Fill in this information to identify the case:				
Debtor 1 Hometown Buffet, Inc.				
Debtor 2 (Spouse, if filing)				
United States Bankruptcy Court for the: Northern District of Texas, Dallas Division				
Case number <u>21-30724-11</u>				

E-Filed on 08/30/2021 Claim # 401

Official Form 410

Proof of Claim 04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

F	Part 1: Identify the Claim						
1.	Who is the current creditor?	JBP Properties LLC Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor JBP Kirkland LLC					
2.	Has this claim been acquired from someone else?	✓ No ☐ Yes. From whom?					
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices JBP Properties L Name 6721 Lake Wash Number Street Kirkland City Contact phone (425) Contact email jonese	LC &Michael ington Blvd N WA State 827-2071	R. Jones NE #10 98033 ZIP Code	Name Number Street	yments to the creditor	ZIP Code
Uniform claim identifier for electronic payme ———————————————————————————————————					 	Filed on 08/30	
5.	Do you know if anyone else has filed a proof of claim for this claim?	✓ No ☐ Yes. Who made th	e earlier filing?				

6.	Do you have any number you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:				
7.	How much is the claim?					
8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or creation claim? Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. Lease dated 9/28/93 as amended 6/23/11, 8/31/16, 7/10/20						
9.	Is all or part of the claim secured?	No				
		Value of property: \$ Amount of the claim that is secured: \$ Amount of the claim that is unsecured: \$(The sum of the secured and unsecured amounts should match the amount in line 7.				
		Amount necessary to cure any default as of the date of the petition: Annual Interest Rate (when case was filed)% Fixed Variable				
10	. Is this claim based on a lease?	□ No Yes. Amount necessary to cure any default as of the date of the petition. \$\$252,343.54				
11	. Is this claim subject to a right of setoff?	✓ No ✓ Yes. Identify the property:				

12. Is all or part of the claim	☑ No					
entitled to priority under 11 U.S.C. § 507(a)?	☐ Yes. Check	one:	Amount entitled to priority			
A claim may be partly priority and partly		c support obligations (including alimony and child support) under C. § 507(a)(1)(A) or (a)(1)(B).	\$0.00			
nonpriority. For example, in some categories, the law limits the amount entitled to priority.		6,025* of deposits toward purchase, lease, or rental of property or services for I, family, or household use. 11 U.S.C. § 507(a)(7).	\$0.00			
,	bankrup	salaries, or commissions (up to $13,650$) earned within 180 days before the tcy petition is filed or the debtor's business ends, whichever is earlier. C. $507(a)(4)$.	\$0.00			
	☐ Taxes o	r penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$0.00			
	☐ Contribu	☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).				
	Other. S	pecify subsection of 11 U.S.C. § 507(a)() that applies.	\$0.00			
	* Amounts a	re subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or af	ter the date of adjustment.			
Part 3: Sign Below						
The person completing	Check the appro	priate box:				
this proof of claim must sign and date it.	I am the cre	ditor.				
FRBP 9011(b).	I am the creditor's attorney or authorized agent.					
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.					
5005(a)(2) authorizes courts to establish local rules	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.					
specifying what a signature is.	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.					
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5	I have examined and correct.					
years, or both. 18 U.S.C. §§ 152, 157, and	I declare under penalty of perjury that the foregoing is true and correct.					
3571.	Executed on date					
	Michael R Signature	. Jones, Managing Member				
	· ·	of the person who is completing and signing this claim:				
	Name	Michael R. Jones				
	Name	First name Middle name Last name				
	Title	Managing Member				
	Company	JBP Properties LLC				
		Identify the corporate servicer as the company if the authorized agent is a servicer.				
	Address					
		Number Street				
		City State ZIP Code				
	Contact phone	Email				
	20					

Attachment 1 - Old Country Buffet Lease & First Amendment.pdf Description - Lease supporting claim

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "Amendment"), effective as of the 23rd day of June, 2011 (the "Effective Date"), is entered into by and between TRIPLE C PROPERTIES THREE, LLC & TCRC PROPERTIES THREE, LLC ("Landlord"), and HOMETOWN BUFFET, INC. ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant are the current parties to that certain lease dated September 28, 1993 (as modified, amended, transferred and/or supplemented as of the Effective Date, collectively, the "Lease") by which Landlord is leasing to Tenant certain premises as more particularly described therein located in the Colonnade Shopping Center in the City of Kennewick, Washington; and

WHEREAS, it is the desire of the parties hereto to amend the Lease as hereinafter provided.

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, and of One Dollar (\$1.00), the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the parties as follows:

1. <u>Term</u>. Landlord and Tenant acknowledge that the term of the Lease is currently scheduled to expire May 15, 2014. Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant acknowledge and agree that the term of the Lease is hereby extended so as to expire on December 31, 2023. Further, as used in the Lease, the "<u>Lease Year</u>" means that portion of the Term consisting of the period from January 1 through December 31.

Tenant shall have two (2) successive options (the "<u>Extension Option(s)</u>") to renew and extend the Term for additional consecutive periods of five (5) years each (each, an "<u>Extended Term</u>"). The Extension Options shall be exercised by Tenant giving Landlord written notice thereof at least six (6) months prior to the end of the Term or previous Extended Term, as the case may be.

2. <u>Rent.</u> Notwithstanding anything to the contrary contained in the Lease, the Rent payable under the Lease for the Term shall be adjusted as follows:

OPTION PERIOD	TERM	MINIMUM ANNUAL
		RENT
Existing Term	1/1/12 - 12/31/12	\$165,000.00
	1/1/13 - 12/31/13	\$165,000.00
	1/1/14 - 12/31/14	\$170,000.00
	1/1/15 - 12/31/15	\$170,000.00
	1/1/16 - 12/31/16	\$175,000.00
	1/1/17 - 12/31/17	\$180,000.00
	1/1/18 - 12/31/18	\$183,600.00
	1/1/19 - 12/31/19	\$185,000.00
	1/1/20 - 12/31/20	\$188,700.00
	1/1/21 - 12/31/21	\$192,474.00
	1/1/22 - 12/31/22	\$196,323.48
	1/1/23 - 12/31/23	\$200,249.95
First Extended Term	1/1/24 - 12/31/24	\$204,254.95
	1/1/25 - 12/31/25	\$208,340.05
	1/1/26 - 12/31/26	\$212,506.85
	1/1/27 - 12/31/27	\$216,756.99
	1/1/28 -12/31/28	\$221,092.13

Second Extended Term	1/1/29 -12/31/29	\$225,513.97
	1/1/30 -12/31/30	\$230,024.25
	1/1/31 -12/31/31	\$234,624.73
	1/1/32 -12/31/32	\$239,317.23
	1/1/33 -12/31/33	\$244,103.57

3. <u>Percentage Rent</u>. In addition to the Minimum Rent provided for in Section 6.1 of this Lease, Tenant agrees to pay percentage rent ("<u>Percentage Rent"</u>) to Landlord in an amount equal to three percent (3%) of Gross Sales (as defined below) for a particular Lease Year in excess of the following amount (also referred to as a "<u>Breakpoint</u>") for the Lease Year in the following time periods:

OPTION PERIOD	TERM	PERCENTAGE RENT BREAKPOINT
	1/1/12 -12/31/12	\$3,700,000.00
	1/1/13 - 12/31/13	\$3,700,000.00
	1/1/14 - 12/31/14	\$3,900,000.00
	1/1/15 -12/31/15	\$3,900,000.00
	1/1/16 -12/31/16	\$3,900,000.00
	1/1/17 -12/31/17	\$3,900,000.00
	1/1/18 -12/31/18	\$3,900,000.00
	1/1/19 -12/31/19	\$4,100,000.00
	1/1/20 -12/31/20	\$4,100,000.00
	1/1/21 -12/31/21	\$4,100,000.00
	1/1/22 -12/31/22	\$4,100,000.00
	1/1/23 -12/31/23	\$4,100,000.00
First Extended Term	1/1/24 -12/31/24	\$4,300,000.00
	1/1/25 -12/31/25	\$4,300,000.00
	1/1/26 -12/31/26	\$4,300,000.00
	1/1/27 -12/31/27	\$4,300,000.00
	1/1/28 -12/31/28	\$4,300,000.00
Second Extended Term	1/1/29 -12/31/29	\$4,500,000.00
	1/1/30 -12/31/30	\$4,500,000.00
	1/1/31 -12/31/31	\$4,500,000.00
	1/1/32 -12/31/32	\$4,500,000.00
	1/1/33 -12/31/33	\$4,500,000.00

Notwithstanding the foregoing, Tenant shall be entitled to retain any Percentage Rent payable to Landlord for any particular Lease Year in excess of Fifteen Thousand and no/100 Dollars (\$15,000.00).

As used in this Lease, the term "Gross Sales" means the gross amount received by Tenant from all orders placed and filled, and all sales and services made or rendered, in or from the Premises, whether for cash or credit. Gross Sales shall not include: (a) receipts from vending machines, coin-operated amusement devices and pay telephones; (b) receipts from the sale of gift certificates until such are redeemed at the Premises; (c) any sale to, or the value of any meals consumed by, employees of Tenant which are provided as a benefit of employment; (d) the value of any complimentary meals provided as a customer service or as part of Tenant's community marketing efforts; any refund which is made to any customer; (f) any sales tax or other payment required by governmental law or regulation; (g) receipts from catering or from orders placed at the Premises, but filled elsewhere; (h) bad debts and "non-sufficient funds" checks; (i) sales of furniture or equipment not in the ordinary course of business; (j) any charge paid by Tenant as a finance charge for credit card services; (k) insurance recoveries or other proceeds not directly related to sales or services from the Premises.

Percentage Rent shall be due and payable annually within forty-five (45) days after the end of the applicable Lease Year. Concurrently with the payment of Percentage Rent, Tenant shall deliver a report of its Gross Sales for the applicable Lease Year. Such report shall be certified by an authorized employee of Tenant and kept in accordance with Tenant's usual accounting practices. If Landlord requires an audit or examination of Tenant's records of Gross Sales pertaining to the Premises, Tenant will make available to Landlord, at Tenant's corporate or principal accounting office, all of Tenant's books and records necessary to accomplish the audit. Landlord's right to audit or examine such records shall be limited to the current Lease Year and the immediately preceding Lease Year, and such right may be exercised by Landlord only one (1) time in any consecutive twelve (12) month period.

- 4. <u>Tenant Improvements/Trade Name Change</u>. Tenant will complete substantial physical improvements to remodel the interior of the Premises and (potentially) repainting of the exterior of the Premises (the "Improvements"). In connection with the remodel, an 8'x10' area will be converted to game room containing 3 "claw machines" and Tenant will convert to the HomeTown Buffet trade name. The Improvements shall be made in a good and workmanlike manner and shall comply with all applicable federal, state and local codes and variances or permits necessary to complete the Improvements. Landlord consents to and acknowledges that Tenant will be closed for business during the period when Tenant is constructing the Improvements. Rent and other amounts due under the Lease shall not abate during such period.
- 5. (a) Landlord represents and warrants to Tenant that (i) Landlord is the landlord under the Lease, (ii) Landlord has the full power and authority to execute and deliver this Amendment, (iii) the person(s) executing and delivering this Amendment on behalf of the Landlord has or have been authorized by all required action to so execute and deliver this Amendment, and (iv) no other consents or approvals of any entity or person are necessary for the due execution and delivery of this Amendment by or on behalf of Landlord for this Amendment to be binding upon Landlord.
- (b) Tenant represents and warrants to Landlord that (i) Tenant is the tenant under the Lease, (ii) Tenant has the full power and authority to execute and deliver this Amendment, (iii) the person(s) executing and delivering this Amendment on behalf of the Tenant has or have been authorized by all required action to so execute and deliver this Amendment, and (iv) no other consents or approvals of any entity or person are necessary for the due execution and delivery of this Amendment by or on behalf of Tenant for this Amendment to be binding upon Tenant.
- 6. Notwithstanding anything to the contrary contained herein, Landlord represents and warrants that it has obtained all necessary lender or other required consent, if any, to enter into this Amendment. Landlord agrees to indemnify, defend and hold Tenant harmless from any and all claims, demands and suits brought against Tenant and arising out of this Amendment, related to Landlord's failure to obtain any lender or other required consent necessary to, enter into, or modify the Lease in accordance with, this Amendment.
- 7. This Amendment, together with the Lease, contain all of the agreements of the parties hereto with respect to the matters contemplated hereby and thereby, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose. Nothing in this Amendment shall be deemed to waive or modify any of the provisions of the Lease, except as expressly stated herein.
- 8. Except as expressly modified hereby, all other terms and provisions of the Lease (a) shall remain in full force and effect; (b) are incorporated herein by this reference; and (c) shall govern the conduct of the parties hereto; <u>provided</u>, <u>however</u>, that if there exists any inconsistency between the provisions of the Lease and the provisions of this Amendment, the provisions of this Amendment shall control.

This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. Each counterpart may be delivered by electronic transmission. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto.

IN WITNESS WHEREOF, this Amendment is entered into by the parties as of the Effective Date.

LANDLORD:

TRIPLE C PROPERTIES THREE, LLC & TCRC PROPERTIES THREE, LLC

Print: Danny Campbell

Its: Manager

TENANT:

HOMETOWN BUFFET, INC.

By: Print:

Its:

VP Finance, Treasurer & Assistant Secretary

HomeTown Buffet, Inc.

1460 Buffet Way ■ Eagan, MN 55121 ■ (651) 994-8608 ■ Fax: (651) 365-2356 www.buffet.com

August 12, 2003

VIA UPS

Eckhardt Company, Inc. Profit Sharing Plan Attn: Beth Ann Christensen 215 N. Whitley Dr., #B Fruitland, ID 83619

Re:

Lease dated September 28, 1993, as amended and/or modified (collectively, the "Lease"), currently by and between Eckhardt Company, Inc. Profit Sharing Plan ("Landlord") and HomeTown Buffet, Inc. ("Tenant") for leased space at Colonnade Shopping Center in Kennewick, WA.

Dear Landlord:

Effective on September 30, 2003, HomeTown Buffet Inc., a Delaware corporation, will reincorporate its business in Minnesota. This reincorporation is a Type F reorganization transaction ("F-Reorg"). HomeTown Buffet, Inc., a Delaware corporation will become HomeTown Buffet Inc., a Minnesota corporation. As you might be aware, an F-Reorg is a mere change in the state of organization of a corporation, pursuant to Internal Revenue Code Section 368(a)(1)(F). In an F-Reorg, other than the change in the state of incorporation, the company's assets/liabilities and right/obligations all remain unchanged.

Even though this change in state of organization will have no impact on the relationship between the Landlord and Tenant or the Lease, Section 26 of the Lease requires the Tenant to obtain Landlord's consent prior to completing this transaction (not to be unreasonably withheld).

Please execute below to consent to the above referenced F-Reorg transaction. Thank you in advance for your assistance, and as always, please feel free to contact me at 651.365.2235 should you have any questions.

Sincerely,

HomeTown Buffet, Inc.

By: Damon Fraser

Its: Corporate Counsel

Landlord:

ECKHARDT COMPANY, INC. PROFIT SHARING PLAN

By: James Eshland



HOMETOWN'

Recordation requested by:

After recordation return to:

Space above this line for Recorder's Use

ASSIGNMENT OF LEASE & BILL OF SALE

DATED:

December 9, 1999

BETWEEN:

C.K. FOODS, INC., a Washington corporation

Assignor

AND:

HOMETOWN BUFFET, INC., a Delaware corporation

Assignce

Assignor holds the tenant's/lessee's lease interest under a lease dated September 28, 1993 as set forth in the attached Schedule A ("Lease"), which covers certain restaurant space/property located at 6821 West Canal Drive, City of Kennewick, State of Washington, as more particularly described in the Lease (the "Premises"). The Premises is leased from the landlord/lessor ("Landlord") described on the attached Schedule A. The legal description of the Premises or of the Shopping Center in which it is located is stated on or attached as part of Schedule A.

