

50.00

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

JERRY MCINTOSH
SKAGIT COUNTY AUDITOR

JUL 21 1989

'89 JUL 21 P1:20

Amount Paid \$
By Skagit Co. Treasurer Deputy
Ka

RECORDED
REQUEST OF

DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS
BY
PAN PACIFIC DEVELOPMENT
(CASCADE) INC.

06/28/89

8907210046

VOL 831 PAGE 445

TABLE OF CONTENTS
DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

	<u>Page</u>
Recitals	1
Section 1 - Definitions	1
Section 1.1 Automobile Parking Area	1
Section 1.2 Beneficial Users	2
Section 1.3 Common Area	2
Section 1.4 Enclosed Mall	2
Section 1.5 Floor Area	2
Section 1.6 Major or Majors	3
Section 1.7 Mortgagee and Mortgage	3
Section 1.8 Occupant	3
Section 1.9 Person	4
Section 1.10 Phase I	4
Section 1.11 Phase II	4
Section 1.12 Record Owner	4
Section 1.13 Sale and Leaseback	4
Section 2 - Shopping Center Easements	4
Section 2.1 Automobile Parking Area Easements	4
Section 2.2 Common Area Easements	5
Section 2.3 Unimpeded Access Between Parcels	5
Section 2.4 Use by Beneficial Users	5
Section 2.5 Non-Commercial Use	5
Section 3 - Operation and Maintenance of Common Area	5
Section 3.1 Management and Operation.....	5
Section 3.2 Rules and Regulations	5
Section 3.3 Possession and Control	6
Section 3.4 Employee Parking Areas	6
Section 3.5 Structures in Common Area	6
Prohibited	
Section 3.6 Maintenance of Common Area ...	7
Section 3.7 Common Area Maintenance Cost	9
Section 3.8 Temporary Obstruction of Common	9
Areas	
Section 4 - Operation and Use of Shopping Center	10
Section 4.1 Use of Floor Area	10
Section 4.2 Prohibited Operations and	10
Nuisances	
Section 4.3 Signs	11
Section 4.4 Limitation on Improvements ...	12

	<u>Page</u>
Section 4.5 Minimum Parking Requirements .	13
Section 4.6 Noninterference	13
Section 5 - Improvement Plans	14
Section 5.1 Improvement Plans	14
Section 5.2 Architectural Approval of Revisions and Alterations	14
Section 6 - Development of Phase II	14
Section 6.1 Status Prior to Development .. of Phase II	14
Section 6.2 Development of Phase II	14
Section 6.3 Parking Improvements	15
Section 6.4 Additions to Common Area	15
Section 6.5 Sale of Site	15
Section 7 - Mutuality, Reciprocity: Runs with Land	16
Section 7.1 Dominant and Servient Estates	16
Section 7.2 Covenants Run With Land	17
Section 8 - Bon, Sears, Emporium and Penney Lease Provision	17
Section 8.1 Leases	17
Section 8.2 Leases Superior to Lien	17
Section 8.3 Bon, Sears, Emporium and Penney Approval of Termination and Certain Declaration Amendments	17
Section 8.4 Effect of Declaration on Penney Lease, Bon Lease, Emporium Lease and Sears Lease	18
Section 8.5 Notices	18
Section 9 - General Provisions	20
Section 9.1 Successors	20
Section 9.2 Duration	20
Section 9.3 Injunctive Relief; Third Party Beneficiaries	20
Section 9.4 Modification	21
Section 9.5 Not a Public Dedication	21
Section 9.6 Breach Shall Not Permit	21
Termination	
Section 9.7 Breach Shall Not Defeat	21
Mortgage	
Section 9.8 Severability	21

INDEX OF EXHIBITS AND ATTACHMENTS
DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

Exhibit A	Legal Description
Exhibit B	Legal Description of Shopping Center
Exhibit C	Plot Plans Exhibit C-I - Phase I Exhibit C-II - Phase I and Phase II, combined
Exhibit D	Rules and Regulations
Consent and Subordination	
	1. The Bon, Inc.
	2. J.C. Penney
	3. Sears, Roebuck and Co.
	4. Troutman Investment Company
Consent and Subordination of Winmar Cascade, Inc.	

WHEN RECORDED RETURN TO:

Michael D. Kuntz
Foster Pepper & Shefelman
1111 Third Avenue, Suite 3400
Seattle, Washington 98101

DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

THIS DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS is made as of this _____ day of _____, 1989, by PAN PACIFIC DEVELOPMENT (CASCADE), INC., a Washington corporation, hereinafter called "Developer." This instrument is, for convenience, hereinafter referred to as the "Declaration."

