

LEASE

THIS LEASE made in duplicate this 7th day of February, 1994, between the Friends of the Walker Rock Garden, a Washington nonprofit corporation, hereinafter referred to as Tenant, and Mrs. Florence Walker, hereinafter referred to as Florence.

WITNESSETH:

1. Premises. Florence does hereby lease to Tenant, and Tenant does hereby lease from Florence, the portion of those certain premises located at 5407 - 37th SW, Seattle, Washington, more particularly described in Exhibit A hereto and made a part hereof by this reference, consisting of the rock garden and not including the residence situated thereon, as shown on the drawing attached hereto as Exhibit B, referred hereafter as the Garden.

2. Use. The premises are to be used for the purpose of public enjoyment and shall be kept open to the public on such terms and at such times as the parties shall determine.

3. Term. The term of this lease shall be for five (5) years and no months, or until the death of Florence Walker, whichever occurs later, and shall commence on January 1, 1994.

4. Rent. Tenant covenants and agrees to pay Florence as rental for said premises an annual fee of one (\$1.00) Dollar in advance of the first day of each lease year.

5. Utilities. Florence shall maintain the electrical power for the fountains in the garden and shall supply the water to the fountains. If new needs for utilities are required by Tenant's use of the premises, Florence shall have the option to require Tenant to have its utilities separately metered at Tenant's sole expense. Florence may charge Tenant a share appropriate to Tenant's use for Tenant's use of Florence supplied utilities.

6. Maintenance of the Garden. The Garden has been inspected and is accepted by Tenant in its present condition. Tenant agrees to maintain the Garden, but Florence agrees to cooperate and assist in Tenant's duty to maintain.

7. Insurance. All personal property in or about the Garden shall be at the risk of Tenant. Florence, or Florence's agent, shall not be liable for theft, or any damage, either to person or property, sustained by Tenant or others, caused by any defects now in said Garden or any service facilities, or hereafter occurring

therein, or caused by fire or by the bursting or leaking of water, gas, sewer, or steam pipes. Tenant agrees to defend and hold Florence and Florence's agent harmless from any and all claims for damages suffered or alleged to be suffered in or about the Garden by any person, firm, or corporation and from any expenses incurred by Florence in respect to any such claim.

8. Liens and Insolvency. Tenant shall keep the Garden free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. In the event Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Tenant, then Florence may cancel this lease at Florence's option.

9. Assignment. Tenant shall not assign this lease or any part thereof and shall not let or sublet the whole or any portion of the Garden without the written consent of Florence, which consent shall not be unreasonably withheld.

10. Florence Access. Tenant will allow Florence free access at all reasonable times to said Garden for the purposes of inspection, or of making repairs, additions or alterations to the premises.

11. Alterations. Tenant shall not make any alterations, additions, or changes in the Garden without the written consent of Florence.

12. Default and Re-entry. If the rent, or any part thereof, shall be and remain unpaid when it becomes due, or if Tenant shall violate or default in any of the covenants and agreements made in this Lease, then Florence may cancel this Lease upon giving the notice required by law, and re-enter said premises.

13. Costs and Attorney's Fees. If by reason of any default on the part of the Tenant it becomes necessary for Florence to employ an attorney or in case Florence shall bring suit to recover any rent due hereunder, or for breach of any provision of this Lease or to recover possession of the leased premises, or if Tenant shall bring any action for any relief against Florence, declaratory or otherwise, arising out of this Lease, the prevailing party shall have and recover against the other party in addition to the cost allowed by law, such sum as the court may adjust to be a reasonable attorney's fee. In the event the Tenant defaults in the payment of rental, the Tenant agrees to pay for the cost of any collection agency, or attorney, employed by Florence.

14. Heirs and Successors. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be binding upon the heirs, legal

representatives, successors and assigns of any or all of the parties hereto.

15. Mutual Waiver of Subrogation. Florence and Tenant shall each procure an appropriate clause in, or an endorsement on, any policy of fire or extended coverage insurance covering the Garden, and the personal property, fixtures, and equipment located in or on the Garden, pursuant to which the insurance companies waive subrogation or consent to waiver of right of recovery, and, conditioned upon either party to this lease having obtained such clauses or endorsements or waiver of subrogation or consent to a waiver of right of recovery, such party hereby agrees that it shall not make any claim against or seek to recover from the other for any loss or damage to its property, or the property of the other, resulting from fire or other hazards covered by such insurance, notwithstanding other provisions of this lease; provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the endorsements consenting to a waiver of right of recovery and shall be coextensive therewith. If either Florence or Tenant is unable to obtain such a clause or endorsement, such party shall promptly give the other party notice of such inability.

16. Insurance. Tenant agrees that during the term of this Lease, Tenant, at its sole cost and expense, and for the mutual benefit of Florence and Tenant, shall carry and maintain the following types of insurance for the leased premise and all sidewalk and public areas occupied by Tenant, in the amounts specified:

Bodily Injury and Property Damage Liability Insurance with a combined single limit for bodily injury of not less than \$500,000.00 and property damage of not less than \$25,000.

