

ASSIGNMENT OF LEASE AND ASSET PURCHASE AGREEMENT

THIS ASSIGNMENT OF LEASE AND ASSET PURCHASE AGREEMENT (“Agreement”) is entered into this 10 day of March 2020 by and between **ROYAL K GROUP LLC**, a Washington limited liability company (“Seller” and “Assignor”), and **KING COUNTY**, a political subdivision of the State of Washington (“Buyer” and “Assignee”)(collectively, the “Parties”). This Agreement shall become effective upon mutual execution by the Parties (the “Effective Date”)

RECITALS

- A. Seller is the Tenant under that certain lease by and between George L. Beauregard and Dorothy J. Beauregard, his wife, and Dennis Kranz, a single man, and William G. Springer and Helen M. Springer, his wife, dated May 11, 1977 (the “1977 Lease”) a copy of which is attached as **Exhibit B**, and as amended by that unrecorded Lease Amendment dated December 6, 1978; further amended by that Memorandum of and Addendum to Lease dated December 23, 1986 and recorded under King County Rec. No. 8702041912; further amended by that unrecorded Third Lease Amendment dated April 15, 1987; and further amended by that unrecorded Fourth Lease Amendment dated April 1, 1990; and assigned pursuant to that certain Personal Representative’s Deed dated August 2, 2002 and recorded under King County Rec. No. 20020808002163; and as assigned by that Assignment of Lease dated December 30, 1994 and recorded under King County Rec. No. 9508241359; further assigned by that Second Assignment of Lease dated May 9, 1997; further assigned by that Third Assignment of Lease dated May 21, 1997 and recorded under King County Rec. No. 9705211116; further assigned by that Fourth Assignment of Lease dated September 22, 2004 and recorded under King County Rec. No. 20040922002560; further assigned by that Fifth Assignment of Lease dated August 21, 2015 and recorded under King County Rec. No. 20150824001728 (collectively, the “Lease”), concerning certain real property legally described on the attached **Exhibit A**.
- B. Seller, as tenant under the Lease, wishes to sell the improvements located on the leasehold to Buyer. The improvements consist of an 85-room motel, building mechanical systems, equipment, supplies, inventory, furnishings and all personal property owned by Seller related to the Seller’s business.
- C. Seller has agreed to assign the Lease and sell the improvements to Buyer as provided herein. The Lease requires the advance written consent of the landlord prior to any assignment of the Lease.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

PART I

ASSIGNMENT OF LEASE

Landlord under the Lease has consented to the assignment of the Lease from Seller to Buyer as evidenced in that certain Landlord's Consent to Assignment of Lease, dated for reference purposes only March 5, 2020, attached hereto as **EXHIBIT C**. Seller, as Assignor does hereby assign, transfer and set over to Buyer effective from and after the Closing Date (defined below) (a) all of Seller's rights, title, interest, privileges and benefits as tenant in, to, and under the Lease, including without limitation any security deposit and, (b) all of Seller's rights, title, interests, privileges and benefits in and to the premises thereunder, to have and to hold the same together with all rights, title, interest, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, for and during the unexpired term of the Lease (collectively, the "Assignment").

Buyer, as Assignee hereby accepts the Assignment herein from and after the Closing Date and, in addition, does hereby covenant and agree, for the benefit of Seller and landlord under the Lease to faithfully observe, assume, keep, perform and fulfill all of the terms, covenants and obligations required under the Lease accruing from and after the Closing Date. Seller shall deliver the premises under the Lease to Buyer on the Closing Date.

Seller, as tenant under the Lease, shall be liable for all monetary and non-monetary obligations and third-party claims for compensation or damages of every kind under the Lease occurring or arising prior to the Closing Date. Seller shall indemnify, defend and hold harmless Buyer from and against any damages, losses, liabilities, claims, penalties, fines, interest, judgments, awards, settlements, taxes, costs, offsets, demands, deficiencies, fees (including without limitation attorneys' fees), expenses, disbursements, and other obligations to the extent actually incurred by Buyer and arising from or caused prior to the Closing Date.

PART II

ASSET PURCHASE AGREEMENT

ARTICLE 1.

PURCHASE AND TRANSFER OF ASSETS

1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) through the Bill of Sale, attached hereto as **EXHIBIT D**, and Buyer shall buy and accept from Seller on the Closing Date the following assets and personal properties:

1.1. All of Seller's right, title and interest in the buildings, structures, dwellings, outbuildings, and improvements (the "Improvements") of every kind located on the real property legally described in **EXHIBIT A** (the "Real Property");

1.2. All of Seller's rights relating to the Real Property; all licenses, approvals (governmental or otherwise), permits, access agreements, settlement agreements, and court orders affecting the Improvements and the Real Property, and all of Seller's right, title and interest in and to any plans, drawings, surveys, and warranty right related to the Improvements;

1.3. All inventory, and all personal property that has been used, is capable of being used, or is otherwise held in connection with the business of the Seller and located on the Real Property and owned, leased, held on consignment or otherwise held by the Seller that is associated with Seller's business and located on the Real Property; and

1.4. All contracts with customers and suppliers and other agreements; and

1.5. All of Seller's interest in (a) all warranties and guarantees received in connection with the Property and the Seller's business and the Improvements; (b) all permits; and (c) any and all other rights, privileges and appurtenances now owned or hereafter acquired by Seller in connection with the operation of the business and the Real Property.

Hereinafter, the items listed in Section 1.1 through 1.5 are collectively referred to as the "Property."

ARTICLE 2. PURCHASE PRICE

2.1. **PURCHASE PRICE AND PAYMENT.** In consideration of the conveyance of the Property, Buyer shall, in full payment therefore, pay in cash to Seller on the Closing Date a total purchase price of Four Million Dollars (\$4,000,000).

2.2. **ALLOCATION OF PURCHASE PRICE.** Seller and Buyer agree that the entire Purchase Price is hereby allocated as follows:

| | |
|--------------------------------------|----------------|
| a. Business | \$3,300,000.00 |
| b. Equipment, Fixtures and Inventory | \$700,000.00 |

2.3. **DEPOSIT.** Within one (1) day after the Effective Date, Buyer shall deliver to Stewart Title Guaranty Company, Attn: Kim Belcher and Briana Everroad, Escrow Officer, 1420 Fifth Avenue, Suite 440, Seattle, WA 98101 (the "Escrow Agent"), in its capacity as the closing agent, immediately available cash funds in the amount of Four Hundred Thousand Dollars (\$400,000) (the "Deposit"). Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing (as defined below).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE SELLER AND CONDITION OF PROPERTY

3. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows. As used herein, whenever a warranty or representation is made to "Seller's knowledge", such reference shall be construed and interpreted as meaning the actual knowledge (without any duty of investigation or inquiry) of Kulvinder Joval.

3.1. ORGANIZATION. The Seller is a Washington limited liability company duly organized, validly existing and in good standing under the laws of the State of Washington.

3.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a limited liability company, and (ii) has been duly authorized by all necessary action of the Seller's governing authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby other than Itzik Mizrahi, NAI Puget Sound Properties, which shall be compensated by Seller, and no other broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding to act for or on behalf of Seller.

3.4. NO LITIGATION. To Seller's knowledge, there is no currently pending lawsuit, litigation or arbitration pertaining to the Property or any part thereof. There is no pending or, to the best of Seller's knowledge, threatened condemnation or similar proceeding pertaining to the Property or any part thereof.

3.5. NO VIOLATIONS. To Seller's knowledge, no governmental entity with jurisdiction has threatened to assert that the Property or any part thereof is in violation of any applicable legal requirement.

3.6. NO CONTRACTS. To Seller's knowledge, there are no contracts, agreements other arrangements under which Seller is obligated to sell, exchange, transfer, lease, rent, maintain, repair, manage, service or allow the use of the Property that will remain binding on the Property after the date of Closing. No person or entity will have a right to possess or occupy the Property that will remain binding after the date of Closing.

3.7. FULL DISCLOSURE. To Seller's knowledge, no representation or warranty by Seller in this Agreement or in any instrument or certificate prepared by Seller and furnished to Buyer for Closing pursuant to the terms of this Agreement contains or will contain any untrue

statement of a material fact or fails to state a material fact which is necessary to make the statements set forth therein not false.

3.8. MAINTENANCE OF PROPERTY. Seller shall maintain between the Effective Date and the date on which the Buyer takes possession, with respect to the Property, a policy of all-risk commercial replacement cost property insurance. Seller will provide proof of such insurance to the Buyer prior to Closing.

3.9. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT F**, evidencing such fact, and such other documents as may be required under the Code.

3.10. PRIOR OPERATIONS. Business operations located on the Property ceased as of Closing. Seller has less than 100 employees and is not required to comply with the applicable requirements of the Worker Adjustment and Retraining Notification Act of 1988. Seller has not caused any construction, erection, alteration, demolition, removal or repairs of any structures or improvements on the Real Property nor has Seller contracted for any material to be delivered to the Property, in each instance, for which charges remain unpaid.

3.11. INDEMNIFICATION. Seller agrees to indemnify, defend, and hold harmless Buyer, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach by Seller of any representation or warranty contained herein. Seller's cumulative liability for indemnity and defense pursuant to this Section 3 shall not exceed the Purchase Price.

