

**FAIRWOOD SQUARE  
SHOPPING CENTER LEASE**

**Landlord: Curran Properties/Fairwood Square LLC  
A Delaware Limited Liability Company**

**Tenant: King County Sheriff Department**

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**EXHIBITS**

- A. SHOPPING CENTER SITE PLAN
- B. SHOPPING CENTER LEGAL DESCRIPTION
- C. DESCRIPTION OF LANDLORD'S WORK
- D. SIGNAGE CRITERIA
- E. RULES AND REGULATIONS
- F. TENANT ACCEPTANCE OF PREMISES

**SHOPPING CENTER LEASE**

**THIS SHOPPING CENTER LEASE** (the "Lease") is made and entered by and between Curran Properties/Fairwood Square LLC a Delaware limited liability company ("**Landlord**"), and the King County Sheriff ("**Tenant**").

**W I T N E S S E T H:**

This Agreement shall become effective upon the latest date of final execution hereof by all necessary parties hereto (the "**Effective Date**").

In consideration of the rent to be paid to Landlord by Tenant, and the mutual covenants contained herein, Landlord hereby rents unto Tenant, and Tenant hereby leases from Landlord, located in the Fairwood Square Shopping Center (the "**Shopping Center**") located at 14201 Petrovitsky Road, Renton, King County, Washington, more particularly described as Suite C-10 and containing approximately 1,000 square feet, plus or minus (the "**Premises**"). The Shopping Center is more fully described on the site plan attached hereto as Exhibit "A" and the legal description attached hereto as Exhibit "B", which Exhibits are incorporated herein by this reference for all purposes.

**ARTICLE I. - BUSINESS TERMS**

a) **Term:**

TO HAVE AND TO HOLD the Premises unto Tenant for a period of three (3) years (the "**Term**"), provided that if the Commencement Date is a date other than the first day of a month, the Term shall include the fractional month in which the Commencement Date occurs plus an additional period equal to the number of years previously stated in this sentence.

b) **Lease Commencement Date:**

The Lease Commencement Date is May 1, 2005.

c) **Tenant's Business Name and Address for Notice:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

After Lease Commencement (this address shall be the official address after the Lease Commencement):

**14201 S.E. Petrovitsky Rd  
Suite C-10  
Renton, WA 98058**

Tenant is required to notify Landlord in writing of any change of address for both business.

d) **Landlord's Address for notice and rent payment:**

**Notice:  
Curran Properties/Fairwood Square LLC  
c/o CCD Enterprises, Inc.  
1601 Fifth Avenue, Suite 1703  
Seattle, WA 98101**

e) **Permitted Use:** Tenant shall use the premises as a local police community center, and for no other purpose without the prior written consent of Landlord (and in any event only in conformance with the terms and conditions of this Lease).

f) **Termination Date:** The Lease will terminate thirty-six (36) months after the Lease Term Commencement Date. The County's obligations to Landlord, if any, that extend beyond a current calendar year are contingent upon approval of the lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, this lease and all County obligations hereunder will terminate at the end of the calendar year in which such approval or appropriation expires.

f.1. If such approval or appropriation does not occur, the Tenant shall provide written notice sixty (60) days prior to the end of the calendar year. If the Lease is terminated under this provision, the termination does not affect responsibility for environmental liability under Article XVI.

g) **Rental Commencement Date:** Tenant's obligation to pay Fixed Minimum Rent shall commence on the Lease Term Commencement Date, May 1, 2005.

h) **Fixed Minimum Rent:** Current market rent for the Premises is \$22 per square foot per month triple net (\$22,000 per year NNN/\$1,833 per month NNN). Tenant will receive a monthly rent credit of Eight Hundred Thirty-Three Dollars (\$833.00) toward the Fixed Minimum Rent of One Thousand Eight Hundred Thirty Three Dollars

(\$1833.00) in exchange for additional security provided to Shopping Center by the mere presence of a governmental law enforcement agency.

Years 1-3	\$22,000 / year	\$1,833 / per month
<u>Less Credit</u>	<u>\$10,000 / year</u>	<u>\$833 / per month</u>
Total Due	\$12,000 / year	\$1,000 / per month

Fixed Minimum Rent shall be payable, in advance, on the first day of each calendar month throughout the Term, beginning on the **Rent Commencement Date**, without deduction or offset.

i) **Common Area Maintenance Contribution (CAMs):** Current CAMs for the Shopping Center are \$5.92 per square foot (\$5,920 per year/ \$493.33 per month). Landlord will waive the Tenant's pro rata share of the Common Area Maintenance Costs to attract the Tenant to the Shopping Center.

j) Beginning Monthly Payment Amount:

Fixed Minimum Rent	-	\$ 1,833.00
Security Presence Credit	-	\$ (833.00)
<u>Common Area Maintenance</u>	-	<u>\$ waived</u>
Total Monthly Payment		\$ 1,000.00

k) **Prepaid Rent:** \$1,000, payable upon execution of this Lease, as a prepayment of the Fixed Minimum Rent, Common Area Maintenance Contribution for the first month of the Term.

l) **Security Deposit:** Not Applicable

m) **Guarantor(s):** Not Applicable

n) **Percentage Rent Rate:** Not Applicable

o) **Base Gross Sales Amount:** Not Applicable

p) **Tenant's Pro Rata Share.** The Tenant's pro-rata share of the Common Area Maintenance Costs, taxes, and insurance shall be computed by multiplying the total amount of Common Area Maintenance Costs, taxes, and insurance by a fraction, the numerator of which shall be the floor area of the Premises and the denominator of which shall be the total gross leasable floor area of the Shopping Center. The gross leasable floor area of the Shopping Center shall be determined by adding the gross leasable floor area of the Shopping Center as of the first day of each calendar month during any calendar year and dividing by 12. The gross leasable floor area shall not include the square footage of kiosks, carts, or any occupant of a space under a license agreement.

Notwithstanding anything to the contrary contained herein, if another tenant within the Shopping Center pays an expense category directly to a supplier/vendor/municipality/provider or reimburses the Landlord for an entire expense category, the denominator utilized in Tenant's Pro-Rata calculation for that expense category shall be adjusted by deducting the other tenant's square footage from the Shopping Center square footage for that expense category.

**ARTICLE II. - PREMISES**

**Section 2.01 Premises.**

For purposes of this Lease, the Premises shall extend to the exterior faces of all exterior walls (or to the building line where there is no wall), or the center line of those walls separating the Premises from other leased areas in the Shopping Center, together with the appurtenances specifically granted in this Lease. Landlord reserves the use of the exterior walls (other than store fronts), demising walls, and the roof, and the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through the Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Shopping Center. Further, the Landlord has the right to use the land below and the area above the Premises in any manner, which does not materially interfere with Tenant's use of the Premises. The statement of square footage set forth in this Lease is an approximation which both Landlord and Tenant agree is reasonable and the Fixed Minimum Rent and other amounts payable by the Tenant hereunder are not subject to revision if the actual amount of square footage is more or less.

**Section 2.02 Title and Quiet Enjoyment.**

Landlord represents and covenants that prior to commencement of the Term it will have good title to the Premises by leasehold interest or otherwise. Subject to the full and timely performance by Tenant of all of its obligations hereunder, Tenant shall peacefully and quietly have, hold and enjoy the Premises for the Term of this Lease against any party claiming by, through or under Landlord.

**Section 2.03 Acceptance of Premises by Tenant; Disclaimer of Warranty.**

Tenant: (a) accepts the Premises "as is, where is and with all faults" except as listed on the attached Exhibit C; (b) deems the Premises suitable for the purposes for which same are leased; and (c) waives any defects in the Premises. Landlord shall not be liable to Tenant or any other person (except for Landlord's gross negligence or willful misconduct)

for any injury or damage to person or property for any reason whatsoever. LANDLORD MAKES NO REPRESENTATIONS, WARRANTIES OR ASSURANCES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, EXCEPT TO THE LIMITED EXTENT SPECIFICALLY SET FORTH HEREIN, WITH RESPECT TO THE PHYSICAL CONDITION OF THE PREMISES OR THE SHOPPING CENTER OR ANY OTHER MATTER. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD DISCLAIMS ANY SUCH REPRESENTATIONS, WARRANTIES, AND ASSURANCES, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL LANDLORD BE LIABLE TO TENANT FOR CONSEQUENTIAL DAMAGES. LANDLORD AND TENANT HEREBY ACKNOWLEDGE THAT THEY ARE NOT RELYING UPON ANY BROCHURE, RENDERING, INFORMATION, ASSURANCE, COVENANT, WARRANTY, REPRESENTATION OR PROMISE OF THE OTHER, OR AN AGENT OR BROKER, IF ANY, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THE LEASE. Landlord warrants that the Premises, including the heating and air conditioning system, plumbing, hot water heater and electrical systems on the Premises will be in good working order and the roof will be free of leaks.

**Section 2.04 Failure to Deliver Premises.**

If Landlord is unable to deliver the Premises to Tenant on or before the Commencement Date, for whatever reason, including a previous tenant's failure to vacate the Premises, Landlord shall not be in default hereunder. In any such event, Tenant shall accept possession of the Premises at such time as Landlord delivers possession of the Premises to Tenant. Tenant waives any right to collect damages as a result of Landlord's failure to deliver the Premises on the Commencement Date.

**Section 2.05 Relocation clause.**

Notwithstanding the location of the Premises as shown on Exhibit A, Landlord shall have the right, at any time, to change the location of the Premises within the Shopping Center. If Tenant has entered into possession of the Premises at the time Landlord exercises such right, Landlord shall give Tenant ninety (90) days written notice prior to exercise of such relocation right and shall pay all expenses incurred in connection with the relocation of Tenant's premises. If Landlord shall desire to exercise such right, Tenant agrees, within ten (10) days after tender thereof by Landlord, to execute, acknowledge and deliver a document evidencing the change in location of the Premises, which, when executed, acknowledged, and delivered to Landlord, shall replace Exhibit A with the Exhibit annexed to such document with the same force and effect as though such location had originally been leased hereunder. Fixed Minimum Rent hereunder shall be adjusted in accordance with any change in the square footage between the original Premises and the relocation Premises.

**ARTICLE III. - RENTALS**

**Section 3.01 Fixed Minimum Rent.**

Tenant shall pay Fixed Minimum Rent to Landlord at the annual rates and in the manner provided in Article I. If the Rent Commencement Date does not fall on the first day of a calendar month, the Fixed Minimum Rent and any other monthly charge for any period between the Commencement Date and the first day of the following calendar month shall be apportioned on a per diem basis, calculated on the basis of a thirty (30) day month, and shall be payable upon the Commencement Date.

**Section 3.02 Percentage Rent. Intentionally Deleted**

**Section 3.03 Additional Rentals.**

Each and every payment and expenditure required to be made by Tenant under this Lease constitutes additional rental hereunder and, unless otherwise stated herein, shall be payable to Landlord on demand. If Tenant fails to pay any amounts when due, Landlord shall have all rights and remedies available to it including those for the nonpayment of rent.

**Section 3.04 No Off-Set.**

Except as otherwise expressly set forth herein, it is the intention of the parties that Landlord receive all payments due hereunder without demand, deduction, or off-set. It is agreed that Landlord's obligations hereunder are independent of Tenant's obligations, and if Landlord commences proceedings against Tenant for any sums due by Tenant hereunder, Tenant will not interpose any counterclaim or other claim against Landlord in such proceedings.

