rent is involved, within ten (10) days) after notice in writing thereof is given by Landlord to Tenant, specifying the matter claimed to be in default, Landlord at its option may immediately (or at any time thereafter) declare Tenant's rights under this Lease terminated, and reenter the Premises using such force as may be necessary, and repossess the Premises, and remove all persons and property from the Premises. Notwithstanding any such termination or reentry, the liability of Tenant for the full Rent provided for herein shall not be extinguished for the balance of the Lease Term, and Tenant shall make good to Landlord any deficiency arising from a reletting of the Premises at a lesser Rent, plus the costs and expenses of renovating, altering and reletting the Premises, including without limitation brokerage commissions, marketing costs, and Landlord's staff time. Tenant shall pay any such deficiency each month as the amount thereof is ascertained by Landlord. Landlord shall also have the option, exercisable at any time, to recover from Tenant an amount equal to the Rent and other sums payable under this Lease for the remainder of the Lease Term discounted at the rate of six percent (6%) per year to present worth.

Landlord shall be entitled to (i) charge Tenant \$25.00 per month for each month any payment of Rent is past due or (ii) charge Tenant interest on all past due payments at a

120

rate of one and one half percent 1.5% per month or eighteen percent (18%) per annum (the "Default Rate"), compounded monthly from the date the Rent is due until paid.

If Tenant fails to make any payment or perform any of its obligations under this Lease, Landlord may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations under this Lease, make such payment or perform such obligation of Tenant in such manner and to such extent as Landlord deems desirable.

All sums paid by Landlord as well as (i) all necessary costs and expenses incurred by Landlord in connection with the performance of any such obligation by Landlord referred to above and (ii) all attorneys' fees and costs incurred by Landlord in enforcing its rights hereunder (including fees and costs incurred in appellate and bankruptcy proceedings), together with interest at the Default Rate, compounded monthly, from the date Landlord makes such expenditure, shall be deemed Additional Rent hereunder and shall be payable to Landlord on demand.

22. DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant. Said notice shall specify wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant further agrees not to invoke any of its remedies under this Lease until said thirty (30) days has elapsed.
23. TENANT'S REMEDIES. In the event of a default by Landlord, Tenant's remedies shall be limited to an action for damages and/or an injunction (provided, that wherever Landlord is given discretion hereunder including without limitation the right to approve or consent to certain matters or to withhold approval or consent, and Tenant shall claim that Landlord has unreasonably acted or refused to act, Tenant's sole remedy shall be an action for injunctive relief without recovery of damages). If Tenant shall recover a judgment against Landlord, such judgment shall be satisfied only out of Landlord's interest in the Project. It is agreed that Landlord, its successors and assigns (or if Landlord is a partnership, its partners (whether general or limited), or if Landlord is a corporation, its officers, directors and shareholders) shall not be personally liable for any deficiency. The terms, covenants, conditions and obligations of this Lease to be performed or observed by Landlord are not binding upon the assets of Landlord except Landlord's interest in the Project.
24. SUBORDINATION: Without the necessity of any additional document being executed by Tenant, this Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which all or any portion of the Land or the Shopping Center or all or any part of Landlord's interest in the Land or the Shopping Center is specified as security, and to all renewals, modifications, extensions, substitutions, replacements and/or consolidations thereof. If requested by Landlord, Tenant shall promptly execute any document which

Landlord's lender considers necessary to effect such subordination. In the event that any such mortgage or deed of trust is foreclosed or conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to and become the tenant of the purchaser at such foreclosure sale or the grantee or transferee designated in any deed in lieu of foreclosure at the request of such purchaser, grantee or transferee.

25. ESTOPPELS: At the written request of Landlord, Tenant shall execute, acknowledge and deliver to Landlord or its designee a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), whether any party is in default or breach of this Lease or, with the giving of notice or lapse of time, or both, would be in default or breach of this Lease, and the dates to which the Rent and other charges have been paid in advance, if any. It is agreed that any such certificate may be relied on by a prospective purchaser or a mortgagee of all or any part of Landlord's interest in the Shopping Center or the Land. If Tenant shall fail to respond within ten (10) days after receipt of a written request by Landlord, Tenant shall be deemed to have admitted the accuracy of any information supplied by Landlord to such purchaser or mortgagee.
26. ASSIGNMENT AND SUBLETTING: Neither this Lease nor any right hereunder nor the Premises may be assigned, transferred, encumbered or sublet in whole or in part by Tenant, expressly or by operation of law or otherwise, without Landlord's prior written consent, which may be withheld at Landlord's sole discretion; provided, however, Landlord will not unreasonably withhold its consent (unless Landlord elects to terminate the Lease, as set forth below). If Tenant is a corporation, any merger, consolidation, liquidation, or change in the ownership of or the power to vote the majority of its outstanding voting stock, shall constitute an assignment whether as a result of a single transaction or a series of transactions. If Tenant is a general partnership, the death, withdrawal or expulsion of a partner or partners owning, or transfer of interests representing, in the aggregate more than twenty-five percent (25%) of partnership profits or capital shall constitute an assignment, whether as the result of a single transaction or a series of transactions. If Tenant is a limited partnership the death, withdrawal or expulsion of any general partner shall constitute an assignment. If Tenant consists of more than one person, any transfer from one individual to another individual shall constitute an assignment.

As a condition to Landlord's approval, any prospective assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant for the payment of Rent and the performance of all terms, conditions, covenants and agreements contained in this Lease; provided that any approved sublessee shall be liable for rent in the amount set forth in the sublease. Tenant shall provide Landlord with copies of all assignments, subleases and assumption documents. Any consent by Landlord to any assignment or subletting may be subject to such terms and conditions as Landlord shall determine and all such terms and conditions shall be binding upon any person holding by, under or through Tenant. If Landlord's consent to assignment or subleasing is requested, Landlord reserves the right to terminate this Lease or, if consent is requested for subleasing less than the entire Premises, to

JAB

terminate this Lease with respect to the portion for which consent is requested, at the proposed effective date of such assignment or subleasing.

27. ASSIGNMENT BY LANDLORD: Landlord shall have the right to transfer and assign, in whole or in part, all or any of its rights and obligations hereunder and in the Project. In such event and upon the transferee's assumption of Landlord's obligations hereunder, no liability or obligations shall thereafter accrue against Landlord.
28. QUIET ENJOYMENT: Landlord agrees that Tenant, upon full and prompt performance of all of its obligations under this Lease, including without limitation payment of all sums due hereunder as and when due, shall have quiet and peaceful possession of the Premises during the Lease Term without disturbance by Landlord or any party claiming under Landlord, subject to the other terms and provisions of this Lease.
29. ACCESS: Tenant will permit Landlord and its agents to enter into and upon the Premises at all reasonable times for the purposes of inspecting, cleaning, repairing, altering or improving the Premises, the Land or the Shopping Center. Nothing contained in this Section shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. When reasonably necessary, Landlord may temporarily close entrances, doors, corridors, elevators or other facilities without liability to Tenant by reason of such closure and without such action by Landlord being construed as an eviction of Tenant or as relieving Tenant from the duty of observing and performing any of the provisions of this Lease. Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective tenants within the period of 180 days prior to the expiration or sooner termination of the Lease Term. Landlord shall not be liable for the consequences of admitting by pass key or refusing to admit to the Premises any person claiming the right of admittance.
30. RELOCATION OF TENANT: At Landlord's written request, Tenant shall move from the Premises to any other premises and location in the Shopping Center. In the event of such move, the new location and premises shall be substituted for the Premises, but all other terms of this Lease shall remain the same, with the exception that the Base Rent provided for herein shall be abated during the period that Tenant is closed for business as a result of the move to the new location; provided, however, that Tenant shall not be moved to premises of substantially less square footage than the Premises, and that Landlord shall bear all actual cash expenses reasonably incurred by Tenant in so moving.
31. DEVELOPMENT OF THE LAND: In the event Landlord elects in its sole discretion to (i) redevelop the Land or any portion of the Land which includes the Premises or (ii) make major alterations to the Shopping Center, Landlord reserves the right to terminate this Lease upon one hundred eighty (180) days written notice to Tenant.
32. SURRENDER OF PREMISES: Upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises in good, neat, clean and sanitary condition, ordinary wear and tear excepted.

33. HOLDOVER: In the event Tenant lawfully holds over after the expiration of the Lease Term with the written consent of Landlord, such tenancy shall be a month-to-month lease terminable as provided by law. During such tenancy, Tenant agrees to pay Landlord all Rent and other charges as provided herein, and to be bound by all the terms, covenants and condition of this Lease, except any covenants granting Tenant a right of first refusal, an option to extend the term of the Lease, or an option or right to lease additional space.

If Tenant, without Landlord's written consent, remains in possession of the Premises after the expiration or termination of this Lease, Tenant shall pay the greater of:

(a) Two hundred percent (200%) of the Rent which Tenant was obligated to pay for the month immediately preceding the month in which this Lease expires or terminates for each complete or partial month of any such holdover; or

(b) The total rent which other tenants have agreed to pay for the Premises during the period of such holdover, if Landlord has leased all or part of the Premises to other tenants effective upon the expiration or termination of this Lease.

In the event of any unauthorized holding over, Tenant shall also indemnify and hold Landlord harmless from and against all liability, losses, claims, causes of action, damages, costs and expenses (including without limitation attorneys' fees) resulting from Tenant's failure to surrender the Premises, including without limitation claims made by succeeding tenants resulting from Tenant's failure to surrender the Premises.

34. HAZARDOUS SUBSTANCES: Tenant shall not cause Hazardous Substances to be brought upon, kept or used in or about the Premises, the Shopping Center, or the Land by Tenant, its agents, employees, contractors or invitees, unless such Hazardous Substances are necessary for Tenant's business (and such business is a Permitted Use) and will be used, kept, and stored in a manner that complies with this Lease and all laws, regulations and ordinances regulating any such Hazardous Substances, provided that Tenant first obtains the written consent of Landlord and provided further that Tenant indemnifies Landlord from and against any and all liability with respect to such Hazardous Substances as more particularly described below. If Tenant breaches the covenants and obligations set forth herein or, if the presence of Hazardous Substances on, in or about the Premises or any part of the Shopping Center or Land or any other property caused or permitted by Tenant, its agents, employees, contractors or invitees, results in contamination of the Premises or any part of the Shopping Center or Land or any other property or, if contamination of the Premises or any part of the Shopping Center or Land or any other property by Hazardous Substances otherwise occurs for which Tenant is legally liable to Landlord, then Tenant shall indemnify and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in the value of the Premises, the Shopping Center or Land, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or any part of the Shopping Center or the Land, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification by Tenant of Landlord includes without limitation

AB

any and all costs incurred in connection with any investigation of site conditions and any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence of such Hazardous Substances in, or about the Premises, the Shopping Center or Land or the soil or ground water on or under the Shopping Center or the surface of the Land. The provisions of this section shall survive the termination of this Lease.

35. MERCHANTS' ASSOCIATION: If Landlord shall determine that it is in the best interest of the Shopping Center to establish and form a Merchants' Association (the "Association") then Tenant shall, throughout the Lease Term and any extensions or renewals thereof, become a member of, participate fully in, and remain in good standing in such Association and shall comply with the bylaws, rules and regulations of such Association. The objectives of such Association shall be to encourage its members to deal fairly and courteously with their customers, to follow ethical business practices, to assist the business of the tenants by sales promotions and advertising, and in particular to help the interests of the members of the Association. Tenant agrees to contribute and pay to the Association a share of the total expenses of the Association as set forth in the bylaws, rules and regulations of the Association. Each member of the Association shall be entitled to one (1) vote in the operation of said Association. The Association shall present Landlord, in writing, any final decision made by the Association, and Landlord shall have the right to approve or veto the same, in Landlord's sole discretion. The terms hereof shall be deemed to be covenants for the benefit of and enforceable by the Association as and when formed. Landlord shall submit bylaws, rules and regulations to the Association. Any subsequent modifications shall be subject to Landlord's written approval. Nothing in the bylaws or regulations of said Association shall be in conflict with the provisions of this Lease. For the purposes hereof, the terms "member" or "members" shall mean all tenants, merchants, and occupiers of space in the Shopping Center from time to time who are required by Landlord to be participants in the Association. The Association shall not act or attempt to act as a collective body for the purpose of engaging in discussions or advice concerning management, leasing, or other administrative functions of the Shopping Center.
36. DISPLAYS: The Tenant may not display or sell merchandise or allow grocery carts or other similar devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install or use in about the Premises any exterior lighting, amplifiers or similar devices, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts, nor to make, or allow to be made, any excessive noise in or around the Premises. It is understood and agreed that no advertisement or sound of advertising shall be heard outside the Premises.
37. AUCTIONS AND SALES: Tenant shall not conduct or permit to be conducted any sale by auction upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding. No auction, fire, bankruptcy, "going out of business" or other distress sales of any nature may be conducted on the Premises without the prior

written consent of Landlord, which consent may be conditioned as Landlord deems appropriate.

38. SIGNS: Tenant shall not place upon or install on windows, wall, or exterior doors of the Premises or any part of the Premises visible from the exterior of the Premises any signs, symbols, canopies, awnings, window coverings or other advertising or decorative material without obtaining the prior written consent of Landlord. If Tenant violates any of the provisions of this Section, Landlord shall have the right to immediately remove the item installed by Tenant at Tenant's sole cost and expense and without liability.
39. NOTICES: Any notice, demand, request, consent, approval or other communication under this Lease shall be in writing and shall be personally delivered or sent by United States registered or certified mail, return receipt requested, addressed to Landlord and Tenant at the addresses provided in Section 1(n) or to such other place as either party may from time to time designate by notice to the other. All such notices and communications shall be effective on the earlier of the date of actual receipt or, if mailed, three (3) business days after deposit in the mail in accordance with this section.
40. KEYS: Tenant agrees to use no other keys for the Premises other than keys tendered by Landlord to Tenant. Tenant shall not change any lock to the Premises or install or have installed any new lock to the Premises without the prior written consent of Landlord. Notwithstanding the foregoing, within five (5) days of changing or installing any lock(s) to the Premises, Tenant shall deliver to Landlord two (2) copies of keys to such new lock(s).
41. LIGHT, AIR AND VIEW. Landlord does not guarantee the continued present status of light, air or view over any property adjoining or in the vicinity of the Shopping Center.
42. ARBITRATION: Any controversy which shall arise between Landlord and Tenant regarding the interpretation or application of this Lease, or the rights, duties, or liabilities hereunder of either party, and which is required by this Lease, or desired by Landlord to be settled by arbitration, shall be settled by binding arbitration pursuant to this Section; provided, however, that Landlord may pursue any action for unlawful detainer of the Premises or for collection of Tenant's payment obligations through a judicial proceeding in King County, Washington, Superior Court. During the pendency of any arbitration proceeding, Landlord and Tenant shall continue to perform and be bound by its respective obligations under the Lease.
43. MISCELLANEOUS PROVISIONS:
- 43.1 RECORDING. Unless both parties consent in writing, neither this Lease nor a memorandum of this Lease may be recorded.
- 43.2 NONWAIVER: No delay or omission in the exercise of any right or remedy of either party on any default by the other party shall impair such right or remedy or be construed as a waiver of any default. No acceptance of Rent or of any other payment by Landlord from Tenant after any default by Tenant shall constitute a waiver of any such default or

any other default. Consent by Landlord in any one instance shall not dispense with the necessity of obtaining Landlord's written consent in all other instances.

- 43.3 ATTORNEYS' FEES: In the event suit or action is instituted or arbitration sought to enforce any of the terms of this Lease, including any and all bankruptcy claims, actions and proceedings deemed necessary or desirable to enforce any of the terms of this Lease or otherwise protect the interest of either party, the prevailing party shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees and expenses, including fees or expenses that may be incurred in any appellate proceeding. In the event neither party wholly prevails, the party which substantially prevails shall be awarded a reasonable sum as attorneys' fees and litigation expenses.
- 43.4 CAPTIONS: The captions in this Lease are for convenience only and are not to be considered in the interpretation of Lease terms.
- 43.5 GOVERNING LAW: This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Washington.
- 43.6 ENTIRE AGREEMENT AND MODIFICATIONS: This Lease contains all agreements between Landlord and Tenant. No prior agreements or understandings pertaining to the same shall be valid or of any force or effect. This Lease may not be modified except in writing signed by both parties.
- 43.7 JOINT AND SEVERAL OBLIGATIONS: "Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.
- 43.8 BROKER'S COMMISSIONS: Each party represents to the other that it has not had dealings with any real estate broker, finder, or other person who would be entitled to any commission or fee in connection with the negotiation, execution or delivery of this Lease except the Broker named in Section 1(s). If any other claims for brokerage commissions, finder's fees, or like payments arise out of or in connection with this transaction, such claims shall be defended and if sustained paid by the party whose alleged actions or commitment form the basis of such claims.
- 43.9 NAME: Tenant shall not use the name of the Landlord for any purpose and shall not use the name of the Shopping Center for any purpose other than as an address of the business to be conducted by the Tenant on the Premises. Landlord shall have the right at any time to change the name, number or designation by which the Shopping Center or the Premises is known without any liability to Tenant. Tenant shall not use any fictitious name to which Landlord reasonably objects.
- 43.10 SUCCESSOR AND ASSIGNS: All of the terms, conditions, covenants and agreements of this Lease are binding upon and, subject to the provisions of Sections 26 and 27 of this Lease, shall inure to the benefit of Landlord, Tenant, and their respective heirs, administrators, executors, successors and assigns.

- 43.11 TIME: Time is of the essence of this Lease.
- 43.12 SEVERABILITY: The unenforceability, invalidity or illegality of any provision of this Lease shall not render any other provision unenforceable, invalid or illegal.
- 43.13 INTERPRETATION: This Lease has been submitted to the scrutiny of all parties and their counsel, if desired, and shall be given a fair and reasonable interpretation, without consideration or weight being given to its having been drafted by any party or such party's counsel.
- 43.14 REMEDIES CUMULATIVE: The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies available to Landlord at law, in equity, or otherwise.

