

LEASE AGREEMENT

**Fiesta Plaza
1112 E Nob Hill Blvd
Yakima, WA 98901**

**Between
Gaylord Property Investments, LLC**

as Landlord

and

**Lower Valley Credit Union
as Tenant**

Dated: June 21, 2016

Shopping Center: Fiesta Plaza

LEASE AGREEMENT

For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises herein described for the term, at the rental, and subject to and upon all of the terms, covenants and agreements hereinafter set forth in this lease (the "Lease"), which shall be a binding agreement as of the effective date.

ARTICLE 1 - SUMMARY OF CERTAIN LEASE PROVISIONS		Cross Reference
		Article
1.1	EFFECTIVE DATE: <u>September 1, 2016</u>	3
1.2	LANDLORD: <u>Gaylord Property Investments, LLC</u>	
1.3	TENANT: <u>Lower Valley Credit Union</u>	
1.4	GUARANTOR(s): _____	22.7
1.5	TENANT'S TRADE NAME: <u>Lower Valley Credit Union</u>	6.1
1.6	LEASE TERM: <u>5 Years Sixty-six (66) months from Term Commencement Date</u>	3
	TERM COMMENCEMENT DATE: <u>December 421, 2016</u>	
	RENT COMMENCEMENT DATE: <u>June 1, 2017</u>	
1.7	MINIMUM RENT: Months 1-12 Monthly \$13.00/sf = \$5,514.41 per month	4.1
	Months 13-24 Monthly \$14.00/sf = \$5,938.59 per month	
	Months 25-60 Monthly \$15.00/sf = \$6,362.78 per month	
1.8	RENEWAL OPTION PERIODS: <u>One (1), five (5) year renewal option period</u>	4.3
	OPTION PERIOD RENT : Minimum Rent shall be increased by <u>2</u> % at each renewal option period.	4.3.1
1.9	PERCENTAGE RENT: <u>N/A</u>	
1.10	SECURITY DEPOSIT: <u>None</u>	
	PREPAID RENT: <u>None</u>	
1.11	PREMISES: <u>1112 E Nob Hill Blvd, Suite 106 & 107, Yakima, WA 98901</u> ; Size: <u>5090.22 SF</u>	2.1, Exhibit "A"
1.12	TENANT'S ESTIMATED EXPENSES PER SQUARE FOOT FOR YEAR 1:	
	Taxes \$ <u>2.06</u> per square foot	5.1
	Insurance \$ <u>.77</u> per square foot - \$3.50/SF/Yr = \$17,815.77/Yr - (\$1,484.65/Mo)	12.3
	CAM \$ <u>.67</u> per square foot	20.5.2
	Costs are collectively referred to as "CAMs" and are to be paid monthly with Minimum Rent.	
1.13	USE(S) OF PREMISES: <u>Credit Union</u>	6.1
1.14	ADDRESS FOR NOTICES:	19
	To Landlord: <u>Gaylord Property Investments</u> To Tenant: <u>Lower Valley Credit Union</u>	
	<u>LLC c/o Craig Gaylord</u> <u>c/o Suzy Fonseca</u>	
	_____, <u>1</u> <u>900 Yakima Valley Hwy</u>	
	<u>15 S 10th Avenue</u> <u>Sunnyside, WA 98944</u>	
	<u>Pasco, WA 99301</u> <u>Ph: 509.837.5295</u>	
	<u>Ph: 509.547.5356 Fax: 509.547.5633</u>	
1.15	LANDLORD'S REPRESENTATION: _____	
	TENANT'S REPRESENTATION: _____	22.17
1.16	ADDENDUM - SPECIAL PROVISIONS AND/OR CONDITIONS: <u>See page 26.</u>	23
1.17	EXHIBITS: The following exhibits are an integral part of this Lease.	
	Exhibit "A" - Legal Description, Site Plan & Premises	Exhibit "C" - Sign Standards
	Exhibit "B" - Construction Provisions	Exhibit "D" - Estoppel Certificates
		Exhibit "E" - Basic Rules and Regulations

The foregoing is a summary only and reference should always be made to the full provisions of this Lease. References have been provided for convenience and designate some, but not necessarily all, of the other Articles where references to the particular "Summary of Certain Lease Provisions" appear. Each reference in this Lease to any of the summarized lease provisions contained in Article 1 shall be construed to incorporate all of the terms provided under

each summarized lease provision and in case of any conflict with the balance of this Lease, the latter shall control.

ARTICLE 2 - DEMISE AND PREMISES

2.1 **Demise and Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises described in section 1.11 (the "Premises") situated in the Fiesta Foods shopping center located at ~~4876 N. 4th Street-1112 E. Nob Hill Blvd.~~ (hereinafter the "Shopping Center") in the City of ~~Hermiston~~Yakima, County of ~~Umatilla~~Yakima, State of ~~Oregon~~Washington, together with all buildings ("Building(s)"), structures or other improvements now or hereafter located thereon or which comprise the Premises, together with and subject to all conditions, restrictions, obligations, rights, privileges, easements and appurtenances thereto, including without limitation those created pursuant to the Declaration of Restrictions and Grant of Easements and other similar easements, use or restriction agreements (the "Declaration"), if applicable, and the Common Area Maintenance Agreement ("CAMA"), if applicable, for the Shopping Center both as now or hereafter executed by Landlord and all amendments thereto which cover the Premises and the Shopping Center. A general site plan showing among other things, some of the principal improvements which comprise the Shopping Center is attached as Exhibit "A". The Premises shall extend to the exterior faces of all outside walls (including walls abutting adjoining buildings if those walls are not party walls) and all walls separating the leased Premises from common areas or other non-leasable space, or to the edge of any mall area where there is no wall between any mall and Premises, or to the center line of party walls and those walls separating said Premises from other leased premises in the building in which the Premises are located or to the interior face of perimeter walls which are common to two buildings and which are not party walls (unless otherwise shown on Exhibit "A" hereto). Tenant acknowledges that the site plan shown on Exhibit "A" is tentative and that Landlord or other owners or lessees of parts of the Shopping Center may change the shape, size, location, number and extent of the improvements shown thereon and eliminate or add any improvements to any portion of the Shopping Center. Tenant does not rely on the fact nor does Landlord represent that any specific tenant or number of tenants shall during the term of this Lease occupy any space in the Shopping Center.

2.2 **Improvements.** The obligations of Landlord and Tenant to perform the work and supply material and labor to prepare the Premises for occupancy are set forth in detail on Exhibit "B". Landlord and Tenant shall expend all funds, and do all acts required of them in Exhibit "B" and shall have the work performed promptly and diligently in a first-class, workmanlike manner and compliant with all municipal codes.

~~2.3 **Relocation.** Landlord additionally reserves the right to relocate the Premises to another space of comparable size within the Shopping Center, upon reasonable written notice to Tenant and provided that Landlord shall be responsible for the actual expenses of relocating Tenant's fixtures and equipment associated with such relocation. Landlord reserves the absolute right to effect such other tenancies in the Shopping Center as Landlord in the exercise of its sole business judgment shall determine to best promote the interest of the Shopping Center. This section 2.3 only applies if the Premises are located within the Anchor Tenant's expansion area.~~

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ARTICLE 3 - TERM AND COMMENCEMENT OF RENT

This Lease shall be effective and shall be a binding and enforceable agreement upon the date of its execution and each of the parties shall have all rights and remedies at law for any breach or anticipatory breach hereof. The Term shall commence as of December 1, 2016 as specified in section 1.6 (the "Term Commencement Date"), and Tenant's obligation to pay rent, shall commence as of ~~the date(s) June 1, 2017 as~~ specified in section 1.6 (~~the "Term Commencement Date" and (the "Rent Commencement Date", respectively).~~). In the event the Rent Commencement Date does not occur on the first (1st) day of the month, then Tenant shall pay rent for the fractional month on a per diem basis (calculated on the basis of a thirty [30] day month); and thereafter Minimum Rent shall be paid in advance in equal monthly installments on the first (1st) day of each and every month. Tenant shall, upon the request of Landlord, execute a written acknowledgement of the above-referenced dates. Landlord and Tenant, at Landlord's option hereby agree that in the event the Term of this Lease has not commenced on a date twelve (12) months from the date hereof, then and in that event this Lease shall, at Landlord's option, be deemed null and void and shall have no further force and effect and each of the parties hereto shall be released from any further obligation hereunder and any Security Deposit made herewith shall be forfeited to Landlord.

ARTICLE 4 - RENT

4.1 **Minimum Rent.** Beginning on the Rent Commencement Date, Subject and subject to the adjustment(s) (increases) provided hereunder, Tenant shall pay, without deduction or offset of any kind, to Landlord as Minimum Rent for the Premises during the Term, the amount specified in section 1.7, the Minimum Rent. Such Minimum Rent shall be payable in equal monthly installments during the Term with such amounts to be paid in advance on the first (1st) day of each calendar month from the Rent Commencement Date, ~~section 1.6,~~ and thereafter throughout the Term of this Lease, including any renewal periods, if any. All rent to be paid by Tenant to Landlord shall be in lawful money of the United States of America and shall be paid without deduction or offset, prior notice or demand, and at such place or places as may be designated from time to time by Landlord. The Minimum Rent shall be subject to increase(s), if any, as provided in section 1.7, for the Term of this Lease. The term "rent" is used herein in the broadest, most inclusive sense allowed under applicable law and shall be deemed to include Minimum Rent and all other charges due from Tenant to Landlord under this Lease with respect to the use and occupancy of the Premises or the common areas.

4.2 **Triple Net Lease.** This Lease is a triple net lease and in addition to the rents due hereunder, Tenant shall be responsible for its pro rata share of all insurance, taxes, and maintenance expenses (except for maintenance expenses specifically excluded pursuant to subsection 8.1.1.) as hereinafter provided in this Lease. More particularly described, it being generally understood and agreed that Landlord ~~shall not be responsible for any costs or expenses in connection with the Premises or the Shopping Center land and buildings during the Term of this Lease~~ and shall be entitled to a net return of the rental herein specified undiminished by the cost of insurance, taxes described in Article 5 and assessments or water, electrical, gas, sewer or other utility charges or levies of any kind or nature whatsoever, and operation, re pair, upkeep, renewal, improvement, alteration or reconstruction of the building and/or appurtenances thereto, now or at any time hereafter, during the Term of this Lease or any renewal option periods, except where otherwise specifically provided to the contrary herein.

4.3 **Renewal Options.** Provided Tenant is not in default, Tenant shall have the option to extend this Lease beyond the initial Term for One (1) additional Five (5) year terms (each referred to as an the "Option Period"). All covenants and conditions of this Lease shall apply to each and every Option Period with Minimum Rent adjusted as set forth in section 1.8 and upon conditions set forth below in sub-section 4.3.1 of this Lease. Tenant's rights under this section are expressly conditioned that at the time of the exercise of each option, and at all times after the exercise of each option and prior to the commencement of such Option Period, Tenant shall not be in default under this Lease unless the default is cured within the applicable cure period; and this condition may be waived by Landlord at their sole discretion and may not be used by Tenant as a means to negate the effectiveness of Tenant's exercise of each option. Each option shall be exercised, if at all, by Notice to Landlord at least six (6) months, but not more than one (1) year before expiration of the then current term. If Tenant fails to give notice within the required time period, all Tenants' rights to extend this Lease shall become null and void.

4.3.1 **Option Period Rent.** Upon Tenant's exercise of each Option Period, as set forth above, all terms and conditions of this Lease shall remain the same except that the Minimum Rent for each Option Period shall be increased and adjusted per section 1.8, Option Period Rent, of this Lease. In no event shall Minimum Rent be an amount less than the Minimum Rent per year paid of the immediately prior Lease year.

ARTICLE 5 - TAXES

5.1 **Real Property Taxes.** In addition to the rents provided for in Article 4 above, and commencing with the Term of this Lease, Tenant agrees to pay all taxes (including other fees or charges hereinafter defined as New Taxes) and assessments levied and assessed for any year upon the Premises and the underlying realty. Such amounts shall be estimated in advance and payable monthly with year-end adjustment in the same manner as provided in subsection 20.5.2 for other operating expenses. Tenant's estimated share of taxes per square foot for the first calendar year is shown in section 1.12. In the event Landlord does not have the Premises separately assessed for tax purposes, then and in that event the taxes and assessments on the Premises shall be apportioned according to the floor area of the Premises, including mezzanine (if any), as it relates to the total leasable floor area of the building or buildings included in said tax assessment. With respect to any assessments which may be levied against or upon the Premises or which under the laws then in force may be evidenced by improvement or other bonds, or may be paid in annual installments, only the amount of such annual installment (with appropriate proration for any partial year) and statutory interest shall be included within the computation of the annual estimate of taxes and assessments levied against the Premises. Taxes for the first and last year of the term hereof shall be prorated between Landlord and Tenant as of the commencement and expiration of the term.

5.2 **Personal Property Taxes.** Tenant shall pay, before delinquency, all taxes, assessments, license fees and public charges levied, assessed or imposed upon or measured by the value of its business operation, including but not limited to the furniture, fixtures, leasehold improvements, equipment and other property of Tenant at any time situated on or installed in the Premises by Tenant. If, at any time during the term of this Lease, any of the foregoing are assessed as a part of the real property of which the Premises are a part, Tenant shall pay to Landlord upon demand the amount of such additional taxes as may be levied against said real property of which the Premises are a part. For the purpose of determining said amount, figures supplied by the County Assessor as to the amount so assessed shall be conclusive.

5.3 **New Taxes.** In addition to rent and other charges to be paid by Tenant hereunder, Tenant shall reimburse to Landlord, within thirty (30) days of the mailing of notice of a demand therefor, its pro rata share of any and all new taxes and assessments on the Premises payable by Landlord (other than net income, estate and inheritance taxes) whether or not now customary or within the contemplation of the parties hereto, including, without limitation, any taxes or assessments:

5.3.1 upon, allocable to, or measured by the area of the Premises or on the rent payable hereunder, including without limitation, any gross income tax or excise tax levied by the State, any political subdivision thereof, City or Federal Government with respect to the receipt of such rent; or

5.3.2 upon or with respect to the possession, leasing, operations, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or

5.3.3 upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises; or

5.3.4 any fees or charges levied against Landlord or the Premises by or on behalf of any governmental (either public or quasi-public) entity for services rendered by or on behalf of any governmental (public or quasi-public) entity or for any use, traffic increase or other impact of the use of the Premises or the Property, including those established in place of property taxes, whether called "fees" or otherwise.

