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MASTER LEASE

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by and between

ELKS TEMPLE PROPERTIES LLC,

a Washington limited liability company

(as Landlord)

and

ELKS LODGE MASTER TENANT LLC,

a Washington limited liability company

(as Tenant)

September \_\_, 2017

MASTER LEASE

THIS MASTER LEASE (this “**Lease**” or this “Master Lease”) is made and entered into as of September \_\_, 2017 (the “**Effective Date**”), by and between **ELKS LODGE MASTER TENANT LLC**, a Washington limited liability company (the “Tenant”), and **ELKS TEMPLE PROPERTIES LLC**, a Washington limited liability company (the “Landlord”).

RECITALS

WHEREAS, the Landlord is the fee simple owner of certain land more particularly described in Exhibit A attached hereto (the “**Land**”), together with the building thereon known as the Elks Temple Building (the “**Building**”) situated at 565 South Broadway, Tacoma, Washington (Landlord’s fee simple interest in the Land, the Building and all appurtenances, easements, rights of way and other rights belonging to or in any way pertaining thereto, the “**Property**”);

WHEREAS, the Landlord intends to rehabilitate the Building in a manner that qualifies for the historic rehabilitation tax credit allowed for qualified rehabilitation expenditures incurred in connection with the “certified rehabilitation” of a “certified historic structure” (the “**Historic Tax Credits**”) pursuant to Section 47 of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law (the “**Code**”);

WHEREAS, the Landlord has received (i) a construction loan for the Building in the original principal amount of $17,250,000.00 (the “**Construction Loan**”) from HomeStreet Bank, a Washington banking corporation (the “**Construction Lender**”);

WHEREAS, the Tenant has been formed to lease the Property from the Landlord pursuant to the terms hereof, and to hold, maintain, operate, and sell or otherwise dispose of its interest in the Property hereunder (the “Leasehold Interest”);

WHEREAS, the Landlord and the Tenant have executed or will execute that certain Credit Pass-Through Agreement (the “Pass-Through Agreement”) of even date herewith pursuant to which the Landlord will elect under Section 50 of the Code to pass-through to the Tenant the Historic Tax Credits, to which the Landlord is otherwise entitled as a result of the rehabilitation of the Building; and

WHEREAS, pursuant to that certain Operating Agreement of the Tenant of even date herewith (the “Tenant’s Operating Agreement”), The Sherwin-Williams Company, an Ohio corporation (“Sherwin-Williams”), has acquired an interest in the Tenant.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Landlord and the Tenant hereby agree as follows:

1. DEFINED TERMS

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Tenant’s Operating Agreement as the same is being executed as of the date hereof, a copy of which is being delivered to the Tenant simultaneously herewith. In addition to the defined terms set forth above in the Recitals to this Master Lease, the following defined terms used herein shall have the meanings specified below:

“Additional Rent” has the meaning set forth in Section 4.3.

“Architect” means Ankrom Moisan Associated Architects, or such firm as may be engaged by the Landlord to provide architectural services in connection with the Project.

“Bankruptcy” or “Bankrupt” as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 90 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of its assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates its approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 90 days.

“Bankruptcy Code” shall mean Title 11 of the United States Code.

“Base Rent” has the meaning set forth in Section 4.1.

“Building” has the meaning set forth in the Recitals.

“Certification Application” means for the Property, the Historic Preservation Certification Application provided for in Title 36 of the Code of Federal Regulations, Part 67.

“Charges” has the meaning set forth in Section 5.1.

“City” has the meaning set forth in the Recitals.

“Closing” means the date on which this Master Lease is fully executed and delivered by both the Landlord and the Tenant.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law.

“Commencement Date” means the day prior to the first date on which any portion of the Property is placed in service for purposes of the Historic Tax Credits.

“Commercial Sublease” means any sublease, license, use agreement or other agreement with the Tenant, as landlord, for the use or occupancy of any portion of the Leasehold Interest other than as “residential rental property” (as that term is defined in Section 168 of the Code).

“Completion” has the meaning set forth in Section 3.3.

“Condemnation Award” means the aggregate amount of any condemnation award or awards payable with respect to a Taking, whether by agreement or pursuant to a judgment or otherwise, including consequential damages, with any interest on such amount, net of any unreimbursed costs and expenses of collecting the same.

“Consent” means prior written consent or approval, as the context may require, to do the act or thing for which the consent is solicited.

“Contractor” means Andersen Construction, which is the general contractor for the Project.

“**Construction Loan**” means the construction loan to be provided by HomeStreet Bank, a Washington banking corporation, to Landlord in the original principal amount of $17,250,000.00.

“Construction Contracts” means those construction contracts (including all exhibits and attachments thereto) that have or will be entered into between the Landlord and the Contractor for remediation, site work, and rehabilitation of improvements on the Property as such contracts may be amended from time to time, pursuant to which the Property is being rehabilitated and improved.

“Designated Prime Rate” means the prime commercial rate of interest as published from time to time in The Wall Street Journal, or such other source as the parties may agree, adjusted as such rate adjusts.

**“Disqualified Transferee”** means any of the following:

* + 1. a tax exempt organization described in Section 50(b)(3) of the Code unless the property is used by such organization predominantly in an unrelated trade or business the income of which is subject to tax under Section 511 of the Code;
		2. the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing;
		3. a foreign person or entity (as defined in Section 168(h)(2)(C) of the Code) unless more than 50 percent of the gross income derived by the foreign person or entity is subject to U.S. tax or included under Section 951 of the Code in the gross income of a United States shareholder for the taxable year with or within which ends the taxable year of the controlled foreign corporation in which such income was derived;
		4. a mutual savings bank, cooperative bank, or domestic building and loan association to which Section 593 of the Code applies;
		5. a regulated investment company or real estate investment trust subject to taxation under subchapter M, Chapter 1 of the Code (but not including a “taxable REIT subsidiary,” as defined in Section 856(1) of the Code; or a cooperative organization described in Section 1381(a) of the Code.

 “Environmental Laws” means the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. § 9601 et seq., and/or the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., and the applicable provisions of applicable Washington statutes, each as amended from time to time and any other federal, state, or local statute, code, ordinance, rule, regulation, permit, consent, approval, license, judgment, order, writ, judicial decision, common law rule, decree, agency interpretation, injunction or other authorization or requirement whenever promulgated, issued, or modified, including the requirement to register underground storage tanks, relating to:

(i) emissions, discharges, spills, releases, or threatened release of pollutants, contaminants, Hazardous Substances (as hereinafter defined), materials containing Hazardous Substances, or hazardous or toxic materials or wastes into ambient air, surface water, groundwater, watercourses, publicly or privately owned treatment works, drains, sewer systems, wetlands, septic systems or onto land; or

(ii) the use, treatment, storage, disposal, handling, manufacturing, transportation, or shipment of Hazardous Substances, materials containing Hazardous Substances or hazardous and/or toxic wastes, material, products, or by-products (or of equipment or apparatus containing Hazardous Substances).

“Environmental Reports” shall mean the reports listed on Schedule C of the Tenant Operating Agreement.

“Event of Default” has the meaning set forth in Section 10.1.

“Force Majeure” means acts of God, fire, storm, strikes, blackouts, labor disputes, riot or civil insurrection, terrorism, inability to obtain materials, equipment or labor, or unusual weather conditions.

“Hazardous Substance” means (i) hazardous materials, hazardous wastes, and hazardous substances as those terms are defined under any applicable Environmental Laws, (ii) petroleum and petroleum products including crude oil and any fractions thereof, (iii) natural gas, synthetic gas, and any mixtures thereof, (iv) asbestos and/or any material which contains any hydrated mineral silicate, including but not limited to chrysolite, amosite, crocidolite, tremolite, anthophylite, and/or actinolite, whether friable or non-friable, (v) PCBs, or PCB-containing materials or fluids, (vi) radon, (vii) any other hazardous, radioactive, toxic, or noxious substance, materials, pollutant, or solid, liquid or gaseous waste, and (viii) any substance with respect to which a federal, state or local agency requires environmental investigation, monitoring, or remediation.

“Historic Tax Credits” has the meaning given such term in the Recitals.

“HTC Recapture Period” means the time period commencing on the Commencement Date and ending upon December 31st of the year in which the fifth anniversary of the date on which the last QREs with respect to the Property are placed in service occurs, or any longer time period during which Historic Tax Credits attributable to the Property are subject to recapture pursuant to the Code.

“Impositions” has the meaning set forth in Section 5.2.

“**Initial** Term” means the term commencing on the Commencement Date and ending on the day preceding the thirty-second (32nd) anniversary of the date of the Commencement Date, unless sooner terminated as provided for herein.

“Insurance Proceeds” means the proceeds obtained under any insurance policy the Tenant maintains with respect to the Property, net of the unreimbursed costs and expenses incurred in the collection of such proceeds.

 “Landlord’s Work” means the rehabilitation and development of the Property (including tenant improvements) in accordance with: (i) all applicable requirements of any Mortgage Loans and the Property Documents, (ii) all Legal Requirements, (iii) the Certification Application and the Part 2 Approval; and (iv) the Plans and Specifications, except for minor and insubstantial details of construction or mechanical adjustment, the non-completion of which will not unreasonably interfere with Tenant’s use of the Property or any requirements of (i), (ii), or (iii) above.

“Lease Year” means, in the case of the first lease year, the period from the Commencement Date through December 31st of the year which includes the Commencement Date; thereafter, each successive twelve-calendar month period following the expiration of the first lease year of the Term; except that in the event of the termination of this Master Lease on any day other than the last day of the last Lease Year then such Lease Year shall be the period commencing with the day following the end of the preceding Lease Year through and including the date of termination.

“Legal Requirements” shall mean all laws, statutes, ordinances, orders, rules, regulations and requirements of all federal, state and local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities and the appropriate officers, departments, and boards thereof applicable to the Property.

“Lender” shall mean the holder or holders from time to time of any Mortgage Loan made with respect to the Property, and shall include, without limitation, the Construction Lender.

“Master Lease Payment” has the meaning set forth in Section 4.3.

“Monthly Base Rent” has the meaning set forth in Section 4.1.

“Mortgage” means any mortgage, deed of trust, or similar instrument(s) encumbering the Property which secures repayment of any Mortgage Loan(s), or any refinancing or replacement of any Mortgage Loan(s), or any additional financing obtained by the Landlord in accordance with the provisions of this Master Lease.

“Mortgage Loan” means any loan from a Lender to the Landlord, which loan is or will be secured by a Mortgage, and shall include the Construction Loan.

“Mortgage Loan Documents” means, collectively, any Mortgage securing a Mortgage Loan, the promissory note(s) evidencing the indebtedness thereunder, the loan agreement(s) governing any such loan, and all other documents, instruments, and agreements that evidence, govern, or secure any Mortgage Loan.

“Mortgage SNDA” means a Subordination, Nondisturbance, and Attornment Agreement among a Lender, the Landlord and the Tenant, pursuant to which this Master Lease is subordinated to a Mortgage and any Mortgage Loan Documents.

“Notice” means a written notice containing the information required by this Master Lease to be communicated to the Landlord or the Tenant, as the case may be, and addressed and delivered in accordance with the provisions of Section 13.9 of this Lease.

“Operating Expenses” mean all expenses of operation of the Property and the Tenant, including without limitation, costs of utilities, maintenance, repairs and necessary replacements, real estate taxes, insurance premiums, professional and management fees, miscellaneous expenses, and any deposit to cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by Landlord, Tenant or Landlord’s Lenders to enable the Tenant to perform its obligations under this Lease.

“Operating Revenue” means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property, or arising from the use or enjoyment of the Property, including all such amounts paid under or arising from any sublease and all fees, charges, accounts or other payments for the use or occupancy of units or other facilities within the Property, including proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to such Property, in each case whether now or hereafter existing or arising.