JTB

INDEX

ACCESS	18
ADDITIONAL RENT	7
ARBITRATION	21
ASSIGNMENT AND SUBLETTING	17
ASSIGNMENT BY LANDLORD	18
ATTORNEYS' FEES	22
AUCTIONS AND SALES	20
BASE RENT	4
BASE RENT ADJUSTMENT	4
BOOKS AND RECORDS; INSPECTION BY LANDLORD	5
BROKER'S COMMISSIONS	22
CAPTIONS	22
CARE OF THE PREMISES; TRADE FIXTURES	8
COMMON AREA MAINTENANCE	12
COMMON AREA SURCHARGE	12
COMMON AREAS	11
COMPLIANCE WITH RULES AND REGULATIONS	9
CONDEMNATION	15
COVENANT OF CONTINUOUS OPERATION	10
DAMAGE OR DESTRUCTION	14
DEFAULT BY LANDLORD	16
DEFAULTS AND REMEDIES	15
DEVELOPMENT OF THE LAND	18
DISPLAYS	20
ENTIRE AGREEMENT AND MODIFICATIONS	22
ESTOPPELS	17
FAILURE OR INTERRUPTION OF SERVICES	11
GOVERNING LAW	22
HAZARDOUS SUBSTANCES	19
HOLDOVER	19
INDEMNIFICATION	13
INTERPRETATION	23
JOINT AND SEVERAL OBLIGATIONS	22
KEYS	21
LANDLORD'S BOOKS AND RECORDS	7
LIABILITY INSURANCE	13
LICENSE	11
LIENS AND INSOLVENCY	14
LIGHT, AIR AND VIEW	21
MAINTENANCE AND REPAIR OF PREMISES	9
MERCHANTS' ASSOCIATION	20
MINIMUM GROSS SALES	6
NAME	22
NO PARTNERSHIP	6
NONWAIVER	21

APPENDIX
TO STANDARD SECTIONS TO
MIDTOWN SHOPPING CENTER LEASE

DEFINITIONS

1. Adjustment Date. The Adjustment Date is the anniversary date of the Commencement Date of the Lease on which the Base Rent shall be increased by the percentage increase, if any, of the Consumer Price Index.
2. Base Rent. Base Rent is the sum set forth in Section 1(h).
3. Broker. The Broker is the entity designated in Section 1(s).
4. Commencement Date. The Commencement Date is as identified in Section 1(f).
5. Consumer Price Index ("C.P.I"). The Consumer Price Index for the Everett-Seattle Area, All Urban Consumers--All Items, published by the United States Department of Labor, Bureau of Labor Statistics (Base Year 1982-84 = 100).
6. Expenses. Expenses shall mean the total costs and expenses paid or incurred by Landlord in connection with the management, operation, maintenance and repair of the Shopping Center or the Land and property used in connection therewith, including, without limitation (a) the cost of air conditioning, electricity, heating, mechanical, ventilating, water and sewer, waste disposal, and elevator systems and all other utilities, and the cost of materials, supplies and equipment, and maintenance and service contracts in connection therewith, (b) the cost of painting, repairs, maintenance, cleaning, landscaping, lighting, signage, renovation, and surveillance and security patrols and systems (c) the cost of fire, extended coverage, sprinkler, public liability, property damage and other insurance, (d) wages, salaries and other labor costs, including taxes, insurance, retirement, medical and other employee benefits, (e) fees, charges and other costs, including management fees, consulting fees, legal fees and accounting fees, of all independent contractors engaged by Landlord or reasonably charged by Landlord if Landlord performs management services in connection with the Shopping Center, (f) Real Property Taxes, personal property taxes, assessments, and other charges levied upon or with respect to the Land, the Shopping Center, or Landlord's interest in same (g) the cost of any license, permits or inspection fees; (h) reasonable reserves to cover costs of long-term programmed maintenance including without limitation HVAC and elevator system maintenance, (i) depreciation on personal property and (j) any other costs and expenses of any other kind whatsoever reasonably incurred in managing, operating, maintaining and repairing the Project, but excluding: costs of any special services rendered to individual tenants (including Tenant) for which a special charge is made; other costs billed to and paid by individual tenants (including Tenant); costs paid by proceeds of insurance; and costs required to be capitalized in accordance with accepted accounting and management practices except that Expenses shall include the cost of any capital improvements made after completion of construction of the Shopping Center as a labor-saving device or to effect other economies in the operation or maintenance of the

Shopping Center, or made after the date of this Lease that are required under any governmental law or regulation that was not applicable to the Shopping Center at the time that permits for the construction thereof were obtained, such cost to be amortized over such reasonable period as Landlord shall determine, together with interest on the unamortized balance at the rate of ten percent (10%) per annum or such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing such capital improvements.

7. Expense Year. Expense Year shall mean each twelve (12) consecutive month period commencing January 1 of each year, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period and, in the event of any such change, Tenant's Share of Expenses shall be equitably adjusted for the Expense Years involved in any such change.
8. Guarantor. The Guarantor is the entity designated in Section 1(u).
9. Hazardous Substances. Hazardous Substances means any hazardous, toxic, dangerous or harmful substances, materials, wastes, pollutants or contaminants, including, but not limited to those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state or federal law (and any and all amendments thereto) including without limitation (i) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; (ii) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.*; (iii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; (iv) the Federal Water Pollution Control Act, 33 U.S.C. § 1257 *et seq.*; (v) the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; (vi) the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; (vii) the Federal Insecticide, Fungicide, Rodenticide Act, 7 U.S.C. § 136 *et seq.*; and (viii) the Washington Hazardous Substance and Model Toxics Control Acts, Chapters 70.105 and 70.105C RCW. The term specifically includes petroleum, asbestos, polychlorinated biphenyls, and any other substance or matter defined as a toxic or hazardous substance or material or pollutant or contaminant under any other federal, state or local laws, ordinances or regulations or under any reported decision of a state or federal court, or any substance or matter imposing liability for cleanup costs or expenses on any person or entity under any statutory or common law theory. The term shall also be interpreted to include but not be limited to any substance which after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer and/or genetic abnormalities, and oil and petroleum based derivatives.
10. Lease Term. The Lease Term is as identified in Section 1(e).
11. Normal Business Hours. Normal Business Hours is as defined in Section 1(n).

12. Percentage Rent. Percentage Rent is the amount by which Tenant's Gross Sales resulting from business conducted in, on, from or through the Premises during each full or partial calendar month of the Lease Term multiplied by the Percentage Rent Rate specified in Section 1(i), hereof exceeds the Base Rent payable for that full or partial month.
13. Percentage Rent Rate. Tenant's Percentage Rent Rate is the percentage set forth in Section 1(i).
14. Premises. The Premises consist of the area in the Shopping Center, which is cross-hatched on the site plan attached hereto as Exhibit "A".
15. Project. The Shopping Center, together with the Land shall hereafter collectively sometimes be referred to as the Project.
16. Real Property Taxes. Real Property Taxes shall mean that portion of all real and personal property taxes, assessments and charges levied upon or with respect to the Shopping Center or the Land or Landlord's interest therein. Real Property Taxes shall include, without limitation, taxes on tenant improvements which are paid for by Landlord and not reimbursed by tenants and taxes on property of tenants which have not been paid by such tenants directly to the taxing authority; all general real property taxes and general and special assessments, charges, fees or assessments for transit, housing, police, fire or other governmental services or purported benefits to the Shopping Center or the Land, and service payments in lieu of taxes, and shall also include any other tax, fee or excise, however described that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Property Taxes. Real Property Taxes shall not include any local, state or federal income, franchise or transfer taxes of Landlord, unless, due to a change in the method of taxation, any such tax is levied or assessed against Landlord as a substitute for in whole or in part, any other tax that would otherwise constitute a Real Property Tax. If at any time during the Lease Term, any governmental authority levies or assesses against Landlord any tax, fee, or excise on (a) rents payable under any lease of space or accruing from the use of space in the Project (b) the business of renting space in the Project (c) the act of entering into this Lease or any other lease of space in the Project (d) the use or occupancy by tenants of any space in the Project, such tax, fee or excise shall constitute a Real Property Tax. Real Property Taxes shall also include reasonable legal fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Real Property Taxes.
17. Rent. Base Rent stated in Section 1(h) hereof, Percentage Rent as provided in Section 3.3, and Additional Rent as provided in Section 4.1 and any other additional payments due under the Lease are collectively referred to in the lease as Rent.
18. Rentable Area of the Premises. The net Rentable Area of the Premises is as identified in Section 1(c).
19. Rentable Area of Shopping Center. The Rentable Area of the Shopping Center is as identified in Section 1(d).

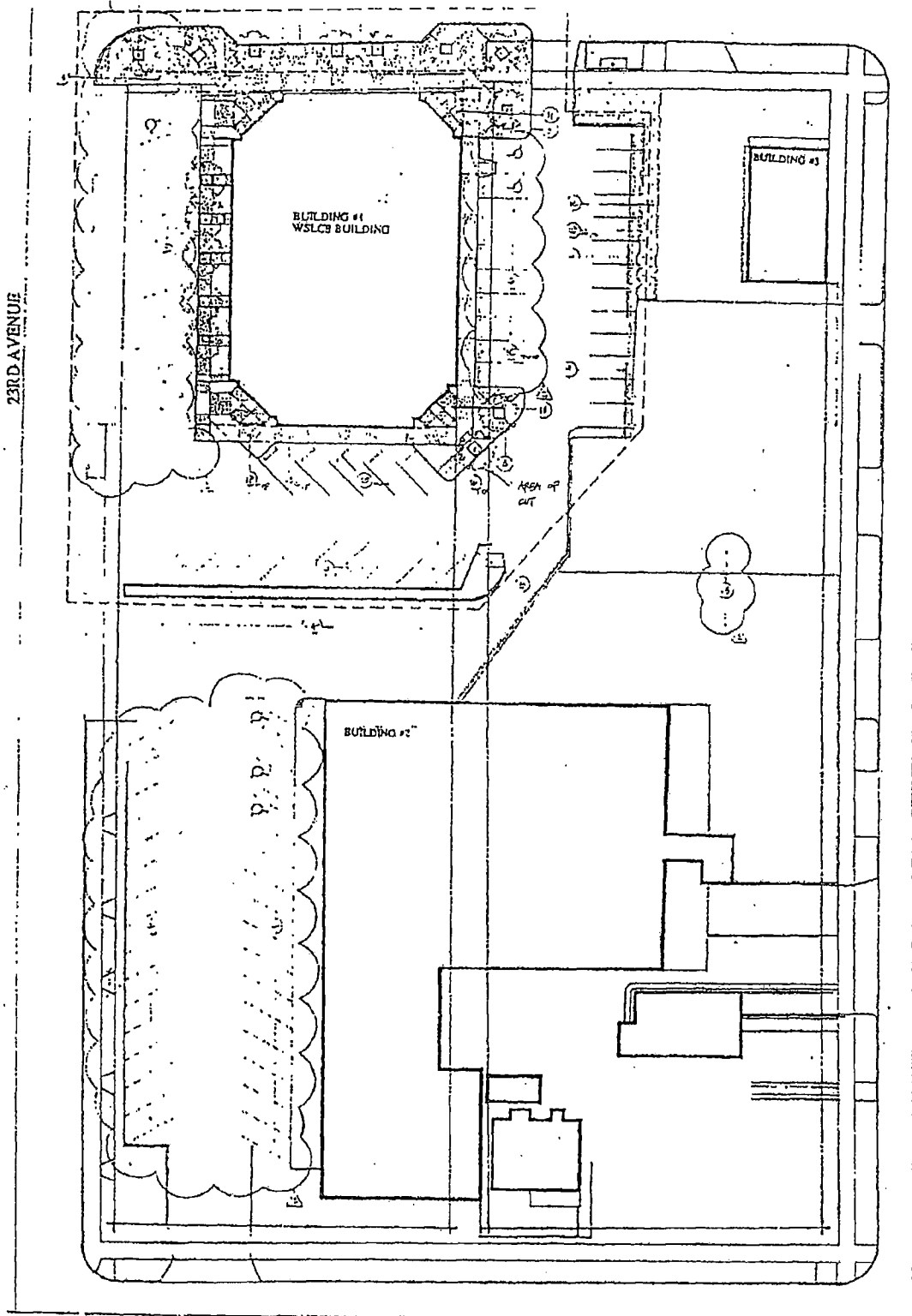
20. Security Deposit. The Tenant's Security Deposit is the sum set forth, if any, in Section 1(l).
21. Shopping Center. The Shopping Center identified in Section 1(a).
22. Tenant's Gross Sales. Tenant's Gross Sales means the entire amount of the actual sales price, whether for cash or otherwise, of all sales and merchandise and services and all other receipts of any kind from all businesses conducted in, on, from or through the Premises by Tenant, all subtenants, licensees or concessionaires or any other person, including but not limited to mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers or customers, sales to employees, sales of gifts or merchandise certificates, sales through vending machines or other devices, orders taken on the Premises even though filled elsewhere, and any sums received from pay telephones, stamp machines, amusement machines, vending machines and any other machines or devices, but excluding those items specifically set forth in Section 3.3 of the Lease.
23. Termination Date. The Termination Date is the date set forth in Section 1(g).

EXHIBIT "A"

MIDTOWN CENTER
SITE PLAN OF PREMISES

The depiction of the Shopping Center on this Exhibit A does not constitute a representation, covenant or warranty of any kind by Landlord, and Landlord reserves the right from time-to-time to change the size and dimensions the Shopping Center; locate, relocate, alter and/or modify the number and location of buildings, building dimensions, the number of floors in any of the buildings, parking areas, store dimensions, identity and type of other stores and tenancies and the common areas located from time-to time in or on the Shopping Center or the Land.





SITE PLAN

HB

EXHIBIT "B"

MIDTOWN CENTER
RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants.

The following rules and regulations are now in effect:

1. Tenant shall not place any new or additional locks on any doors of the Premises or re-key any existing locks or change any plumbing or wiring without the prior written consent of Landlord.
2. Landlord reserves the right to exclude or expel from the Common Areas any person who, in the judgment of Landlord, is intoxicated, under the influence of drugs or who shall in any manner violate any of the rules and regulations.
3. Tenant shall not do or permit to be done within the Premises anything, including the generation of any loud noise, which would unreasonably annoy or interfere with the rights of other tenants in the Shopping Center.
4. Tenant shall not permit its employees or invitees to obstruct any of the parking, truck maneuvering or other Common Areas, or to place, empty or throw away any rubbish, litter, trash or material of any kind upon any Common Area. Tenant, its employees or invitees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Shopping Center.
5. No storage of materials, equipment or property of any kind is permitted outside the Premises or the Shopping Center. Any such property may be removed by Landlord at Tenant's risk and expense.
6. No tenant may install any radio or television antenna which is connected to the Shopping Center without the prior written consent of Landlord.
7. Tenant shall not at any time display a "For Rent" sign upon the Premises.
8. Tenant shall be responsible for keeping a copy of the Lease and Landlord's current rules and regulations at the Premises.

9. Tenant shall keep Landlord advised of the current telephone numbers of Tenant's employees who may be contacted in emergency, i.e., fire, break-in, vandalism, etc. If Landlord shall deem it necessary to respond to such emergency in Tenant's behalf, Tenant shall pay all costs incurred for services ordered by Landlord to secure or otherwise protect the Premises and the contents thereof, including a premium charge for any time spent by Landlord's employees in responding to such emergency.
10. When closing the Premises at the end of the business day, Tenant shall close all windows and shall lock windows adjacent to fire escapes or which are otherwise accessible from the street level. Tenant shall also extinguish all lights and electrical appliances when leaving the Premises for the day.
11. No article, the weight or nature of which may, in Landlord's reasonable determination, constitute a hazard to person or property, shall be permitted in the Shopping Center and Landlord shall have the right to require Tenant to remove or relocate articles which, individually or in the aggregate, may endanger person or property.
12. Tenant shall not use or permit any part of its Premises to be used for lodging or sleeping.
13. Tenant shall not place upon or install on windows, walls or exterior doors of the Premises or any part of the Premises visible from the exterior of the Premises any object including without limitation signs, symbols, canopies, awnings, window coverings or other advertising or decorative material, without obtaining the prior written consent of Landlord. The only window treatment permitted for the windows of the Premises is that installed by and approved by Landlord.
14. Tenant shall keep the Premises clean and orderly. Refuse shall be placed in containers in such a manner and at such times and places as Landlord may direct.
15. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name or street address of the Shopping Center.
16. No animals or birds shall be brought into or kept in or upon the Premises.
17. Any cost and all damage to floors, walls or ceilings due to failure by Tenant or Tenant's employees to shut off running water or liquid, or any utility, shall be paid by Tenant.

EXHIBIT "C"

DESCRIPTION OF LANDLORD'S
AND
TENANT'S WORK

Landlord shall not be responsible for any work required.

JB

Exhibit B

1 Wyking Garrett declares as follows:

2 1. I am presently the President and a member of the
3 Board of Directors for the Umoja Peace Center, a Washington
4 non-profit corporation
5 (hereinafter, "Umoja"). I previously held the position of
6 Umoja's Managing Director. I make this Declaration upon
7 personal knowledge.
8

9 2. Umoja was a tenant of MidTown Limited Partnership
10 ("MidTown"), which is the owner of MidTown Center block at 23rd
11 Avenue and East Union. During the course of Umoja's tenancy, it
12 occupied the property on which two homes owned by MidTown are
13 sited, 2314 E. Spring Street and 1107 - 24th Avenue, both in
14 Seattle, King County, Washington (the "Subject Properties"). A
15 copy of the lease agreement between MidTown and Umoja Center
16 executed by MidTown and Umoja by me on or about March 6, 2012
17 is attached hereto as Exhibit A. The lease expired by its
18 terms on September 30, 2014.
19

20 3. Umoja is not now nor since 2015 has it been a tenant
21 or occupant of either of the Subject Properties. Further,
22 prior to January 1, 2016, Umoja had fully vacated and made no
23 further use of the Subject Properties and removed any of its
24 items of personal property or tenant improvements therefrom.
25 Umoja has no keys or other access to the Subject Properties.
26 Umoja has no intent to reoccupy the Subject Properties as a
27 tenant or otherwise.
28

DECLARATION OF
WYKING GARRETT - 1
Initials: _____

HARRISON - BENIS, LLP
Attorneys at Law
2101 Fourth Avenue, Suite 1900
Seattle, WA 98121-2315
Fax 206.448.1843 Phone 206.448.0402

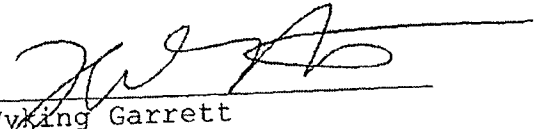
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

4. Umoja claims no right to notification regarding any action that MidTown may take regarding the disposition of the Subject Properties.