ARTICLE 6 - USE

6.1 **Use.** Tenant shall use the Premises solely for the purposes outlined under section 1.13 and under the trade name as specified in section 1.5. Tenant shall not use or permit the Premises to be used for any other purpose or under any other trade name whatsoever without the prior written consent of Landlord. Without limiting the generality of the foregoing, Landlord may withhold its consent if the requested change in use:

6.1.1 would be inconsistent with the existing or desired tenant mix within the Shopping Center; or

6.1.2 would place an unreasonable burden upon the common areas, such as increased parking and traffic, and/or would be unreasonably burdensome on other properties located within the Shopping Center; or

6.1.3 would be in violation of the use restrictions set forth in this Lease, in the Declaration, or in any other lease for space in the Shopping Center.

The foregoing is not intended as an exclusive list of reasons authorizing Landlord to withhold its consent.

6.2 **Suitability.** Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or with respect to the suitability of the Premises or the Shopping Center for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as specifically provided in this Lease. Tenant shall inspect the Premises prior to taking possession and shall give Landlord written notice, within ten (10) days of possession, specifying in reasonable detail the respects in which the Premises or the building are not in satisfactory condition. The taking by Tenant of possession of the Premises shall conclusively establish that the Premises were at such time in satisfactory condition.

6.3 **Uses Prohibited.**

6.3.1 Tenant further covenants and agrees that it will not use or suffer or permit any person or persons to use the Premises or any part thereof for any use prohibited by the Declaration, any underlying ground lease, if any, or restrictions contained in leases of other existing tenants of the Shopping Center, including without limitation, restrictions upon the sale of drugs, sexual paraphernalia, alcoholic beverages, pornographic literature and tapes, except as expressly permitted by the Declaration; or for conducting therein a theater, bowling alley, skating rink, bawdy house, nightclub, bar, tavern, adult bookstore, automotive repair, dance hall, pool hall, game parlor, massage parlor, warehouse, car wash, renting, leasing or sale of motor vehicles or trailers for industrial purposes, gambling, liquor store, second-hand store, auction, distress or fire sale or bankruptcy or going-out-of business sale, or for any use or purpose in violation of the laws of the United States of America or the City, County, and/or State in which the Premises is located, or the ordinances, regulations and requirements of such governmental (public or quasi-public entities) or other lawful authorities, and that during said term the Premises, and every part thereof, shall be kept by Tenant in a clean and wholesome condition, free of any objectionable noises, odors or nuisances, and that all health, safety, and policy regulations shall, in all respects and at all times, be fully complied with by Tenant.

6.3.2 Tenant may not display or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, shades or awnings, amplifiers or similar devices or use in or about the Premises any advertising medium or promotional materials or facilities which may be distributed, heard or seen outside the Premises, such as flyers, flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts or make any changes to the storefront and/or facade of the Building or operate any customer service windows without Landlord's prior written consent. Notwithstanding the foregoing, Tenant shall be entitled to install one or more video screens inside the Premises (but not in any window) that are not intentionally directed outside but may be visible from outside the Premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

6.3.3 Tenant shall not install, maintain, use or allow in or upon the Premises any video game, pinball machine, coin operated music machine or other coin operated amusement device of any kind or character without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Tenant, upon request of Landlord, shall immediately remove any of the aforementioned items which Tenant has installed, maintained, used or allowed in or upon the Premises, which in the opinion of Landlord is objectionable, offensive

and not in good taste, and if Tenant shall fail to do so, Landlord may enter the Premises and remove the same at the expense of Tenant.

6.3.4 Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Premises or any building of which the Premises may be a part, or the Shopping Center, or any of its contents (unless Landlord has consented in writing to such use and Tenant pays any increased premium as a result of such use or acts), or cause a cancellation of any insurance policy covering the Premises or any building of which the Premises may be a part, or the Shopping Center, or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any articles which may be prohibited by an extended coverage policy of fire and other casualty insurance.

6.3.5 Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants in the Shopping Center, create undue noise and disruption, or injure or annoy them or use or allow the Premises to be used for unlawful or any objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

6.3.6 Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any applicable law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, ~~excluding structural changes not relating to or affecting the condition, use or occupancy of the Premises, or not related to or afforded by Tenant's improvements or acts~~ provided that Tenant shall not be required to make any structural change, alteration, addition or correction required by any applicable law or regulation governing the Premises which may be adopted or promulgated after the date of this Lease, unless the same is required by Tenant's addition, improvement or alteration of the Premises or the Building or by Tenant's specific use of the Premises and is not required of retail tenants generally. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

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6.3.7 Any provision in the foregoing notwithstanding, Tenant shall have no right to rely upon the restrictions provided herein and Landlord, at its sole discretion, may modify, and approve any uses and activities in the Shopping Center. Any such consent given with respect to another tenant or use shall not be deemed to be a waiver of such requirement with regard to Tenant hereunder except with Landlord's express written approval.

6.4 Covenants to Operate.

6.4.1 Tenant covenants and agrees that, continuously and uninterruptedly from and after the commencement of the term of this Lease, it will operate and conduct within the Premises the business which it is permitted to operate and conduct under the provisions hereof, except while the Premises are untenable by reason of fire or other casualty, and that it will at all times keep and maintain within and upon the Premises ~~an adequate stock of merchandise and trade fixtures to service and supply~~ the usual and ordinary demands and requirements of its customers ~~and to maximize sales volume~~ upon the Premises and that it will keep its Premises in a neat, clean and orderly condition.

6.4.2 Tenant shall refrain from dumping, disposal, reduction, incineration or other burning of trash, refuse or garbage of any kind in or about the Premises. Tenant shall store all trash and garbage within the Premises or at a location designated by Landlord in covered metal containers so located as not to be visible to customers or business invitees in the Shopping Center. Tenant shall also arrange for and bear the expense of the prompt and regular removal of such trash and garbage from the Premises. Landlord may provide central trash removal facilities for Tenant and Tenant shall pay the costs upon demand for such removal on a pro rata basis.

6.4.3 Tenant shall complete, or cause to be completed, all deliveries, loading, unloading and services to the rear of the Premises, or locations approved by Landlord, during times designated by Landlord, and in a manner that will not interfere with Landlord, other tenants, or employees or customers of Landlord or other tenants. Landlord reserves the right to further regulate the activities of Tenant in regard to deliveries and servicing of the Premises, and Tenant further agrees to abide by such further non-discriminatory regulations of Landlord.

6.4.4 Commencing with the opening for business by Tenant in the Premises and for the remainder of the term of this Lease, Tenant shall conduct its business in the leased Premises and will keep the leased Premises open for business not less than the those hours of operation ~~specified by Landlord established by Tenant consistent with customary hours of operation of a bank or credit union branch, in accordance with customary hours of operation for shopping centers in the market area, and except for similarly designated bank~~ holidays. It is agreed, however, that the foregoing provisions shall be subject, with respect to any business controlled by governmental regulations or labor union contracts in its hours of operation, to the hours of operation, so prescribed by such governmental regulations or labor union contracts, as the case

may be.

6.4.5 ~~Tenant agrees that it will not, during the term of this Lease, directly or indirectly, operate or own any similar type of business within a radius of one (1) mile from the location of the Premises.~~Intentionally Deleted

6.4.6 Tenant agrees, provided its Premises fronts on the enclosed common areas, if any, and its heating and air conditioning system is separately metered and/or may be separately operated by Tenant, during all business hours, to operate the heating, ventilating, and air conditioning equipment serving its Premises so that inside temperatures are maintained (1) within a range maintained by a majority of similar type tenants located in this state and (2) which will not unduly drain heat, ventilation or cooled air from the enclosed common areas. Landlord agrees to cause the heating, ventilating and air conditioning equipment serving the enclosed common areas, if any, to be so operated during such hours that heat, ventilation and cooled air are not unduly drained from the Premises. Tenant agrees to use ordinary prudence with respect to conserving energy in its operation of energy consuming equipment and to abide by any governmental policy affecting such usage.

ARTICLE 7 - UTILITIES, SERVICES

Landlord agrees that initially, and to the extent shown on the mutually approved plans and specifications, it will make available to Tenant facilities for the delivery to and distribution of water, electricity, gas if any, telephones, and the removal of sewage. Landlord will supply the electrical system to Tenant's meter section, which may be located outside of the Premises.

Tenant agrees, at its own expense, to pay for all water, gas, sewer (and septic tank service, if any), power and electric current, garbage collection and/or compacting, and other similar utilities or services used by Tenant on the Premises and for all connection fees, standby charges, service fees, including initial hookup and/or connection, whether charged before or after completion of the Premises and/or the Shopping Center, maintenance, repair, replacement and inspection service for fire sprinkler system, drainage and sewer facilities, and all utilities from and after the delivery of possession of the Premises by Landlord. If separate meters are provided for Tenant, the cost of the meters, deposit for meters, and their installation shall be at Tenant's expense.

In addition to the Minimum Rent specified in section 1.7, Tenant shall pay as additional rent a utility charge to reimburse Landlord for utilities furnished by Landlord, if any, to the Premises. Landlord shall have no liability, and this Lease shall not terminate nor shall the rent abate, by reason of any failure of the utility companies to provide the above utilities or services.

Tenant recognizes that certain facilities and utilities, such as common area lights and/or irrigation, may be provided which will serve and be used by numerous tenants. The payments to companies for such services and the expense of maintenance, insurance, repair and replacement of such equipment and services is to be borne by each tenant proportionately in the ratio of the square footage of space served by such facilities with necessary and equitable modification where special or comparatively excessive use of such facilities occurs with respect to or is afforded an individual tenant, and except that such share will not be less than the minimum charge per user normally established by the company providing such service.

Tenant further recognizes that Landlord may provide central facilities for heating and air conditioning, which will serve and be used by many other tenants in the Shopping Center. The payment of such heating and air conditioning and the expenses of maintenance, repair and replacement of such equipment and service is to be borne by each tenant, prorated proportionately in the ratio of the square footage of leased premises to the total square footage of the total area heated or air conditioned by such facility with necessary and equitable modification where special or comparatively excessive use of such facilities occurs with respect to or is afforded an individual tenant, and will be billed by Landlord to Tenant on a regular basis and shall be due and payable upon demand.

Said utility charge or charges shall be determined from time to time by Landlord's engineer and shall be initially based on a typical store layout comparable to Tenant's proposed use of the Premises, but may be subject to adjustment, if any, at the end of each calendar quarter or partial calendar quarter during the term of this Lease based upon the actual consumption by Tenant during such period. Landlord agrees, however, that the utility charge to Tenant for utilities furnished by Landlord shall not exceed those of the local public utility company if its services were furnished directly to Tenant. In the event Tenant fails to pay any such amount to Landlord within ten (10) days after receipt by Tenant from Landlord of a bill therefor, or upon failure of Tenant to pay any other sums required under this Lease within ten (10) days from the date such payments are due, and until all such amounts are paid in full, Landlord may cut off and discontinue, without further notice to Tenant, any such utilities furnished to the Premises by Landlord.

If Tenant installs upon the Premises any electrical equipment which constitutes an overload on the electrical lines of the Premises, Tenant shall at its own expense make whatever changes are necessary to comply with the requirements of the insurance underwriters and any governmental authority having jurisdiction thereover, but nothing herein contained shall be deemed to constitute Landlord's consent to such overloading.

ARTICLE 8 - MAINTENANCE AND REPAIRS; ALTERATIONS AND ADDITIONS; FIXTURES

8.1 Maintenance and Repairs.

8.1.1 Tenant agrees at all times, from and after delivery of possession of the Premises to Tenant, and at its own cost and expense, to maintain, repair and/or replace in good and tenable condition the Premises and every part thereof, excluding only the roof, exterior walls, structural parts of the Premises and structural floor which will be treated as common area for purposes of this Lease and for calculating operating expenses. Tenant's maintenance obligations shall include, without limitation, floor covering (including carpeting, terrazzo or other special flooring installed by or at the request of Tenant), the utility meters, electrical wiring, plumbing pipes and conduits, all fixtures, air conditioning, heating, sewage and sprinkler systems including equipment serving the Premises (to maintenance standards furnished to Tenant by Landlord), and other equipment therein, the ceiling, store front or store fronts, all Tenant's signs, locks and closing devices, and all window sash, casement of frames, door and door frames, and all such items of maintenance, repair and/or replacement, improvement or reconstruction as may at any time from time to time be required by a governmental agency having jurisdiction thereof. All glass, both exterior and interior, is at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of equal or greater quality, all meeting applicable codes. As used in this Article, "exterior walls" shall not be deemed to include store front or store fronts, plate glass, window cases, or window frames, door or doorframes and their appurtenances even if located in or on such walls. It is understood and agreed that Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the Premises or the mechanical equipment exclusively serving the Premises at any time. Except as provided in subsection 8.1.2 below, maintenance of all equipment shall be performed by Tenant at least in accordance with manufacturer's specifications or other minimum maintenance standards furnished to Tenant by Landlord and Tenant shall be required to enter a service contract providing for regularly scheduled maintenance to the HVAC system serving the Premises, to be provided by a licensed and/or certified contractor satisfactory to Landlord.

8.1.2 Notwithstanding the foregoing, Landlord may enter into service contracts to provide for regularly scheduled maintenance to the HVAC systems serving the Premises and/or the Shopping Center. The cost of such service contracts, as well as the cost of repairs and replacements of the HVAC system, including repairs or replacement required to comply with the Clean Air Act or other governmental regulations, may be included by Landlord in the expenses to be reimbursed to Landlord by Tenant under paragraph 20.5 below.

8.1.3 Tenant further covenants and agrees that if Tenant refuses or neglects to make repairs and/or to maintain the Premises, or any part or component thereof, in a manner reasonably satisfactory to Landlord then Landlord may (but is not obligated to) go upon the Premises and make any necessary repairs or maintenance to the Premises or any part or component thereof and perform any work therein including that which may be necessary to comply with any laws, ordinances, rules or regulations of any public authority or of the State Surveying and Rating Bureau or of any similar body, or that Landlord may deem necessary to prevent waste or deterioration in connection with the Premises if Tenant does not make or cause such repairs to be made or performed or cause such work to be performed promptly after receipt of written demand from Landlord. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which, under any provision of this Lease, Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to do the same. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage or abatement of rent for an injury or inconvenience occasioned thereby. In the event Landlord makes or causes any such repairs to be made or performed, as provided herein, Tenant shall pay the cost thereof to Landlord, forthwith, as additional rent upon receipt of a bill therefor, and such cost shall include interest at the rate provided for on Past Due Obligations as provided in section 22.13 from the date of completion of the repairs or earlier payment by Landlord for services or costs associated therewith.

8.1.4 Tenant expressly agrees that the use of roof areas shall be limited to access for maintenance purposes only, and then only after the prior consent of Landlord, and that said roof areas shall not be used for storage, inventory and other similar uses. Tenant shall not make any penetrations in roof for utilities, ducting, hardware installation or otherwise without Landlord's prior consent and in any event in strict compliance with manufacturer - roof warranty specifications and requirements.