17. Option to Purchase. This option is given with the understanding that the Tenant intends to purchase the property and maintain the rock garden. The purchase price was determined by using the appraised valuation of the property for 1993. During the term of this lease, the Tenant shall have an option to purchase the property described in Exhibit A, which shall include the house, for the sum of \$125,700. If Tenant exercises the option to purchase, Tenant shall be bound to offer Mrs. Florence Walker the right to remain living in the house on the purchased property for the remainder of her life subject to her duty to maintain the house. The purchase price may be paid all cash on closing, at the option of Tenant will be financed by Seller. If Seller financing is used, the down payment shall be the number of completed years that have passed since commencement of the lease ("Lease Years") times 5% of the purchase price. The remainder of the purchase price shall be paid in the form of a promissory note substantially in the form attached hereto as Exhibit C secured by a Deed of Trust on the

6285.00

property being purchased substantially in the form of Exhibit D attached hereto. The note shall provide for payment to be made in equal installments of principal and interest at the rate of 8% per annum over twenty years less the number of Lease Years. (For example, if closing takes place more than six, but less than seven years after the commencement date, the down payment shall be 30% of the purchase price and the remainder of the purchase price shall be paid over a fourteen year term.) In addition to the purchase price, the Tenant shall pay all closing costs, including, but not limited to, the real estate excise tax due on transfer. Tenant may exercise this option by notifying Florence of its intention to purchase at any time prior to the termination of this lease. Closing shall take place no later than thirty (30) days after notice to Florence. The exhibits attached hereto are incorporated herein by reference.

Dated as of the day and year first written above.

FRIENDS OF THE WALKER ROCK
GARDEN

Florence Walker
MRS. FLORENCE WALKER

By: Nancy Lee Harder
Its: President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 7th day of February 1994, personally appeared before me Mrs. Florence Walker, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year of the certificate first above written.

[Signature]
NOTARY PUBLIC in and for the State
of Washington, residing at Seattle.
My appointment expires: 3/8/96

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of December, 1993, before me personally appeared _____ to me known to be the (president, vice president, secretary, treasurer, or other authorized officer or agent, as the case may be) of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC in and for the State
of Washington, residing at Seattle.
My appointment expires: _____.

EXHIBIT A

LEGAL DESCRIPTION:

Lot Eleven (11) Block Two (2) Wilbur's Addition to the
City of Seattle, according to recorded plat thereof.