5. I give this Declaration for the purpose of stating for the record that Umoja disclaims any right, title or interest of any kind or nature in the Subject Properties or any litigation or other disputes regarding tenancy, ownership or possession of the Subject Properties.

I declare under penalty of perjury of the laws of the State of Washington that the foregoing is true and correct.

DATED at Seattle, Washington this 28 day of April, 2016.




Wyking Garrett
President
Umoja Peace Center

DECLARATION OF
WYKING GARRETT - 2
Initials: _____

HARRISON - BENIS, LLP
Attorneys at Law
2101 Fourth Avenue, Suite 1900
Seattle, WA 98121-2315
Fax 206.448.1843 Phone 206.448.0402

**MIDTOWN CENTER
LEASE AGREEMENT**

THIS LEASE is made this 6th day of March, 2012, between MIDTOWN LIMITED PARTNERSHIP, a Washington limited partnership ("Landlord") and UMOJA FEST PEACE CENTER, a Washington non-profit ("Tenant").

1. LEASE DATA AND EXHIBITS: As parties hereto, Landlord and Tenant agree that the following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:
- (a) SHOPPING CENTER AND LAND: The Shopping Center known as MIDTOWN CENTER, situated on the Land located in Seattle, King County, Washington, legally described on the site plan attached hereto as Exhibit "A" and made a part hereof.
 - (b) PREMISES: The leased Premises consists of two homes located on the southeast corner of the MidTown block at 24th and Spring Street, which is cross-hatched on the site plan(s) attached hereto as Exhibit "A" and commonly referred to as 1107 24th Avenue and 2314 East Spring; Seattle, Washington 98122.
 - (c) RENTABLE AREA OF PREMISES: The agreed net Rentable Area of the Premises is approximately 10,000 square feet of land with two homes situated thereon. Tenant shall not sublease all or any part of the Leased Premises without Landlord's prior written consent, which will not be unreasonably withheld or delayed.
 - (d) RENTABLE AREA OF MIDTOWN CENTER: The Rentable Land Area of MidTown Center is approximately 106,000 square feet.
 - (e) TERM: The Lease Term is Three (3) years, subject to Landlord's exclusive right to cancel this lease with 90 days written notice if (1) Landlord should decide to redevelop the site; and/or (2) should the United States Postal Service need the subject premises for expansion.
 - (f) COMMENCEMENT DATE: October 1, 2011.
 - (g) TERMINATION DATE: September 30, 2014, unless otherwise earlier terminated pursuant to the terms and conditions of the Lease.
 - (h) BASE RENT: \$3,000.00 per month paid through "in-kind" maintenance services for the entire MidTown block.
 - (i) PERCENTAGE RENT RATE: Tenant's Percentage Rent Rate is n/a %.
 - (j) TENANT'S SHARE OF ESTIMATED AND ACTUAL EXPENSES: In addition to the in-kind Base Rent, Tenant shall pay its prorata share of all real estate taxes, utilities and insurance on the subject land and houses.
 - (k) PREPAID RENT DEPOSIT: Tenant has deposited with Landlord on the date hereof \$0.00 to be applied to the first month's payment of Base rent. Tenant has also 

deposited \$0.00 to be applied to the last month's payment of Base Rent due hereunder.

(l) SECURITY DEPOSIT: \$0.00

(m) NORMAL BUSINESS HOURS: N/A

(n) NOTICES AND PAYMENTS ADDRESSES:

Landlord: MIDTOWN LIMITED PARTNERSHIP
c/o Bangasser & Associates, Inc.
Post Office Box 22300
Seattle, Washington 98122-0300
(206) 323-7575 TIN 91-1435159
Email: tfb@bangasser.com

Tenant: UMOJA FEST PEACE CENTER
Attn: Wyking Garrett, Managing Director
Post Office Box 22328
Seattle, Washington 98122
(206) 941-2527 TIN #14-1798232
Email: wyking@gmail.com

(o) PERMITTED USES: The Premises are to be used only for legal business

(p) TENANT'S TRADE NAME: To be determined.

(q) NUMBER OF DAYS FOR COMPLETION OF TENANT'S WORK: n/a

(r) BROKER: None

(s) NAME AND ADDRESS OF GUARANTOR: none

(t) By initialing this section in the space provided below, the parties acknowledge that they have read and understand Section 15 of the Lease regarding indemnification obligations, and further acknowledge that it was specifically negotiated.

Landlord's Initials

Tenant's Initials

(u) EXHIBITS: The following rider and exhibits are made a part of this Lease:
Standard Sections to MidTown Center Lease Agreement and Appendix –
Definitions
Exhibit "A" – Site Plan of Premises and Legal Description of Land
Exhibit "B" – Rules and Regulations
Exhibit "C" – Description of Landlord's and Tenant's Work

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

LANDLORD:

MIDTOWN LIMITED PARTNERSHIP
Bangasser & Associates, Inc., General Partner

By Thomas F. Bangasser
Thomas F. Bangasser, President

TENANT:

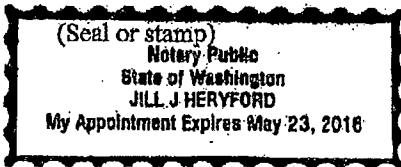
UMOJA FEST PEACE CENTER

By Wyking Garrett
Wyking Garrett, Managing Director

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that THOMAS F. BANGASSER is the person who appeared before me, and said person acknowledged that he was authorized to execute this instrument, and acknowledged it as the PRESIDENT of BANGASSER & ASSOCIATES, INC., General Partner of MIDTOWN LIMITED PARTNERSHIP, to be the free and voluntary act of such partnership for the uses and purposes mentioned in the instrument.

DATED: 7/16/12

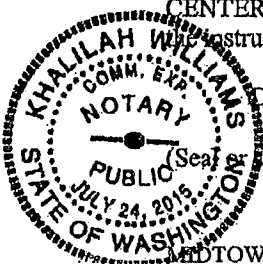


Jilly Heryford
Notary Public and for the State of
Washington, residing at Vashon
My appointment expires 5/23/16

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that WYKING GARRETT is the person who appeared before me, and said person acknowledged that he was authorized to execute this instrument, and acknowledged it as the MANAGING DIRECTOR of UMOJA FEST PEACE CENTER, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

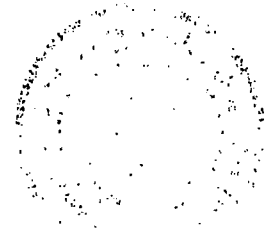
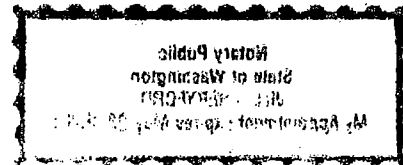
DATED: 6/22/12



Khalilah Williams
Notary Public in and for the State of USA

MIDTOWN CENTER LEASE

Washington, residing at Seattle
My appointment expires 7/24/2015



STANDARD SECTIONS TO
MIDTOWN SHOPPING CENTER
LEASE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
2. <u>PREMISES</u>	4
3. <u>RENT</u>	4
3.1 BASE RENT	4
3.2 BASE RENT ADJUSTMENT	4
3.3 PERCENTAGE RENT	4
3.4 BOOKS AND RECORDS; INSPECTION BY LANDLORD	5
3.5 MINIMUM GROSS SALES	6
3.6 NO PARTNERSHIP	6
4. <u>TENANT'S SHARE OF EXPENSES AND TAXES</u>	7
4.1 ADDITIONAL RENT	7
4.2 PRORATION OF EXPENSES	7
4.3 LANDLORD'S BOOKS AND RECORDS	7
5. <u>POSSESSION</u>	7
6. <u>SECURITY DEPOSIT</u>	8
7. <u>USE OF THE PREMISES</u>	8
8. <u>CARE OF THE PREMISES; TRADE FIXTURES</u>	8
9. <u>COMPLIANCE WITH RULES AND REGULATIONS</u>	9
10. <u>MAINTENANCE AND REPAIR OF PREMISES</u>	9
11. <u>COVENANT OF CONTINUOUS OPERATION</u>	10
12. <u>SERVICES AND UTILITIES</u>	10
12.1 TENANT'S OBLIGATIONS	10
12.2 LANDLORD'S OBLIGATIONS	11
12.3 FAILURE OR INTERRUPTION OF SERVICES	11
13. <u>COMMON AREAS</u>	11
13.1 LICENSE	11
13.2 COMMON AREA SURCHARGE	12
13.3 COMMON AREA MAINTENANCE	12

14.	<u>TAXES PAYABLE BY TENANT</u>	13
15.	<u>INDEMNIFICATION</u>	13
16.	<u>LIABILITY INSURANCE</u>	13
17.	<u>WAIVER OF SUBROGATION</u>	14
18.	<u>LIENS AND INSOLVENCY</u>	14
19.	<u>DAMAGE OR DESTRUCTION</u>	14
20.	<u>CONDEMNATION</u>	15
21.	<u>DEFAULTS AND REMEDIES</u>	15
22.	<u>DEFAULT BY LANDLORD</u>	16
23.	<u>TENANT'S REMEDIES</u>	16
24.	<u>SUBORDINATION</u>	16
25.	<u>ESTOPPELS</u>	17
26.	<u>ASSIGNMENT AND SUBLETTING</u>	17
27.	<u>ASSIGNMENT BY LANDLORD</u>	18
28.	<u>QUIET ENJOYMENT</u>	18
29.	<u>ACCESS</u>	18
30.	<u>RELOCATION OF TENANT</u>	18
31.	<u>DEVELOPMENT OF THE LAND</u>	18
32.	<u>SURRENDER OF PREMISES</u>	18
33.	<u>HOLDOVER</u>	19
34.	<u>HAZARDOUS SUBSTANCES</u>	19
35.	<u>MERCHANTS' ASSOCIATION</u>	20
36.	<u>DISPLAYS</u>	20

37.	<u>AUCTIONS AND SALES</u>	20
38.	<u>SIGNS</u>	21
39.	<u>NOTICES</u>	21
40.	<u>KEYS</u>	21
41.	<u>LIGHT, AIR AND VIEW</u>	21
42.	<u>ARBITRATION</u>	21
43.	<u>MISCELLANEOUS PROVISIONS</u>	21
43.1	RECORDING	21
43.2	NONWAIVER	21
43.3	ATTORNEYS' FEES	22
43.4	CAPTIONS	22
43.5	GOVERNING LAW	22
43.6	ENTIRE AGREEMENT AND MODIFICATIONS	22
43.7	JOINT AND SEVERAL OBLIGATIONS	22
43.8	BROKER'S COMMISSIONS	22
43.9	NAME	22
43.10	SUCCESSOR AND ASSIGNS	22
43.11	TIME	23
43.12	SEVERABILITY	23
43.13	INTERPRETATION	23
43.14	REMEDIES CUMULATIVE	23

JAB

STANDARD SECTIONS TO SHOPPING CENTER LEASE AGREEMENT

2. PREMISES: For the Term specified in Section 1(e), Landlord does hereby lease the Premises to Tenant, and Tenant does hereby lease the Premises from Landlord, upon and subject to the terms and conditions herein set forth.
3. RENT:
- 3.1 BASE RENT: Tenant shall pay Landlord the monthly Base Rent stated in Section 1(h) hereof, Percentage Rent as provided in Section 3.3, and Additional Rent as provided in Section 4.1 and any other additional payments due under this Lease (collectively called "Rent") without deduction or offset, and without delay or demand, in advance on or before the day specified in Section 1(h) for Base Rent, 3.3 for Percentage Rent and 4.1 for Additional Rent, to Landlord at the address noted in Section 1(n) hereof, or to such other party or at such other place as Landlord may hereafter from time to time designate in writing. Rent for any partial month at the beginning or ending of the Term shall be prorated.
- 3.2 BASE RENT ADJUSTMENT. Commencing with the first anniversary of the Commencement Date of this Lease and on each anniversary date thereafter (herein after referred to as the "Adjustment Date"), the Base Rent shall be increased by the percentage increase, if any, of the Consumer Price Index. The CPI published the Base Year 1982-84 equals 100 shall be used for comparison purposes with any adjustment in Base Rent to be effective for the following year as of the first day of the month in which the Adjustment Date occurs, if such Adjustment Date occurs on or before the first day of a month. If such Adjustment Date occurs after the first day of a month, then the adjustment in Base Rent shall be effective with the month next following the month in which the Adjustment Date occurs. In no event shall the Base Rent be less than the sum or sums as specified in Section 1(h) above as adjusted upward on the last Adjustment Date, if any. All such adjustments shall be compounded. The Base Rent as adjusted shall be the Base Rent until the next Adjustment Date. If the aforementioned CPI is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would have been obtained if the CPI had not been discontinued or revised; provided, that Tenant shall continue to pay an amount equal to the Base Rent payable for the last month before the Adjustment Date until the adjusted Base Rent can be determined.
- 3.3 PERCENTAGE RENT. Tenant covenants and agrees to pay Percentage Rent to Landlord without demand. Tenant's Percentage Rent is based on the amount by which, if any, Tenant's Gross Sales during each full or partial calendar month of the Lease Term multiplied by the Percentage Rent Rate specified in Section 1(i) hereof exceeds the Base Rent payable for that full or partial month. No deductions from Gross Sales shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, or if included there shall then be deducted (but only to the extent they have been included), the following:

- 3.3.1 The amount of any cash or credit refund made upon any sale in or from the Premises when the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant.
- 3.3.2 Any sums paid by Tenant to third parties for the use or rental of pay telephones, stamp machines, music machines, amusement machines and other vending machines.
- 3.3.3 Sums received by Tenant from casual sales of used trade fixtures or equipment, provided that such property is not Tenant's inventory or stock in trade, and such sales are permitted under this Lease.
- 3.3.4 Amounts received by Tenant in settlement of claims made by Tenant for loss of or damage to Tenant's merchandise.
- 3.3.5 Sales taxes and other similar taxes now or in the future imposed on the sale of merchandise or services, but only if such taxes are added to the sales price, separately stated and collected from customers or purchasers.

On or before the 20th day of each calendar month during the Lease Term, beginning with the calendar month following the month in which Tenant's obligation to pay Base Rent commences, Tenant shall furnish to Landlord a statement of Tenant's Gross Sales for the preceding calendar month. Each statement shall be signed and certified to be correct by an officer of Tenant. At the time Tenant submits the statement of Tenant's Gross Sales, Tenant shall also pay to Landlord the amount, if any, by which Tenant's Gross Sales for the calendar month covered by the statement multiplied by the Percentage Rent Rate exceeds the Base Rent payable for that month.

- 3.4 BOOKS AND RECORDS: INSPECTION BY LANDLORD. Tenant shall install and maintain accurate receipt-printing cash registers and shall record on the cash registers every sale and other transaction made from the Premises; or, if the Tenant does not use receipt-printing cash registers, Tenant shall use serialized sales slips and shall record every sale and other transaction made in, on, from or through the Premises on such sales slips. Such receipts or sales slips shall be kept and maintained as provided for in this Section. Tenant shall also furnish to Landlord copies of Tenant's sales and excise tax returns at the time each is filed with the State of Washington. Tenant shall keep and maintain on the Premises complete, appropriate, and accurate books, records and accounts of the Gross Sales, both for cash and credit, in accordance with standard accounting practice. These books, records and accounts, including true copies of receipts and sales slips and any sales and other excise tax reports that Tenant may be required to furnish to any government or governmental agency, shall at all reasonable times be open to the inspection of Landlord or Landlord's auditor or other authorized representative or agent for a period of at least three (3) years after the expiration of the Lease Year to which the books, records and accounts relate. If at any time during the Term, the books, records and accounts prove inadequate in the reasonable judgment of Landlord to record the Gross Sales in the detail herein required, Tenant shall, upon the request of Landlord, keep and maintain such books, records and accounts as shall be, in character and form, adequate for such purposes. Each twelve (12) month calendar period during the Term

of this Lease, commencing on the first (1st) day of the first (1st) full calendar month of the Lease Term and ending on the last day of the twelfth (12th) month thereafter is a "Lease Year."

The acceptance by Landlord of Percentage Rent shall not prejudice Landlord's right to an examination of Tenant's books, records and accounts of gross receipts and inventories of merchandise at the Premises in order to verify the amount of Gross Sales made in, on, from or through the Premises. At its option, Landlord may at any reasonable time, during the Lease Term and for a period of three (3) years after the expiration or termination of the Lease Term, upon five (5) business days' prior notice to Tenant, cause a complete audit to be made of Tenant's entire records relating to the Premises, including the records of any sublessee, concessionaire, licensee or any other person or entity on the Premises, for a period covered by any statement issued by Tenant under Section 3.3 above. If the audit shall disclose that Tenant's Gross Sales have been underreported to the extent of two percent (2%) or more on an annual basis, Tenant shall pay to Landlord within ten (10) days after demand the cost of the audit in addition to the deficiency, which deficiency shall be payable in any event. In addition, if the audit shall disclose that Tenant's Gross Sales have been underreported to the extent of six percent (6%) or more on an annual basis, Landlord shall have the further remedy of declaring this Lease terminated and the Lease Term ended by notice to Tenant, in which event this Lease shall cease and terminate on the date specified in the notice with the same force and effect as though the date set forth in the notice were the date originally set forth herein and fixed for the Termination Date, and Tenant shall vacate and surrender the Premises on the date specified in the notice but shall remain liable for the deficiency and the costs of the audit as provided in this Section.

Tenant's reporting and recordkeeping obligations and Landlord's inspection and audit rights set forth in this Section 3.4, shall exist and be enforceable whether or not Tenant is required to pay Percentage Rent hereunder.

