

**PROPRIETARY LEASE
BY AND BETWEEN
THE WILANA APARTMENTS, INC.
AND**

This Proprietary Lease (this "Lease") is entered into this _____ day of _____, 20____ by and between the Wilana Apartments, Inc. (hereafter the "Corporation") and _____ (hereafter "Shareholder"), a Shareholder in the Corporation.

In consideration of the mutual promises and covenants exchanged and contained in this Lease the Corporation and the Shareholder agree as follows:

ARTICLE I

Term of Lease

This Lease shall commence on the _____ day of _____, _____ and continue for 99 years.

ARTICLE II

Leased Premises

Under the terms, covenants and conditions of this Lease, the Corporation grants to the Shareholder the following:

2.1 The exclusive use and occupancy of Apartment #_____ (hereafter the "Apartment") in the Wilana Apartments located at 1732 15th Avenue, Seattle, Washington 98122 and legally described as follows:

Lot 6, Block 7, Renton's Addition to the City of Seattle, According to the Plat Thereof Recorded in Volume 3 of Plats, Page 118 in King County, Washington.
Situate in King County, Washington.

2.2 The exclusive use of storage area or locker #_____ (hereafter the "Storage Area") in the Building.

2.3 The non-exclusive use of the Areas of Common Use.

ARTICLE III

Definitions

The following definitions apply throughout this Lease unless, from the context, a different meaning is clearly indicated.

3.1 The definitions contained in the Bylaws are hereby incorporated by this reference and those definitions shall apply to this Lease as though fully set forth herein.

3.2 "Areas of Common Use" - The common halls and stairways, laundry room, boiler room, electrical room, work room, roof deck and all other portions of the Building, other than the areas inside the designated apartments and storage area in the Wilana Apartments; and all areas of the Property outside the Building.

3.3 "Articles of Incorporation" - The Articles of Incorporation of the Corporation as adopted, amended and/or replaced from time to time by the Corporation.

3.4 "Building" - The apartment building located on the property described in Article II of this Lease.

3.5 "Bylaws" - The Bylaws of the Corporation as adopted, amended and/or replaced from time to time by the Corporation.

3.6 "Corporate Operating Documents" - The Articles of Incorporation, the Bylaws and the Rules and Regulations.

3.7 "Monthly Dues" - The sum, established pursuant to the Bylaws, that the Shareholder must pay each month for the regular operation, preservation and maintenance of the Corporation and the property of the Corporation.

3.8 "Premises" - The Apartment, Storage Area and the Areas of Common Use.

3.9 "Property" - The property described in Article II of this Lease and all of the buildings, improvements, components and fixtures located on that property.

3.10 "Special Assessment" - Any sum, other than a Monthly Dues, assessed against the Shareholder pursuant to the Bylaws for the necessary operation, preservation and maintenance of the Corporation and/or the property of the Corporation or for other legitimate corporate purposes.

3.11 "Special Charge" - All of the following:

3.11.1 Any late fee, fine or similar charge assessed against Shareholder pursuant to the Corporate Operating Documents or this Lease.

3.11.2 Any fee charged to the Shareholder, pursuant to this Lease or the Corporate Operating Documents, for providing a special service or benefit to the Shareholder.

3.11.3 Any cost incurred by the Corporation for which the Shareholder is liable pursuant to this Lease or Corporate Operating Documents.

ARTICLE IV

Lease Tied to Block of Shares

The Corporation has entered into this Lease with the Shareholder on the specific condition that the Shareholder is, and will at all times while this Lease is in effect remain, the owner of the Block of Shares, consisting of _____ Shares, associated with the Apartment.

ARTICLE V

Monthly Dues, Special Assessments and Special Charges

The Bylaws contain the mechanism by which the Corporation

establishes the Monthly Dues on the Apartment. The Shareholder agrees to timely pay, as rent, all Monthly Dues and Special Assessments on the Apartment and all Special Charges in the manner, and as otherwise established, in the Bylaws and this Lease. Until changed consistent with the Bylaws, the current Monthly Dues on the Apartment is \$_____ per month.