**Section 3.05 Late Charge.**

If any installment of Fixed Minimum Rent, Tax Contribution, Common Area Maintenance Contribution or Percentage Rent is received by Landlord more than five (5) days after such installment is due, Tenant shall pay to Landlord, at Landlord's option, a late charge of ten percent (10%) of the amount of the delinquent installment to defray Landlord's administrative or handling costs, plus any attorneys' fees and costs incurred by Landlord by reason of Tenant's failure to pay rent when due hereunder. Tenant acknowledges that such late fee is intended to compensate Landlord for damages Landlord will suffer as a result of such late fee, which damages are difficult to ascertain and that such late fees are a reasonable pre-estimate of such damages and is not intended as a penalty.

**Section 3.06 Lease Interest Rate.**

Any Fixed Minimum Rent, additional rent, or other amounts required to be paid by Tenant hereunder which are not paid when due shall bear interest at the Lease Interest Rate. The "Lease Interest Rate" shall mean, for purposes of this Lease, an interest rate equal to fifteen percent (15%) per <sub>5</sub> annum, but in no event shall such interest rate exceed the

highest rate permitted by the laws of the state where the Premises are located.

**Section 3.07 NSF Check Charge (Non-Sufficient Funds).**

There will be a \$50.00 charge payable by Tenant to Landlord for any check submitted by Tenant to Landlord which is dishonored by Tenant's bank by reason of Tenant's account not having sufficient funds for the payment of such check. Such \$50.00 charge will be due immediately upon notice of such a NSF check.

**ARTICLE IV. - COMMON AREAS**

**Section 4.01 Definition of Common Areas.**

For purposes of this Lease, the term "Common Areas" shall mean such areas, including, but not limited to, parking areas; driveways; truckways; delivery passages; loading docks; pedestrian sidewalks and ramps; ingress and egress roads; open or enclosed courtyards, walls, and corridors; landscaped and/or planted areas; public restrooms, telephone areas, and similar facilities; and any other similar or dissimilar areas and facilities which Landlord may from time to time make available within the Shopping Center but outside the Premises for use by Tenant, other tenants of the Shopping Center, and their respective employees, customers, invitees, and licensees. Landlord and Tenant agree that roof maintenance, repair, and replacement shall be included as a Common Area maintenance item to the extent not specifically allocated to Tenant under this Lease and not to another tenant pursuant to its lease.

**Section 4.02 Definition of Common Area Maintenance Costs.**

For purposes of this Lease, the term "Common Area Maintenance Costs" shall mean the amount of all costs and expenses incurred by Landlord in connection with the provision, operation, management, maintenance, replacement and repair of the Shopping Center, which costs and expenses shall include, but shall not be limited to, the costs of cleaning, painting, inspecting, pylon sign repair and maintenance, landscaping, security, insurance, trash removal, repairs, painting and striping, lighting, roof repair, roof replacement, roof maintenance, sanitary control, snow and debris removal, all utility costs not separately metered or otherwise billed to tenants of the Shopping Center, amortization of all machinery and equipment located in or used in connection with the Common Areas, repairs to the building canopies, facia, and support columns, management fees, all direct and indirect personnel costs in connection with such services, and a fee to the Landlord (in addition to any property management fee) for Landlord's supervision of the operation, maintenance and repair of the Shopping Center in an amount not to exceed 10% of all operating expenses. The above enumeration of categories of cost shall not constitute a covenant by Landlord to provide any service named herein.

**Section 4.03 Provision of Common Areas.**

Landlord shall make available within the Shopping Center such Common Areas as Landlord in its sole discretion shall deem appropriate. Landlord reserves the right to change at any time and from time to time the size, location, nature and use of any Common Area, to sell or lease any portion thereof, to install additional improvements therein and to move and remove the same.

**Section 4.04 Use of Common Areas.**

Tenant and its concessionaires, officers, employees, agents, customers and invitees shall have the non-exclusive right, in common with Landlord and the other tenants of the Shopping Center and their respective concessionaires, officers, employees, agents, licensees, customers and invitees, to use the Common Areas, subject to such reasonable rules and regulations as Landlord may from time to time impose, which rules and regulations are incorporated herein by reference for all purposes as though fully set out herein. Tenant agrees after notice thereof to continuously comply with such rules and regulations and to use its best efforts to cause its concessionaires, officers, employees, agents, customers and invitees to continuously comply therewith as well.

Landlord may temporarily close parts of the Common Areas for such periods of time as may be necessary for (i) temporary use as a work area in connection with the construction of buildings or other improvements within the Shopping Center or contiguous property, (ii) repairs or alterations in or to the Common Areas or to any utility type facilities, (iii) preventing the public from obtaining prescriptive rights in or to the Common Areas, (iv) security reasons, or (v) doing and performing such other acts as in the use of good business judgement Landlord shall determine to be appropriate for the Shopping Center, provided, however, that Landlord shall use reasonable efforts not to unduly interfere with or disrupt Tenant's business.

**Section 4.05 Payment of Common Area Maintenance Costs. Intentionally Deleted**

**ARTICLE V. - UTILITY SERVICES**

**Section 5.01 Utilities.**

The Premises shall be separately metered for electricity and gas, at Tenant's sole cost and expense. With regard to all separately metered utility services, Tenant shall promptly pay directly to all applicable public utilities all amounts which are owed for service furnished to the Premises (together with any taxes thereon) from and after the date Tenant takes possession of the Premises (irrespective of whether Tenant shall have opened for business on such date), including, without limitation, water and sewer charges, and hookup or account set-up charges. Landlord may bill Tenant for Tenant's pro-rata share (as reasonably determined by Landlord) of any such charges which are commonly metered with other areas of the Shopping Center. Landlord may, at its election, install re-registering meters and collect any and all charges for utilities from Tenant, provided that Tenant shall not be charged more than the rates it would be charged for the same service if furnished directly to the Premises by the applicable utility companies. Tenant agrees that it will pay

any and all costs of utility service required for the operation of the Premises beyond the business hours established by Landlord for the operation of the Shopping Center. Landlord shall have no liability for any loss or damage suffered by Tenant or its agents, licensees, employees, concessionaires, officers, customers, or invitees as a result of any interruption or cessation of utility service, and Tenant waives the right to recover any damages from Landlord for any such interruption or cessation.

Landlord, if permitted by law, shall have the right at any time and from time to time during the Lease Term to either contract for service from a different company or companies providing electricity service (each such company shall hereinafter be referred to as an "Alternative Service Provider") or continue to contract for service from the Electric Service Provider.

Tenant shall cooperate with the Landlord, the Electric Service Provider, and any Alternative Service Provider at all times and, as reasonably necessary, shall allow Landlord, Electric Service Provider, and any Alternative Service Provider reasonable access to electric lines, feeders, risers, wiring, and any other machinery within the Premises and Shopping Center.

Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of the electric energy furnished to the Demised Premises, or if the quantity or character of the electric energy supplied by the Electric Service Provider or any Alternative Service Provider is no longer available or suitable for Tenant's requirements, and no such change, failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under the Lease.

## ARTICLE VI. - REPAIRS AND MAINTENANCE

### Section 6.01 Repairs by Landlord.

Landlord, at its sole cost and expense (but as part of the Common Area Maintenance Costs), shall make all necessary repairs to the structural portions and exterior of the building in which the Premises are located, including, but not limited to, repairs to the structural portion of the roof (including drains, downspouts, flashing and parapets, but excluding any roof penetrations made by Tenant), exterior or other load-bearing walls (excluding glass), foundations, floor construction, and pipes and conduits leading to the Premises from utility installations. If Landlord, in its sole discretion, determines any such repairs are necessitated by the negligent acts or omissions of the Tenant, its agents, employees, or invitees, the cost of such repairs shall be paid by Tenant to Landlord upon demand. Tenant shall promptly notify Landlord in the event any such repairs are necessary.

### Section 6.02 Roof.

Tenant shall not permit any employee, contractor or guest onto the roof of any of Landlord's buildings, including the Premises, unless (a) Tenant obtains Landlord's Prior written consent, and (b) the person or persons are accompanied by Landlord's facilities engineer or other person designated by Landlord. If Tenant permits any person other than Landlord's employees onto the roof of the Premises or Landlord's other buildings, Tenant shall (i) reimburse Landlord for the cost of repairing any and all leaks or other problems which develop on that roof (the roof subject of the un-permitted activity) regardless of whether the problem is located in the area of unpermitted entry, and (ii) indemnify, defend and hold Landlord completely harmless from all claims, damage and cost (including attorneys fees) related to the unpermitted entry. For example, if Tenant permits an employee or guest of Tenant onto a roof and the person is insured or the roof is damaged, Tenant shall reimburse Landlord for all costs related to the injury or damage, as well as all costs of defending against and paying any claims related to the unpermitted entry. Tenant is not permitted to install any equipment (including wiring) on the roof of the Premises without Landlord's prior written consent, which consent shall be conditioned upon Tenant agreeing (a) to comply with the provisions of this Section 6 and Section 8.03, as well as strict rules regarding entry onto the roof for inspection or maintenance of the equipment, (b) to immediately reimburse Landlord for the cost of repairing any leaks or other damage to that roof, regardless of the nature and location of the problem.

### Section 6.03 Building Penetrations.

Tenant shall not make any penetrations in Landlord's building (roof, walls, foundations, etc.) without Landlord's prior written consent. If Tenant is permitted to penetrate the building, the consent may be conditioned upon (a) Landlord's approval of specific plans and specifications for the penetration and the contractor to perform it, (b) if it is a roof penetration, Tenant's agreement to reimburse Landlord for costs incurred in connection with any later problems which develop with the penetrated roof, (c) Tenant's agreement to remove the equipment before the end of the Lease and completely seal the penetration to Landlord's satisfaction, and a deposit to guarantee Tenant's performance. If Tenant penetrates the building without Landlord's written consent or violates the terms of the consent, Tenant shall pay Landlord a daily fee of \$100.00 from the date of the penetration until it is completely sealed to Landlord's satisfaction.

### Section 6.04 Repairs and Maintenance by Tenant.

Tenant, at its sole cost and expense, shall make all necessary repairs to the interior of the Premises and shall keep the same in good order, first-class condition and repair. Tenant agrees to maintain, replace or repair, as necessary, all fixtures, furnishings, lighting, glass and window moldings, partitions, doors, store signs, floor and wall surfaces, and plumbing and electrical within the Premises. The Landlord will manage a preventive maintenance contract on the air conditioning and heating system (HVAC) on a quarterly basis which will be included in the CAM costs per Section 4.02. Maintenance will consist of inspections, filter and belt changes and coil cleaning as required. Tenant is responsible to replace or repair the unit(s) serving their space outside the regular scheduled maintenance program. All HVAC repairs shall be performed by a contractor pre-approved in writing by Landlord.

If Tenant refuses or neglects to repair the Premises within reasonable satisfaction of Landlord within a reasonable period after written demand, Landlord may make such repairs, without liability to Tenant for any loss or damage that may accrue by reason thereof. Upon completion of repairs Tenant shall reimburse Landlord for cost of repairs, plus fifteen percent (15%) of said costs for Landlord's overhead immediately upon receipt of Landlord's invoice therefore. Such bill shall include interest at the Lease Interest Rate, which shall accrue from the date of completion of repairs by Landlord until the costs therefore are paid by Tenant.

**Section 6.05 Landlord's Right of Inspection and Repair.**

Tenant agrees to permit Landlord or its representatives with 24 hours advance notice to enter the Premises at all times during Tenant's customary business hours (and, in the event of an emergency, at any time) to inspect the Premises, make any necessary repairs or perform any work that may be necessary to comply with any laws or requirements of any public authority or Landlord and to exhibit the Premises to potential lenders, purchasers, or tenants. Landlord shall not in any event be liable for inconvenience, disturbance, loss of business or other damage of Tenant by reason of its work, inspections or repairs.