8.1.5 Tenant waives the provisions of any law-permitting Tenant to make repairs at Landlord's expense so long as this waiver does not conflict with requirements of insurance.

8.1.6 Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in broom clean condition and otherwise in as good a condition as received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone excepted, and shall promptly remove or cause to be removed at Tenant's expense from the Premises and the Building any signs, notices and displays placed by Tenant. Tenant agrees to repair any damage to the Premises or the Shopping Center caused by or in connection with the removal

of any articles of personal property, business or trade fixtures, machinery, equipment, cabinetwork, signs, furniture, moveable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at Tenant's sole cost and expense. Tenant shall indemnify Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation, any claims made by any succeeding tenant founded on such delay.

8.2 Alterations.

8.2.1 Tenant shall not make any alterations or additions to the Premises nor make any contract therefor without first procuring Landlord's written consent provided that Tenant need not obtain Landlord's consent in order to make a non-structural alteration to the Premises, whose construction cost does not exceed ten thousand dollars (\$10,000). All alterations, additions and improvements made by Tenant to or upon the Premises, except specialty light fixtures, bank branch equipment, signs, electrical equipment, cases, counters, kiosks, or other removable trade fixtures ("Trade Fixtures"), shall at once when made or installed be deemed to have been attached to the freehold and to have become the property of Landlord; provided, however, if prior to termination of this Lease, or thirty (30) days thereafter, Landlord so directs by written notice to Tenant, Tenant shall promptly remove the additions, improvements, fixtures, trade fixtures, floor covering and installations which were placed in the Premises by Tenant and which are designated in said notice or which are to be retained by Tenant and shall repair any damage occasioned by such the removal of its Trade Fixtures and if a Tenant is default thereof, Landlord may effect said removal and repairs at Tenant's expense.

8.2.2 All work with respect to any alterations, additions and changes must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work.

8.2.3 Any such changes, alterations and improvements shall be performed and done strictly in accordance with the laws and ordinances relating thereto. In performing the work of any such alterations, additions or changes or of any construction, Tenant shall have the work performed in such a manner as not to cause dust outside the Premises or be a nuisance to Landlord or any other tenant and shall not obstruct the access to the Premises of any other tenant in the Shopping Center.

8.2.4 Before commencing any such construction in or about the Premises, Tenant shall notify Landlord in writing of the expected date of commencement thereof. Landlord shall have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord deems necessary to protect the Premises and Landlord from mechanics' liens, materialmen's liens, or any other liens.

8.3 Installation of Tenant Fixtures. It is mutually agreed that in order to expedite the commencement of Tenant's business in the Premises, Tenant may enter upon the Premises for the purpose of installing trade ~~Trade fixtures~~ Fixtures, equipment and furnishings during the construction period; provided, however, that such activity on the part of Tenant shall be done only upon written notice from Landlord of the availability of the Premises for Tenant's work, and in such manner as not to interfere with Landlord's Work. Landlord shall not be liable to Tenant for damage to or loss of such fixtures, equipment or furnishings, Tenant accepting the full risk for such damage or loss, if any. Tenant shall pay for all utilities consumed by Tenant or its contractors in preparing the Premises for opening of Tenant's business and for removal of all debris and materials resulting from such work. Prior to entering upon the Premises for such purpose, Tenant shall have obtained its insurance as required under Article 12 below.

ARTICLE 9 - ENTRY BY LANDLORD

Landlord and the authorized representatives of Landlord may, upon giving at least 48 hours notice, enter the Premises at all reasonable times for the purposes of exhibiting the same to prospective purchasers and, during the final ninety (90) days of the term of this Lease, may exhibit the Premises for lease in and display thereon in such manner as not unreasonably to interfere with Tenant's business the usual "For Lease" signs, and such signs shall remain unmolested upon the Premises.

Landlord and its agents shall, upon giving at least 48 hours notice, have reasonable access to the Premises during all reasonable hours for the purpose of examining the same to ascertain if they are in good repair, and at its option to make reasonable repairs, which Landlord may be authorized to make hereunder and Tenant hereby grants to Landlord such licenses and easements as necessary or expedient to effectuate the foregoing. Tenant hereby further grants to Landlord such licenses or easements in and over the Premises or any portion thereof as shall be reasonably required for the installation or maintenance of mains, conduits, pipes or other facilities to serve the Shopping Center or any part thereof, including, but not by way of limitation, the premises of any occupant, provided, however, that Landlord shall pay for any alteration required on the Premises as a result of any such exercise, occupancy under or enjoyment of any such license or easement.

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ARTICLE 10 - LIENS

Tenant agrees it will pay or cause to be paid all costs for work done by it on the Premises, and Tenant will keep the Premises free and clear of all mechanics' liens on account of work done by Tenant or persons claiming under Tenant. Tenant agrees to and shall indemnify and save Landlord free and harmless against claims, liability, loss, damage, costs, attorneys' fees, and all other expenses on account of claims of lien or materialmen or others for work performed or materials or supplies furnished to Tenant or persons claiming under Tenant.

If Tenant shall desire to contest any claim of lien, it shall furnish Landlord adequate security for the value or in the amount of the claim, plus estimated costs and interest, or a bond or responsible corporate surety in such amount conditioned on the discharge of the lien. If a final judgment establishing the validity or existence of lien for any amount is entered, Tenant shall pay and satisfy the same at once.

If Tenant shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed, and shall not have given Landlord security to protect the property and Landlord against such claim of lien, Landlord may (but shall not be so required to) pay the claim and any costs. The amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, and Tenant agrees to and shall pay the same with interest at the rate provided for on Past Due Obligations as provided in section 22.13 from the dates of Landlord's payments.

Should any claims of lien be filed against the Premises or any action affecting the title to such property be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

Landlord and its representative shall have the right to go upon ~~and inspect~~ the Premises, ~~including the Building~~, at all reasonable times ~~for the~~, ~~and shall have the right to post~~ purpose of posting and keepkeeping posted thereon such notices which Landlord may deem to be proper for the protection of Landlord's interest in the Premises. Tenant shall, before the commencement of any work which might result in any such lien, give to Landlord written notice of its intention to do so in sufficient time to enable Landlord to file and record such notices.

ARTICLE 11 - INDEMNITY

11.1 Assumption of Risk; Release. ~~Tenant and all those claiming through or under Tenant shall store their property in and shall occupy and use the Premises and the common areas solely at their own risk.~~ Tenant and all those claiming through or under Tenant hereby release Landlord, and its respective affiliates, employees and agents, from all claims of every kind, including loss of life, personal or bodily injury, damage to merchandise, equipment, fixtures or other property, or damage to business (including business interruption) arising, directly or indirectly, out of or from or on account of such occupancy and use or resulting from any present or future conditions or state of repair thereof, except to the extent such claims are directly caused by the negligence of Landlord and are not covered by insurance required to be carried by Tenant hereunder. Landlord, and its respective affiliates, employees and agents, shall not be responsible or liable for damages to Tenant, or to those claiming through or under Tenant for any loss of life, bodily or personal injury, or damage to property or business that may be occasioned by or through the acts, omissions or negligence of any other person including, without limitation, other tenants, occupants or customers of any portion of the Shopping Center. Moreover, except to the extent directly caused by the negligence of Landlord (or its respective affiliates, employees or agents) and not covered by insurance required to be carried by Tenant hereunder, Landlord shall not be responsible or liable for damages at any time for loss of life, or injury or damage to any person or to any property or to the business of Tenant, or those claiming through or under Tenant, caused by or resulting from (i) the bursting, release, breaking, leaking, overflowing or backing up of utility lines or any sprinkler system; (ii) water, steam, gas, sewage, snow or ice in any part of the Shopping Center; (iii) acts of God or the elements; or (iv) any defect or negligence in the construction, operation or use of any buildings or improvements in the Shopping Center, including the Premises, or any of the pipes, sprinklers, wires, plumbing, air conditioning, lighting, or any other equipment, fixtures, machinery, appliances or apparatus therein.

11.2 Indemnification and Hold Harmless. Except to the extent directly caused by the negligence of Landlord, Tenant hereby agrees to defend, pay, indemnify and hold Landlord (and its respective affiliates, employees and agents) harmless from and against any and all claims, demands, fines, suits, actions, proceedings, orders, decrees, judgments and liabilities of every kind, and all reasonable expenses incurred in investigating and resisting the same (including reasonable attorneys' fees), resulting from or in connection with loss of life, bodily or personal injury or property damage (i) arising out of or on account of any occurrence in or on the Premises, including, specifically without limitation, arising out of the bursting, release, breaking, leaking, overflowing or backing up of utility lines or any sprinkler system within the Premises, or (ii) occasioned wholly or in part through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, or (iii) occasioned by any act or omission or negligence of Tenant or any assignee, subtenant, concessionaire or licensee of Tenant, or their respective employees, agents or contractors in the Premises or in the doorways thereof or on the sidewalks adjacent thereto or in other areas of the Shopping Center, including the common areas and those portions thereof owned, leased, subleased or controlled by others.

11.3 **Time of Commencement.** The parties expressly acknowledge that all of the foregoing provisions of this Article 11 shall apply and become effective from and after the date Tenant first enters upon the ~~Shopping-Center~~Premises for any purpose related to this Lease.

ARTICLE 12 - INSURANCE

12.1 **General Liability and Property Damage.** Tenant shall at all times during the term of this Lease and at its own cost and expense procure and continue in force Worker's Compensation Insurance, and Commercial General Liability Insurance adequate to protect Landlord and naming Landlord as an additional insured in the liability contract, and including coverages usual to such form of policies, including, without limitation, bodily injury, property damage, personal injury, advertising injury and medical payments. Such insurance at all times shall be in an amount of not less than one million dollars and no cents (\$1,000,000.00) for each occurrence of such coverages; except for medical payments which shall be not less than five thousand dollars and no cents (\$5,000.00) per person. The limits of such insurance shall not limit the liability of Tenant.

12.2 **Fire and Extended Coverage.**

12.2.1 **Premises.** Landlord shall procure and maintain during the term of this Lease, Fire, Windstorm, and Extended Coverage Insurance (with additional perils to be covered at Landlord's option) on the Shopping Center, the Premises and the common area in amounts not less than one hundred percent (100%) of the insurable value above foundations. Landlord's reasonable estimate of the insurable value shall be binding on Tenant for the purposes of establishing the amount of insurance coverage due hereunder. Tenant shall pay for all increases in all insurance premiums caused by Tenant's use or occupancy of the Premises, acts of negligence, or violation of the Policy provisions.

12.2.2 **Fixtures.** Tenant shall at all times during the term hereof, and at its cost and expense, (i) maintain in effect policies of insurance covering its fixtures, inventory, and equipment, and leasehold improvements located on the Premises, in an amount not less than one hundred percent (100%) of their full replacement cost, providing protection against any peril included within the classification Special Form Coverage, including insurance against sprinkler damage, vandalism and malicious mischief; and (ii) be responsible for the maintenance, repair, and replacement of the plate glass on the Premises, but shall have the option either to insure the risk or to self insure. Tenant shall also procure and maintain in full force and effect boiler and machinery insurance on all air conditioning equipment, boilers, and other pressure vessels and systems, whether fired or unfired, located in or serving the Premises; and if the said objects and the damage that may be caused by them or result from them are not covered by Tenant's Extended Coverage Insurance, then such insurance shall be in amount not less than one hundred thousand dollars and no cents (\$100,000.00). The proceeds of such insurance shall be used to repair or replace the fixtures, equipment and glass so covered.

12.2.3 **Rent Loss Endorsement.** ~~Landlord may, at its option, require that the above-described policies of insurance shall be written with rent loss endorsements in favor of Landlord to cover a period not less than twelve (12) months in amounts sufficient to pay Tenant's obligations hereunder including, without limitation, the Minimum Rent, real property taxes on the Premises, Tenant's share of common area expenses, insurance premiums and utility costs excluding only Tenant's and/or Landlord's avoided costs.~~~~Intentionally Deleted.~~

12.3 **Tenant's Share of Insurance Cost.** Tenant shall pay, in addition to the rent and commencing with the term of this Lease, the amount of the cost to Landlord of the insurance required to be maintained by Landlord on the Premises under section 12.2, as well as public liability insurance for the common areas. Tenant's estimated share of said insurance per square foot for the first calendar year is shown in section 1.12. Such amounts shall be payable monthly with year-end adjustment in the same manner as provided in subsection 20.5.2 for other operating expenses. The portion applicable to the Premises of the cost of any insurance policy maintained by Landlord under subsection 12.2.1 which covers other store premises in addition to the Premises shall be that proportion of such cost which the floor area of the Premises bears to the leasable floor area of all of the store premises covered by such policy.

12.4 **Form of Policies.** All insurance required to be carried by Tenant hereunder shall be with companies rated A X or better in "Best's Insurance Guide" or accepted by the U.S. Department of Housing and Urban Development, and shall be on forms and with loss payable clauses and liability endorsements in favor of Landlord, in form satisfactory to Landlord naming Landlord, Landlord's mortgagee or other specified lender, and any other persons, firms or corporations designated by Landlord as additional insureds as their interests may appear. Copies of policies of such insurance or certificates issued by the insurance company evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant within fifteen (15) days of Tenant occupying the Premises. All such policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry. No such policies shall be cancelable (or coverage reduced), except after thirty (30) days written notice to Landlord. Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with renewals or "binders" thereof or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand and shall bear interest at the rate provided for Past Due Obligations as

provided in section 22.13, from the date of payment by Landlord. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Landlord as required by this Lease and contains the other requirements set forth herein.

12.5 Waiver of Claims. Landlord and Tenant each hereby waives any and all rights of recovery of claims against such other party and the officers, employees, agents and representatives of such other party for loss of or damage to such waiving party of its property or the property of others covered under the form of property damage and casualty fire insurance policy with all permissible extensions and endorsements covering additional perils or under any other policy of insurance carried by such waiving party in lieu thereof; provided, however, that such waiver shall be operative only so long as such does not invalidate any insurance policy carried by such party. Tenant shall obtain and furnish evidence to Landlord of the waiver by Tenant's Worker's Compensation carrier and other carriers of recovery of claims any right of subrogation against Landlord.