3.5 MINIMUM GROSS SALES. If no Percentage Rent shall be due and payable by Tenant for a period of twelve (12) consecutive months during the Lease Term, Landlord may notify Tenant in writing of Landlord's proposed increase in the Base Rent ("Rent Increase Notice"). Tenant shall have a period of fifteen (15) days from the date Tenant receives the Rent Increase Notice within which to notify Landlord in writing that Tenant elects either to terminate this Lease (in which event this Lease shall terminate effective as of the last day of the calendar month in which Tenant's notice is received by Landlord and all Rent shall be paid to the Date of Termination), or to pay the increased Base Rent specified in the Rent Increase Notice (in which case Tenant shall pay such increased Base Rent beginning on the first day of the calendar month following the month in which Tenant's notice is received by Landlord). If Tenant shall fail to notify Landlord of Tenant's election within the 15-day period, Tenant shall be deemed to have elected to pay the increased Base Rent specified in the Rent Increase Notice.

3.6 NO PARTNERSHIP: It is understood and agreed that the fixing of a portion of the rental on a percentage of the sales of the business to be done by Tenant does not create a partnership or joint venture relationship between the parties hereto; that Landlord

assumes no liability hereunder for the operation of the business of Tenant; and that the provisions with reference to rents herein are for the sole purpose of fixing and determining the total rents to be paid by Tenant to Landlord.

4. TENANT'S SHARE OF EXPENSES AND TAXES

4.1 ADDITIONAL RENT. Tenant shall pay to Landlord as Additional Rent one-twelfth (1/12th) of Tenant's Share of the Expenses for each Expense Year on or before the first day of each month of such Expense Year, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant. As of the date of this Lease, Tenant's Share of Expenses is estimated to be the amount specified in Section 1(j) hereof for the Expense Year specified in that section. With reasonable promptness after the expiration of each Expense Year, Landlord shall furnish Tenant with a statement ("Landlord's Expense Statement"), setting forth in reasonable detail the Expenses for such Expense Year, and Tenant's Share of Expenses. If Tenant's Share of the actual Expenses for such Expense Year exceeds the estimated Expenses paid by Tenant for such Expense Year, Tenant shall pay to Landlord the difference between the amount paid by Tenant and Tenant's Share of actual Expenses within fifteen (15) days after the receipt of Landlord's Expense Statement, and if the total amount paid by Tenant for any such Expense Year shall exceed Tenant's Share of actual Expenses for such Expense Year, such excess shall be credited against the next installment of the estimated Expenses or other Rent due from Tenant to Landlord hereunder.

4.2 PRORATION OF EXPENSES. If any part of the first or the last years of the Lease Term shall include part of an Expense Year, Tenant's obligations under this Section 4 shall be apportioned so that Tenant shall pay only for such parts of such Expense Years as are included in the Lease Term. Landlord may, pending the determination of the amount of actual Expenses for the partial Expense Year in which the Term ends, furnish Tenant with a statement of estimated actual Expenses, and Tenant's Share thereof for such partial Expense Year. Within fifteen (15) days after receipt of such estimated statement, Tenant shall remit to Landlord, as Additional Rent the amount of Tenant's Share of anticipated actual Expenses. After the actual Expenses have been finally determined and Landlord's Expense Statement has been furnished to Tenant pursuant to Section 4.1, and if there shall have been an underpayment of Tenant's Share of Expenses, Tenant shall remit the amount of such underpayment to Landlord within fifteen (15) days of receipt of such statement, and if there shall have been an overpayment, Landlord shall remit the amount of any such overpayment to Tenant within fifteen (15) days of the issuance of such statement.

4.3 LANDLORD'S BOOKS AND RECORDS. Landlord shall keep full and accurate books of account covering Expenses. During the term of this Lease, Tenant shall have the right at Tenant's cost to inspect, copy and audit such books of account annually at a reasonable time on ten (10) days' prior written notice to Landlord.

5. POSSESSION. If for any reason whatsoever Landlord does not deliver possession of the Premises to Tenant on the Commencement Date of this Lease, rent shall be abated until the date possession of the Premises is tendered to Tenant by Landlord, provided that in all other respects this Lease shall remain in full force and effect, and the Lease Term

118

shall not be extended thereby. In no event shall Landlord be liable or responsible for any claims, damages, or liabilities caused by the failure or delay in delivering possession of the Premises. If possession of the Premises has not been tendered to Tenant by the date which is six (6) months after the Commencement Date stated in Section 1(f), this Lease shall be void and of no force or effect.

6. SECURITY DEPOSIT: As partial consideration for the execution of this Lease, Tenant has paid to Landlord the sum specified in Section 1(l) hereof, the receipt of which is hereby acknowledged. Landlord may commingle the deposit with its general funds and Tenant shall not be entitled to interest on the deposit. If Tenant shall default with respect to any covenant, condition, or obligation contained in this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of such deposit to the payment of any sum in default or any other sum which Landlord may be required to spend or incur by reason of Tenant's default, and in such event, Tenant shall upon demand deposit with Landlord the amount so applied. If Tenant shall have fully complied with all of the obligations, covenants and conditions of this Lease, but not otherwise, such sum shall be repaid to Tenant within thirty (30) days after the end of the Lease Term. If Landlord sells, assigns or otherwise transfers its interest in this Lease, Landlord may transfer the deposit to the new landlord. Upon such transfer, Landlord shall be relieved from all liability for return of the deposit and Tenant shall look solely to the new landlord for return of the deposit.

7. USE OF THE PREMISES: The Premises are to be used only for purpose set out in Section 1(o) and for no other business or purpose without the prior written consent of Landlord. Tenant agrees it has determined to its satisfaction that the Premises can be used for the purpose set out in Section 1(o). No act shall be done in or about the Premises that is unlawful. Tenant shall not commit any act that will increase the then existing rate of insurance on the Shopping Center without Landlord's written consent. Tenant shall promptly pay upon demand the amount of the increase in insurance rates caused by such act or acts done by Tenant. Tenant shall not commit or allow to be committed any waste upon the Premises, or any nuisance or other act which disturbs the quiet enjoyment of any other tenants in the Shopping Center. Tenant shall not, without the written consent of Landlord, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise, vibration or fumes. If any of Tenant's machines or equipment should disturb the quiet enjoyment of any other tenant in the Shopping Center, then Tenant shall provide adequate insulation, or take other action as may be necessary to eliminate the disturbance. Tenant shall comply with all governmental rules, orders, regulations or requirements relating to its use or occupancy of the Premises.

8. CARE OF THE PREMISES; TRADE FIXTURES: Tenant's taking possession of the Premises constitutes Tenant's acknowledgment that the Premises were then in good condition. Tenant shall take good care of the Premises and shall keep the Premises and all items installed therein by Tenant neat and clean. Tenant shall make no additions, improvements, alterations, repairs or decorations to the Premises without the prior written consent of Landlord. Any such additions, improvements, alterations, repairs or decorations which are made without the prior written consent of Landlord, shall be removed by Tenant at its cost within ten (10) days after Landlord requests the removal.

Otherwise, all additions, improvements, alterations, decorations and repairs made by Tenant shall remain on the Premises and shall become the property of Landlord upon the expiration or sooner termination of this Lease. All damage or injury done to the Premises or the Shopping Center by Tenant or by any persons who may be in or upon the Premises or the Shopping Center with the consent of Tenant, shall be paid for by Tenant. Subject to the terms of this Section 8, Tenant may install in the Premises such equipment as is customarily used in the type of business conducted by Tenant on the Premises. Upon the expiration or sooner termination of this Lease, Tenant shall, at its expense, remove from the Premises all such equipment and all other property of Tenant and shall repair any damage to the Premises, the Land and the Shopping Center occasioned by such removal. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by Tenant and shall become the property of Landlord to dispose of as Landlord deems expedient without accounting to Tenant therefor.

9. COMPLIANCE WITH RULES AND REGULATIONS. The Rules and Regulations attached to this Lease as Exhibit "B" is a part of this Lease and Tenant shall comply with it. Landlord shall have the right from time to time to promulgate amendments and additional rules and regulations for the safety, care and cleanliness of the Premises, the Land and the Shopping Center and for the preservation of good order. On delivery of a copy of such amendments and additional rules and regulations to Tenant, Tenant shall comply with them, and a violation of any of them shall constitute a default by Tenant under this Lease. Rules and Regulations are not made to restrict Tenant unnecessarily, but to enable Landlord to operate the Shopping Center in a way which will be beneficial and advantageous to both parties. If there is an express and direct conflict between the Rules and Regulations and any of the provisions of this Lease, the provisions of the Lease shall control. Landlord shall not be liable to Tenant or to any third parties for failure of other tenants or occupants of the Shopping Center to perform or observe the Rules and Regulations.
10. MAINTENANCE AND REPAIR OF PREMISES. Tenant's taking possession of the Premises shall constitute Tenant's acknowledgment that the Premises are in good condition and repair. Subject to Section 18, Tenant, at its sole cost and expense, shall keep the Premises and every part thereof (including without limitation, the glass doors and windows, heat pumps (if any), and all tenant improvements and alterations) in good condition and shall make all repairs and replacements as and when necessary to keep the Premises in good working order and condition. Landlord shall maintain the structural portions of the Shopping Center and the central heating, ventilating and air conditioning ("HVAC"), water and sewer, fire protection (if any) and mechanical and electrical distribution systems and facilities installed by Landlord and lying outside the Premises, as provided in Section 11.1. If maintenance work or repairs are required to HVAC, water, sewer, fire protection or electrical or mechanical systems or facilities within the Premises and, in Landlord's judgment, such maintenance work or repairs if done improperly could adversely affect any central systems or facilities installed by Landlord and lying outside the Premises, Landlord may, at its election, make the repairs or do the maintenance work necessary within the Premises and Tenant shall pay all costs and

JAB

expenses incurred by Landlord in making such repairs or doing such maintenance work within ten (10) days after receipt of Landlord's invoice therefor.

11. COVENANT OF CONTINUOUS OPERATION. Tenant shall use its best efforts to operate its business on the Premises in a manner that will produce the maximum dollar volume of Gross Sales. Tenant shall continuously use and operate the Premises for the Permitted Uses specified in Section 1(o). Tenant shall keep the Premises open for business and cause Tenant's business to be conducted on the Premises during the Normal Business Hours specified in Section 1(m), subject to the following:

11.1 If the Premises are damaged or partially taken by condemnation and this Lease shall remain in effect, Tenant shall continue the operation of its business at the Premises to the extent reasonably practical during any period of repair.

11.2 If the Premises should be closed and the business of Tenant temporarily discontinued because of strikes, walkouts or similar causes beyond Tenant's control, Tenant shall be temporarily relieved of its obligation to keep the Premises open for and to conduct business on the Premises during the Normal Business Hours specified above; provided that if Tenant's business on the Premises shall be discontinued for a period of sixty (60) consecutive days by reason of any such cause beyond Tenant's control, Tenant shall be in default hereunder and Landlord shall have all the remedies available to Landlord as set forth in Section 21. The parties agree that lack of financial resources is not a cause beyond Tenant's control.

12. SERVICES AND UTILITIES:

12.1 TENANT'S OBLIGATIONS. Tenant shall pay before delinquent, at its sole cost and expense, all charges for water, gas, heat electricity, power, telephone service, sewer service charges, garbage service, and sewer rentals charged or attributable to the Premises, and all other services or utilities used in, upon or about the Premises during the Lease Term and the cost of installing meters therefor; provided, however, that if any such services or utilities shall be billed to Landlord and are not separately metered to the Premises, the amount thereof shall be prorated, and Tenant shall pay to Landlord upon demand, as additional rental hereunder, an amount equal to that proportion of the total charges therefor which the Rentable Area of the Premises bears either to the Rentable Area of the Shopping Center or if the area covered by the combined charges is less than the entire Shopping Center then to the total number of square feet of gross floor area so covered by the combined charges. If any services or utilities shall be billed to Landlord and are not separately metered and if Landlord reasonable determines that there is disproportionate use by any tenant (including Tenant) of such services and utilities who is not separately metered for such services or utilities, Landlord may charge such tenant (including Tenant) the increased charges attributable to such tenant's disproportionate use (the "Utility Surcharge"). The Utility Surcharge shall be due and payable in the same manner and at the same time as provided in Section 12.2 for payment of Tenant's Share of Expenses, and Tenant agrees to so pay the Utility Surcharge (if any). Any Utility Surcharge paid by Tenant (and by other tenants in the Shopping Center pursuant to similar provisions in their leases) shall be excluded for purposes of computing Expenses to be paid by Tenant pursuant to Section 12.

12.2 LANDLORD'S OBLIGATIONS. Landlord covenants and agrees with Tenant that so long as Tenant is not in default of any of its obligations under this Lease, Landlord shall:

12.2.1 Furnish or cause to be furnished utility services to the common and public areas suitable for the intended use of such areas; provided that all facilities necessary to distribute utility services with the Premises shall be provided by Tenant at its sole cost and expense;

12.2.2 Furnish electrical service equipment sufficient to permit measurement of electricity as set forth in Section 11; and

12.2.3 Furnish elevator service which shall mean service by nonattended automatic elevators.

12.3 FAILURE OR INTERRUPTION OF SERVICES. Landlord shall not be in default hereunder and shall not be liable for any damages directly or indirectly resulting from, nor shall Tenant be relieved of any of its obligations hereunder by reason of:

12.3.1 The installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing utilities or services;

12.3.2 The failure to perform or furnish or delay in performing or furnishing any such maintenance, repairs, utilities or services where such failure or delay is caused by acts of God, the elements, labor disturbances of any character, any other accidents or other conditions beyond the reasonable control of Landlord, or by the making of repairs or improvements to the Premises, the Land or the Shopping center; or

12.3.3 The limitation, curtailment, rationing or restriction on use of water or electricity, gas or any other form of energy or any other service or utility serving the Premises or the Shopping Center. It is agreed that Landlord shall be entitled to cooperate voluntarily in a reasonable manner with the efforts of national, state or local government agencies or utility suppliers in reducing energy or other resource consumption.

13. COMMON AREAS.

13.1 LICENSE. Landlord gives to Tenant and its agents, employees, contractors and invitees, a nonexclusive license to use the Common Areas, with others who are entitled to use the Common Areas, subject to Landlord's rights to:

13.1.1 Establish and enforce reasonable rules and regulations for the maintenance, management, use and operations of the Common Areas;

13.1.2 Close any of the Common Areas to the extent required in the reasonable opinion of Landlord to prevent a dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas;

- 13.1.3 Close temporarily any of the Common Areas for purposes of cleaning, maintenance, repair, alterations, improvements or additions;
- 13.1.4 Designate other property to become part of the Common Areas;
- 13.1.5 Make changes to the Common Areas including, without limitation, changes in the arrangement and/or location of passageways, doors and doorways and corridors, elevators, stairs, or toilets. Nevertheless, Landlord shall not make any change which will prevent access to the Premises; and
- 13.1.6 Designate from time to time any portion of the sidewalk area and all or any portion of any parking area(s) for the use of specific tenant or tenants under such terms and conditions as Landlord may choose in its sole discretion.
- 13.2 COMMON AREA SURCHARGE. With respect to costs and expenses for management, operation, maintenance, cleaning and repair of common areas and facilities and property used in connection therewith, the provisions of Section 4 (and similar provisions in leases of other tenants in the Shopping Center) are based on the assumption that the businesses conducted by all retail tenants will result in approximately equal usage of such common areas, facilities and property. If Landlord reasonably determines that there is a disproportionate use by any tenant (including Tenant) which increases the costs and expenses of managing, operating, maintaining, cleaning and/or repairing any of the common areas or facilities or property used in connection therewith, Landlord may charge such tenant (including Tenant) the increased costs and expenses attributable to such tenant's disproportionate use ("Common Area Surcharge"). The Common Area Surcharge shall be due and payable in the same manner and at the same time as provided in Section 4.1 for payment of Tenant's Share of Expenses, and Tenant agrees to so pay the Common Area Surcharge (if any). Any Common Area Surcharge paid by Tenant (and by other tenants in the Shopping Center pursuant to similar provisions in their leases) shall be excluded for purposes of computing Expenses to be paid by Tenant pursuant to Section 4.
- 13.3 COMMON AREA MAINTENANCE. Landlord shall maintain or cause to be properly lighted, landscaped and maintained in reasonably good order and condition the common and public areas and facilities of the Shopping Center, including lobbies, stairs, elevators, corridors and restrooms (if any), hallways, parking areas, sidewalks, the central HVAC, water, sewer, fire protection, lighting systems and mechanical and electrical distribution systems and equipment installed by Landlord lying outside the Premises and serving the Shopping Center. If any such maintenance or repair is required because of the act or omission of Tenant or any person claiming through Tenant, or any of their respective agents, employees, contractors or invitees, all costs and expenses incurred by Landlord shall be paid by Tenant on demand by Landlord. Any injury to or interference with Tenant's business arising from any repairs, maintenance, alteration or improvement in or to any portion of the Shopping Center, including the Premises, or in or to the fixtures, appurtenances and equipment therein shall not be deemed to be an eviction of Tenant or relieve Tenant of any of its obligations hereunder, it being agreed that such repairs, maintenance, alterations and improvements will be accomplished with as little

inconvenience to Tenant as possible. Landlord shall not be obligated to repair or replace fixtures or equipment installed by Tenant.

14. TAXES PAYABLE BY TENANT: Tenant shall pay, before the same become delinquent, all taxes assessed or levied against Tenant's furniture, fixtures, equipment and other property in the Premises. Tenant shall pay to Landlord, as Additional Rent, within ten (10) days after notice of the amount thereof, any tax upon rent payable under this Lease or any tax or fee in any form (except net income tax) payable by Landlord due to or measured by receipts or income of Landlord derived from this Lease.
15. INDEMNIFICATION. Tenant agrees that Landlord shall not be liable for any claims for death of or injury to persons or damage to or destruction of property sustained by Tenant or by any other person in the Premises, including without limitation any claims caused by or resulting or arising from the condition or maintenance of any part of the Premises, the Shopping Center or the Land. Tenant hereby waives all claims therefor and agrees to indemnify and hold Landlord harmless against any loss, damage, liability or expense (including without limitation attorneys' fees) incurred by Landlord in connection therewith. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense (a) arising from construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any improvement to the Land (i) if such damage is caused by or results from the sole negligence of Landlord or (ii) to the extent such damage is caused by or results from Landlord's negligence, where the damage is caused by the concurrent negligence of Landlord and Tenant, or (b) caused by or resulting from the gross negligence or willful misconduct of Landlord.

Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefit acts.

Tenant's duty to defend, indemnify and hold Landlord harmless shall include, as to all claims, demands, losses and liability to which it applies, Landlord's reasonable attorneys' fees and court costs.