**ARTICLE VII. - TAXES AND INSURANCE**

**Section 7.01 Taxes.** (a) Tenant shall pay promptly when due all taxes and licenses imposed upon its business operation and its personal property situated in the Premises, including but not limited to all sales taxes, rental income taxes, use taxes, excise taxes, personal and property taxes, assessments, and all other governmental fines and charges.

(b) Landlord will pay all ad valorem taxes and assessments which may be levied or assessed by any lawful authority against the real property and improvements in the Shopping Center (excluding personal property owned by Tenant or other tenants in the Shopping Center, but including any taxes imposed as a result of state lotteries) (herein, "Taxes"). Any expenses incurred by Landlord in obtaining or attempting to obtain or negotiating a reduction of any ad valorem shall be added to and included in the amount of Tenant's Tax Contribution. Landlord shall have no obligation to contest, object to or litigate the levying or imposition of any ad valorem taxes and may settle, compromise, consent to, waive or otherwise determine in its discretion any real estate taxes without the consent or approval of Tenant. Tenant's share of real estate taxes and assessments if any shall not include any interest or penalties which arise from the Landlord's failure to pay taxes or assessments in a timely manner.

(c) Tenant shall pay to Landlord as additional rental the Tax Contribution, as may be adjusted from time to time as provided herein. Tenant acknowledges and agrees that Landlord's initial yearly estimates for the Tax Contribution is as set forth in Article I of this Lease. Further, in connection with each calendar year thereafter during the Term of this Lease, Landlord shall provide to Tenant with new estimate of Tenant's Tax Contribution for such succeeding calendar year. In the event Landlord has not provided to Tenant a new estimate of such additional rental prior to the beginning of such calendar year, Tenant shall continue to pay on the basis of the previous year's estimate until the month after the new estimate is provided to Tenant. Tenant shall pay monthly, on the first day of each month throughout the Term, an amount equal to 1/12<sup>th</sup> of Tenant's annual Tax Contribution. As soon as practicable after the end of each calendar year during the Term, Landlord shall give Tenant a statement showing the: (i) Tenant's actual Pro Rata Share of the Taxes for the calendar year, (ii) the amount of Tax Contribution initially paid by Tenant during such year and (iii) the amount Tenant owes Landlord towards Tenant's actual Pro Rata Share of such Taxes or the amount Landlord owes Tenant as a credit against future such amounts. At the end of the sixth month of the Term, and every six months thereafter, Tenant's Tax Contribution may be adjusted to an amount reflecting Tenant's share of the budgeted amount of Taxes for such period, as estimated by Landlord. If the statement shows that the actual amount Tenant owes for the calendar year is less than the amount actually paid by Tenant during such calendar year (the "Tax Overpayment"), Tenant shall be entitled to a credit against future installments of the Tax Contribution until Tenant is effectively reimbursed for such Tax Overpayment. If the statement shows that the actual amount Tenant owes is more than the amount actually paid by Tenant during the calendar year, Tenant shall pay the difference (the "Tax Underpayment"). The Tax Overpayment or Tax Underpayment shall be paid within thirty (30) days after the statement is delivered to Tenant.

(d) If at any time during the Term the present method of taxation shall be changed so that in addition to or in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on real estate and the improvements thereon, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents or the present or any future building or buildings on the Shopping Center, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed to be included within the term "taxes" and will be payable by Tenant in an amount equal to the rent tax attributable to the Tenant's rent.

**Section 7.02 Liability and Property Insurance.**

~~(a) Tenant shall obtain commercial general liability insurance for (i) injury or death of any person and (ii) damage to or destruction of property occasioned by, arising out of, or in connection with the use, occupancy or condition of the Premises. Such policy or policies shall contain a blanket contractual liability endorsement (including Tenant's obligation to indemnify Landlord) and shall contain a combined single limit of not less than \$2,000,000.00 in respect of injuries to or death of any person(s), property damaged or destroyed.~~

~~(b) Throughout the Term, Tenant, at its own cost and expense, shall also insure all furniture, fixtures, inventory and equipment, whether supplied or owned by Tenant or by Landlord, and all glass and plate glass forming a part of the Premises, in an amount representing 100% of its value against loss or damage by fire and windstorm, with extended coverage and replacement cost endorsements. Tenant shall carry business interruption coverage in amounts sufficient to pay the Fixed Rent hereunder for a period of not less than three (3) months.~~

~~(e) All Tenant's insurance coverage required by this Section 7.02 shall be written by an insurance company or companies satisfactory to Landlord and licensed to do business in the state in which the Shopping Center is located. Tenant's liability insurance shall name Landlord and Landlord's agents and lender as additional insured. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to cancellation of such insurance. Tenant shall promptly deliver to Landlord the policy or a certificate of insurance evidencing all required insurance maintained by Tenant. Renewals thereof shall be delivered to Landlord at least thirty (30) days prior to the expiration of the policy (ies). If Tenant fails to comply with the foregoing requirements, Landlord may, but shall have no obligation to, obtain such insurance for Tenant and Tenant shall pay to Landlord, on demand, the premium cost thereof, as additional rent.~~

**The Lessor acknowledges, accepts and agrees that the Lessee is self-insured and Lessee will provide proof of such self-insurance upon the request of the Lessor.**

**Section 7.03 Waiver of Subrogation Rights.**

Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waive any and all rights of recovery, claim, action or cause of action against the other, its agents, officers, or employees for any damage that may occur to the Premises, the Shopping Center (including improvements), any personal property of such party therein, by reason of any cause which is insured against (or could have been insured against had the party required to obtain such insurance policy obtained the same ) under the terms of any insurance policies referred to herein, regardless of cause or origin, including negligence. The parties agree that no insurer shall hold any rights of subrogation against such other party. The parties agree that their respective insurance policies shall be endorsed or otherwise written to provide that no insurer shall hold any rights of subrogation against such other party.

**Section 7.04 Increase in Insurance Premium.**

Tenant shall not engage in any activity in the Premises which shall cause an increase in insurance premiums for any fire or other insurance policy obtained by Landlord. If Tenant's use and occupancy of the Premises causes an increase in the premium for any fire or other insurance coverage carried by Landlord, Tenant shall pay as additional rent, upon presentment of an invoice therefor, the amount of such increase. Any schedule issued by the organization making the insurance rate on the Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the insurance rate on the Premises. Further, Tenant shall not permit any operation or activity to be conducted, or storage or use of any materials, which would cause suspension or cancellation of any fire or other insurance policy carried by Landlord.

**Section 7.05 Landlord's Insurance.**

Landlord shall maintain Property insurance for Full Replacement Value and Commercial General Liability insurance coverage on the Shopping Center, the Common Areas, or any portions thereof, in amounts and deductibles as Landlord deems appropriate.

**ARTICLE VIII. - USE OF PREMISES**

**Section 8.01 Compliance with Laws.**

(a) Tenant's use of the Premises shall be subject to and Tenant shall comply with, at all times, all applicable laws, ordinances, rules and regulations of all applicable governmental authorities having jurisdiction over the Premises and the reasonable rules and regulations established by Landlord from time to time, including, but not limited to the rules and regulations set forth in Exhibit F attached hereto, which rules and regulations are incorporated herein by reference for all purposes as though fully set forth herein. Tenant agrees to comply with all such rules and regulations upon notice of same by Landlord.

(b) Tenant shall obtain the certificate of occupancy for the Premises and shall furnish a copy to Landlord.

**Section 8.02 Use of Premises.**

Tenant shall use the Premises only for the Permitted Use and for no other purpose other than as described in Article I hereof without the prior written consent of the Landlord. Tenant's use of the Premises is further restricted by the terms of Article IX below. Tenant shall, at its sole cost and expense, obtain and maintain all permits, licenses, and other similar items required by any applicable governmental authority for Tenant's use and occupancy of the Premises business activities therein.

**Section 8.03 Sign Installation and Maintenance.**

Tenant agrees to work with the Landlord to design a sign at a reasonable costs (See Exhibit E).

**ARTICLE IX. - TENANT'S BUSINESS OPERATIONS**

**Section 9.01 Occupancy and Operation.**

Tenant shall operate one hundred percent (100%) of the Premises during the entire Term under Tenant's business name as set forth in Article I or such other business name as Landlord shall approve in writing. Tenant's business shall be conducted, fully staffed and fully stocked, with due diligence and efficiency and in a first class, reputable manner so as to produce the maximum amount of Gross Sales. Tenant shall continuously conduct its business during the regular,

customary days and during hours for such type of business in the city or trade area in which the Shopping Center is located. Tenant shall keep all display windows and signs, if any, in the Premises well lighted during the hours from sundown to 11:00 p.m. each and every day, unless prevented from doing so by events beyond the control of Tenant or such requirement is waived by Landlord.

**Section 9.02 Retail Restriction Limit.**

During the Term, Tenant (and its principals, partners, members and shareholders) shall not directly or indirectly engage in any business similar to or in competition with that for which the Premises are let within a radius of two (2) miles of the outside boundary of the Shopping Center without Landlord's prior written consent. In the event Tenant (or its principals, partners, members or shareholders) breaches this covenant, in addition to any other remedy available to Landlord under this Lease, Landlord may require that all sales made from any such other store be included in Gross Sales as though said sales had been made from the Premises. Tenant agrees to make available any and all records necessary to determine the amount of sales from any such other stores.

**Section 9.03 Sales and Financial Statements. Intentionally Deleted**

**Section 9.04 Prohibited Uses.**

The Premises shall not be used for any purpose which conflicts with any exclusive use granted to any tenant in any then existing lease in the Shopping Center, or for any use which Landlord finds to be offensive or disruptive to other tenants in the Shopping Center.

**Section 9.05 Relationship of the Parties.**

The relationship of the parties herein is that of landlord and tenant, and nothing herein contained shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture.

**ARTICLE X. - ADDITIONS, ALTERATIONS, AND TRADE FIXTURES**

**Section 10.01 By Landlord.**

Landlord hereby reserves the right at any time and from time to time to make alterations or additions to any building in the Shopping Center including any buildings or improvements on or touching the Premises, and to construct new buildings in any area of the Shopping Center.

**Section 10.02 By Tenant.**

(a) Tenant shall not alter, renovate or improve the interior of the Premises without Landlord's prior written consent, which consent may be granted or withheld in Landlord's reasonable discretion, except Landlord's consent to any alterations, renovations or improvements to the Premises affecting the structure of the Premises, the Building or the mechanical, electrical or plumbing systems maybe withheld or conditioned in Landlord's sole and absolute discretion. All such alterations, renovations and improvements must be performed at Tenant's sole cost and expense, in a good and workmanlike manner, in accordance with accepted building practices and all applicable building codes or ordinances, so as not to weaken or impair the structural integrity or the value of the Shopping Center or the building in which the Premises are situated and so as not to interfere with the business of other tenants of the Shopping Center.

(b) Tenant shall, at Tenant's sole cost and expense, prepare and present to Landlord, for Landlord's approval detailed plans and specifications for any work to be done. No such work shall be commenced unless and until Landlord has approved such plans and specifications in writing, and any such work shall be carried out only in accordance with such approved plans and specifications.