ARTICLE 13 - DAMAGE OR DESTRUCTION

13.1 Insured or Minor Damage. Subject to the provisions of sections 13.3 and 13.4, if at any time during the term hereof the Premises are destroyed or damaged and either (a) such damage is not "substantial" as that term is hereinafter defined, or (b) such damage is covered by insurance proceeds received by Landlord, then Landlord shall promptly repair such damage at Landlord's expense and this Lease shall continue in full force and effect; provided, however, that Landlord may cancel and terminate this Lease effective as of the date on which a Mortgagee of the Premises elects to apply insurance proceeds resulting from the occurrence to the reduction of their loan balance, by giving Tenant written notice within thirty (30) days of such mortgagee's election. Landlord shall be under no obligation to repair or replace Tenant's leasehold improvements, which shall be Tenant's obligation to insure and repair or replace.

13.2 Substantial Damage or Uninsured Damage. Subject to the provisions of section 13.3, or at any time during the term hereof the Premises are destroyed or damaged and if such damage is "substantial" as that term is hereinafter defined, or if such damage was caused by a casualty not required to be insured against under Article 12, then Landlord may, at its option, either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect; or (b) cancel and terminate this Lease as of the date of the occurrence of such damage, by giving Tenant written notice of its election to do so within ninety (90) days after the date of occurrence of such damage.

13.3 Damage Near End of Term. If the Premises are destroyed or damaged during the last twenty-four (24) months of the term of this Lease and the estimated cost of repair exceeds ~~ten-thirty-five~~ percent (~~1035~~%) of the Minimum Rent then remaining to be paid by Tenant for the balance of the term, Landlord may, at its option, cancel and terminate this Lease as of the date of occurrence of such damage by giving Tenant written notice of its election to do so within thirty (30) days after the date of occurrence of such damage. If Landlord shall not elect to terminate this Lease, the repair of such damage shall be governed by sections 13.1 or 13.2, as the case may be.

13.4 Partial Destruction of the Shopping Center. If fifty percent (50%) or more of the Shopping Center shall be damaged or destroyed by fire or any other cause notwithstanding that the Premises may be unaffected thereby, Landlord may, at its option, cancel and terminate this Lease by giving written notice of its election to do so within ninety (90) days from the date of occurrence of such damage or destruction in which event the term of this Lease shall expire at the end of the calendar month in which such notice is given and Tenant shall thereupon surrender the Premises to Landlord.

13.5 Abatement of Rent.

13.5.1 If the Premises are destroyed or damaged and Landlord repairs or restores them pursuant to the provisions of this Article, Tenant shall continue the operation of its business in the Premises to the extent reasonably practicable from the standpoint of prudent business management; and the Minimum Rent payable hereunder for the period during which such damage, repair or restoration continues (or during the period when Tenant cannot conduct its business in the Premises, whichever is longer) shall be abated in proportion to the degree to which the Premises are rendered untenable. The provisions hereof shall not be effective to prevent full payment of the Minimum Rent pursuant to the rent loss endorsements, if any, in effect with respect to the insurance policies. There shall be no abatement of additional rent or other monetary obligation payable hereunder; provided, however, Tenant shall not have to pay such amounts to the extent of the receipt by Landlord of rent loss insurance proceeds which cover common area expense charges and other items of additional rent due from Tenant hereunder. Tenant shall have no claim against Landlord for any damages suffered by Tenant by reason of any such damage, destruction, repair or restoration.

13.5.2 If Landlord shall be obligated to repair or restore the Premises under the provisions of this Article and has not commenced such repair or replacement or restoration within ninety (90) days after such obligations shall accrue (which shall be deemed to be the date on which the insurance carrier acknowledges liability and fixes the amount payable to Landlord), Tenant may, at its option, cancel and terminate this Lease as of the date Tenant vacates the Premises by giving Landlord written notice of its election to do so at any time prior to the commencement of such repair or restoration.

13.6 **Definitions.** For the purpose of this Article, "substantial" damage to the Premises shall be deemed to be the damage, the estimated cost of repair of which exceeds twenty percent (20%) of the then estimated replacement cost of the building containing the Premises. The determination in good faith by Landlord of the estimated cost of repair of any damage and/or of the estimated replacement cost of any building shall be conclusive for the purpose of this Article.

ARTICLE 14 - CONDEMNATION

14.1 **Entire or Substantial Taking.** If the entire Premises or any material or substantial portion thereof, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, or twenty-five percent (25%) or more of the ground floor area, notwithstanding restoration by Landlord as hereinafter provided, shall be taken under the power of eminent domain, this Lease shall at the option of Landlord, terminate as of the date on which the condemning authority takes title or possession, whichever first occurs.

14.2 **Partial Taking.** In the event of any taking of the Premises under the power of eminent domain which does not so result in the termination of this Lease, the Minimum Rent payable hereunder shall be reduced, on an equitable basis, taking into account the relative value of the portion taken as compared to the remaining portion. Landlord shall promptly, at its expense, restore the portion of the Premises not so taken as to near its former condition as is reasonably possible and this Lease shall continue in full force and effect.

14.3 **Awards.** Any award for any taking of all or any part of the Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee; provided that nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or for damage for cessation or interruption of Tenant's business, or for relocation costs or for the portion of Tenant's business, or for the portion of such award as is allocable to improvements constructed or paid for by Tenant, provided that Tenant agrees that it will not hold up Landlord's award hereunder through its negotiations with respect to its award, if any.

14.4 **Sale Under Threat of Condemnation.** A sale by Landlord of the Premises to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes under this Article.

14.5 **Tenant's Option.** A taking of twenty-five percent (25%) or more of the leased floor area of the Premises shall confer upon Tenant the option, to be exercised only within thirty (30) days after Tenant shall have received notice thereof, to terminate this Lease effective as of the date of such taking, upon written notice to Landlord. Failure of Tenant to exercise such option shall constitute Tenant's agreement that the balance of the Premises is reasonably adequate for the conduct of Tenant's business, and this Lease shall remain in effect subject to section 14.2 hereof.

ARTICLE 15 - ASSIGNMENT AND SUBLEASE

15.1 **By Tenant.** Tenant shall not voluntarily or by operation of any law, assign, license, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises, and shall not sublet or license all or any part of the Premises without the prior written consent of Landlord in each instance, and any such transfer, mortgage, encumbrance or subletting without such consent shall be wholly void, provided that Tenant may assign this Lease without Landlord's consent but upon written notice to Landlord as part of a merger with another credit union. Without in any way limiting Landlord's right to refuse to give reasonable consent, Landlord reserves the right to refuse to give such consent for any of the reasons set forth in section 6.1 hereof or if in Landlord's sole discretion reasonable judgment and opinion the quality of the Shopping Center or the business conducted on the Premises is or may be in any way adversely effected during the term of this Lease, if the financial worth of the proposed new tenant is less than that of Tenant executing this Lease would be required by reasonable commercial leasing standards. Without limiting the generality of the foregoing, Landlord may also withhold its consent if any proposed assignee or transferee is not able to demonstrate credit worthiness satisfactory to Landlord, whose proposed use is different than specified herein, is not compatible with landlord's desired tenant mix at the Shopping Center, who lacks comparable adequate management ability, expertise, and experience, or whose inventory or retail operation is not otherwise of comparable quality.

15.1.1 In the event that Landlord consents to the assignment or sublet of the Premises, Landlord shall be entitled to the payment (as additional rent hereunder) of the excess rental payable by the assignee or subtenant over the rent payable by Tenant under this Lease; or, at the election of Landlord, this Lease may be terminated in which event the assignee or subtenant will attorn to Landlord.

15.1.2 Any sale by Tenant of a forty percent (40%) or more interest in Tenant's business or the entity comprising Tenant, shall be regarded as an assignment hereunder, requiring the prior written consent of Landlord.

15.2 **No Release.** No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligations hereunder, including those to pay the rents and monetary charges hereunder, and perform all of the other obligations to be performed by Tenant hereunder, unless this Lease is terminated by Landlord as provided in 15.1.1 above,

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or unless a novation is expressly approved in writing by Landlord. Any sublet of the Premises shall be subordinate to the terms of this Lease and any sublease of the Premises, or any portion thereof, shall specify that such sublease shall terminate upon the termination of this Lease for whatever reason or at the sole election of Landlord, shall remain in full force and effect and Landlord, after the termination of this Lease shall be entitled to receive all rents payable pursuant to such sublease. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer. In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord's reasonable fees and costs, incurred in connection with the processing of documents necessary to the giving of such consent and/or affecting such assignment or sublease, and shall provide Landlord with sixty (60) days prior written notice of any request for consent.

15.3 **By Landlord.** Landlord shall have the right to sell, assign, transfer, convey or mortgage its interest in this Lease and in and to the Premises, provided, however, that any such sale, assignment, transfer, conveyance or mortgage shall not result in the disruption of Tenant's quiet enjoyment of the Premises and any such sale, assignment, transfer, conveyance or mortgage shall be subject to the terms of this Lease.

ARTICLE 16 - TENANT OFFSET AND ESTOPPEL CERTIFICATE

16.1 Tenant shall, at any time within ten (10) business days after written notice from Landlord, and without charge, execute, acknowledge and deliver to Landlord a statement in writing in the form attached as Exhibit "D" or such similar ~~or modified~~ form as Landlord shall reasonably request, addressing such matters that Landlord, a purchaser or lender requires including, without limitation (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if they are claimed. Any prospective purchaser, lender or other encumbrancer of the Premises may conclusively rely upon any such statement.

16.2 Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant as to the matters (or absence of matters) requested or specified therein including, without limitation, (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than an amount equal to one month's rent has been paid in advance.

~~16.3 If Landlord desires to sell, finance, or refinance the Premises, the Shopping Center or any part thereof, Tenant hereby agrees to deliver to any purchaser or lender designated by Landlord such financial statements of Tenant as may be reasonably required by such purchaser or lender. All such financial statements shall be received by Landlord in confidence and shall be used only for the purpose herein set forth. Landlord may at its election require that such statements reflect the accrual method of accounting for operating income and expense.~~

ARTICLE 17 - SUBORDINATION, NON-DISTURBANCE, ATTORNMEN

17.1 **Subordination.** This Lease, at Landlord's option, shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Building or the land or both ~~(the Premises)~~ and to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed by Landlord on or against the land or improvements or either, or on or against Landlord's interest or estate therein, or on or against any ground or underlying lease. Such subordination shall be automatic without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination; provided, however, that so long as Tenant complies with the obligations imposed upon Tenant in this Lease, neither Tenant nor its successors and permitted assigns (if approved by Landlord) shall be disturbed or molested in its possession of the Premises. If any mortgagee, trustee or ground lessor shall elect to have this Lease be prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior to, or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

17.1.1 **Subordination Agreements.** ~~Tenant hereby acknowledges that this Lease is subject to the approval of the Mortgagee(s) of the Premises and Shopping Center, and agrees to execute such reasonable modifications and amendments to this Lease as may be required as a condition to such approval or such mortgagee's financing of the Shopping Center.~~ Tenant further covenants and agrees to execute and deliver upon demand, without charge, such further instruments evidencing the subordination of this Lease to ground or underlying leases and to the lien of any such mortgage or deeds of trust as may be required by Landlord or prospective purchasers or mortgagees of the Premises containing subordination, non-disturbance, attornment and mortgagee protection provisions as Landlord's mortgagees or ground Lessors may hereafter require wherein it shall be provided that, as a condition of subordinating, so long as Tenant, complies with the obligations imposed upon Tenant in this Lease, neither Tenant nor its approved successors and assigns shall be disturbed or molested in its possession of the property covered by this Lease and the full enjoyment of this Lease for the term and any renewals or extensions hereof.

17.2 **Attornment.** In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure, receivership or in the exercise of the power of sale or assignment of rents provisions under any mortgage, deed of trust, assignment of rents or other instrument made by Landlord covering the Premises, or as required by the terms of any agreements as to the payment of rents Landlord may make with any mortgagee or underlying leaseholder, Tenant shall attorn to the receiver, mortgagee, underlying leaseholder or any person upon any such foreclosure or sale and recognize such receiver or purchaser as Landlord under this Lease, provided said purchaser expressly agrees in writing to accept Tenant and to be bound by the terms of this Lease upon such persons obtaining possession of the Premises and succeeding to the interests of Landlord hereunder.

17.2.1 **Transfer of Landlord's Interest.** In the event of a sale or conveyance by Landlord of Landlord's interest in the Shopping Center and/or the Premises, other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities accruing thereafter on the part of Landlord, provided that any funds in the hands of Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee, provided all Landlords' obligations hereunder are assumed in writing by the transferee. Upon the sale of the Premises, Tenant, upon notice of any such transfer, shall change the named insured under the insurance policies described in Article 12 to the new Landlord.

ARTICLE 18 - DEFAULT AND REMEDIES

18.1 **Default.** The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

18.1.1 Any failure by Tenant to pay rent or any other monetary sums required to be paid hereunder (or under any other agreement or understanding between Landlord and Tenant), where such failure continues for ten (10) days after written notice by Landlord to Tenant;

18.1.2 The failure to occupy or the abandonment or vacation of the Premises by Tenant;

18.1.3 The repudiation of this Lease by Tenant; or any action by Tenant which renders performance by Tenant of its obligations under this Lease impossible ~~or impracticable, or any action by Tenant which demonstrates an intent by Tenant not to perform an obligation under this Lease or not to continue with the performance of obligations under this Lease.~~

18.1.4 A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for twenty (20) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said twenty (20) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion;

18.1.5 The making by Tenant of any general assignment or general arrangement for the benefit of creditors, the filing by or against Tenant of a petition for relief under, including a petition for reorganization or arrangement under, any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days), the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets or of Tenant's interest in this Lease where possession is not restored to Tenant within thirty (30) days thereof, the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days thereof, or an admission by Tenant in writing of a failure, or an inability to pay its debts generally as they become due.

18.2 ~~**Notice.** Tenant shall pay Landlord the sum of one hundred fifty dollars and no cents (\$150.00) in addition to any other obligations hereunder for the cost of sending each notice of default.~~ Intentionally Deleted

18.3 **Remedies.** In the event of any such material default or breach by Tenant, as defined in Section 18.1 above, Landlord may at any time thereafter, without limiting Landlord in the exercise of any right of remedy at law or in equity which Landlord may have by reason of such default or breach:

18.3.1 Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due (or alternatively, if Landlord exercises the right to accelerate the rent due hereunder as set forth in section 18.4 below, recover all rent and other monetary charges due as a result of acceleration), without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate this Lease, Landlord shall nevertheless have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and if Tenant does not pay for storage, then sold at public auction and the proceeds of such sale shall first be applied to payment

of the expenses of such sale, second to amounts due Landlord and the balance, if any, to Tenant. In the event any re-letting occurs, Tenant's right to possession of the Premises under this Lease shall terminate automatically upon the new tenant taking possession of the Premises, but Tenant shall nevertheless be responsible for damages, more particularly described in subsections 18.3.2.1 through 18.3.2.5. Notwithstanding that Landlord fails to elect to terminate this Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default of Tenant.