3.12. SELLER'S UNDERLYING FINANCING. Seller shall confirm in writing prior to the Closing Date that all existing underlying financing of the Property, is not subject to any "lock out" or similar covenant which would prevent the lender's lien from being released at Closing.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE BUYER

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

4.1.2 ORGANIZATION. Buyer is a political subdivision of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington.

4.1.3. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a political subdivision of the State of Washington, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing

authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

4.1.4. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated herein.

4.2. AS-IS CONDITION OF PROPERTY. Except for Seller's limited representations and warranties as set forth in this Agreement, Buyer acknowledges and agrees that Seller has not made, does not make, and that Seller hereby specifically disclaims, any and all representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, known or unknown, of, as to, concerning or with respect to: (i) the nature, quality or condition of the Property, including, without limitation, the water, soil, geology, and environmental condition on, of and/or under the Property; (ii) the income that may be derived from the Property; (iii) the suitability of the Property for any and all development, construction, activities and uses which Buyer may conduct thereon; (iv) the compliance of or by the Property or its operation (whether existing or contemplated) with any applicable law, rule or regulatory requirement; (v) the habitability, merchantability or fitness of the Property for any particular purpose, (vi) any costs or fees required to extend, tie, or tap into any utilities serving the Property or to otherwise develop the Property, or (vii) any other matter with respect to the Property. Buyer further acknowledges and agrees that Buyer has been or will be given the opportunity to inspect the Property and that Buyer is relying or will rely solely on its own investigation of the Property and not on any information provided or to be provided by Seller or any agent or employee of Seller or on any representation, warranty, promise, covenant, agreement or guarantee from Seller (none of which have been given except as expressly provided above) or any agent or purported agent of Seller. Buyer further acknowledges and agrees that any and all information provided or to be provided by Seller with respect to the Property was obtained from a variety of sources, and that Seller has not made any independent investigation or verification of such information and makes no representation as to the accuracy or completeness of such information. Buyer further acknowledges and agrees that the sale of the Property as provided for herein is made on an "AS-IS, WHERE-IS and WITH ALL FAULTS" basis and subject only to Seller's Limited Representations and Warranties.

4.3. SELLER RCW 64.06.005 DISCLOSURES. Buyer and Seller acknowledge that the Property may constitute "Commercial Real Estate" as defined in RCW 64.06.005. To the extent RCW 64.06.005 applies to the transaction contemplated herein, Buyer voluntarily waives receipt of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of commercial real estate.

4.4. RISK OF LOSS. Until the Closing, the risk of loss relating to the Property shall rest with the Seller. Risk of loss shall be deemed to include any significant degree of property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty"). If all or a significant portion of the

Property is destroyed or damaged by Casualty prior to Closing to an extent that precludes reasonable commercial access to or use of the Property, Buyer may terminate this Agreement, or alternatively, Buyer may elect to proceed with Closing, in which case Seller shall assign to Buyer all claims and right to proceeds under the Seller's property insurance policy or policies with respect to the Property and shall credit to Buyer at Closing the amount of any deductible provided for in such property insurance policy or policies. Buyer shall make its election under this Section by email message at any time prior to Closing.

4.7. PERSONAL PROPERTY AND IMPROVEMENTS. Seller shall not remove any personal property from the Property, and shall not deconstruct, demolish, or remove any improvements or fixtures located on the Property.

ARTICLE 5

TITLE MATTERS

5. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Bill of Sale, attached hereto as **EXHIBIT D**. Seller shall further convey its interest as tenant under the Lease together with any other leasehold interest in the Real Property and Property by Quit Claim Deed, attached hereto as **EXHIBIT E**.

5.1. SELLER'S UNDERLYING FINANCING AND DEBTS. Seller shall, at or before Closing, pay and satisfy all mortgages, notes, securities, liens, financing statements and other debts held in relation to or otherwise collateralized in any way by the Property, and shall provide to Buyer pay-off letters, notices of termination, releases of lien, or other evidence demonstrating the satisfaction of such debts. Any such debts secured by the Property and not satisfied at the Closing shall promptly be paid for by Seller. The provisions of this section shall survive Closing for a period of six (6) years.

ARTICLE 6

CONTINGENCIES AND SELLER INDEMNIFICATION

6. All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Seller shall use commercially reasonable efforts to cause each such condition to be fulfilled:

6.1. *Intentionally Deleted.*

6.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

6.3. CONDEMNATION. No material portion of the Property or the real property subject to the Lease affecting its reasonable commercial use and operation shall have been taken

or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

ARTICLE 7

CLOSING

7.1. CLOSING/CLOSING DATE. The Parties shall take all commercially reasonable steps to achieve closing of the transaction contemplated hereby (the "Closing") on a business day within two (2) days following the execution of and submission of this Agreement into escrow (the "Inside Closing Date"). In no event shall Closing take place later than fifteen (15) days from the Effective Date (the "Outside Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent at 1420 Fifth Avenue, Suite 440, Seattle, WA 98101. In the event that Closing has not occurred on or before the Outside Closing Date, then either Party may elect to terminate this agreement by written notice to the other Party and the Escrow Agent; provided, however, that such electing Party may only elect to terminate as set forth in the preceding clause if it is not then in default under this Agreement (beyond any applicable notice and cure period) and such Party has delivered to the Escrow Agent all documents required to be delivered by such Party at Closing pursuant to this Article 7. If the failure of the Closing to occur is not the result of a default by Buyer under this Agreement, then the Deposit shall be returned to Buyer and the Parties shall have no further obligation as respects the other.

7.2. PRORATIONS AND MONETARY LIENS.

7.2.1 Prorations. Real property taxes and assessments shall be prorated as of the Closing Date. Buyer shall pay the cost of the escrow fee charged by the Escrow Agent. Seller shall pay any real estate excise or other transfer tax due, and its own attorneys' fees. All rent due under the Lease and utility charges will be prorated as of the Closing Date. The parties waive the provisions of RCW 60.80.020. Except as otherwise provided in this Section, all other expenses hereunder shall be paid by the Party incurring such expenses.

7.2.2. Taxes. Buyer is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments ("Taxes") on the Property. Seller is and remains liable for the payment of such Taxes up to the Closing Date and any payments of Taxes unpaid on the Closing Date will be paid from Seller's proceeds by the Escrow Agent on the Closing Date.

7.2.3. Monetary Liens. Except as otherwise expressly provided to the contrary in this Agreement, Seller shall pay or cause to be satisfied at or before Closing all monetary liens on or with respect to all or any portion of the Property. If Seller fails to satisfy said liens, the Purchase Price shall be reduced by the amounts due to satisfy and discharge the liens.

7.2.4. Landlord's Consent Fee. Buyer shall pay to Landlord a fee for granting consent to assign the Lease in the amount of SIXTEEN THOUSAND SIX HUNDRED DOLLARS \$16,600.00.

7.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

7.3.1. A Bill of Sale and Quit Claim Deed conveying the Property and Seller's leasehold and other interests substantially in the form of **EXHIBIT D** and **E**, respectively, attached hereto;

7.3.2. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT F**, attached hereto.

7.3.4. Landlord's Consent to assignment of the Lease substantially in the form of **EXHIBIT C**, attached hereto.

7.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price plus the fee as provided in Section 7.2.4

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall survive Closing and not merge thereafter and the right to make any claim with respect thereto shall survive for a period of nine (9) months after Closing unless a different time period is expressly provided for in this Agreement.

8.2. DEFAULT AND ATTORNEYS' FEES.

8.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's remedies shall be limited to (a) termination of this Agreement by written notice to Buyer and the Escrow Agent and retain the Deposit and/or (b) bring an action against Buyer for specific performance. Buyer expressly agrees that the retention of the Deposit by Seller may not represent a reasonable estimation of the damages in the event of Buyer's default. In seeking specific performance, Seller shall not be required to prove or establish that Seller does not have an adequate remedy at law. Buyer hereby waives the requirement of any such proof and acknowledges that Seller would not have an adequate remedy at law for Buyer's breach of this Agreement.

8.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer may as its sole and exclusive remedy for such default, either (i) terminate this Agreement by written notice to Seller and the Escrow Agent, in which event the Deposit shall be

immediately returned to Buyer or bring an action for specific performance. In seeking any equitable remedies, Buyer shall not be required to prove or establish that Buyer does not have an adequate remedy at law. Seller hereby waives the requirement of any such proof and acknowledges that Buyer would not have an adequate remedy at law for Seller's breach of this Agreement.

8.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

8.3. TIME.

8.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

8.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

8.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by email. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Parties and given as provided herein:

If to Buyer: King County
Real Estate Services
Attention: Section Manager
ADM-ES-0830
500 Fourth Avenue, Room 830
Seattle, WA 98104-2337

bryan.hague@kingcounty.gov

If to Seller: Royal K Group
Kulvinder Joval
5323 Highland Drive SE
Auburn WA 98092

with a copy to: Evan Loeffler
Loeffler Law Group, PLLC

2611 NE 113th Street
Suite 300
Seattle, WA 98125

8.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

8.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

8.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

8.8. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

8.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as seller and buyer of the Property. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

8.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

8.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by any other Party in order to carry out the provisions and purposes of this Agreement.