**Section 10.03 Indemnity, Insurance and Bonding.**

Before undertaking any alterations or construction, Tenant shall cause its contractors to obtain a Commercial General Liability policy insuring Landlord and Tenant as additional insureds against any liability which may arise on account of such proposed alterations or construction work in limits of not less than \$ 2,000,000 Per occurrence and \$ 2,000,000 in the Aggregate. A certificate or copy of such policy shall be delivered to Landlord prior to the commencement of such proposed work. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims for damages or otherwise based upon or in any manner arising out of any alterations or construction undertaken by Tenant with respect to the Premises, including, without limitation, all costs, damages, expenses and attorney's fees incurred by Landlord. Landlord may require that Tenant obtain a payment and performance bond prior to commencing any improvement, alteration or renovation, and if so required, Tenant agrees to procure such bond in a form satisfactory to Landlord.

**Section 10.04 Mechanic's, Materialmen's, and Other Liens.**

During the Term, Tenant shall not permit any mechanic's, Materialmen's or other liens to be placed upon the Premises, any improvements located therein or the Shopping Center or any portion thereof. If any lien on the interest of Landlord or Tenant is filed against the Premises, any improvements located therein or the Shopping Center, Tenant shall cause the same to be discharged of record within ten (10) days after the filing of same (and in any event prior to any foreclosure or other enforcement thereof). If Tenant shall fail to discharge such lien within such period, then in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due, by deposit in court, bonding, or otherwise. Any amount paid by Landlord for the satisfaction of any lien not caused by Landlord, and all reasonable attorney's fees and other expenses of Landlord associated therewith, shall be paid by Tenant to Landlord on demand, as additional rent.

**Section 10.05 Trade Fixtures.**

All trade fixtures and equipment installed by Tenant in the Premises shall be new or completely reconditioned and shall be and remain the property of Tenant. Provided Tenant is not in default hereunder, Tenant shall, at the termination of this Lease, remove any and all of Tenant's trade fixtures, equipment and other items of personal property not constituting a part of the feehold, including property which can be moved without damage to the building in which the Premises are situated. Tenant shall repair, at Tenant's sole cost and expense, any damage to the Premises caused thereby. The Premises shall be vacated by Tenant in a broom-clean condition. If Tenant shall fail to remove its trade fixtures or other property at the termination of this Lease or within ten (10) days thereafter, such fixtures and other property not removed by Tenant shall be deemed abandoned by Tenant, and, at the option of Landlord, shall become the property of Landlord or may be removed from the Premises and stored elsewhere at Tenant's sole cost and expense. Any security interest or lien on equipment and trade fixtures by Landlord shall be secondary to the Tenant, Mail Boxes Etc/The UPS Store (Franchisor) or the lender during the term of this agreement any renewal, assignment or termination.

**ARTICLE XI. - DAMAGES, DESTRUCTION OR CONDEMNATION OF THE PREMISES****Section 11.01 Damage or Destruction by Fire or Other Casualty.**

(a) If the Premises are damaged by fire or other insured casualty to the extent of less than fifty percent (50%) of the then value of the Premises, Landlord shall, to the extent of the availability of insurance proceeds, promptly repair such damage. If the Premises are damaged by fire or other casualty to the extent of more than one-half (1/2) of the then value of the Premises or the Shopping Center is so damaged to the extent of more than one-half (1/2) of the then value, Landlord and Tenant shall have the option to terminate this Lease by giving written notice to the other party within thirty (30) days after such occurrence. If this option is not exercised by Landlord, then Landlord shall promptly repair such damages at its expense.

(b) Regardless of the provision hereof, if any damage to the Premises by fire or other casualty is due to any negligent act or failure to act on the part of Tenant, or if the Shopping Center is damaged by fire or other casualty to the extent of more than twenty-five percent (25%) of the then value thereof, Landlord shall have the option to terminate this Lease by giving written notice to Tenant within thirty (30) days of such occurrence.

(c) Landlord's obligation to repair or rebuild pursuant to this Section 11.01 shall be limited to a basic building and the replacement of any interior work which may have originally been installed at Landlord's cost.

(d) Fixed Rent and Percentage Rent, if any, shall abate to the extent that is fair and reasonable under the circumstances from the date Tenant notifies Landlord in writing of any damage or destruction to the Premises until Landlord has repaired or restored the building in the manner and in the condition provided in this Section.

(e) If the Premises are damaged in whole or in substantial part within the last twenty-four (24) months of the Term or any renewal term, Landlord shall have the option, exercisable within sixty (60) days following the date of such damage, to terminate this Lease, effective as of the date of mailing notice thereof. No damage or destruction to the Premises shall allow Tenant to surrender possession of the Premises nor affect Tenant's liability for the payment of rent or any other covenant contained herein, except to the limited extent specifically provided in this Lease.

(f) Notwithstanding anything herein to the contrary, Landlord shall have no obligation to rebuild the Premises unless the damage or destruction is a result of a casualty covered by Landlord's insurance policy and the amount of such insurance proceeds actually collected by Landlord, net of all costs of collection, to the extent such proceeds are not required to be paid over by Landlord to any mortgagee or other third party, are sufficient to discharge fully the cost of such repair and restoration. Tenant shall promptly notify Landlord in writing of any damage to or destruction of any portion of the Premises resulting from fire or other casualty.

(g) Tenant expressly waives any rights to terminate this Lease as a result of damage or destruction to the Premises except as set forth in this Lease.

**Section 11.02 Condemnation.**

(a) If the whole or any part of the Premises shall be taken by any lawful authority under the power of eminent domain then this lease shall terminate and the Tenant shall be liable for rent only up to the date of such termination. Tenant shall be entitled to participate in any and all awards for such taking to the extent that any such award includes the loss, if any, sustained by Tenant as a result of the termination of this lease for loss of business, fixtures, goodwill, and moving expenses.

**ARTICLE XII. - DEFAULT****Section 12.01 Tenant's Default; Remedies.**

In the event: (i) Tenant fails to pay any amount it is obligated to pay hereunder when such payment is due; or (ii) Tenant fails to comply with or otherwise breaches any other term, provision, condition, or covenant of this Lease and such failure continues for a period of ten (10) days after Landlord notifies Tenant thereof (or, in the event such default is otherwise not susceptible of being cured within ten (10) days, if Tenant does not commence to cure such default within such period and thereafter diligently pursue such curative actions for such period, not to exceed thirty (30) days, as required to complete such cure; or (iii) Tenant deserts or vacates the Premises or any material portion thereof or ceases to operate in the Premises as required under this Lease; or (iv) any petition is filed by or against Tenant under any section or chapter of the then current federal bankruptcy laws; or (v) Tenant becomes insolvent or makes a transfer in fraud of creditors; or (vi) Tenant makes an assignment for the benefit of creditors generally; or (vii) a receiver is appointed for Tenant or any of the assets of Tenant; or (viii) Landlord discovers that any statements, applications, financial information,

or credit information was materially false or contained materially false information; then in any of such events, Landlord shall have the option to do any one or more of the following or any combination thereof (to the maximum extent permitted by applicable law), without any notice or demand, in addition to and cumulative with any other remedy available to Landlord at law or in equity:

(a) Continue this Lease in full force and effect and this Lease shall continue in full force and effect as long as Landlord does not terminate this Lease and Landlord shall have the right to collect all rent otherwise due hereunder.

(b) Terminate this Lease or Tenant's right of possession, in which event Tenant shall immediately surrender the Premises to Landlord, but if Tenant shall fail so to do, Landlord may, without notice and without prejudice to any other remedy Landlord may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and its effects, by force and as permitted by law if necessary, without being liable for prosecution or any claim for damages therefor; and Tenant agrees to pay Landlord any and all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms, through decrease in rent, or otherwise. Landlord's termination of this Lease or Tenant's right of possession shall not relieve Tenant of any of its liabilities or obligations hereunder.

(c) Declare the entire amount of the Fixed Rent and other sums that would have become due and payable during the remainder of the Term to be due and payable immediately. In such event, Tenant agrees to pay the same at once, together with all rents theretofore due to Landlord; provided, however that such payments shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of the Fixed Rent and other sums for the remainder of the Term. The acceptance of such payment by Landlord shall not constitute a waiver of any failure of Tenant thereafter occurring to comply with any term, provision, condition, or covenant of this Lease.

(d) Enter upon and take possession of the Premises as the agent of Tenant, by force if necessary, without being liable for prosecution or any claim for damages therefor. To the maximum extent permitted by applicable law, Landlord may withhold the key to the Premises until all delinquent rent and other charges are paid by Tenant. Landlord may, but shall not be obligated to, relet the Premises as the agent of Tenant and receive the rent therefor. In such event, Tenant shall pay Landlord the cost of renovating, repairing and altering the Premises for a new tenant or tenants and any deficiency in rent that may arise by reason of such reletting, on demand. Landlord's failure or refusal to relet the Premises shall not release or affect Tenant's liability for rent and for damages and such rent and damages shall be paid by Tenant on the dates specified herein.

(e) Landlord may, as agent of Tenant, do whatever Tenant is obligated to do by the provisions of this Lease and may enter the Premises, by force if necessary, without being liable for prosecution or any claim for damages therefor. In order to accomplish this purpose, Tenant agrees to reimburse Landlord immediately upon demand for any expenses, which Landlord may incur in thus effecting compliance with this Lease on behalf of Tenant. Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

(f) Notwithstanding anything to the contrary contained in this Section 12.01, concurrently with giving such notice to Tenant under the Lease, Landlord agrees that Mail Boxes Etc/The UPS Store (Franchisor) and Area Franchisee has thirty (30) days to cure such default. Further, Landlord grants Franchisor (or designee) the option, upon default, expiration or termination of the franchise agreement or Lease, and upon notice to the Landlord, to assume all rights under the Lease term (including rent payments), including the right to assign or sublease. Further, Franchisor shall have the right to make modifications necessary to protect the proprietary marks, or to cure any default under the Lease or under the franchise agreement.

#### **Section 12.02 Non-Waiver.**

The mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy Landlord might have, whether at law or in equity. Further, the waiver of or redress for any violation of any covenant or condition in this Lease shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement of Tenant or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing, signed by Landlord.

#### ~~Section 12.03 Lien for Rent.~~

~~In addition to any statutory landlord's lien, Tenant hereby grants to Landlord an express contractual lien and security interest on all property, inventory, wares, machinery, goods, equipment, fixtures and furniture ("goods") of Tenant now or hereafter placed in or upon the Premises, and not exempted by law, in conformance with the Uniform Commercial Code of the state in which the Shopping Center is located. Such property shall be and remain subject to this lien and security interest of Landlord as security for payment of all rent and other sums agreed to be paid by Tenant herein. Upon the occurrence of any default by Tenant under this Lease, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all goods and other personal property of Tenant situated on the Premises without liability for trespass or conversion and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Unless otherwise required by law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least ten (10) days before the time of the sale. Any public sale made under this Section 12.03 shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in the county where the Shopping Center is located, for five (5) consecutive days before the date of the sale. Landlord or its assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this Section 12.03, less any and all expenses incurred by Landlord connected with the taking of possession, holding and selling of the property (including reasonable~~

~~attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law; Tenant shall pay any deficiencies immediately upon demand. Tenant agrees to execute, as debtor, such financing statement or statements as Landlord may now or hereafter request in order that such security interest or interest may be perfected or Continued pursuant to the Uniform Commercial Code applicable in the state where the Shopping Center is situated. Any applicable statutory lien for rent expressly is reserved and the security interest herein granted is in addition and supplementary thereto.~~

**Section 12.04 Attorney's Fees.**

If Tenant defaults in the performance of any of the terms, covenants, agreements, or conditions of this Lease and Landlord hires an attorney, or files suit upon the same, Tenant agrees to pay, as additional rent, Landlord's reasonable attorney's fees, court costs, and other costs incurred in connection therewith, whether or not suit is filed.