18.3.2 Terminate Tenant's right to possession by any lawful means and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant ~~all damages incurred by Landlord by reason of Tenant's default including, without limitation thereto, the following as follows:~~

18.3.2.1 the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

18.3.2.2 the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that could have been reasonably avoided; plus

18.3.2.3 the amount by which the present value of the unpaid rent for the balance of the term after the time of award exceeds the present value amount of such rental loss that could be reasonably avoided; plus

18.3.2.4 any other amount necessary to compensate Landlord for ~~all the detriment proximately caused by Tenant's failure to perform his obligation under this Lease or which in the ordinary course of events would be likely to result therefrom including~~ costs and expenses incurred by Landlord in making the Premises ready for a new tenant; plus

18.3.2.5 at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law of the State where the Premises are located.

18.3.3 Upon any such re-entry, Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord, in its sole discretion, deems reasonable and necessary. As used in 18.3.2.1 above, the "worth at the time of award" is computed by allowing interest at the rate provided for on Past Due Obligations as provided in section 22.13 from the date of default. The term "Rent," as used in this section, shall be deemed to be and to mean the rent to be paid pursuant to Article 4 and all other monetary sums required to be paid by Tenant pursuant to the terms of this Lease. Without limiting Landlord's discretion as to re-letting the Premises, the parties understand and agree that Landlord shall not be obligated to mitigate rental loss by re-letting the Premises following a default by Tenant so long as Landlord has other similar vacant space in the Shopping Center or to a new tenant whose use of the Premises would not be consistent with existing or desired tenant mix within the Shopping Center, would violate the terms of the Declaration, or would place an undue burden on the common areas and facilities within the Shopping Center. Notwithstanding that Landlord fails to elect to terminate this Lease initially, Landlord may terminate this Lease at any time during the term of this Lease by virtue of such previous default by Tenant.

18.4 **Acceleration of Rent.** In the event of any such material default or breach by Tenant, Landlord may, at its election and without limiting Landlord's other rights and remedies, accelerate the payment of all rent and other monetary sums payable by Tenant for the balance of the term and upon any such election such sums shall be immediately due and payable in full.

18.5 **Special Damages.** ~~In addition to the damages for breach of this Lease described in sections 18.3 and 18.4, Tenant agrees that Landlord shall be entitled to receive from Tenant any and all costs in connection with Tenant's default hereunder, including without limitation, administrative costs of Landlord associated with Tenant's default, costs of repairing and/or remodeling the Premises for new tenants and any leasing commission(s) for having to re-let the Premises.~~
~~Intentionally Deleted~~

18.6 **Late Charges.** Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which are now and will be extremely difficult to ascertain other than such charges and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sums due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord in addition to the late charges incurred by Landlord under any mortgage or deed of trust covering the Premises, a late charge equal to ~~ten-five~~ percent (10.5%) of the amount(s) past due and additionally all such installments of rent or other sums due shall bear interest at the rate provided for on Past Due Obligations as provided in ~~s~~Section 22.13 from the date the same became due and payable. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord

from exercising any of the other rights and remedies granted hereunder.

18.7 **Default by Landlord.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust covering the Premises furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion; provided, further, that in the event that Landlord has defaulted in the payment(s) of a monetary obligation and Tenant has advanced monies to pay such obligation, Landlord shall pay Tenant interest on such monies advanced at a rate provided for on Past Due Obligations as provided in section 22.13 from the date the money was advanced by Tenant.

18.8 **Bankruptcy.**

18.8.1 **Chapter 7.** In the event that Tenant shall become a debtor in a case filed under Chapter 7 of the Bankruptcy Code, and Tenant's trustee or Tenant shall elect to assume this Lease for the purpose of assigning the same or otherwise, such election and assignment may be made only if the provisions of the subsections 18.8.2, 18.8.3 and 18.8.5 are satisfied. If Tenant or Tenant's trustee shall fail to elect to assume this Lease within sixty (60) days after the filing of such petition or such additional time as provided by the court within such 60 -day period, this Lease shall be deemed to have been rejected. Immediately thereupon Landlord shall be entitled to possession of the Premises without further obligation to Tenant or Tenant's trustee and this Lease, upon the election of Landlord, shall terminate, but Landlord's right to be compensated for damages (including, without limitation, damages pursuant to this Article 18) in any such proceeding shall survive whether or not this Lease is terminated.

18.8.2 **Chapter 11.** In the event that Tenant shall become a debtor in a case filed under Chapter 11 of the Bankruptcy Code, or in a case filed under Chapter 7 of this Bankruptcy Code which is converted to Chapter 11, Tenant's trustee or Tenant, as debtor-in-possession, must elect to assume this Lease within sixty (60) days from the date of the filing of the petition under Chapter 11 or conversion thereto, or Tenant's trustee or the debtor-in-possession shall be deemed to have rejected this Lease. Immediately thereupon Landlord shall be entitled to possession of the Premises without further obligation to Tenant or Tenant's trustee and this Lease, upon the election of Landlord, shall terminate, but Landlord's right to be compensated for damages (including, without limitation, damages pursuant to this Article 18) in any such proceeding shall survive whether or not this Lease is terminated.

18.8.2.1 In the event that Tenant, Tenant's trustee or the debtor-in-possession has failed to perform all of Tenant's obligations under this Lease within the time periods (excluding grace periods) required for such performance, no election by Tenant's trustee or the debtor-in-possession to assume this Lease, whether under Chapter 7 or Chapter 11, shall be permitted or effective unless each of the following conditions has been satisfied:

18.8.2.2 Tenant's trustee or the debtor-in-possession has cured all defaults under this Lease, or has provided Landlord with Assurance (as defined below) that it will cure all defaults susceptible of being cured by the payment of money within ten (10) days from the date of such assumption and that it will cure all other defaults under this Lease which are susceptible of being cured by the performance of any act promptly after the date of such assumption.

18.8.2.3 Tenant's trustee or the debtor-in-possession has compensated, or has provided Landlord with Assurance that within ten (10) days from the date of such assumption that it will compensate Landlord for any actual pecuniary loss incurred by Landlord arising from the default of Tenant, Tenant's trustee, or the debtor-in-possession indicated in any statement of actual pecuniary loss sent by Landlord to Tenant's trustee or the debtor-in-possession.

18.8.2.4 Tenant's trustee or the debtor-in-possession has provided Landlord with Assurance of the future performance of each of the obligations under this Lease by Tenant, Tenant's trustee or the debtor-in-possession, and if Tenant's trustee or the debtor-in-possession has provided such Assurance, Tenant's trustee or the debtor-in-possession shall also deposit with Landlord, as security for the timely payment of rent hereunder, an amount equal to six (6) monthly installment payments of the Minimum Rent and six (6) monthly installments of Tenant's share of common areas expenses which shall be applied to the last installments of Minimum Rent, and common area expenses that shall become due under this Lease, provided all the terms and provisions of this Lease shall have been complied with. The obligations imposed upon Tenant's trustee or the debtor-in-possession by this paragraph shall continue with respect to such parties, Tenant or to any assignee of this Lease during or after the completion of bankruptcy proceedings.

18.8.2.5 Such assumption will not breach or cause a default under any provision of any other lease, mortgage, financing arrangement or other agreement by which Landlord is bound relating to the Premises.

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18.8.2.6 For purposes of this section 18.8, Landlord and Tenant acknowledge that "Assurance" shall mean no less than: (i) Tenant's trustee or the debtor-in-possession has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease; (ii) there shall have been deposited with Landlord, or the Bankruptcy Court shall have entered an order segregating sufficient cash payable to Landlord, and/or Tenant's trustee or debtor-in-possession shall have to Landlord granted a valid and perfected first lien and security interest and/or mortgage in property of Tenant, Tenant's trustee or the debtor-in-possession, acceptable as to value and kind to Landlord, sufficient to secure to Landlord the obligations of Tenant; and (iii) Tenant's trustee or the debtor-in-possession has sufficient funds available to cure the defaults under this Lease, monetary and/or non-monetary, as provided and within the time periods set forth above.

18.8.3 **Subsequent Petitions.** In the event that this Lease is assumed in accordance with subsection 18.8.2, and thereafter Tenant is liquidated or files or has filed against it a subsequent petition under Chapter 7 or Chapter 11 of the Bankruptcy Code, Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder, by giving Tenant notice of its election to so terminate within thirty (30) days after the occurrence of either of such events.

18.8.4 **Adequate Assurances.** If Tenant's trustee or the debtor-in-possession has assumed this Lease pursuant to the terms and provisions of subsections 18.8.1, 18.8.2, and 18.8.3 for the purposes of assigning (or elects thereafter to assign) this Lease, this Lease may be so assigned only if the proposed assignee has provided adequate assurance of future performance of all of the terms, covenants and conditions of this Lease to be performed by Tenant. Landlord shall be entitled to receive all cash proceeds of such assignment. As used herein, "adequate assurance of future performance" shall mean that all such requirements as set forth in Section 365 of the Title 11, U.S. Code (as may be amended) are met, and further mean that no less than each of the following conditions has been satisfied:

18.8.4.1 The proposed assignee has furnished Landlord with either (i) a current financial statement audited by a certified public accountant indicating a net worth and working capital in amounts which Landlord reasonably determines to be sufficient to assure the future performance by such assignee of Tenant's obligations under this Lease, or (ii) a guarantee or guarantees, in form and substance satisfactory to Landlord, from one or more persons with a net worth which Landlord reasonably determines to be sufficient to secure Tenant's obligations hereunder, and information with respect to the proposed assignee's management ability, expertise and experience in Tenants' business and Landlord has reasonably determined that the proposed Assignee has the management expertise and experience to operate the business conducted on the Premises.

18.8.4.2 Landlord has obtained all consents or waivers from others required under any lease, mortgage, financing arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such assignment without violating the terms of any such agreement.

18.8.4.3 The proposed assignment will not release or impair any guaranty of the obligations of Tenant (including the proposed assignee) under this Lease.

18.8.5 **Use and Occupancy Charges.** When, pursuant to the Bankruptcy Code, Tenant's trustee or the debtor-in-possession shall be obliged to pay reasonable use and occupancy charges for the use of the Premises, such charges shall not be less than the Minimum Rent, common area expenses and other charges due hereunder. No acceptance by Landlord of said use and occupancy charges, or of rent hereunder shall constitute a waiver of any of the provisions of this section 18.8 or any of Landlord's rights thereunder.

18.8.6 **No Transfer Without Consent.** Neither the whole nor any portion of Tenant's interest in this Lease or its estate in the Premises shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any state having jurisdiction of the person or property of Tenant unless the requirement and conditions of this section 18.8 are fully met or unless Landlord shall have otherwise consented to such transfer in writing. No acceptance by Landlord of installment payments of rent or any other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to constitute such consent by Landlord nor shall it be deemed a waiver of Landlord's rights under this section 18.8 including the right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent.

ARTICLE 19 - NOTICES

All notices or demands of any kind required or desired to be given by or to Landlord, Tenant, or Guarantors hereunder shall be in writing and shall be deemed delivered the day after depositing the notice or demand with a nationally recognized overnight carrier or forty-eight (48) hours after depositing the notice or demand in the United States mail, certified

or registered, postage prepaid, addressed to the Landlord, Tenant, and/or the Guarantors, respectively and as the case may be, at the address(s) set forth in section 1.14 of this Lease.

ARTICLE 20 - COMMON AREAS

20.1 **Availability.** Landlord shall make available at all times during the term of this Lease, on such portion of the Shopping Center as Landlord shall from time to time designate or relocate, such automobile parking and common areas, if any (jointly referred to as "common areas," as that term is hereinafter defined), as Landlord shall from time to time deem appropriate. Tenant shall have the non-exclusive right during the term of this Lease to use the common areas for itself, its employees, agents, customers, invitees and licensees, subject to the terms of the Declaration and other use and easement agreements.

20.2 **Definition.** The term "common areas" shall have the same meaning as is ascribed to such term in the Declaration and/or the CAMA, if any, and/or as provided herein, and generally means the portions of the Shopping Center which have at the time in question been designated and improved for common use by or for the benefit of more than one tenant or concessionaire of the Shopping Center including and if applicable, without limitation, the land and facilities utilized for or as parking areas, access and perimeter roads, truck passageways (which may be in whole or in part subsurface); service corridors and stairways providing access from stores premises, landscaped or buffer areas, drainage facilities, fences, ditches, exterior walks, bike paths, arcades, stairs, stairways, elevators, escalators and/or ramps, interior corridors, balconies, directory equipment, washrooms, comfort rooms, drinking fountains, toilets and other public facilities, and bus stations, taxi stands, and the like; shopping center signs; common utility systems, roof(s), exterior walls, canopies, and structural components of buildings; and such other items as referenced in subsection 20.5.1. below, but excluding any portion of the Shopping Center so included within the common areas when designated by Landlord for a non-common use. Any portion thereof not theretofore included within common areas shall be included when so designated and improved for common use.

20.3 **Landlord's Management and Control.** All common areas, including those located on the Premises, shall be subject to the exclusive control and management of Landlord and the other owners of the Shopping Center, if any, or such other persons or nominees as Landlord may have delegated or assigned to exercise such management or control, in whole or in part, in Landlord's place and stead, and Landlord and Landlord's nominees and assignees shall have the right to establish, modify, amend and enforce reasonable rules and regulations with respect to the common areas. Tenant agrees to abide by and conform with such rules and regulations, to cause its concessionaires, and its and their employees and agents, so to abide and conform, and to use its best efforts to cause its customers, invitees and licensees to so abide and conform. It shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation and in no event shall Tenant have the right to sell or solicit in any manner in any of the common areas.

20.3.1 Landlord shall have the right to close, if necessary, all or any portion of the common areas to such extent as may, in the opinion of Landlord's counsel, be legally necessary to prevent a dedication thereof or the accrual of any rights of any person or of the public therein; to close temporarily all or any portion of the common areas to discourage non-customer use; to use portions of the common areas while engaged in making additional improvements or repairs or alterations to the Shopping Center; and to do and perform such other acts in, to, and with respect to, the common areas as in the use of good business judgment Landlord shall determine to be appropriate for the Shopping Center.

20.3.2 Landlord shall have the right to increase or reduce the common areas, to rearrange the parking spaces and improvements on the common areas, and to make such changes therein and thereto from time to time which, in its opinion, are deemed to be desirable and for the best interests of all persons using said common area, provided, however, access to the Premises are not materially and adversely affected.