16. LIABILITY INSURANCE: Tenant at its sole cost and expense shall obtain and maintain in full force and effect during the Lease Term commercial general liability insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring in, on or about the Premises, the Shopping Center or the Land, in form and amounts satisfactory to Landlord, but in any case with a single combined liability limit of not less than \$1,000,000. All such insurance shall be written by companies satisfactory to Landlord, shall name Landlord as an insured party, and shall contain a provision requiring thirty (30) days' written notice to Landlord before cancellation or change in coverage, scope or amount of insurance. Prior to taking possession of the Premises, Tenant shall furnish Landlord with the certificate of such policy, and renewal certificates shall be furnished to Landlord prior to the expiration of any expiring policy. Such policy shall name Landlord as an insured, shall contain

110

cross-liability provisions, and shall specifically include the liability assumed under this Lease by Tenant (provided that the amount of such insurance shall not be construed to limit the liability of Tenant hereunder).

17. WAIVER OF SUBROGATION: Landlord and Tenant shall each procure an appropriate clause in, or an endorsement to, any policy of fire and special peril insurance covering the Premises, the Shopping Center and the Land and the personal property, fixtures and equipment located in or on the Premises, in which the insurance companies waive subrogation or consent to a waiver of right of recovery, and each party agrees that it shall not make any claim against or seek to recover from the other for any loss of or damage to its property resulting from fire or other hazards covered by such insurance, notwithstanding any other provisions of this Lease to the contrary; provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the terms and provisions of the waiver of subrogation clauses or endorsements consenting to a waiver of right of recovery, and shall be co-extensive therewith. If either party is unable to obtain such a clause or endorsement, it shall promptly notify the other party.
18. LIENS AND INSOLVENCY: Tenant shall keep its leasehold interest under this Lease, the Premises, the Shopping Center and the Land free from any liens arising out of any work performed, materials ordered or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless from any liability for losses or damages resulting directly or indirectly from any such liens or lien claims and from any work performed on or about the Premises by Tenant, its agents, employees, contractors or subcontractors. If any such lien or lien claim is filed against the Premises, the Shopping Center, the Land or Tenant's leasehold interest, Tenant shall cause the same to be discharged within thirty (30) days after the date of filing. If Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, or assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may terminate Tenant's rights of possession under this Lease at Landlord's option.
19. DAMAGE OR DESTRUCTION: In the event the Premises are destroyed or damaged by fire, earthquake, or other casualty to such an extent as to render the same untenantable in whole or in substantial part, Landlord may, at its option, proceed to repair the Premises. Landlord shall have not more than ninety (90) days after the date of such damage or destruction to notify Tenant in writing of Landlord's intention to repair. If Landlord elects to repair, it shall prosecute the work without unnecessary delay; and, during such period, the Base Rent 3.1 and the Additional Rent under Section 4.1 shall be abated in the same ratio that the portion of the Premises which is untenantable for the time being bears to all of the Premises. If Landlord shall fail to give the above-described notice, Tenant shall have the right to terminate this Lease by written notice to Landlord.

In the event the Shopping Center shall be damaged or destroyed by fire, earthquake or other casualty (even though the Premises shall not be damaged) to such an extent that, in the opinion of Landlord, it shall not be practicable to rebuild or repair, then it shall be optional with Landlord to terminate this Lease by written notice to Tenant within ninety (90) days after such destruction or damage.

20. CONDEMNATION: If all of the Premises, or such portions of the Shopping Center as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Tenant is required to vacate the Premises and all Rent shall be paid to that date. In case of a taking of a part of the Premises, or a portion of the Shopping Center not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, except as otherwise provided below, and where a portion of the Premises is taken, the Base Rent under Section 3.1 and Additional Rent under Section 4.1 shall be equitably reduced based on the proportion by which the Rentable Area of the Premises is reduced, such reduction to be effective as of the date possession of such portion is delivered to the condemning authority. If any part of the Shopping Center or Land is taken (whether or not the Premises are affected) and, in the opinion of Landlord, it is not economically feasible to continue this Lease in effect, Landlord may terminate this Lease effective as of the date of such taking and all Rent hereunder due shall be paid to that date. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any costs or loss which Tenant may incur for Tenant's moving expenses and for the interruption of or damage to Tenant's business, provided, that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Landlord.

21. DEFAULTS AND REMEDIES: Time is of the essence hereof, and in the event Tenant shall violate or breach or fail to keep or perform any covenant, agreement, term or condition of this Lease or the Rules and Regulations applicable to the Shopping Center and the Land, and if such default or violation shall continue or shall not be remedied within three (3) days (or, if no default in Rent is involved, within ten (10) days) after notice in writing thereof is given by Landlord to Tenant, specifying the matter claimed to be in default, Landlord at its option may immediately (or at any time thereafter) declare Tenant's rights under this Lease terminated, and reenter the Premises using such force as may be necessary, and repossess the Premises, and remove all persons and property from the Premises. Notwithstanding any such termination or reentry, the liability of Tenant for the full Rent provided for herein shall not be extinguished for the balance of the Lease Term, and Tenant shall make good to Landlord any deficiency arising from a reletting of the Premises at a lesser Rent, plus the costs and expenses of renovating, altering and reletting the Premises, including without limitation brokerage commissions, marketing costs, and Landlord's staff time. Tenant shall pay any such deficiency each month as the amount thereof is ascertained by Landlord. Landlord shall also have the option, exercisable at any time, to recover from Tenant an amount equal to the Rent and other sums payable under this Lease for the remainder of the Lease Term discounted at the rate of six percent (6%) per year to present worth.

Landlord shall be entitled to (i) charge Tenant \$25.00 per month for each month any payment of Rent is past due or (ii) charge Tenant interest on all past due payments at a

110

rate of one and one half percent 1.5% per month or eighteen percent (18%) per annum (the "Default Rate"), compounded monthly from the date the Rent is due until paid.

If Tenant fails to make any payment or perform any of its obligations under this Lease, Landlord may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations under this Lease, make such payment or perform such obligation of Tenant in such manner and to such extent as Landlord deems desirable.

All sums paid by Landlord as well as (i) all necessary costs and expenses incurred by Landlord in connection with the performance of any such obligation by Landlord referred to above and (ii) all attorneys' fees and costs incurred by Landlord in enforcing its rights hereunder (including fees and costs incurred in appellate and bankruptcy proceedings), together with interest at the Default Rate, compounded monthly, from the date Landlord makes such expenditure, shall be deemed Additional Rent hereunder and shall be payable to Landlord on demand.

22. DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant. Said notice shall specify wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant further agrees not to invoke any of its remedies under this Lease until said thirty (30) days has elapsed.
23. TENANT'S REMEDIES. In the event of a default by Landlord, Tenant's remedies shall be limited to an action for damages and/or an injunction (provided, that wherever Landlord is given discretion hereunder including without limitation the right to approve or consent to certain matters or to withhold approval or consent, and Tenant shall claim that Landlord has unreasonably acted or refused to act, Tenant's sole remedy shall be an action for injunctive relief without recovery of damages). If Tenant shall recover a judgment against Landlord, such judgment shall be satisfied only out of Landlord's interest in the Project. It is agreed that Landlord, its successors and assigns (or if Landlord is a partnership, its partners (whether general or limited), or if Landlord is a corporation, its officers, directors and shareholders) shall not be personally liable for any deficiency. The terms, covenants, conditions and obligations of this Lease to be performed or observed by Landlord are not binding upon the assets of Landlord except Landlord's interest in the Project.
24. SUBORDINATION: Without the necessity of any additional document being executed by Tenant, this Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which all or any portion of the Land or the Shopping Center or all or any part of Landlord's interest in the Land or the Shopping Center is specified as security, and to all renewals, modifications, extensions, substitutions, replacements and/or consolidations thereof. If requested by Landlord, Tenant shall promptly execute any document which

Landlord's lender considers necessary to effect such subordination. In the event that any such mortgage or deed of trust is foreclosed or conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to and become the tenant of the purchaser at such foreclosure sale or the grantee or transferee designated in any deed in lieu of foreclosure at the request of such purchaser, grantee or transferee.

25. ESTOPPELS: At the written request of Landlord, Tenant shall execute, acknowledge and deliver to Landlord or its designee a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), whether any party is in default or breach of this Lease or, with the giving of notice or lapse of time, or both, would be in default or breach of this Lease, and the dates to which the Rent and other charges have been paid in advance, if any. It is agreed that any such certificate may be relied on by a prospective purchaser or a mortgagee of all or any part of Landlord's interest in the Shopping Center or the Land. If Tenant shall fail to respond within ten (10) days after receipt of a written request by Landlord, Tenant shall be deemed to have admitted the accuracy of any information supplied by Landlord to such purchaser or mortgagee.

26. ASSIGNMENT AND SUBLETTING: Neither this Lease nor any right hereunder nor the Premises may be assigned, transferred, encumbered or sublet in whole or in part by Tenant, expressly or by operation of law or otherwise, without Landlord's prior written consent, which may be withheld at Landlord's sole discretion; provided, however, Landlord will not unreasonably withhold its consent (unless Landlord elects to terminate the Lease, as set forth below). If Tenant is a corporation, any merger, consolidation, liquidation, or change in the ownership of or the power to vote the majority of its outstanding voting stock, shall constitute an assignment whether as a result of a single transaction or a series of transactions. If Tenant is a general partnership, the death, withdrawal or expulsion of a partner or partners owning, or transfer of interests representing, in the aggregate more than twenty-five percent (25%) of partnership profits or capital shall constitute an assignment, whether as the result of a single transaction or a series of transactions. If Tenant is a limited partnership the death, withdrawal or expulsion of any general partner shall constitute an assignment. If Tenant consists of more than one person, any transfer from one individual to another individual shall constitute an assignment.

As a condition to Landlord's approval, any prospective assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant for the payment of Rent and the performance of all terms, conditions, covenants and agreements contained in this Lease; provided that any approved sublessee shall be liable for rent in the amount set forth in the sublease. Tenant shall provide Landlord with copies of all assignments, subleases and assumption documents. Any consent by Landlord to any assignment or subletting may be subject to such terms and conditions as Landlord shall determine and all such terms and conditions shall be binding upon any person holding by, under or through Tenant. If Landlord's consent to assignment or subleasing is requested, Landlord reserves the right to terminate this Lease or, if consent is requested for subleasing less than the entire Premises, to

JAB

terminate this Lease with respect to the portion for which consent is requested, at the proposed effective date of such assignment or subleasing.

27. ASSIGNMENT BY LANDLORD: Landlord shall have the right to transfer and assign, in whole or in part, all or any of its rights and obligations hereunder and in the Project. In such event and upon the transferee's assumption of Landlord's obligations hereunder, no liability or obligations shall thereafter accrue against Landlord.
28. QUIET ENJOYMENT: Landlord agrees that Tenant, upon full and prompt performance of all of its obligations under this Lease, including without limitation payment of all sums due hereunder as and when due, shall have quiet and peaceful possession of the Premises during the Lease Term without disturbance by Landlord or any party claiming under Landlord, subject to the other terms and provisions of this Lease.
29. ACCESS: Tenant will permit Landlord and its agents to enter into and upon the Premises at all reasonable times for the purposes of inspecting, cleaning, repairing, altering or improving the Premises, the Land or the Shopping Center. Nothing contained in this Section shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. When reasonably necessary, Landlord may temporarily close entrances, doors, corridors, elevators or other facilities without liability to Tenant by reason of such closure and without such action by Landlord being construed as an eviction of Tenant or as relieving Tenant from the duty of observing and performing any of the provisions of this Lease. Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective tenants within the period of 180 days prior to the expiration or sooner termination of the Lease Term. Landlord shall not be liable for the consequences of admitting by pass key or refusing to admit to the Premises any person claiming the right of admittance.
30. RELOCATION OF TENANT: At Landlord's written request, Tenant shall move from the Premises to any other premises and location in the Shopping Center. In the event of such move, the new location and premises shall be substituted for the Premises, but all other terms of this Lease shall remain the same, with the exception that the Base Rent provided for herein shall be abated during the period that Tenant is closed for business as a result of the move to the new location; provided, however, that Tenant shall not be moved to premises of substantially less square footage than the Premises, and that Landlord shall bear all actual cash expenses reasonably incurred by Tenant in so moving.
31. DEVELOPMENT OF THE LAND: In the event Landlord elects in its sole discretion to (i) redevelop the Land or any portion of the Land which includes the Premises or (ii) make major alterations to the Shopping Center, Landlord reserves the right to terminate this Lease upon one hundred eighty (180) days written notice to Tenant.
32. SURRENDER OF PREMISES: Upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises in good, neat, clean and sanitary condition, ordinary wear and tear excepted.

33. HOLDOVER: In the event Tenant lawfully holds over after the expiration of the Lease Term with the written consent of Landlord, such tenancy shall be a month-to-month lease terminable as provided by law. During such tenancy, Tenant agrees to pay Landlord all Rent and other charges as provided herein, and to be bound by all the terms, covenants and condition of this Lease, except any covenants granting Tenant a right of first refusal, an option to extend the term of the Lease, or an option or right to lease additional space.

If Tenant, without Landlord's written consent, remains in possession of the Premises after the expiration or termination of this Lease, Tenant shall pay the greater of:

- (a) Two hundred percent (200%) of the Rent which Tenant was obligated to pay for the month immediately preceding the month in which this Lease expires or terminates for each complete or partial month of any such holdover; or
- (b) The total rent which other tenants have agreed to pay for the Premises during the period of such holdover, if Landlord has leased all or part of the Premises to other tenants effective upon the expiration or termination of this Lease.

In the event of any unauthorized holding over, Tenant shall also indemnify and hold Landlord harmless from and against all liability, losses, claims, causes of action, damages, costs and expenses (including without limitation attorneys' fees) resulting from Tenant's failure to surrender the Premises, including without limitation claims made by succeeding tenants resulting from Tenant's failure to surrender the Premises.

34. HAZARDOUS SUBSTANCES: Tenant shall not cause Hazardous Substances to be brought upon, kept or used in or about the Premises, the Shopping Center, or the Land by Tenant, its agents, employees, contractors or invitees, unless such Hazardous Substances are necessary for Tenant's business (and such business is a Permitted Use) and will be used, kept, and stored in a manner that complies with this Lease and all laws, regulations and ordinances regulating any such Hazardous Substances, provided that Tenant first obtains the written consent of Landlord and provided further that Tenant indemnifies Landlord from and against any and all liability with respect to such Hazardous Substances as more particularly described below. If Tenant breaches the covenants and obligations set forth herein or, if the presence of Hazardous Substances on, in or about the Premises or any part of the Shopping Center or Land or any other property caused or permitted by Tenant, its agents, employees, contractors or invitees, results in contamination of the Premises or any part of the Shopping Center or Land or any other property or, if contamination of the Premises or any part of the Shopping Center or Land or any other property by Hazardous Substances otherwise occurs for which Tenant is legally liable to Landlord, then Tenant shall indemnify and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in the value of the Premises, the Shopping Center or Land, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or any part of the Shopping Center or the Land, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification by Tenant of Landlord includes without limitation

AB

any and all costs incurred in connection with any investigation of site conditions and any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence of such Hazardous Substances in, or about the Premises, the Shopping Center or Land or the soil or ground water on or under the Shopping Center or the surface of the Land. The provisions of this section shall survive the termination of this Lease.

35. MERCHANTS' ASSOCIATION: If Landlord shall determine that it is in the best interest of the Shopping Center to establish and form a Merchants' Association (the "Association") then Tenant shall, throughout the Lease Term and any extensions or renewals thereof, become a member of, participate fully in, and remain in good standing in such Association and shall comply with the bylaws, rules and regulations of such Association. The objectives of such Association shall be to encourage its members to deal fairly and courteously with their customers, to follow ethical business practices, to assist the business of the tenants by sales promotions and advertising, and in particular to help the interests of the members of the Association. Tenant agrees to contribute and pay to the Association a share of the total expenses of the Association as set forth in the bylaws, rules and regulations of the Association. Each member of the Association shall be entitled to one (1) vote in the operation of said Association. The Association shall present Landlord, in writing, any final decision made by the Association, and Landlord shall have the right to approve or veto the same, in Landlord's sole discretion. The terms hereof shall be deemed to be covenants for the benefit of and enforceable by the Association as and when formed. Landlord shall submit bylaws, rules and regulations to the Association. Any subsequent modifications shall be subject to Landlord's written approval. Nothing in the bylaws or regulations of said Association shall be in conflict with the provisions of this Lease. For the purposes hereof, the terms "member" or "members" shall mean all tenants, merchants, and occupiers of space in the Shopping Center from time to time who are required by Landlord to be participants in the Association. The Association shall not act or attempt to act as a collective body for the purpose of engaging in discussions or advice concerning management, leasing, or other administrative functions of the Shopping Center.
36. DISPLAYS: The Tenant may not display or sell merchandise or allow grocery carts or other similar devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install or use in about the Premises any exterior lighting, amplifiers or similar devices, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts, nor to make, or allow to be made, any excessive noise in or around the Premises. It is understood and agreed that no advertisement or sound of advertising shall be heard outside the Premises.
37. AUCTIONS AND SALES: Tenant shall not conduct or permit to be conducted any sale by auction upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding. No auction, fire, bankruptcy, "going out of business" or other distress sales of any nature may be conducted on the Premises without the prior

written consent of Landlord, which consent may be conditioned as Landlord deems appropriate.