“Part 1 Approval” means (i) the preliminary determination of eligibility for individual listing on the National Register of Historic Places of the Building, or (ii) the determination by the National Park Service pursuant to Part 1 of the Certification Application that the Building is a “certified historic structure” as provided for in Section 47(c) (3) (A) (ii) of the Code.

“Part 2 Approval” means the approval by the National Park Service dated January 6, 2011, and related to the Property.

“Part 3 Approval” means the determination by the National Park Service, pursuant to Part 3 of the Certification Application, that the completed rehabilitation of the Building is a “certified rehabilitation” of a “certified historic structure” under Section 47 of the Code.

“Permitted Encumbrances” means the encumbrances and exceptions set forth in the Title Commitment.

“Plans and Specifications” means the plans and specifications described in that certain Architect’s Certificate from the Architect to the Tenant and the Landlord as such plans and specifications may be changed from time to time with the approval of any applicable governmental entities, if such approval shall be required; provided, however, that the Landlord shall not authorize any change to the Plans and Specifications unless the Secretary’s approval of such change has been obtained, if and to the extent such approval is required pursuant to Title 36 of the Code of Federal Regulations, Part 67.6 (or any successor provisions thereto).

“**Prepaid Rent**” has the meaning set forth in Section 4.2.

“Project” means the construction, renovation, rehabilitation, and redevelopment of the Property included in the Landlord’s Work and any other improvement activities with respect to the Property contemplated by the Property Documents or this Master Lease.

“**Projections**” means Elks Temple Property Financial Forecast dated as of the Effective Date, relating to the transactions providing financing for the Project, as prepared by Novogradac & Company LLP.

“Property” has the meaning given such term in the Recitals.

“Property Development Period” means the period commencing on the Effective Date of this Master Lease and ending on the date on which Completion occurs.

“Property Documents” means this Master Lease, the operating agreement of the Landlord, the Tenant’s Operating Agreement, the Mortgage Loan Documents, the Plans and Specifications, the agreement with the Architect, the Construction Contracts, any documents delivered to or required by the Secretary (including the Certification Applications), and any other documents relating to the Property by which the Landlord is bound.

“QREs” means “qualified rehabilitation expenditures” as such term is defined in Section 47(c)(2) of the Code, as determined by the Accountants.

“Rehabilitation” means the development, construction, renovation and rehabilitation work on the Building described in the Part 2 Approval, together with any other work on the Property contemplated in the Construction Contract or Property Documents.

“Renewal Term” means the term commencing on the date immediately following the expiration of the Initial Term and ending on the date immediately preceding the fortieth (40th) anniversary of the Commencement Date, unless sooner terminated as provided for herein.

“Rent” means all Base Rent, Prepaid Rent, Additional Rent and all other charges and costs hereunder payable by the Tenant to or on behalf of the Landlord under this Lease.

“Rent Commencement Date” has the meaning set forth in the Section 4.1.

“Repairs” means all maintenance, replacements, and renewals desirable, necessary or customary for the first class operation of the Property, both interior and exterior, ordinary and extraordinary, foreseen and unforeseen, of every nature, kind and description.

 “Secretary” means the Secretary of the U.S. Department of the Interior or any authorized representative thereof, including the National Park Service.

“Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

“Sherwin-Williams” means The Sherwin-Williams Company, an Ohio corporation, which is the investor member of the Tenant.

 “Taking” means any taking of the title to, access to, or use of all or any part of the Property and/or the Building, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain affecting the Property or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking. A Taking may be total or partial, permanent or temporary.

“Temporary Taking” means a Taking that does not extend beyond the Term, so that Landlord’s reversionary interest hereunder is unaffected by such Taking.

 “Tenant’s Operating Agreement” has the meaning given such term in the Recitals.

 “Tenant’s Personal Property” shall mean any personal property owned by the Tenant and located upon or used by the Tenant in connection with the Property, including without limitation (to the extent owned by the Tenant):

(i) any fixtures and other tangible personal property owned by the Tenant and located at or on or intended to be used in connection with the Property; all articles of personal property now or hereafter attached to or intended to be used in or about or in connection with the Property; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Property;

(ii) all contracts, contract rights, accounts, warranties, and agreements, including rights to return of deposits, prepaid premiums or other payments; receivables, rents, chattel paper and instruments, property rights, trade names, plans and specifications, permits, approvals and general intangibles and all other choices in action now or hereafter existing with respect to the Leasehold Interest, and all proceeds from the foregoing;

(iii) all insurance proceeds, including interest, payable to the Tenant in connection with any damage or loss to the Leasehold Interest; all eminent domain awards made with respect to the Tenant’s Leasehold Interest; and

(iv) all books and records maintained by the Tenant and relating to the operation of the Property.

“Term” means the Initial Term plus the Renewal Term, if the renewal option described in Section 2.8 is timely exercised.

“Title Commitment” means the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ title [policy/commitment] issued by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, [naming the Landlord insured as of the date hereof].

“Utility Charges” has the meaning set forth in Section 5.3.

1. PROPERTY, TERM AND SUBORDINATION
	1. Property. The Landlord hereby leases and demises to the Tenant, and the Tenant hereby leases from the Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this Master Lease, the Property.
	2. Term. The Property is hereby leased unto the Tenant and its successors and assigns for the Term. In the event of any early termination of the Term, the Landlord and the Tenant agree to execute and deliver, in form suitable for recording, a revised memorandum of lease reflecting such termination.
	3. Delivery; Title. The Landlord shall deliver possession of the Property to the Tenant on the Commencement Date, in the same condition as it now is (subject, however, to the provisions of Article 7 hereof), and the Tenant shall hold the Leasehold Interest free of all title defects and encumbrances caused by the Landlord except the Permitted Encumbrances.
	4. Subordination. The Landlord may from time to time, in connection with Completion or otherwise, enter into one or more loan(s) and may deliver Mortgage(s) provided that that any financing secured by a mortgage encumbering the Property is permitted only if (i) Landlord provides documentation for review by Sherwin-Williams and (ii) each lender providing such mortgage financing enters into a Mortgage SNDA with Tenant in a form reasonably satisfactory to Sherwin-Williams and substantially identical to the Mortgage SNDA among Landlord, Tenant, Construction Lender and Sherwin-Williams.
	5. Liability of Holder of Mortgage; Attornment. It is further agreed that if any Mortgage shall be foreclosed, (a) the holder of the Mortgage (or their respective grantees) or purchaser at any foreclosure sale (or grantee in a deed in lieu of foreclosure), as the case may be, shall not be (i) liable for any act or omission of any prior landlord (including the Landlord) (except for the obligation to cure non-monetary defaults occurring after the date of foreclosure); and (b) upon request, the Tenant will attorn, as tenant under this Master Lease, to the purchaser at any foreclosure sale under any Mortgage, and the Tenant will execute such instruments as may be necessary or appropriate to evidence such attornment.
	6. Tenant Not Liable on Mortgage Loans. Nothing contained herein shall obligate the Tenant to pay any principal, interest, prepayment premiums or other amounts in connection with the Mortgage Loans evidenced by any Mortgage, it being acknowledged that at all times the responsibility for payment of such loans (or any replacements, accretions or additions to such loans) shall remain the responsibility of the Landlord. In the event of the failure by the Landlord on its obligation to make any such debt-related payments, the Tenant shall have the right but not the obligation to pay such amounts on behalf of the Landlord to the Lender and the Landlord shall be obligated to reimburse the Tenant for the costs thereof and, in addition, the Tenant shall have the right to set off against the next Master Lease Payment payable hereunder such amounts as are advanced by the Tenant to the Lender on behalf of the Landlord hereunder, together with interest from the date advanced until paid or set-off at the annual rate of one percent (1%) in excess of the Designated Prime Rate. Notwithstanding the foregoing, the Tenant shall have the right to make such payments to any junior mortgagee only with the Consent of all senior mortgagees.
	7. Notice to Lender; Right to Cure. So long as any Lender shall hold a lien on the Property, the Tenant (with respect to any Lender of which it has Notice) and the Landlord each agrees, simultaneously with the giving of each Notice of default hereunder, to give a duplicate copy thereof to such Lender as provided in the notice provisions of the Mortgage Loan Documents.
	8. Renewal Option. Tenant shall have the option to renew this Lease for an additional eight (8) years on the terms set forth in Article 1 of Exhibit D.
2. REHABILITATION
	1. Rehabilitation: Building. The Landlord shall cause rehabilitation of the Project to be completed in accordance with the Plans and Specifications, Property Documents and in full accordance with all requirements of the United States Department of Interior in its Part 2 Approval with respect to the Property. The Landlord shall complete the rehabilitation of the Property on or before December 31, 2019, subject to extension upon occurrence of events set forth herein or on the agreement of the Landlord and the Tenant. The Landlord shall keep the Tenant informed as to the progress of rehabilitation and shall notify the Tenant, in writing, of any material change in the projected completion date as soon as practicable.
	2. Plans and Specifications. The Building shall be completed substantially in accordance with the Plans and Specifications and the Property Documents.
	3. Completion. The Landlord shall be deemed to have completed the Project upon achievement of all of the following and delivery to the Tenant of evidence of achievement thereof, in form and substance reasonably acceptable to such parties (referred to herein as “Completion”):
		1. delivery to the Tenant of a certification of completion, signed by the Architect, certifying that the Project has been fully completed in accordance with the Plans and Specifications;
		2. issuance of a certificate of occupancy, or the equivalent, or a temporary certificate of occupancy, for the entire Project;
		3. the Cost Certification; and
		4. evidence that the improvements otherwise have been constructed substantially in accordance with the Property Documents and that there are no mechanic’s or materialmen’s liens outstanding or that may arise in connection with the Project.

The Tenant’s taking possession of the Project shall be evidence that the Tenant accepts the Project and that it is in satisfactory condition, except for any punch list of unsatisfactory items of which the Tenant gives Notice to the Landlord. Upon Notice from the Landlord to the Tenant that the Landlord believes Completion has occurred, Landlord and the Tenant shall jointly inspect the Property and list any items of the Landlord’s Work that remain to be completed, and the Landlord shall diligently pursue completion of the same. In addition, the Tenant shall have 30 days after the Rent Commencement Date to notify the Landlord in writing of any other punch list item that the Tenant believes has not been properly performed or completed, and the Landlord shall also diligently pursue completion of any such item that is properly the responsibility of the Landlord per the Plans and Specifications and the provisions of this Lease.

1. RENT
	1. Base Rent. The Tenant shall pay an annual base rent (hereinafter referred to as “Base Rent”) to the Landlord for the Property for each Lease Year, in the annual amounts set forth on Exhibit B, payable in equal monthly installments (hereinafter referred to as “Monthly Base Rent”) payable on the first business day of each month, without set-off, recoupment, counterclaim or demand; provided, however, that no Base Rent shall be due until the first month following the Commencement Date (the “**Rent Commencement Date**”). The Landlord’s Work shall be deemed to be completed for purposes of this Section 4.1 upon issuance of a certificate of occupancy (temporary or final) permitting actual occupancy of the Building (other than the restaurant space) by the Tenant.
	2. Prepaid Rent. Subject to and in accordance with Section 4.3, Tenant shall make payments of prepaid rent to Landlord for the Property in the amounts and at the times set forth below (collectively, the “**Prepaid Rent**”):
		1. $10,000 on the Effective Date;
		2. $1,016,443 on August 1, 2018, subject to the satisfaction in full of the conditions listed in Section 2.1(b) of the Tenant’s Operating Agreement;
		3. $3,855,774 on December 1, 2018, subject to the satisfaction in full of the conditions listed in Section 2.1(c) of the Tenant’s Operating Agreement; and
		4. $250,000 on February 1, 2019, subject to the satisfaction in full of the conditions listed in Section 2.1(d) of the Tenant’s Operating Agreement.
	3. Additional Rent/Manner of Payment. This Lease is what is commonly called a “net lease,” it being understood that the Landlord shall receive the Base Rent payment set forth in Section 4.1 hereof without set‑off, offset, abatement, or deduction of any kind, and free and clear of any and all expenses of every type relating to the Property after the Commencement Date, except as otherwise expressly provided in this Lease.