20.3.3 Landlord shall have the right to establish, and from time to time change, alter and amend, and to enforce against Tenant and the other users of said common areas such reasonable rules and regulations as may be deemed necessary or advisable for the proper and efficient operation and maintenance of said common areas. The rules and regulations may include, without limitation, the hours during which the common areas shall be open for use.

20.4 **Employee Parking.** It is understood that Tenant and employees of Tenant shall not be permitted to park their automobiles in parking areas which may, from time to time, be designated for patrons of the Shopping Center. Tenant and its employees shall park their cars only in those portions of the parking areas, if any, designated for that purpose by Landlord, or as otherwise restricted by the Declaration or the rules and regulations.

20.5 Pro Rata Charges.

20.5.1 **Definition of "Expenses".** Landlord shall keep or cause to be kept ~~said~~ common areas in a neat, clean and orderly condition, properly lighted, and shall repair any damages to the facilities thereof, but all expenses in connection with said common areas shall be charged and prorated in the manner hereinafter set forth.

It is understood and agreed that the phrase "expenses in connection with said common areas" as used herein shall be construed to include, but not be limited to all sums expended for all ~~general improvements, maintenance, replacement and repairs~~ which are not chargeable directly to specific tenants, including, without limitation: Shopping Center signs; repair, ~~replacement, resurfacing and restriping~~ of the parking lot; maintenance, ~~and repairs and replacements~~ of the roofs, exterior walls and canopies, including repainting; maintenance, ~~and repairs and replacement~~ of structural components; painting and cleaning public restrooms, floors, ceilings, roofs, skylights and windows; sweeping and janitorial services; snow removal; maintenance, repair and replacement of sidewalks, curbs, gutters and other drainage systems and sprinkler systems; installation and maintenance of landscaping, lighting and other utilities; directional signs and other markers and bumpers; maintenance and repair of any fire protection systems, automatic sprinkler systems, lighting systems (including tube and bulb replacement); storm drainage systems and any other utility systems; maintenance, repair and replacement of mechanical equipment, including automatic door openers, air conditioning and heating equipment; floor coverings; personnel to implement common area services; fire protection services; real and personal property taxes and assessments on the improvements and land comprising the common areas; depreciation and maintenance of operating machinery and equipment (if owned) and rental paid for such machinery and equipment (if rented); reasonable replacement reserves; adequate public liability and property damage insurance, vandalism insurance and plate glass insurance for the common area improvements and equipment. Tenant shall pay, in addition to the foregoing expenses, an allowance to Landlord for Landlord's supervision and administration of said common areas in an amount equal to ten percent (10%) of the total of the aforementioned expenses for each calendar year. Landlord may, however, cause any or all of said services to be provided by an independent contractor or contractors, and in such event in lieu of the foregoing allowance, Landlord may include in the definition of expenses a property management fee customary to the operations of similar properties in the market area, whichever is the greater amount.

Should Landlord acquire or make available land (whether owned by Landlord or others) not shown as part of the Shopping Center on Exhibit "A" and make the same available for parking or other common area purposes, then expenses for ~~improvements, and the maintenance of such improvements in connection with~~ said common areas shall also be included in the aforementioned expenses.

20.5.2 Tenant's Share. In addition to the rent and other monetary charges hereunder, Tenant shall pay its pro rata share as specified in section 1.12, of the common area expenses computed as provided hereunder in the following manner:

20.5.2.1 From and after the Rent Commencement Date pursuant to the provisions of Article 3 hereof, but subject to adjustment as hereinafter provided, Tenant shall pay Landlord on the first day of each calendar month during the term of this Lease, an amount estimated by Landlord to be Tenant's monthly share of such common area expenses as covered in this Article. Tenant's estimated share of common area expenses per square foot for the first calendar year is shown in section 1.12. Landlord may periodically (including retroactively) adjust the common area estimated charge of Tenant on the basis of Landlord's experience and reasonably anticipated costs. Additionally, Landlord may provide supplemental billings for extraordinary or unusual common area expenses (i.e. when expenses exceed estimates for unusual snow removal, etc.). These supplemental billings shall be due in full within fifteen (15) days after submittal by Landlord.

20.5.2.2 Upon completion of Landlord's common area maintenance expense reconciliation Landlord shall furnish Tenant with a statement covering the calendar year just expired, certified as correct by Landlord, showing the total operating costs, the amount of Tenant's share of the common area expenses for year just expired, and the payments made by Tenant with respect to such calendar year. If Tenant's share of such common area expenses exceeds Tenant's payments so made, Tenant shall pay Landlord the deficiency within twenty (20) days after receipt of said statement. If said payments exceed Tenant's share of such common area expense, Tenant shall be entitled to a credit of the excess against payments next thereafter to become due to Landlord. The common area maintenance expense reconciliation amount determined by Landlord to apply to this Lease for the past year may also be applied to the current year retroactively to the beginning of the current year.

20.5.2.3 There shall be an appropriate proration of Tenant's share of the common area expenses as of the commencement of rentals and expiration of the term of this Lease. Failure of Tenant to pay any of the charges required to be paid in this Article shall constitute a default under the terms of this Lease, the same as failure to pay rent when due.

20.5.2.4 During the construction, development and redevelopment and operation of the Shopping Center, Tenant's pro rata share shall mean the fraction (or percentage) which results from dividing the Floor Area of the Premises, expressed in square feet, by the Floor Area of the Shopping Center or parts thereof being maintained by Landlord, expressed in square feet; provided that if the service or facility is being provided or made available to less than all of the premises which make up the Floor

Area of the Shopping Center or the portion thereof owned by Landlord, the denominator shall be the Floor Area of those premises being served by or for which it is available to. In the event that any Owner of the Shopping Center, as defined in the Declaration, or lessee shall separately maintain its portion of the Shopping Center, or shall not participate in all or part of common area expenses, then Tenant's share shall be computed using a denomination that only includes Landlord's portion of the Shopping Center and excluding any portions that are so self-maintained.

"Floor Area" shall mean the square footage of all areas constructed and available, or held for the exclusive use of occupants or the Shopping Center that are included in the pro rata calculation measured from the exterior of exterior walls (and from the extensions thereof in the case of openings) and from the center of interior demising partitions; but generally excluding basements, subterranean, balcony and mezzanine space unless used for retail sales.

ARTICLE 21 - SIGNS

Tenant shall provide on one facade of the Premises a suitable exterior signboard, sign or signs of such size, design and character, and in such location only as Landlord shall approve in writing, in its ~~sole-reasonable~~ discretion. Tenant hereby expressly covenants and agrees that such signage shall, unless otherwise expressly permitted in writing, also comply in all respects with the provisions and requirements of the Declaration and the sign regulations established by Landlord set forth on Exhibit "C", and as the same may be amended or modified from time to time by Landlord, in its ~~sole-reasonable-option-and~~ discretion, and all laws, rules, regulations and zoning ordinances and requirements. Tenant agrees to indemnify and hold Landlord harmless from any liability or damage arising or resulting from the use of or erection of any such sign(s). In the event of violation of any ordinance applicable to any signs so erected or constructed, Tenant agrees to forthwith correct such violation and comply with any such ordinances.

Tenant further expressly agrees that it shall not at any time display on the exterior of the Premises, or on or in any other location therein from which it may readily be seen from outside the Premises, any sign or notice of removal of Tenant or its business to any other location.

Tenant, at its sole cost and expense, shall be permitted to construct and maintain a monument sign with electronic display advertising the Tenant's business (the "Monument Sign") in the area immediately facing E. Nob Hill Boulevard. The design and appearance of the Monument Sign shall be approved by Landlord in writing prior to construction or installation. Tenant shall be solely responsible for all costs, maintenance, repair and replacement of the Monument Sign, including all utilities attributable to the Monument Sign. If the utility charges attributable to the Monument Sign are not separately metered or stated, Landlord shall apportion the charges on a prorated basis, and Tenant shall pay its apportioned share on demand. The Monument Sign shall be maintained in a good and workmanlike manner and must comply with all laws, rules, regulations and zoning ordinances and requirements.

If Tenant shall erect, install or maintain any signs, lights, or other forms of inscription of advertising, display, or illuminating device outside, in or upon the Premises in violation of this Article, the Declaration, or the standards set forth on Exhibit "C" and shall not immediately upon notice from Landlord cause the same to be removed or discontinued, Landlord, in addition to any other rights or remedies to which it may be entitled hereunder or as a matter of law or in equity, may enter upon the Premises, without thereby causing an eviction of Tenant from said Premises or interference with Tenant's right of quiet use and enjoyment thereof, and cause said sign, lights, or other form of inscription or advertising or display device to be removed or discontinued, and the costs of such removal or discontinuance shall be paid by Tenant, as additional rent, on the first day of the month following said removal or discontinuance and if not so paid, such sums shall bear interest at the rate provided for on Past Due Obligations as provided in section 22.13 from the due date.

ARTICLE 22 - GENERAL

22.1 **Exclusives.** ~~It is herewith agreed that this Lease contains no restrictive covenants or exclusives in favor of Tenant. For so long as Tenant continues to operate as a Credit Union and is not in default of this Lease, Landlord shall not lease any space in the Shopping Center to another tenant who provides credit union or banking services.~~

22.2 **Quiet Enjoyment.** Landlord covenants that there are no liens upon its estate other than (a) the effect of covenants, conditions, restrictions, easements, rights and rights-of-way of record, including but not limited to, the Declaration and the CAMA; (b) the effect of any local or state zoning laws; (c) general and special taxes not delinquent; and (d) other liens, claims and encumbrances which will not affect Tenant's quiet enjoyment of the Premises. Landlord agrees that Tenant, upon paying the rent and other monetary sums due under this Lease and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the term hereof or any extension thereof; subject, however, to the provisions of the hereinbefore referred to Declaration and CAMA, and any of the aforesaid ground leases, mortgages, or deeds of trust, if any, and subject to provisions of this Lease requiring Landlord's prior approval to any assignment, sublease, or other use or occupancy of the Premises. Tenant agrees that as to its leasehold estate it, and all persons in possession or holding under it, will conform to and will not violate the terms of the Declaration and/or the terms of the CAMA.

22.3 Captions; Attachments; Defined Terms.

22.3.1 The captions of the sections of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

22.3.2 Exhibits attached hereto and addenda and schedules are deemed by attachment and/or reference to constitute part of this Lease and are incorporated herein as an integral part of this Lease.

22.3.3 The words "Landlord," "Tenant" and "Guarantor," as used herein, shall include the plural as well as the singular and are referred to herein collectively as the "parties." Words used in neuter gender include the masculine and the feminine. Words used in the masculine or feminine gender include the neuter. If there be more than one Landlord, Tenant or Guarantor, the obligations hereunder imposed upon Landlord, Tenant or Guarantor shall be joint and several; as to a Tenant or Guarantor which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "Landlord" shall mean only the owner or owners at the time in question of the fee title or a lessee's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

22.4 **Entire Agreement.** This instrument, along with any exhibits and attachments hereto, constitutes the entire agreement between Landlord and Tenant relative to the Premises and there are no oral agreements or representations between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements or representations and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. There are no other representations or warranties between the parties or the parties and their agents or representatives and all reliance with respect to representations is solely upon the representations and agreements contained in this Lease. This Lease and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant.

22.5 **Severability.** If any term or provision of this Lease shall, to any extent be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

22.6 Costs of Suit.

22.6.1 If Tenant or Landlord shall bring any action for relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

22.6.2 Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or by any third party against Tenant, or by or against any person holding under or using the Premises, by license of Tenant, or for the foreclosure of any lien for labor or materials furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including reasonable attorneys' fees incurred by Landlord in or in connection with such litigation.

22.7 **Time; Joint and Several Liability; Personal Guaranty.** Time is of the essence of this Lease and each and every provision hereof. All the terms, covenants and conditions contained in this Lease to be performed by any party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity. Any Guarantor(s) executing the Personal Guaranty section on Tenant's Notary Page, covenant and agree that they bind themselves to this Lease by their signatures as principals with joint and several liability for Tenant's obligations under this Lease.

22.8 **Binding Effect; Choice of Law.** The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. Subject to any provisions hereof restricting assignment or subletting by Tenant and subject to section 17.2.1, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State where the Premises are located as an agreement to be performed in said State and as an agreement between domiciliaries of said State. In the event any legal proceeding shall be instituted between the parties hereto, such legal proceeding shall be commenced and maintained in Umatilla-Yakima County, Oregon~~Washington~~, regardless of Tenant's residence or place of business.

22.9 **Waiver.** No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

22.10 **Surrender of Premises.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

22.11 **Holding Over.** Tenant shall, at the termination of this Lease by lapse of time or otherwise, yield up immediate possession to Landlord. If Tenant retains possession of the Premises or any part thereof after such termination, Landlord may, in its sole discretion, serve written notice upon Tenant that such holding over constitutes a renewal of this Lease on a month-to-month tenancy (the "Holdover Term"). During the Holdover Term, Minimum Rent shall increase to an amount equal to one hundred ~~fifty-two~~^{fifty-five} percent (~~125~~¹²⁵%) of the Minimum Rent being paid immediately prior to the commencement of the Holdover Term. Such tenancy may be terminated by Landlord upon written notice given within the earlier of (a) the period of the tenancy; or (b) thirty (30) days. Additionally, Landlord expressly reserves the right, initially or at any time during the Holdover Term, to require Tenant to surrender possession of the Premises upon the expiration of the Term of this Lease or upon the earlier termination thereof, the right to reenter the Premises, and the right to assert any remedy at law or in equity to evict Tenant and collect damages in connection with any such holding over. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, actions, losses, damages (including direct, indirect, and consequential damages), obligations, costs and expenses, including, without limitation, brokerage commissions and attorneys' fees and expenses incurred or suffered by Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.

22.12 **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except the obligations imposed with regard to rent and other charges to be paid to Tenant pursuant to this Lease.

22.13 **Interest on Past Due Obligations.** Except as otherwise expressly herein provided, any amounts due to Landlord not paid when due shall bear interest at the rate which is ~~the greater of (a) three (3) points over the prime rate of interest at U.S. Bank, (or such other state or federal chartered bank doing business in the state where the project is located, as may be specified in a written notice to Tenant hereafter) or (b) eighteen percent (18%)~~ on a per annum basis from the due date; provided, however, that notwithstanding the foregoing, such interest shall not, in any event, exceed the highest rate permitted by applicable law. Payment of interest shall not excuse or cure any default by Tenant under this Lease.

22.14 **Corporate Authority.** If Tenant and/or Guarantor is a corporation, each individual executing this Lease and/or the guaranty on behalf of said corporation represents and warrants that he/she is duly authorized to execute and deliver this Lease and/or guaranty on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Lease and/or guaranty is binding upon said corporation in accordance with its terms, and Tenant and/or Guarantor shall, simultaneously with the execution of this Lease and/or guaranty, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease and a Certificate of Good Standing issued by the Secretary of State of the state of Tenant's incorporation dated not earlier than thirty (30) days prior to the execution hereof.

