

SECOND LEASE AMENDMENT

THIS SECOND LEASE AMENDMENT made and executed as of the 15th day of April, 1987 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 parties hereto on the 11th day of May, 1977 entered into a Ground Lease on the real property located in the City of Kent, King County, Washington, which property is described in Exhibit A to this agreement, and,

WHEREAS, the parties desire to change some of the terms of the original lease agreement under the terms and conditions set out herein,

NOW THEREFORE:

In consideration of the mutual covenants and agreements provided herein, it is agreed as follows:

I

That the Lessee shall supply the Lessor with documentation satisfactory in form to the Lessor and duly recorded evidencing the release of the lien on the property in favor of Lessee's lender to which the interest of the Lessor has been subordinated. If the Lessee shall fail to supply the above documentation, this lease amendment shall be null and void and the unmodified terms of the original lease shall remain in full force and effect.

II

Provided that the conditions of Paragraph I above have been met, the original lease shall be amended as follows:

III

Paragraph IX of the lease entitled Financing and Subordination shall be deleted in its entirety and a new Paragraph IX shall be substituted as follows:

IX FINANCING AND SUBORDINATION; The Lessor shall not be required to subordinate its fee interest in the property to the security interest of Lessee's lender, and Lessee shall at no time subject the Lessor's ownership interest in the property to debts or liens of any sort whatsoever.

IV

That Paragraph XV of the original lease entitled Assignment and Subletting shall be deleted in its entirety and its place a new Paragraph XV shall read as follows:

XV ASSIGNMENT AND SUBLETTING: Lessees shall have the right to assign this lease at any time to any assignee of good character, reputation, and financial responsibility. Before such assignment is made, Lessees shall furnish Lessors full information concerning any proposed assignee, and Lessors shall have a period of 30 days to investigate the qualifications of the prospective assignee. The Lessee shall not assign or transfer its leasehold interest or any portion thereof 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. 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 its consent to such assignment or subletting. Such consent, once obtained, shall operate to discharge the assignor Lessee from any further obligation under this lease. No such assignment shall operate to modify any of the terms of this lease except the identity of the Lessee. In the event that the Lessee feels that such consent is being unreasonable withheld, the matter of reasonableness shall be decided by arbitration under the provisions of Paragraph XVI of this Lease.

All of the other terms of the original lease as modified by the first lease amendment shall remain in full force and effect.

LESSOR:

William G. Springer
WILLIAM G. SPRINGER

Helen M. Springer
HELEN M. SPRINGER

LESSEE:

George L. Beauregard
GEORGE L. BEAUREGARD

Dorothy J. Beauregard
DOROTHY J. BEAUREGARD

Dennis B. Kranz
DENNIS B. KRANZ

STATE OF Washington)
County of King) 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 on May 27, 1987.

Elise L. Oanskow
NOTARY PUBLIC in and for the
State of Washington, residing
at Bellevue.

STATE OF OREGON)
)
County of Washington)

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 on April 15, 1987.

Kristine A. Johnson
NOTARY PUBLIC in and for the
State of Oregon, residing
at Hillsboro.

STATE OF OREGON)
)
County of Washington)

On this day before me personally appeared DENNIS B. KRANZ, a single man, to me known to be the individual 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 on April 15, 1987.

Kristine A. Johnson
NOTARY PUBLIC in and for the
State of Oregon, residing
at Hillsboro.

EXHIBIT "A"

Those portions of Lots 3 through 6, inclusive, and Lots 10 through 14, inclusive, in Block 7 Northlake Terrace Addition according to plat recorded in Volume 33 of Plats, Page 20, in King County, Washington described as follows:

Beginning at the Southeast corner of said Lot 6; South $87^{\circ}49'51''$ West, a distance of 169.40 feet; thence North $0^{\circ}14'08''$ West, a distance of 218.70 feet; thence North $89^{\circ}45'52''$ East, a distance of 233.50 feet; thence South $2^{\circ}52'54''$ West, a distance of 95.0 feet; thence South $73^{\circ}13'53''$ West, a distance of 55.20 feet; thence South $2^{\circ}52'54''$ East, a distance of 100.00 feet to the point of beginning.

SUBJECT TO: Easement for sanitary sewers recorded May 11, 1965 under Auditors File No. 5877346.