NOW, THEREFORE, for value received and in consideration of the mutual promises of the parties set forth in this Assignment of Lease & Bill of Sale (the "Assignment"), the parties agree as follows:

- 1. Assignment of Lease. Assignor hereby assigns and conveys to Assignee all of Assignor's right, title and interest in and to the Lease of the Premises described above and grants and conveys to Assignor's right, title and interest in the leasehold improvements, furniture, fixtures and equipment ("FF&E") at such Premises as of the date of this Assignment. Such conveyances will be effective as of December 9, 1999 ("Closing Date" or "Closing").
- 2. Acceptance of Assignment. By execution of this Assignment, Assignce does hereby accept such assignment of the Lease, effective as of the Closing Date, and agrees to perform and assume all obligations of the tenant/lessee under the Lease which accrue from and after the Closing Date. Assignee agrees to defend, indemnify and hold harmless the Assignor from any liability arising under the Lease after the Closing Date, so long as such liability does not arise or in any way relate to the period preceding the Closing Date.

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3. Warranties by Assignor. Assignor hereby covenants and warrants with Assignee that:
(i) Assignor owns a valid and good leasehold interest in the Premises and owns the leasehold improvements thereon pursuant to the Lease, free and clear of any liens, security interests or encumbrances which will be binding on Assignee after the Closing Date; (ii) the Lease is in full force and effect in accordance with its terms and is not in default; (iii) Assignor has not subleased, assigned or otherwise transferred any interest in or under the Lease; (iv) all consents necessary for the effectiveness of this Assignment have been obtained by Assignor at Assignor's expense; and (v) Assignor has the power and authority to execute and deliver this Assignment. Assignor agrees to defend, indemnify and hold harmless against any loss or damage (including attorneys' fees incurred by Assignee) arising by reason of breach of the warranties stated above.

4. General Provisions 2

- 4.1 <u>Binding Effect</u>. This Assignment shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors and assigns.
- 4.2 Attorneys' Fees. In the event suit or action is instituted to interpret or enforce the terms of this Assignment, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on appeal and on any petition for review, in addition to all other sums provided by law.
- 4.3 <u>Waiver</u>. Failure by either party at any time to require performance of any provision of this Assignment shall not limit the party's right to enforce the provision. Weiver of any breach of any provision of this Assignment shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.
- 4.4 Notices. Any notice or demand (individually, and collectively, a "Notice" or "Notices") which may or are required or permitted to be given by either party to the other hereunder shall be in writing and shall be sent to the addresses set forth in this paragraph. All Notices shall be sent by United States Mail, certified or registered mail, return receipt requested, or by recognized overnight courier service (such as Federal Express), or by facsimile or other telecommunication device capable of transmitting and creating a written record, or personally. Notices are effective on receipt. Each party shall give notice to the other or its address for Notices by written Notice to the other. Notices to Assignee will be sent to: HomeTown Buffet, Inc., 10260 Viking Drive, Eden Prairie, Minnesota 55344-7229, Attn: Real Estate Officer, with a copy to HomeTown Buffet, Inc., 10260 Viking Drive, Eden Prairie, Minnesota 55344-7229, Attention: General Counsel. Notices to Assignor will be sent to:

Joseph H. Wessman Witherspoon, Kelley, Davenport & Toole, P.S. 1100 U.S. Bank Building - 422 W. Riverside Spokane, WA 99201

- 4.5 <u>Further Assurances.</u> Each party shall, upon request of the other party, execute such further instruments or documents as the requesting party may reasonably require to further effect the purposes hereof.
- 4.6 Non-impairment of Lease: Other Assignments, Subleases, Modifications or Changes.

 Assignee hereby covenants, represents and warrants to and agrees with Assignor that, without Assignor's

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prior written consent, until the closing date under this Assignment, Assignee will not take any action to amend, modify, supplement, or change the Lease, and shall not surrender, terminate or transfer the Lease, or otherwise transfer, or relinquish its rights or interest in the Lease.

4.7 <u>Prior Agreements</u>. This Assignment supersedes and replaces all written and oral agreements previously made or existing between the parties, with respect to the matters set forth in this Assignment.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed in duplicate as of the day and year first above written.

ATTEST:	C.K. FOODS, INC.
They Klub	By: Paul Klinks
Witness Signature	Its: President (Name/Title)
STATE OF WASHINGTON)	,
County of Spokane) ss.	
Foods, Inc., a Washington corporation, who capacity to execute the foregoing instrument	1999, before me, the undersigned Notary Public, personally me personally known as the <u>President</u> of C.K. stated and acknowledged that he was duly authorized in such for and in the name and behalf of said corporation, and furthered, executed and delivered the foregoing instrument freely and

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

voluntarily and for the consideration, uses and purposes therein mentioned and set forth.

WASHINIAN

Notary Public for My commission expires: Residing at:

Spokane, WA

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ASSIGNEE:

HOMETOWN BUFFET, INC., a Delaware corporation

ATTEST:

Witness Signature

Name/Title: H. Thomas Mitchell, Secretary

STATE OF MINNESOTA

) ss.

County of Hennepin

On this the Ninth day of December, 1999, before me, the undersigned Notary Public, personally appeared H. Thomas Mitchell, to me personally known as the Secretary of HOMETOWN BUFFET, INC., a Delaware corporation, who stated and acknowledged that he was duly authorized in such capacity to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument freely and voluntarily and for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHERBOF, I hereunder set my hand and official seal.

Notary Public for My commission expires:

Residing at:

DAMON FRASER NCTARY PUBLIC - MINNESOTA My Comm. Expires Jan. 31, 2000:

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ESTOPPEL CERTIFICATE AND AGREEMENT

(Lease Assignment)

The undersigned ("Landlord") holds the landlord's/lessor's interest under an existing lease dated September 28, 1993 (as it may have been amended), a copy of which lease with all amendments ("Lease") is attached as Exhibit A or such Lease is identified by date on the attached Exhibit A (the "Lease"), covering certain property located at 6821 West Canal Drive, City of Kennewick, State of Washington, and more particularly described in the Lease (the "Premises").

The tenant's/lessee's interest under the Lease is held by C.K. Foods, Inc. a corporation ("Tenant"). Tenant proposes to assign the Lease to HOMETOWN BUFFET, INC., a Delaware corporation ("Assignee"). Assignee has requested that Landlord sign this Estoppel Certificate and Agreement (the "Estoppel") to confirm the terms of the Lease and for the purposes stated below.

NOW, THEREFORE, for the benefit of Assignee, Landlord hereby agrees and certifies as follows:

- STATUS OF LEASE. Landlord represents and certifies that, as of the date of this Estoppel, the following is true and correct: (i) identification of Lease the copy of the Lease or identification of the Lease on Exhibit A is accurate and complete, and the Lease has not been amended, modified, supplemented, altered or superseded in any way except as provided herein or as listed or shown on such Exhibit A; (ii) confirmation of Lease as of the date of this Consent, the parties' respective obligations under the Lease are in full force and effect and binding upon the parties in accordance with the terms of the Lease, at the rent and for the Lease term stated therein (including renewal and extension terms); (iii) no known default as of the date of this consent, no uncured event of default or breach exists (to the best of Landlord's knowledge) under the Lease; and (iv) approval and effectiveness of the Estoppel this Estoppel has been duly approved or authorized by Landlord, and the undersigned is authorized to execute this Estoppel required from any of Landlord's mortgagees, lenders or master lessors.
- 2. AGREEMENT TO RECOGNIZE ASSIGNEE. On the effective date of the assignment of the Lease by Tenant to Assignee pursuant to written agreement between Tenant and Assignee ("Closing Date"), Landlord hereby agrees to accept and recognize Assignee as tenant/lessee under the Lease with all the rights and interests of tenant/lessee thereunder.
- 3. ASSIGNMENT PERMITTED OR APPROVED. Landlord acknowledges that Tenant has obtained Landlord's consent to assign the Lease to Assignee. The foregoing does not waive or impair the rights of Landlord with respect to any additional assignments or transfers.
- 4. NOTICES. From and after the Closing Date, the address for notices and billings under the Lease will be modified so that they are sent to Assignee at its corporate offices, at HomeTown Buffet, Inc., 10260 Viking Drive, Eden Prairie, Minnesota 55344-7229, Attn: Real Estate Officer, with a copy to HomeTown Buffet, Inc., 10260 Viking Drive, Eden Prairie, Minnesota 55344-7229, Attention: General Counsel.

- 5. **RECORDATION**. Assignor agrees and consents to the execution and recordation of an Assignment of Lease from Tenant to Assignee whereby, among other provisions, Assignee will assume Tenant's obligations under the Lease accruing from and after the effective date of such assignment.
- 6. TRADE NAME: SIGNS AND RE-FIXTURING. Without amending the provisions of Sections 21 and 15 of the Lease, Landlord hereby consents to Assignee's use of either the existing trade name "Granny's Buffet", or the trade name "HomeTown Buffet" and/or "Old Country Buffet", (including any changes or additions to such name as Assignee may from time to time use in its restaurant operations) at the Premises. Consistent with the applicable provisions of the Lease, Tenant may replace existing signs with its own trade name, re-furbish and re-fixture the Premises for its operation, and make reasonable improvements and alterations as are necessary to adapt the Premises for Assignee's use and installation of its trade fixtures.
- 7. BINDING EFFECT. This Estoppel Certificate is executed by Landlord with the understanding that it constitutes a waiver, except as otherwise set forth herein, of any claim by Landlord against HomeTown Buffet, Inc. (but no other person or entity), but only to the extent that such claim is based on facts contrary to those contained herein and only to the extent that HomeTown Buffet, Inc. constitutes a bona fide purchaser for value without knowledge of facts contrary to those contained herein. Nothing in the assignment of the Lease to Assignee nor this Estoppel Certificate shall release the Tenant under the Lease or any of the guarantors of the Lease from any liability thereunder.
- 8. <u>COUNTERPARTS.</u> This Agreement may be executed in counterparts, each of which shall be considered an original.

IN WITNESS WHEREOF, the undersigned has caused this Estoppel to be executed and delivered as of the date first written above.

LANDLORD:

Engineered Structures Development Corp. Profit Sharing Plan

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9/16/93

LEASE

This LEASE, is made this day of <u>Jeptember</u> 1993, by and between JAMES L. ECKHARDT as Trustee of the trust established under ENGINEERED STRUCTURES DEVELOPMENT CORP. PROFIT SHARING PLAN, and any successor trustee thereunder ("Lessor"), and C.K. FOOD'S, INC., a Washington corporation ("Lessee").

WITNESSETH:

1. LEASED PREMISES

(a) In consideration of the rents, covenants and agreements set forth in this Lease, Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the real property situated in the Colonnade Shopping Center in the City of Kennewick, State of Washington, constituting approximately 48,000 square feet of land area and shown as Pad 9 on Exhibit "A" attached hereto and incorporated herein by this reference and more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference, together with the building (i.e., a buffet style restaurant approximately 10,000 square feet in size) and other improvements to be constructed thereon by Lessor (the "Improvements") in accordance with Paragraph 2 below, and the easements, rights and appurtenances thereto (collectively, the "Leased Premises").

2. CONSTRUCTION OF IMPROVEMENTS

- shall agree upon plans and specifications for the Improvements (the "Plans and Specifications"). Reasonable effort shall be used to design the building to allow for future expansion at reasonable cost. Lessee's approval (which approval shall not be unreasonably denied) of the Plans and Specifications shall be evidenced by initialing and dating the original Plans and Specifications. After Lessee's approval of the Plans and Specifications, any changes thereto requested by Lessee shall be at Lessee's sole expense, including without limitation, design and engineering fees and any costs incurred for change orders during construction. Lessee is relying on its own expertise in determining the suitability of the design of the Improvements for Lessee's intended use and Lessee's approval of the Plans and Specifications shall constitute Lessee's unconditional acceptance of such design. Upon substantial completion of the Improvements (as evidenced by the architect's certificate of substantial completion), Lessee shall execute an affidavit or other suitable document evidencing Lessee's acceptance of the Improvements as constructed.
- (b) Lessor, at Lessor's expense, shall provide the architectural and engineering services, obtain the building permits, perform the site work (including, without limitation, utilities, sidewalks, landscaping, curbs, gutters, drainage, paving and striping) and construct the building. Included in Lessor's construction of the building are the following items: all interior partition walls, all wall coverings for the interior walls (excluding stainless steel wall panels and wall mirrors); a suspended acoustical ceiling; all floor coverings; all lighting

fixtures, electrical circuits and service for lighting (except any decorative light fixtures to be suspended from the ceiling over the booths and tables); fire sprinkler system as required by state and federal safety codes for restaurants; restrooms and fixtures; enclosed garbage area with concrete pad, floor drain, electrical service, and hot and cold water outlets; and all special grease traps and separators required by health codes.

- (c) Lessee shall provide all trade fixtures and equipment at Lessee's sole expense, including without limitation, all kitchen equipment (including stainless steel wall panels, cooktop hoods and roof-mounted exhaust fans and curbs), food preparation and storage equipment, buffet tables, serving counters, office and restaurant furniture, specialized interior decorations, booths, tables and chairs, wall mirrors, window treatments, interior and exterior signage and trash removal equipment. The trade fixtures and equipment requiring electrical, plumbing and drain connections (such as the buffet tables) will be delivered to the Leased Premises and set in place by Curtis Equipment. Lessor shall cooperate with Curtis Equipment and other equipment suppliers of Lessee (if any) in permitting such suppliers access to the Leased Premises during construction of the building. Lessor shall be responsible for making the necessary electrical, plumbing and drain connections to such fixtures and equipment. Lessee shall be responsible for any wall decorations and interior signs with the exception of exit signs required by fire code.
- (d) Lessor shall commence construction of the Improvements as soon as reasonably possible after Lessor receives all necessary approvals and consents (including, without limitation, governmental approvals and approvals from other owners in the shopping center). Lessor shall diligently pursue construction of the Improvements in a neat and workmanlike manner in compliance with the Plans and Specifications and applicable laws and regulations. Lessor shall use reasonable efforts to complete the Improvements within the time frames established by the construction documents entered into pursuant to the Plans and Specifications, provided that such time frames will be extended by the amount of time attributable to any delays due to causes beyond Lessor's control, including but not limited to acts of God, strikes, lockouts or unavailability of materials. Lessee may inspect construction of the Improvements at reasonable times during the construction period. Lessor warrants that when the architect's certificate of substantial completion is issued, the Leased Premises and Improvements constructed by Lessor shall comply with all local, state and federal laws, rules and regulations.
- (e) Within two weeks after execution of this Lease, Lessee shall provide Lessor with a copy of the loan commitment from Lessee's lender committing to loan funds to Lessee in an amount adequate to pay for the cost of Lessee's trade fixtures and equipment.

3. TERM

(a) The lease term shall be for a period of twenty (20) years from the Rent Commencement Date of this Lease as that term is defined in Paragraph 4 below. Lessee's obligation to pay rent shall begin on the Rent Commencement Date of this Lease.

- (b) If throughout the lease term, or any renewal terms, Lessee shall have paid the rent and faithfully performed all the covenants and conditions of this Lease, then Lessee shall have the option to renew the Lease up to two (2) times for a further term of ten (10) years each upon the same terms, covenants and conditions with the exception of length of term and rent. Rent during any option term shall be as provided in Paragraph 5 below. Lessee shall exercise this option by written notice to Lessor of its intent to exercise the option if a rental rate can be agreed upon between the parties. Such notice shall be given to Lessor at least six (6) months prior to the expiration of the term. During the month following receipt of such notice Lessor and Lessee shall negotiate the rent to be paid during the option term.
- If the parties are unable to agree on the rent for the option term within forty (40) days prior to the expiration of the preceding term, the rent for the option term shall be the fair market rental rate for similar properties in the area determined by the appraisal process set forth hereafter, provided that the rent shall not be reduced from the preceding rental rate. Each party shall appoint an appraiser who shall be a member of the American Institute of Real Estate Appraisers with at least five years experience in appraising commercial real property (an "MAI appraiser") and notify the other party in writing of the name and address of such appraiser. If a party fails or refuses to appoint an appraiser and provide written notice thereof to the other party within fifteen (15) days after receipt of the name and address of the other party's appraiser, the single appraiser appointed shall constitute the sole appraiser for the purpose of determining the fair market rental rate. If both parties appoint an appraiser in accordance with the foregoing procedure, the two appraisers shall immediately proceed to determine and agree upon the fair market rental rate. If the two appraisers cannot agree and if the higher of the two appraisals is no more than 110% of the lower appraisal, the fair market rental rate shall be the average of the two appraisals. If the higher of the two appraisals is more than 110% of the lower appraisal, the two appraisals shall together promptly appoint a third MAI appraiser. That appraiser shall immediately proceed to determine the fair market rental rate and the value agreed upon by a majority of the three appraisers shall be the fair market rental rate. If a majority of the three appraisers are unable to agree upon the fair market rental rate, the value obtained by averaging the three appraisals shall constitute the fair market rental rate. Each party will pay its respective appraiser's fees plus one-half of the third appraiser's fee (if any). The appraisal process described in this clause shall be completed prior to the expiration of the term, if possible. If the appraisal process is being diligently pursued but is not completed prior to the expiration of the term, Lessee shall continue to pay rent at the current rate until the new rate is determined, which rate shall apply retroactively and any outstanding difference shall be due in full with the next month's rental payment.