ARTICLE VI

Corporate Operating Documents

The parties agree that the Corporate Operating Documents may contain provisions which govern, in part, the landlord/tenant relationship between the Corporation and the Shareholder established by this Lease. The Shareholder agrees to abide by the Corporate Operating Documents in all respects. The Parties agree that if any conflict exists between the provisions of this Lease on the one hand and the provisions of the Articles of Incorporation or Bylaws on the other hand, then the provisions of the Articles of Incorporation or Bylaws, as the case may be, shall govern and the provisions of this Lease that do not conflict with, or can be harmonized with, the Articles of Incorporation and Bylaws shall remain in full force and effect. The parties agree that if any conflict exists between the provisions of this Lease on the one hand and the provisions of the Rules and Regulations on the other hand, then the provisions of this Lease shall govern and the provisions of the Rules and Regulations that do not conflict with, or can be harmonized with, this Lease shall remain in full force and effect.

ARTICLE VII

Premises Accepted in Their As-Is Condition

The Shareholder hereby accepts the Premises in their as-is condition.

ARTICLE VIII

Use of the Premises

8.1 Use of Apartment. The Shareholder agrees to use

the Apartment as a private residence and for no other purpose; provided, however, that the Shareholder may conduct a home occupation in the Apartment that meets all of the following requirements:

8.1.1 The home occupation does not involve customers, clients or others coming to the Building on a regular, recurring or frequent basis.

8.1.2 The home occupation does not involve any commercial deliveries or pickups at the Building, other than occasional, incidental deliveries or pickups by courier or delivery services.

8.1.3 The home occupation does not involve any industrial equipment, nor any equipment or processes that will produce any sound, odor, light or vibration that is discernible outside the Apartment.

8.1.4 The home occupation does not involve any power source or power demand not typical for residential use.

8.1.5 There is no sign, nor any other indication of the home occupation, visible anywhere outside the Apartment.

8.1.6 The address of the Building is not used in any advertising or promotional materials.

8.2 Use of Storage Area. The Shareholder agrees to use the Storage Area to store the Shareholder's personal property and for no other purpose. No volatile, hazardous, toxic or putrescible substance may be stored or placed in the Storage Area.

8.3 Use of Areas of Common Use. Except as otherwise established in this Lease or the Corporate Operating Documents, the Shareholder agrees to use the various parts of the Areas of Common Use for the purposes for which they are provided, in common with the other shareholders of the Corporation and residents of the Building, and for no other purpose. Except as otherwise established in this Lease, the Shareholder may not use any part of the Areas of Common Use for any private purpose. The Board may permit the Shareholder to use an Area of Common

Use for a private purpose, such as a party, on a one time, or extremely infrequent, basis. The Board may permit or deny such use in its discretion and, if it approves such use, it may impose any conditions, limitations or requirements that it deems appropriate. The fact that the Board has granted or denied permission for a private use of an Area of Common Use in the past shall not, in any way, be relevant to whether it grants or denies permission for another or similar such use in the future.

8.4 No Increase In Insurance Costs. The Shareholder may not engage in any activity nor place anything in the Premises, nor suffer or permit any of the foregoing to occur, that will increase the rate or cost of insurance on the Property or its contents or the contents of any other apartment in the Building. If the Shareholder violates the provisions of this Section, in addition to all other rights of the Corporation, the Shareholder shall be liable to the Corporation and to the other Members for all costs incurred by the Corporation or other Members (as the case may be) including, but not limited to, additional insurance premiums which result from the violation of this Section. Any liability of the Shareholder to the Corporation under this Section shall be a Special Charge against the Shareholder.

8.5 Compliance with Applicable Laws. With respect to the Shareholder's use and occupancy of the Premises, the Shareholder agrees to comply, in all respects, with all applicable law.

8.6 No Liens. The Shareholder may not permit or suffer any lien or claim of lien to arise or to be filed against the Property or any part thereof. If a lien or claim of lien arises or is filed against the Property or any part thereof - a) for work, materials and/or activities on, for and/or related to the Apartment and/or the Storage Area; b) arising out of and/or related to the actions or commitments, or claims of the same, by the Shareholder; and/or c) for which the Shareholder is responsible or claimed to be responsible, then, in any of those instances, it is the responsibility of the Shareholder to have the lien or claim of lien removed and fully discharged immediately. If the lien or claim of lien is not removed and fully discharged within ten (10) days after the Shareholder is notified of the existence of the lien or claim of lien, then the Corporation may cause the lien or claim of lien to be removed and fully discharged without investigating the validity of the

lien or claim of lien. If the Shareholder, within ten (10) days after receiving notice of the lien or claim of lien, notifies the Corporation that the Shareholder contests the lien or claim of lien and provides the Corporation with a bond or other adequate security, in a form and amount determined by the Corporation to be adequate to protect the Corporation's interests and the Property, the Corporation may forbear exercising its rights under this Section; provided however, that the Corporation reserves the right to discharge and fully remove any lien or claim of lien which the Corporation determines, in its sole discretion, interferes with its business, its ownership and/or use of the Property and/or the rights of other Members. The Corporation may assess a Special Charge against the Shareholder for all costs incurred by the Corporation pursuant to this Section, including, but not limited to, any sum paid to investigate, discharge and/or remove the lien or claim of lien and all attorney's fees and incidental costs.