22.15 **Provisions Re: Ground Lease.** In the event that now or hereafter Landlord possesses a leasehold estate in and to the real property comprising the Shopping Center, or any part thereof wherein the Premises are, then the provisions of this section 22.15 shall automatically apply. Upon request of Landlord herein, Tenant will cause the fee owner of the real property ("Ground Lessor") to be designated as an additional insured under policies of insurance carried by Tenant pursuant to the provisions hereof. In each instance wherein Tenant, under the provisions of this Lease, holds Landlord harmless, or waives claims or rights of subrogation against Landlord, such provisions shall also be deemed applicable to and in favor of Ground Lessor in like manner as applicable to Landlord herein. Tenant agrees not to knowingly violate, cause to be violated or cause Landlord to be in violation of Landlord's obligations to Ground Lessor and consistent with quiet enjoyment of the Premises under this Lease, should such ground lease be prematurely terminated, Tenant will acknowledge and accept Ground Lessor as Landlord under this Lease. In the event Landlord shall acquire fee title to the real property upon which the Premises are located, this Lease shall continue in effect as a sublease and the leasehold estate of Landlord under such ground lease shall not merge with fee title, but shall continue in effect unless Landlord by recorded document elects to terminate said ground lease. Should Landlord acquire fee title to the real property upon which the Premises are located and elect by instrument recorded to terminate such ground lease, this Lease shall then continue in full force and effect as a direct lease (as distinguished from a sublease) between Landlord and Tenant.

22.16 Warranties of Tenant. Tenant warrants and represents to Landlord, for the express benefit of Landlord, that (a) Tenant has undertaken a complete and independent evaluation of the risks inherent in the execution of this Lease and the operation of the leased Premises for the use permitted hereby as set forth in Article 1.13 and subject to the terms and conditions described in Article 6, and that, based upon said independent evaluation, Tenant has elected to enter into this Lease and hereby assumes all risks with respect thereto; (b) no oral or written inducement(s) to execute this Lease have been made to Tenant unless expressly set forth herein in writing; (c) in entering into this Lease, Tenant relies upon no statement, fact, promise or representation (whether express or implied, written or oral) not specifically set forth herein in writing; (d) any statement, fact, promise or representation not expressly incorporated herein in writing, is, and shall forever, be waived and renounced by Tenant; and (e) any statement, fact, promise or representation not expressly contained herein shall in no way bind Landlord, and Tenant hereby waives any right, rescission and all claims for damages by reason of any statement, fact, promise, representation, if any, not contained in this Lease. The warranties and representations of Tenant herein shall be enforceable by way of specific performance or injunctive relief in addition to any other remedy at law of equity. On the basis of the foregoing warranties and representations of Tenant, Landlord is willing to enter into this Lease. In the event any of such warranties or representations of Tenant herein contained shall be inaccurate or untrue Landlord may, in addition to all other rights of Landlord at law or equity, terminate this Lease at any time thereafter upon written notice to Tenant.

22.17 Commission Agreements. Each party represents to the other that no brokers have been involved in this transaction other than those referenced in section 1.15. If any other claims for brokerage or leasing commissions are ever made against Landlord or Tenant in connection with this transaction, each such claim shall be handled and paid by the parties whose actions or commitments form the basis of such claim.

22.18 Hazardous Waste.

(a) Tenant shall not cause or permit any Hazardous Material (as defined in Section 22.18 (c) below) to be brought, kept or used in or about the Shopping Center by Tenant, its agents, employees, contractors, or invitees. Tenant indemnifies Landlord from and against any breach by Tenant of the obligations stated in the preceding sentence and agrees to defend and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Shopping Center, damages for the loss or restriction of use of rentable or usable space of any amenity of the Shopping Center, damages arising from any adverse impact or marketing of space in the Shopping Center, and sums paid in settlement of claims, attorney's fees, consultant fees, and expert (fees) which arise during or after the term of this Lease as a result of such breach). This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Shopping Center. Without limiting the foregoing if the presence of any Hazardous Material on the Shopping Center caused or permitted by Tenant results in any contamination of the Shopping Center, Tenant shall promptly take all actions at its sole expense as are necessary to return the Shopping Center to the condition existing prior to the introduction of any such Hazardous Material. The actions and the contractors to be used by Tenant shall obtain the prior approval of Landlord, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Shopping Center and so long as such actions do not materially interfere with the use and enjoyment of the Shopping Center by the other tenants thereof.

~~(b) Landlord and Tenant acknowledge that Landlord may become legally liable for the costs of complying with Laws (as defined in Section 22.18 (e) below) relating to Hazardous Material which are not the responsibility of Landlord or the responsibility of Tenant (including the following: (i) Hazardous Material present in the soil or ground water on the Shopping Center of which Landlord has no knowledge as of the effective date of this Lease; (ii) a change in Laws which relate to Hazardous Material which make that Hazardous Material which is present on the Property as of the effective date of this Lease, whether known or unknown to Landlord, a violation of such new Laws; (iii) Hazardous Material that migrates, flows, percolates, diffuses, or in any way moves on, to or under the Shopping Center after the effective date of this Lease; or Hazardous Material present on or under the Shopping Center as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the Shopping Center by other Tenants of the Shopping Center or their agents, employees, contractors, or invitees, or by others. Accordingly, Landlord and Tenant agree that the cost of complying with Laws relating to Hazardous Material on the Shopping Center for which Landlord is legally liable and which are paid or incurred by Landlord shall be a Repair and Maintenance Cost (and Tenant shall pay Tenant's Proportionate Share thereof in accordance with Article 9) unless the cost of such compliance, as between Landlord and Tenant, is made the responsibility of Tenant pursuant to Section 22.18 (a) above. To the extent of any such Repair and Maintenance Cost relating to Hazardous Material is subsequently recovered or reimbursed through insurance, or recovery from responsible third parties, or other action, Tenant shall be entitled to a proportionate reimbursement to the extent it has paid its share of such Operating Cost to which such recovery or reimbursement relates.~~

~~(e)(b)~~ It shall not be unreasonable for Landlord to withhold its consent to any proposed conveyance of assignment or sublease as defined in Article 15 if ~~(i)~~ the proposed transferee's anticipated use of the Premises involves the generation, storage, use, treatment, or disposal of Hazardous Material; ~~(ii) the proposed transferee has been required by any prior Landlord, lender, or governmental authority to take remedial action in connection with Hazardous Material containing a property if the contamination resulted from such Transferee's actions or use of the property in question; or (iii) the proposed transferee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of a Hazardous Material.~~

~~(d)(c)~~ As used herein, the term "hazardous material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local government authority, the State of ~~Oregon~~ Washington or the United States Government. The term "hazardous material" includes, without limitation, any material or substance which is (i) defined as "hazardous wastes" "extremely dangerous waste" or "restricted hazardous waste" under any statute enacted by the State of ~~Washington~~ Oregon including, without limitation, RCW 70.105, RCW 70.105(B), RCW 70.105(C) and RCW 70.106; (ii) petroleum, (iii) asbestos, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317, (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 482 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 901).

~~(e)(d)~~ As used herein, the term "Laws" mean any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Material affecting the Shopping Center, including, without limitation, the laws, ordinances, and regulations referred to in Section 22.18 (d) above.

ARTICLE 23 - SPECIAL PROVISIONS AND/OR CONDITIONS

The special provisions and/or conditions, if any, with respect to this Lease shall be as set forth in the Addendum.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease to be effective as of the latter of the dates below (the "Effective Date").

LANDLORD: Gaylord Property Investments LLC,

TENANT: Lower Valley Credit Union,

By: _____
Craig S. Gaylord
Manager

Date: _____

By: _____
_____,
Title: _____

Date: _____

By: _____
_____,
Title: _____

Date: _____

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation. This Lease must be executed by the President or Vice-President and the Secretary or Assistant Secretary unless the By-Laws or a Resolution of the Board of Directors shall otherwise provide in which event the By-Laws or a certified copy of the Resolution, as the case may be, must be furnished concurrently with the execution hereof by Tenant.)

ADDENDUM

(Special Provisions and/or Conditions as per Article 23)

ARTICLE 1 - SUMMARY OF CERTAIN LEASE PROVISIONS

Landlord and Tenant agree that the concessions given under sections 1.6 & 1.7, as well as any commissions paid to outside real estate brokers under section 1.15, have been given by Landlord as consideration for Tenant's entering into this Lease. In the event Tenant defaults under any of the conditions set forth under Article 18, Tenant shall pay Landlord back said concessions within ninety (90) days thereof.

ARTICLE 21 - SIGNS

Tenant shall be allowed a position on the pylon sign for the Shopping Center, as shown on attached Exhibit "C-1". All aspects of Tenant's sign panels, including but not limited to the design, installation and maintenance, shall be Tenant's sole cost and expense.

ARTICLE 23.1 – EMPTY LOT

In the event the property on the front of the plaza should receive a letter of interest, for sale or lease, Lower Valley Credit Union ("LVCU") will have first right to buy or lease the property at same offer within 10 days from the day the letter of interest is received. If LVCU buys the property, it shall be entitled to terminate this Lease without penalty or liability for damages at such time as its new facility on the property is ready to open for business.

ARTICLE 23.2 – REMOVAL OF WALL

Landlord agrees to remove divider wall and make space vanilla ready.

EXHIBIT "A"
FIESTA PLAZA SHOPPING CENTER
LEGAL DESCRIPTION

LEGAL DESCRIPTION

PARCEL 'A'

THE EAST 98 FEET OF THE WEST 123 FEET OF THE NORTH 275 FEET OF LOT 2, CHAS SIMPSON'S FIVE ACRE TRACTS, RECORDED IN VOLUME 'A' OF PLATS, PAGE 64, RECORDS OF YAKIMA COUNTY, WASHINGTON.

PARCEL 'B'

THE WEST 25 FEET OF THE NORTH 275 FEET OF LOT 2, CHAS SIMPSON'S FIVE ACRE TRACTS, RECORDED IN VOLUME 'A' OF PLATS, PAGE 64, RECORDS OF YAKIMA COUNTY, WASHINGTON.

PARCEL 'C'

THE WEST 123 FEET OF LOT 2, CHAS SIMPSON'S FIVE ACRE TRACTS, RECORDED IN VOLUME 'A' OF PLATS, PAGE 64, RECORDS OF YAKIMA COUNTY, WASHINGTON.
EXCEPT THE NORTH 275 FEET THEREOF.

PARCEL 'D'

THE NORTH 429 FEET OF LOT 2, CHAS SIMPSON'S FIVE ACRE TRACTS, RECORDED IN VOLUME 'A' OF PLATS, PAGE 64, RECORDS OF YAKIMA COUNTY, WASHINGTON.
EXCEPT THE WEST 123 FEET;
AND EXCEPT THE EAST 25 FEET THEREOF AS CONVEYED TO YAKIMA COUNTY FOR ROAD BY DEED RECORDED OCTOBER 6, 1964 UNDER AUDITOR'S FILE NO. 2013158.

PARCEL 'E'

LOT 2, CHAS SIMPSON'S FIVE ACRE TRACTS, RECORDED IN VOLUME 'A' OF PLATS, PAGE 64, RECORDS OF YAKIMA COUNTY, WASHINGTON.
EXCEPT THE NORTH 429 FEET THEREOF;
AND EXCEPT THE WEST 123 FEET THEREOF;
AND EXCEPT THE EAST 25 FEET THEREOF AS CONVEYED TO YAKIMA COUNTY FOR ROAD BY DEED RECORDED OCTOBER 9, 1964 UNDER AUDITOR'S FILE NO. 2013611.

EXHIBIT "B"
FIESTA PLAZA SHOPPING CENTER
CONSTRUCTION PROVISIONS

LANDLORD'S WORK :

N/A, as Tenant is taking the Premises in its "as-is" condition. The Premises possesses the following and constitutes Landlord's standard, "Vanilla Shell" build-out:

I. STRUCTURAL:

1. FLOOR - Landlord has provided a concrete slab floor, trowelled smooth to receive Tenant's floor covering.
2. WALLS - Landlord has provided the walls with insulation, which have been covered with gypsum or similar board with joints taped and sealed on wood or metal studding, or exposed masonry, at Landlord's option.
3. CEILING - Landlord has provided a suspended two-foot by four-foot (2' x 4') grid T-bar, standard grade, acoustical ceiling having a height of approximately ten feet (10').
4. STOREFRONT - Landlord has provided a basic storefront, glass and extruded aluminum framing, including one entrance door in the middle of the storefront.
5. SERVICE DOOR - Landlord has provided a metal service entry door in the rear of the Premises for vendor deliveries.

II. ELECTRICAL AND TELEPHONE:

1. ELECTRICAL METER/PANEL - Landlord has provided a separate meter for Tenant's electrical service. Landlord has also provided an electrical panel consisting of two hundred (200) amps.
2. LIGHTING - Landlord has provided one (1) basic two-foot by four-foot (2' x 4'), four-tube fluorescent fixture per one hundred (100) square feet (approximately) of leaseable area.
3. OUTLETS - Landlord has also provided one (1) duplex convenience outlet on demising walls, approximately twenty-four (24) feet on center from the rear of the Premises.
4. TELEPHONE - Landlord has provided entry conduit for Tenant's telephone service.

III. MECHANICAL:

1. HVAC - Landlord has provided a heating and air conditioning unit equipped with its own thermostat. Said unit has been based on one (1) ton per three hundred and fifty (350) square feet of leaseable area.

IV. PLUMBING AND SANITARY FACILITIES:

1. RESTROOM(s): - Landlord has provided one (1) restroom at location and discretion of Landlord, per local code; containing one (1) tank-type toilet, one (1) wall-hung lavatory sink and one (1) ventilation fan.
2. WATER HEATER - Landlord has provided one (1), six (6) gallon water heater for the Premises.

V. SPRINKLER SYSTEM:

1. If applicable due to local code, Landlord may have provided an automatic fire sprinkler system to accommodate Tenant's Premises.

TENANT'S IMPROVEMENTS:

Tenant shall, prior to commencement of improvements to the Premises, submit to Landlord (for Landlord's review and approval) complete architectural drawings, prepared by Tenant's licensed architect, which indicate the specific improvements proposed for the Premises, including types of materials, interior partitions, reflective ceiling plan, plumbing fixtures and electrical plans (prepared by a licensed engineer) setting forth all electrical requirements of Tenant.