**Section 12.05 Landlord's Default.**

Should Landlord be in default under any of the terms of this Lease, Tenant shall give Landlord prompt written notice thereof and shall allow Landlord a reasonable length of time (in any event, not less than thirty (30) days from the date of such notice) in which to cure such default, which period of time shall be extended by any period during which Landlord is delayed or precluded from curing such default by force majeure or any causes beyond the control of Landlord. Notwithstanding any provision in this Lease to the contrary, Tenant hereby waives any right, in the event of a Landlord default, to terminate this Lease, to offset against any rent due hereunder or to exercise any self-help right.

**ARTICLE XIII. - MORTGAGE FINANCING AND SUBORDINATION****Section 13.01 Subordination and Attornment.**

This Lease and all of Tenant's rights hereunder are and shall be subject, inferior and subordinate to any mortgages, deeds of trust, third party rights and interests, liens, restrictions, easements, leases or other security instruments (collectively, "mortgage") which Landlord may place upon the Shopping Center. Tenant shall, upon request of either Landlord or the holder of any such mortgage or deed of trust, and within twenty (20) days of written receipt of request, execute any documents to evidence such subordination and attornment requested by the lender and deliver the same upon demand. Landlord is hereby irrevocably vested with full power and authority to subordinate Tenant's interest hereunder to any mortgage, deed of trust or lien of any kind hereafter placed on the Premises. Tenant agrees to attorn to Landlord's mortgagee or any purchaser at a foreclosure sale or sale in lieu of foreclosure, and execute any necessary agreements evidencing same.

**Lender's Obligations.** If Lender shall succeed to the interest of Borrower under the Lease, subject to the last sentence of this Section, shall be bound to Tenant under all terms, covenants and conditions of the Lease; however, that Lender shall not be:

liable for any act or omission of any prior landlord (including Borrower) subject to any offset, defense or counterclaim which tenant might have or be entitled to assert against any prior landlord (including Borrower).

**Bound by any rent or additional rent or advance rental deposit which Tenant might have paid for more than the current month to any prior landlord (including Borrower), and all such rent shall remain due and owing, notwithstanding such advance payment (unless same has been paid to Lender by Borrower);**

bound by any security or advance rental deposit made by Tenant which is not delivered or paid over to Lender and with respect to which Tenant shall look solely to Borrower for refund or reimbursement;

bound by any termination, amendment or modification of the Lease made without its consent and written approval;

obligated to complete any construction work required to be done by prior Landlords pursuant to the provisions of the Lease or to reimburse Tenant for any construction work done by Tenant;

liable for any accrued obligation of Landlord, or for any act or omission of Landlord, whether prior to or after such foreclosure or sale;

required to make any repairs to the Project or to the premises demised under the Lease required as a result of fire, or other casualty or by reason of condemnation unless Lender, as landlord under the Lease, shall be obligated under the Lease to make such repairs and shall have received sufficient casualty insurance proceeds or condemnation awards to finance the completion of such repairs; or

required to make any capital improvements to the Project or to the premises demised under the Lease which Landlord may have agreed to make, but had not completed, or to perform or provide any services not related to possession or quiet enjoyment of the premises demised under the Lease.

Lender shall not have any liability or responsibility under or pursuant to the terms of this Agreement after it ceases to own an interest in the Project. Nothing in this Agreement shall be construed to require Lender to see to the application of the proceeds of the Loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the Collateral Documents. Tenant acknowledges that Lender is obligated only to Borrower to make the Loan only upon the terms and subject to the conditions set forth in the Mortgage. Tenant further acknowledges and agrees that neither Lender nor any purchaser of the Project at foreclosure sale or any grantee of the project named in a deed-in-lieu of foreclosure, nor any heir, legal representative, successor or assignee of Lender or any such purchaser or grantee, has or shall have any personal liability for the obligations of Borrower under the Lease; however, Tenant may exercise any other right to remedy provided thereby or by law in the event of any failure by Borrower to perform any such obligations.

Concurrently with the execution of this Lease, and at any other time within five (5) business days after requested by Landlord, Tenant shall execute the attached Subordination, Non-Disturbance, and Attornment, or any similar document required by Landlord and or its lender.

**Section 13.02 Notice to Mortgagees of Landlord's Default.**

Tenant shall give prompt written notice to each mortgagee of record of any default of Landlord hereunder, and Tenant shall allow such mortgagee a reasonable length of time (in any event, not less than thirty (30) days from the

date of such notice) in which to cure any such default. Any such notice shall be sent to the mortgage loan department of any such mortgagee at its home office address, unless Tenant is notified of a different address for such notice, in which case such address shall be used.

#### ARTICLE XIV. - MERCHANTS ASSOCIATION

##### Section 14.01 Participation by Tenant.

Tenant will become a member of, participate fully in, and remain in good standing in any association of merchants composed primarily of tenants in the Shopping Center (the "Association"), so long as at least 50% of the tenants in the Shopping Center agree to join such association. Tenant shall abide by the regulations and by-laws of such Association, as soon as and if the Association is formed. Tenant agrees to pay dues to the Association in the manner and amount as set forth by a majority vote of the members of the Association.

#### ARTICLE XV. - OTHER PROVISIONS

##### Section 15.01 Liability and Indemnity.

Each party shall protect, defend, indemnify and save harmless the other party, its officers, officials, employees and agents while acting within the scope of their employment as such, from any and all suits, costs, claims, actions, losses, penalties, judgments, and/or awards of damages, of whatsoever kind arising out of, or in connection with, or incident to this Lease caused by or resulting from each party's own negligent acts or omissions. Each party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees, or agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them. In the event of litigation between the parties to enforce the rights under this paragraph, reasonable attorney fees shall be allowed to the prevailing party to the extent of each parties negligence.

##### Section 15.02 Limited Liability of Landlord.

In the event of sale of the Shopping Center or an assignment of this Lease by Landlord, Landlord shall be and hereby is entirely released and relieved of the obligations of "Landlord" hereunder and it shall be deemed, without further agreement between the parties and such purchaser(s), assignee(s) or lessee(s), that the purchaser, assignee or lessee has assumed and agreed to observe and perform all obligations of "Landlord" from and after the date of such sale or assignment. Tenant specifically agrees to look solely to Landlord's interest in the Shopping Center for the recovery of any judgment from Landlord by reason of a default in the performance of Landlord's obligations under this Lease and that, in no event, shall Landlord or any partner, officer, director, shareholder or employee of Landlord be personally liable for any such judgment. Tenant specifically waives any claim it may have against Landlord personally, or any mortgagee, partner, officer, director, shareholder, agent or employee of Landlord.

##### Section 15.03 Assignment or Subletting.

No Assignment or Subletting. Tenant shall not assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises or any part thereof by any party other than Tenant. Any of the foregoing acts shall be voidable and shall, at the option of the Landlord, constitute a default hereunder. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law.

##### Section 15.04 Notices.

Any notice, document or payment required or permitted to be delivered or remitted hereunder or by law must be in writing, and shall be deemed to be delivered or remitted, whether actually received or not, when deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed to the parties hereto at the respective addresses set out in Article I (unless a party shall change its address for notice by delivering written notice of such change to the other party).

##### Section 15.05 Short Form Lease.

Tenant agrees not to record this Lease without the prior written consent of Landlord and further agrees to execute, acknowledge and deliver at any time after the date of this Lease, at the request of Landlord, a short form memorandum of lease suitable for recording.

**Section 15.06 Surrender of Premises and Holding Over.**

At the expiration of the Term, Tenant shall surrender the Premises, and all keys thereto, in the same condition as existed upon delivery of possession thereof to Tenant, reasonable wear and tear excepted, and damaged by unavoidable casualty excepted (as to casualty damage, to the extent, and only to the extent, that the same is covered by proceeds of Landlord's fire and extended coverage insurance policy) and otherwise in the condition required by the other terms of this Lease. Tenant shall inform Landlord of all combinations all locks, safes and vaults, if any, in the Premises. If Tenant shall hold over the Premises after expiration of the Term, Tenant's hold over, whether or not with the consent or acquiescence of Landlord, shall be deemed to be that of a tenancy at sufferance and in no event from month to month or from year to year, and it shall be subject to all of the terms, covenants and conditions of this Lease applicable thereto, except rental, and no extension or renewal of this Lease shall be deemed to have occurred by such holding over. The Fixed Minimum Rent for any such holdover period shall be twice the amount of Fixed Minimum Rent in advance and without deduction or offset. Tenant shall indemnify Landlord against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Premises effective upon the termination or expiration of this Lease, and for all other losses, costs and expenses, including reasonable attorneys' fees, incurred by reason of such holding over.

**Section 15.07 Force Majeure.**

The time for performance by Landlord of any term, provision or covenant of this Lease shall be deemed extended by time lost due to delays resulting from acts of God, strikes, unavailability of building materials, civil riots, floods, material or labor restrictions by governmental authority and any other cause not within the control of Landlord.

**Section 15.08 Security Deposit. Intentionally Deleted**

**Section 15.09 Miscellaneous.**

(a) Entire and Binding Agreement.

This Lease contains the entire agreement between the parties hereto, and it may not be altered, amended or modified in any manner other than by written agreement signed by all parties. The terms contained herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

(b) Severability Clause.

If any term of this Lease is declared illegal, invalid, or unenforceable during the Term for any reason, then and in that event, the remainder of this Lease shall not be affected thereby. In lieu of each clause or provision that is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(c) Joint and Several Liability.

If there be more than one person or entity named as "Tenant" under this Lease, the obligations hereunder imposed upon Tenant shall be joint and several. If there be any guarantor(s) of Tenant's obligations hereunder, the obligations hereunder imposed upon Tenant shall be joint and several obligations of Tenant and such guarantor(s), and Landlord need not first proceed against Tenant hereunder before proceeding against such guarantor(s). Any such guarantor shall not be released from its respective guaranty for any reason whatsoever, including, without limitation, any amendment of this Lease, any forbearance by Landlord or waiver of any of Landlord's rights, the failure to give Tenant or such guarantor(s) any notices, or the release of any party liable for the payment of Tenant's obligation hereunder.

(d) Captions.

The captions contained herein are for convenience and reference only and shall not be deemed to amplify, modify or limit the terms and provisions of this Lease.

(e) Time of Essence.

Time is of the essence with respect to the payment and performance of Landlord and Tenant's obligations under this Lease.

**Section 15.10 Estoppel Certificate.**

Tenant shall, at any time and from time to time, upon not less than three (3) days prior request by Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that Tenant is in possession of the Premises under the terms of this Lease, that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and setting forth such modifications), stating the dates to which rent has been paid, and either stating that no defaults exist hereunder, or specifying each such default of which Tenant may have knowledge, and such other matters as may be requested by Landlord. Any such statement by

Tenant may be relied upon by any prospective purchaser or mortgagee of the Shopping Center. In the event Tenant fails to provide such a statement within three (3) business days of a receipt of a request for such a statement from Landlord, Landlord shall have the right to execute such a statement on Tenant's behalf as the agent and attorney-in-fact of Tenant, and Tenant hereby irrevocably appoints Landlord as the agent and attorney-in-fact of Tenant, with full power of substitution, to execute and deliver such a statement.