8.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that any Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

8.13. NO THIRD-PARTY BENEFICIARIES. This Agreement is made only to and for the

benefit of the Parties and shall not create any rights in any other person or entity.

8.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

8.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated by the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if all Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against any Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

8.16 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

8.17 CORRECTIONS. The Parties authorize the Escrow Agent to fill in the date the documents are recorded and any such other necessary dates on any documents related to this transaction; correct any typing, scrivener's or other similar errors on any documents delivered into escrow; and record any document delivered into escrow, if necessary or proper for the issuance of policies of title insurance.

8.18. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

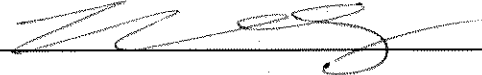
| | |
|-----------|---|
| EXHIBIT A | Legal Description |
| EXHIBIT B | 1977 Lease |
| EXHIBIT C | Landlord's Consent to Assignment of Lease |
| EXHIBIT D | Bill of Sale |
| EXHIBIT E | Quit Claim Deed |
| EXHIBIT F | FIRPTA |

NO FURTHER TEXT. SIGNATURE PAGE FOLLOWS.

SIGNATURE PAGE TO ASSIGNMENT OF LEASE AND ASSET PURCHASE AGREEMENT

EXECUTED on the dates set forth below.

SELLER: ROYAL K GROUP LLC

By: 

Name: Kulvinder Joval

Title: MANAGER MEMBER

Date: 3-6-2020.

BUYER: KING COUNTY

By: 

Name: Anthony O. Wright

Title: Director, King County
Facilities Management Division

Date: 3-4-2020

APPROVED AS TO FORM:

By: 
Senior Deputy Prosecuting Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

Lots 1 and 2 of City of Kent Short Plat No. SP-77-31, (also being known as Springer's Short Subdivision), according to the short plat thereof recorded March 24, 1978 under Recording Number 7803240812, and all amendments thereto, records of King County, Washington.

Situate in the County of King, State of Washington.

EXHIBIT B

GROUND LEASE

THIS AGREEMENT, made and executed this 11th day of May, 1977, by and between GEORGE L. BEAUREGARD and DOROTHY J. BEAUREGARD, his wife, and DENNIS KRANZ, a single man, hereinafter collectively called "Lessee", and WILLIAM G. SPRINGER and HELEN M. SPRINGER, his wife, hereinafter collectively called "Lessor",

W I T N E S S E T H :

WHEREAS, the Lessor is the owner of certain real estate located in the City of Kent, County of King, State of Washington, the true and correct legal description of which is attached to this agreement, marked Exhibit "A" and by reference incorporated herein, which property shall hereinafter be called the "leased premises", and

WHEREAS, the Lessor and the Lessee desire to enter into a lease of the leased premises on the terms and conditions of this agreement, now, therefore, in consideration of the mutual covenants, agreements and undertakings of the parties and in further consideration of the payments provided for herein,

IT IS HEREBY AGREED AS FOLLOWS:

I. AGREEMENT TO LEASE

The Lessees do hereby individually, jointly and severally lease the leased premises from the Lessor for a period of sixty-two (62) years from the date of this agreement.

II. USE

It is intended by the parties that the Lessee shall construct and operate on the leased premises a modern motel containing eighty-five (85) rental units, more or less, plus a manager's apartment and the property shall not be used for any other purpose during the term of the lease without the written consent of the Lessor.

III. COMMENCEMENT OF RENTAL

The first rental to be paid hereunder shall commence on the 1st day upon which the Lessee commences to rent motel units or six (6) months from the date of this agreement, whichever occurs first. The rental for the first month shall be prorated for that month and thereafter the rentals shall be payable on the 1st day of each succeeding month throughout the entire term of the lease.

IV. INITIAL RENT

The initial monthly rent shall be \$1062.50 per month provided that the construction results in a motel containing eighty-five (85) units plus a manager's apartment. If the number of units varies the initial rental shall be based upon \$12.50 per month per unit, payable to the Lessor without abatement, deduction or setoff.

V. ADJUSTMENTS TO MINIMUM RENT

As of the first day of April during each year of the lease term the monthly rental shall be adjusted on a prorata basis to the difference between the consumer price index for urban wage earners and clerical workers for the Seattle-Everett Metropolitan area as published by the United States Department of Labor, Bureau of Labor Statistics as of February 1977, and the said consumer price index as of February of each year thereafter. For the purposes of this agreement it is agreed that the consumer price index as of February 1977 is 171.4. The adjustment in rental shall be calculated by multiplying the initial minimum monthly rent times the new consumer price index and dividing that figure by the consumer price index as of February 1977. The result shall be the new minimum monthly rental until April 1 of the following year. In no event shall the adjusted monthly rental be less than the initial minimum monthly rent. In the event that at some future time during the lease term, the consumer price index as herein described, is replaced by a new Federal government index which is intended to and does replace the original consumer price index, the said

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new index shall govern and control in connection herewith. If the parties are unable to agree as to which new index should replace the discontinued consumer price index, then the matter shall be submitted to arbitration as provided in the arbitration paragraph of this lease.

VI. SECURITY DEPOSIT

Lessee shall deposit with Lessor upon the first day of the term hereof, a security deposit in the amount of \$10,000.00. Lessee shall deliver to the Lessor a certificate of deposit in Lessor's and Lessee's name in a bank satisfactory to Lessor. Any interest earned on said security deposit shall belong and be paid to Lessee annually. The security deposit may be used by Lessor for any one or more of the following:

1) Damages, costs or deficiencies suffered by Lessor in reletting of the premises upon Lessee's default;

2) Damages or costs incurred by Lessor in repairing the premises in accordance with the provisions hereof;

3) Damages or costs incurred as the result of any other breach of covenants under this lease; it being agreed that as soon as said damages, costs or amount of delinquent rent is a liquidated figure, that Lessor is empowered to, as a co-owner of said security deposit, withdraw from said account the full amount of said damage, cost or rental delinquency.

In the event of full performance of this lease by the Lessee then Lessor agrees that said deposit, together with any accrued interest shall be returned to Lessee and be Lessee's property no later than five (5) years from the inception of this lease. If Lessor sells or leases his interest in the premises, or any part thereof, Lessor shall have the right to transfer the security deposit to a buyer, mortgagee or lessee of Lessor's interest in the premises, but Lessor shall arrange to have said

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buyer, mortgagee or lessee acknowledge Lessee's interest in said deposit, and Lessor shall thereupon be automatically released by Lessee from all liability for the return of the security deposit. In the event Lessor applies any part of the security deposit to cure any default or delinquency by Lessee, Lessee shall deposit with Lessor such additional sums as may be necessary to replace any amounts expended or withdrawn so that there shall always be a security deposit as specified herein.

VII. CONDITIONS OF AGREEMENT

The obligations of the Lessee herein are contingent upon Lessee obtaining a building permit and financing, including satisfying the reasonable legal requirements of the financing institution as provided herein within six (6) months from the date hereof. Lessee shall notify the Lessor as these conditions are satisfied. If the Lessee has failed to notify the Lessor of the satisfaction of all conditions by written notice as provided herein within six (6) months from the date hereof, this lease shall terminate and the Lessor shall return the lease deposit to the Lessee. Thereafter neither party shall have any further obligation under this agreement.

VIII. IMPROVEMENTS

A) Construction. Within six (6) months after the date of this agreement Lessee shall comply with the conditions of major construction below and shall commence the construction of improvements consisting of a modern motel of eighty-five (85) rental units, more or less, plus a manager's apartment to be located on the leased premises in accordance with the plot plan which is attached to this lease marked Exhibit "B" and by reference incorporated herein.

B) Conditions of Major Construction. Before the Lessee shall perform any destruction of existing improvements on the leased premises or commence any major work of construction, alteration or repair and before any building materials have been delivered to the premises by the Lessee or under Lessee's

authority, Lessee shall comply with all the following conditions or procure the Lessor's written waiver of the condition or conditions specified in the waiver.

1) Lessee shall deliver to Lessor for Lessor's approval two sets of the final plans which are to be submitted to the governmental authority having jurisdiction herein for approval, and all improvements shall be constructed consistent with said plans as approved by Lessor and further, all improvements shall be constructed within the exterior property lines of the premises; provided that work required beyond the premises on utilities, access, and conditional use requirements do not violate this provision. With said plans the Lessee shall deliver to Lessor the certificate of the person or persons who prepared the plans and specifications, certifying that Lessee has fully paid for them or waiving payment and waiving any right to lien for preparing them.

2) Lessor shall not unreasonably disapprove said plans and specifications. Approval or disapproval shall be communicated in the manner provided for notices and disapproval shall be accompanied by the specification of the grounds for disapproval; provided that Lessor's failure to disapprove within thirty (30) days after delivery to Lessor shall be conclusively considered to be approval.

3) Lessee shall deliver to Lessor the written approval of the plans and specification by the financial institution that shall have made the commitment for financing the construction.

4) Lessee shall deliver Lessor one complete set of building plans and specifications as approved by the governmental agency.

5) Lessee shall notify the Lessor of Lessee's intention to commence work or improvement at least thirty (30) days before commencement of any such work or delivery of any materials. The notice shall specify the approximate location and nature of the intended improvement. Lessor shall have the right to post and maintain on the premises any notices of nonresponsibility provided for under applicable law and to inspect the premises in relation to the construction at all reasonable times.