4. RENT COMMENCEMENT DATE

The Rent Commencement Date of this Lease shall be thirty (30) days after the date of the architect's certificate of substantial completion of the Improvements. If issuance of a certificate of occupancy is delayed due to a construction defect caused by Lessor, such

thirty (30) day period shall be extended by the number of days equal to the delay caused by such defect.

5. RENTAL

- (a) During the initial term of this Lease, Lessee shall pay to Lessor an annual rent, payable in monthly installments, as set forth in Exhibit "C" attached hereto and incorporated herein by this reference, due in advance on the first day of each month during the lease term. Rent for any partial month shall be prorated.
- (b) Notwithstanding anything in subparagraph 5(a) to the contrary, Lessor shall allow the rent for the first two months of the first year of the initial term of this Lease to be deferred and paid over the remaining ten (10) months of such year on a prorated basis in addition to the rent otherwise due for such months.
- (c) During any renewal term of this Lease, Lessee shall pay to Lessor an annual and monthly rent agreed upon between the parties.
- (d) In the event Lessee fails to pay any installment of rent or any other additional amount payable under this Lease within ten (10) days after the same has become due, Lessee and Lessor agree that Lessor will incur additional expenses in the form of extra collection efforts, handling costs, and potential impairment of credit on loan(s) for which this Lease may be security. Both parties agree that in such event Lessor, in addition to its other remedies, shall be entitled to recover a late payment charge, which shall be considered rent, from Lessee equal to ten percent (10%) of the amount not paid within said ten (10) day period. Any past due amounts under this Lease, including late payment charges, shall bear interest at a rate of the lesser of one and one-half percent (1-1/2%) per month or the maximum rate permitted by law. Lessee further agrees to pay Lessor any reasonable cost incurred by Lessor in effecting the collection of such past due rent including but not limited to fees of an attorney or collection agency. Lessor shall have the right to require that Lessee pay monies due in the form of a cashier's check or money order if Lessor experiences return of any of Lessee's checks due to insufficient funds or any other reason. All amounts due hereunder shall be considered rent.
- (e) No payment by Lessee or receipt by Lessor of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and Lessor may accept any such check or payment without prejudice to Lessor's rights to recover the balance of such rent or pursue any other remedy in this Lease provided.
- (f) Lessor shall not be obligated to notify Lessee of the due date of rent nor demand payment thereof on its due date, any demand being expressly waived by Lessee. The acceptance of any partial payment from Lessee after the expiration of the ten (10) day period as above provided shall be taken to be a payment on account by Lessee and shall

not constitute a waiver by Lessor of any rights, nor shall it reinstate this Lease or cure a default on the part of Lessee. Notwithstanding Lessor's acceptance of rent from Lessee, if Lessee is delinquent in the payment of rent or other charges hereunder more than three (3) times during any of twelve (12) consecutive months, after notice given by Lessor any future delinquencies shall be deemed an irrebuttable default hereunder and Lessor may exercise any or all remedies set forth herein or by law.

(g) Lessee shall pay rent to Lessor at the address set forth in Paragraph 34 or such other place as Lessor may from time to time designate in writing.

6. SECURITY DEPOSIT

Upon execution of this Lease, Lessee shall deposit with Lessor a sum equal to the first month's rent as a security deposit. Said deposit shall be held by Lessor with interest as security for the faithful performance by Lessee of all of the terms, conditions and covenants of this Lease. If any of the rents due under this Lease or any other sum payable by Lessee to Lessor shall be overdue and unpaid or should Lessor make payments on behalf of Lessee, or Lessee shall fail to perform any of the terms of this Lease, then Lessee may, at its option and without prejudice to any other remedy which Lessor may have on account thereof, appropriate the entire amount of said deposit and apply said entire amount or so much thereof as may be necessary to compensate Lessor toward the payment of rent or additional rent or loss or damage sustained by Lessor due to such breach on the part of Lessee; if only part of said funds are applied toward such payment(s), then the rest of said funds shall be held as a security deposit; and Lessee shall forthwith upon demand restore said deposit to the sum of one month's rent. Should Lessee comply with all of said terms and promptly pay all of the rentals as they fall due and all other sums payable by Lessee to Lessor, said deposit shall be returned in full to Lessee at the end of the term if not refunded earlier as provided hereafter. In the event of bankruptcy or other debtor-creditor proceedings against Lessee, such amounts from deposit may be appropriated and shall be deemed to be applied first to the payment of rent and other charges due to Lessor for all periods prior to filing of such documents. After the expiration of the third (3rd) year of the term of this Lease, Lessor shall refund the security deposit plus accumulated interest to Lessee so long as Lessee is not in default (as defined in Paragraph 17 and Paragraph 5[f]).

7. TAXES AND ASSESSMENTS

(a) Lessee agrees to pay to the appropriate governmental agencies all real property taxes, assessments, impositions, or all other claims or charges (herein collectively called the "taxes") which may constitute or may be reduced to a lien upon the Leased Premises, including but not limited to water charges and sewer charges, before the same shall become delinquent. All such payments for the first and last year of the original term or any renewal term shall be prorated between Lessor and Lessee so that Lessee shall be responsible for that portion of the taxes which is attributable to the original term and any renewal term. In the event there is included in the taxes any special assessment or

assessment which may be paid in installments, Lessor shall advise the appropriate governmental agency of its intention to elect payments in installments thereof, as shall be due and payable during the original term or any renewal term, regardless of when such installment was assessed.

- (b) Lessor will notify Lessee in writing of any taxes which Lessee is required to pay in accordance with the provisions of this Section. Such notification shall be furnished to Lessee not less than the earlier of (i) forty-five (45) days before the date such taxes are due or (ii) the date Lessor receives the tax bill, and shall be accompanied by a copy of the tax bill. Any taxes which Lessee is required to pay shall be paid by it not later than ten (10) days before the date on which such taxes are due unless the notification by Lessor is received by Lessee less than twenty (20) days before the date on which such taxes are due, in which event Lessee shall pay such taxes within ten (10) days after the date of such notification. Lessee shall give Lessor evidence of payment of taxes with the following rent payment. Lessee shall be responsible for the payment of any penalties, interest or other charges imposed upon delinquent payment of taxes.
- (c) If Lessee fails to pay any taxes which it is required to pay within the time period provided above, Lessor may at its option pay said taxes, together with any and all penalties, and said amount shall become immediately due and payable as additional rent and shall accrue interest until paid as provided in Paragraph 5(d).

8. INSURANCE

- (a) Property Insurance: Commencing on the date the Improvements are substantially completed, Lessee shall keep the Leased Premises insured for one hundred percent (100%) of the replacement value against damage covered by a special form insurance policy with special endorsements covering earthquake and flood, the proceeds of which shall be applied to restoration of the Leased Premises. Lessor shall be named as the insured on such policy. Such insurance shall be written with an insurer with a Best Rating of B+, licensed to do business in the state in which the Leased Premises are located, and shall require the insurer to give at least thirty (30) days' written notice to Lessee and Lessor of any cancellation, lapse, reduction or adverse change. A copy of the policy or a certificate of insurance shall be given to Lessor. Lessee shall also keep Lessee's improvements, trade fixtures, furnishings, equipment, and contents upon the Leased Premises insured against the same risks for their full replacement value and naming Lessor as an additional insured, to the extent Lessor's interest may apply. Lessee's deductible on such insurance policy shall not exceed \$5,000.
- (b) General Liability Insurance: Lessee shall maintain a policy of commercial general liability insurance with respect to the Leased Premises, the business operated by Lessee, and any subtenants, concessionaires, or licensees of Lessee, in the Leased Premises insuring against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer with a Best Rating of B+, licensed to do business in the state in which the Leased Premises are located and shall

name Lessor and Lessee as insureds. The minimum limits of liability for such insurance policy (bodily injury and property damage combined) shall not be less than \$1,000,000 per occurrence and \$2,000,000 aggregate. The policy shall require the insurer to give at least thirty (30) days' written notice to Lessor and Lessee of any cancellation, lapse, reduction or adverse change. A copy of the policy or a certificate of insurance shall be delivered to Lessor. All public liability, property damage, and other liability policies shall be written as primary policies, not contributing with and not in excess of coverage which Lessor may carry. All such insurance shall specifically insure contractual liability of the insured under the indemnity clause in this Lease.

Premises or any contents, each party shall look first to any insurance in its favor before making any claim against the other party, even if such loss or damage was caused by the willful or negligent act or omission of the other party, or anyone for whom such party may be responsible. To the extent possible without additional cost, each party shall obtain, for each policy of such insurance, provisions permitting waiver of any claim against the other party for loss or damage within the scope of the insurance, and each party, to such extent permitted, for itself and its insurers waives all such insured claims against the other party.

9. UTILITIES

Lessee shall pay before delinquency all charges for water, sewer, trash, gas, heat, electricity, power, telephone service and all other services of utilities used in or upon the Leased Premises by Lessee or any of its subtenants, licensees, or concessionaires, during the term of any extension or renewal of the term of this Lease. Lessee shall be responsible for contacting the relevant utility company and requesting hook-up, installation and commencement of services to the extent not completed during construction.

10. MAINTENANCE OF PREMISES

(a) Lessor shall, except to the extent prevented by practical impossibility, and except as otherwise provided herein, keep the exterior of the building, foundation, roof, and structural elements of the Leased premises in good conditions and repair during the Lease term. Further, Lessor shall perform any repairs to the Improvements that are covered by warranties made to Lessor or repairs necessary due to defects in the construction of Improvements by Lessor or its agents. Anything to the contrary notwithstanding contained in this Lease, Lessor shall not in any way be liable to Lessee for failure to make repairs as herein specifically required of it unless Lessee has previously notified Lessor, in writing, of the need for such repairs and Lessor has failed to commence and complete (or is diligently proceeding to complete) said repairs within thirty (30) days following receipt of Lessee's written notification. In the event Lessor fails to commence and diligently proceed to complete such repairs within such thirty (30) day time period, Lessee may, at its election, make such repair and Lessee may offset the cost of such repair against the rentals next

coming due until the cost of the repair plus interest at the rate set forth in Paragraph 5(d) has been recovered by Lessee.

- With the exception of Lessor's maintenance obligation set forth above, Lessee shall keep the Leased Premises in good condition and repair (ordinary wear and tear excepted), including but not limited to the interior of the building, maintenance and replacement when necessary of the all windows, doors and openings, all electrical, heating, plumbing, air conditioning and other systems installed within the building, paved parking area, sidewalks, shrubbery, planting, flood lights, and all other accessories, appurtenances and related equipment, and Lessee shall keep the Leased Premises in a clean, safe and healthy condition according to the ordinances and directions of the proper public authority. The obligation of the Lessee to make repairs in the preceding sentence is limited to repairs not covered by warranties received by Lessor during construction of the Improvements and repairs not caused by defects in the construction of the Improvements by Lessor or their general contractor. After the Rent Commencement Date Lessee shall make such alterations and repairs as may be necessary to cause the Leased Premises to conform to any local, state or federal law, rule or regulation. In the event Lessee fails to commence and diligently proceed to complete any maintenance obligation, Lessor shall have the right, after giving Lessee thirty (30) days written notice to Lessee of its election to do so, to perform such maintenance on behalf of Lessee and immediately seek reimbursement from Lessee.
- (c) In the event of any repair or replacement necessitated by any cause for which insurance proceeds are received, such insurance proceeds shall be made available to the party making the repair or replacement. Excess insurance proceeds, if any, shall belong to Lessee.

11. ALTERATIONS

Lessee shall make no alterations, additions or improvements to the Leased Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessor hereby consents to the future expansion of the Leased Premises into the area shown as "Future Expansion" on Exhibit "A," subject to Landlord's right to review and approve the plans and specifications for such expansion, which approval shall not be unreasonably withheld. All maintenance and repair, and each such addition, improvement or alteration, shall be completed expeditiously in a good and workmanlike manner, and in compliance with all legal requirements and insurance requirements, and shall become part of the Leased Premises and subject to this Lease.

12. PROPERTY LOSS

(a) Lessee shall promptly notify Lessor of any damage to the Leased Premises caused by fire or other casualty. In the event that the Leased Premises shall be damaged or destroyed by fire or other insured casualty and Lessor does not elect to terminate this Lease as hereinafter provided, Lessor shall proceed with reasonable diligence and at its own

cost to rebuild and repair the Leased Premises. In the event: (a) the Leased Premises are destroyed or substantially damaged by a casualty not covered by insurance, (b) the Leased Premises are destroyed or rendered untenantable to an extent in excess of fifty percent (50%) of the floor area of the building, or (c) the holder of a mortgage, deed of trust or other lien on the Leased Premises at the time of the casualty elects, pursuant to such mortgage, deed of trust or other lien, to require the use of all or part of the insurance proceeds to be applied to the debt secured by such lien, then Lessor may elect to terminate this Lease or to proceed to rebuild or repair the Leased Premises. Lessor shall give written notice to Lessee of such an election within thirty (30) days after the occurrence of such casualty, and if it elects to rebuild and repair shall proceed to do so with reasonable diligence and at its sole cost and expense.

- (b) In the event Lessor repairs or reconstructs the Leased Premises, the repairs and reconstruction shall be limited to restoring the Leased Premises to substantially the condition in which the same existed prior to such casualty, exclusive of any fixtures and equipment installed by Lessee. Lessee agrees that promptly after completion of such work by Lessor, Lessee will proceed with reasonable diligence and at Lessee's own cost to restore, repair, and replace all fixtures, trade equipment, signs and equipment necessary for Lessee's business.
- (c) Lessee agrees that during any period of reconstruction or repair of the Leased Premises to continue the operation of its business in the Leased Premises to the extent reasonably practicable. The rent shall not be abated or reduced during the first six (6) months of any such period of reconstruction or repair. If such reconstruction or repair takes in excess of six (6) months, the rent shall be abated on the first (1st) day of the seventh (7th) month after the occurrence of the casualty and shall continue abated until the date an occupancy permit is issued.

13. INDEMNIFICATION AND HOLD HARMLESS

- (a) Lessee agrees that it will, at all times, indemnify, defend and save and keep Lessor harmless from and against all claims or demands and all actions, costs, expenses, damages, counsel fees and loss of or injury to any person or property of every kind in or on the Leased Premises arising from or incident to any use of the Leased Premises, or the performance of any other work done, suffered or permitted by Lessee in or about the Leased Premises, or any act, fault, negligence, act or omission of Lessee, its agents, invitees, customers, employees, or persons with whom it has a contractual relationship.
- (b) Lessor shall not be liable, and Lessee waives all claims for damages to persons or property sustained by Lessee or Lessee's employees, agents, servants, invitees and customers resulting from any equipment or appurtenances on the Leased Premises pertaining becoming out of repair, or through the acts or omissions of persons transacting any business on the Leased Premises or present thereon for any other purpose, or for loss or damage resulting to Lessee or its property from burst, stopped or leaking water, gas, sewer or other pipes or conduits or plumbing fixtures, or from any failure of or defect in

any electric line, circuit or facility, or resulting from any accident in or about the Leased Premises or resulting directly or indirectly from any act or neglect of Lessee or any other person, unless caused by the willful or negligent act or omission of Lessor, its agents, contractors and employees.