ARTICLE IX

Insurance

9.1 Carried by the Corporation. Consistent with its legal and contractual obligations, the Corporation shall carry such insurance and in such amounts on and insuring the Property and the Corporation as it deems appropriate. The Corporation will not carry insurance on the contents of the Apartment, the contents of the Storage Area nor on any other property of Shareholder nor for the personal liability of the Shareholder.

9.2 Carried by the Shareholder. The Shareholder shall obtain and keep in force insurance on the improvements made to the Apartment and for the Shareholder's personal liability incurred on the Premises under coverage generally called "Type HO-6" Insurance or equivalent coverage, all with minimum limits of liability established, from time to time, by the Corporation. The Shareholder may not carry any insurance that would decrease the amount which the Corporation would be entitled to receive under any insurance policy maintained by the Corporation.

ARTICLE X

Taxes

The Corporation shall pay real estate and similar taxes and assessments levied by any governmental entity upon the Property. The Shareholder shall pay all other taxes, if any, related to the Shareholder's acquisition, ownership, use or sale of the Block of Shares, this Lease or the Premises.

ARTICLE XI

Responsibilities of the Corporation

11.1 General. In addition to, and without in any way limiting or affecting, the other responsibilities of the Corporation under this Lease and the Corporate Operating Documents, the Corporation covenants and agrees as follows:

11.1.1 The Corporation shall maintain: the roof; exterior doors and Apartment entry doors; windows; exterior surfaces and structural elements of the Building; and the pipes, common use drains, conduits, wires and other infrastructure in the Areas of Common Use and below floors and above ceilings and inside walls (including inside walls in the Apartment) to provide electrical, water and sewer service and such other utilities and services as the Corporation deems appropriate. As explained in Section 12.4, the Shareholder (not the Corporation) is responsible for maintaining the drains that serve only their unit. The Corporation is responsible for maintaining drains that serve multiple units.

11.1.2 The Corporation shall maintain all other aspects of the Areas of Common Use, other than those specified in Paragraph 11.1.1 of this Lease, in good condition and repair consistent with the age and quality of those improvements and the funds available to the Corporation to maintain the same.

11.1.3 The Corporation shall pay all charges for water, sewer service and garbage service for the Property and electricity for the Areas of Common Use.

11.1.4 The Corporation shall be responsible for the repair of any damage to the Apartment which results from

the failure of the Corporation to maintain any aspect of the Building as required by this Lease which is the responsibility of the Corporation under this Lease; provided that if the Shareholder was aware of, or using reasonable diligence should have been aware of, the leak and/or other cause of the damage and failed to timely report the same to the Corporation, then the Shareholder, and not the Corporation, shall be liable for the cost of repair.

11.1.5 The Corporation shall provide hot water to the Apartment in amounts that the Corporation determines to be adequate.

11.2 Exceptions - Need Created by Shareholder.

Notwithstanding any of the obligations of the Corporation under Section 11.1 or elsewhere in this Lease, the Shareholder is responsible for all costs incurred by the Corporation in maintaining, repairing and/or replacing any part of the Property for which the Corporation is responsible if the need for the maintenance, repair and/or replacement resulted from the acts or omissions of the Shareholder and/or any person for whom the Shareholder is responsible under this Lease. In addition, the Shareholder is responsible for any costs that would otherwise be the responsibility of the Corporation under this Lease if that cost is necessitated by or related to renovating, modifying, repairing and/or maintaining any portion of the Premises which is the responsibility of the Shareholder under of this Lease.

ARTICLE XII

Responsibilities of the Shareholder

In addition to, and without in any way limiting or affecting, the other responsibilities of the Shareholder under this Lease and the Corporate Operating Documents, the Shareholder covenants and agrees as follows:

12.1 The Shareholder shall fully comply with all provisions of this Lease and the Corporate Operating Documents.

12.2 The Shareholder shall timely pay to the Corporation all sums that are due, or will become due, under this Lease

and/or the Corporate Operating Documents.