6) Lessee shall furnish Lessor with a true copy of Lessee's contract with the general contractor for Lessor's approval. The contract shall give Lessor the right but not the obligation to assume Lessee's obligations and rights under that contract if Lessee should default. The said contract shall provide for joint checks upon draws to be made payable to the general contractor and subcontractors where appropriate. Lessor may disapprove by notice given within ten (10) days following delivery of a copy of the contract. The notice shall specify the grounds for disapproval. Lessor shall not unreasonably disapprove and shall be considered to have approved in the absence of notice of disapproval within ten (10) days after Lessee furnishes the contract and the evidence specified above.

7) Lessee shall deliver to Lessor true copies of all documents to evidence the commitment of financing for any new construction. Financing includes both the construction financing and the permanent or long term loan. Lessor may require by notice that no construction commence until the permanent or long term financing is firmly committed, but may disapprove the financing only if it violates an express provision of this lease.

8) Lessor shall have the right but not the obligation to assume Lessee's financing for any improvements on the premises. Lessee shall cause the lender to execute all documentation facilitative of this right. Lessor's exercise of this right shall not constitute a waiver of any other right Lessor may have against Lessee, any surety or guarantor or anyone else.

C) Commencement. Once the work is begun, Lessee shall with reasonable diligence prosecute to completion all construction of improvements, additions or alterations. Construction required at the inception of the lease shall be completed and ready for use within six (6) months after completion of construction, provided that the time for completion shall be extended for as long as Lessee shall be prevented from completing the construction by delays beyond Lessee's control. Failure, regardless of cause, to complete construction within two (2) years following the commencement date of this lease shall, at Lessor's election, exercised by notice terminate this lease. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to the Lessor as required by this lease and shall substantially comply with all applicable governmental permits, laws, ordinances and regulations.

D) Lessee shall pay, or cause to be paid, the total cost and expense of all works of improvement, both labor and material. No such payments shall be construed as rent. Lessee shall not suffer or permit to be enforced against the premises or any part of it, any mechanic's, materialmen's, contractor's or subcontractor's liens arising from any work or improvement, however it may arise. However, Lessee may in good faith and at Lessee's own expense contest the validity of any such asserted lien, claim or demand provided that Lessee has furnished the bond in form and amount satisfactory to Lessor, assuring the payment of the said claim or lien in the event the contest is unsuccessful. Lessee shall defend and indemnify the

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Lessor against all liability and loss of any type arising out of work performed on the premises by Lessee, together with reasonable attorney's fees and all costs and expenses incurred by Lessor in negotiating, settling, defending or otherwise protecting against such claims. If Lessee fails to protect the Lessor and the leased premises from liens and a final judgment has been rendered against the Lessee by a court of competent jurisdiction for the foreclosure of a mechanic's, materialmen's or contractor's or subcontractor's lien claim and if the Lessee fails to save the execution of the judgment by lawful means or to pay the judgment, the Lessor shall have the right but not the duty to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both. Lessee shall re-imburse the Lessor for all sums paid by the Lessor under this paragraph together with all Lessor's reasonable attorney's fees and costs plus interest on those sums, fees and costs at the rate of nine percent (9%) per year from the date of payment until the date of re-imburement.

E) There is a house and other outbuildings on the leased premises which must be removed prior to construction. Provided that Lessee has complied with all of the conditions of major construction, Lessor grants to Lessee permission to remove the said improvements at Lessee's sole cost and expense. Any rentals paid for the use of those improvements prior to the date when Lessee pays its first month's rent shall be the sole property of the Lessor.

IX. FINANCING AND SUBORDINATION

It is contemplated by the parties that the Lessee shall acquire and secure major financing for the cost of constructing the said motel and to furnish the chattels required in connection with a motel operation. Lessee agrees to subordinate to Lessee's lender, both for construction, financing and long-term financing, their interest in the leased premises under the following terms and conditions:

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A) That the amount of the indebtedness to which the Lessor shall subordinate shall not exceed seventy-five percent (75%) of the value at which the land and improvements are appraised by the lending institution making the loan to the Lessee or in the alternative not more than Ten Thousand Dollars (\$10,000.00) per motel unit whichever figure is lesser. Lessor shall not become obligated on any note or notes secured by said mortgage or mortgages.

B) Financing shall not be for a term in excess of twenty-five (25) years.

C) The debt to which the leased premises shall be subordinated shall not be in excess of the principal amount of the construction contract for the building and improvements on the grounds surrounding the building.

D) Lessee shall not at the end of the mortgage period, or in the interim, extend or alter the existing mortgage or refinance the said motel on a basis by which the Lessor is required to subordinate to such lender.

E) The Lessor's agreement herein to subordinate for the term of the mortgage to be given by the Lessee is conditioned upon a collateral agreement by the mortgagee, or mortgagees with the Lessor, that the Lessor will be given written notice by the mortgagee or mortgagees of any default by the Lessee in its note or mortgage obligation and such collateral agreement between mortgagee or mortgagees and Lessor shall further provide that notwithstanding strict foreclosure covenants contained in any mortgage or mortgages to which the Lessor as a land owner, will be co-mortgagor; that Lessor shall have not less than ninety (90) days after written notice from mortgagee or mortgagees within which they, the Lessor, may at their option cure any default prior to the institution of foreclosure proceedings by the mortgagee, and still provided that until said notice to the Lessor and the expiration of ninety (90) days, the balance of the unpaid principal with accrued interest,

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and all indebtedness secured by the said mortgage or mortgages, shall not be deemed to have been accelerated by virtue of any default so as to render the total indebtedness due and payable, but the Lessor shall have the opportunity to re-instate by curing the then existing defaults. In the absence of such a collateral agreement, the Lessor shall not be obligated to subordinate their title to the subject premises or enter into any mortgage or mortgages. Should the Lessee become in default with the mortgage, the notice given to the Lessor, and the Lessor, at their option, cure the default or the defaults and carry out the obligations of the note, notes, mortgage, or mortgages, all of the Lessor's expenditures therefor shall draw an interest until repaid at the rate of ten percent (10%) per annum, to be payable by the Lessee on demand and the Lessor may, at their option, sue to collect any and all of the aforesaid payments without terminating the lease and without affecting the right to terminate this lease at any future time and in the event such suit or action is instituted, Lessor shall be entitled to any such sum as attorney's fees as the court may adjudge reasonable therein, including attorney's fees and costs incurred in prosecuting said claim through the Washington State Supreme Court or any other Court of Appeal. Any failure or default by the Lessee in the faithful performance of keeping any of the covenants or any note, notes, mortgage or mortgages pertaining to the subject premises shall constitute a failure or default in the performance of this Lease Agreement. Provided further, that upon the expiration or termination of this lease, Lessee shall, at his expense, pay and clear any and all liens and other encumbrances then against the property subject of this lease.

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X. TAXES AND ASSESSMENTS

All real and personal property taxes, general and special assessments and other charges of every description levied on or assessed against the premises, improvements located on the premises, personal property located on or in the land or improvements, the leasehold estate or any sub-leasehold estate to the full extent of installments falling due during the term, whether belonging to or chargeable against Lessor or Lessee, shall be paid by the Lessee. Lessee shall make all such payments direct to the charging authority at least thirty (30) days before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of law for their non-payment. If however, the law expressly permits the payment of any or all of the above items in installments, (whether or not interest accrues on the unpaid balance) Lessee may, at Lessee's election, utilize the permitted installment method but shall pay each installment with any interest before delinquency.

Advalorem real estate taxes payable in 1977 shall be prorated between the Lessor and Lessee as of the date when rent is first due under this Lease. Advalorem real estate taxes payable on the year of termination of this Lease shall be prorated as of the date of termination.

Lessee shall have the right to contest the amount of any advalorem real estate taxes or assessments levied on the premises during the term of the Lease, provided, however, that the Lessee shall first pay the amount demanded and then contest the said amount by way of application for refund.

It is understood that as part of the charge for connecting to the sewer the City of Kent makes what is known as a "fee in lieu of assessment". The payment of such fee shall be the responsibility of the Lessee.

XI. MAINTENANCE, REPAIRS, ALTERATIONS, AND RECONSTRUCTION

Throughout the term the Lessee shall at Lessee's sole cost and expense maintain the premises and all improvements in first class condition and repair, ordinary wear and tear excepted, and in accordance with all applicable laws, rules, ordinances, orders and regulations of:

- 1) Federal, State, County, Municipal and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials;
- 2) The Insurance Underwriting Board or Insurance Inspection Bureau having or claiming jurisdiction; and
- 3) All insurance companies insuring all or any part of the premises or improvements, or both.

Lessee shall promptly and diligently repair, restore and replace as required to maintain or comply as above, or to remedy all damage to or destruction of all or any part of the improvements. The completed work of maintenance, compliance, repair, restoration or replacement shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work. Lessor shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the premises.

No deprivation, impairment or limitation of use resulting from any event or work contemplated by this paragraph shall entitle Lessee to any off-set, abatement or reduction in rent nor to any termination or extension of the term.

During the course of repairs, alterations or reconstruction as provided herein, the Lessee shall not cause or allow any liens or encumbrances to be placed upon the leased premises of any sort whatsoever.