14. LIENS

- Lessee shall not at any time suffer or permit the attachment to the Leased Premises of any lien for work done or materials furnished in connection with the initial improvement of the Leased Premises, in connection with the maintenance of the Leased Premises in accordance with Paragraph 10 of this Lease, in connection with the alteration of the Leased Premises in accordance with Paragraph 11 of this Lease or in connection with any other repair of the Leased Premises. If any such lien attaches to the Leased Premises and is not discharged or released within sixty (60) days from the date of attachment, Lessor may pay to the lien claimant the amount of such lien and notify Lessee of such payment, in which event such amount shall be immediately due and payable by Lessee and shall bear interest at the rate provided in Paragraph 5(d); provided, however, that if Lessee desires to contest said lien, it shall furnish to Lessor a bond written by a surety company licensed to do business in this state or other security satisfactory to Lessor for an amount at least equal to the amount of the lien for the protection of Lessor against all loss or expense on account of such asserted lien during the period of contest. Notwithstanding the foregoing provisions, Lessee shall have the right to grant a security interest in the fixtures and equipment installed in the Leased Premises.
- (b) Nothing in this Lease shall be deemed to constitute the consent or request of Lessor, express or implied, to any person for the performance of any labor or the furnishing of any materials for any construction, alteration or repair to the Leased Premises, nor as giving Lessee authority to contract for any services or materials which might in any way give rise to the right to file or record any lien against Lessor's interest in the Leased Premises.

15. USE AND OCCUPANCY

(a) Lessee shall use and occupy the Leased Premises in a careful, safe and proper manner, and will comply with all lawful requirements of all valid laws, ordinances, rules and regulations of all governmental authorities pertaining to the use and occupancy of the Leased Premises. Lessee shall comply with and abide by all use limitations and restrictions set forth in any Cross-Easement and Use Restriction Declaration encumbering the Colonnade Shopping Center substantially similar to the form attached as Exhibit "D" ("Declaration"). Lessor shall not amend or modify Section 4 (Restriction on Use - Buffet-Style Restaurant) of the Declaration without the prior written approval of Lessee, which approval shall not be unreasonably withheld.

(b) Lessor acknowledges that Lessee's use of the Leased Premises includes the operation of Granny's Buffet and shall not object to Lessee's use and occupancy of the Leased Premises for or in connection with such purpose so long as Lessee is in compliance with the requirements of this Section. Lessee agrees not to use the Leased Premises for the operation of any business other than a restaurant without the prior written consent of Lessor, which shall not be unreasonably withheld.

16. SURRENDER OF PREMISES

Lessee will deliver up and surrender possession of the Leased Premises to Lessor upon the expiration of this Lease, any renewal or extension hereof, or its termination in any way, in a good and substantial state of repair, reasonable wear and tear excepted.

17. DEFAULT

- (a) Lessee shall be deemed to be in default upon the expiration of ten (10) days for the payment of rent or other sums and either party shall be deemed in default upon the expiration of thirty (30) days for any other obligation hereunder from the date written notice from one party is given specifying the particulars in which the other party has failed to perform its obligations under this Lease, including without limitation the vacating or abandonment of the Leased Premises by Lessee. Provided, however, if the default is nonmonetary and cannot with due diligence be cured prior to the expiration of thirty (30) days from the date of such notice, and if the defaulting party commences within such thirty (30) day period to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default, then such party shall not be deemed to be in default.
- (b) If the defaulting party is Lessee, Lessor may, at its sole option, (i) declare this Lease to be terminated, and enter into the Leased Premises or any part thereof, with or without process of law, and expel Lessee or any person occupying the same in or upon the Leased Premises, and repossess and enjoy the Leased Premises as in Lessor's former estate, Lessee being liable for the payment of the total rent payable for the entire lease term, in which event Lessee may remove from the Leased Premises, after payment of all amounts then due under the conditions of this Lease, all of the personal property reserved to Lessee, or (ii) without terminating the Lease, relet the Leased Premises, applying said rent from the new tenant on this Lease, and Lessee shall be responsible for nor more than the balance that may be due, plus all expenses of Lessor in connection with repossession or reletting of the Leased Premises and all costs of construction in altering the Leased Premises for the new tenant.

18. BANKRUPTCY

- (a) In the event Lessee becomes a debtor under the Bankruptcy Code and Lessee's trustee or Lessee elects to assume this Lease for the purpose of assigning it or otherwise, such election and assignment may be made only if the provisions of this Paragraph 18 are satisfied.
- (b) Under a Chapter 7, if Lessee's trustee or Lessee fails to elect to assume this Lease within sixty (60) days after the filing of bankruptcy or such additional time as provided by the court, this Lease shall be deemed rejected and Lessor shall be entitled to possession without further obligation to Lessee or Lessee's trustee and this Lease, upon election by Lessor, shall terminate, but Lessor's right to damages in such proceeding shall survive whether or not this Lease is terminated.
- (c) Under a Chapter 11, Lessee's trustee or Lessee must elect to assume this Lease within one hundred and twenty (120) days from the date of the filing of the bankruptcy or transfer thereto or the Lease will be deemed rejected. If Lessee has failed to timely perform all its obligations under this Lease, no election to assume this Lease will be effective until (i) all defaults have been cured, (ii) Lessor has been compensated for all damages or provided adequate assurances of compensation for such damages, (iii) Lessor has adequate assurances that future obligations shall be met and has received a deposit of six (6) months' rent, (iv) such assumption will not breach the provisions of any mortgage or other agreement by which Lessor is bound relating to the Leased Premises. For purposes of this subparagraph 18(c), "adequate assurances" means Lessee's trustee or Lessee has sufficient cash or unencumbered assets to fulfill Lessee's obligations under this Lease or has granted Lessor a security interest in property of a nature satisfactory to Lessor to secure Lessee's obligations under this Lease.
- (d) If this Lease has been assumed by Lessee's trustee or Lessee, this Lease may be assigned only if the proposed assignee has provided adequate assurances of future performance of Lessee's obligations under this Lease. For purposes of this subparagraph 18(d), "adequate assurances of future performance" means: (i) the assignee has furnished Lessor with current financial statements indicating a net worth Lessor reasonably determines to be sufficient to assure future performance, (ii) the assignee has experience in Lessee's business Lessor reasonably determines to be adequate to successfully operate Lessee's business, and (iii) Lessor has obtained al consents and waivers necessary under its mortgage or other agreements to permit the assignment without breach of such agreements.

19. LESSOR'S TITLE AND QUIET ENJOYMENT

(a) Lessor covenants that Lessor is, or will be on the Rent Commencement Date, the holder in fee simple title to the Leased Premises and that Lessor has full right and authority to enter into this Lease.

(b) Lessor hereby covenants and agrees that if Lessee shall perform all the covenants and agreements herein stipulated to be performed by Lessee, Lessee shall, at all times during the original term of this Lease and any renewal term, have peaceable and quiet enjoyment and possession of the Leased Premises without any manner of let or hindrance from the Lessor or any other person, firm or corporation.

20. TITLE TO BUILDINGS, IMPROVEMENTS, FIXTURES AND EQUIPMENT

- (a) All trade fixtures and equipment installed and paid for by Lessee, shall remain and continue to the be sole and absolute property of Lessee and may be replaced at any time during the term of this Lease and may be removed at the expiration of this Lease; provided, however, that such removal shall not cause material damage to the Leased Premises. Lessee shall repair or replace any damage or damaged structures resulting from such removal. Lessee may grant a security interest or other lien in any and all fixtures and equipment which it has a right to remove and Lessor agrees that, upon request by Lessee, Lessor will execute written waivers of any lien on or right to such equipment an fixtures. Lessor shall have no liability for the repayment of any loan made to Lessee by a third party.
- (b) Title to the building and all other permanent improvements on the Leased Premises constructed or installed by Lessor and any repairs, alterations, additions or improvements to said building or improvements constructed or installed by Lessee, except the items listed in subparagraph 19(a) above, shall be vested in and remain in Lessor at all times during the term of this Lease.
- (c) Lessee may assign its interest in this Lease as security for financing improvements to the Leased Premises, fixtures and equipment. Lessor agrees to sign a Consent, Waiver, Non-Disturbance and Attornment Agreement substantially similar to the form attached as Exhibit "E" if required by the lender.

21. LESSEE'S SIGNS

Subject to compliance with any restrictive covenants governing the Shopping Center of which the Leased Premises is a part, Lessee may place on and in the Leased Premises all signs that Lessee deems necessary and proper in the conduct of its business, subject further to the following conditions: (a) Lessee must obtain, at its sole expense, all permits and licenses required for the erection and maintenance of the signs; and (b) the erection and maintenance of the signs must be permitted by law.

22. EMINENT DOMAIN

(a) If all the Leased Premises shall be appropriated or condemned by any public or quasi public authority in the exercise of its right to condemnation or eminent domain,

this Lease shall terminate as of the time when possession shall be required by such public or quasi public authority. In such case, the rent shall be apportioned as of such date.

- (b) In the event that a part of the Leased Premises shall be taken or condemned and that (a) the part so taken includes the building on the Leased Premises or any part thereof, or (b) the part so taken shall remove from the Leased Premises such a number of parking spaces that the total number of parking spaces left is inadequate to satisfy parking requirements imposed by governmental entities, or (c) such partial taking shall result in cutting off access from the Leased Premises to any adjacent public street or highway, then and in such event, either Lessee or Lessor may, at any time either prior to or within a period of sixty (60) days after the date when the condemning authority shall require possession of the part of the Leased Premises taken or condemned, elect to terminate this Lease
- (c) In the event the Lease is not terminated, there shall be no reduction in rent and Lessor, at Lessor's expense, shall with reasonable promptness make necessary repairs, to and alterations of the building on the Leased Premises for the purpose of restoring the same to an economic architectural unit, susceptible to the same use as that which was in effect immediately prior to such taking, to the extent that may have been necessary by such condemnation.
- (d) Lessee shall not be entitled to any part of Lessor's condemnation award. However, Lessor shall pay to Lessee from Lessor's award when received any amount by which such award is increased by the taking of equipment and fixtures which Lessee is entitled to remove under this Lease or Lessee's cost of moving from the Leased Premises and relocating. Nothing herein shall be construed to affect Lessee's right to make and prosecute a claim against the condemning authority for, and to recover damages to or for, the taking of Lessee's fixtures and equipment and for moving and relocation expenses resulting from the taking.

23. SUBORDINATION AND NONDISTURBANCE

This Lease and all rights of Lessee hereunder are and shall be subject and subordinate to the lien of any and all mortgages and/or deeds of trust which Lessor may now or hereafter place upon the Leased Premises to finance the cost of construction of the building and other improvements and to all terms, conditions and provisions thereof, to all advances made, and to any renewal, extensions, modifications or replacement thereof. Any such mortgage or deed of trust shall provide that, so long as there is not outstanding a continuing event of default by Lessee in any term of this Lease, the leasehold estate of Lessee and Lessee's peaceful and quiet possession of the Leased Premises shall not be disturbed by any foreclosure of the mortgage. Lessor and Lessee shall negotiate in good faith on the form of a non-disturbance, attornment and subordination agreement evidencing the foregoing.

24. ESTOPPEL INSTRUMENTS

At any time and from time to time upon the written request of another party or any mortgage lender, Lessor or Lessee, as the case may be, shall execute and deliver to the party or mortgage lender requesting the same a certificate executed in recordable form stating (i) whether or not this Lease is in full force and effect, (ii) the date on which this lease will terminate, (iii) whether or not this Lease has been modified or amended in any way and attaching a copy of such modification or amendment, (iv) whether or not there are any existing defaults under this Lease to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any, (v) the status of rent payments and (vi) any other facts regarding the operation of the Lease which the mortgage lender may reasonably request.

25. ACCESS TO PREMISES BY LESSOR

Lessor shall have access to the Leased Premises at all reasonable hours and upon reasonable notice during the original term of this Lease and any renewal terms for the purposes of examining the same; provided, however, that Lessor shall not interfere in any way with the business of Lessee.

26. ASSIGNMENT AND SUBLETTING BY LESSEE

Lessee shall have the right, subject to Lessor's prior written consent, which consent shall not be unreasonably withheld, to assign this Lease or let or underlet the whole or any part of the Leased Premises, provided that Lessee remains liable on this Lease. Any change in ownership of a controlling interest in the stock of Lessee shall constitute an assignment.

27. ASSIGNMENT BY LESSOR

Lessor shall have the right to transfer, assign and convey in whole or in part any and all of the rights of Lessor under the Lease.

28. ENVIRONMENTAL PROVISIONS

(a) As used in this Lease, the term "Hazardous Substance" means any hazardous substances, pollutants, contaminants and hazardous wastes as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Clean Water Act, as amended, or any similar local, state or deferral law, rule or regulation (collectively, "Environmental Laws"), including, without limitation, asbestos, PCB's, petroleum and petroleum products, and urea-formaldehyde.

- (b) Lessor and Lessee each covenant not to cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Leased Premises.
- (c) Lessee and Lessor each covenant to comply with all Environmental Laws related to industrial hygiene, environmental protection or the use, storage, generation, production, treatment, discharge, remediation, removal, disposal or transportation of any Hazardous Substance.
- (d) If any Hazardous Substance is discharged, leaked or emitted onto or into the Leased Premises, atmosphere, ground, sewer system or any surface or ground water in violation of any Environmental Law as a result of the acts or omissions of Lessee or Lessor, their respective agents, employees, contractors or invitees, such party will promptly notify the other party of the same and will promptly, at its sole expense, perform any and all necessary investigation or monitoring of site conditions and/or containment, clean-up, removal, restoration or other remedial work (collectively, "Remedial Work"). Each party shall give the other party prior written notice of the plans for the Remedial Work and obtain such party's prior written approval, which approval shall not be unreasonably withheld.
- (e) If at any time Lessor or Lessee has knowledge that any Hazardous Substance has come to be located on or beneath the Leased Premises or in the vicinity of the Leased Premises, such party will promptly give written notice of that condition to the other party.
- Lessor) and hold harmless the other party, its successors and assigns, from and against any claims, liabilities, damages (to persons or property), settlements, penalties, fines, losses (including without limitation a decrease in the value of the Leased Premises [or leasehold estate, as the case may be] and damages for the loss or restriction on use of rentable or useable space or of any amenity of the Leased Premises), costs or expenses (including reasonable attorney's fees and reasonable attorney's fees on any appeal), arising from or related to the discharge, spill, release or presence in, on, to, under, from or about the Leased Premises of any Hazardous Substance, or the failure to comply with any Environmental Law, as a result of the acts or omissions of the indemnifying party. This indemnification includes, without limitation, any and all costs incurred due to any required, necessary or reasonably desirable Remedial Work or other appropriate action. The provisions of this Paragraph 28 are in addition to any other obligations and liabilities each party may have to the other at law or in equity.
- (g) The provisions of this Paragraph 28 will survive the expiration or earlier termination of the term of this Lease.

29. COVENANT REGARDING BUFFET RESTAURANT

Lessor warrants and represents that the Leased Premises is Pad 9 depicted on Exhibit "A" and that The Colonnade Shopping Center as represented on Exhibit "A" except for the parcels marked "Dean Lee Honda," "Wal-Mart" and "Not A Part" are subject to the terms of the Cross-Easement and Use Restriction Declaration, including Paragraph 4 thereof, which has been signed and recorded with the Benton County Auditor's Office and is attached hereto as Exhibit "D". During the term of this Lease, Lessor shall not directly or indirectly, without Lessee's prior written consent, lease any other property in the Shopping Center of which the Leased Premises are a part to any other party for use as a buffet-style restaurant (e.g., King's Table, Royal Fork, North's Chuck Wagon and Home Buffet) or a restaurant using a scattered food bar system (e.g., Sizzler). The provisions of this covenant apply to all officers, directors, subsidiaries and affiliates of Lessor and shall bind Lessor's successors and assigns under this Lease.

30. INJUNCTION

In addition to all other remedies, Lessor and Lessee are entitled to the restraint by injunction of all violations, actual, attempted or threatened of any covenant, condition or provision of this Lease.