38. SIGNS: Tenant shall not place upon or install on windows, wall, or exterior doors of the Premises or any part of the Premises visible from the exterior of the Premises any signs, symbols, canopies, awnings, window coverings or other advertising or decorative material without obtaining the prior written consent of Landlord. If Tenant violates any of the provisions of this Section, Landlord shall have the right to immediately remove the item installed by Tenant at Tenant's sole cost and expense and without liability.
39. NOTICES: Any notice, demand, request, consent, approval or other communication under this Lease shall be in writing and shall be personally delivered or sent by United States registered or certified mail, return receipt requested, addressed to Landlord and Tenant at the addresses provided in Section 1(n) or to such other place as either party may from time to time designate by notice to the other. All such notices and communications shall be effective on the earlier of the date of actual receipt or, if mailed, three (3) business days after deposit in the mail in accordance with this section.
40. KEYS: Tenant agrees to use no other keys for the Premises other than keys tendered by Landlord to Tenant. Tenant shall not change any lock to the Premises or install or have installed any new lock to the Premises without the prior written consent of Landlord. Notwithstanding the foregoing, within five (5) days of changing or installing any lock(s) to the Premises, Tenant shall deliver to Landlord two (2) copies of keys to such new lock(s).
41. LIGHT, AIR AND VIEW. Landlord does not guarantee the continued present status of light, air or view over any property adjoining or in the vicinity of the Shopping Center.
42. ARBITRATION: Any controversy which shall arise between Landlord and Tenant regarding the interpretation or application of this Lease, or the rights, duties, or liabilities hereunder of either party, and which is required by this Lease, or desired by Landlord to be settled by arbitration, shall be settled by binding arbitration pursuant to this Section; provided, however, that Landlord may pursue any action for unlawful detainer of the Premises or for collection of Tenant's payment obligations through a judicial proceeding in King County, Washington, Superior Court. During the pendency of any arbitration proceeding, Landlord and Tenant shall continue to perform and be bound by its respective obligations under the Lease.
43. MISCELLANEOUS PROVISIONS:
- 43.1 RECORDING. Unless both parties consent in writing, neither this Lease nor a memorandum of this Lease may be recorded.
- 43.2 NONWAIVER: No delay or omission in the exercise of any right or remedy of either party on any default by the other party shall impair such right or remedy or be construed as a waiver of any default. No acceptance of Rent or of any other payment by Landlord from Tenant after any default by Tenant shall constitute a waiver of any such default or

14B

any other default. Consent by Landlord in any one instance shall not dispense with the necessity of obtaining Landlord's written consent in all other instances.

- 43.3 ATTORNEYS' FEES: In the event suit or action is instituted or arbitration sought to enforce any of the terms of this Lease, including any and all bankruptcy claims, actions and proceedings deemed necessary or desirable to enforce any of the terms of this Lease or otherwise protect the interest of either party, the prevailing party shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees and expenses, including fees or expenses that may be incurred in any appellate proceeding. In the event neither party wholly prevails, the party which substantially prevails shall be awarded a reasonable sum as attorneys' fees and litigation expenses.
- 43.4 CAPTIONS: The captions in this Lease are for convenience only and are not to be considered in the interpretation of Lease terms.
- 43.5 GOVERNING LAW: This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Washington.
- 43.6 ENTIRE AGREEMENT AND MODIFICATIONS: This Lease contains all agreements between Landlord and Tenant. No prior agreements or understandings pertaining to the same shall be valid or of any force or effect. This Lease may not be modified except in writing signed by both parties.
- 43.7 JOINT AND SEVERAL OBLIGATIONS: "Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.
- 43.8 BROKER'S COMMISSIONS: Each party represents to the other that it has not had dealings with any real estate broker, finder, or other person who would be entitled to any commission or fee in connection with the negotiation, execution or delivery of this Lease except the Broker named in Section 1(s). If any other claims for brokerage commissions, finder's fees, or like payments arise out of or in connection with this transaction, such claims shall be defended and if sustained paid by the party whose alleged actions or commitment form the basis of such claims.
- 43.9 NAME: Tenant shall not use the name of the Landlord for any purpose and shall not use the name of the Shopping Center for any purpose other than as an address of the business to be conducted by the Tenant on the Premises. Landlord shall have the right at any time to change the name, number or designation by which the Shopping Center or the Premises is known without any liability to Tenant. Tenant shall not use any fictitious name to which Landlord reasonably objects.
- 43.10 SUCCESSOR AND ASSIGNS: All of the terms, conditions, covenants and agreements of this Lease are binding upon and, subject to the provisions of Sections 26 and 27 of this Lease, shall inure to the benefit of Landlord, Tenant, and their respective heirs, administrators, executors, successors and assigns.

- 43.11 TIME: Time is of the essence of this Lease.
- 43.12 SEVERABILITY: The unenforceability, invalidity or illegality of any provision of this Lease shall not render any other provision unenforceable, invalid or illegal.
- 43.13 INTERPRETATION: This Lease has been submitted to the scrutiny of all parties and their counsel, if desired, and shall be given a fair and reasonable interpretation, without consideration or weight being given to its having been drafted by any party or such party's counsel.
- 43.14 REMEDIES CUMULATIVE: The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies available to Landlord at law, in equity, or otherwise.

INDEX

ACCESS	18
ADDITIONAL RENT	7
ARBITRATION	21
ASSIGNMENT AND SUBLETTING	17
ASSIGNMENT BY LANDLORD	18
ATTORNEYS' FEES	22
AUCTIONS AND SALES	20
BASE RENT	4
BASE RENT ADJUSTMENT	4
BOOKS AND RECORDS; INSPECTION BY LANDLORD	5
BROKER'S COMMISSIONS	22
CAPTIONS	22
CARE OF THE PREMISES; TRADE FIXTURES	8
COMMON AREA MAINTENANCE	12
COMMON AREA SURCHARGE	12
COMMON AREAS	11
COMPLIANCE WITH RULES AND REGULATIONS	9
CONDEMNATION	15
COVENANT OF CONTINUOUS OPERATION	10
DAMAGE OR DESTRUCTION	14
DEFAULT BY LANDLORD	16
DEFAULTS AND REMEDIES	15
DEVELOPMENT OF THE LAND	18
DISPLAYS	20
ENTIRE AGREEMENT AND MODIFICATIONS	22
ESTOPPELS	17
FAILURE OR INTERRUPTION OF SERVICES	11
GOVERNING LAW	22
HAZARDOUS SUBSTANCES	19
HOLDOVER	19
INDEMNIFICATION	13
INTERPRETATION	23
JOINT AND SEVERAL OBLIGATIONS	22
KEYS	21
LANDLORD'S BOOKS AND RECORDS	7
LIABILITY INSURANCE	13
LICENSE	11
LIENS AND INSOLVENCY	14
LIGHT, AIR AND VIEW	21
MAINTENANCE AND REPAIR OF PREMISES	9
MERCHANTS' ASSOCIATION	20
MINIMUM GROSS SALES	6
NAME	22
NO PARTNERSHIP	6
NONWAIVER	21

APPENDIX
TO STANDARD SECTIONS TO
MIDTOWN SHOPPING CENTER LEASE

DEFINITIONS

1. Adjustment Date. The Adjustment Date is the anniversary date of the Commencement Date of the Lease on which the Base Rent shall be increased by the percentage increase, if any, of the Consumer Price Index.
2. Base Rent. Base Rent is the sum set forth in Section 1(h).
3. Broker. The Broker is the entity designated in Section 1(s).
4. Commencement Date. The Commencement Date is as identified in Section 1(f).
5. Consumer Price Index ("C.P.I"). The Consumer Price Index for the Everett-Seattle Area, All Urban Consumers--All Items, published by the United States Department of Labor, Bureau of Labor Statistics (Base Year 1982-84 = 100).
6. Expenses. Expenses shall mean the total costs and expenses paid or incurred by Landlord in connection with the management, operation, maintenance and repair of the Shopping Center or the Land and property used in connection therewith, including, without limitation (a) the cost of air conditioning, electricity, heating, mechanical, ventilating, water and sewer, waste disposal, and elevator systems and all other utilities, and the cost of materials, supplies and equipment, and maintenance and service contracts in connection therewith, (b) the cost of painting, repairs, maintenance, cleaning, landscaping, lighting, signage, renovation, and surveillance and security patrols and systems (c) the cost of fire, extended coverage, sprinkler, public liability, property damage and other insurance, (d) wages, salaries and other labor costs, including taxes, insurance, retirement, medical and other employee benefits, (e) fees, charges and other costs, including management fees, consulting fees, legal fees and accounting fees, of all independent contractors engaged by Landlord or reasonably charged by Landlord if Landlord performs management services in connection with the Shopping Center, (f) Real Property Taxes, personal property taxes, assessments, and other charges levied upon or with respect to the Land, the Shopping Center, or Landlord's interest in same (g) the cost of any license, permits or inspection fees, (h) reasonable reserves to cover costs of long-term programmed maintenance including without limitation HVAC and elevator system maintenance, (i) depreciation on personal property and (j) any other costs and expenses of any other kind whatsoever reasonably incurred in managing, operating, maintaining and repairing the Project, but excluding: costs of any special services rendered to individual tenants (including Tenant) for which a special charge is made; other costs billed to and paid by individual tenants (including Tenant); costs paid by proceeds of insurance; and costs required to be capitalized in accordance with accepted accounting and management practices except that Expenses shall include the cost of any capital improvements made after completion of construction of the Shopping Center as a labor-saving device or to effect other economies in the operation or maintenance of the

Shopping Center, or made after the date of this Lease that are required under any governmental law or regulation that was not applicable to the Shopping Center at the time that permits for the construction thereof were obtained, such cost to be amortized over such reasonable period as Landlord shall determine, together with interest on the unamortized balance at the rate of ten percent (10%) per annum or such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing such capital improvements.

7. Expense Year. Expense Year shall mean each twelve (12) consecutive month period commencing January 1 of each year, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period and, in the event of any such change, Tenant's Share of Expenses shall be equitably adjusted for the Expense Years involved in any such change.
8. Guarantor. The Guarantor is the entity designated in Section 1(u).
9. Hazardous Substances. Hazardous Substances means any hazardous, toxic, dangerous or harmful substances, materials, wastes, pollutants or contaminants, including, but not limited to those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state or federal law (and any and all amendments thereto) including without limitation (i) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; (ii) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq.; (iii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; (iv) the Federal Water Pollution Control Act, 33 U.S.C. § 1257 et seq.; (v) the Clean Air Act, 42 U.S.C. § 7401 et seq.; (vi) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; (vii) the Federal Insecticide, Fungicide, Rodenticide Act, 7 U.S.C. § 136 et seq.; and (viii) the Washington Hazardous Substance and Model Toxics Control Acts, Chapters 70.105 and 70.105C RCW. The term specifically includes petroleum, asbestos, polychlorinated biphenyls, and any other substance or matter defined as a toxic or hazardous substance or material or pollutant or contaminant under any other federal, state or local laws, ordinances or regulations or under any reported decision of a state or federal court, or any substance or matter imposing liability for cleanup costs or expenses on any person or entity under any statutory or common law theory. The term shall also be interpreted to include but not be limited to any substance which after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer and/or genetic abnormalities, and oil and petroleum based derivatives.
10. Lease Term. The Lease Term is as identified in Section 1(e).
11. Normal Business Hours. Normal Business Hours is as defined in Section 1(n).

12. Percentage Rent. Percentage Rent is the amount by which Tenant's Gross Sales resulting from business conducted in, on, from or through the Premises during each full or partial calendar month of the Lease Term multiplied by the Percentage Rent Rate specified in Section 1(i), hereof exceeds the Base Rent payable for that full or partial month.
13. Percentage Rent Rate. Tenant's Percentage Rent Rate is the percentage set forth in Section 1(i).
14. Premises. The Premises consist of the area in the Shopping Center, which is cross-hatched on the site plan attached hereto as Exhibit "A".
15. Project. The Shopping Center, together with the Land shall hereafter collectively sometimes be referred to as the Project.
16. Real Property Taxes. Real Property Taxes shall mean that portion of all real and personal property taxes, assessments and charges levied upon or with respect to the Shopping Center or the Land or Landlord's interest therein. Real Property Taxes shall include, without limitation, taxes on tenant improvements which are paid for by Landlord and not reimbursed by tenants and taxes on property of tenants which have not been paid by such tenants directly to the taxing authority; all general real property taxes and general and special assessments, charges, fees or assessments for transit, housing, police, fire or other governmental services or purported benefits to the Shopping Center or the Land, and service payments in lieu of taxes, and shall also include any other tax, fee or excise, however described that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Real Property Taxes. Real Property Taxes shall not include any local, state or federal income, franchise or transfer taxes of Landlord, unless, due to a change in the method of taxation, any such tax is levied or assessed against Landlord as a substitute for in whole or in part, any other tax that would otherwise constitute a Real Property Tax. If at any time during the Lease Term, any governmental authority levies or assesses against Landlord any tax, fee, or excise on (a) rents payable under any lease of space or accruing from the use of space in the Project (b) the business of renting space in the Project (c) the act of entering into this Lease or any other lease of space in the Project (d) the use or occupancy by tenants of any space in the Project, such tax, fee or excise shall constitute a Real Property Tax. Real Property Taxes shall also include reasonable legal fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Real Property Taxes.
17. Rent. Base Rent stated in Section 1(h) hereof, Percentage Rent as provided in Section 3.3, and Additional Rent as provided in Section 4.1 and any other additional payments due under the Lease are collectively referred to in the lease as Rent.
18. Rentable Area of the Premises. The net Rentable Area of the Premises is as identified in Section 1(c).
19. Rentable Area of Shopping Center. The Rentable Area of the Shopping Center is as identified in Section 1(d).

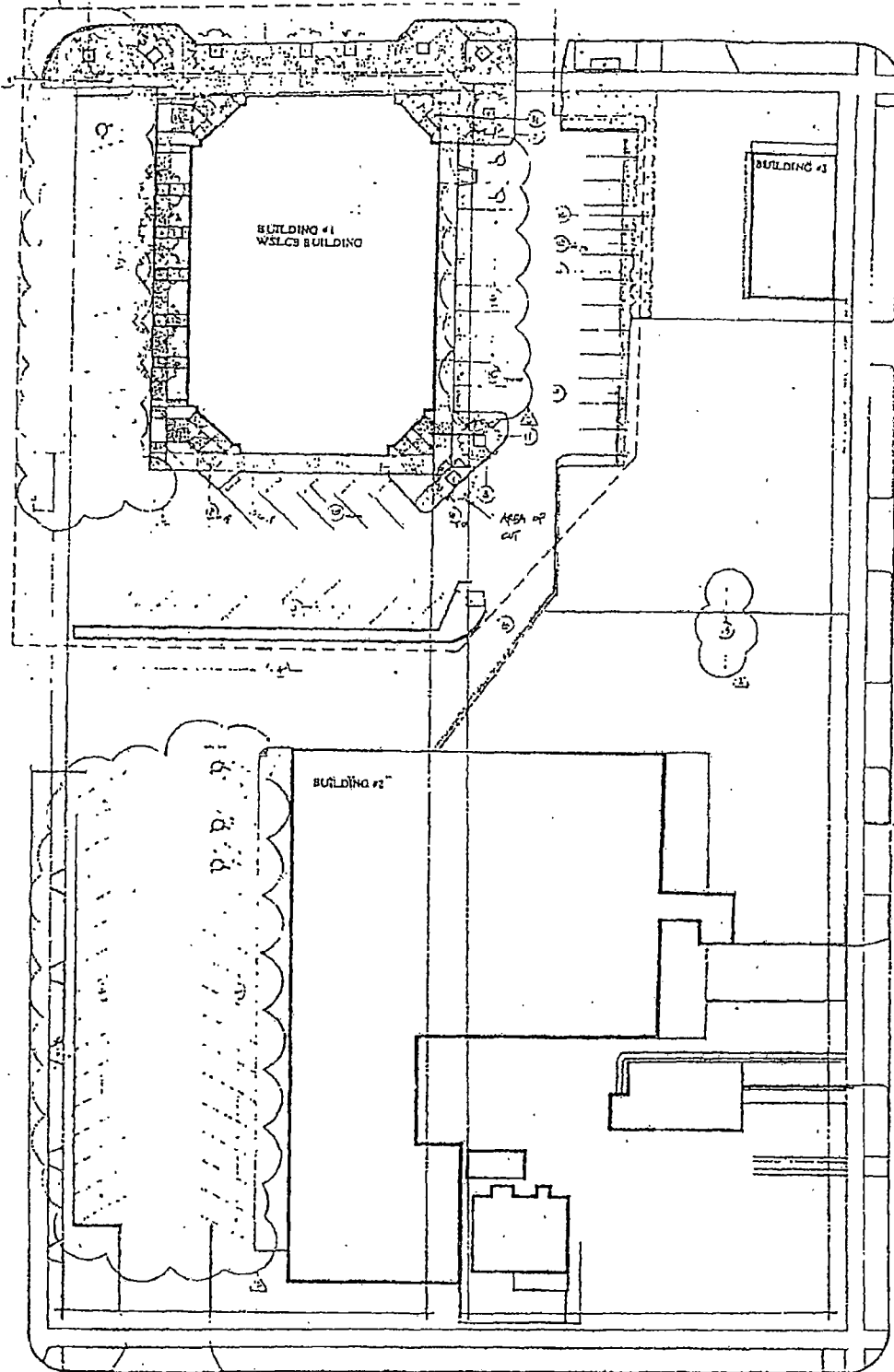
20. Security Deposit. The Tenant's Security Deposit is the sum set forth, if any, in Section 1(l).
21. Shopping Center. The Shopping Center identified in Section 1(a).
22. Tenant's Gross Sales. Tenant's Gross Sales means the entire amount of the actual sales price, whether for cash or otherwise, of all sales and merchandise and services and all other receipts of any kind from all businesses conducted in, on, from or through the Premises by Tenant, all subtenants, licensees or concessionaires or any other person, including but not limited to mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers or customers, sales to employees, sales of gifts or merchandise certificates, sales through vending machines or other devices, orders taken on the Premises even though filled elsewhere, and any sums received from pay telephones, stamp machines, amusement machines, vending machines and any other machines or devices, but excluding those items specifically set forth in Section 3.3 of the Lease.
23. Termination Date. The Termination Date is the date set forth in Section 1(g).

EXHIBIT "A"

MIDTOWN CENTER
SITE PLAN OF PREMISES

The depiction of the Shopping Center on this Exhibit A does not constitute a representation, covenant or warranty of any kind by Landlord, and Landlord reserves the right from time-to-time to change the size and dimensions the Shopping Center; locate, relocate, alter and/or modify the number and location of buildings, building dimensions, the number of floors in any of the buildings, parking areas, store dimensions, identity and type of other stores and tenancies and the common areas located from time-to time in or on the Shopping Center or the Land.

23RD AVENUE



SITE PLAN

HB

EXHIBIT "B"

MIDTOWN CENTER
RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants.