12.3 The Shareholder shall maintain, repair, replace and keep in good condition at all times all walls, woodwork, floors, ceilings, apartment interior doors and all other components of the Apartment and the Storage Area and keep and maintain the Apartment and the Storage Area in a clean and sanitary condition and free of all fire and other hazards at all times.

12.4 Except as specified in Section 11.1 (which applies to systems that are largely not visible in the apartment, such as those below floors, above ceilings, and inside walls), the Shareholder shall maintain, repair and replace and keep in good condition at all times, all, pipes, drains, valves, junction boxes, outlets, fixtures and other components of the electrical, heating, plumbing, ventilation and communication and data systems in the Apartment and the appliances in the Apartment. The Shareholder is responsible for maintaining the drains that serve only their unit, including snaking, to keep drains freely flowing.

12.5 The Shareholder shall refrain from doing anything and/or allowing any situation to develop that could result in the deterioration of any part of the Building.

12.6 The Shareholder shall respect and not interfere with the rights, including the right to quiet enjoyment, of other Members and residents in the Building; shall not annoy other Members and residents of the Building with unreasonable noise; and shall not commit or permit any nuisance on the Property nor waste of the Property.

12.7 The Shareholder shall always in good faith endeavor to promote the cooperative purpose of the Corporation, including, but not limited to, dealing with other Members and residents of the Building in a courteous and reasonable manner and attempting to resolve disputes and differences of opinion in a constructive and cooperative manner.

12.8 The Shareholder shall refrain from damaging the Areas of Common Use and refrain from using such areas in any way that is inconsistent with their intended purpose or interference with the rights of other Members and residents of the Building.

12.9 The Shareholder shall promptly inform the Corporation of any situation, condition or defect which, under this Lease, is the responsibility of the Corporation to correct or which is causing or may cause damage or deterioration to any portion of the Property or expense to the Corporation.

12.10 The Shareholder shall pay for any costs and damage incurred by the Corporation and/or other Members or residents of the Building caused by -- a) any acts of the Shareholder and/or other person for whom the Shareholder is responsible; b) the shareholder's and/or any such person's failure or refusal to comply with the provisions of this Lease, and/or c) the failure of Shareholder and/or any such person to timely report any condition or situation requiring repair which is the responsibility of the Corporation, if the Shareholder or said person, as the case may be, knew, or using reasonable diligence should have known, of the need for the repair. All amounts for which the Shareholder is liable to the Corporation under this Section shall be a Special Charge against the Shareholder.

ARTICLE XIII

Right of Corporation to Affect Repairs to the Premises

If the Shareholder fails or refuses to comply with the Shareholder's responsibilities under this Lease and if that failure or refusal -- a) affects or might affect the structural integrity, safety, quality or appearance of the Building or other aspect of the Property or the rights, personal safety and/or property of other Members or residents of the Building; or b) causes or might cause expense to the Corporation, then, in any of those events, the Corporation, after giving reasonable notice to the Shareholder (except in emergencies where no notice need be given), may at its option perform the obligation of Shareholder and the Shareholder will thereafter be liable to the Corporation for all costs incurred by the Corporation under this Article and such amount shall be a Special Charge against the Shareholder.

ARTICLE XIV

Shareholder Responsible for Others

The Shareholder shall be responsible for the conduct, actions and failures to act of the Shareholder's family members, invitees, licensees, subleases and all other persons occupying or using the Premises and/or entering the Property by, through or under the Shareholder or this Lease. The Shareholder is responsible for the failure or refusal to comply with this Lease by the Shareholder's family members, invitees, licensees and all other persons occupying or using the Premises or entering the Property by, through or under the Shareholder or this Lease. The Shareholder is liable for all costs incurred by the Corporation because of the actions or inactions of any of the foregoing person and/or because of the failure or refusal of any of the foregoing person to comply with the provisions of this Lease, and all such costs shall be a Special Charge against the Shareholder.

ARTICLE XV

Alterations and Additions

15.1 Areas of Common Use. The Shareholder may not make any alterations, changes or additions to the Areas of Common Use.

15.2 Apartment and/or Storage Area General. The Shareholder must obtain the prior written approval of the Corporation, which approval the Corporation may grant, condition or withhold at its sole discretion, for any modifications, renovation, improvement or change to the Apartment and/or Storage Area that will involve and/or result in one or more of the following:

15.2.1 Opening of any wall, floor or ceiling.

15.2.2 Changes to any wires, lines, outlets, fixtures, pipes, junction boxes, conduits, valves, ducts, drains or other component of the electrical, ventilation, heating, plumbing or communication and data systems.