31. NONWAIVER

The failure of the Lessor or Lessee to enforce any of the rights given to it under this Lease by reason of the violation of any of the covenants in this Lease to be performed by Lessee or Lessor shall not be construed as a waiver of the rights of the Lessor or Lessee to exercise any such rights as to any subsequent violations of such covenants, or as a waiver of any of the rights given to the Lessor or Lessee by reason of the violation of any of the other covenants of this Lease.

32. HOLDING OVER

In the event Lessee remains in possession of the Leased Premises after the expiration of this Lease and without the execution of a new lease, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month to month at a rental equal to 150% of 1/12th of the annual rental in effect provided for herein and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as they are applicable to month to month tenancy. Notwithstanding the foregoing, nothing herein shall imply or authorize any right in or of Lessee to occupy the Leased Premises for any period beyond the term of this Lease.

33. RECORDABLE LEASE

Lessor agrees that upon request from Lessee, Lessor will execute and deliver to Lessee for recording a Memorandum of Lease Agreement but omitting therefrom the rental provisions hereof.

34. CONSTRUCTION OF LEASE

Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires. Wherever used herein, the words "Lessor" and "Lessee" shall be deemed to include the heirs, personal representatives, successors, sublessees and assigns of said parties, unless the context excludes such construction.

35. INVALIDITY OF PROVISIONS

If any term of provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

36. SERVICE OF NOTICE

Payments and written notices shall be sent by U.S. Mail, postage prepaid, and (a) if intended for Lessor, shall be addressed to:

Engineered Structures Development Corp. Profit Sharing Plan 247 Thornwood Meridian, Idaho 83642

and (b) if intended for Lessee, shall be addressed to:

C.K. Food's, Inc. 6619 N. Cedar Road, Suite 103 Spokane, Washington 99218

with a copy to:

Witherspoon, Kelley, Davenport & Toole, P.S. 422 W. Riverside, Suite 1100 Spokane, WA 99201 Attn: Joseph H. Wessman

or to such other address as either party may have furnished to the other from time to time as a place for the service of notice. Any notice so mailed shall be deemed to have been given three days after the time said notice is deposited in the U.S. Mail, unless otherwise provided herein.

37. SURVIVAL OF LEASE COVENANTS

The terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors or assigns, and shall run with the land.

38. HEADINGS

It is understood and agreed that the headings are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

39. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and any agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought.

40. ATTORNEY FEES

In the event suit or action is brought to enforce the provisions of this agreement, or for damages or rental due from any default thereof, the prevailing party in such suit or action, or the appeal thereof, shall be entitled to an award of reasonable attorney fees incurred in connection with said suit or action.

41. GUARANTEE

All of the obligations and responsibilities of Lessee under this Lease are guaranteed by Paul Klinke, Carol Klinke, Greg Klinke and Brent Klinke ("Guarantors"), as more fully set forth below.

42. ANNUAL FINANCIAL STATEMENTS

Throughout the term of this Lease Lessee and Guarantors shall provide Lessor with copies of their respective financial statements, prepared according to generally accepted accounting principles, including at least the following documents: balance sheet, income statement, tax return and any supporting documents reasonably requested by Lessor. Such financial statements shall be provided to Lessor annually within ninety (90) days after the first of each calendar year throughout the term of this Lease and any renewals thereof, provided that tax returns shall be provided immediately after filing the same.

LESSOR:

Engineered Structures Development Corp. Profit Sharing Plan

By: L. Eckhardt, Trustee

LESSEE:

C.K. Food's, Inc.

Paul Klinke, President

CUARANTEE OF LEASE

For the purpose of inducing Lessor to enter into the above Lease, the undersigned jointly and severally hereby unconditionally guarantee the full performance of each and all of the terms, covenants and conditions of said Lease to be performed by Lessee, including the payment of all rentals and other charges to accrue thereunder during the original term of the Lease, but not during any option period. The undersigned further agree as follows:

1. That this covenant and agreement on their part shall continue in favor of Lessor notwithstanding any modification, or alteration of said Lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said Lease, with or without the consent of Lessor, and no modification,

alteration or assignment of the above-referenced Lease shall in any manner release or discharge the undersigned and they do hereby consent thereto.

- 2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Lessee or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Lessee.
- 3. Lessor may, without notice, assign this Guarantee of Lease in whole or in part and no assignment or transfer of the Lease shall operate to extinguish or diminish the liability of the undersigned hereunder.
- 4. The liability of the undersigned under this Guarantee of Lease shall be primary and that in any right of action which shall accrue to Lessor under the Lease, Lessor may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against Lessee.
- 5. To pay Lessor's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this Guarantee of Lease against the undersigned, individually and jointly.

The terms and provisions of this Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed as of the date set forth on Page 1 of this Lease.

Paul Klinke

Carol Klinke

Greg Klinke

Brent Klinke

STATE OF IDAH		
County of Ada) 85	•

On this 1th day of November, 1993, before me, Rouse M. Rouse, a Notary Public in and for said state, personally appeared/JAMES L. ECKHARDT, TRUSTEE, known or identified to me to be the persons whose name is subscribed to the within instrument as Trustee of the trust established under ENGINEERED STRUCTURES DEVELOPMENT CORP. PROFIT SHARING PLAN, and acknowledged to me that he executed the same on behalf of said trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

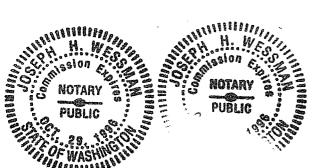
Notary Public for Idaho
Residing at

My commission expires 6/4/98

County of Spokene ss.

On this 284 day of State, personally appeared Paul Klinke, known or identified to me to be the president of C.K. FOOD'S, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHERBOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Home Washington
Residing at Spokene
My commission expires 10-29-96

STATE OF Washington)) ss.
County of Spokane)

On this 28th day of September, 1993, before me, Joseph H Wessman, a Notary Public in and for said State, personally appeared PAUL KLINKE, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

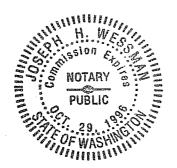


Notary/Public for Idaho Washing ton
Residing at Spokare
My commission expires 10-29-96

STATE OF <u>[n]ashington</u>) ss.
County of <u>Spokane</u>)

On this 25th day of Joneson, 1993, before me, Joseph W. Wessman, a Notary Public in and for said State, personally appeared CAROL KLINKE, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho Residing at Spokane

My commission expires 10-29-96

STATE OF	Washing ton)) ss.
County of _	spokane.))

On this 28th day of Spotember, 1993, before me, Joseph H. Wessman, a Notary Public in and for said State, personally appeared GREG KLINKE, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Residing at Spokane

My commission expires 10-29-96

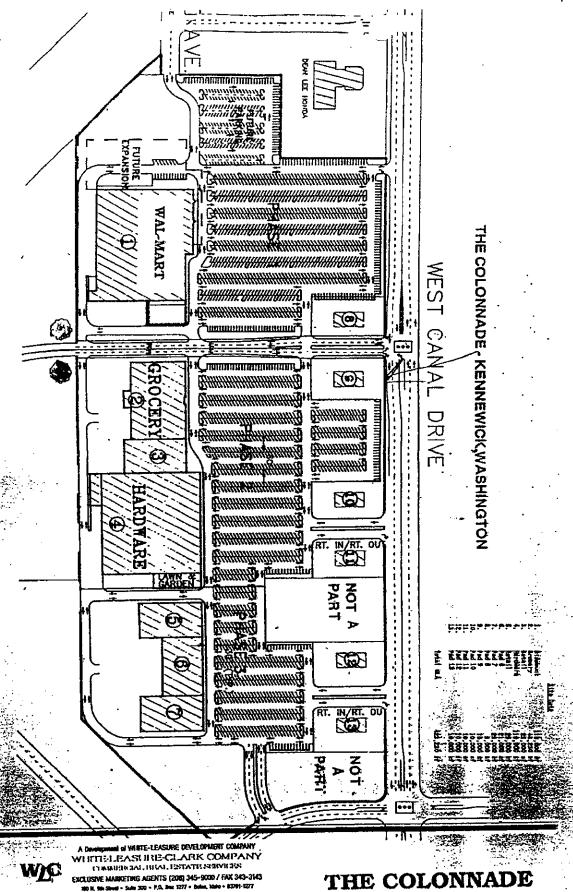
STATE OF Washington County of Spokung

On this 29th day of Sontember, 1993, before me, a Notary Public in and for said State, personally appeared BRENT KLINKE, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Residing at

My commission expires 10-29-96



I.... "A"

RECORD SURVEY OF BOUNDARY ADJUSTMENT

KENNEWICK IRRIGATION DISTRICT KENNEWICK, BENTON COUNTY, WASHINGTON

DESCRIPTIONS

REVISED LOT 3

THAT PORTION OF LOT 3, THE PLAT ALTERATION OF PORTION OF LOT 2, LOTS 3, 4 AND 5, BLOCK 2, THE PLAT OF THAT PORTION OF LOT 3, THE PLAT ALTERATION OF PORTION OF LOT 6, LOTS 3, 4 AND 5, BLOCK 2, THE PLAT OF KENNEWICK IRRIGATION DISTRICT PARCEL ONE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 14 OF PLATS, PAGE 126, RECORDS OF BENTON COUNTY, WASHINGTON, AND A PORTION OF LOT 6, BLOCK 2, KENNEWICK PLATS, PAGE 127, PAGE 127, PAGE 128, PAGE 128, PAGE 128, PAGE 128, PAGE 129, P DESCRIPTIONS

REVISED LOT 6 LOT 6, BLCOK 2. KENNEWICK IRRIGATION DISTRICT PARCEL ONE, ACCORDING THE THE PLAT THEREOF, RECORDED IN VOLUME 14 OF PLATS. PAGE 39, RECORDS OF BENTON COUNTY, WASHINGTON; EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
BEGINNING AT THE HORTHWEST CORNER OF SAID LOT 6: THENCE SOO'2! DO'W, ALONG THE WEST LINE THEREOF, FOR
200.02 FEET TO'THE SOUTHWEST CORNER OF SAID LOT 6: THENCE S89'18'33"E, ALONG THE SOUTH LINE OF SAID
LOT 6, FOR 88.99 FEET; THENCE NOO'2! DO'E FOR 200.34 FEET TO THE NORTH LINE OF SAID LOT 6; THENCE
N89"33" DO'W, ALONG SAID NORTH LINE, FOR 88.99 FEET TO THE TRUE POINT OF BEGINNING.

REVISED LOT 8

LOT 8, BLOCK 2, KENNEWICK IRRIGATION DISTRICT PARCEL ONE, ACCORDING TO THE PLAT THEREOF RECORDED IN OF 8, BLOCK 2, KENNEWICK IRRIGATION DISTRICT PARCEL ONE, ACCORDING TO THE PLATS, PAGE 39, RECORDS OF BENTON COUNTY, WASHINGTON, AND LOT 3, PLAT ALTERATION OF VOLUME 14 OF PLATS, PAGE 126, RECORDS OF BENTON COUNTY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 14 OF PLATS, PAGE 126, RECORDS OF BENTON COUNTY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 14 OF PLATS, PAGE 126, RECORDS OF BENTON COUNTY, WASHINGTON; EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
WASHINGTON; EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
WASHINGTON; EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
UNE OF SAID LOT 3, FOR 107.01 FEET; THENCE SOO*21' OO" W FOR 245.00 FEET; THENCE S89*35' OO" E FOR LINE OF SAID LOT 3, FOR 107.01 FEET; THENCE NOO*21' OO" E FOR 44.46 FEET TO THE NORTH LINE OF LOT 8 OF SAID KENNEWICK 196.00 FEET; THENCE NOO*21' OO" E FOR 44.46 FEET TO THE NORTH LINE OF LOT 8 OF SAID LOT 8, FOR 197.01 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID EAST 88.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST LINE OF SAID LOT 3 OF THE PLAT ALTERATION: THENCE NOO"21' OO" E, ALONG SAID LOT 8.99 FEET TO THE EAST L ALONG THE NORTH

70.00

BASIS OF BEARING: PLAT OF KENNEWICK IRRISATION DISTRICT PARCEL ONE.
SET 5/8" IRON PINS WITH PLASTIC CAPS MARKED "WORLEY 13352" AT PROPERTY CORNERS UNLESS NOTED NOTES: EQUIPMENT USES INCLUDED A LIETZ TOTAL STATION WITH STANDARD OF ERROR OF 2 SECONDS AND 5 MM ± 5.

SURVEYOR'S CERTIFICATE
ON THE BAIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, I CERTIFY TO THE KENNEWICK IRRIGATION DISTRICT.
ON THE BAIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, I CERTIFY TO THE KENNEWICK IRRIGATION DISTRICT.
THAT AS A RESULT OF A SURVEY MADE TO THE NORMAL STANDARD OF CARE OF PROFESSIONAL LAND SURVEYORS
THAT AS A RESULT OF A SURVEY MADE TO THE COURSES AND DISTANCES SHOWN ARE AS STAKED ON THE GROUND.
PRACTICING IN THE STATE OF WASHINGTON, THE COURSES AND DISTANCES SHOWN ARE AS STAKED ON THE GROUND.
I FURTHER CERTIFY THAT THIS MAP CORRECTLY REPRESENTS AN ACTUAL FIELD SURVEY CONDUCTED BY ME IN
CONFORMANCE WITH THE SURVEY RECORDING ACT.

OR OF THE COURSE OF THE COURSE

WORLEY SURVEYING SERVICE, INC., P.S. P.O. BOX 6132 KENNEWICK, WASHINGTON 99336 509-783-9576

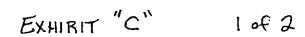


AUDITOR'S CERTIFICATE FILED FOR RECORD THIS DAY OF SURVEYING SERVICE, INC., P.S.	OF SURVEYS.	PAGE _	, 199,	AT THE	REQUEST	MINUTES OF WORL	PAST	5
		ř	EE NUMBER	· · · · · ·				

BENTON COUNTY AUDITOR RECORD SURVEY NUMBER _

GRANNY'S - KENNEWICK MONTHLY RENT SCHEDULE

<u>MONTH</u> 1 – 2	<u>YEAR</u> 1		AMOUNT \$0.00
3 – 12	1		\$12,554.00
13 24	2		\$10,878.33
25 - 36	3 .		\$11,295.00
37 – 48	4		\$11,711.67
49 — 60	5		\$12,128.33
61 - 120	6 — 10		\$12,424.50
121 - 180	11 — 15	, e	\$13,666.92
181 - 240	16 — 20		\$15,033.67



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GRANNY'S - RENT PROPOS

		ANNUAL
	YEAR	RENT
april 2.0	947 1	\$125,540 \$130,540 \$135,540 \$140,540
f	··· 2	\$130,540
•	<i>-</i> ∿⊿ 3	\$135,540
	· 4	\$140,540 \{\frac{1}{2}}
	5	\$145,540
	6	\$149,094
	2007	\$149,094 /
	⊅ <i>⊳i</i> 8	\$149,094
	: : 9	\$149,094
	<i>∓</i> ⊴≴10	\$149,094
	~ 11	\$164,003
	12	\$164,003
•	13	\$164,003
•	14	\$164,003
•	. 15	\$164,003
	16	\$180,404
	17	\$180,404
oring the state of	18	\$180,404
	19	\$180,404
	20	\$180,404
	21 - 30	To Be Negotiated at Time of Renewal.
	31 - 40	To Be Negotiated at Time of Renewal.

CROSS-EASEMENT AND USE RESTRICTION DECLARATION

THIS CROSS-EASEMENT AND USE RESTRICTION DECLARATION (the "Declaration") is made effective the _____ day of September, 1993, by KENNEWICK IRRIGATION DISTRICT, a municipal corporation. ("KID").