 During the Term, all of such charges, costs and expenses when due shall constitute additional rent hereunder (“**Additional Rent**”), even though not necessarily payable to Landlord, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Master Lease for the failure of Tenant to make any payment of Base Rent and other amounts becoming due from the Tenant to the Landlord hereunder. Base Rent, Prepaid Rent, Additional Rent and other amounts becoming due from the Tenant to the Landlord hereunder (hereinafter collectively referred to as the “Master Lease Payment”) shall be paid in lawful money of the United States to the Landlord at the office of the Landlord, or as otherwise designated from time to time by written notice from the Landlord to the Tenant. All Master Lease Payments shall be payable without deduction, set-off, recoupment, counterclaim or demand, and regardless of the Tenant’s loss of rental income or damage to the Property caused by a casualty.

* 1. Default Rate of Interest. Master Lease Payments not paid within ten (10) days from the date when due shall bear interest from the date due until paid at the annual rate of one percent (1%) in excess of the Prime Rate. The Tenant shall pay as an Imposition an amount equal to any late fees, default interest or other penalties incurred by the Landlord in connection with any loan as a result of failure by the Tenant to make any Master Lease Payment when due.
	2. Section 467. For purposes of Section 467 of the Code and the Treasury Regulations promulgated thereunder, the parties intend that the Prepaid Rent payable by Tenant to Landlord shall, for federal income tax purposes only, be allocated over the Term as set forth on Exhibit C and the Projections, which will bear “adequate interest” within the meaning of United States Treasury Regulation Section 1.467-2(b)(1)(ii) at a rate of \_\_\_% as set forth in the Projections, for an annual rental period in accordance with and as set forth on Exhibit C and the Projections. The parties intend that Exhibit C shall constitute a specific allocation of such amounts for purposes of Section 467 of the Code. For the avoidance of doubt, the parties’ agreement to report for federal and applicable state income tax purposes the Prepaid Rent payments as set forth on Exhibit C and in the Projections and consistently with the provisions of Section 467 of the Code.

Tenant (in consultation with the Investor) and Landlord hereby also agree to cooperate in good faith to modify the schedule referred to above as necessary to comply with the requirements of Section 467 of the Code and if the amount of rental payments on which Exhibit C is based changes after the Effective Date, or there is any other modification to this Lease after the Effective Date for which it would be advisable in Tenant’s reasonable discretion to modify Exhibit C. Notwithstanding the foregoing allocation, all such rental payments shall for all purposes other than federal and applicable income tax purposes constitute a fee which is fully earned on payment.

1. TAXES AND OPERATING EXPENSES
	1. Operating Expenses Generally. The Tenant covenants and agrees to pay all Impositions, Utility Charges, Repairs, liens, insurance, all personal property taxes assessed against the personal property, equipment or trade fixtures on the Property, and all other Operating Expenses, if any, which are due and payable during the Term hereof; provided, however, that nothing in this Master Lease shall obligate the Tenant to pay any portion of any income tax, capital levy, estate, succession, inheritance, transfer or similar taxes of the Landlord or any franchise tax imposed upon the Landlord or any income, profits or revenue tax, assessment or charge imposed upon the Master Lease Payment or any other payment or other benefit received by the Landlord under this Master Lease by any governmental authority (collectively, the “Charges”).

Taxes and assessments payable by Tenant shall include, without limitation, all general real property taxes and general, special and area-wide assessments, charges, fees, assessments for transit, police, fire or other governmental services or purported benefits to the Project, service payments in lieu of or in addition to real estate taxes, and, exclusive of any Charges, any tax, fee or excise on the act of entering into this Lease or on the use or occupancy of the Project or any part thereof or on the rent payable under this Lease or in connection with the business of renting the Project, that may be now or may hereafter be levied or assessed against the Project or the Landlord by the United States of America, the State of Washington , the City of Tacoma, or any political subdivision or other political or public entity. Should any governmental agency or political subdivision impose any taxes and/or assessments, whether or not now customary or within the contemplation of the parties hereto, either by way of substitution for taxes and assessments presently levied and assessed against the real estate as well as the improvements thereon, or in addition thereto, including, without limitation, any taxes based upon the rentals received by the Landlord hereunder exclusive of Charges, such taxes and/or assessments shall be deemed to constitute a tax for the purpose of this Section 5 and shall be paid by the Tenant. Taxes payable by the Tenant hereunder shall also include all reasonable costs incurred in connection with proceedings to contest, determine or reduce any such taxes, charges or assessments and the Landlord hereby agrees to cooperate at the Tenant’s cost in all such matters. The Tenant shall furnish to the Landlord a “paid” receipt respecting any tax bill or other evidence of the payment of such taxes, assessments and charges prior to the delinquency date thereof. The Tenant’s obligations under this Section 5 shall survive the expiration or earlier termination of this Lease respecting taxes accrued prior thereto. If any impositions paid by the Tenant relating to the Property are subsequently refunded, rebated or credited by the tax authorities and such refund, rebate or credit goes to the Landlord, the Landlord shall either, in its discretion, promptly refund such amounts to the Tenant or provide the Tenant with a credit against future rent next becoming due in an amount equal to any such refund, rebate or credit.

The Tenant will furnish to the Landlord, upon request, a proof of payment of all items referred to in this Section 5.1, including, without limitation, proof of payment of any Impositions and proof of payment of insurance premiums promptly after demand therefore.

* 1. Impositions. The Tenant shall pay, directly to the authority charged with the collection thereof, all real estate taxes, personal property taxes, betterment assessments, and all other impositions, ordinary and extraordinary, general and special, of every kind and nature whatsoever, as well as any payments in lieu of taxes, which may be levied, assessed, charged or imposed during the Term of this Master Lease (prorated for any partial year) upon the Property, or any part thereof, or upon any improvements at any time situated thereon (such taxes, payments and installments of assessments being hereinafter together referred to as “Impositions”) for each tax or installment period wholly included in the Term, all such payments to be made not less than five (5) days prior to the last date on which the same may be paid without interest or penalty. Notwithstanding the foregoing, in the event that the Landlord shall at any time be required to escrow or reserve for payment of Impositions under any Mortgage Loan, the Tenant shall pay, as an Imposition hereunder, such monthly or other periodic deposits as are required of the Landlord to fund the applicable escrow or reserve, and the Tenant shall be deemed to have discharged, to the extent of such deposits, its obligation to pay the Impositions for which such escrow or reserve has been established and funded.

Tenant, at its sole cost and expense, in its own name or in the name of the Landlord, may contest the validity or amount of any Impositions relating to all or any portion of the Property, in which event the Tenant may (i) make such payment under protest or (ii) if postponement of such payment will not jeopardize the Landlord’s title to the Property or subject the Landlord or the Tenant to the risk of any criminal liability or civil penalty or cause a default under the Mortgage Loan, the Tenant may postpone the same, provided the Tenant posts security therefor in amounts and in form satisfactory to the Landlord.

As may be necessary or desirable, each of the Tenant or the Landlord, as applicable, upon the request of the other, shall use its best reasonable efforts to assist in any such proceeding to contest the validity or amount of any Impositions. Either party paying Impositions shall be entitled to recover, receive and retain for its own benefit all abatements and refunds of such Impositions unless previously reimbursed by the other party with respect thereto.

Nothing contained in this Section 5.2, however, shall be construed to allow any such contested Impositions to remain unpaid for a length of time which shall permit the Property, or any part thereof, to be sold by any governmental authorities for the non-payment of such Impositions. The Tenant shall promptly furnish the Landlord with copies of all notices, appeals, pleadings, motions and orders in any proceedings commenced with respect to such contested Impositions.

The Tenant agrees to hold the Landlord harmless from all costs and expenses incurred on account of the Tenant’s participation in such proceedings or as a result of the Tenant’s failure to pay any Impositions or other related charges with respect to the Property. The Landlord shall promptly furnish to the Tenant a copy of any notice of any Impositions received by the Landlord. If the Tenant fails to make any payment referred to in this Section 5.2 when due pursuant to the terms hereof, or if later upon resolution of a contest allowed pursuant to the terms of this Section 5.2, the Landlord shall have the right after five (5) days Notice to the Tenant to make any such payment on behalf of the Tenant and charge the Tenant therefore.

Notwithstanding any provision in this Master Lease to the contrary, the Tenant shall not be required to pay, or reimburse the Landlord for, (i) any franchise tax, gross receipts tax, revenue tax, premium tax, income tax or profits tax of the Landlord, or any such tax imposed after the date hereof by any federal, state, or local governmental authority or jurisdiction if such tax is determined on the basis of the general assets, or the general net income or net revenue of the Landlord; or (ii) any estate, inheritance, devolution, succession, transfer, stamp, legacy or gift tax which may be imposed upon or with respect to any transfer of the Landlord’s interest in any portion of the Property.

* 1. Utilities. The Tenant shall pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat or power, telephone or other service used, rendered or supplied to the Tenant in connection with the Property (“Utility Charges”) and shall not contract for the same in the Landlord’s name.
	2. Other. The Tenant covenants to pay and discharge, when the same shall become due, all other amounts, liabilities and obligations which the Tenant assumes or agrees to pay or discharge pursuant to this Master Lease, together with every fine, penalty, interest and cost which may be added for nonpayment or late payment thereof and which payment the Tenant has failed to make when due.
1. INDEMNITY and LIENS
	1. Repairs to the Property. At its sole cost and expense throughout the Term, the Tenant shall (a) take good care of the Property; (b) keep the same in good order and condition, normal wear and tear excepted; and (c) make and perform all Repairs. All Repairs made by the Tenant shall be at least equal in quality and cost to the original improvements and during the HTC Recapture Period attributable to the Historic Tax Credits be consistent with the Secretary’s Standards and shall be made by the Tenant in accordance with all Legal Requirements. The necessity for or adequacy of Repairs shall be measured by the standards which are appropriate for improvements of first-class construction and condition, provided that the Tenant shall in any event make all Repairs reasonably necessary to avoid any structural damage or other damage or injury to the Building.

Except as otherwise provided herein, the Landlord shall not be required to furnish any services or facilities or to make any Repairs in, about or to the Property or any improvements hereafter erected thereon. The Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, and management of the Property hereafter erected thereon.

The Tenant shall not do or suffer any waste or damage, disfigurement or injury to the Property, or to the fixtures or equipment therein, or permit or suffer any overloading of the floors or other use of the improvements that would place an undue stress on the same or any portion thereof beyond that for which the same was designed.

* 1. Alterations. Except for Repairs the Tenant shall not, without the Consent of the Landlord (which shall not be unreasonably withheld, delayed or conditioned), and subject to the terms of any Mortgage Loan Documents, make any alterations, additions or improvements to the Property which shall cost more than Fifty Thousand Dollars ($50,000) per occurrence or which are structural in nature or affect the Building’s systems. Any such Tenant work and all such tenant improvements (i) must be completed in a good and workmanlike manner, with new first-class materials and equipment, and in conformity with all applicable Legal Requirements, and (ii) shall not give rise to a Recapture Event or violate the Mortgage Loan Documents or otherwise cause a recapture of any Historic Tax Credits. Any and all buildings, fixtures and improvements placed in, on, or upon the Property by Tenant shall vest in the Tenant until the expiration or earlier termination of the Term of this Master Lease, at which time said buildings, fixtures and improvements shall vest in the Landlord, subject to the rights of the Tenant in the Tenant’s personal property.