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XII. INSURANCE

A) Fire and Extended Coverage.

1) Lessee's Duty to Keep Improvements Insured.

Throughout the term at Lessee's sole cost and expense the Lessee shall keep or cause to be kept insured for the mutual benefit of Lessor and Lessee all improvements located on or appertinent to the premises against loss or damage by fire and other such risks as are now or hereafter included in an extended coverage endorsement in common use for commercial structures, including vandalism and malicious mischief. The amount of the insurance shall be sufficient to prevent either Lessor or Lessee from becoming a co-insurer under the provisions of the policies, but in no event shall the amount be less than ninety percent (90%) of the then actual replacement costs herein called full insurable value. Lessor shall not carry any insurance, the effect of which would be to reduce the protection or payment to Lessee under any insurance that this Lease obligates Lessee to carry. If any dispute whether the amount of the insurance complies with the above cannot be resolved by agreement, Lessor may not more often than once every twelve (12) months request the carrier of the insurance then in force to determine the full insurable value as defined in this provision, and the resulting determination shall be conclusive between the parties for the purpose of this paragraph. Lessee may include the holder of any mortgage on the leasehold or on the fee or both as a loss payee to the extent of that mortgage interest.

2) Proceeds of Fire and Extended Coverage Insurance.

Lessor shall, at Lessee's cost and expense, cooperate fully with Lessee to obtain the largest possible recovery and all policies of fire and extended coverage in-

insurance required by Paragraph 1 above shall provide that the proceeds shall be paid to the Lessee as follows:

a) The proceeds shall be held by the Lessee and Mortgagee jointly for the uses and purposes prescribed by this lease. Unless mortgagee (lender) and borrower (lessee) otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the property damaged, provided such restoration or repair is economically feasible and the security of the mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of the mortgage would be impaired, insurance proceeds shall be applied to the sum secured by the mortgage, with the excess, if any, paid to Lessee and Lessor as their interests respectively may appear.

b) Payments or proceeds for repair, restoration or reconstruction of improvements shall be made promptly on architecture certificates until the work is completed and accepted.

c) Any insurance proceeds remaining after complying with the provision of this Lease relating to maintenance, repair and reconstruction of improvements shall be the Lessee's sole property.

B) Builder's Risk Coverage.

Before commencement of any demolition or construction, Lessee shall procure and shall maintain in force until completion and acceptance of the work "all risks" builder's risk insurance, including vandalism and malicious mischief in form and with a company reasonably acceptable to Lessor, covering improvements in place and all material and equipment at the job site furnished under control but excluding contractor's, subcon-

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tractor's, and construction manager's tools and equipment and property owned by the contractor's or subcontractor's employees with limits of at least the amount of construction contract per. loss for all work at the job site.

C) Public Liability Insurance.

Throughout the term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept in force for the mutual benefit of Lessor and Lessee, comprehensive broad form general public liability insurance against claims and liabilities for personal injury, death, or property damage, arising from the use, occupancy, disuse or condition of the premises, improvements, or adjoining areas or ways, providing protection of at least \$1 million dollars for bodily injury or death to any one person and at least \$1 million dollars for any one accident or occurrence and at least \$100,000.00 for property damage, said insurance policy or policies shall name the Lessor as an additional named insured and the Lessee shall supply the Lessor with a true and correct copy of the said liability insurance policy and each year thereafter shall supply the Lessor with a certificate of insurance demonstrating that the said insurance is in full force and effect.

D) Policy Form, Content, Insurer.

All insurance required by express provisions of this lease shall be carried only in responsible insurance companies licensed to do business in the state in which the premises are located. All such policies shall be non-assessable and shall contain language to the extent obtainable to the effect that (1) any loss shall be payable notwithstanding any act or negligence of the Lessor that might otherwise result in a forfeiture of the insurance (2) the insurer waives the right of subrogation against the Lessor and against the Lessor's agents or representatives (3) the policies are primary and non-contributing with any insurance that may be carried by the Lessor and (4) they cannot be cancelled or materially changed except after thirty (30) days notice by the insurer to the Lessor or Lessor's designated representative. Lessee may provide by blanket insurance covering the premises and any other location or locations any insurance required or permitted under this

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Lease, provided it is acceptable to all mortgagees.

XIII. DEFAULT

A) Default in or breach of this agreement shall include, but not be limited to, the following:

1) Abandonment or surrender of the premises or of the leasehold estate or failure or refusal to pay when due any installment of rent or any other sum required by this Lease to be paid by Lessee or to perform as required or conditioned by any other covenant or condition of this Lease.

2) The subjection of any right or interest of the Lessee to attachment, execution or other levy or to seizure under legal process if not released within thirty (30) days provided that the foreclosure of any mortgage permitted by provisions of this Lease relating to purchase or construction of improvements shall not be construed as a default within the meaning of this paragraph.

3) The appointment of a receiver to take possession of the premises or improvements or of Lessee's interest in the leasehold estate or of Lessee's operations on the premises for any reason including but not to assignment for benefit of creditors, or voluntary or involuntary bankruptcy proceedings.

4) Assignment by Lessee for the benefit of creditors or the filing of voluntary or involuntary petition by or against the Lessee under any law for the purpose of adjudicating Lessee a bankrupt or for extending time for payment, adjustment or satisfaction of Lessee's liabilities or for re-organization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency.

5) Default or delinquency in the payment of any loan secured by a mortgage permitted by this Lease to be placed by Lessee against Lessor's title or the leasehold or both.

6) Failure to maintain fire and extended coverage insurance and liability insurance as provided herein.

7) Failure to rebuild, repair or maintain the improvements on the premises as required under the terms of this lease.

B) In the event the Lessee shall default or breach any of the terms of this lease, the Lessor shall give the Lessee thirty (30) days notice in writing within which time the Lessee shall be given the opportunity to cure the said default before the Lessor can pursue any of its remedies as provided herein.

C) If any default by the Lessee shall continue uncured following the notice of default as required by this lease for the period applicable to the default under the applicable provision of this lease, Lessor has the following remedies in addition to all other rights and remedies provided by law or equity to which Lessor may resort, cumulative, or in the alternative.

1) Lessor may, at Lessor's election, terminate this lease by giving Lessee notice of termination. On the giving of the notice all Lessee's rights in the premises and in all improvements shall terminate. Promptly after notice of termination Lessee shall surrender and vacate the premises and all improvements in broom clean condition and Lessor may re-enter and take possession of the premises and all remaining improvements and eject all parties in possession or eject some and not others or eject none. Termination under this paragraph shall not relieve the Lessee from the payment of any sum then due to Lessor or from any claim for damages previously incurred or then accruing against Lessee.

2) Lessor may, at Lessor's election, re-enter the premises and without terminating this lease at any time and from time to time, re-let the premises and improvements

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or any part or parts of them for the account and in the name of the Lessee or otherwise. Lessor may, at Lessor's election eject all persons or eject some and not others or eject none. Any re-letting may be for the remainder of the term or for a longer or shorter period. Lessor may execute any leases made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from use, operation or occupancy of the premises, or improvements, or both. Lessee shall nevertheless pay to the Lessor on the due dates specified in this lease the equivalent of all sums required of Lessee under this Lease, plus Lessor's expenses, less the avails of any re-letting or attornment. No act by or on behalf of Lessor under this provision shall constitute a termination of this lease unless the Lessor gives Lessee notice of termination.

3) Lessor may at Lessor's election use Lessee's personal property and trade fixtures or any of such property and fixtures without compensation and without liability for use or damage or store them for the account and at the cost of Lessee. The election of one remedy for any one item shall not foreclose the election of any other remedy for any other item, or for the same item at a later time.

4) Lessor shall be entitled, at Lessor's election, to each installment of rent or to any combination of installments for any period before termination plus interest at the rate of ten percent (10%) per year from the due date of each installment. Avails of re-letting or attornment sub-rents shall be applied when received as follows:

a) To Lessor to the extent that the avails for the period covered do not exceed the amount due from and charged to Lessee for the same period, and

b) The balance to Lessee.

5) Lessor shall be entitled at Lessor's election to damages in the following sums:

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a) All amounts that would have fallen due as rent between the time of termination of this lease and the time of claim, judgment, or other award, less the avails of all relettings and attornment, plus interest on the balance at the rate of ten percent (10%) per year, and

b) The worth at the time of the claim, judgment or other award of the amount by which the unpaid rent for the balance of the term exceeds the then fair rental value is then encumbered by the lease and improvements and the fair rental value unencumbered by the lease and improvements. "Worth" as used in this provision, is computed by discounting the total at the discount rate of the Federal Reserve Bank of San Francisco at the time of the claim, judgment, or award, plus one percent (1%).

D) Each mortgagee under a mortgage then existing under provisions of this lease permitting mortgages relating to purchase or construction of improvements shall have thirty (30) days after service of notice of default within which, at mortgagee's election, either:

1) To cure the default if it can be cured by the payment or expenditure of money; or

2) If mortgagee does not elect to cure by the payment or expenditure of money, or if the default cannot be so cured, to cause the prompt initiation of foreclosure, to prosecute it diligently to conclusion, and to perform and comply with all other covenants and conditions of this lease requiring the payment or expenditure of money by Lessee until the leasehold estate shall be released or reconveyed from the effect of the mortgage or until it shall be transferred or assigned pursuant to or in lieu of foreclosure.