EXHIBIT B

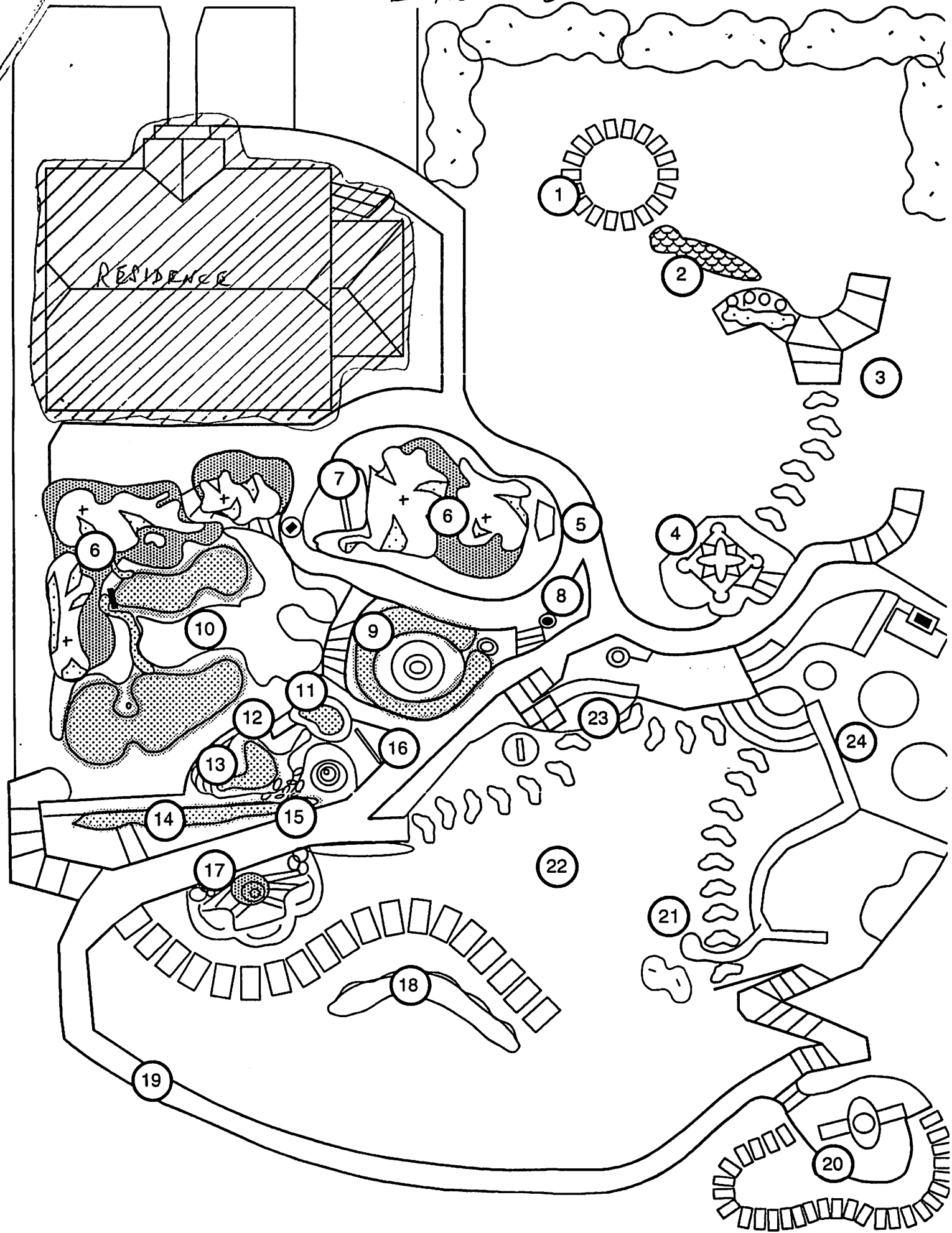


EXHIBIT C

PROMISSORY NOTE

\$ _____

Seattle, Washington
Dated:

FOR VALUABLE CONSIDERATION, the undersigned,
_____, promises to pay to _____,
or order, the sum of _____,
(\$_____) Dollars with interest on the declining balance at the
rate of eight (8%) per annum. Payments shall be made as follows:

_____ (\$_____) Dollars, or
more at maker's option, on or before the _____ day of _____
_____, and the same amount or more at maker's
option, on or before the same day of each succeeding
calendar month until the balance of said principal and
interest shall have been fully paid. All payments shall
first be applied to interest and the balance shall be
applied to principal. Notwithstanding the foregoing, the
entire principal and interest shall be paid on or before
seven years from the date of this Note.

If any payment of principal or interest is not made when
due, then the entire principal sum and accrued interest shall at
once become due and payable at the option of the holder of this
note, without prior notice, time being of the essence, and
bearing interest at the twelve (12%) percent per annum from the
date of default until paid. Failure to exercise this option
shall not constitute a waiver of the right to exercise the same
in the event of any subsequent default.

In case default is made in the payment of this note and it
shall be placed in the hands of an attorney for collection, the
undersigned agrees to pay all costs of collection, including but
not limited to, reasonable attorney fees incurred by the holder,
whether or not a suit is instituted. If suit is instituted,
costs shall be included in reasonable attorney fees in such
action and in any appeal taken therefrom.

This note is secured by an interest in real property.

FRIENDS OF THE WALKER ROCK GARDEN

by: _____

EXHIBIT D

THIS SPACE PROVIDED FOR RECORDER'S USE:

FILED FOR RECORD AT REQUEST OF

WHEN RECORDED RETURN TO

Name.....

Address.....

City, State, Zip.....

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this..... day of....., 19....., between

....., GRANTOR,

whose address is.....

..... a corporation, TRUSTEE, whose address is
and.....

..... BENEFICIARY,

whose address is.....

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in County, Washington:

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of..... Dollars (\$.....) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

- 1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

.....

STATE OF WASHINGTON }
 COUNTY OF } ss.
 On this day personally appeared before me

 to me known to be the individual described in and
 who executed the within and foregoing instrument,
 and acknowledged that signed the same
 as free and voluntary act and deed,
 for the uses and purposes therein mentioned.
 GIVEN under my hand and official seal this
day of....., 19.....
 Notary Public in and for the State of Wash-
 ington, residing at.....

STATE OF WASHINGTON }
 COUNTY OF } ss.
 On this day of 19.....
 before me, the undersigned, a Notary Public in and for the State of Wash-
 ington, duly commissioned and sworn, personally appeared.....
 and.....
 to me known to be the..... President and..... Secretary,
 respectively of.....
 the corporation that executed the foregoing instrument, and acknowledged
 the said instrument to be the free and voluntary act and deed of said corpora-
 tion, for the uses and purposes therein mentioned, and on oath stated that
 authorized to execute the said instrument and that the seal
 affixed is the corporate seal of said corporation.
 Witness my hand and official seal hereto affixed the day and year first
 above written.
 Notary Public in and for the State of Washington,
 residing at.....

REQUEST FOR FULL RECONVEYANCE
Do not record. To be used only when note has been paid.

TO: TRUSTEE.
 The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.
 Dated....., 19.....