Before commencement of any work for which the Landlord’s Consent is required, the Tenant shall furnish to the Landlord for approval plans and specifications, names and addresses of contractors, copies of contracts, necessary permits and licenses, and instruments of indemnification against any and all claims, costs, expenses, damages and liabilities which may arise in connection with such work, all in such form, substance and amount as may be reasonably satisfactory to the Landlord.

In addition, for any work which shall cost, in any one occurrence, in excess of Fifty Thousand Dollars ($50,000) (the “**Additional Work**”), prior to commencement of any such Additional Work or delivery of any materials into the Property, the Landlord shall have the right to approve material contracts entered into by the Tenant with respect to the Property, which approval shall not be unreasonably withheld, conditioned or delayed. Except as otherwise provided in Section 7.7, the Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms and corporations doing any work, furnishing any materials or supplies or renting any equipment to the Tenant or any of its contractors or subcontractors in connection with the reconstruction, furnishing, repair, or operation of the Property, and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to the Landlord, or pay or cause to be paid in full forthwith, any mechanic’s, materialmen’s or other lien or encumbrance that arises, whether due to the actions of the Tenant or any person under the control of the Tenant, against the Property.

The Tenant shall have the right to contest any such lien or encumbrance by appropriate proceedings which shall prevent the collection of or other realization upon to satisfy the same, provided that such contest shall not subject the Landlord to the risk of any criminal liability or civil penalty, and provided further that the Tenant shall give the Landlord such other reasonable security as may be requested by the Landlord to insure payment of such lien or encumbrance and to prevent any sale or forfeiture of the Property by reason of such nonpayment, and the Tenant hereby indemnifies the Landlord for any such liability or penalty. Upon the termination after final appeal of any proceeding relating to any amount contested pursuant to this Section 6.2, the Tenant shall immediately pay any amount determined in such proceeding to be due, and in the event the Tenant fails to make such payment, the Landlord shall have the right after giving ten (10) days Notice to the Tenant to make any such payment on behalf of the Tenant and charge the Tenant therefor.

1. USE AND ASSIGNMENT
	1. Use. The Tenant shall have the right to use the Property for the operation of a hotel, restaurant and bar facilities, retail, and event space and related accessory uses, and for no other use or purpose. The Tenant shall not use any Hazardous Substances, except to the extent reasonable or appropriate in connection with the lawful use of the Property in the ordinary course of the Tenant’s business, and the Tenant shall comply with all Environmental Laws in connection with such use. Each sublease or other rental agreement entered into by the Tenant shall comply with all applicable governmental requirements and contractual obligations of the Tenant and of the Landlord. No sublease shall be entered into which would cause any part of the Property to constitute “tax-exempt use property” as defined in Section 168(h) of the Code. During the HTC Recapture Period, the Tenant shall not enter into any sublease that is a disqualified lease (as defined in Section 168 (h)(1)(B) of the Code), with any “tax-exempt entity” as that term is defined in Section 168(h) of the Code, including the United States, any state or political subdivision thereof, or any agency or instrumentality of any of the foregoing; any organization exempt from federal income tax; and any foreign person or entity.

Notwithstanding the foregoing, the Tenant shall not enter into any sublease with a tax-exempt entity, as such a term is defined in 168(h) in the Code, for a term of longer than thirty (30) months duration.