WHEREAS, KID is the owner of a certain parcel of real estate located in Benton County, Washington, described on Exhibit A appended hereto (the "Property"); and

WHEREAS, the Property is further divided into three smaller parcels which are described on Exhibit A as "Parcel 8", "Parcel 9" and the "Remainder Parcel" respectively (and collectively sometimes referred to as the "Parcels"); and

WHEREAS, KID desires to provide reciprocal easements for pedestrian and vehicular ingress, egress, parking, passage and traffic and for utilities in, over, upon, across and through Parcel 9 and the Remainder Parcel, and to provide certain use restrictions on the Property;

NOW, THEREFORE, in furtherance of the development of the Property, and for the benefit of the owners of the Property (the "Owners") and their heirs, successors and assigns, KID hereby declares as follows:

- 1. Grant of Easements. KID hereby declares and grants for the benefit of each individual, partnership, joint venture, corporation, trust, unincorporated association, governmental agency or other business entity now or hereafter holding an ownership interest in fee in any part of Parcel 9 and the Remainder Parcel (the "Easement Parcel Owners") the following easements for use by the Easement Parcel Owners and their respective heirs, successors and assigns, to run with the land forever, without payment of any fee or charge, except as otherwise agreed in writing among all of the Easement Parcel Owners:
 - 1.1. Pedestrian Easements. Nonexclusive easements for the purpose of pedestrian traffic between Parcel 9 and the Remainder Parcel (collectively the "Easement Parcels") and (i) the public streets and alleys now or hereafter abutting or located on any portion of the Easement Parcels; (ii) the parking areas now and hereafter located on the Easement Parcels limited, however, to those portions of each Parcel which are improved by the Easement Parcel Owner thereof from time to time for pedestrian walkways and made available by such Easement Parcel Owner for pedestrian use, as such portions may be reduced, increased or relocated from time to time by each such Easement Parcel Owner.
 - 1.2. <u>Vehicular Easements</u>. Nonexclusive easements for the purpose of vehicular traffic over, upon, across and between the Easement Parcels and the public streets and alleys now and hereafter abutting or located on any portion of the

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EXHIBIT "D"

DECLARATION - 1 5\September 9, 1993\1226\105\DEC.CL5 Post-It brand lax Iransmittal memo 7671 rol pages > 10 1

KENNEWICK TRRIGATION - FAX NO. 5095667663

Easement Parcels; limited, however, to those portions of the Easement Parcels which are improved by the Easement Parcel Owner thereof from time to time for vehicular accessways as such portions may be relocated from time to time by such Easement Parcel Owner.

- 1.3. Utility Easements. Nonexclusive easements for the installation, use, operation, maintenance, repair, replacement and removal of: water lines and systems; telephone lines and systems; gas lines and systems; sanitary sewer lines and systems; electrical lines and systems; storm sewers, drainage lines and systems; and other utility lines or systems hereafter developed to serve one or more of the Easement Parcels; provided, however, that all pipes, wires, lines, conduits, mains, sewers, systems and related equipment (hereafter called "Utility Facilities") will be installed underground or otherwise enclosed and the Utility Facilities will installed, operated and maintained in a manner which will not unreasonably interfere with the use or improvements (existing or to be constructed) of the Easement Parcels on which such Utility Facilities are located, and further provided that the consent of the Owner whose parcel is burdened is obtained as to location of the Utility Facilities prior to construction, which consent shall not be unreasonable withheld or delayed. Any Owner installing or repairing any such Utility Facilities shall restore the surface of the premises affected by such installation or repair to the condition of such premises immediately prior to such installation or repair. No Easement Parcel Owner shall construct any building or other structure within ten (10) feet of the centerline of any Utility Facility constructed on such Owner's Parcel without the prior written consent of all of the Owners benefitting from such Utility Facility along with that of the utility company providing any such utility. The Easement Parcel Owner of any burdened site affected by any of such utility easements will have the right, at any time, and from time to time, to relocate any Utility Facilities then located on such Easement Parcel Owner's Parcel on the conditions that: (i) such right of relocation will be exercisable only after thirty (30) days' prior written notice of the intention to relocate has been given to all Easement Parcel Owners using the Utility Facilities to be relocated; (ii) such relocation will not unreasonably interrupt any utility service to the improvements then located on the benefitted site(s); (iii) such relocation will not reduce or unreasonably impair the usefulness or function of the Utility Facilities to be relocated; and (iv) all costs of such relocation will be borne by the Easement Parcel Owner relocating the Utility Facilities.
 - Access Easements. Nonexclusive easements between each Easement Parcel and the public streets and ways abutting or crossing any portion of the Easement Parcels for the purpose of providing ingress, egress and access to the easements hereby created.

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- 1.5. Parking Easements. Nonexclusive easements in and to the parking lots on the Easement Parcels for access to and to use for vehicular parking purposes. The Easement Parcel Owner of each Easement Parcel shall maintain within such Easement Parcel all parking spaces required by any governmental entity for the use such Easement Parcel is put to, from time to time, and no Easement Parcel Owner shall rely upon the parking rights granted hereunder for compliance with any governmental rule, regulation or requirement with respect to parking.
- 1.6. Fire and Emergency Access. A nonexclusive easement for fire protection and emergency access for pedestrian and vehicular access, ingress and egress over, across, on and through the Easement Parcels for the benefit of the Easement Parcel Owners consistent with providing the Property with such fire and emergency access as is required by law,
- Unimpeded Access. The Easement Parcel Owners agree that no barricade or other divider will be constructed between the Easement Parcels and the Easement Parcel Owners will do nothing to prohibit or discourage the free and uninterrupted flow of vehicular or pedestrian traffic throughout the Easement Parcels in the areas designated for such purposes by the Easement Parcel Owner of each Easement Parcel; provided that each Easement Parcel Owner will have the right to temporarily erect barriers to avoid the possibility of dedicating such areas for public use or creating prescriptive rights therein.
- 3. Maintenance of Easement Areas. Except to the extent that such areas might be operated and maintained by public authorities or utilities, the Easement Parcel Owner of each Easement Parcel will operate and maintain all of the areas of its Easement Parcel which are subject to the pedestrian and vehicular easements created by this Declaration in sound structural and operating condition at the sole expense of the Easement Parcel Owner of such Easement Parcel.
- 4. Restriction on Use Buffet-Style Restaurant. Assuming a buffet-style restaurant is constructed and opened for business to the general public on Parcel 9 within twelve (12) months of the date of this Declaration, for so long as a buffet-style restaurant is operated on Parcel 9 continuously from the date that any building on Parcel 9 is initially opened for business to the general public, and has not ceased to operate as a buffet-style restaurant for a continuous period of six (6) months for any reason other than a temporary closure (defined as a temporary closure due to a strike, lockout or other labor difficulty, fire or other casualty, condemnation, war, riot, insurrection, act of God, or other cause beyond the reasonable control of the Owner or operator of Parcel 9, or a temporary closure due to the restoration, reconstruction, expansion, alteration or remodeling of the building or improvements on Parcel 9), then neither Parcel 8 nor any portion of the Remainder Parcel shall be used for the operation of a

buffet-style restaurant, defined as including either a "straight-line" or "scatter bar" food system as part of the restaurant design and food delivery system (for example, King's Table, Royal Fork, North's Chuck Wagon, Old Country Buffet, Chuckarama, Furr's-Bishop, Home Style Buffet and those Sizzler restaurants which meet the following tests for a buffet-style restaurant); provided that a buffet-style restaurant shall only include those restaurants which provide for ordering and/or paying for food through a queue system as the customers enter.

- 5. Restriction on Use Parcel 9. Parcel 9 shall not be used for the operation of a bank or other financial institution or as a fast-food restaurant selling primarily hamburgers, fish, chicken or mexican food.
- 6. General Restrictions on Restaurant Use. No Owner and no tenant of such Owner may use such Owner's Parcel for the operation of a restaurant if a substantially similar restaurant is operating on, or in the process of being situated for operation on, another Parcel at the time such Owner first operates or would be deemed to be in the process (as defined in Section 6.2) of situating for operation such restaurant on such Owner's Parcel.
 - 6.1. For purposes of this Section 6, the term "substantially similar" shall mean any restaurant which directly competes for the same customers because the style of the restaurants, or the typical menu selections, or the types of foods served (i.e. italian, oriental, etc.) are similar. By way of illustration only (and not to be construed to limit the scope and applicability of this Section), several restaurants are listed by various classes on Exhibit B, attached hereto and incorporated herein. Restaurants within the same class on Exhibit B are considered for these purposes to be substantially similar, however restaurants listed in different classes are considered for these purposes not to be substantially similar.
 - 6.2. For purposes of this Section 6, the term "in the process" shall mean (i) commencement by or for an Owner, or tenant of an Owner, of the construction or remodeling of a building, or portion of a building, in preparation for use of such building, or portion of a building, as a restaurant, provided such Owner, or tenant of such Owner as the case may be, has given the other Owners written notice of the commencement of such construction or remodeling, including the name and class of the restaurant to be constructed or remodeled, or (ii) an Owner, or tenant of an Owner, being under contract to construct or remodel a building, or portion of a building, in preparation for use of such building, or portion of a building, as a restaurant, with such construction or remodeling to commence within a period of time not to exceed six months, provided such Owner, or tenant of such Owner as the case may be, has given the other Owners written notice of the existence of such contract to include the name

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and class of the restaurant to be constructed or remodeled, or (iii) a building or portion of a building has previously been used for a restaurant and is temporarily closed for a period not to exceed six (6) months due to strikes, lockouts, or other labor difficulties, fire, or other casualty, condemnation, war, riot, insurrection or any other reason (other than financial) beyond the reasonable control of such Owner, or tenant of such Owner as the case may be.

Nature of Easements, Restrictions and Rights Granted.

- 7.1. Not Severable From Property. Each and all of the easements, restrictions and rights granted or created herein are appurtenances to the affected portions of the Property and none of the easements, restrictions and rights may be transferred, assigned or encumbered except as an appurts ance to such portions. For the purposes of such easements, restrictions and rights, the Parcels which are benefitted shall constitute the dominant estate, and the particular areas of the Property which respectively are burdened by such easements, restrictions and rights shall constitute the servient estate.
- Binding Effect. Each and all of the easements, covenants, restrictions and provisions contained in this Declaration:
 - (a) Are made for the direct, mutual and reciprocal benefit of the Owners of the respective Parcels;
 - (b) Create mutual equitable servitudes upon each Parcel in favor of the other Parcels;
 - (c) Constitute covenants running with the land; and
 - (d) Shall bind every person or entity having any fee, leasehold or other interest in any portion of the Property at any time or from time to time to the extent that such portion is affected or bound by the easement, covenant, restriction, or provision in question, or to the extent that such easement, covenant, restriction or provision is to be performed on such portion.
- 7.3. Effect of Conveyance. The acceptance of any transfer or conveyance of title of all or any part of any interest in a Parcel shall be deemed to require the prospective grantee to agree not to use, occupy or allow any lessee or occupant of such Parcel to use or occupy such Parcel in any manner which would constitute a violation or breach of any of the easements and covenants contained herein.
- Enforcement Injunctive Relief. In the event of any violation of any of the terms, restrictions, covenants and conditions provided herein, any of the Owners, or their respective

successors or assigns, as the case may be, shall have in addition to the right to collect damages (defined as including reasonable attorney's fees, deposition fees, expert witness fees and other costs of suit), the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

- Duration and Termination, The easements, covenants, restrictions and other provisions of this Declaration shall run with the land and be of perpetual duration. This Declaration or any easement, covenant, restriction or undertaking contained herein, may be terminated, or amended as to each of the portions of the Property only by the recording of the appropriate document in the Office of the Register of Deeds of Benton County, Washington, which document must be executed by all of the Owners and mortgagees, and other holders of recorded interests affected thereby, as of the date of such document, of the Property.
- Not a Public Dedication. Nothing contained in this Declaration shall, or shall be deemed to, constitute a gift or dedication or any portion of the Property to the general public or for the benefit of the general public or for any public purpose whatsoever, it being the intention of KID that this Declaration will be strictly limited to and for the purposes expressed herein.
- 11. Benefit. This Declaration shall inure to the benefit of, and be binding upon, the Owners and their respective heirs, executors, representatives, successors and assigns.
- Waiver. No waiver or breach of any of the easements, covenants and/or agreements herein contained shall be construed, as, or constitute a waiver of any other breach or a waiver, acquiescence in or consent to any further or succeeding breach of the same or any other covenant and/or agreement.
- Separability. If any term or provision of this Declaration shall, to any extent, be held invalid or unenforceable, the remaining terms and provision of this Declaration shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.
- 14. Applicable Law. This Declaration shall be construed and enforced in accordance with the laws of the State of Washington.
- Notice. All notice between the Owners shall be deemed received when personally delivered or when deposited in the United States mail postage prepaid, registered or certified, with return raceipt requested, or sent by telegram, facsimile transmission or mail-o-gram or by recognized courier delivery (e.g. Federal Express, Airborne, Burlington, etc.) addressed to the Owners, as the case may be, at the address of such Owners, or if no address of the Owner is available, then the address where tax notices are to be sent, all as set out in the official records of the Benton County Tax Assessor, or at such other addresses as the Owners may subsequently designate by written notice given in the manner

provided in this Section with a copy recorded as an addendum to this Declaration. Notice personally delivered will be effective upon delivery to an authorized representative of the party at the designated address. Notice sent by mail or courier in accordance with the above will be effective upon receipt or upon the date the party refuses to accept receipt. Notices sent by telegram, facsimile transmission or mail-o-gram will be effective upon transmission.

IN WITNESS WHEREOF, KENNEWICK IRRIGATION DISTRICT, a municipal corporation, the declarant, has executed this Declaration as of the day and year first above written.

> KENNEWICK IRRIGATION DISTRICT a municipal corporation

William C. Kinsel, President, Board of Directors

Vasel, Secretary/Manager

State of Washington)

86.

On this 27 day of September, in the year of 1993, before me, a Notary Public in and for said State, personally appeared WILLIAM C. KINSEL and RICHARD A VASEL, known or identified to me to be the PRESIDENT, BOARD OF DIRECTORS and SECRETARY/MANAGER of KENNEWICK IRRIGATION DISTRICT, a municipal corporation, the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Notary Public for Washington Residing at Kumawa WA.

My Commission expires

ASSIGNMENT OF LEASES AND CASH COLLATERAL

THIS ASSIGNMENT is made by , , a single person, (hereinafter referred to as "Assignor"), whose mailing address is Spokane, WA 99205, in favor of GREATER SPOKANE BUSINESS DEVELOPMENT ASSOCIATION, a Washington nonprofit corporation(hereinafter referred to as "Assignee"), with a mailing address of City Hall, Room 250, West 808 Spokane Falls Boulevard, Spokane, Washington, 99201.

WITNESSETH:

FOR VALUE RECEIVED, Assignor does hereby ABSOLUTELY AND IMMEDIATELY SELL, ASSIGN, TRANSFER, CONVEY, SET OVER and DELIVER unto Assignee any and all existing and future leases (including subleases thereof), whether written or oral, and all future agreements for use and occupancy, and any and all extensions, renewals and replacements thereof, upon all or relating to any part of the premises described more particularly in Exhibit "C" (the "Premises"), together with all buildings and improvements thereon. The identified Leases, if any, are either presently existing or future leases, and are as shown in Schedule 1, which is attached hereto and incorporated by reference as if fully set forth at this point. All such leases, subleases, tenancies, agreements, extensions, renewals and replacements are hereinafter collectively referred to as the "Leases".

TOGETHER with any and all guaranties of tenant's performance under any and all of the Leases.

TOGETHER with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now due or which may become due or to which Assignor may now or shall hereafter (including any income of any nature coming due during any redemption period) become entitled to or may make demand or claim for, arising or issuing from or out of the Leases or from or out of the Premises or any part thereof, including, but not limited to, minimum rents, additional rents, percentage rents, parting or common area maintenance contributions, tax and insurance contributions,

deficiency rents and liquidated damages following default in any

Lease, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenantability caused by destruction or damage to the Premises, together with any and all rights and claims of any kind which Assignor may have against any tenant under the Leases or any subtenants or occupants of the Premises (all such monies, rights and claims described in this paragraph being hereinafter called "Cash Collateral"), EXCEPTING THEREFROM, any sums which by the express provisions of any of the Leases are payable directly to any governmental authority or to any other person, firm or corporation other than the landlord under the Leases.

TO HAVE AND TO HOLD the same unto the Assignee, its sublessors and assigns forever, or for such shorter period as hereinafter may be indicated.

SUBJECT, however, to a license hereby granted by Assignee to Assignor, but limited as hereinafter provided, to collect and receive all of the Cash Collateral.