15.2.3 Any activities, including, but not limited to, noise, vibrations, smoke or odor, which could interfere with the rights, including the right to quiet enjoyment, of other Members and/or residents of the Building.

15.2.4 Any activity which requires a permit or authorization under the Land Use Code, building codes, the electrical code, the plumbing code or any similar code of the City of Seattle or other Government entity.

15.3 Apartment and/or Storage Area -- Requirements and Conditions. The Shareholder shall comply with the following standards and requirements with respect to any modification, improvement, renovation, or change to the Apartment or Storage Area whether or not the approval of the Corporation is required:

15.3.1 All work will be done in a high quality, workmanlike manner, consistent with all applicable codes and other governmental requirements.

15.3.2 All required building, electrical and plumbing permits and other governmental permits or approvals are obtained, properly finalized and complied with.

15.3.3 All work involving electrical systems, plumbing systems and/or any structural component of the Building shall be performed by qualified workers who are insured, licensed if required to perform such work and bonded consistent with applicable law.

15.3.4 The Shareholder shall take all requisite steps to ensure that no mechanics, material or other lien attaches to the Property or any part thereof.

15.4 Apartment and/or Storage Area -- Indemnification. The Shareholder agrees to indemnify and hold the Corporation, as well as the officers, directors and other Members, harmless from all liability, damages and costs in any way related to and/or arising out of, any modification, renovation, improvement or change to the Apartment or Storage Area, whether or not the approval of the Corporation is required.

ARTICLE XVI

Entry and Inspection of Premises

Upon reasonable notice to the Shareholder, except in emergencies where no notice need be given, and for reasonable

purposes, the officers, directors, agents, contractors and employees of the Corporation may enter the Apartment and Storage Area. If after giving reasonable notice (or in the case of emergency where no notice need be given) the Shareholder or other resident of the Apartment is not available to provide entry to the Premises and if the Shareholder has not made other arrangements for such entry, then force may be used to gain entry into the Apartment and/or Storage Area. In the event of forcible entry, or under any circumstance where the Shareholder or other resident of the Apartment is not present at the time of entry, the Corporation acting through its officers, directors, agents, contractors and employee shall use reasonable care to preserve and protect the Apartment and Storage Area and the property therein. Neither the Corporation nor its officers, directors, agents, contractors nor employees shall be liable for any damage to or loss of the Apartment or Storage Area or the property therein nor for any damage which results from entry into the Apartment or Storage Area (including forcible entry) so long as reasonable care was taken.

ARTICLE XVII

Occupancy, Assignment and Subletting

The Bylaws contain provisions regarding occupancy of the Apartment, assignment of this Lease and subletting of the Apartment. The Shareholder agrees to comply with all of these provisions.

ARTICLE XVIII

Default/Assignment of Rent

18.1 General. The Shareholder shall be in default of this Lease upon the occurrence of any of the following:

18.1.1 The failure of the Shareholder for any reason to pay any sum owed to the Corporation, including but not limited to Monthly Dues, Special Assessment and/or Special Charge, within thirty (30) days after it is due.

18.1.2 The failure of the Shareholder to comply with any term, covenant, condition or other provision of this

Lease.

18.1.3 The failure of the Shareholder to comply with any term, covenant, condition or other provision of the Corporate Operating Documents.

18.2 Notice of Default. The Corporation may give notice of default to the Shareholder in any way permitted by applicable law.

18.3 Assignment of Rents - The Shareholder irrevocably assigns any rent from the Apartment to the Corporation and irrevocably appoints the President of the Corporation as the Shareholder's attorney-in-fact for the purpose of collecting such rents; provided that the Shareholder reserves the right to collect such rents so long as the Shareholder is not in default of this Lease. If the Shareholder is in default of this Lease, the Corporation may, but is not required to, collect any rent otherwise due to the Shareholder from subtenants or others in the Apartment and apply that rent to any sums due to the Corporation by the Shareholder. If the Corporation collects any rents pursuant to this Section, it assumes no liability or responsibility to the Shareholder or any other person by such actions. The Shareholder is liable for all costs incurred by the Corporation acting pursuant to the provisions of this Section and all such costs shall be a Special Charge against the Shareholder. Any sums collected by the Corporation pursuant to this Section in excess of what the Corporation is owed when such sum is collected shall be promptly turned over to the Shareholder. Nothing in this Section or any action of the Corporation under this Section in anyway affects the provisions of the Bylaws regarding subleasing of the Apartment nor constitutes an approval of any sublease.