* 1. Transfer or Assignment. The Tenant shall have the right, subject to the Legal Requirements, to sublease the Property or spaces therein, without the Landlord’s approval; provided, however, that (a) all subleases shall (i) be on a standard lease form approved by the Landlord, (ii) be at market rates and terms, and (iii) by their terms be subordinate to the Mortgage, and the lessee under each sublease shall agree to attorn to Lender, its successors and assigns, (b) a copy of each executed Commercial Sublease shall be supplied upon request to the Landlord, and (c) provided further that without the Consent of the Landlord, no part of the Property may be subleased during the HTC Recapture Period to a subtenant which is a “tax-exempt entity” or “tax-exempt controlled entity” as those terms are used in Section 168(h) of the Code, unless such lease is not a Disqualified Lease under Section 168(h)(1)(B)(ii). The Tenant may not sell or assign or encumber its interest in, to and under this Master Lease without the Consent of the Landlord, which Consent may be withheld by the Landlord, in its reasonable discretion. The Tenant shall comply with the requirements of any Lender, including but not limited to the requirements set forth in any Mortgage Loan Documents.
	2. Compliance with Law. The Tenant shall, at its expense, perform all its activities on the Property in compliance with the Legal Requirements, as the same may be administered by authorized governmental officials, and, cause the Property and the Building to comply with the Legal Requirements, and to the extent that it should fail to do so beyond any applicable grace or cure period, the Landlord shall have the right to cause such compliance and the amount expended or advanced on behalf of the Tenant by the Landlord on account thereof shall constitute an Imposition.
	3. Mechanics’ Liens. The Landlord and the Tenant shall use reasonable efforts throughout the Term hereof to prevent any mechanic’s liens or other liens for their respective work, labor, services or materials from being filed or recorded against the Property or any portion thereof; in the event that any such lien shall be filed, the party that commissioned the work, labor, services or materials in question, shall bond over or procure the release or discharge thereof within forty-five (45) days either by payment or in such other manner as may be prescribed by law, and shall hold the other party harmless from and indemnified against any loss or damage related thereto.
	4. Surrender of Property. Upon expiration of the Term or earlier termination of this Master Lease on account of default after the expiration of the Recapture Period, Tenant shall deliver all keys to Landlord and surrender the Property in good condition, reasonable wear and tear, condemnation, and damage by casualty excepted. All repair, replacement and restoration for which Tenant is responsible shall be completed to the latest practical date prior to such surrender. At the termination of this Master Lease or any portion thereof, the Tenant shall peaceably leave, quit and surrender the Property, or the portion thereof so terminated. Upon such termination, the Property, or portion thereof so terminated, shall become the sole property of the Landlord at no cost to the Landlord and shall be free of all liens and encumbrances and in the condition required by the terms of this Lease, and, in the event of a casualty, shall be subject to the provisions of Article 8 hereof. The Tenant shall execute and deliver from time to time, promptly after written request by the Lender, any instrument, agreement or document and shall take such other action as may be necessary or desirable in the reasonable opinion of Lender to effectuate the purposes of this section. If Tenant does not vacate the Property at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this Lease (except that the term will be month to month and the Monthly Base Rent will be 125 percent of the amount of Monthly Base Rent then being paid by Tenant), or to eject Tenant from the Property and recover damages caused by wrongful holdover. Failure of Tenant to remove furniture or furnishings which Tenant is required to remove under this Lease shall constitute a failure to vacate to which this Section shall apply if such property not removed substantially interferes with occupancy of the Property by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.
	5. Easements; Annexation. The Landlord agrees that it shall not unreasonably withhold or delay its Consent, and shall join with the Tenant from time to time during the Term in the granting of easements affecting the Property which are for the purpose of providing utility services for the Building. As a condition precedent to the exercise by the Tenant of any of the powers granted to the Tenant in this Section, the Tenant shall give Notice to the Landlord of the action to be taken, shall certify to the Landlord, that in the Tenant’s opinion such action will not adversely affect either the value or the use of the Property or the Building, and shall deliver all instruments required of the Tenant by any holder of a Mortgage.
	6. Landlord’s Work. The Landlord covenants that, at the Landlord’s sole cost and expense:
		1. It will complete the Landlord’s Work and comply with all requirements necessary to obtain all necessary certificates of occupancy for the Building, or cause the same to be completed, in a good and workmanlike manner, free and clear of all mechanics’, materialman’s or similar liens, and shall equip the Building or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, all in accordance with such Plans and Specifications, except that Landlord's obligation with respect to fixtures, equipment, and personal property extends only to the cost to install such items in the Building and does not include any obligation to pay any acquisition, delivery, or similar costs, expenses or charges for such fixtures, equipment, and personal property.
		2. The Tenant shall have the right to inspect such work and the Landlord shall facilitate the efficiency and effectiveness of the inspection process by coordinating inspections among the interested parties (as well as assuring the correction of any deficiencies that may arise). Notwithstanding the forgoing, the Tenant shall have no obligation to make or have its representative make any such inspection of the Landlord’s Work. Such inspections are for the Tenant’s information only and the Landlord shall not be relieved of its obligation to complete the Landlord’s Work in accordance with this Master Lease. In no event shall the Tenant’s inspection of the work be deemed acceptance of all or any of the work, equipment, or materials, or a waiver of any right of the Tenant under this Master Lease. The Tenant shall receive Notice of and have the right to attend construction meetings;
		3. The Landlord’s environmental responsibilities with respect to Landlord’s Work are as follows:
			1. The Landlord, its agents, employees, and contractors shall not, and shall not permit any other person, including, but not limited to, third parties with whom the Landlord contracts, to bring onto the Property any Hazardous Substance or incorporate any Hazardous Substance into the improvements constructed on the Property. For purposes of this Section 7.7, the term Hazardous Substance shall not include construction materials in reasonable quantities for lawful and customary use in the construction of the Landlord’s Work, so long as such material is used, held, stored, and disposed of in accordance with applicable Environmental Laws. Except for with respect to matters described in the Environmental Reports, the Landlord shall be responsible for removal of any Hazardous Substance on the Property in violation of this provision;
			2. The Landlord covenants that it will comply, and shall cause its contractors and subcontractors to comply, with all Environmental Laws with respect to the Landlord’s Work;
			3. Except as described in the Environmental Reports, no affiliate of the Landlord has ever received notification from any federal, state or other governmental authority of (x) any potential, known, or threat of release of any Hazardous Substance from the Property or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance is now or, to the best of its knowledge, was ever, stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto. Any actions recommended to be taken which were contained in the Environmental Reports or any other environmental assessment reports prepared in conjunction with the development of the Property shall be appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining thereto; and
			4. As soon as practicable after Completion, the Landlord shall deliver to the Tenant: (i) a certificate of substantial completion as certified by the Architect; (ii) all necessary certificates of occupancy from the applicable governmental jurisdiction(s) or authority(ies) for one hundred percent (100%) of the improvements therein; and (iii) any other documentation necessary to establish placement in service for purposes of Section 47(b) of the Code (“Placement in Service”).
	7. Tax Attributes. Except as otherwise provided in the Pass-Through Agreement, the Tenant expressly waives and relinquishes in favor of the Landlord any rights to claim the benefit of or to use any federal or state investment tax credits or depreciation benefits that are currently or may become, available during the Term as a result of the improvements constituting part of the Property, or any equipment, furniture or fixtures installed by the Landlord on the Property whether or not such items become a part of the realty, and the Tenant agrees to execute and deliver to the Landlord any election form required to evidence the Landlord’s right to claim investment tax credits or depreciation benefits on improvements made or property installed by the Landlord; provided, however, that in connection with any claim or use of such other credits or benefits, the Landlord shall not take any position inconsistent with the Historic Tax Credit to be passed through to the Tenant. The Landlord and the Tenant agree that the Tenant shall be entitled to any investment tax credits or depreciation attributable to improvements made by or property installed by the Tenant and paid for by the Tenant following the Commencement Date.
1. INSURANCE AND CASUALTY; condemnation
	1. Insurance and Casualty.
		1. From and after the Commencement Date, the Tenant shall procure and maintain policies of insurance, including, without limitation, casualty and rental interruption insurance for the Property, at its sole cost and expense, during the entire term of this Master Lease with terms and coverages and companies reasonably satisfactory to the Landlord and with such increases in limits as the Landlord may from time to time reasonably request, including all insurance required under the Mortgage Loan Documents and/or under any property management agreement and the Commercial Subleases. Alternatively, the Landlord may cause such policies to be procured and maintained, and the Tenant shall reimburse the Landlord for the cost thereof, upon demand. If the Landlord provides policies of insurance, such policies shall be all risk coverage exclusive of footings and foundations.
		2. All policies of insurance required hereunder which insure against loss or damage to the Property shall provide that the proceeds thereof (or so much of such proceeds as pertain to loss or damage to the Property) shall be payable to the Landlord, and if the Landlord so requests, shall also be payable to any contract purchaser of the Property and any holder of a Mortgage, as the interest of such purchaser or holder of a Mortgage appears pursuant to a standard additional insured clause. The Tenant shall not, on Tenant’s own initiative or pursuant to request or requirement of any third party, take out separate insurance concurrent in form or contributing in the event of loss with that required hereunder, unless the Landlord is included therein as an additional insured with loss payable as in this Section, provided the Tenant shall immediately notify the Landlord and any such holder of a Mortgage whenever any such separate insurance is taken out and shall deliver to the Landlord and any such holder of a Mortgage duplicate originals thereof or original certificates evidencing the same with true copies of such insurance policies attached. All such policies of insurance shall provide that any loss shall be payable to the Landlord and any such holder of a Mortgage notwithstanding any act or omission of the Tenant which might otherwise result in a forfeiture or reduction of such insurance.
		3. Prior to the Commencement Date (unless the Landlord has elected to procure the policies of insurance as provided above), the Tenant shall furnish to the Landlord and any such holder of a Mortgage policies or certificates evidencing such coverage, which policies or certificates shall state that such insurance coverage may not be reduced, cancelled or not renewed without at least thirty (30) days’ prior written notice to the Landlord, the Tenant and any such holder of a Mortgage (unless such cancellation is due to nonpayment of premium, and, in that case, only twenty (20) days’ prior written notice shall be sufficient).
		4. Each insurance policy shall, to the extent obtainable, contain provisions that no act or negligence of the Tenant or any subtenant or occupant of the Property, or its or their contractors or subcontractors or their agents or employees which might otherwise result in a forfeiture of such insurance or any part thereof, shall in any way affect the validity or enforceability of such insurance insofar as the Landlord or any Mortgage is concerned.
		5. If the Tenant shall fail to maintain any such insurance required hereunder, the Landlord may, at the Landlord’s election, after fifteen (15) days’ written notice to the Tenant, procure the same, and the premium cost shall be Additional Rent, immediately due and payable, it being hereby expressly covenanted and agreed that payment by the Landlord of such premium shall not be deemed to waive or release the obligation of the Tenant to payment thereof or any of the Landlord’s other rights hereunder.
		6. Subject to the requirements of the Mortgage Loan Documents and the terms of Article 2 of Exhibit D, insurance proceeds recovered by reason of destruction of the improvements on the Property shall be held in escrow, and such proceeds shall be used by Landlord to repair and restore the improvements so damaged to substantially the same condition as existed immediately prior to the damage or destruction and substantially in accordance with the Property Documents other than leasehold improvements that are not covered by insurance. Any excess may be applied first to the Landlord to cover any past due Rent and then the balance, if any, to the Tenant. Subject to the requirements of the Mortgage Loan Documents, if the insurance proceeds are insufficient to pay for the full cost of repair and restoration of the improvements, the Tenant shall deposit the deficiency with the Landlord within thirty (30) days of the payment of insurance proceeds by the insurance carrier, and such sum shall be disbursed by the Landlord following disbursement of the insurance proceeds to pay for the completion of the repair and restoration.
	2. Condemnation.
		1. In the event the entire area of the Property shall be acquired by a Taking, and such Taking relates to the entire fee simple title to the Property, as well as to the right, title, and interest of the Tenant, the rights and obligations of the parties hereunder (except rights and obligations arising prior to such Taking and except rights and obligations provided in this Section) shall terminate as of the date of such Taking. The parties hereby agree that any condemnation award shall be apportioned as set forth in Section 8.2(e) hereof, and there shall be an abatement in the payment of Base Rent and other sums payable by the Tenant under the provisions of this Lease occurring after the date of the Taking.
		2. If there shall be a Taking of any portion of the Property less than the whole, and if Subsection 8.2(c) hereof does not apply, the Base Rent shall be reduced, as of the date of Taking, in the same proportion that the rentable square footage of the Property so taken compares to the total rentable square footage of the Property immediately prior to such Taking, and there shall be equitable apportionment of the condemnation award as set forth in Subsection 8.2(e) hereof. In the event of any such Taking described in this Subsection, the portion of the Property not so taken shall be restored to good condition by Landlord, and the Tenant shall be responsible for restoration of the improvements to the extent of available proceeds.
		3. If there is a Taking of such a substantial portion of the Property (but less than all) such that it shall no longer be reasonably economical or practical because of such Taking for the Tenant to continue operating the Property for the permitted uses, then the Tenant shall have the right, at its option, of terminating this Lease by notice in writing to the Landlord within ninety (90) days after notice of such Taking, and in such event the Lease shall be terminated, except that there shall be an equitable apportionment of the condemnation award as set forth in Subsection 8.2(e) hereof.
		4. If there is a temporary Taking of all or part of the right to possession and use of the Property, the Tenant shall be entitled to the portion of the award relating to such right to possession and use for the applicable portion of the Term.
		5. In the event of any Taking, the net condemnation award (after deduction of all expenses, including fees of attorneys, appraisers, and expert witnesses) shall be paid as follows and in the following order of priority:
			1. To the Landlord, a sum equal to the product of the Condemnation Award multiplied by the Landlord’s Percentage (as hereafter defined); and to the Tenant, a sum equal to the product of the Condemnation Award multiplied by the Tenant’s Percentage (as hereafter defined). For the purposes of the foregoing, the “Landlord’s Percentage” shall equal the fair market value, at the time of the Taking, of the Landlord’s interest in the Property computed as though it remained subject to this Master Lease for the remainder of the scheduled Term (the “Residual Value”) divided by the sum of the Residual Value and the Leasehold Interest Value. The “Leasehold Interest Value” shall be the fair market value of the Leasehold Interest as of the date of the Taking (not including the Residual Value). “**Tenant’s Percentage**” shall equal the Leasehold Interest Value divided by the sum of the Residual Value and the Leasehold Interest Value.
		6. Notwithstanding anything to the contrary contained herein, after payment pursuant to Section 8.2(e)(i), the Tenant shall be entitled to any award in respect of moving expenses and the cost or expense for the repair and removal of fixtures owned by the Tenant.
		7. The Tenant and any Lender shall have the right to intervene in any condemnation.
2. CONDITION OF PROPERTY
	1. Condition; Title. Except for the obligations of the Landlord regarding the Landlord’s Work or as specifically provided for elsewhere herein, the Property is demised and let in an “as is” condition as of the Commencement Date. The Property is demised and let to the Tenant subject to:
		1. zoning regulations, restrictions, rules, laws and ordinances now in effect or hereafter adopted by any governmental authority;
		2. use of the Property which is consistent with the terms of this Master Lease; and
		3. all Mortgages and Permitted Encumbrances.
	2. No Encumbrances. The Landlord covenants that it has good and marketable leasehold title to the Property, subject to Section 9.1, and that it has full right and lawful authority to enter into this Master Lease in accordance with the terms hereof and to grant the estate demised hereby. The Landlord covenants that it will not encumber the title of the Property or cause or permit said title to be encumbered in any manner superior to this Master Lease after the date of the Master Lease without the Consent of the Tenant, except as expressly permitted in this Lease, and the Tenant may reduce or discharge any encumbrance or lien not permitted hereunder which is superior to this Master Lease by payment or otherwise at any time after giving thirty (30) days’ Notice thereof to the Landlord and recover or recoup all costs and expenses thereof from the Landlord. The Landlord further covenants that the Landlord has received no written notice and has no knowledge of the intention of any party holding an easement affecting the Property or any part thereof to expand the exercise of any such easement beyond the scope of the present exercise thereof (as by replacing, or expanding existing facilities, conduits (including underground or overhead wires, cables or pipes) or systems for sewers, water, electric, gas, cable and other utilities). To the best of the Landlord’s knowledge, none of the Permitted Encumbrances has or will have a material adverse effect upon the Rehabilitation or operation of the Property.
	3. Quiet Enjoyment. The Landlord covenants that the Tenant, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Property during the Term, subject only to the provisions of this Master Lease and all applicable Legal Requirements, including without limitation the use restrictions set forth in Section 7.1, the Mortgages, the Permitted Encumbrances, and the Temporary Taking by the City of Tacoma disclosed by Landlord to Tenant. Notwithstanding the foregoing, the Landlord in person or through its agents, upon reasonable prior notice to the Tenant, subject to the rights of subtenants, shall have the right to enter upon the Property for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by the Tenant with its obligations under this Master Lease. The Landlord hereby agrees to indemnify the Tenant from any and all loss, damage, or claim of injury to person or property incurred by the Tenant as a result of any gross negligence, misfeasance, and/or malfeasance on the part of the Landlord, its employees, agents, or contractors in connection with such activities on the Property. The Landlord shall provide such insurance as may be required by any Lender with respect to any such activity to be undertaken on the Property by the Landlord.
	4. Environmental Indemnity. The Tenant covenants and agrees to indemnify, protect, defend (by counsel reasonably satisfactory to the Landlord), and save the Landlord, its employees, agents, managing member and members and any successor thereof, harmless against and from any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable attorneys’ and experts’ fees and disbursements), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by or asserted or awarded against the Landlord, its employees, agents, managing member and members or the Property or any portion thereof and arising directly or indirectly, in whole or in part, from or out of any Hazardous Substances on, in, under or affecting all or any portion of the Property, (i) from and after the Commencement Date of this Master Lease, or (ii) which migrate off of the Property hereafter, except that any increase in scope or exacerbation of any such release or threat of release covered in clauses (i) and (ii) above is excluded from the foregoing indemnity if said increase in scope or exacerbation arises out of the Landlord’s negligence or willful misconduct.

The Landlord covenants and agrees to indemnify, protect, defend (by counsel reasonably satisfactory to the Tenant), and save the Tenant, its employees, agents, member and any successor thereof, harmless against and from any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable attorneys’ and experts’ fees and disbursements), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by or asserted or awarded against the Tenant, its employees, agents, members or the Property or any portion thereof and arising directly or indirectly, in whole or in part, from or out of any Hazardous Substances on, in, under or affecting all or any portion of the Property, except as described in the Environmental Reports (i) which exist as of the date of this Master Lease, (ii) which exists in violation of the requirements of Subsection 7.7; or (iii) which migrate onto the Property hereafter from any other property owned by the Landlord, except that any increase in scope or exacerbation of any such release or threat of release covered above is excluded from the forgoing indemnity if said increase in scope or exacerbation arises out of the Tenant’s negligence or willful misconduct.