E) After expiration of the applicable time for curing a particular default or before the expiration of that time in the event of an emergency, Lessor, may at Lessor's election, but is

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not obligated to, make any payment required of Lessee under this lease or under any note or other document pertaining to the financing of improvements or fixtures on the premises, or perform or comply with any covenant or condition imposed on Lessee under this lease or any such note or document and the amount so paid plus the reasonable cost of any such performance or compliance plus interest on such sum at the rate of ten percent (10%) per year from the date of payment, performance or compliance shall be deemed to be additional rent payable by Lessee within the next succeeding installment of rent. No such act shall constitute a waiver of default or of any remedy for default or render Lessor liable for any loss or damage resulting from any such act.

F) If in the course of pursuing any of the remedies available to the Lessor arising out of or by virtue of any default or breach of any of the terms and conditions of the lease the Lessor shall incur attorney's fees, the Lessee shall be liable in addition to any and all other remedies for all costs and reasonable attorney's fees incurred by the Lessor as a result of the said breach or default.

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XIV. CONDEMNATION

A) Definitions.

The following definitions apply in construing provisions of this Lease relating to at taking of or damage to all or part of the premises or improvements or any interest in them by eminent domain or inverse condemnation.

1) Taking means a taking or damaging, including severence damage by eminent domain or by inverse condemnation or by any public or quasi public use under any statute. The transfer of title may be either a transfer resulting from the recording of a final order in condemnation or a voluntary transfer or conveyance to the condemning agency or entity under threat of condemnation, in avoidance of an exercise of eminent domain, or while condemnation proceedings are pending. The taking shall be considered to take place as of the later of

a) the date actual physical possession is taken by the condemnor or

b) the date on which the right to compensation and damages accrues under the law applicable to the premises.

2) Total taking means the taking of the fee title to all the premises and the improvements on the premises which shall be considered to include any off site improvements affected by the Lessee to serve the premises or the improvements on the premises.

3) Substantial taking means the taking of so much of the premises or improvements or both, that the portion of the premises not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the award available for repair or reconstruction as to constitute a complete rentable structure capable of producing a proportionately fair and reasonable net annual in-

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come after payment of all operating expenses, the fixed rent, additional rent and all other charges payable under this lease, and after performance of all covenants and conditions required of the Lessee by law and under this Lease.

4) Partial taking means any taking of the fee title that is not either a total or a substantial taking.

5) Award means compensation paid for the taking whether pursuant to judgment or by agreement or otherwise.

B) Total Taking.

1) On a total taking, the Lessee's obligation to pay rent shall terminate on and Lessee's interest in the leasehold shall continue until the date of taking.

2) On a total taking, all sums including damages and interest awarded for the fee or the leasehold or both, shall be distributed and disbursed in the following order or priority. First, all real and personal property taxes constituting a lien on the premises or improvements. Second, balance due under any note and mortgage encumbering the fee and having priority over the lease. Third, to the Lessee and the Lessor, their expenses or disbursements reasonably and necessarily incurred or paid on account of the condemnation proceedings including attorney's fees. Fourth, to Lessor a sum equal to the value of the premises taken, valued as unimproved land and unburdened by all leases or sub-leases, less that portion of the attorney's fees allocable to the Lessor. Attorney's fees shall be allocated to Lessor in that proportion of the total gross award that is allocable to the fair market value of the leased premises valued as unimproved land and unburdened by all leases or sub-leases. Fifth, balance to Lessee. If the parties are unable to agree as to the allocation of the award, the matter shall be submitted to arbitration as provided herein.

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C) Substantial Taking.

1) If the taking is substantial under the definition appearing above, Lessee may by notice to Lessor, within thirty (30) days after Lessee receives notice of intended taking, elect to treat the taking as a substantial taking. If the Lessee does not so notify the Lessor the taking shall be deemed a partial taking. If the Lessee gives such notice and the Lessor gives Lessee notice disputing Lessee's contention within thirty (30) days following Lessee's notice the dispute shall be promptly determined by arbitration. If the Lessor gives no such notice, the taking shall be considered a substantial taking. A substantial taking shall be treated as a total taking if:

a) Lessee delivers possession to Lessor within thirty (30) days after determination that the taking was a substantial taking, and

b) Lessee is not in default under the lease and has complied with all lease provisions concerning apportionment of the award. If these conditions are not met, the taking shall be treated as a partial taking.

D) Partial Taking.

1) On a partial taking this lease shall remain in full force and effect, covering the remaining property, except that the net rent shall be reduced in the same ratio as the value of the portion of the premises taken after deducting expenses of collection, including any attorney's fee and restoration costs, bears the value of the total premises, including improvements then in existence. In the event the Lessor and Lessee are unable to agree as to such reduction, the matter shall be submitted to arbitration.

2) On a partial taking all sums, including damages and interest, awarded for the fee title or the leasehold or both, shall be distributed and disbursed in the following order of priority. First, to the cost of restoring

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the leasehold improvements. Second, to the Lessor, a sum equal to the value of the premises taken valued as unimproved land exclusive of improvements and unburdened by all leases and sub-leases. Third, to Lessor any expenses or disbursements reasonably and necessarily incurred or paid by or on behalf of Lessee for or in connection with the condemnation proceedings. Fifth, to leasehold mortgagee, a sum equal to any decrease in its security resulting from the taking. Sixth, to the Lessor any residue. In the event the parties are unable to agree as to the above apportionment, the matter shall be submitted to arbitration.

XV. ASSIGNMENT OR SUBLETTING

The Lessee shall not assign or transfer this Lease or any interest therein nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding in any court or otherwise, without first obtaining the written consent of the Lessor. Any assignment of this lease by the Lessee shall not relieve the Lessee of any of its duties or obligations hereunder. If the Lessee is a corporation, then any merger, consolidation or liquidation to which it may be a party, or any change in the ownership of or power to vote the majority of its outstanding voting stock, shall constitute an assignment or transfer of this lease for the purposes of this paragraph. The Lessor shall not unreasonably withhold his consent to an assignment or subletting. It is understood that an assignment of this lease by the Lessee for security purposes to its mortgagee under the mortgage to which the Lessor subordinates its interest, shall not be construed as an assignment in violation of this provision.

XVI. ARBITRATION

Arbitration may be required only for matters for which arbitration is authorized in this Lease. The award, or decision of the arbitrators shall be final and binding on both parties hereto. Arbitration is initiated and required by giving notice, specifying the matter to be arbitrated. There shall be three arbitrators appointed as follows:

1) Within twenty (20) days after notice requiring arbitration, each party shall appoint one (1) arbitrator and give notice of the appointment to the other party.

2) The two (2) arbitrators shall choose the third arbitrator within twenty (20) days after appointment of the second.

3) If either party fails to appoint an arbitrator or if the two (2) arbitrators fail to choose a third, the appointment shall be made by the then presiding judge of the Superior Court for the county in which the premises are located, acting in his individual and non-official capacity on the application of either party and on ten (10) days notice to the other party. All arbitrations shall thereafter be conducted in conformity with the terms of Chapter 7.04 of the Revised Code of Washington, or such other code as may in the future be enacted concerning arbitration in the State of Washington.

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XVII. OWNERSHIP OF IMPROVEMENTS AT TERMINATION

A) Reversion to Lessor.

All improvements on the premises at the expiration of the term or sooner termination of this lease, shall without compensation to Lessee then become Lessor's property free and clear of all claims to or against them by Lessee or any third person, and Lessee shall defend and indemnify Lessor against all liability and loss arising from such claims or from Lessor's exercise of the rights conferred by this paragraph.

B) Lessee's Duty to Surrender.

At the expiration or earlier termination of the term, Lessee shall surrender to Lessor the possession of the premise. Surrender or removal of improvements, fixtures, trade fixtures, and improvements shall be as directed in provisions of this lease on ownership of improvements at termination. Lessee shall leave the surrendered premises and any other property in good and broom clean condition except as provided in any contrary provisions of this lease on maintenance and repair of improvements. All property that Lessee is required to surrender shall become Lessor's property at termination of the Lease. All property that Lessee is not required to surrender but that Lessee does abandon shall, at Lessor's election become Lessor's property at termination.

If Lessee fails to surrender the premises at the expiration or sooner termination of this lease, Lessee shall defend and indemnify Lessor from all liability and expense resulting from the delay or failure to surrender, including without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.

XVIII. EASEMENT AGREEMENT

Throughout the term of this lease the Lessee does grant to the Lessor an easement for ingress and egress over and across that portion of the leased premises indicated in red on the plot

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plan which is Exhibit "B" to this lease agreement, which easement is for the use and benefit of the property contiguous to the leased premises and northerly and westerly thereof. Throughout the lease term neither the Lessee nor its successors or assigns shall perform any act which would in any way hinder or inhibit the free travel by the Lessor or its assignees over and across the easement granted herein, nor shall the Lessee place any improvements upon the said easement except for asphalt road surfacing.

XIX. LESSOR'S NON-LIABILITY

Lessor shall not be liable and Lessee shall defend and indemnify Lessor against all liability and claims of liability for damage or injury to person or property on or about the premises from any cause. Lessee waives all claims against Lessor for damage or injury to person or property arising or asserted to have arisen from any cause whatsoever.