ARTICLE XIX

Termination

19.1 General. This Lease shall terminate upon the occurrence of any of the following:

19.1.1 If the Shareholder ceases to be a shareholder in the Corporation.

19.1.2 If the Shareholder abandons the Premises.

19.1.3 Thirty days after the Shareholder receives notice of default regarding failure of the Shareholder to pay any sum owed to the Corporation, unless all sums owed to the Corporation are paid within that thirty (30) day period.

19.1.4 Thirty days after the Shareholder receives notice of default regarding a failure of the Shareholder to comply with any term, covenant, condition or other provision of this Lease, other than as specified in Section 19.1.3 of this Lease, and/or the Corporate Operating Document, unless such default is cured within that sixty day period; provided, however, that if the Corporation determines, in its sole discretion, that the default has or is likely to cause substantial and irreparable harm to the Corporation and/or to the other Members and/or residents of the Building, then the time the Shareholder has to cure such default shall be whatever time the Corporation deems appropriate, consistent with applicable law, and such shorter cure period shall be specified in the notice of default under Article 18 of this Lease.

19.1.5 One Hundred and Twenty Days (or such longer period as contained within the Resolution) after the adoption of a Resolution, approved by a seven-eighths vote of all Members, to terminate all leases of Members on the apartments in the Building.

19.1.6 Upon the issuance of an order of a court of competent jurisdictions terminating this Lease.

19.1.7 If the Property or a substantial part thereof is taken by condemnation or similar governmental action or deed-in-lieu thereof.

19.1.8 If the Building or a substantial part thereof is damaged or destroyed by fire or other casualty and the Corporation decides not to rebuild pursuant to Article 20 of this Lease.

19.1.9 If This Lease is declared terminated or to be terminated under the provisions of any agreement entered into by and between the Corporation, the Shareholder and a Share Lender.

19.1.10 In the event of a default by the Shareholder in, and termination of the Shareholder's rights under, a seller financing arrangement consistent with the Bylaws.

19.2 Effect of Termination - Upon termination of this Lease, all rights of the Shareholder pursuant to this Lease shall end and the Shareholder agrees to immediately vacate the Premises and turn over the Apartment and Storage Area to the Corporation.

19.3 Sale of Share - If this Lease is terminated pursuant to a default by the Shareholder under Article 18 of this Lease, the Corporation may, in its sole discretion, but consistent with other agreements it has entered into, either immediately exercise its lien and other rights under the Corporate Operating Documents or delay exercising some or all of said rights for a period of time, not to exceed One Hundred Eighty Days, during which the Shareholder shall sell the shares associated with the Apartment. If the Corporation delays exercising some or all of its rights and allows the Shareholder to sell the shares, the Shareholder shall be liable for all sums that would otherwise be due under this Lease for all periods until the sale of the shares to a new shareholder has closed and a new lease on the Apartment commences.

19.4 Costs. If this Lease is terminated, pursuant to a default by Shareholder under Article 18 of this Lease, the Shareholder shall be liable for all costs incurred by the Corporation related thereto, including, but not limited to, the costs of terminating this Lease and retaking possession of the Premises.

19.5 Informal Efforts, Extended Time, Etc. The Corporation may, at its sole and absolute discretion, attempt informal resolution of one or more default under this Lease and/or the Corporate Operating Documents, provide a longer cure period for such default than is specified in this Lease and take any and all other actions it deems appropriate, under the

circumstances, with respect to such default, both before and after any notice of such default is provided to the Shareholder. Neither any action or forbearance by the Corporation pursuant to this Section nor any failure or refusal of the Corporation to act or forbear as authorized by this Section in, any way, changes the rights and obligations of the Corporation and the Shareholder under this Lease, the Corporate Operating Documents and applicable law and further does not, and may not be construed to, provide any right or defense to the Shareholder. All rights and remedies of the Corporation under the Lease, the Corporate Operating Documents and applicable law are fully preserved.