* 1. Representations and Warranties of Landlord. The Landlord hereby represents and warrants to the Tenant as follows as of the date hereof:
		1. Landlord has delivered to the Tenant copies of all material documents in its possession with respect to the acquisition, construction, rehabilitation, financing, ownership, leasing, maintenance and operation of the Property and the factual statements contained in such documents, taken as a whole, are not materially misleading in light of the circumstances under which they are made. Such documents have been furnished to the Tenant for the Tenant to rely upon in connection with the transactions contemplated by this Master Lease;
		2. The execution and delivery of this Master Lease and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Landlord or the Property by the Landlord have been duly authorized by all necessary company or other action, and the consummation of any such transactions with or on behalf of the Landlord will not constitute a breach or violation of, or a default under, articles of organization or operating agreement or other governing documents of the Landlord or any agreement by which the Landlord or the Landlord’s managing member is bound, nor constitute a violation of any law, administrative regulation or court decree;
		3. The Property is not subject to any pending or threatened Taking;
		4. The Property is not subject to any restrictions on use that would contravene any provision of this Master Lease;
		5. Upon completion of the Landlord’s Work, the Property will not be in violation of any law, ordinance, regulation or governmental requirement, including, without limitation, matters relating to zoning or use of the Property for its intended purposes, nor with respect to construction, fire protection, building code, health code, housing code, traffic, flood control or fire safety;
		6. All licenses, permits and authorizations necessary for the conduct of the Landlord’s business as it is being conducted at the Property as of the date of this Master Lease have been issued and are in full force and effect, and the Landlord has not received any notice of any pending proceedings to change, re-zone or down-zone the existing zoning classifications as to any portion of the Property and the Landlord has no knowledge of the threat of any such action;
		7. No “common area” assessments or assessments for public improvements have been made against the Property which remain due and unpaid and all bills and claims for labor performed and services and materials furnished for the Property are or will be timely paid in full and the Property is or will be timely free from mechanic’s or materialman’s liens;
		8. The execution and delivery of this Master Lease, the incurrence of the obligations set forth in this Master Lease, and the consummation of the transactions contemplated by this Master Lease do not violate or conflict with any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on either the Landlord or the Landlord’s members or manager, or their assets including the Property; nor do they conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which either the Landlord or the Landlord’s managing member is a party or by which either is bound or to which any of its assets is subject;
		9. There is no delinquent tax or any actual or threatened assessment of deficiency or additional tax or other governmental charge or a basis for such a claim with respect to the Property. There are no tax liens on the Property other than liens for real property taxes that are not yet delinquent;
		10. The Landlord has or will obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the Rehabilitation, use and occupancy of the Property and will complete the Rehabilitation in accordance with the Plans and Specifications, the Property Documents and any conditions contained in the Certification Application;
		11. The cost of the Landlord’s Work is anticipated to be reasonable for acquiring, constructing and/or renovating a project of this type, and was or will be established on the basis of third party arm’s length contracts;
		12. At the time of commencement of construction, and as of the date hereof, the Land was and is properly zoned for the use contemplated herein, it has obtained all permits, consents, permissions and licenses required by all applicable governmental entities, for the operation of the Property (not obtained by the Tenant), and the Property conformed and conforms to all Legal Requirements;
		13. All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently or will be available to the Property and will be operating properly for all units in the Property at the time of first occupancy or such unit. The Property has direct access to a public street or highway;
		14. No litigation, action, investigation, event, or proceeding is pending or, to Landlord's knowledge, is threatened which, if adversely resolved, would: (i) have an adverse effect on Landlord or the Property; (ii) have an adverse effect on the ability of the Landlord or any of its affiliates to perform its respective obligations under this Master Lease; (iii) have an adverse effect on the financial condition of the Landlord; or (iv) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Master Lease;
		15. No material default (or event which, with the giving of notice or the passage of time or both, would constitute a material default) has occurred and is continuing under any of the mortgages, loan documents, or any other contract, agreement, or instrument to which Landlord is subject. All mortgages and loan documents of Landlord are in full force and effect;
		16. Landlord owns the Property, free and clear of any liens, charges, or encumbrances other than the Mortgage Loan and matters set forth in the Title Commitment, and the Landlord has not received notice of any such liens, charges, or encumbrances;
		17. To the knowledge of Landlord, after diligent investigation and inquiry, and except as described in the Environmental Reports, the Property and/or the Landlord (with respect to the Property) is not in violation of any federal, state, local or foreign law, statute, executive order, licensing requirement, permit requirement, rule, regulation, judicial and/or administrative decision including, but not limited to, CERCLA, SARA, the Federal Water Pollution Control Act, the Federal Clean Air Act, Clean Water Act, Safe Drinking Water Act, RCRA, HSWA, the Federal Solid Waste Disposal Act, each as amended, or any statute related to the environment enacted by any state, local and/or foreign governments and authorities (including, but not limited to, municipal sewage authorities) or any rules, regulations, ordinances or requirements promulgated thereunder. Except as described in the Environmental Reports, the Landlord has not received any notice from any source whatsoever of the existence of any such hazardous condition on the Property or of a violation of any such local, state or federal law or regulation with respect to the Property. If any such substances (including lead-based paint and asbestos) or pollutant has been found to exist or be present, including any substances identified in the environmental reports, it has been either removed from the Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, or will be removed in accord with the construction contract entered into by the Landlord all in accordance with federal, state and local statutes, laws, rules and regulations, any recommendations set forth in any environmental report(s) and any requirements in mortgages or other loan documents;
		18. No portion of the Property is currently treated as "tax-exempt use property" as defined in Section 168(h) of the Code;
		19. The portion of the Property consisting of the Building and structural components of the Building qualifies as a “certified historic structure” and the Rehabilitation of such portion of the Property constitutes a “certified rehabilitation” as such terms are defined in Section 47 of the Code, the QREs with respect to the Project are anticipated to be not less than $ 30,883,224 and the Historic Tax Credits with respect to the Project are anticipated to be not less than $ 6,176,645;
		20. Landlord shall take all actions necessary in order to timely obtain the Part 3 Approval;
		21. Landlord has executed or will execute the Pass-Through Agreement to make a valid election under Section 50(d) of the Code and former Treasury Regulation 1.48-4 to pass the Historic Tax Credit through to Tenant, and has not undertaken any actions (or omissions where action would be required) which would prevent Landlord from making a valid election to pass through the Historic Tax Credit to Tenant;
		22. Landlord shall be responsible for all costs associated with obtaining the Part 3 Approval and the Historic Tax Credits; and
		23. Landlord will use all reasonable efforts to use Sherwin-Williams’ products throughout the course of the Rehabilitation, including, but not limited to, paints, stains, caulks and sealants.
	2. Representations and Warranties of Tenant. The Tenant hereby represents and warrants to the Landlord as follows:
		1. The execution and delivery of this Master Lease, the incurrence of the obligations set forth in this Master Lease, and the consummation of the transactions contemplated by this Master Lease do not violate or conflict with any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on the Tenant or its general partners, managing member or manager, as applicable, or their respective assets including the Leasehold Interest; nor do they conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which the Tenant is a party or by which it is bound or to which any of its assets is subject;
		2. No consent, authorization, approval or permit of or from, or notice to or filing with, any governmental body or any party to any contract, agreement or instrument to which the Tenant is a party or by which the Tenant is bound, is required for the execution, delivery or compliance with the terms of the Master Lease by the Tenant;
		3. In connection with the transactions contemplated hereby, the Tenant has not retained or incurred any obligation to any broker. The Tenant shall be solely responsible for and shall indemnify and hold the Landlord harmless from any amounts payable to any broker with respect to such transactions arising from a contractual relationship between such broker and the Tenant or otherwise arising from any dealing with the Tenant;
		4. The execution and delivery of this Master Lease and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Tenant or the Property by the Tenant have been or will be duly authorized by all necessary company or other action, and the consummation of any such transactions with or on behalf of the Tenant will not constitute a breach or violation of, or a default under, the articles of organization or operating agreement or other governing documents of the Tenant or any agreement by which the Tenant or the Tenant’s manager or managing member is bound, nor constitute a violation of any law, administrative regulation or court decree; and
		5. The Tenant shall promote the use of the Sherwin-Williams’ products to sublessees (if any) prior to and during the course of the sublessees’ build-out of any leased space.
1. DEFAULTS
	1. Default by Tenant. The occurrence of any of the following events shall constitute an event of default by the Tenant (“Event of Default”) hereunder:
		1. if the Tenant fails to pay when due any Base Rent, Prepaid Rent, or any other amount payable by the Tenant hereunder, and any such default shall continue for fifteen (15) days after the receipt of Notice thereof from the Landlord; or
		2. if the Tenant fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 10.1, and, the Tenant shall fail to cure, correct or remedy such failure within thirty (30) days after the receipt of Notice thereof; unless such failure is not monetary in nature such that it cannot be cured by the payment of a sum certain to the Landlord (or other required payee), then, if such failure is susceptible to cure, but cannot with due diligence be cured within such thirty (30) day period, the time within which the Tenant may cure such failure shall be extended so long as the Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within a reasonable period of time, but in no event shall such period exceed ninety (90) days; or
		3. if the Tenant abandons the Property or any substantial portion thereof and such abandonment is not cured within fifteen (15) days following Notice from the Landlord; or
		4. if the Tenant becomes Bankrupt.
	2. Rights and Remedies.

Upon the occurrence of any Event of Default hereunder by the Tenant (including the expiration of all applicable grace periods), subject in all respects to the provisions of this Master Lease with respect to the Landlord’s rights to cure defaults by the Tenant and with respect to the rights of any holder of a Mortgage or the Landlord, in addition to any other rights or remedies available to the Landlord at law or in equity, shall have the right to:

* + 1. terminate this Master Lease (subject to the provisions of section 10.2(h)) and all rights of the Tenant under this Master Lease by giving the Tenant written notice that this Master Lease is terminated, in which case the Landlord may recover from the Tenant the aggregate sum of:
			1. the worth at the time of award of any unpaid Rent that had been earned at the time of termination;
			2. the worth at the time of award of the amount by which (A) the unpaid Rent that would have been earned after termination until the time of award exceeds (B) the amount of the rental loss, if any, as the Tenant affirmatively proves could have been reasonably avoided;
			3. the worth at the time of award of the amount by which (A) the unpaid Rent for the balance of the Term after the time of award exceeds (B) the amount of rental loss, if any, as the Tenant affirmatively proves could be reasonably avoided;
			4. any other amount necessary to compensate the Landlord for all the detriment caused by the Tenant’s failure to perform the Tenant’s obligations or that, in the ordinary course of things, would be likely to result from the Tenant’s failure; and
			5. all other amounts in addition to or in lieu of those previously set out as may be permitted from time to time by applicable Washington law.

As used in clauses (i) and (ii) of Section 10.2(a), the worth at the time of award is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause (iii) of Section 10.2(a), the worth at the time of award is computed by discounting that amount at the discount rate of the Federal Reserve Bank of Cleveland at the time of award plus one percent (1%).