**Section 15.11 Brokers.**

The parties hereto acknowledge that no real estate brokers were used during this negotiation and that no commissions or fees are due to any brokers whatsoever. Apart from the foregoing, each part represents to the other that it has not had any dealings with any real estate broker, finder or other person with respect to this transaction and each party agreed to hold the other harmless from and against all costs, expenses, damages, commissions and/or fees resulting from any claims that may be asserted against the other party by any broker, finder or other person with whom the indemnifying party has or purportedly has dealt.

**Section 15.12 Mortgagee's Approval.**

It is hereby understood by Tenant that this Lease is subject to Landlord's mortgagee's prior written approval. In the event any present or future mortgagee of Landlord requires any changes to this Lease (after execution by both Landlord and Tenant), Tenant shall make said changes and adhere to the same. In the event that Tenant refuses to make any such changes required by such mortgagee, then Landlord shall have the right to terminate this Lease without liability or obligation to Tenant.

**Section 15.13 Compliance with ADA.**

Notwithstanding any other provision of this Lease to the contrary concerning the parties' respective responsibilities for compliance with legal requirements, (a) Landlord agrees that it shall comply with Title III of the Americans with Disabilities Act (the "ADA"), all regulations issued thereunder, and the Accessibility Guidelines issued pursuant thereto, as the same are in effect on the date hereof and may be hereafter modified or amended or supplemented, relating to operation of the Common Areas of the Shopping Center, work done to the Common Areas of the Shopping Center (including, without limitation and as the case may be, alterations, barrier removal, or new construction) and, in the event of reconstruction and restoration of the Premises by Landlord as a result of a casualty or taking, alterations or new construction of the Premises; and (b) Tenant agrees that it shall comply with the ADA relating to the Premises and work done to the Premises during the Term.

Within ten (10) days after receipt, Landlord and Tenant shall advise the other party in writing and provide the other with copies of any notices (as applicable) alleging violation of the ADA relating to any portion of the Shopping Center or of the Premises; any claims made or threatened in writing regarding non-compliance with the ADA and relating to any portion of the Shopping Center or of the Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding non-compliance with the ADA and relating to any portion of the Shopping Center or the Premises.

If any alterations are required to be made to the Common Area due to legal requirements, including the ADA, Landlord shall make such alterations, and the cost of such alterations shall be included in Common Area Maintenance Costs.

**ARTICLE XVI. - ENVIRONMENTAL COVENANTS.**

The term "**Hazardous Substances**," as used in this Lease shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the removal of which is required or the management or use of which is regulated, prohibited penalized, or listed by any "**Environmental Law**," which term shall mean any local, state or federal law, ordinance, rule, code or regulation of any applicable governmental or regulatory agency relating to health, pollution, contamination or protection of the environment. Tenant hereby agrees that

(a) No activity will be conducted on the Premises that will require the management of any Hazardous Substances, except for such activities that are part of the ordinary course of Tenant's business activities (the "**Permitted Activities**") provided such Permitted Activities are conducted in accordance with all Environmental Laws and have been approved in advance in writing by Landlord;

(b) The Premises will not be used in any manner for the storage of any Hazardous Substances except for any temporary storage of such materials that are used in the ordinary course of Tenant's business (the "**Permitted Materials**") provided such Permitted Materials are properly stored in a manner and location satisfying all Environmental Laws and approved in advance in writing by Landlord;

(c) It will comply with all federal, state, and local laws, codes, ordinances, regulations, permits and licensing conditions governing the Release, discharge, emission, management or disposal of any Hazardous Substance and prescribing methods for or other limitations on storing, handling, or otherwise managing Hazardous Substances;

(d) No portion of the Premises will be used as a landfill or a dump;

(e) Tenant will not install any underground tanks of any type;

(f) Tenant will not allow any surface or subsurface conditions to exist or come into existence that constitute, or with the passage of time may constitute a release of Hazardous Substance or a violation of Environmental Law or a public or private nuisance;

(g) Tenant will not permit any Hazardous Substances to be brought onto the Premises, except for the

Permitted Materials, and if so brought or found located thereon, the same shall be immediately removed by Tenant, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws;

(h) At its own expense, Tenant shall promptly contain and remediate any Hazardous Substances arising from or related to Tenant's use, possession, operation, management and occupancy of the Premises and pay for any resultant damage to property, persons, and/or the environment;

(i) Tenant shall give prompt notice to Landlord, and all appropriate regulatory authorities, of any release of any Hazardous Substance in the Premises arising from or related to Tenant's use, possession, operation, management and occupancy of the Premises, which release is not made pursuant to and in conformance with the terms of any permit or license duly issued by appropriate governmental authorities, and such notice to include a description of measures taken or proposed to be taken by Tenant to contain and remediate the release and any resultant damage to property, persons, or the environment;

(j) At Landlord's request from time to time, Tenant shall execute affidavits, representations and the like concerning Tenant's best knowledge and belief regarding the presence of Hazardous Substances in the Premises, and

(k) Upon expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord free from the presence and contamination of any Hazardous Substance arises from activities conducted by or on behalf of Tenant (or its agents, sublessees or assignees) at the Premises.

(l) If at any time, during the Lease Term or any extensions thereof, the Premises are found to be so contaminated, as to violate any Environmental Laws as previously defined above, or subject to such conditions, Tenant shall defend, indemnify and hold Landlord, its mortgagee, partners, officers, directors, shareholders, agents and employees harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of the use of the Premises by Tenant (or its agents, sublessees or assignees). In addition, Tenant further agrees to indemnify, protect and hold harmless Landlord from and against any and all loss or other damage suffered by Landlord at any time during or after the Term in any way arising as a result of or in connection with the presence of Hazardous Substances on, under or about the Premises, which result from Tenant's activities on, in or about the Premises. Unless expressly identified on an addendum to this Lease, as of the date hereof the sole "Permitted Activities" or "Permitted Materials" for purposes of the foregoing provision shall be: NONE.

This is the only Permitted Exception allowed by Landlord unless and until a new method of Permitted Activity is approved in writing by the Landlord. Upon 5 working days notice, Landlord may enter the Premises and conduct environmental inspections and tests therein as it may require from time to time, provided that Landlord shall use reasonable efforts to minimize the interference with Tenant's business. Such inspections and tests shall be conducted at Landlord's expense, unless they reveal the presence of Hazardous Substances (other than Permitted Materials) or that Tenant has not complied with the requirements set forth in this Section, in which case Tenant shall reimburse Landlord for the cost thereof within ten days after Landlord's request therefor. Notwithstanding anything contained herein to the contrary, any sums due Landlord from Tenant arising out of the terms, provisions, covenants and indemnities of this Section shall be deemed to constitute rent under this Lease.

(m) If during the term of the Lease, Tenant violates any of the Environmental Covenants contained herein, the Landlord:

- (1) Shall have the option of terminating the lease and the Landlord shall have no further liability or obligation to the Tenant. However, although the Lease may be terminated, the Tenant shall not be relieved of any liability or obligation under Environmental Covenants contained herein.
- (2) Tenant shall lose any renewal option it may have;
- (3) Tenant agrees not to dispose of any Hazardous Substances on or within the Premises or any part of the Shopping Center, agrees to have any Hazardous Substance contained at all times within an impermeable container, and to dispose of any Hazardous Substance with a qualified environmental disposal contractor.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and first year above written, and each acknowledge receipt of an executed copy hereof.

**LANDLORD:**  
Curran Properties/Fairwood Square, LLC  
a Delaware Limited Liability Company

by: CCD Enterprises, Inc., a Washington Corporation, its Manager

BY: David M. Lamont  
NAME: David M. Lamont *etc*  
TITLE: President  
DATE: June 17, 2005

**TENANT:**  
King County, Washington

BY: Calvin Hoggard  
NAME: Calvin Hoggard, Manager  
Real Estate Services Section  
DATE: 6-1-05

King County Sheriff  
By: Sue Rahr  
Sue Rahr, Sheriff  
DATE: 5/14/05

Approved as to Form:

*Robert I. Stier*

*Robert I. Stier*  
Robert I. Stier, Senior Deputy Prosecuting Atty.

DATE: 5/31/05

STATE OF WASHINGTON)

) ss:

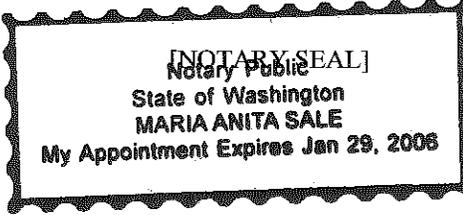
COUNTY OF KING )

BEFORE ME, a Notary Public in and for the State of Washington, came David M. Lamont to me known to be the President of CCD Enterprises, Inc. a Washington corporation which corporation is manager of Curran Properties/Fairwood Square, LLC, a Washington limited liability company, and acknowledged to me that he was duly authorized to and did execute the above and foregoing Commercial Net Lease as said officer of CCD Enterprises, Inc, as manager of and on behalf of Curran Properties/Fairwood Square, LLC as the free act and deed of said limited liability company.

WITNESS my hand and seal this 17<sup>th</sup> day of June, 2005

Maria Anita Sale

[Name, printed or typed] MARIA ANITA SALE



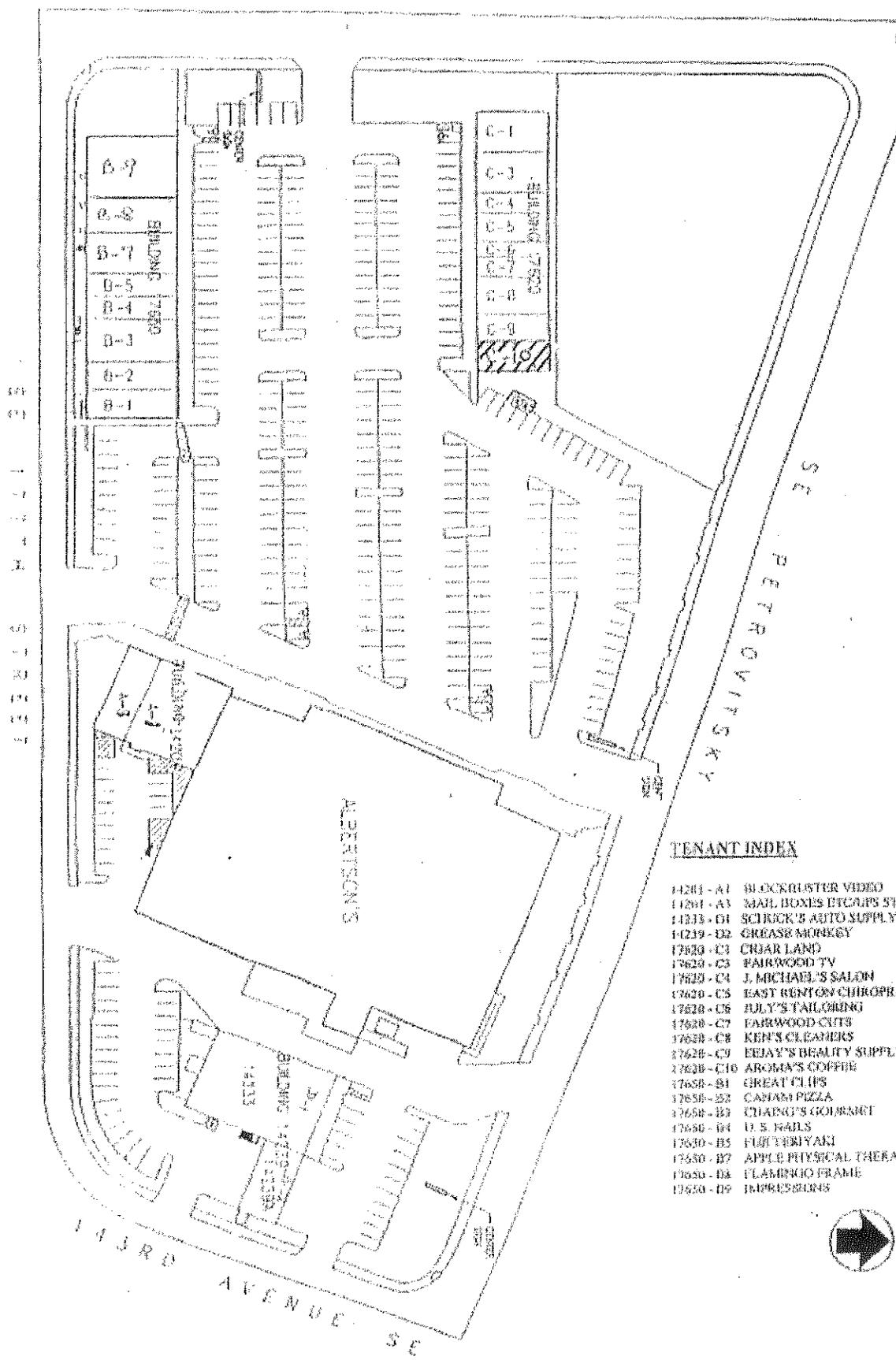
Notary Public in and for the State of Washington