The following rules and regulations are now in effect:

1. Tenant shall not place any new or additional locks on any doors of the Premises or re-key any existing locks or change any plumbing or wiring without the prior written consent of Landlord.
2. Landlord reserves the right to exclude or expel from the Common Areas any person who, in the judgment of Landlord, is intoxicated, under the influence of drugs or who shall in any manner violate any of the rules and regulations.
3. Tenant shall not do or permit to be done within the Premises anything, including the generation of any loud noise, which would unreasonably annoy or interfere with the rights of other tenants in the Shopping Center.
4. Tenant shall not permit its employees or invitees to obstruct any of the parking, truck maneuvering or other Common Areas, or to place, empty or throw away any rubbish, litter, trash or material of any kind upon any Common Area. Tenant, its employees or invitees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Shopping Center.
5. No storage of materials, equipment or property of any kind is permitted outside the Premises or the Shopping Center. Any such property may be removed by Landlord at Tenant's risk and expense.
6. No tenant may install any radio or television antenna which is connected to the Shopping Center without the prior written consent of Landlord.
7. Tenant shall not at any time display a "For Rent" sign upon the Premises.
8. Tenant shall be responsible for keeping a copy of the Lease and Landlord's current rules and regulations at the Premises.

AB

9. Tenant shall keep Landlord advised of the current telephone numbers of Tenant's employees who may be contacted in emergency, i.e., fire, break-in, vandalism, etc. If Landlord shall deem it necessary to respond to such emergency in Tenant's behalf, Tenant shall pay all costs incurred for services ordered by Landlord to secure or otherwise protect the Premises and the contents thereof, including a premium charge for any time spent by Landlord's employees in responding to such emergency.
10. When closing the Premises at the end of the business day, Tenant shall close all windows and shall lock windows adjacent to fire escapes or which are otherwise accessible from the street level. Tenant shall also extinguish all lights and electrical appliances when leaving the Premises for the day.
11. No article, the weight or nature of which may, in Landlord's reasonable determination, constitute a hazard to person or property, shall be permitted in the Shopping Center and Landlord shall have the right to require Tenant to remove or relocate articles which, individually or in the aggregate, may endanger person or property.
12. Tenant shall not use or permit any part of its Premises to be used for lodging or sleeping.
13. Tenant shall not place upon or install on windows, walls or exterior doors of the Premises or any part of the Premises visible from the exterior of the Premises any object including without limitation signs, symbols, canopies, awnings, window coverings or other advertising or decorative material, without obtaining the prior written consent of Landlord. The only window treatment permitted for the windows of the Premises is that installed by and approved by Landlord.
14. Tenant shall keep the Premises clean and orderly. Refuse shall be placed in containers in such a manner and at such times and places as Landlord may direct.
15. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name or street address of the Shopping Center.
16. No animals or birds shall be brought into or kept in or upon the Premises.
17. Any cost and all damage to floors, walls or ceilings due to failure by Tenant or Tenant's employees to shut off running water or liquid, or any utility, shall be paid by Tenant.

EXHIBIT "C"
DESCRIPTION OF LANDLORD'S
AND
TENANT'S WORK

Landlord shall not be responsible for any work required.

JB

Exhibit C

South Seattle Emerald



COMMUNITY, FEATURE

Like A Phoenix: The Death and Revival of Camp Dearborn

See page 2

APRIL 5, 2016 | EDITOR | LEAVE A COMMENT

by *Marilee Jolin*

The sun shines down in warm, inviting patches as gusts of wind sweep through, rippling the sea of blue plastic tarps, and bringing with it a bone-deep chill. Rolling clouds cast shadows and shapes on dozens of domed nylon structures, and bits of green peek out here and there, traces of the previously empty grass lot now covered in dozens of temporary homes. On this temperamental but hopeful early spring day, I am at the newly established Camp Dearborn, a name adopted by the former residents of Nickelsville after their eviction from that location on March 11.

I ventured out early this week to meet and talk with the residents of this fledgling houseless community, at the invitation of Polly Trout, director of Patacara Community Services (<http://patacara.org/>), which is offering supportive services to the self-governing camp.

Much has been written about the sweep (<https://southseattleemerald.com/2016/03/11/a-homeless-community-scatters-as-camp-dearborn-swept/>) and preceding internal struggles (<https://www.thestranger.com/blogs/slog/2016/02/15/23562678/nickelsville-residents-oust-leader-face-eviction>) that led to a vote of no-confidence in Scott Morrow, the liaison between Low Income Housing Institute, The Lutheran Church of the Good Shepherd and the camp residents. Not as much has been written about the courageous and community-powered response of the group of people who stuck together after the eviction and, under new forms of self-governance, are rebuilding a new kind of encampment.

It wasn't hard to spot the camp as I crept up 24th Avenue: large signs on the corner greet you first, brightly colored blue tarps peak out around the trees, and everywhere you look, you see a tent. The word crammed doesn't quite do it justice. Cozied might be more like it. Tents sit back to back or side to side to maximize space, pathways are defined as the narrow aisles where tents are not. There is privacy, yes, but there's more closeness. Resident Jeffery Martin Johnson told me they were "stuffed together like sardines in a can." And while I get his drift with space issues, the sardine image conveys something quite a bit squishier and smellier than what I experienced at Camp Dearborn.

The Umoja Peace Center is temporarily hosting the Camp Dearborn site, at the invitation of Omari Tahir-Garrett, Umoja's founder and "caretaker" (his words). Umoja is one of a number of organizations supporting Camp Dearborn's creation. Trout notes that, in addition to Patacara Community Services, key support comes from SAFE (<http://safeinseattle.org/>), SeaSol (<http://seasol.net/>), Rising Tide (<http://risingtideseattle.org/>) and Food Not Bombs (http://foodnotbombs.net/new_site/). She also noted that Operation Sack Lunch (<http://www.oslserves.org/>) will begin delivering lunch five days a week in the near future.

I am greeted by Gabriella Duncan, Seattle homeless advocate and advisor to Camp Dearborn, – who gives me a tour. Grasping my shoulders, she turns me to face north, then west, then south, then east. "There!" she proclaims with a glimmer in her eye. "You've seen it all!" It's a good joke that gets more than one laugh. Indeed, the entirety of the camp can be seen by turning in a circle. But in order to see deeper than structures, I have to talk to the residents – the very thing I'm anxious to do.

As I settle down in a white plastic lawn chair to chat with siblings Troy and Robin Morgan, a few folks have made coffee and are walking the French Press from open tent flap to open tent flap, offering a steaming cup. Robin and Troy sit across from me and begin to share about their experience at Nickelsville, their frustration with a lack of attention from elected officials, and their hopes for the future.

They both mention unfair media coverage portraying camp residents in a bad light, branding them all as armed drug dealers. They insist that these stereotypes are untrue, and a simple trip to the camp would confirm this. "You can walk around this camp," Robin insists. "You don't see

needles lying around. We're not all toting machetes and going off!" I agree. This camp is clean, calm and quiet.

Troy speaks with passion about the potential Camp Dearborn has to change the way homelessness is dealt with in Seattle. "There's better ways of handling the homeless in this town," he notes. "There's better ways of treating them." He is interrupted mid-thought by a neighbor passing by, offering cartons of Smith Brother's milk to everyone. Troy accepts one for himself, and another for Robin, and waves at the milkman. "Thank you, thank you. See!" he exclaims, pointing to the neighbor walking up the lawn. "That's what I mean. Helping your fellow neighbors out. He got a donation for himself and he spreads it around." Troy shakes his head appreciatively and his smile grows. "That's what our whole goal is [at this camp]. It's not to say, 'yeah we have a camp [but] you're not allowed here.' No. Every homeless person on the street is allowed to come here and get aid from us."

Levi Brown, a live-in ally of Camp Dearborn, agrees. He says shared resources are key and notes that the residents themselves are a significant resource, offering different skills, life experiences, knowledge and abilities. When such resources are shared, it's a good thing. "It's like having a neighbor in the '50s," he says. "'You want some sugar?' 'Sure, you can have some sugar!'" He laughs heartily. "So, we're doing a good job of sharing sugar."

Of course it's a bit more complicated at Camp Dearborn than a cup of sugar for Mrs. Cleaver in 1957. Celia Carey, camp resident, anthropologist and veteran, calls Camp Dearborn a "work in progress," noting that they are currently "just trying to establish what everybody brings to the table." They've only been on the Umoja site for two weeks and still have much to figure out. But they also have a lot to offer – a sentiment expressed in one way or another from everyone I spoke to. Levi Brown notes a number of abilities and talents present at camp: "There's a whole lot of assets in here. In this community we have a whole lot of diversity."

It is never easy to build a new community in a shared living situation. When you add the pressures of poverty and homelessness as well as complicating personal factors that often accompany homelessness the challenge of coming together in self-governance is no small task. But the camp residents seem up to the effort as do their advisors, allies and supporters.

Polly Trout certainly believes the camp residents are up to the challenge. She has faith in their abilities, noting that too often our homeless policy infantilizes people, "treating them like children because they are poor." She is confident that these adults are capable of true self-governance and she is impassioned by the opportunity to help them create a sustainable model for this and future program sites.

Camp Dearborn is certainly still a work in progress – as is Trout's plan. When first posted on the Patacara website, Polly called it a "rough draft" and stated: "Everyone is invited to give feedback before I create a final draft!" A more solidified version (<http://patacara.org/a-camp-with-heart-pilot-program-proposal-for-compassionate-encampments/>) is up now and it's a compelling rough draft: a blue-print for four sites each with a different approach designed to fit the varied needs and desires of the varied populations experiencing homelessness in Seattle.

The one thing Trout calls most important, however, is dignity and respect. “We need to respect people,” she says, “and treat them with dignity and compassion, and give them supportive services so they can get back in charge of their own life and make their own decisions about things.” Her priorities for such services are getting every camper signed up for Coordinated Entry (<http://allhomekc.org/coordinated-entry-for-all/>) housing lists, health insurance, ORCA Lift cards and IDs, as well as assistance in returning to school or applying for jobs.

An essential part of this dignity that I heard repeatedly at Camp Dearborn is the need to change people’s perception of what a “homeless camp” is. It is important to the residents at Camp Dearborn that they be seen as they truly are: people who have fallen on hard times and are trying their best to find a way out though the mutual support and relative safety of other folks in a similar position.

Cecilia Carey might even say they’re doing better than just “getting by” or looking out for themselves. She suggested that, “in a twisted way,” the sweep of the old Nickelsville was almost a positive thing as it allowed the campers’ true colors to shine through in their care for one another. She says it was “an example of people in crisis coming together and just doing what they could. People got sick ‘cause they were standing out in the cold rain waiting to make sure other people didn’t get stuck out in the cold rain. It was a sh*tty experience, but that’s how you see what people are made of. And everyone stepped up.”

As they continue to step up, Camp Dearborn has lots of needs. Their primary need is a permanent site. The lot at Umoja Peace Center is only temporary and they are looking for a privately owned vacant lot to be leased to a nonprofit.

A GoFundMe campaign (<https://www.generosity.com/community-fundraising/camps-with-heart/x/8167772>) has recently been set up to help cover costs for basic needs such as portable toilets, food and camping basics.

Hot meals are greatly appreciated, and a meal train (<https://www.mealtrain.com/trains/q7gkw5>) has been set up to help people sign up.

As I leave Camp Dearborn, I am filled with hope, which is not to say I expect a smooth and easy path. As with any gathered group of people, conflict and difficulty will undoubtedly emerge. With the added pressures of poverty, health issues, addiction, and mental illness experienced by many of the camp residents, Camp Dearborn’s path is likely to present challenge after challenge.


And yet, in every camp resident I saw and spoke to, I felt optimism and energy. There is something powerful about a new beginning – about people joining together to make something new and better – and I felt that energy all over the beautiful camp. There is so much opportunity for this group of people to truly create a home for each other. As Trout put it, “even if they’re houseless they still feel like they have a home, they feel like they have a community where they’re known and seen and valued, where they have people to laugh with, people to sing with.”

Marilee Jolin is a regular contributor to the Emerald and lives in Beacon Hill with her husband and two daughters.

Featured Image courtesy of Alex Garland


About these ads (<https://wordpress.com/about-these-ads/>)

Find high school yearbooks



I graduated in:

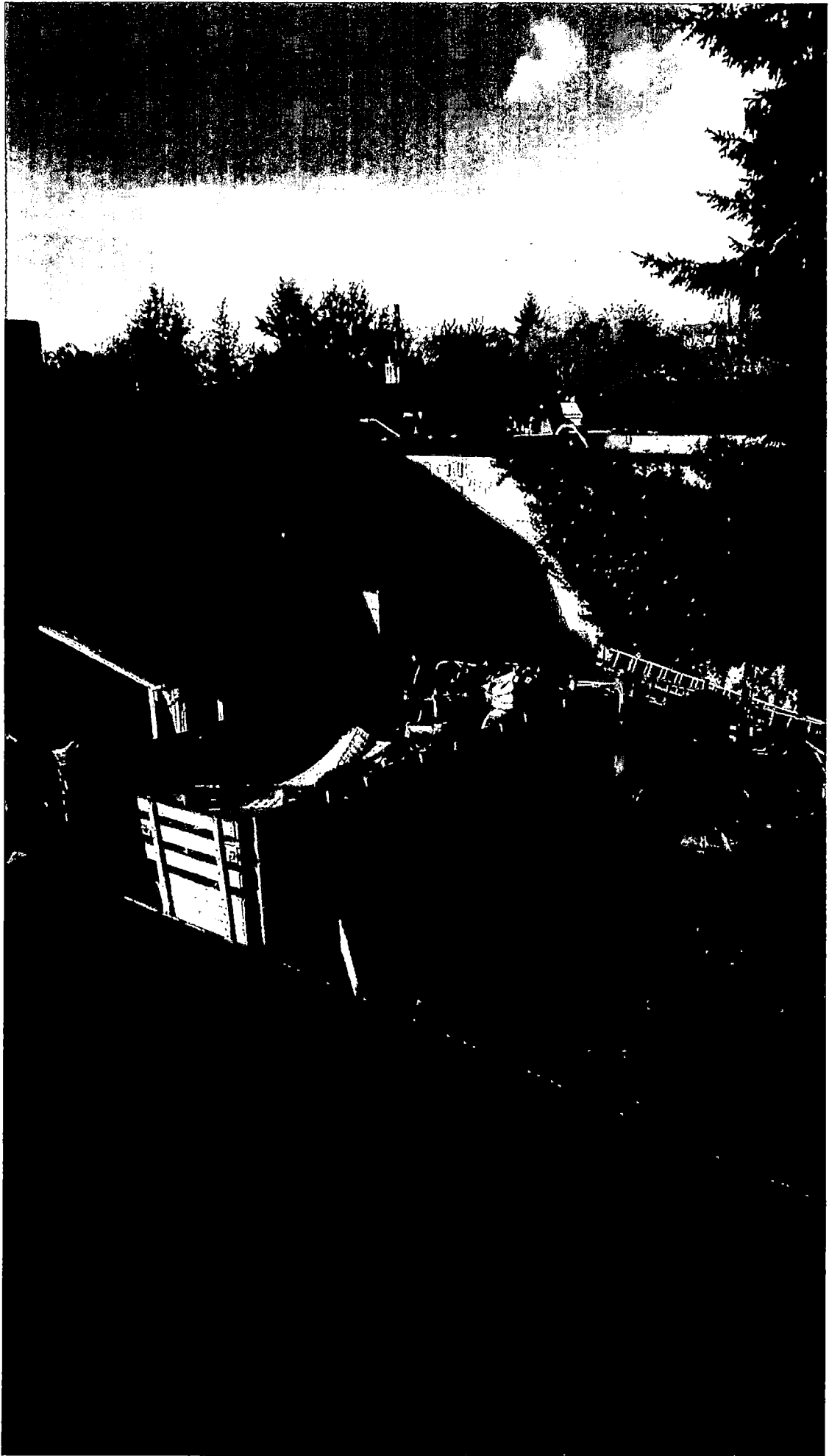
1998	<input type="checkbox"/>
1988	<input type="checkbox"/>
1978	<input checked="" type="checkbox"/>



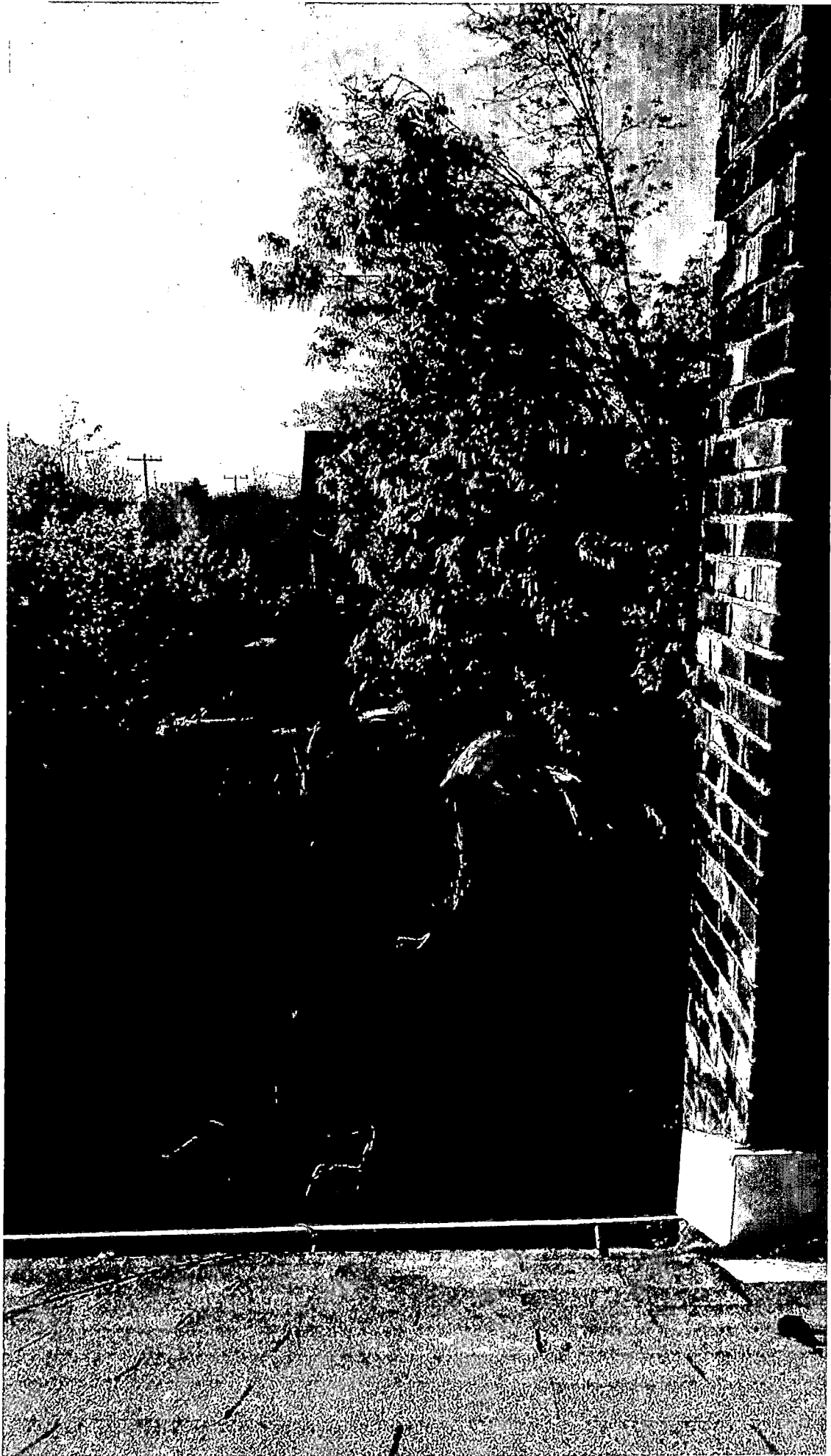
[◀ CAMP DEARBORN](#) [◀ FEATURED](#) [◀ LOW INCOME HOUSING INSTITUTE](#) [◀ PATACARA COMMUNITY SERVICES](#) [◀ SHARE](#)