* + 1. continue this Lease, and from time to time, without terminating this Lease, either:
			1. recover all Rent, Operating Revenue and other amounts payable as they become due, or
			2. relet the Property or any part on behalf of the Tenant on terms and at the Rent that the Landlord, in the Landlord’s sole discretion, may deem advisable, all with the right to make alterations and repairs to the Property, at the Tenant’s cost, and apply all rent and other proceeds received in respect of the Property to the Rent and other amounts payable by the Tenant. To the extent that the Rent and other amounts payable by the Tenant under this Lease exceed the amount of the proceeds from reletting, the Landlord may recover the excess from the Tenant as and when due.
		2. Upon the occurrence of an Event of Default, the Landlord shall also have the right, with or without terminating this Lease, to re-enter the Property and remove the Tenant and all other persons and property from the Property. The Landlord may store the property removed from the Property in a public warehouse or elsewhere at the expense and for the account of the Tenant.
		3. Reserved.
		4. None of the following remedial actions, alone or in combination, shall be construed as an election by the Landlord to terminate this Lease unless the Landlord has in fact given the Tenant written notice that this Lease is terminated or unless a court of competent jurisdiction decrees termination of this Lease: any act by the Landlord to maintain or preserve the Property; any efforts by the Landlord to relet the Property; or any re-entry, repossession, or reletting of the Property. If the Landlord takes any of the previous remedial actions without terminating this Lease, the Landlord may nevertheless at any later time terminate this Lease by written notice to the Tenant.
		5. After the occurrence of an Event of Default by the Tenant, the Landlord, in addition to or in lieu of exercising other remedies, may, but without any obligation to do so, cure the breach underlying the Event of Default for the account and at the expense of the Tenant. However Landlord must by prior notice first allow Tenant a reasonable opportunity to cure, except in cases of emergency, where Landlord may proceed without prior notice to Tenant. The Tenant shall, upon demand, immediately reimburse the Landlord for all costs, including costs of settlements, defense, court costs, and attorney fees, that the Landlord may incur in the course of any cure.
		6. Except where this is inconsistent with or contrary to any provisions of this Lease, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given or now or later existing at law or in equity or by statute. Except to the extent that either party may have otherwise agreed in writing, no waiver by a party of any violation or nonperformance by the other party of any obligations, agreements, or covenants under this Lease shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement, or obligation, nor shall any forbearance by either party to exercise a remedy for any violation or nonperformance by the other party be deemed a waiver by that party of the rights or remedies with respect to that violation or nonperformance.
		7. Notwithstanding anything to the contrary contained in this Master Lease, the Landlord agrees that, during the HTC Recapture Period, its rights and remedies upon an Event of Default shall not include any right or remedy involving (i) the termination of this Lease or the Tenant’s right to possession of the Project hereunder, or (ii) acceleration of rents hereunder, regardless of whether such rights and remedies arise under the terms of this Lease, at law or in equity, and the Landlord hereby expressly and absolutely waives such rights and remedies during said period. Notwithstanding the foregoing or anything to the contrary contained in this Lease, the provisions of this subsection (h) shall be binding upon (x) Lender and any subsequent transferee of Lender if Lender acquires the Landlord’s interest in the Property at foreclosure or by deed in lieu of foreclosure, or otherwise, and (y) any purchaser at foreclosure or by deed in lieu of foreclosure, or otherwise of the Mortgage Loan. Lender shall notify any subsequent transferees or purchasers at foreclosure, or deed in lieu of foreclosure or otherwise, of this provision.
	1. Termination of Master Lease for Tenant’s Default. Upon a termination of this Master Lease pursuant to Section 10.2(a) (subject to section 10.2(h)), the Leasehold Interest and the Tenant’s right, title and interest in all subleases shall automatically revert to the Landlord, the Tenant shall promptly quit and surrender the Property to the Landlord, without cost to the Landlord, and the Landlord may, without demand and further notice, reenter and take possession of the Property, or any part thereof, and repossess the same as the Landlord’s former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which the Landlord might otherwise have for arrearages of any Master Lease Payment or for a prior breach of the provisions of this Master Lease. The Tenant shall execute and deliver from time to time, promptly after written request by Lender, any instrument, agreement or document and shall take such other action as may be necessary or desirable in the reasonable opinion of Lender to effectuate the purposes of this Section. The Tenant hereby grants the Landlord an irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in this Section 10.3 and any or all other actions deemed necessary or desirable by the Landlord in order to effectuate the purposes of this Section 10.3. The obligations of the Tenant under this Master Lease which arose prior to termination shall survive such termination.
	2. Rights Upon Termination. Upon termination of this Master Lease pursuant to Section 10.2, the Landlord may:
		1. at the time of such termination, collect any unpaid Master Lease Payment due hereunder, without any deduction, offset or recoupment whatsoever; and
		2. enforce its rights under any bond outstanding at the time of such termination; and
		3. require the Tenant to deliver to the Landlord, or otherwise effectively transfer to the Landlord, all of the Tenant’s right, title and interest in and to any subleases, any and all governmental approvals and permits, and any and all rights of possession, ownership or control the Tenant may have in and to, any and all financing arrangements, plans, specifications, and other technical documents or materials related to the Property.
	3. Performance by Landlord. If the Tenant shall fail to perform any act required under this Master Lease, the Landlord may (but need not) after giving not less than ten (10) additional days’ Notice (except in case of emergencies and except where a shorter time period is specified elsewhere in this Master Lease) to the Tenant and without waiving any default or releasing the Tenant from any obligations, cure such default for the account of the Tenant. The Tenant shall promptly pay the Landlord the amount of such charges, costs and expenses as the Landlord shall have incurred in curing such default, together with interest at the rate of twelve percent (12%) per annum.

In addition to any other remedies of the Landlord under this Master Lease, the Tenant agrees to reimburse the Landlord for any and all actual expenditures incurred by the Landlord by reason of such failure, whether or not such failure shall constitute an Event of Default or termination, however caused, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys’ fees and costs) incurred by the Landlord as a result thereof.

* 1. Remedies Cumulative. Unless otherwise specifically provided in this Master Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every power and remedy given by this Master Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by the Landlord to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.
	2. Default by Landlord. The Landlord shall not be in default of this Master Lease unless it fails to perform any provision of this Master Lease that it is obligated to perform and the failure to perform is not cured within thirty (30) days after Notice of the default has been given to the Landlord; provided, however, if the default cannot reasonably be cured within thirty (30) days, the Landlord shall not be in default of this Master Lease if the Landlord commences to cure the default within such thirty-day period and diligently and in good faith continues to cure the default until completion within a reasonable period of time. The Tenant shall provide written notice of any default by the Landlord to the holder of any Mortgage of which the Tenant has notice at the same time that the Tenant provides notice thereof to the Landlord. Except as may be expressly provided in this Lease, in no event shall the Tenant have the right to terminate this Master Lease nor shall the Tenant’s obligation to pay Base Rent or other charges under this Master Lease abate based upon any default by the Landlord of its obligations under the Lease. This Lease shall be construed as though the Landlord’s and the Tenant’s covenants contained herein are independent and not dependent, and the Tenant hereby waives the benefit of any statute or judicial law to the contrary.
	3. Default Notices. Notices given by the Landlord or by the Tenant under this Article 10 shall specify the alleged default and the applicable Master Lease provisions, and shall demand that the Tenant or the Landlord, as applicable, perform the appropriate provisions of this Master Lease within the applicable period of time for cure. No such Notice shall be deemed a forfeiture or termination of this Master Lease unless expressly set forth in such Notice.
	4. Notice to Sherwin-Williams. So long as Sherwin-Williams is a member of the Tenant, the Landlord agrees, simultaneously with the giving of each Notice hereunder, to give a duplicate copy thereof to Sherwin-Williams at the address and pursuant to the methods described in Section 17.9 below. Sherwin-Williams may (but is not obligated to), during the periods given to Tenant under Section 10.2 hereof for remedying a default, itself remedy the default or cause the same to be remedied, and the Landlord agrees to accept such performance as though the same had been done or performed by the Tenant.
	5. Other Provisions.
		1. No default in the performance of the terms, covenants or conditions of this Lease on the part of the Tenant or the Landlord (other than in the payment of any Base Rent or any other amount payable by the Tenant) shall be deemed to continue if and so long as the Landlord or the Tenant, as the case may be, shall be delayed in or prevented from remedying the same due to Force Majeure; but if and when the occurrence or condition which delayed or prevented the remedying of such default shall cease or be removed, it shall be the obligation of the Landlord or the Tenant, as the case may be, without further delay, to commence the correction of such default or to continue and complete the correction thereof.
		2. The defaulting party shall be liable for the reasonable legal expenses of the non-defaulting party in connection with any collection of funds owed under this Lease, the remedying of any Event of Default under this Lease or any termination of this Lease where such collection, remedying or termination results from an Event of Default, as finally determined by a court of competent jurisdiction. If a default is alleged and it shall be determined that no Event of Default exists the court may determine for just cause that the alleging party shall be liable for the legal costs and expenses of the other party in defending such claim.
1. TRANSFERS AND MORTGAGES BY LANDLORD

During the HTC Recapture Period, except for granting Mortgages in accordance with the terms of this Master Lease and Tenant’s Operating Agreement, and Project Company Agreement, the Landlord shall not transfer all or any portion of its interest in the Property without the prior written consent of the Tenant and Sherwin-Williams. During the HTC Recapture Period, Lender shall not effect a transfer by foreclosure or deed or assignment in lieu of foreclosure, or otherwise to any Disqualified Transferee, and any transfer by foreclosure or deed or assignment in lieu of foreclosure, or otherwise shall be in accordance with the Mortgage SNDA.

1. ESTOPPEL CERTIFICATE

The Tenant agrees that, from time to time upon not less than ten (10) days’ prior request by the Landlord or the holder of any Mortgage, the Tenant (or any permitted assignee, subtenant, licensee, concessionaire or other occupant of the Property claiming by, through or under the Tenant) will deliver to the Landlord, or to the holder of any Mortgage, a statement in writing signed by the Tenant certifying (a) that this Master Lease is unmodified and in full force and effect (or if there have been modifications, that this Master Lease as modified is in full force and effect and identifying the modifications); (b) the date upon which the Tenant began paying Base Rent and the dates to which the Base Rent and any other Master Lease Payment have been paid; (c) that the Landlord is not in default under any provision of this Master Lease, or, if in default, the nature thereof in detail; (d) that (if applicable) the Property has been completed in accordance with the terms hereof and the Tenant is in occupancy and paying Base Rent on a current basis with no Base Rent offsets or claims; (e) that there has been no prepayment of Base Rent other than Prepaid Rent and as otherwise provided in this Master Lease; (f) that there are no actions, whether voluntary or otherwise, pending against the Tenant under the bankruptcy laws of the United States or any state thereof; and (g) such other matters as may be required by the Landlord or the holder of any Mortgage. The Landlord shall provide a statement of like tenor if and as requested by the Tenant.

1. MISCELLANEOUS
	1. Construction. The Landlord and the Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.
	2. Performance Under Protest. In the event of a dispute or difference between the Landlord and the Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted shall have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and shall have the right to bring an appropriate action at law, equity or otherwise against the other for the recovery of any sums expended in the performance thereof and in any such action, the successful party shall be entitled to recover in addition to all other recoveries such reasonable attorneys’ fees as may be awarded by the court.
	3. No Waiver. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any other provision of this Master Lease shall be deemed a waiver of a breach of any other provision of this Master Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the other party’s consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the cause of any subsequent occasion. Except as expressly limited by the terms of this Master Lease, any and all rights and remedies which either party may have under this Master Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them whether exercised by said party or not, shall be deemed to be in exclusion of any other; and two or more or all of such rights and remedies may be exercised at the same time.
	4. Headings; Exhibits. The headings used for the various articles and sections of this Master Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Master Lease or to be used in determining the intent of the parties of this Master Lease. All exhibits attached to this Lease are incorporated herein by this reference.
	5. Partial Invalidity. If any terms, covenant, provision or condition of this Master Lease or the application thereof to any person or circumstances shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the remaining terms, covenants, provisions and conditions of this Master Lease and their application to persons or circumstances shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision mutually agreeable to the Landlord and the Tenant which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.
	6. Bind and Inure. Unless repugnant to the context, the words “Landlord” and “Tenant” shall be construed to mean the original parties, their respective permitted successors and assigns and those claiming through or under them respectively. Subject to the provisions of Section 7.2, the agreements and conditions in this Master Lease contained on the part of the Tenant to be performed and observed shall be binding upon the Tenant and its permitted successors and assigns including, but not limited to, the Lender (upon the Lender becoming the owner of the Property following a foreclosure) and any successors and assigns thereto, as applicable, and shall inure to the benefit of the Landlord and its permitted successors and assigns, and the agreements and conditions in this Master Lease contained on the part of the Landlord to be performed and observed shall be binding upon the Landlord and its permitted successors and assigns and shall inure to the benefit of the Tenant and its successors and assigns.
	7. Time of Essence. Time is of the essence of this Master Lease and of all provisions hereof.
	8. Recordable Form of Master Lease. Simultaneously with the delivery of this Master Lease the parties have delivered a notice or short form of this Master Lease which the Tenant shall record in the public office in which required to put third parties on notice. If this Master Lease is terminated or expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the date of termination or expiration of this Master Lease.
	9. Notices. Notices will be in writing and will be either given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or sent by telex or facsimile promptly confirmed in writing, or sent by personal delivery by a nationally recognized courier service for next day delivery. The current addresses and telecopy numbers of the parties to which any notice provided for herein shall be sent, are as follows:

|  |  |
| --- | --- |
| If to the Tenant: | Elks Lodge Master Tenant, LLC430 N. Killingsworth StreetPortland, Oregon 97217Attn:Telephone:Facsimile: |
|  With copies to: | Butler Snow LLP1801 California Street, Suite 5100Denver, CO 80202Attn: Alan PasternakTelephone: (720) 330-2396Facsimile: (720) 330-2301 |
|  and | The Sherwin-Williams Company (pursuant to Section 10.9 hereof):The Sherwin-Williams Co.101 Prospect Ave., N.W.Cleveland, Ohio 44115Attn: Brian M. PowerTelephone: (216) 566-2640Facsimile: (216) 566-2392 |
| If to Landlord: | Elks Temple Properties LLC430 N. KillingsworthPortland, OR 97217 |

Any party may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section 13.9. Notices delivered personally or by facsimile will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

* 1. Entire Agreement. Except as may be provided in the organizational documents of Landlord, with respect to the Tenant’s investments in Landlord, in the Tenant’s Operating Agreement, in the Pass-Through Agreement and in the Mortgage SNDA, this instrument contains all the agreements made between the parties hereto with respect to the subject matter hereof and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest.
	2. No Merger. There shall be no merger of this Master Lease or of the leasehold estate hereby created with the fee estate in the Property or any part thereof by reason of the fact that the same person, firm corporation, or other legal entity may acquire or hold, directly or indirectly, this Master Lease or the leasehold estate and the fee estate in the Property or an interest in such fee estate.
	3. Governing Law. This Master Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of Washington without giving effect to any choice or conflict of law provision or rule.