FOR THE PURPOSE OF SECURING the payment of the indebtedness evidenced by a certain Promissory Note of even date herewith, made by Assignor payable to the order of Assignee in the amount of

and presently held by Assignee, including any extensions, modifications and renewals thereof and any supplemental note or notes increasing such indebtedness, as well as the payment, observance, performance and discharge of all other obligations, covenants, conditions and warranties contained in a Deed of Trust of even date herewith (hereinafter called "Mortgage") made by Assignor, recorded in the real property records of Spokane County, Washington, and in any extensions, modifications, supplements and consolidations thereof, covering the Premises and securing the Note and supplemental notes, if any (hereinafter collectively called the "Note" and "Mortgage").

TO PROTECT THE SECURITY OF THIS AGREEMENT IT IS COVENANTED AND AGREED AS FOLLOWS:

- 1. <u>Assignor's warranties re Leases and Cash Collateral</u>. That Assignor represents and warrants:
 - a. that it has good right, title and interest in and to the Leases and Cash Collateral hereby assigned and good right to assign the same, and that no other person, partnership entity or corporation has any right, title or interest therein;
 - b. that Assignor has duly and punctually performed all and singular the terms, covenants, conditions and warranties of the Leases on Assignor's part to be kept, observed and performed;
 - c. that the identified Leases, if any, and all other existing Leases are valid and unmodified except as

indicated herein and are in full force and effect;

- d. that, except for a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents dated May 18, 1993 and recorded June 17, 1993 under recording no. against the property at Spokane, WA granted to Seattle First National Bank, Assignor has not previously sold, assigned, transferred, mortgaged, pledged or granted a security interest in the Cash Collateral from the Premises, whether now due or hereafter to become due;
- e. that none of the Cash Collateral due and issuing from the Premises or from any part thereof has been collected for any period in excess of one (1) month from the date hereof, and that payment of any of same has not otherwise been anticipated, waived, released, discounted, set off or otherwise discharged or compromised;
 - f. that Assignor has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Cash Collateral;
 - g. that the tenants under the identified Leases, if any, are not in default of any of the terms thereof.
- 2. <u>Assignor's Covenants of Performance</u>. That Assignor covenants and agrees:
 - a. to observe, perform and discharge, duly and punctually, all and singular, the obligations, terms, covenants, conditions and warranties of the Note and Mortgage, of the identified Leases, if any, and of all future Leases affecting the Premises on the part of Assignor to be kept, observed and performed; and to give prompt notice to Assignee of any failure on the part of Assignor to observe, perform and discharge same;
 - b. to notify and direct in writing each and every present or future tenant or occupant of the Premises or any part thereof that any security deposit or other deposits heretofore delivered to Assignor have been retained by Assignor or assigned and delivered to Assignee as the case may be;
 - c. to enforce (upon notice to Assignee) the performance of each and every obligation, term,

covenant, condition and agreement in the Leases by any tenant to be performed, and to notify Assignee of the occurrence of any default under the Leases;

- d. to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of Assignor or any tenant thereunder at the expense of Assignor;
- e. to pay all costs and expenses of Assignee, including attorneys' fees in a reasonable sum in any action or proceeding in which Assignee may appear in connection herewith;
- f. to, except for the Security Instruments above described, neither create nor permit any lien, charge or encumbrance upon its interest as lessor of the Leases except the lien of the Mortgage or as provided in the Mortgage.

Assignor further covenants and agrees that this Assignment creates and constitutes an equitable and specific lien upon the aforesaid Cash Collateral, and that this Assignment does not create or constitute a pledge of or conditional security interest in such Cash Collateral.

- 3. <u>Prior Approval for Actions Affecting Leases</u>. That Assignor, without the prior written consent of the Assignee, further covenants and agrees:
 - a. not to receive or collect any Cash Collateral from any present or future tenant of the Premises or any part thereof for a period of more than one (1) month in advance (whether in cash or by promissory note) nor pledge, transfer, mortgage, grant a security interest in, or otherwise encumber or assign future payments of Cash Collateral (except as previously granted to Seattle First National Bank);
 - b. not to waive, forgive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any tenant under any Leases of the Premises of and from any obligations, covenants, conditions and agreements by tenant to be kept, observed and performed, including the obligation to pay the Cash Collateral thereunder in the manner and at the place and time specified therein;
 - c. not to cancel, terminate or consent to any surrender of any of the Leases, nor commence any

action of ejectment or any summary proceedings for dispossession of the tenant under any of the Leases, nor exercise any right of recapture of the Premises provided in any Leases, nor modify or in any way alter the terms thereof;

- d. not to lease any part of the Premises, nor renew or extend the term of the Leases of the Premises unless an option therefor was originally, so reserved by tenants in the Leases or a fixed and definite rental;
- e. not to relocate any tenant within the Premises nor consent to any modification of the express purposes for which the Premises have been leased, nor consent to any subletting of the Premises or any part thereof, or to any assignment of the Leases by any tenant thereunder or to any assignment or further subletting of any sublease.
- 4. Rejection of Leases. That Assignor further covenants and agrees as follows:
 - a. that in the event any tenant under the Leases should become the subject of any proceeding under the Federal Bankruptcy Act or any other federal, state or local statute which provides for the possible termination or rejection of the Leases assigned hereby, Assignor covenants and agrees that in the event any of the Leases are so rejected, no damage settlement shall be made without the prior written consent of the Assignee;
 - that any check in payment of damages for rejection or termination of any such Lease will be made payable both to the Assignor and Assignee;
 - c. Assignor hereby assigns any such payment to Assignee and further covenants and agrees that upon request of Assignee, it will duly endorse to the order of Assignee any such check, the proceeds of which will be applied to any portion of the indebtedness secured by this Assignment in such manner as Assignee may elect.
- 5. Default Deemed Default Under Note and Mortgage. That in the event any representation or warranty herein of Assignor shall be found to be untrue or Assignor shall default in the observance or performance of any obligation, term, covenant, condition or warranty herein, then in each such instance, the same shall constitute and be deemed to be a default under the Note and

Mortgage, thereby entitling Assignee to declare all sums secured thereby and hereby immediately due and payable and to exercise any and all of the rights and remedies provided thereunder and herein, as well as those provided by law.

- 6. License to Collect Cash Collateral. That as long as there shall exist no default by Assignor in the payment of indebtedness secured hereby or in the observance and performance of any other obligation, term, covenant or condition or warranty herein or in the Note and Mortgage or contained in the Leases, Assignor shall have the right under a license granted hereby (but limited as provided in the following paragraph) to collect, but not prior to accrual, all of the Cash Collateral arising from or out of said Leases or any renewals, extensions and replacements thereof, or from or out of the Premises or any part thereof, and Assignor shall receive such Cash Collateral and hold the Cash Collateral, together with the right and license herein granted as a trust fund to be applied, and Assignor hereby covenants to so apply them, as required by Assignee, first to the payment of taxes and assessments upon said Premises before penalty or interest is due thereon; second to the costs of insurance, maintenance and repairs required by the terms of said Mortgage; third to satisfaction of all obligations under the Leases and fourth, to the payment of interest, principal and any other sums becoming due under the Note and Mortgage, before using any part of the same for any other purposes.
- Performance and Termination of License. That upon the conveyance by Assignor and its successors and assigns of the fee title of the Premises, all right, title, interest and powers granted under the License aforesaid shall automatically pass to and may be exercised by each subsequent owner; and that upon or at any time after default in the payment of any indebtedness secured hereby or in the observance or performance of any obligation, term, covenant, condition or warranty contained herein, in the Note and Mortgage or in the Leases, Assignee, at its option and without notice, shall have the complete right, power and authority hereunder to exercise and enforce any or all of the following rights and remedies at any time:
 - to terminate the license granted to Assignor to collect the Cash Collateral without taking possession, and to demand, collect, receive, sue for, attach and levy against the Cash Collateral in Assignee's name; to give proper receipts, releases and acquittance therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by Assignee, including reasonable attorneys' fees, to apply the net proceeds thereof, together with any funds of Assignor deposited with Assignee, upon any indebtedness secured hereby and in such order as Assignee may determine;

- b. to declare all sums secured hereby immediately due and payable and, at its option, exercise all or any of the rights and remedies contained in the Note and Mortgage or other instrument given to secure the indebtedness secured hereby;
- without regard to the adequacy of the security or the solvency of Assignor, with or without any action or proceeding through any person, agent, trustee or receiver under the Mortgage, or by a receiver to be appointed by court, and without regard to Assignor's possession, to enter upon, take possession of manage and operate the Premises or any part thereof; make, modify, enforce, cancel or accept surrender of any Leases now or hereafter in effect on said Premises or any part thereof remove and evict any tenant; increase or decrease rents; decorate, clean and repair; and otherwise do any act or incur any costs or expenses as Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignee could do if in possession; and in such event, to apply the Cash Collateral so collected in such order as Assignee shall deem proper to the operation and management of said Premises, including the payment of reasonable management, brokerage and attorneys' fees; payment of the indebtedness under the Note and Mortgage and payment to a reserve fund for replacements, which fund shall not bear interest;
- d. require Assignor to transfer all security deposits to Assignee, together with all records evidencing such deposits.

Assignor further agrees and covenants that for the purposes hereinbefore enumerated in this paragraph, Assignee shall have constructive possession, whether or not it is in actual possession, in order to effectuate such purposes, and in no event shall Assignee accrue any liability by reason of such constructive possession. Assignee shall not be required to give notice or make demand to Assignor or any tenants under then existing Leases of its actions to effectuate such purposes.

Provided, however, that the acceptance by Assignee of this Assignment with all of the rights, powers, privileges and authority so created shall not, prior to entry upon taking possession of said Premises by Assignee, be deemed or construed to constitute Assignee a "Mortgagee in Possession" nor thereafter or at any time or in any event obligate Assignee to appear in or defend any action or proceeding relating to the Leases or the Premises, or to take any action hereunder, or to extend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or

responsibility for any security deposits or other deposits delivered to Assignor by any tenant thereunder and not assigned and delivered to Assignee; nor shall Assignee be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Premises; and

Provided further that the collection of the Cash Collateral and application as aforesaid and/or the entry upon and taking possession of the Premises shall not cure or waive any default; waive, modify or affect any notice of default required under the Note and Mortgage; or invalidate any act done pursuant to The enforcement of any right or remedy by Assignee such notice. once exercised shall continue until Assignee shall have collected and applied such Cash Collateral as may be necessary to cure the then existing default and for so long thereafter as Assignee may, in its sole discretion, deem necessary to secure the indebtedness. Although the original default be cured and the exercise of any such right or remedy be discontinued, the same or any other right or remedy hereunder shall not be exhausted and may be reasserted at any time and from time to time following any subsequent default. The rights and powers conferred upon Assignee hereunder are cumulative of and not in lieu of any other rights and powers otherwise granted Assignee.

- 8. Appointment of Attorney. That Assignor hereby constitutes and appoints Assignee its true and lawful attorney, coupled with an interest and in the name, place and stead of Assignor to subordinate at any time and from time to time, any Leases affecting the Premises or any part thereof to the lien of the hereinbefore described Mortgage or any other mortgage of any kind encumbering the Premises, or to any ground lease of the Premises; and to request or require such subordination where such option authority was reserved to Assignor under any such Leases or in any case where Assignor otherwise would have the right, power or This appointment is to be irrevocable and privilege so to do. continuing and these rights, powers and privileges shall be exclusive in Assignee, its successors and assigns as long as any part of the indebtedness secured hereby shall remain unpaid. Assignor hereby warrants that it has not, at any time prior to the date hereof exercised any right to subordinate any such Lease to the Mortgage or to any other mortgage of any kind, or ground lease and further covenants not to exercise any such right.
- 9. <u>Indemnification</u>. That Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability, loss, damage or expense which Assignee may incur under or by reason of this Assignment; or for any action taken by Assignee hereunder; or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Assignee arising out of the Leases, including but not limited to, any claims by any tenants of credit

for rental for any period under any Leases more than one (1) month in advance of the due date thereof and security deposits paid to and received by Assignor but not delivered to Assignee. Should Assignee incur any such liability, loss, damage or expense, the amount thereof (including reasonable attorneys' fees) with interest thereon at the default rate specified in the Note shall be payable by Assignor immediately without demand, and shall be secured as a lien hereby and by said Mortgage.

- 10. Records. That until the indebtedness secured hereby shall have been paid in full, Assignor shall deliver to Assignee, in the event Assignee consents in writing thereto, executed copies of any and all renewals of existing Leases and future Leases upon all or any part of the Premises, and will transfer and assign such Leases upon the same terms and conditions as herein contained. Assignor hereby covenants and agrees to make, execute and deliver unto Assignee, upon demand and at any time, any and all assignments and other records and instruments, including but not limited to, rent rolls, tenant financial statements and books of account sufficient for the purpose that Assignee may deem to be advisable for carrying out the purposes and intent of this Assignment.
- 11. No Waiver. That the failure of Assignee to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time or at any time shall not be construed or deemed to be a waiver of any such right, and nothing herein contained nor anything done or omitted to be done by Assignee pursuant hereto shall be deemed a waiver by Assignee of any of its rights and remedies under the Note and Mortgage or of the benefit of the laws of the state in which the said Premises are situated. The rights of Assignee to collect the said indebtedness, to enforce any other security therefor, or to enforce any other right or remedy hereunder may be exercised by Assignee, either prior to, simultaneously with or subsequent to, any such other action hereinbefore described, and shall not be deemed an election of remedies.
 - 12. Primary Security. That this Assignment of Leases and Cash Collateral is absolute, unconditional and primary in nature to the obligation evidenced and secured by the Note, Mortgage and any other document given to secure and collateralize the indebtedness secured hereby. Assignor further agrees that Assignee may enforce this Assignment without first resorting to or exhausting any other security or collateral; however, nothing herein contained shall prevent Assignee from suing on the Note, foreclosing the Mortgage, or exercising any other right or remedy under any other document evidencing or collateralizing the indebtedness secured hereby.
 - 13. Merger. That (i) the fact the Leases or the leasehold estate created thereby may be held directly or indirectly, by or for the account of any person or entity which shall have an

interest in the fee estate of the Premises, (ii) the operation of the law or (iii) any other event shall not merge any Leases or the leasehold estates created thereby with the fee estate in the Premises as long as any of the indebtedness secured hereby and by the Note and Mortgage shall remain unpaid, unless Assignee shall consent in writing to such merger.

- 14. Termination of Assignment. That upon payment in full of all of the indebtedness evidenced by the Note and secured by the Mortgage and payment of all sums payable hereunder, this Assignment shall be void and of no effect; and no judgment or decree entered as to said indebtedness shall operate to abrogate or lessen the effect of this Assignment until such indebtedness has actually been paid; but the affidavit, certificate, letter or statement of any officer of Assignee showing that any portion of said indebtedness or sums remains unpaid, shall be and constitutes conclusive evidence of the validity, effectiveness and continuing force of this Assignment. Any person, firm or corporation may and is hereby authorized by Assignor to rely on such affidavit, certificate, letter or statement. A demand by Assignee of any tenant for payment of Cash Collateral by reason of any default claimed by Assignee shall be sufficient direction to said tenant to make future payments of Cash Collateral to Assignee without the necessity for further consent by or notice to Assignor.
- 15. Notice. That all notices, demands, requests or documents of any kind which Assignee may be required or may desire to serve upon Assignor hereunder shall be sufficiently delivered by delivering same to Assignor personally; by leaving a copy of same addressed to Assignor at the address appearing hereinabove, or by Assignee depositing a copy of same in a regularly maintained receptacle of the United States mails, postage prepaid, certified or registered mail, addressed to Assignor at said address. Notices, demands, requests and documents given in such manner shall be deemed sufficiently delivered, served or given for all purposes hereunder at the time such notice, demand, request or document shall have been delivered to or mailed as hereinbefore provided to the addressee. Rejection or refusal to accept, or inability to deliver because of changed address, of which no notice of changed address was given, shall constitute delivery of any such notice, demand or request to the addressee. Any party hereto may, by delivery of notice to the other party, designate a different address.
- 16. Assignment Binds Successor. That the terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land and shall inure to the benefit of, and bind all parties hereto and their respective heirs, successors and assigns; all tenants and their subtenants and assigns; and all subsequent owners of the Premises and subsequent holder of the Note and Mortgage.