Exhibit D









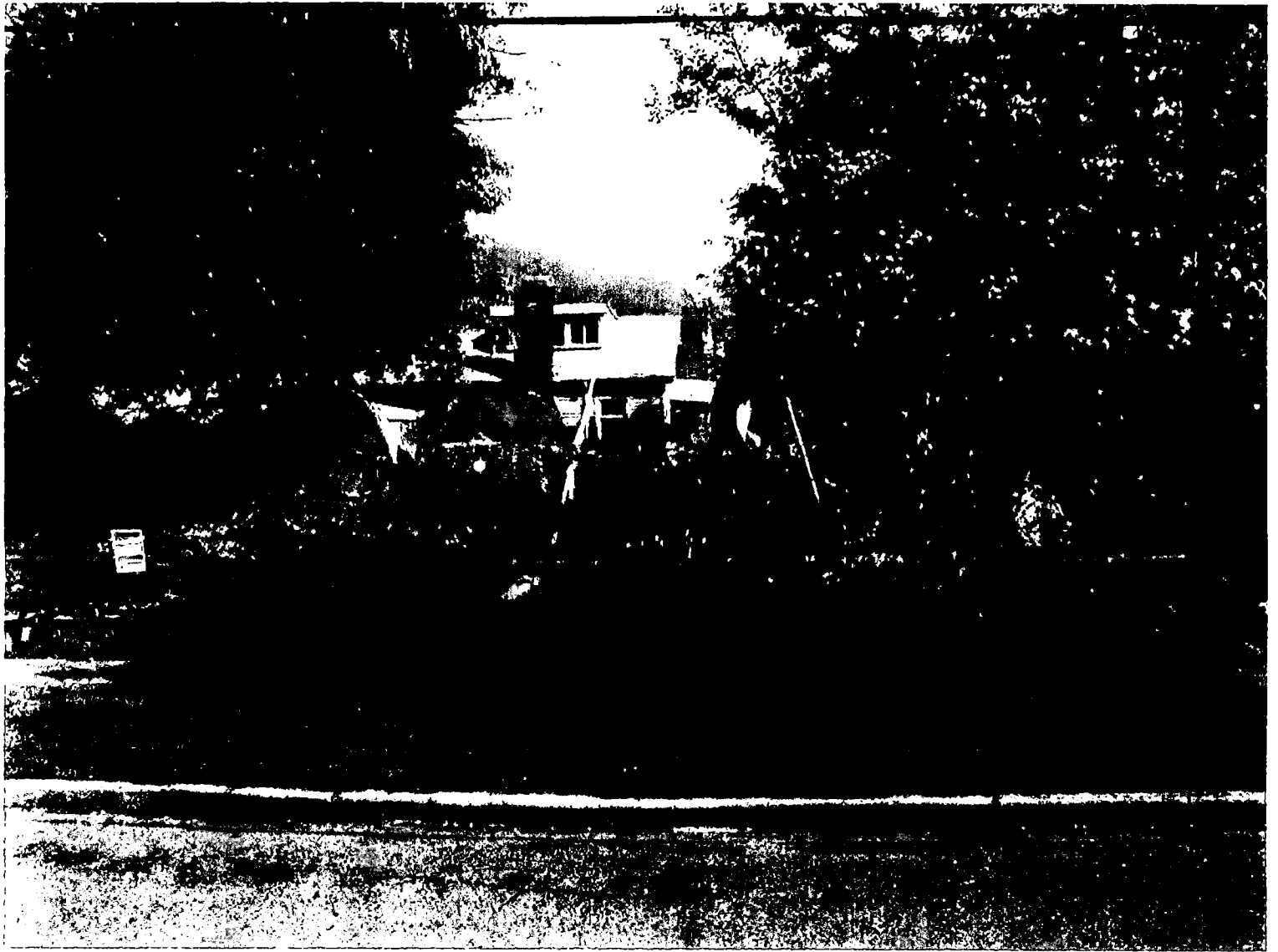




Exhibit E



City of Seattle

Department of Construction and Inspections
Code Compliance Division

**LAND USE NOTICE OF VIOLATION
CASE NO. 1037046**

March 29, 2016

Property Owner: MIDTOWN LIMITED PARTNERSHIP
Property known as **2314 EAST SPRING STREET**
APN: 7217400809
Lots 13 & 14, Block 6, J.H. Rengstorff's Addition to the City of Seattle, as
recorded in Volume 2 of Plats, Page 101, Records of King County,
Washington.

Midtown Limited Partnership
Reg Agent Margaret E Delaney
520 N 100th St
Seattle WA 98133-9302

Midtown Limited Partnership
Reg Agent Margaret E Delaney
PO Box 75234
Seattle WA 98175-0234

Omari Tahir-Garrett
2314 E Spring St
Seattle WA 98122

We received a complaint about this property. Housing and Zoning Inspector
STEPHEN RUDOLPH, 206-386-9735 or stephen.rudolph@seattle.gov, investigated and found
a violation or violations of the Seattle Land Use Code, Chapter 23 of the Seattle Municipal Code
23.40.002, 23.42.010, 23.42.056, 23.47A.004, 23.84A.038, and 23.90.002.

THE VIOLATION(S) MUST BE CORRECTED BY APRIL 29, 2016.

The specific violation(s) and correction(s) are as follows:

Discontinue the maintenance of a transitional encampment at the site or obtain a permit
authorizing the use. A transitional encampment is not a legally established use of the property.

For information about the application process for a Master Use Permit, including requirements
for authorized applicants to submit an application, code requirements, permit fees, and
inspection requirements including final approval inspection, contact the Applicant Services
Center of the Department of Construction and Inspections, 700 5th Ave., Suite 2000 (20th Floor
of Seattle Municipal Tower), at (206) 684-8850.

PENALTIES/FINES

You may be subject to a civil penalty (fine) for a continued violation.

- For the first ten days of noncompliance, the penalty is up to \$150 per day beginning the day after the deadline above.
- The penalty increases to up to \$500 per day for each violation after the first ten days.
- Penalties continue to add up until the date the corrections are completed and the Housing and Zoning Inspector has inspected and confirmed that the property is in compliance.
- Certain violations are subject to additional penalties.

If you do not correct the violations by the deadline listed above, the City may file a lawsuit against you to collect the penalty. If this case goes to court, the City would have to prove that the code violation exists/existed in order to collect any penalties.

RECORDING

We may file a copy of this Notice of Violation with the King County Recorder's Office.

INSPECTION CHARGES

In addition to these penalties, an inspection charge of \$190 is charged for each inspection beyond the first two inspections in this case.

- The third inspection and each subsequent inspection will be charged.
- This charge is in addition to any per-day or other penalty or fine and you will be billed for this charge.

REQUEST FOR EXTENSION

You can ask the inspector for more time to complete correction of the violations. The request must be in writing and must explain why you need more time. Extensions will be granted only if substantial progress toward compliance has already been made.

DIRECTOR'S REVIEW

If you disagree with this Notice of Violation, you may request a review of this Notice by a Department Review Officer. The Review Officer will review the facts of the case and determine whether the Notice of Violation was properly issued. The Review Officer can extend the compliance date for a short period of time even if the violation is upheld. But, the Review Officer cannot allow a violation to continue or grant a variance.

The Review may be requested by writing to the Director of Code Compliance, in care of Inspector STEPHEN RUDOLPH, Seattle Department of Construction and Inspections, 700 5th Avenue, Suite 1800, PO Box 34019, Seattle, WA, 98124-4019.

If you request a review by the Director, the request

- must be in writing,
- must be received by the Director no later than ten (10) days following service of this Notice, and
- must contain the signature, mailing address and telephone number of the person requesting the review.

The request should also include a brief statement including

- specific objections to the Notice of Violation
- how the requestor is significantly affected by, or interested in, the Review by the Director.

If more than one person is cited in the Notice, the request for Review by the Director should specify the person to be contacted about the Review.

OBTAINING PERMITS

If you are constructing, repairing, adding to, or demolishing a building, or if you are changing or establishing a use, you must obtain the proper permits. You may need more than one permit. Information on permits may be obtained at the Seattle DCI Applicant Services Center, 700 5th Avenue, Suite 2000, 20th Floor, Seattle Municipal Tower, or by calling 206-684-8850.

PLEASE BRING THIS DOCUMENT WITH YOU WHEN APPLYING FOR ANY PERMITS.

Even if a permit allows a longer time frame for completion of work, the compliance date in this Notice of Violation takes precedence over the completion dates specified in any permit.

* * *

If needed, Inspector STEPHEN RUDOLPH will meet with you or someone representing you on the site to discuss how you will bring the property into compliance with the Land Use Code. Once you have corrected the violation, the inspector must inspect to verify compliance. If you need more information or would like a meeting, please contact the inspector. Thank you for your attention to this matter.

STEPHEN RUDOLPH
Housing and Zoning Inspector
206-386-9735
stephen.rudolph@seattle.gov

City of Seattle Department of Construction and Inspections
700 5th Avenue, Suite 1800
PO Box 34019
Seattle WA 98124-4019
206-615-0808 / 206-233-7156 (TTY)
www.seattle.gov/sdci

SR/dm

Exhibit F

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TEN DAY NOTICE TO COMPLY OR VACATE

TO: UMOJA FEST PEACE CENTER, a Washington non-profit corp.
a/k/a UMOJA PEACE CENTER, a Washington non-profit corp.
and to John/Jane Doe Occupant(s)
2314 E. Spring Street
Seattle, WA 98122

YOU AND EACH OF YOU ARE HEREBY NOTIFIED THAT you are in default under the terms and conditions of the Lease Agreement or tenancy for the real property legally described in Exhibit 'A' hereto and commonly known as **2314 E. Spring Street, Seattle, King County, Washington** (the "Premises").

The default is as follows:

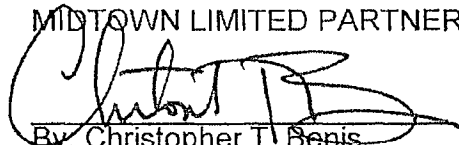
Use of the Premises in violation of, among others, ¶ 1(o) of the Lease Agreement. See Land Use Notice of Violation issued by the City of Seattle, Case No. 1037046 dated March 29, 2016, attached hereto as Exhibit 'B'.

The landlord hereby expressly reserves all rights and remedies regarding any and all other defaults under the Lease Agreement or tenancy which are not set forth herein.

You are ordered to cease and desist these violations and to comply with the terms of the Lease Agreement or tenancy, or in the alternative to vacate the above-described Premises **within ten (10) days of receipt of this notice.**

This notice is executed and served in accord with RCW 59.12 et seq. which provides that a tenant is in unlawful detainer of real property if the tenant fails to comply with the demands of a notice such as this. Failure to comply with this notice may result in filing of a Summons and Complaint for Unlawful Detainer, which shall further seek all monies due, including attorney's fees and court costs. Vacation of the Premises shall not relieve tenant(s) of any responsibility for damages caused to the real property or any other default.

Dated this 30 day of March, 2016.

MIDTOWN LIMITED PARTNERSHIP

By, Christopher T. Benis
Attorney for Landlord

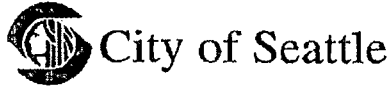
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 'A'

Lots 13 & 14, Block 6, J.H. Rengstorff's Addition to the City of Seattle, as recorded in Volume 2 of Plats, Page 101, Records of King County, Washington.

EXHIBIT 'B'

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



City of Seattle

Department of Construction and Inspections
Code Compliance Division

**LAND USE NOTICE OF VIOLATION
CASE NO. 1037046**

March 29, 2016

Property Owner: MIDTOWN LIMITED PARTNERSHIP
Property known as **2314 EAST SPRING STREET**
APN: 7217400809
Lots 13 & 14, Block 6, J.H. Rengstorff's Addition to the City of Seattle, as
recorded in Volume 2 of Plats, Page 101, Records of King County,
Washington.

Midtown Limited Partnership
Reg Agent Margaret E Delaney
520 N 100th St
Seattle WA 98133-9302

Midtown Limited Partnership
Reg Agent Margaret E Delaney
PO Box 75234
Seattle WA 98175-0234

Omari Tahir-Garrett
2314 E Spring St
Seattle WA 98122

We received a complaint about this property. Housing and Zoning Inspector **STEPHEN RUDOLPH**, 206-386-9735 or stephen.rudolph@seattle.gov, investigated and found a violation or violations of the Seattle Land Use Code, Chapter 23 of the Seattle Municipal Code **23.40.002, 23.42.010, 23.42.056, 23.47A.004, 23.84A.038, and 23.90.002.**

THE VIOLATION(S) MUST BE CORRECTED BY APRIL 29, 2016.

The specific violation(s) and correction(s) are as follows:

Discontinue the maintenance of a transitional encampment at the site or obtain a permit authorizing the use. A transitional encampment is not a legally established use of the property.

For information about the application process for a Master Use Permit, including requirements for authorized applicants to submit an application, code requirements, permit fees, and inspection requirements including final approval inspection, contact the Applicant Services Center of the Department of Construction and Inspections, 700 5th Ave., Suite 2000 (20th Floor of Seattle Municipal Tower), at (206) 684-8850.

PENALTIES/FINES

You may be subject to a civil penalty (fine) for a continued violation.

- For the first ten days of noncompliance, the penalty is up to \$150 per day beginning the day after the deadline above.
- The penalty increases to up to \$500 per day for each violation after the first ten days.
- Penalties continue to add up until the date the corrections are completed and the Housing and Zoning Inspector has inspected and confirmed that the property is in compliance.
- Certain violations are subject to additional penalties.

If you do not correct the violations by the deadline listed above, the City may file a lawsuit against you to collect the penalty. If this case goes to court, the City would have to prove that the code violation exists/existed in order to collect any penalties.

RECORDING

We may file a copy of this Notice of Violation with the King County Recorder's Office.

INSPECTION CHARGES

In addition to these penalties, an inspection charge of \$190 is charged for each inspection beyond the first two inspections in this case.

- The third inspection and each subsequent inspection will be charged.
- This charge is in addition to any per-day or other penalty or fine and you will be billed for this charge.

REQUEST FOR EXTENSION

You can ask the inspector for more time to complete correction of the violations. The request must be in writing and must explain why you need more time. Extensions will be granted only if substantial progress toward compliance has already been made.

DIRECTOR'S REVIEW

If you disagree with this Notice of Violation, you may request a review of this Notice by a Department Review Officer. The Review Officer will review the facts of the case and determine whether the Notice of Violation was properly issued. The Review Officer can extend the compliance date for a short period of time even if the violation is upheld. But, the Review Officer cannot allow a violation to continue or grant a variance.

The Review may be requested by writing to the Director of Code Compliance, in care of Inspector STEPHEN RUDOLPH, Seattle Department of Construction and Inspections, 700 5th Avenue, Suite 1800, PO Box 34019, Seattle, WA, 98124-4019.

If you request a review by the Director, the request

- must be in writing,
- must be received by the Director no later than ten (10) days following service of this Notice, and
- must contain the signature, mailing address and telephone number of the person requesting the review.

The request should also include a brief statement including

- specific objections to the Notice of Violation
- how the requestor is significantly affected by, or interested in, the Review by the Director.

If more than one person is cited in the Notice, the request for Review by the Director should specify the person to be contacted about the Review.

OBTAINING PERMITS

If you are constructing, repairing, adding to, or demolishing a building, or if you are changing or establishing a use, you must obtain the proper permits. You may need more than one permit. Information on permits may be obtained at the Seattle DCI Applicant Services Center, 700 5th Avenue, Suite 2000, 20th Floor, Seattle Municipal Tower, or by calling 206-684-8850.

PLEASE BRING THIS DOCUMENT WITH YOU WHEN APPLYING FOR ANY PERMITS.

Even if a permit allows a longer time frame for completion of work, the compliance date in this Notice of Violation takes precedence over the completion dates specified in any permit.

* * *

If needed, Inspector STEPHEN RUDOLPH will meet with you or someone representing you on the site to discuss how you will bring the property into compliance with the Land Use Code. Once you have corrected the violation, the inspector must inspect to verify compliance. If you need more information or would like a meeting, please contact the inspector. Thank you for your attention to this matter.

STEPHEN RUDOLPH
Housing and Zoning Inspector
206-386-9735
stephen.rudolph@seattle.gov

City of Seattle Department of Construction and Inspections
700 5th Avenue, Suite 1800
PO Box 34019
Seattle WA 98124-4019
206-615-0808 / 206-233-7156 (TTY)
www.seattle.gov/sdci

SR/dm