Residing at Lejunewood

My Commission expires: 1/29/06

**EXHIBIT A**

**SHOPPING CENTER SITE PLAN**  
(with Premises Cross-Hatched)



**TENANT INDEX**

- 14281 - A1 BLACKBUSTER VIDEO
- 14281 - A3 MAIL BOXES ETC/APS STORE
- 14213 - C1 SCHROCK'S AUTO SUPPLY
- 14219 - D2 GREASE MONKEY
- 17620 - C1 CHAIR LAND
- 17620 - C3 FAIRWOOD TV
- 17620 - C4 J. MICHAEL'S SALON
- 17620 - C5 EAST BENTON CHIROPRACTIC
- 17620 - C6 JULY'S TAILORING
- 17620 - C7 FAIRWOOD CHITS
- 17620 - C8 KEN'S CLEANERS
- 17620 - C9 ERIK'S BEAUTY SUPPLY
- 17620 - C10 AROMA'S COFFEE
- 17656 - B1 GREAT CLIPS
- 17656 - B2 CANAM PIZZA
- 17656 - B3 CHANG'S GOURMET
- 17656 - B4 U.S. NAILS
- 17650 - B5 FUJITSUBIYAKI
- 17650 - B7 APPLE PHYSICAL THERAPY
- 17650 - B8 FLAMENCO FRAME
- 17650 - B9 IMPRESSIONS

EXHIBIT B

## LEGAL DESCRIPTION OF SHOPPING CENTER

PARCEL A:

TRACT A, SARBEL ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 91 OF PLATS, PAGES 80 AND 81, IN KING COUNTY, WASHINGTON.

EXCEPT THAT PORTION OF SAID TRACT A, LYING NORTHERLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SAID TRACT A, WHICH IS SOUTH  $02^{\circ}01'21''$  WEST 25.00 FEET FROM THE NORTHWEST CORNER THEREOF; THENCE SOUTH  $88^{\circ}25'18''$  EAST, PARALLEL WITH THE NORTH LINE OF SAID TRACT A, 225.00 FEET; THENCE NORTH  $31^{\circ}15'31''$  EAST TO THE NORTH LINE OF SAID TRACT A.

PARCEL B:

THAT PORTION OF THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 23 NORTH RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING EAST OF 140<sup>TH</sup> AVENUE S.E., AND SOUTHERLY OF PETROVITSKY ROAD, AS SAID ROAD IS DESCRIBED IN RESOLUTION NO. 24547, DATED JULY 23, 1962, OF THE BOARD OF COUNTY COMMISSIONERS OF KING COUNTY, WASHINGTON, AND THE NORTH 30 FEET OF THE WEST 230 FEET OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 23 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR PUBLIC ROAD BY DEED RECORDED JULY 31, 1958, UNDER AUDITOR'S FILE NO. 4927669, WHICH LIES EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF TRACT A, SARBEL ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 91 OF PLATS, PAGES 80 AND 81, IN KING COUNTY, WASHINGTON, WHICH IS SOUTH  $02^{\circ}01'21''$  WEST 25.00 FEET FROM THE NORTHWEST CORNER OF SAID TRACT A; THENCE SOUTH  $88^{\circ}25'18''$  EAST PARALLEL WITH THE NORTH LINE OF SAID TRACT A, 225.00 FEET; THENCE NORTH  $31^{\circ}15'31''$  EAST TO A POINT ON THE NORTH LINE OF SAID TRACT A, WHICH POINT IS THE COMMENCEMENT OF THIS LINE; THENCE CONTINUING NORTH  $31^{\circ}15'31''$  EAST TO THE SOUTHERLY MARGIN OF PETROVITSKY ROAD WHICH IS THE TERMINUS OF SAID LINE.

EXHIBIT C

## DESCRIPTION OF LANDLORD'S WORK

Landlord agrees that it will, at its sole cost and expense, as soon as is reasonably possible after the execution of this Lease, commence and pursue to completion the improvement to be erected by Landlord as follows:

1. Paint all interior walls with a color agreed upon by the Landlord and Tenant.
2. Demise the current coffee bar and alter the existing kitchen in a location and size of which will be determined by the Landlord. The kitchen will include a stove, sink, refrigerator, microwave, and espresso machine. (All appliances are to be chosen by the Landlord).
3. Clean HVAC vents and replace stained ceiling tiles.
4. Repair three failing exterior windows and/or window seals on the east wall.
5. Remove the current window bar and remove all of the previous tenant's personal property.
6. Carpet the entire Premises with 16 oz. level loop glue down carpet, excluding the bathroom and doorway entrance, with a color agreed upon by the Landlord and Tenant.
7. Provide signage on the Shopping Center marque sign consistent with the existing signs.
8. Provide fascia signage to the suite in a mutually agreed upon design and color. The signs must fall within the Signage Criteria outlined in Exhibit D, unless the Landlord agrees to a deviation from the said criteria.
9. Paint two (2) designated parking stalls to be marked with "Sheriff Parking Only", but Landlord will not be responsible for enforcing exclusive parking.

**EXHIBIT D**

## SIGNAGE CRITERIA

THE INTENT OF THE CRITERIA HEREIN DESCRIBED IS TO SET BASIC ARCHITECTURAL GUIDELINES THAT, WHILE ENABLING EACH PAD SITE TO CREATE A SEPARATE AND INDIVIDUAL IDENTITY, WILL ALSO CREATE A COHESIVE DESIGN FOR THE OVERALL PROJECTS. THIS CRITERIA ATTEMPTS TO BE AS THOROUGH AS POSSIBLE WITH DESIGN EXPLANATIONS AND SUGGESTIONS WITHOUT HINDERING THE INDIVIDUAL PROJECTS CREATIVITY. THE TOTAL CONCEPT SHOULD BE ARCHITECTURALLY INTEGRAL AND GIVE AN IMPRESSION OF QUALITY, PROFESSIONALISM AND INSTALL A GOOD BUSINESS IMAGE.

THIS CRITERIA CONSISTS OF FOUR SECTIONS:

I. **OVERALL DESIGN GOALS:**

- A. It is the intent of the design of this project to create an overall impression of continuity and uniformity through the Shopping Center.

II. **SIGNAGE:**

Tenant acknowledges that Landlord has provided Tenant with the Signage Criteria contemporaneously with Tenant's execution of this Lease.

The following information is to be used for the design of the individual sign. In all cases, final written approval must be obtained from the Lessor prior to the construction and/or installation of the separate elements. Lessor shall make all final and controlling determinations concerning any question of interpretation of this policy.

Written approval and conformance with these specifications does not imply conformance with local city and county ordinances. Tenant is responsible for checking with local and county authorities to avoid noncompliance of this policy.

The purpose of this sign criteria is to create a graphic environment that is individual and distinctive in identity for the Tenant and also compatible with other signs in the center. The total concept should give an impression of quality, professionalism and instill a good business image. Letters shall be well proportioned and its design, spacing, and legibility shall be a major criterion for approval.

A. **REQUIRED SIGN**

Tenant shall identify its premises by erecting one (1) sign, which shall be attached directly to the building fascia as described hereinafter. Where the Leased Premises is a corner store, the Tenant may install a fascia sign on each fascia when the parallel lease frontage exceeds 15', and the criteria shall govern each frontage respectively, however, a maximum of two signs will be permitted for any corner lease.

Tenant shall not be allowed to open for business without approved required signs in place. Failure to open for this reason shall not excuse the Tenant from the performance of its obligations under the Lease.

B. **TYPE OF SIGN**

Individually illuminated, single faced, raceway mounted letters on the building fascias. Raceway is to be 6" (six inches) deep x 8' (eight foot) high and aligned to bottom of letter.

C. **SIZE OF SIGN**

The Depth of the sign shall be limited to 4" (four inches) and the Height of the sign shall not exceed 36" (thirty-six inches). Multiple row signs shall not exceed 36" (thirty-six inches) in total height including spaces between rows. The Minimum Letter Size is to be 10" (ten inches).

The overall length or spread of letter cannot exceed the percentage of the total linear storefront measurement of the leased space reflected on the chart below:

Linear Footage or Storefront	Maximum Sign Width
Less than 25 feet	75%
25 feet to 34 feet	70%
35 feet to 44 feet	65%
45 feet to 60 feet	60%
61 feet or more	55%

D. **TYPE OF LETTERING**

- Any style (block or script) may be used and Upper and lower case letters are allowed. However, Landlord shall have final review over height increases for script letters.
- Logos in addition to signage must be approved in writing and must be proportionate to height of fascia

and sign and in same color as signage.

3. All lines of lettering shall run horizontally.
4. Box type signs are not permitted.

**E. COLOR OF SIGN**

1. Face is to be Rohm & Hass Plexiglass and the following colors are permitted:
2. Returns and Raceways are to be painted so they match the building wall.
3. The Trim Cap is to be 1" (one inch) black jewel lite.

**F. CONSTRUCTION**

**LETTERS**

1. Individual channel letters will have 1/8 (one-eighth inch) Plexiglass faces.
2. Returns and Backs shall be .063 gauge aluminum (minimum).
3. No armor plate or wood in the manufactured returns may be used.

**G. ILLUMINATION AND WIRING**

1. All illumination shall be with 15 mm or 30 mm neon tubing and shall be a uniform color of white 4500 degrees.
2. Secondary wiring: all transformers and secondary wiring shall be concealed in the raceway.
3. Electrical power shall be brought to required location at the Tenant's expense. Routing and location of conduit and other required items shall not be visible on the front of the fascia and shall not penetrate the roof.
4. Final electrical connection of the sign to the transformer box shall be performed by a licensed electrician approved by the Landlord.