RECITALS:

A. Under a Ground Lease dated March 15, 1989 between Winmar Cascade, Inc. as Landlord, and Developer as Tenant, as amended by the First Amendment to Ground Lease dated June _____, 1989, Developer leased certain real property situated in the City of Burlington, Skagit County, Washington, described in Exhibit A attached hereto and by this reference incorporated herein. Developer intends to develop a regional shopping center on that portion of the real property described in Exhibit B attached hereto and by this reference incorporated herein (the "Shopping Center"). Attached hereto as Exhibit C and by this reference incorporated herein are plot plans of the Shopping Center.

B. Developer has undertaken to develop the Shopping Center as an integrated area for the mutual benefit of all property in the Shopping Center, and for such purposes does hereby fix and establish easements, covenants and restrictions upon and subject to which all of the Shopping Center or part thereof shall be improved, held, leased, sold and/or conveyed.

1. Definitions. As used herein, the following terms have the following meanings:

1.1 Automobile Parking Area. The term Automobile Parking Area means those portions of the Common Area used for the passage and parking of motor vehicles, together with all improvements which at any time are erected thereon, including

06/28/89

-1-

VOL 831 PAGE 449

8907210046

deck parking structures, access roads, incidental roadways, pedestrian stairways, walkways, curbs and landscaping within or adjacent to areas used for parking of motor vehicles, together with all other improvements erected thereon for such purposes. Such area shall not include truck ramps and loading and delivery areas used exclusively by any Occupant.

1.2 Beneficial Users. The term Beneficial Users shall mean the Record Owner and all Occupants of the Shopping Center and all customers and other business invitees of the Record Owner and such Occupants.

1.3 Common Area. The term Common Area means all areas within the boundaries of the Shopping Center which are made available, as hereinafter provided, for the use, convenience and benefit of all Beneficial Users. Such Common Area shall include, but not be limited to, Automobile Parking Area, walkways and the Enclosed Mall, as shown on Exhibit C. In addition, such Common Area shall include a Common Area maintenance office and a Common Area equipment room. Such area shall not include any Floor Area.

1.4 Enclosed Mall. The term Enclosed Mall means the enclosed, sprinklered, heated, ventilated and air conditioned mall, together with all improvements therein (including public restrooms not located within the premises of any Occupant) located in the Shopping Center so that climactic control is provided and which is to be enclosed by walls and ceilings, and which is designated as such on Exhibit C hereof, as the same may exist from time to time, including any replacements thereof.

1.5 Floor Area. The term Floor Area means the aggregate of the actual number of square feet of floor space of all floors in any structure located in the Shopping Center whether or not actually occupied, including basement space and subterranean areas, warehousing and storage areas, and balcony and mezzanine space, measured from the exterior faces or the exterior lines of the exterior walls (including basement walls) except party and interior common walls, as to which the center thereof instead of the exterior face thereof shall be used. The term Floor Area shall not include the following:

(a) the upper levels of any multi-deck stock areas created for convenience to increase the usability of space for stock purposes, so long as and to the extent used solely for that purpose regardless of whether such multi-deck stock areas are temporary or permanent installations;

(b) penthouse areas or other physically separated areas, which are used exclusively to house

mechanical, electrical, telecommunications, HVAC or other such building operating equipment, computer rooms, rooms housing equipment to operate point-of-sale terminals, trash room and trash compacting and baling rooms;

(c) any Common Area (except kiosks);

(d) any Shopping Center management or promotional fund office;

(e) emergency exit corridors or stairs between fire resistant walls required by building codes and not contained within any area exclusively appropriated for the use of any single Occupant; and

(f) all truck loading areas and exterior dock areas and ramps and approaches to such truck loading areas and exterior dock areas.

No deduction shall be made for Floor Area computed under the foregoing definition by reason of interior columns, stairs, escalators, elevators, dumbwaiters, conveyers or other interior construction or equipment within the building involved.

1.6 Major or Majors. The term Major or Majors shall mean Sears, Roebuck and Co. ("Sears"), J.C. Penney Company, Inc. ("Penney"), The Bon Inc. ("Bon"), and/or Troutman Investment Company d/b/a The Emporium ("Emporium"), severally or collectively as may be appropriate, during such time as each of them is a tenant of the respective store sites at the Shopping Center as shown on Exhibit C.

1.7 Mortgagee and Mortgage. The term Mortgagee means either (a) the mortgagee under a mortgage, (b) the trustee and beneficiary under a deed of trust, or (c) the fee owner or sublessor following a Sale and Leaseback, or the mortgagee of such fee owner or sublessor. The term Mortgagee shall not refer to any of the foregoing Persons when in possession of the leased premises of any Major or the Record Owner. The term Mortgage means an indenture of mortgage on the interest of a Major or the Record Owner, or a deed of trust on the interest of a Major or the Record Owner, or a Sale and Leaseback.