ARTICLE XX

Damage to or Destruction of Building

20.1 Partial Damage. Except as stated in Section 20.2 of this Lease, if the Building is damaged by fire or other casualty, the Corporation shall, to the extent permitted by available insurance proceeds and other resources of the Corporation, repair the damage as quickly as possible so that the Building will conform as closely as possible to the configuration that existed immediately preceding the damage. In the event that the damage renders the Apartment uninhabitable, Monthly Dues (but not Special Assessments) shall cease until the damage is repaired and the Apartment is habitable, at which time Monthly Dues shall resume.

20.2 Destruction. In the event of the total destruction of the Building, or partial destruction to an extent which makes it financially infeasible to rebuild considering available insurance proceeds and other resources of the Corporation, this Lease shall terminate unless the Corporation elects to rebuild the Building, in which case this Lease shall continue and the provisions of Section 20.1 of this Lease related to Monthly Dues and Special Assessments shall apply.

ARTICLE XXI

Miscellaneous

21.1 Complete Agreement - No Oral Representations. This

Lease, the documents referred to herein, the Corporate Operating Documents and any other document executed by the Corporation and the Shareholder contains the full understanding of the parties. There are no oral representations or agreements.

21.2 Severability. If any provision of this Lease, or its application to any person or circumstance, is finally held invalid by a court of competent jurisdiction, that provision or its application to the particular person or circumstance shall be excised and the remainder of this Lease, and its application to other persons and circumstances, shall remain in full force and effect.

21.3 Remedies Cumulative. If the Shareholder fails or refuses to comply with his or her obligations under this Lease and/or the Corporate Operating Documents, the Corporation may, in addition to the remedies specified in this Lease and the Corporate Operating Documents, pursue any remedy in statute, at law or in equity available to it. The remedies of the Corporation are cumulative, and the Corporation may pursue any remedies available to it separately or concurrently. The decision and action of the Corporation to pursue a particular remedy shall not be construed as an election of that remedy to the exclusion of others.

21.4 Rent Not Abated. Except as specifically stated in this Lease, no Monthly Dues, Special Assessment or Special Charge shall be eliminated, reduced or abated for any reason. Without in any way limiting the generality of the directly preceding sentence, the amount owed to the Corporation by the Shareholder will not be eliminated, reduced or abated by the interruption of utility service, the violation or claims of violation of this Lease and/or the Corporate Operating Documents by the Corporation and/or other Members and/or resident of the Building and, except as specifically stated in this Lease, any damage to or destruction of the Premises.

21.5 Special Charges Due. Except as specifically stated by the Corporation in making a Special Charge or as otherwise specifically stated in this Lease or the Corporate Operating Documents, all Special Charges charged to a Shareholder are due and payable to the Corporation, in the same place and manner as Monthly Dues are paid, ten days after notice of the Special

Charge is given to the Shareholder.

21.6 Notice. Except as specifically required by applicable law or other provisions of this Lease or the Corporate Operating Documents, all notices which can or may be given under this Lease shall be given to the Shareholder at the Apartment or such other address of which the Shareholder may, from time to time, give notice to the Corporation, and to the Corporation at 1732 15th Ave. , Seattle, Washington 98122 or such other address of which the Corporation may from time to time give notice to the Shareholder.

21.7 No Waiver of Rights. The failure of the Corporation to insist in any one or more instance on strict compliance with this Lease and /or the Corporate Operating Documents and/or to pursue any rights available to the Corporation shall not be a waiver by the Corporation of its right to require strict compliance and to pursue any remedy available to it regarding current, future or other failures, and all of said rights and prerogatives of the Corporation are fully preserved. The receipt by the Corporation of payment of any sum from or for the account of the Shareholder after the Corporation has sent any notice of default or similar notice to the Shareholder shall not be a waiver of the default stated in that notice. Notice or knowledge of the Shareholder's default of this Lease or the Corporate Operating Documents shall not be a waiver of that default. No waiver by the Corporation of a default of this Lease or the Corporate Operating Documents shall be effective unless the same is in writing specifying the default and signed by an officer of the Corporation authorized to waive such default.

21.8 Shareholders Responsible for Fees\Cost. The Shareholder shall be liable to the Corporation for all of the following costs and expenses of the Corporation, and the same shall be a Special Charge against the Shareholder:

21.8.1 Any cost incurred by the Corporation, including but not limited to attorney's fees, to enforce any of the Corporation's rights under this Lease or the Corporate Operating Documents against the Shareholder.

21.8.2 Any cost incurred by the Corporation,

including but not limited to the cost of a collection agency, to collect any amount owed to the Corporation by the Shareholder.