- 17. Additional Rights and Remedies. In addition to, but not in lieu of, any other rights hereunder, Assignee shall have the right to institute suit and obtain a protective or mandatory injunction to prevent a breach or default of, or to enforce the observation by such Assignor of the agreements, covenants, terms any condition contained herein, and shall have the right to attorneys' fees, costs, expenses, and ordinary and punitive damages occasioned by any such breach or default by Assignor.
- 18. Location of Performance. Assignor expressly agrees that this Assignment is performable at Spokane County, Washington; waives the right to be sued elsewhere; and agrees and consents to the jurisdiction of any court of competent jurisdiction located in Spokane County, Washington.
- 19. Severability. If any provision of this Assignment or the application thereof to any entity, person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Assignment and the application of such provisions to other entities, persons or circumstances all not be affected thereby, and shall be enforced to the greatest extent permitted by law.
- 20. Entire Agreement. This Assignment contains the entire agreement concerning the Assignment of Leases and Cash Collateral between the parties hereto. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.
- 21. Construction. Whenever used herein, whenever the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The word "Mortgage" as used herein shall mean Mortgage, Deed of Trust, Trust Deed, Security Deed or Deed to Secure Debt. All obligations of each Assignor hereunder shall be joint and several.
- 22. <u>Multiple Counterparts</u>. This instrument may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties hereto had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument, but in making proof, it shall only be necessary to produce one such counterpart.
- 23. Governing Law. The parties agree that the law of the Sate of Washington shall govern the performance and enforcement of this Assignment.

Attachment 2 - Old Country Buffet Kennewick WA Lease Amend 8-31-16 & 7-10-20.pdf Description - Lease amendments supporting claim

SECOND AMENDMENT TO LEASE

(Store OCB #813 – Kennewick, WA)

THIS SECOND AMENDMENT TO LEASE (this "Amendment") made and entered into effective as of July _______,2020 (the "Effective Date"), by and between JBP Properties LLC (tka JBP Kirkland LLC), a Washington limited liability company ("Landlord"), and HomeTown Buffet, Inc., a Minnesota corporation ("Tenant").

RECITALS:

WHEREAS, Landlord and Tenant are current parties to that certain lease dated September 28, 1993, (as amended, collectively referred to herein with all amendments and agreements regarding that certain Lease as the "Lease") by which Landlord is leasing to Tenant certain premises described therein (the "Demised Premises") identified by Tenant as Store #813 with a street address at 6821 West Canal Drive, Kennewick, WA 99337.

WHEREAS, Tenant has requested a deferral in the payment of rent and other monetary obligations due under the Lease in connection with the extraordinary measures being taken in response to the Covid-19 outbreak ("Covid-19 Outbreak") and Landlord has agreed to a deferral of such rent and other monetary obligations; and

WHEREAS, the parties desire to amend the Lease in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Lease is hereby amended as follows:

AGREEMENT:

1. <u>Defined Terms</u>. All capitalized terms used in this Amendment not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.

2. <u>Deferral of Rent</u>

The rent deferral granted in this Amendment is \$94,350.00 ("Deferred Rent") which includes the Rent owed under the Lease from February 1, 2020 through July 31, 2020 as follows:

	Rent
February, 2020	15,725.00
March, 2020	15,725.00
April, 2020	15,725.00
May, 2020	15,725.00
June, 2020	15,725.00
July, 2020	15,725.00

Tenant and Landlord hereby agree that such Deferred Rent shall be paid to Landlord in twelve (12) equal monthly installments in an amount of \$7,862.50 each commencing January 1, 2021 and due on the 1st of each month thereafter.

- 3. Entire Agreement; Ratification; Successors This Amendment contains all of the agreements and understandings of the parties hereto with respect to the matters contained herein, and no prior agreement. arrangement or understanding pertaining to any such matters shall be effective for any purpose. No prior or contemporaneous oral or written understandings or representations other than as set forth in this Amendment shall be enforceable against either party. Nothing in this Amendment shall be deemed to waive or modify any of the provisions of the Lease, except as expressly stated herein. The Lease shall remain unmodified and, as hereby amended, is ratified and confirmed. The provisions of this Amendment shall bind and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto
- Authority Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.
- Conflict In the event of any conflict between the original terms of the Lease and this Amendment, this Amendment shall prevail.
- Counterparts and Electronic Signatures This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. The parties agree to accept a digital image (including but not limited to an image in the form of a PDF or other e-signature) of this document, if applicable, reflecting the execution of one or both of the parties, as a true and correct original

IN WITNESS WHEREOF, this Amendment is entered into by the parties as of the day and year first above written.

"LANDLORD"

JBP Properties LLC (tka JBP Kirkland LLC), a Washington limited liability company

Title: MAN

"TENANT"

HomeTown Buffet, Inc.,

A Minnesotta comboration

Name: Martin Cortes

AMENDMENT TO LEASE

(Store #813- Kennewick, WA)

THIS AMENDMENT TO LEASE (this "Amendment") made and entered into effective as of August 31, 2016 (the "Effective Date"), by and between JBP Properties LLC (fka JBP Kirkland LLC), a Washington limited liability company ("Landlord"), and HomeTown Buffet, Inc., a Minnesota corporation ("Tenant").

RECITALS:

WHEREAS, Landlord and Tenant are the current parties to that certain lease dated as of September 28, 1993 (as modified, amended, transferred and/or supplemented to date, together with any and all exhibits and addenda thereto, collectively, the "Lease") by which Landlord is leasing to Tenant certain premises described therein (the "Demised Premises") identified by Tenant as Store # 813 with a street address at 6821 West Canal Drive, County of Benton, City of Kennewick and State of Washington.

WHEREAS, Tenant and certain of its affiliates (each, a "**Debtor**," and collectively with Tenant, the "**Company**" or the "**Debtors**") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "**Code**") in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "**Bankruptcy Court**") on March 7, 2016 (the "**Petition Date**"); and

WHEREAS, it is the desire of the parties hereto to amend the Lease as hereinafter provided:

AGREEMENT:

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, and of One Dollar (\$1.00) the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the parties as follows:

- 1. <u>Defined Terms</u>. All capitalized terms used in this Amendment not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
- 2. Rent Reduction. Notwithstanding any provision of the Lease to the contrary, it is agreed by both parties that the monthly Minimum Rent payable by Tenant to Landlord under the Lease for the four (4) calendar months effective immediately following Tenant's assumption of the Lease shall be reduced and Tenant shall only be required to pay \$7,291.67 as the monthly rent payment for such four (4) months, or one half (1/2) of the monthly rent payment stipulated in the Lease for such months if a greater amount, and Landlord also waives as free rent payment of unpaid prepetition monthly rent due for January 2016 through March 2016 in the total amount of \$15,416.65, and related late and interest charges. If the Bankruptcy Court imposes any other financial obligations on Landlord or reduces any other revenue or payments to Landlord, Landlord reserves the right to reject this Amendment. This condition is dependent on Tenant making full rent payments unless and until the Lease is approved by the Bankruptcy Court.

Any provision in the Lease that sets forth any different amount of Minimum Rent for the time periods set forth above is hereby deleted and the rent amount set forth above is inserted in place thereof.

3. <u>Effect of the Amendment</u>. The parties hereto recognize and agree that neither this Amendment, nor any approval hereof by either party, shall (a) constitute an assumption of the

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Lease unless and until (i) the Lease, as amended and/or modified by this Amendment, has been affirmatively assumed by the Tenant and; (ii) such assumption has been approved by a final order of the Bankruptcy Court, or (b) give rise to, result in, or otherwise be deemed to result in, the creation of any postpetition contract, agreement, undertaking or obligation of Tenant or any other Debtor (except to the extent the Lease is hereafter assumed by Tenant as described in subpart (a) of this paragraph). Tenant reserves all rights to assume the Lease, as modified by this Amendment. Landlord agrees that the deadline by which the Debtors may assume or reject the Lease in the Debtors' chapter 11 bankruptcy cases pursuant to section 365 of the Bankruptcy Code is extended through and including the effective date of any chapter 11 plan or plans confirmed in the Debtors' bankruptcy cases, but no later than November 1, 2016. In the event Tenant rejects the Lease under the Bankruptcy Code, Landlord retains the right to file in the Bankruptcy Court (y) an administrative claim for any and all rent reductions taken by Tenant pursuant to this Amendment and (z) a rejection claim on the basis of status quo ante and without giving effect to any such reductions or changes to Tenant's rental obligations to the same extent as if this Amendment had never been executed; to take all other legal measures to protect Landlord's interest.

4. <u>Credit for Excess Payments</u>. In the event amounts actually paid by Tenant to Landlord with respect to the Lease after the Effective Date exceed the amounts actually payable under the Lease after giving effect to this Amendment, then Tenant shall be entitled to a credit in the amount of such excess, which credit Tenant may apply in its discretion (and upon notice thereof to Landlord) as an offset against future payment obligations under the Lease. By means of example and not limitation, if, during the period following the Effective Date but prior to the date the Lease is assumed by Tenant pursuant to a final order of the Bankruptcy Court, Tenant pays Minimum Rent in an amount that exceeds the applicable amount of Minimum Rent set forth in Section 2 of this Amendment, then such excess shall constitute a credit that Tenant may apply in its discretion against future payment obligations under the Lease..

5. Representations and Warranties.

- (a) Landlord represents and warrants to Tenant that (i) Landlord is the landlord under the Lease, (ii) Landlord has the full power and authority to execute and deliver this Amendment, (iii) the person(s) executing and delivering this Amendment on behalf of the Landlord has or have been authorized by all required action to so execute and deliver this Amendment and (iv) no other consents or approvals of any entity or person are necessary for the due execution and delivery of this Amendment by or on behalf of Landlord for this Amendment to be binding upon Landlord.
- (b) Tenant represents and warrants to Landlord that (i) Tenant is the tenant under the Lease, (ii) Tenant has the full power and authority to execute and deliver this Amendment, (iii) the person(s) executing and delivering this Amendment on behalf of the Tenant has or have been authorized by all required action to so execute and deliver this Amendment, and (iv) no other consents or approvals of any entity or person are necessary for the due execution and delivery of this Amendment by or on behalf of Tenant for this Amendment to be binding upon Tenant, other than Tenant's obligation to obtain approval by the Bankruptcy Court.

- 6. <u>Consents and Approvals</u>. Notwithstanding anything to the contrary contained herein, the Landlord represents and warrants that it has obtained all necessary lender consent, if any, to enter into this Amendment. Landlord agrees to indemnify, defend and hold Tenant harmless from any and all claims, demands and suits brought against Tenant and arising out of this Amendment, related to Landlord's failure to obtain any lender consent necessary to modify the Lease in accordance with this Amendment.
- 7. <u>No Other Modifications</u>. Except as expressly modified hereby, all other terms and provisions of the Lease (a) shall remain in full force and effect; (b) are incorporated herein by this reference; and (c) shall govern the conduct of the parties hereto; <u>provided</u>, <u>however</u>, that if there exists any inconsistency between the provisions of the Lease and the provisions of this Amendment, the provisions of this Amendment shall control.
- 8. <u>Counterparts</u>. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. Each counterpart may be delivered by facsimile transmission. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto.
- 9. <u>Governing Law.</u> This Amendment shall be governed by and construed in accordance with the law of the state identified in the Lease as the governing law thereof, notwithstanding conflicts of law or other principles that would apply the law of a different state.
- 10. <u>Entire Agreement; No Waiver</u>. This Amendment contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose. Nothing in this Amendment shall be deemed to waive or modify any of the provisions of the Lease, except as expressly stated herein.

[signature page follows]

IN WITNESS WHEREOF, this Amendment is entered into by the parties hereto effective as of the Effective Date.

LANDLORD:

JBP Properties LLC ,(fka JBP Kirkland, LLC) a Washington limited liability company

By: When the

Print: MICHAISE K. J

Its: MENBER

TENANT:

HOMETOWN BUFFET, INC.,

a Minnesota corporation

By:

Print.

tet

Do

Its.

pre

Attachment 3 - Old Country Buffet Kennewick WA Past Due Notice 8-27-20.pdf
Description - Statement supporting amount necessary to cure default

JBP PROPERTIES LLC

PAST DUE NOTICE

6721 Lake Washington Blvd NE #10 Kirkland, WA 98033

Date: 04/20/21

Phone: 425-827-2071

Re: Rent, Etc.

Ovation Brands ATT: Real Estate – Str #0813 120 Chula Vista San Antonio, TX 78232

Premises: 6821 West Canal Drive, Kennewick, WA 99337 (#0813)

00/04/0000 A	
08/01/2020 August rent	\$15,725.00
08/10/2020 Late charge, 10% per lease	1,572.50
09/01/2020 September rent	15,725.00
09/10/2020 Late charge, 10% per lease	1,572.50
09/10/2020 Interest charge, 1.5%/mo per lease (on \$17,297.50)	259.46
10/01/2020 October rent	15,725.00
10/10/2020 Late charge, 10% per lease	1,572.50
10/10/2020 Interest charge, 1.5%/mo per lease (on \$34,854.46)	522.82
11/01/2020 November rent	15,725.00
11/10/2020 Late charge, 10% per lease	1,572.50
11/10/2020 Interest charge, 1.5%/mo per lease (on \$52,674.78)	790.12
12/01/2020 December rent	15,725.00
12/10/2020 Late charge, 10% per lease	1,572.50
12/10/2020 Interest charge, 1.5%/mo per lease (on \$70,762.40)	1,061.44
12/28/2020 Real estate taxes for ID 61484, 2020 + late charges	23,324.78
12/28/2020 Real estate taxes for ID 61474, 2020 + late charges	3,334.59
01/01/2021 January rent \$16,039.50 + Deferred rent \$7,862.50	23,902.00
01/10/2021 Late charge, 10% per lease	2,390.20
01/10/2021 Interest charge, 1.5%/mo per lease (on \$89,121.34)	1,336.82
01/14/2021 Certified mail to tenant for pay or vacate notice	7.10
01/21/2021 Mounds Lock, rekey premises for protection	298.65
01/28/2021 Dura-Clean deposit to clean space	1,000.00
02/01/2021 February rent \$16,039.50 + Deferred rent \$7,862.50	23,902.00
02/05/2021 Property insurance placed after tenant cancelled insurance	8,902.12
02/08/2021 Dura-Clean final payment to clean space	2,000.00
02/10/2021 Late charge, 10% per lease	2,390.20
02/10/2021 Interest charge, 1.5%/mo per lease (on \$143,409.73)	2,151.15
02/22/2021 Benton PUD electricity 1/18-01/26/2021 including \$2770 deposit	2,904.50
03/01/2021 March rent \$16,039.50 + Deferred rent \$7,862.50	23,902.00
03/01/2021 Cascade Natural Gas, 1/20-2/28/21 gas bill	465.60
03/10/2021 Late charge, 10% per lease	2,390.20
03/10/2021 Interest charge, 1.5%/mo per lease (on \$184,060.95)	2,760.91
03/22/2021 Benton PUD electricity (01/26-02/25/21)	434.25

TOTAL DUE	\$252,326.57
04/21/2021 Kennewick utility bill (2/23-4/20)	1,545.47
04/01/2021 Benton PUD electricity (02/25/21-3/25/21)	437.56
04/10/2021 Interest charge, 1.5%/mo per lease (on \$216,504.16)	3,247.56
04/10/2021 Late charge, 10% per lease	2,390.20
04/03/2021 Marty McCoy landscaping services	3,175.46
04/02/2021 Cascade Natural Gas, 02/25-03/25/21)	689.91
04/01/2021 April rent \$16,039.50 + Deferred rent \$7,862.50	23,902.00
04/01/2021 April rept \$16.030.50 + Deferred rept \$7.000.50	00 000 00

INVOICE IS DUE UPON RECEIPT. All rents not received by the 10th of each month assessed 10% late charge. All past due items assessed interest from date of invoice at highest legal rate with minimum monthly charge of \$.50.

AMOUNT DUE

\$ 252,326.57