XX. NO RESTAURANT

Lessee shall not, at any time during the lease term, directly or indirectly construct or operate or cause to be constructed or operated any form of restaurant or cocktail lounge, or any business which might be construed as in competition with the restaurant on the adjoining premises. This paragraph shall not, however, be construed as preventing Lessee from supplying coffee, tea, soft drinks, ice, or cigarettes to its tenants.

XXI. GENERAL TERMS

A) It is agreed that this writing contains the entire agreement between the parties and there have been no other agreements, warranties or representations except as herein contained.

B) Both parties agree to execute a short-form lease for recording purposes, which short-form lease shall not contain any terms or conditions which are contrary to the terms contained herein.

C) Any and all parties to this agreement shall sign any and all documents necessary to carry out the purposes and intentions of this lease.

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D) In the event of a breach of any of the terms or conditions of this Lease, the breaching party shall be liable to the injured party for any and all costs, including reasonable attorneys' fees reasonably necessary incurred to enforce the terms of this lease, plus any and all damages which flow from the said breach.

E) Notices required herein shall be sent by registered mail, return receipt requested, to the Lessor at 36 - 157th Avenue Southeast, Bellevue, Washington 98008, and to the Lessee at 13375 Southwest Henry, Beaverton, Oregon 97005. Either party hereto may by notice in writing specify a new address to which notices are to be sent.

F) The Lessor and its agents shall have the right to inspect the premises at all reasonable times and to enter the same whenever it is reasonably necessary for the exercise of any right or privilege of the Lessor under this lease. Lessor shall have the right to place and maintain "for rent" signs in conspicuous places on the premises for sixty (60) days prior to the expiration or sooner termination of this lease.

G) Lessee and Lessor hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage and endorsements thereto, provided, however, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Lessor or Lessee.

H) All terms, conditions, covenants and agreements of this lease shall extend to and be binding upon Lessor, Lessee and their respective heirs, administrators, executors, personal representatives, successors and assigns and upon any person, firm or corporation, coming into ownership or possession of any interest in the premises by operation of law or otherwise and shall be construed as covenants running with the land.

I) It is understood and agreed that it may be contemplated in the future by the Lessor that certain adjoining areas may be or become common areas and other businesses may be or become conducted thereon. The Lessee agrees to cooperate and enter into any reasonable agreements as may be necessary concerning the maintenance, occupation, use and control of any such prospective common areas.

J) Lessee and Lessor further agree that during the term of this lease, and any extensions thereof, they will not place any barriers on or about the boundaries of the demised premises which would in any way inhibit the flow of traffic to and from the contiguous land. The parties will cooperate with respect to parking area design and traffic control patterns which may be required as a result of future development of adjoining properties.

K) The invalidity of illegality of any provision shall not affect the remainder of the lease.

L) If either Lessor or Lessee consists of more than one (1) person, the obligation of all such persons is joint and several. Wherever appropriate the single shall include the plural and masculine, feminine and neuter gender shall be interchangeable.

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IN WITNESS WHEREOF, the parties have hereto set their hands and seals the day and date first above written.

LESSEE

George L. Beauregard
George L. Beauregard

Dorothy J. Beauregard
Dorothy J. Beauregard

Dennis Kranz
Dennis Kranz

LESSOR

William G. Springer
William G. Springer

Helen M. Springer
Helen M. Springer

STATE OF Oregon }
COUNTY OF Washington } ss

On this day before me, personally appeared GEORGE L. BEAUREGARD and DOROTHY J. BEAUREGARD, his wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 11th day of May, 1977.

Carol Osborne
NOTARY PUBLIC in and for the State of Oregon, residing at Beaverton
My commission expires 5-7-78.

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STATE OF Oregon)
COUNTY OF Washington) ss

On this day before me, personally appeared DENNIS KRANZ, a single man, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 11th day of May, 1977.

Carol Osborne
NOTARY PUBLIC in and for the State of Oregon, residing at Deerport
My commission expires 5-7-78

STATE OF WASHINGTON)
COUNTY OF K I N G) ss

On this day before me, personally appeared WILLIAM G. SPRINGER and HELEN M. SPRINGER, his wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 11th day of May, 1977.

Elenora Bryan
NOTARY PUBLIC in and for the State of Washington, residing at Seattle

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EXHIBIT "A"

East 380 feet of the South 380 feet of the North 590 feet of the Southeast Quarter of the Northeast Quarter of Section 13, Township 22. Range 4 E.W.M., less the East 240 feet of the South 250 feet thereof and less the South 70 feet thereof except portion deeded for P.S.H. #5 by deed recorded under Auditor's File No. 5499517, subject to easement of record and subject to easement for ingress and egress approximately 85 feet in length on the Northwest corner thereof 30 feet in width at its maximum and parallel to the Right of-Way for State Sign Route 167 commonly known as the Valley Freeway.

J.R. DEK
11/18
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AGB

EXHIBIT C

LANDLORD CONSENT TO ASSIGNMENT OF LEASE

THIS LANDLORD CONSENT TO ASSIGNMENT OF LEASE ("Consent") is hereby made and given and delivered this 10 of March, 2020 to KING COUNTY, a political subdivision of the State of Washington ("Assignee") and ROYAL K GROUP LLC, a Washington limited liability company ("Assignor") by WILLIAM G. SPRINGER MARITAL TRUST ("Landlord").

RECITALS

- A. Assignor is the tenant under that certain unrecorded lease by and between George L. Beauregard and Dorothy J. Beauregard, his wife, and Dennis Kranz, a single man, and William G. Springer and Helen M. Springer, his wife, dated May 11, 1977, as amended by that unrecorded Lease Amendment dated December 6, 1978; further amended by that Memorandum of and Addendum to Lease dated December 23, 1986 and recorded under King County Rec. No. 8702041912; further amended by that unrecorded Third Lease Amendment dated April 15, 1987; and further amended by that unrecorded Fourth Lease Amendment dated April 1, 1990; and assigned pursuant to that certain Personal Representative's Deed dated August 2, 2002 and recorded under King County Rec. No. 20020808002163; and as assigned by that Assignment of Lease dated December 30, 1994 and recorded under King County Rec. No. 9508241359; further assigned by that Second Assignment of Lease dated May 9, 1997; further assigned by that Third Assignment of Lease dated May 21, 1997 and recorded under King County Rec. No. 9705211116; further assigned by that Fourth Assignment of Lease dated September 22, 2004 and recorded under King County Rec. No. 20040922002560; further assigned by that Fifth Assignment of Lease dated August 21, 2015 and recorded under King County Rec. No. 20150824001728 (collectively, the "Lease"), concerning certain real property legally described on the attached Exhibit A.
- B. Assignee desires to purchase the assets of Assignor, which consist of a hotel and other personal property constructed upon the real property that is subject to the Lease, together with its interests as tenant under the Lease, and Assignor desires to convey and assign said assets to Assignee. Landlord desires to consent to the assignment from Assignor to Assignee.

CONSENT

1. Landlord hereby consents to the assignment of the Lease, and upon assignment, the Lease shall continue in full force and effect and Assignee shall assume all rights and obligations as tenant thereunder on and after the assignment, which shall occur no later than March 15, 2020. Landlord and Assignee shall confirm the date of assignment in writing within five (5) days of the assignment becoming effective.

2. Immediately upon assignment of the Lease to Assignee and as a condition of such assignment, Assignee shall pay to Landlord a sum of Sixteen Thousand Six Hundred Dollars (\$16,600.00) as consideration for Landlord's consent.

3. Assignee agrees to indemnify, defend, and hold Landlord harmless as provided herein to the maximum extent possible under law. Accordingly, the Assignee agrees for itself, its agents, contractors, successors, and assigns, to defend, indemnify, and hold harmless Landlord, its trustee, beneficiaries, members and agents, from and against liability for all claims, demands, suits, administrative actions, penalties, and judgments, including costs of defense and attorney fees thereof, directly caused by, or directly arising out of, Assignee's use of the Premises under the Lease, except to the extent caused by the acts or omissions of Landlord. The Assignee's obligations under this indemnification shall include the duty to promptly accept tender of defense and provide defense to the Landlord at the Assignee's expense.

The provisions of this indemnification shall survive the expiration or termination of the Lease with respect to any event that occurs prior to, or on the date of, such expiration or termination.

4. Assignee agrees to amend the Lease upon the written request from Landlord and remove that certain area known as Lot 1 from the Premises under Lease at any time during the term thereof.

5. This Consent may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

THEREFORE, Landlord hereby consents to the assignment of the Lease to Assignee.

SIGNATURE PAGES TO FOLLOW

Acknowledged and agreed as of the date set forth above.

LANDLORD:

WILLIAM G. SPRINGER MARITAL TRUST

By: See Attached
Name: _____
Title: _____
Date: _____

ASSIGNOR:

ROYAL K GROUP LLC,
a Washington limited liability company

By: [Signature]
Name: KULVINDER JOHAL
Title: MANAGER MEMBER
Date: 3-6-2020

ASSIGNEE:

KING COUNTY,
A political subdivision of the State of Washington

By: [Signature]
Name: Anthony O. Wright, Director
Title: Facilities Management Division
Date: 3-4-2020

Approved as to Form:
[Signature]
Senior Deputy Prosecuting Attorney

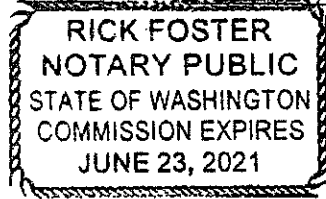
Acknowledged and agreed as of the date set forth above.