**H. PLACEMENT AND INSTALLATION**

1. General Notes
  - a. Letters are to be located on signage area of building as determined by the Landlord. (See attached sign location drawings). The assigned position for each Tenant shall be as close to a center-of-frontage location as possible, subject to an allowance for positioning corner store signs and suitable space between adjacent Tenant signs, as determined by the Landlord.
  - b. Refer to the attached drawings for datum's and baselines on the building fascias where signage will be allowed.
  - c. Attachment of raceways shall meet U.L. Standards. No exposed wiring shall be permitted.
  - d. All fasteners used shall be non-corrosive.
  - e. The Tenant shall be responsible for all damage to the building incurred during the sign installation or removal. PRIOR TO THE SIGNS INSTALLATION, TENANT'S SIGN CONTRACTOR SHALL PROVIDE A CERTIFICATE OF INSURANCE NAMING THE LANDLORD AS ADDITIONAL INSURED.
2. Channel Mounted Signs
  - a. All signs shall be raceway mounted signs.
  - b. Tenant shall be responsible for the replacement and repair of cover plates and bolts during sign installation or removal.
  - c. Each sign transformer shall be mounted inside the raceway which will be 6" (six inches) deep by 8" high. The raceway shall be attached to the building facade by concealed devices.

**I. SUBMITTAL**

Prior to awarding a contract for fabrication and installation, the Tenant shall submit three (3) scaled drawings for final review and approval to:

CCD Enterprises, Inc.  
1601 Fifth Avenue, Suite 1703  
Seattle, WA 98101  
206-361-6366

Elevation of building fascia and sign shall be drawn using a minimum  $\frac{1}{4}'' = 1'0''$  scale.

Drawing shall indicate the following specifications:

1. Type;
2. Color and thickness of Plexiglass;
3. Finish used on return;
4. Type of materials;
5. Type of illumination and mounting method;
6. The Drawings must include fascia cross section showing electrical connections.

The Tenant's sign contractor shall first visit the site to verify existing conditions prior to preparation of shop drawings and obtain any additional information necessary to prepare the submittals.

**J. PERMITS**

All City permits and approvals from the Landlord are required prior to sign fabrication.

**K. TRAILER or TEMPORARY SIGNS** will not be permitted unless prior written consent of Landlord is provided.

**L. ADDRESS SIGNAGE**

The Street Address shall be installed at the cost and expense of the Tenant. Three (3'') white die-cut vinyl or plastic letters are to be utilized and are to be located on glass transom centered and above the front door (s).

**M. WINDOW SIGNS**

The Tenant's company name will be allowed in white vinyl die-cut letters not exceeding 4'' (four inches) in height. Exposed bulb neon may be used in colors subject to Landlord's prior written approval, which is not to be unreasonably withheld. Tenant shall submit to Landlord, three (3) copies of  $\frac{1}{4}'' = 1'0''$  scaled drawings for approval. Tenant shall not apply any other signs to the interior of or exterior facade of the storefront glass or other materials.

**N. THE FOLLOWING ARE NOT PERMITTED:**

1. Roof or box signs;
2. Cloth signs hanging in front of the Tenant's premises;
3. Exposed seam tubing;
4. Animated or moving components;
5. Intermittent or flashing illumination;
6. Iridescent painted signs;
7. Letter mounted or painted on illuminated panels;
8. Signs or letters painted directly on any surface except as herein provided;
9. Signs installed or placed along the Shopping Center's perimeter;
10. The names, stamps, or decals of manufacturers or installers shall not be visible except for technical data (if any) required by governmental authorities.

EXHIBIT E

## RULES AND REGULATIONS

1. The sidewalks, walks, plaza entries, corridors, malls, concourses, ramps, and other Common Areas of the Shopping Center shall not be obstructed or used by Tenant for any purpose other than ingress and egress to and from the Premises.

2. All deliveries or shipments of any kind to and from the Premises, including loading and unloading of goods, shall be made only by way of the rear of the Premises or at any such reasonable location designated by Landlord, and only at such reasonable times designated for such purpose by Landlord. Trailers and/or trucks servicing the Premises shall remain parked in the Shopping Center only during those periods reasonably necessary to service Tenants operations, and then only in locations designated by Landlord.

3. Tenant shall not install any resilient tile or similar floor covering in the Premises except with prior approval of the Landlord. The use of cement or other similar adhesive material is expressly prohibited.

4. No additional locks or bolts of any kind shall be placed on any door in the Shopping Center or the Premises and no lock on any door therein shall be changed or altered in any respect. Landlord shall furnish two keys for each lock on exterior doors to the Premises and shall, on Tenant's request and at Tenant's expense, provide additional duplicate keys. All keys shall be returned to Landlord upon the termination of this Lease and Tenant shall give to Landlord the explanations of the combinations of all safes, vaults and combination locks remaining with the Premises. Landlord may at all times keep a pass key to the Premises. All entrance doors to the Premises shall be left closed at all times and left locked when the Premises are not in use. Landlord acknowledges that some of Tenant's customers are provided 24 hour access to rental mailboxes inside the Premises and that an entry system to enable that service will be installed by Tenant.

5. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Mechanical and electrical equipment belonging to Tenant which cause noise, vibration, electrical or magnetic interference, or any other nuisance that may be transmitted to the structure or other portions of the Shopping Center or to the Premises to such a degree as to be objectionable to Landlord or which interfere with the use or enjoyment by other tenants of their premises or the public portions of the Shopping Center shall be placed and maintained by Tenant, at Tenant's expense, in settings of cork, rubber, spring type, or other vibration eliminators sufficient to eliminate the noise or vibration.

6. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by Tenant.

7. Initial move-in refuse from inventory, including but not limited to packing crates, shall be removed at Tenant's sole cost and expense. Any wet trash, including but not limited to food debris, is to be placed in plastic bags and tied before being placed in trash containers. All boxes are to be broken down before being placed inside the containers. Sidewalk containers are not for personal use. Tenant, or the employees of Tenant shall not at any time place, leave or discard any rubbish, paper, articles or objects of any kind whatsoever outside the doors of the Premises or in the corridors or walks of the Center. In the event any item is left at the rear of the Premises or at the base of a refuse container and it can be determined to which tenant it belongs, Landlord has the right to charge that tenant the cost to have it removed. Unless a container is marked by a tenant paying individually and separately for trash collection, containers are for all Shopping Center tenants and do not belong to any one tenant. The exterior areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by Tenant and its employees to the satisfaction of Landlord, and Tenant shall not place or permit any obstructions or merchandise in such areas. No debris shall be swept or removed from the Premises onto sidewalks or other Common Areas.

8. All services requests are to be reported promptly and directly to Landlord's designated agent during normal office hours, excepting emergencies which shall be reported immediately at any time.

9. Only workmen employed, designated or approved by Landlord may be employed for repairs, installations, alterations, painting, material moving and other similar work that may be done in or on the Premises.

10. Tenant shall not place, or cause or allow to be placed, any signs, placards, banners, flags, pictures, advertisements, notices or lettering whatsoever, in, about or on the exterior of the Premises or Shopping Center except in and at such places as may be consented to by Landlord in writing. Any such signs, placard, advertisement, picture, notice or lettering so placed may be removed by Landlord without notice to and at the expense of Tenant. All lettering and graphics on doors shall conform to the building standard prescribed by Landlord from time to time. No trademark shall be displayed in any event.

11. No awnings, draperies, shutters or other interior or exterior window coverings that are visible from the exterior of the Premises may be installed by Tenant.

12. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Shopping Center or its desirability for retail use and, upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

13. Tenant shall not bring or permit to be brought or kept in or on the Premises or the Shopping Center any inflammable, combustible, corrosive, caustic, poisonous, explosive or hazardous substance, or cause or permit any odors to permeate in or emanate from the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Shopping Center by reason of light, radiation, magnetism, noise, odors and/or vibrations, or interfere in any way with other tenants or those having business in the Shopping Center.

14. Canvassing, soliciting or peddling in the Shopping Center is prohibited and Tenant shall cooperate to prevent same.

15. Tenant shall give immediate notice to Landlord in case of theft, unauthorized solicitation or accident in the Premises or in the Shopping Center or of defects therein or defects in any fixtures or equipment, or of any known emergency in the Shopping Center.

16. Landlord reserves the right to deny entrance to the Shopping Center or remove any person or persons from the Shopping Center in any case where the conduct of such person involves a hazard or nuisance to any tenant of the Shopping Center or to the public or in the event of fire or other emergency, riot, civil commotion or similar disturbance involving risk to the Center, tenants or the general public.

17. No portion of the Premises shall at any time be used or occupied as sleeping or lodging quarters. No animals or birds, with the exception of guide dogs accompanying visually handicapped persons, shall be brought or kept in or about the Premises. Unless otherwise expressly provided for in the Lease, Tenant shall not do any cooking on the Premises. Tenant may, however, for the use of its employees, operate a coffee bar and allow the use of a microwave oven.

18. Tenant shall at all times keep the Premises neat and orderly.

19. Tenant shall not use or permit any portion of the Premises to be used for any use other than those specifically granted in the Lease.

20. Landlord shall have the right to designate and restrict the areas available within the Shopping Center for the parking of vehicles by Tenant, its employees, agents, visitors and invitees.

21. Tenant shall be responsible for the compliance with these rules and regulations by the employees, agents, customers and invitees of Tenant.

22. In the event of any conflict between the terms of these rules and regulations and the express provisions of Tenant's Lease, the express, applicable provisions of the Lease shall control.

23. Landlord reserves the right, without the approval of Tenant, to add new rules and regulations, and to waive, rescind, add to and amend any rules or regulations with respect to any tenant or tenants (which rules and regulations need not be uniformly applied by Landlord to all tenants), as Landlord in its sole judgment shall from time to time find necessary or appropriate in order to provide for the safety, protection, care and cleanliness of the Shopping Center, the operation thereof, the preservation of good order therein, and the protection and comfort of tenants and their employees, agents, customers and invitees, which rules and regulations, when made and written notice thereof is given to Tenant, shall be binding upon it in like manner as if originally herein prescribed, except to the extent such additional rules or regulations conflict with the express provisions of this Lease. The amendment or waiver by Landlord of any rules or regulations for the benefit of any particular tenant of the Shopping Center shall not be construed as a waiver of such rules and regulations in favor of this Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such rules and regulations against any or all of the tenants in the Shopping Center.

EXHIBIT F

TENANT ACCEPTANCE OF PREMISES

Property: Fairwood Square  
 Tenant: King County Sheriff Department  
 Address: 14201 S.E. Petrovitsky Rd  
 Suite C-6/7  
 Renton, WA 98058  
 Landlord: Curran Properties/Fairwood Square, LLC

This Acceptance of Premises is being executed pursuant to the Shopping Center Lease for the address named above between the Landlord and Tenant named above. Tenant certifies and agrees with Landlord and Landlord's successor's, that:

1. Tenant acknowledges and represents the Landlord's Work as defined in the Lease to be substantially complete and suitable for the purposes for which the Premises are leased and Landlord has fully complied with its obligations contained in this Agreement and the Lease;
2. The Premises are tenantable, and Tenant acknowledges that the Land, the Building, and the Premises are satisfactory in all material aspects.
3. Tenant has taken possession of and has accepted the Premises, and the Fixed Rent and additional rent/charges are presently accruing in accordance with the terms of the Lease.
4. Tenant will forward to Landlord a Certificate of Occupancy.
5. Tenant will provide Landlord with a Certificate of Insurance naming the Landlord as additional insured, as per the terms of the Lease.
6. Tenant acknowledges the following critical dates with regards to the Lease:
  - a. Commencement Date: \_\_\_\_\_
  - b. Rental Commencement Date: \_\_\_\_\_
  - c. Termination Date: \_\_\_\_\_

Rental Payments are due on the first of each month and should be made payable to and mailed to the following:

Curran Properties/Fairwood Square, LLC  
 c/o CCD Enterprises, Inc.  
 1601 Fifth Avenue, Suite 1703  
 Seattle, WA 98101

AGREED TO AND ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2003.

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_