Tenant's drawings and improvements are subject to and shall conform with the following:

I. STRUCTURAL:

1. ROOF - There shall be no roof penetrations except with Landlord's written approval. All proposed penetrations of the roofing systems must be clearly shown on Tenant's plans and specifications and approved by Landlord and will be made at Tenant's sole cost and expense by Landlord's Contractor and/or under Landlord's supervision.

II. ELECTRICAL AND TELEPHONE:

1. Any additional electrical panels, outlets, wiring and/or lights shall be the responsibility of and at the expense of Tenant.

2. All phone lines and service shall be the responsibility of and at the expense of Tenant.

III. MECHANICAL:

1. HVAC - Any additional ductwork and/or equipment required as the result of interior partitioning, fixturing, or other work by Tenant, shall be the responsibility of and at the expense of Tenant. It shall be Tenant's responsibility to operate and maintain this system in accordance with Landlord's instructions and manufacturers requirements.

IV. PLUMBING AND SANITARY FACILITIES:

1. PLUMBING: - Any additional plumbing shall be the responsibility of and at the expense of Tenant.

2. WATER HEATER - Any additional water heater(s) shall be the responsibility of and at the expense of Tenant.

V. SPRINKLER SYSTEM:

1. Any additions or changes to said system, if applicable, which may occur as a result of interior partitions, fixturing, restrooms, etc., shall be the responsibility of and at the expense of Tenant.

EXHIBIT "C"
FIESTA PLAZA SHOPPING CENTER
SIGN STANDARDS

These criteria have been established for the mutual benefit of all tenants. Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be removed or brought into conformance at the expense of Tenant. These criteria may be modified by Landlord's written approval in Landlord's sole discretion. This general sign criteria may, at Landlord's election, be supplemented by further specific criteria.

A. GENERAL APPROVAL REQUIREMENTS:

1. Tenant shall submit or cause to be submitted to Landlord for approval before fabrication, a color copy of detailed drawings indicating the proposed location on Tenant's space and the layout, design and color of the proposed sign(s), including all lettering and/or graphics with complete written specifications and dimensions.
2. All permits for Tenant's signs and their installation shall be obtained by Tenant or Tenant's representative and shall conform to all local building and electrical codes.
3. All signs, including time clocks, if applicable, shall be constructed, installed and maintained at Tenant's sole cost and expense.
4. Tenant shall be responsible for the fulfillment of all requirements of these criteria.

B. NUMBER AND LOCATION OF SIGNS:

1. Only two (2) exterior signs (one [1] on the front façade of the Premises and one [1] in the rear [or side, if Premises is on the end of a building]) shall be permitted on the Premises, unless otherwise approved with the prior written consent of Landlord.
 - a. Said exterior sign (or signs) shall be of such size, design and character and in such location only as Landlord shall approve in writing at its sole discretion. Size and specifications are defined below in paragraph C.
2. No signs perpendicular to the face of the building or storefront will be permitted. Under-canopy signs may be approved at Landlord's sole discretion.
23. Tenant is permitted to construct and maintain one (1) monument sign with electronic display in the area immediately facing E. Nob Hill Boulevard.

C. DESIGN/CONSTRUCTION REQUIREMENTS:

1. The design of all signs, including without limitation, style, placement and height of letterings, size, color, and materials, method and amount of illumination shall be subject to the review and approval of Landlord prior to installation.
2. Tenant's storefront entrance/store name identification designs shall be white in color and shall be subject to the approval of Landlord. Wording of signs shall not include the product(s) sold except as part of Tenant's trade name or insignia. Tenant's logo, copy, shapes or blurbs shall be specifically excluded from the sign, unless approved by Landlord.
3. No exposed lamps or tubing, animated, flashing or audible signs, or exposed raceways, crossovers, conduit, brackets, fasteners or spacers will be permitted. All cabinets, conductors, transformers and other equipment shall be concealed.
4. Exterior signs (not including the monument sign) shall be individual pan channel letters with neon illuminated plastic faces as follows:
 - a. Letter faces shall be cut from three sixteenth inch (3/16") flat acrylic Plexiglas or acrylic in standard pigmented colors. Molded or formed letter faces shall not be allowed.
 - b. Face retainers shall be one inch (1") Jewelite in black, bronze or gold. Jewelite fasteners shall be #8 pan head screws finished to match.
 - c. Letter returns shall be fabricated from minimum of twenty-four (24) gauge galvanneal sheet metal of five and a half inches (5½") in depth with metal backs sealed to prevent light leaks. Plywood or plymetal type letter backs not allowed. Letters shall be primed and finish coated with acrylic enamels. Interior of letters finished white. Letter returns and backs shall be finished satin black or satin dark bronze. All signs and their installation must comply with all local building and electrical codes and shall bear appropriate labels placed in an inconspicuous location.
 - d. Letters shall be spaced off the wall one quarter inch (1/4") to allow drainage. All fasteners and spacers shall be concealed and constructed from plated rust proof materials. Black iron is not allowed.
 - e. Neon illumination shall be provided inside each letter using thirty (30) miliamp transformers for neon colors and sixty (60) miliamp transformers for mercury tubes. Maximum transformer voltage shall not exceed twelve

thousand (12,000) volts. Tubes shall not exceed four inch (4") on center. Each letter shall have PK or similar

UL approved housings through the wall with all wiring transformers, etc. behind the wall. All penetrations of the building structure required for sign installation shall be neatly sealed in a watertight manner.

5. The sign area will be no more than eighty percent (80%) of the tenant's lineal sign frontage, up to a maximum of thirty-two (32) square feet of signage, unless otherwise approved by Landlord.

D. MISCELLANEOUS REQUIREMENTS:

1. Tenant will be permitted to place upon each entrance of its Premises not more than 144 square inches of flat decal lettering not to exceed two inches (2") in height, indicating hours of business, emergency telephone number(s), etc. Tenant may install on the store front, if required by the U.S. Post Office or Fire Marshall, the numbers only for the street address in exact location stipulated by Landlord's architect. Size, type and color of numbers shall be as stipulated by Landlord.

2. Tenant shall be fully responsible for the operations of Tenant's sign contractor(s) and Tenant shall indemnify and hold Landlord harmless from any acts or omissions of Tenant's sign contractor(s).

3. Tenant, his representative(s), or his sign contractor, shall at the termination of this Lease, remove Tenant's sign and repair, at Tenant's cost, any damaged area to its original condition as when Tenant's sign was erected.

4. The exterior facade signs shall be operated by a time clock and shall be illuminated during such hours as prescribed by Landlord.

5. Tenant will be responsible for the cost of the sign and the service, maintenance, repair and replacement of Tenant's sign, including time clocks to Tenant's sign.

E. REAR ENTRY SIGNS:

1. Rear entry signs may be approved at Landlords' sole discretion.

EXHIBIT "D"
FIESTA PLAZA SHOPPING CENTER
ESTOPPEL CERTIFICATES
(Example)

TO: _____

RE: Lease dated _____, 200__, by and between _____
as Landlord and _____
as Tenant, on Premises located in the shopping center (the "Shopping Center").

Gentlemen:

The undersigned tenant (the "Tenant") certifies and represents unto the addressee hereof (hereinafter referred to as the "Purchaser" or "Lender"), its attorneys and representatives, with respect to the above-described lease, a true and correct copy of which is attached as Exhibit "A" hereto, (the "Lease") as follows:

1. All space covered by this Lease and any Landlord provided improvements have been finished to the satisfaction of Tenant, all conditions required under the Lease have been met, and there is no default by Landlord or Tenant and Tenant has accepted and taken possession of the Premises covered by the Lease.

2. The Lease is for a total term of _____ ()
years, _____ () months commencing _____, 200__, has not been modified, altered or amended in any respect and contains the entire agreement between Landlord and Tenant, except as follows: _____

3. (list amendments and modifications other than those, if any, attached to and forming a part of the attached Lease as well as any verbal agreements; or write "None").

4. As of the date hereof, the Minimum Rent under the Lease is \$ _____ monthly, subject to Adjustment escalation in accordance with the terms and provisions of the Lease.

5. No rent has been paid by Tenant in advance under the Lease except for \$ _____
_____, which amount represents rent for the period beginning _____,
200__ and ending _____,
200__ and Tenant has no charge or claim of offset under said Lease or otherwise, against rents or other amounts due or to become due thereunder. No "discounts", "free rent" or "discounted rent" have been agreed to or are in effect except for _____

6. A Security Deposit of \$ _____ has been made and is currently being held by Landlord.

7. Tenant has no claim against Landlord for any deposit or prepaid rent except as provided in Paragraphs 4 and 5 above;

8. Landlord has satisfied all commitments, arrangements or understandings made to induce Tenant to enter into the Lease, and Landlord is not in any respect in default in the performance of the terms and provisions of the Lease, nor is there now any fact or condition which, with notice or lapse of time or both, would become such a default.

9. Tenant is not in any respect in default under the terms and provisions of the Lease (nor is there now any fact or condition which, with notice or lapse of time or both, would become such a default) and has not assigned, transferred or hypothecated its interest under the Lease, except as follows:_____.

10. Except as expressly provided in the Lease or in any amendment or supplement to the Lease, Tenant:

- (i) does not have any right to renew or extend the term of the Lease,
- (ii) does not have any option or preferential right to purchase all or any part of the Premises or all or any part of the building or premises of which the Premises are a part, and
- (iii) does not have any right, title, or interest with respect to the Premises other than as Tenant under the Lease.

There are no understandings, contracts, agreements, subleases, assignments, or commitments of any kind whatsoever with respect to the Lease of the Premises covered thereby except as expressly provided in the Lease or in any amendment or supplement to the Lease set forth in Paragraph 2 above, copies of which are attached hereto.

11. The Lease is in full force and effect and Tenant has no defenses, setoffs, or counterclaims against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Tenant and Landlord.

12. Tenant has not received any notice, directly or indirectly, of a prior assignment, hypothecation or pledge by Landlord of the rents or the Lease to a person or entity.

13. The current address to which all notices to Tenant, as required under the Lease, should be sent is:_____.

¹⁴14. With respect to the Merchant's Promotional Association and/or the Promotional Service, if any, Tenant has no claims, liens or offsets with regard to any amounts due or to become due thereunder except for _____.

Formatted: Indent: First line: 0.5", Right: 0.22"

(If the Addressee is a purchaser or prospective purchaser of the Premises and/or the Shopping Center, Tenant shall also include the following if requested).

¹⁵15. Tenant acknowledges that Addressee is acquiring ownership of the building in which the Premises are located. Tenant agrees that upon Addressee acquiring ownership, Tenant will attorn and does attorn and agrees to recognize and does recognize Addressee as Landlord on the condition that Addressee agrees to recognize the Lease referred to in this document as long as Tenant is not in default thereunder, provided, however, that Addressee shall have no liability or responsibility under or pursuant to the terms of the Lease for any cause of action or matter not disclosed herein or that accrues after Addressee ceases to own a fee interest in the property covered by the Lease. Addressee's right hereunder shall inure to its successors and assigns.

¹⁶16. Tenant agrees to execute reasonable modifications to the Lease and such documents as Addressee may request for the purpose of subordinating the Lease to its interest and to any mortgage or deed of trust to be placed upon the property by Addressee from time to time and any estoppel certificates requested by Addressee from time to time in connection with the sale or encumbrance of the Premises.

¹⁷17. Tenant makes this certificate with the understanding that the Addressee is contemplating acquiring the Premises, and that if Addressee acquires the Premises, it will do so in material reliance on this certificate and Tenant agrees that the certifications and representations made herein shall survive such acquisition.

Executed on the _____ day of _____, 200 .

TENANT:

EXHIBIT "E"
FIESTA PLAZA SHOPPING CENTER
BASIC RULES AND REGULATIONS

At all times during the term of this Lease, Tenant will comply with the following rules and regulations at its sole cost and expense:

1. Tenant will maintain the Premises in clean, neat, sanitary and orderly condition.
2. Tenant will comply with all of the rules and regulations of the American Insurance Association, the State Insurance Rating Bureau and any similar bodies.
3. Tenant will refrain from burning any incense or waste materials of any kind or otherwise creating noxious odors. All odor and moisture producing areas must be adequately exhausted, so that odors and moisture do not travel beyond the Premises. Tenant will be responsible for the utilities and other costs of all exhaust, air and special cooling and heating systems (such as refrigeration, walk-in coolers, make-up air and other equipment serving Tenant's special needs).
4. Tenant will maintain adequately sized grease interceptors on all sinks, dishwashers, drains or plumbing units. Tenant will be responsible for disposing of all waste products and other matter so as to avoid any clogging or interference with Building utility systems.
5. Tenant shall have the right, at its expense, to maintain advertising matter appropriate to the conduct of Tenant's business within the boundaries of the Premises only.
6. Tenant shall not use any advertising or promotional medium, which can be heard or experienced, outside the Premises, including (without limitation) flashing lights, loud speakers, phonographs, radios and/or televisions. No leaflets, handbills or other advertising material will be placed on cars in the parking area or distributed outside the Premises.
7. Without the written consent of Landlord, Tenant shall not permit any sale by auction to be conducted on or about the Premises, whether voluntary, involuntary or pursuant to any assignment for the benefit of creditors, or pursuant to any bankruptcy or other insolvency proceeding. No fire, bankruptcy, lost lease and/or going-out-of-business sale shall be conducted.
8. Any of Tenant's employee(s) to whom the Premises are entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent. Landlord shall not be liable for any damage to any property entrusted by employees of the Building, for the loss or damage to any property of Tenant by theft or otherwise.
9. Tenant will refrain from keeping, displaying, advertising or selling any merchandise outside the boundaries of the Premises.
10. Tenant will not permit its employees to smoke tobacco products or consume alcoholic beverages within the area visible to consumers and business invitees while the employees are working at the Premises.
11. The customer parking areas serving the Premises shall be used only for the parking of vehicles of Tenant's customers while shopping in the Shopping Center and vehicles delivering or receiving merchandise or premises, and for parking or use by Landlord, other tenants and users permitted by Landlord. Tenant and its agents, independent contractors, employees, customers, suppliers and invitees will use all access and employee parking or other areas designated for non-customer use (if any), and any common areas in strict compliance with Landlord's requirements for such areas. From time to time, Landlord may modify its requirements of the rights of tenants and the public to use any access, parking and common areas. Landlord retains the right to alter, rearrange, remodel or build on any part of such areas. Landlord shall have the right and authority to grant such licenses and easements on, across or under the Shopping Center and the Premises as may be necessary or convenient for the development of the Shopping Center, without the necessity of obtaining further consent of joinder in the instrument by Tenant. Any such easement or license (and any work required in connection with the easement) will be designed to avoid interference with Tenant's business operation on the Premises. Tenant will join in the instrument, if required by Landlord or any third party.