21.8.3 Any costs incurred by the Corporation, including but not limited to attorney fees, accounting fees and expert witness fees, by reason of a default by the Shareholder of this Lease and/or the Corporate Operating Documents.

21.8.4 Any costs incurred by the Corporation, including but not limited to attorney fees, accounting fees and expert witness fees, in any litigation or other legal proceedings with and/or involving the Shareholder.

21.9 Time. Time is of the essence in this Lease. In the computation of any period of time under this Lease, if the last day of the applicable period falls on a Saturday, Sunday or federal or Washington state holiday, such period shall be extended to the next day that is not a Saturday, Sunday or federal or Washington state holiday.

21.10 Governing Law. This Lease shall be governed by the laws of the State of Washington.

21.11 Binding Effects. This Lease is binding upon and inures to the benefit of the parties hereto and their respective heirs, successors, assigns and personal representatives; provided that nothing in this Section in any way modifies the rights and responsibilities of the parties regarding assignment of this Lease and/or subletting the Apartment.

21.12 Shareholder, Officers, Directors and Others Not Personally Liable for Corporate Responsibilities. None of the past, present or future Members, officer, director nor agents of the Corporation shall be personally liable for the actions of or failure to act by the Corporation nor for the covenants, agreements or requirements of the Corporation under this Lease or the Corporate Operating Document.

21.13 Subordination to Mortgages and Deeds of Trust. This Lease is subordinate to all mortgages, deeds of trust and similar encumbrances which encumber the Property, whether such

encumbrances presently exist or are subsequently created. Upon demand, the Shareholder shall execute any instrument that may be required by the secured party on any such encumbrance or by the Corporation for the purpose of more formally subordinating this Lease to such encumbrance.

21.14 Rights of Share Lenders. The Shareholder and the Corporation hereby agree that the provisions of any Recognition Agreement or other agreement entered into by the Shareholder, the Corporation and any Share Lender shall supersede any inconsistent provision of this Lease; provided that the provisions of this Lease which are not inconsistent with, or can be harmonized with, such agreement shall remain in full force and effect.

21.15 Number and Gender. The references in this Lease to Shareholder, although expressed in the singular shall apply to the person or persons actually signing this Lease as the "Shareholder". As used in this Lease, the singular shall include the plural and vice versa and each gender shall include every other gender, all as the context may require.

21.16 Joint and Severable Liability. All persons signing this Lease as Shareholder shall be jointly and severally liable under this Lease.

21.17 Titles. The titles to the Articles, Sections and other provisions of this Lease are for convenience only and do not in any way affect the meaning of this Lease.

21.18 Form of Lease/Modification to this Lease. The Corporation and the Shareholder agree that, as a housing cooperative, all leases to shareholders of the Corporation should use the same form. The Corporation, therefore, agrees that all leases to Members shall, to the maximum feasible extent, use the same form as this Lease. The Corporation and the Shareholder also agree that, over time, it may become appropriate to change the terms of the lease form. As a result, the Corporation and the Shareholder agree that in the event that amendments to this lease form or an entirely new form of lease is adopted by a two-thirds vote of all Blocks of Shares, then from and after such adoption, this Lease shall automatically be modified and/or replaced, as the case may be, consistent with

the amendment to this lease form or the new form of lease adopted by the Members. The Shareholder agrees to execute any lease amendment or any new lease approved consistent with this Section and, if the Shareholder fails or refuses to do so for fourteen days after being notified to do so by the Corporation, then the President of the Corporation is hereby appointed the Shareholder's attorney-in-fact for the purpose of executing such amended or new lease for and on behalf of the Shareholders as well as all other documents necessary to put the amendment or new lease into full force and effect.

IN WITNESS hereof the parties have executed this Lease on the date set forth below:

Shareholder

Shareholder

STATE OF _____)
) ss.
COUNTY OF _____)

On this day personally appeared before me _____, to me known to be the individual described in and who executed the foregoing document, and acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

DATED this ____ day of _____, 20____.

Printed Name: _____
 NOTARY PUBLIC in and for the State of
 Washington, residing at _____
 My Commission Expires: _____

WILANA APARTMENTS, INC.

By: _____
Its: _____

By: _____
Its: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the President and Secretary, respectively, of the Wilana Apartments, Inc., the corporation that executed the foregoing instrument, and acknowledged the said document to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the document.

Witness my hand and official seal hereto affixed the day and year first above written.

Printed Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission Expires: _____