LANDLORD:

WILLIAM G. SPRINGER MARITAL TRUST

By: Mark W. Springer
Name: MARIC W. SPRINGER
Title: TRUSTEE
Date: 03-05-2020

STATE OF WASHINGTON
COUNTY OF SNOHOMISH
SIGNED OR ATTESTED BEFORE ME
ON 03/05/2020 BY Mark Springer
NOTARY PUBLIC [Signature]
NAME PRINTED Rick Foster
MY APPOINTMENT EXPIRES 06/23/2021



ASSIGNOR:

ROYAL K GRUP LLC,
a Washington limited liability company

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNEE:

KING COUNTY,
A political subdivision of the State of Washington

By: _____
Name: _____
Title: _____
Date: _____

Approved as to Form:

Senior Deputy Prosecuting Attorney

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EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

Lots 1 and 2 of City of Kent Short Plat No. SP-77-31, (also being known as Springer's Short Subdivision), according to the short plat thereof recorded March 24, 1978 under Recording Number 7803240812, and all amendments thereto, records of King County, Washington.

Situate in the County of King, State of Washington.

EXHIBIT D

**BILL OF SALE, ASSIGNMENT OF WARRANTIES AND CONTRACTS AND
CONVEYANCE**

THIS BILL OF SALE, ASSIGNMENT OF WARRANTIES AND CONTRACTS AND CONVEYANCE (this "Instrument") made, delivered, and effective on the 10 day of March, 2020 (the "Effective Date"), by and from ROYAL K GROUP LLC, a Washington limited liability company (the "Seller"), to KING COUNTY, a political subdivision of the State of Washington (the "Buyer"), made pursuant to and in concert with that certain Assignment and Landlord Consent to Assignment of Agreement, dated March 5, 2020 (the "Consent Agreement").

WITNESSETH

The Seller, for and in consideration of the sum of Four Million Dollars (\$4,000,000.00) and other good and valuable considerations, the receipt and sufficiency of all of which is hereby recited and acknowledged, does, as of the date Landlord grants consent to assign Seller's leasehold interest, grant, bargain, sell, convey, assign, transfer, set over and deliver unto the Buyer the following rights, titles, estates and interests (all of which are herein called the "Subject Interests"):

- A. All right, title, interest and estate of the Seller in and to:
- (1) All buildings, structures, outbuildings, accessory structures and dwellings of every kind; and
 - (2) All items of equipment, machinery, furniture, office furniture, vehicles and other personalty; and
 - (3) All inventory, and all personal property that has been used, is capable of being used, or is otherwise held in connection with the business of the Seller and located on the Real Property described on the attached Exhibit "A" (the "Real Property"); and owned, leased, held on consignment or otherwise held by the Seller that is associated with Seller's Business and located on the Real Property; and
 - (4) All contracts with customers and suppliers and other agreements; and
 - (5) All of Seller's interest in (a) all warranties and guarantees received in connection with the Real Property and Seller's business and the Subject Interests; (b) all permits; and (c) any and all other rights, privileges and appurtenances now owned or hereafter acquired by Seller in connection with the operation of Seller's business and the Real Property. Seller hereby represents and warrants to Buyer that Seller has title to and holds the entire interest in Seller's business and the Subject Interests (other than the fee simple interest) and that the Subject Interests are hereby transferred free and clear of any liens, exceptions and encumbrances whatsoever, to the extent that such liens, exceptions and encumbrances were caused by, or attributable to, Seller.

TO HAVE AND TO HOLD the Subject Interests, together with all and singular the rights, privileges and appurtenances in any way belonging thereto, unto the Buyer and the Buyer's successors and assigns forever.

The Seller hereby grants and transfers unto the Buyer full power and right of substitution and subrogation in and to all covenants and warranties (including, without limitation, covenants and warranties as to any title), if any, by others heretofore given or made in respect of the Subject Interests or any part thereof.

The Seller further covenants and agrees that it will at any time and from time to time after the date of this Instrument, upon the written request of the Buyer, execute, acknowledge, deliver and perform, or cause to be executed, delivered, or performed, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required for the better vesting and confirming unto the Buyer of the title to and possession of any and all of the Subject Interests acquired by the Buyer from the Seller hereunder.

The Subject Interests are assigned to Buyer with any and all warranties and guarantees.

[signature page follows]

Dated as of the date first written above.

SELLER:

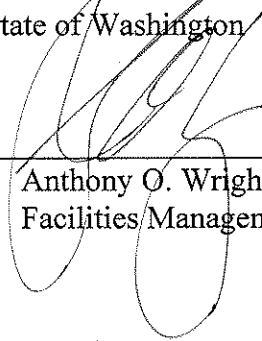
ROYAL K GROUP LLC
A Washington limited liability company

By: 

Name: KULVINDER JOHAL
Its: MANAGER. MEMBER.

BUYER:

KING COUNTY
A Political Subdivision of
The State of Washington

By: 
Anthony O. Wright, Director
Facilities Management Division

APPROVED AS TO FORM:

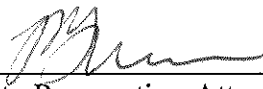
By: 
Senior Deputy Prosecuting Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Lots 1 and 2 of City of Kent Short Plat No. SP-77-31, (also being known as Springer's Short Subdivision),
according to the short plat thereof recorded March 24, 1978 under Recording Number 7803240812, and
all amendments thereto, records of King County, Washington.

Situate in the County of King, State of Washington.

EXHIBITE

AFTER RECORDING, RETURN TO:

KING COUNTY
Facilities Management Division
500 Fourth Avenue, Room 800
Seattle, WA 98104

QUIT CLAIM DEED

(Econo Lodge Kent)

GRANTOR: **ROYAL K GROUP LLC**

GRANTEE: **KING COUNTY**

ABBREVIATED LEGAL: **LTS. 1 & 2, C/KENT SHPLT NO. SP-77-31, REC. NO. 7803240812, IN KING CTY., WA**
(Complete Legal Description on Exhibit A)

TAX PARCEL NO(S): **132204-9158-06; 132204-9220-00**

REFERENCED DOCUMENTS: **8702041912; 9508241359; 9705211116; 20020808002163; 20040922002560; and 20150824001728**

ROYAL K GROUP LLC, a Washington limited liability company, for and in consideration of ten dollars and other valuable consideration, conveys and quitclaims to **KING COUNTY**, a political subdivision of the state of Washington, (i) the building(s) and all improvements, fixtures, building systems, equipment and interests owned by Grantor and located on the real property, situated in King County, Washington, described on the attached **Exhibit A**, by this reference incorporated as if fully set forth herein, including but not limited to that provided under that certain lease dated May 11, 1977, as amended and as previously assigned, as described on the attached **Exhibit B**, by this reference incorporated as if fully set forth herein. This conveyance is subject to exceptions, covenants, restrictions, charges and easements of record

[SIGNATURE PAGE FOLLOWS]

EXHIBIT A

LEGAL DESCRIPTION

Lots 1 and 2 of City of Kent Short Plat No. SP-77-31, (also being known as Springer's Short Subdivision), according to the short plat thereof recorded March 24, 1978 under Recording Number 7803240812, and all amendments thereto, records of King County, Washington.

Situate in the County of King, State of Washington.

QUIT CLAIM DEED

EXHIBIT A

EXHIBIT B

LEASE

Grantor is the tenant under that certain unrecorded lease by and between George L. Beauregard and Dorothy J. Beauregard, his wife, and Dennis Kranz, a single man, and William G. Springer and Helen M. Springer, his wife, dated May 11, 1977, as amended by that unrecorded Lease Amendment dated December 6, 1978; further amended by that Memorandum of and Addendum to Lease dated December 23, 1986 and recorded under King County Rec. No. 8702041912; further amended by that unrecorded Third Lease Amendment dated April 15, 1987; and further amended by that unrecorded Fourth Lease Amendment dated April 1, 1990; and assigned pursuant to that certain Personal Representative's Deed dated August 2, 2002 and recorded under King County Rec. No. 20020808002163; and as assigned by that Assignment of Lease dated December 30, 1994 and recorded under King County Rec. No. 9508241359; further assigned by that Second Assignment of Lease dated May 9, 1997; further assigned by that Third Assignment of Lease dated May 21, 1997 and recorded under King County Rec. No. 9705211116; further assigned by that Fourth Assignment of Lease dated September 22, 2004 and recorded under King County Rec. No. 20040922002560; further assigned by that Fifth Assignment of Lease dated August 21, 2015 and recorded under King County Rec. No. 20150824001728, concerning certain real property legally described on the attached Exhibit A.

EXHIBIT F

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Royal K Group LLC ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 47-3969282; and
4. Transferor's office address is ~~10058 SE 218TH Place, Kent, WA 98031~~
5323, HIGHLAND DRIVE SE, AUBURN, WA 98092.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this 6 day of March 2020.

Transferor:

Royal K Group LLC, a Washington limited liability company

By: 

Name: Kulvinder Johal

Title: Member