[No further text on this page. Signature page follows.]

IN WITNESS WHEREOF, the parties have hereunto set their signatures and seals to this Master Lease as of the date first above written.

LANDLORD:

**ELKS TEMPLE PROPERTIES** **LLC**,

a Washington limited liability company

By: Dance on Air Properties LLC, a Washington limited liability company

Its: Manager

By:

Name: Michael R. McMenamin

Title: Manager

TENANT:

**ELKS LODGE MASTER TENANT, LLC**,

a Washington limited liability company

By: Tacoma MEL Properties LLC, a Washington limited liability company

Its: Manager

By:

Name: Michael R. McMenamin

Title: Manager

**EXHIBIT A**

**Description of Property**

Revised Parcel B of City of Tacoma boundary line adjustment no. Mpd2013-40000195319, recorded April 23, 2013, under recording no. 201304235002, in Pierce County, Washington..

**Exhibit B**

**Base Rent Schedule**

|  |  |
| --- | --- |
| LEASE YEAR | BASE RENT |
|  |  |
| 1 | $2,156,250.00 |
| 2 | $2,199,375.00 |
| 3 | $2,243,362.50 |
| 4 | $2,288,229.75 |
| 5 | $2,333,994.35 |
| 6 | $2,380,674.23 |
| 7 | $2,428,287.72 |
| 8 | $2,476,853.47 |
| 9 | $2,526,390.54 |
| 10 | $2,576,918.35 |
| 11 | FMRV - See note below |
| 12 | 102% of prior year's base rent |
| 13 | 102% of prior year's base rent |
| 14 | 102% of prior year's base rent |
| 15 | 102% of prior year's base rent |
| 16 | 102% of prior year's base rent |
| 17 | 102% of prior year's base rent |
| 18 | 102% of prior year's base rent |
| 19 | 102% of prior year's base rent |
| 20 | 102% of prior year's base rent |
| 21 | FMRV - See note below |
| 22 | 102% of prior year's base rent |
| 23 | 102% of prior year's base rent |
| 24 | 102% of prior year's base rent |
| 25 | 102% of prior year's base rent |
| 26 | 102% of prior year's base rent |
| 27 | 102% of prior year's base rent |
| 28 | 102% of prior year's base rent |
| 29 | 102% of prior year's base rent |
| 30 | 102% of prior year's base rent |
| 31 | 102% of prior year's base rent |
| 32 | 102% of prior year's base rent |

FMRV Note: For Year 11 and Year 21 of the Lease term, Base Rent will be adjusted to the annual fair market rental value of the Property, but the adjusted Base Rent will not be less than the Base Rent in effect for the preceding year. If the parties are not able to agree on the annual fair market rental value of the Property before the 120th day prior to the commencement of the year for which Base Rent is being determined, the value will be determined by arbitration in accordance with Section 1.3 of Exhibit D.

**Exhibit c**

**PREPAID RENT**

**[To be attached]**

**Exhibit D**

**ADDITIONAL LEASE TERMS**

1. renewal option
	1. Renewal Option. Tenant shall have the option to renew this Lease for an additional eight (8) years, as provided below, so long as Tenant is not in default at the time the option is exercised and at the time the Renewal Term is to commence. The other terms and conditions of this Lease will remain the same during the Renewal Term, except that Base Rent for the Renewal Term shall be determined in accordance with Section 1.2 below and except that Tenant shall no longer have any option to renew this Lease. If Tenant desires to exercise the renewal option, at least 365 days prior to expiration of the Initial Term, Tenant must give Landlord written notice of Tenant's election to exercise this renewal option.
	2. Base Rent During Renewal Term. During the Renewal Term, Tenant shall pay to Landlord as Monthly Base Rent an amount equal to the greater of (i) one-twelfth (1/12th) of the annual fair market rental value of the Property for each year during the Renewal Term, or (ii) the Monthly Base Rent payable in the last month of the Initial Term. If the parties are unable to reach agreement before the 120th day prior to the commencement of the Renewal Term, the annual fair market rental value of the Property for each year during the Renewal Term shall be determined by arbitration.
	3. Procedure for Base Rent Arbitration. If arbitration is required under Section 1.2, each party shall select an independent appraiser having at least five (5) years’ full-time commercial appraisal experience in the Tacoma, Washington metropolitan area and who is a member of the Appraisal Institute or comparable organization. The two persons so chosen shall submit their appraisal to Landlord and Tenant within 60 days after their appointment. If the two appraisers so chosen cannot agree on the fair market rental value of the Property for the Renewal Term, they shall select a third independent appraiser having the above qualifications to serve as arbitrator, or if they cannot agree, the presiding judge of the Superior Court of the State of Washington for the County of Pierce shall select the arbitrator. Within 30 days after this appointment, the arbitrator shall determine the fair market rental value of the Property for the Renewal Term, which determination will be binding on the parties and establish the fair market rental value of the Property for the Renewal Term and the Monthly Base Rent for the Renewal Term shall equal the greater of (a) one-twelfth (1/12th) of the annual fair market rental value of the Property for each year of the Renewal Term, or (b) the Monthly Base Rent payable in the last month of the Initial Term. If the arbitrator does not reach a decision prior to commencement of the Renewal Term, Monthly Base Rent shall continue to be payable in the manner and at the rate previously in effect, and retroactive adjustment shall be made, if necessary, when the arbitrator reaches a decision. The parties will each bear the cost of the appraiser selected by that party and one-half (½) of the cost of appointing the third appraiser and of payment of the third appraiser’s fee. The arbitration shall be conducted according to the procedures of the arbitration statutes of the state in which the Property is located.
2.

DAmage and Destruction

* 1. Damage or Destruction. If at any time after the expiration of the Recapture Period the Property is damaged or destroyed and (a) Landlord reasonably estimates that the cost of restoration of the Property will exceed 50 percent of the value of the improvements to the Property immediately before the damage or destruction occurred, whether or not such damage or destruction is covered by the insurance, or (b) the damage occurs during the last two (2) years of the Term and Landlord reasonably estimates that it will take longer than 180 days following the date of damage to fully restore the Property, Landlord may elect to terminate this Master Lease by providing Tenant with written notice of such termination within sixty (60) days after the date of the occurrence of such damage. In the event Landlord elects to terminate this Master Lease, Landlord must reimburse Tenant within 30 days after written demand from Tenant the amount of any Historic Tax Credits recaptured from Tenant based solely on the termination of this Master Lease by Landlord. If Landlord does not timely elect to terminate this Lease pursuant to this Section 2.1, then the Lease shall continue in full force and effect.
	2. Rent Abatement. If the Property is partially destroyed or damaged and Landlord repairs or restores the Property pursuant to the provisions of Section 8.1(f) of the Master Lease, the Monthly Base Rent payable for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant’s use of the Property is impaired, except that there shall be no rent abatement where the damage occurred as the result of a negligent or willful act of Tenant or its employees, contractors, agents, guests, licensees, or invitees.
	3. Termination. Upon termination of this Master Lease pursuant to Section 2.1 of this Exhibit D, an equitable adjustment shall be made concerning any advance Base Rent payments made by Tenant to Landlord.
1. Use
	1. No Offensive Activities. Tenant shall not conduct or permit any activities on the Property that create a nuisance or damage the reputation of the Property, or are reasonably offensive to Landlord, or owners or users of adjoining property.
	2. Insurance Coverage. Tenant shall refrain from any use of the Property that would invalidate or impair the coverages afforded by any insurance maintained with respect to the Property and shall not allow the condition of the Property or Building to decline to a degree that would result in any insurance required under this Lease to be maintained by Tenant or any insurance maintained by Landlord to no longer be available.
	3. Removal of Snow, Ice, and Debris. Tenant shall keep the sidewalks (if any) abutting the Property and Building entrances free and clear of snow, ice, debris, and obstructions of every kind. Tenant shall keep the roof and drains leading from the roof of any buildings on the Property free and clear of snow, ice, debris, or other obstruction which might overload or endanger the roof or adjoining premises, sidewalks, or streets. In performing such work, Tenant shall take all reasonable precautions to avoid damage to the roof.
	4. Signs. Tenant shall obtain Landlord’s prior approval of the location, design, size, color, materials, and other details of any signs to be located on the Property, which approval shall not be unreasonably withheld but may be subject to approval of Landlord's architect and Landlord's historic tax credit consultant. Signs must be designed and constructed in compliance with city and county sign codes.
	5. Historic Tax Credits. Tenant shall operate the Property as required by, and subject to the terms and conditions of, any Historic Tax Credits received in connection with the Property and all covenants, conditions, restrictions, and encumbrances of record. In this regard, any change to the exterior of the Building, including signs, must be approved by Landlord's architect and Landlord's historic tax credit consultant in addition to Landlord.
2. MISCELLANEOUS
	1. Financial Statements. Upon written request of Landlord, Tenant shall furnish to Landlord Tenant’s most current monthly and year-to-date financial statements prepared in the ordinary course of Tenant’s business as well as financial statements for Tenant's most recent fiscal year ended. Landlord may make such financial statements available to any prospective lender or purchaser of the Property. Landlord shall otherwise keep such financial statements confidential and shall require any such prospective lender or purchaser to do the same.
	2. Indemnification of Landlord. Tenant shall indemnify and defend Landlord for, from and against any claim, loss, or liability arising out of or related to any action, inaction or negligence of Tenant or its employees, contractors, agents, guests, licensees or invitees, or any condition of the Property. In the event any action is brought against Landlord by reason of any such claim, Tenant shall resist or defend such action or proceeding by counsel satisfactory to Landlord upon Landlord’s demand.
	3. Landlord’s Liability. Landlord shall have no liability to Tenant for acts of any third party, or for any defect in the Property, or for any interruption or failure in the supply of utilities or services to the Property.
	4. Security. Tenant acknowledges that the rental payable to Landlord under this Master Lease does not include the cost of guard service or other security measures, and that Landlord shall have no obligation whatsoever to provide such services or security measures. Tenant assumes all responsibility for the protection of Tenant, its officers, employees, agents and invitees, from the acts of third parties.
	5. Breach by Landlord. In the event any damages are awarded to Tenant against Landlord for breach of this Master Lease, Tenant’s sole recourse shall be against Landlord’s interest in the Property, and Landlord shall have no personal liability therefor.
	6. Conflict. The terms of this Exhibit D shall control over any conflicting or inconsistent terms contained in the body of the Master Lease