1.8 Occupant. The term Occupant means the Record Owner, the Majors, and any other Person from time to time entitled to the use and occupancy of Floor Area or other areas in the Shopping Center under any lease, deed or other instrument or arrangement with the Record Owner.

1.9 Person. The term Person shall mean individuals, partnerships, firms, associations and corporations, or any other form of business or governmental entity, and the use of the singular shall include the plural.

1.10 Phase I. The term "Phase I" means Store Buildings A, B, C, D, E, F, and G, the Sears Store, the Penney Store, the Bon Store, the Emporium Store, and their related Automobile Parking Area and the Phase I Enclosed Mall, which are shown on Exhibit C-I as being within "Phase I."

1.11 Phase II. The term "Phase II" means Store Buildings FF and GG, the Future Department Store, and the related Automobile Parking Area and the Phase II Enclosed Mall, which are shown on Exhibit C-II as being within "Phase II."

1.12 Record Owner. The term Record Owner shall mean the Developer or any successor to Developer's interest in the Shopping Center as of the date of any action to be taken by the Record Owner under the provisions of this Declaration, or the assignee of such owner. If Developer's leasehold interest in the Shopping Center expires or otherwise terminates, the Record Owner shall be the owner of the fee estate of the Shopping Center.

1.13 Sale and Leaseback. The term Sale and Leaseback means a transaction whereby (a) the Record Owner conveys the fee or a leasehold estate in all or a portion of the Shopping Center for financing purposes only and such conveyance is followed immediately by a leaseback of such portion to the Record Owner, or (b) if the Record Owner or Major who is the holder of a leasehold interest of a portion of the Shopping Center, assigns or subleases the leasehold for financing purposes only and such assignment or sublease is followed immediately by a sublease of the same portion of the Shopping Center to such Record Owner or Major.

2. Shopping Center Easements.

2.1 Automobile Parking Area Easements. Developer does hereby establish in favor of and grants to the Occupants of the Shopping Center nonexclusive easements, in common with all Occupants of the Shopping Center, for the ingress and egress and for passage and parking of motor vehicles into, out of, on, over and across all Automobile Parking Areas, driveways and service areas from time to time established within the Common Area of the Shopping Center so that the Shopping Center may be used as an integrated area by the Beneficial Users, including access to and from adjacent public thoroughfares. Such Automobile Parking Area easements are easements upon each and every portion of the

Shopping Center which is improved from time to time for the parking or accommodation of vehicles.

2.2 Common Area Easements. Developer does hereby establish in favor of and grants to the Occupants of the Shopping Center nonexclusive easements, in common with all Occupants of the Shopping Center, for the ingress and egress and passage for pedestrians into, out of, on, over or across the Common Area from time to time established within the Shopping Center so that the Shopping Center may be used as an integrated area by the Beneficial Users, including access to and from adjacent public thoroughfares.

2.3 Unimpeded Access Between Parcels. Subject to the provisions of Section 3.8, Developer covenants that at all times free access between each portion of the Automobile Parking Area and the other Common Area of the Shopping Center will not be impeded and shall be maintained.

2.4 Use by Beneficial Users. Subject to any rules and regulations adopted as provided herein for the use of such areas, the use of all easements provided for in this Section 2 and all other improved Common Area in the Shopping Center shall, in each instance, be nonexclusive, and for the use and benefit of all Beneficial Users. Notwithstanding the foregoing, so long as Sears is a Major, Record Owner may designate up to 10 parking spaces for the exclusive use of Sears rental car activities.

2.5 Non-Commercial Use. The Common Area shall not be used for commercial purposes by the Record Owner or any Occupant except in accordance with the provisions of this Declaration and any rules and regulations adopted as provided herein.

3. Operation and Maintenance of Common Area.

3.1 Management and Operation. The Common Area (including the Automobile Parking Area) shall be managed, controlled and operated by the Record Owner for the benefit of all Occupants.

3.2 Rules and Regulations. In the operation of the Common Area, the Record Owner and the Majors, acting collectively, may adopt and/or amend rules and regulations pertaining to the use of the Common Area, provided that all such rules and regulations and other matters affecting the Common Area shall apply equally and without discrimination to all Beneficial Users. Until amended or revised as provided herein, the rules and regulations attached hereto as Exhibit D and by this reference incorporated herein shall be applicable with respect to the use of the Common Area.

3.3 Possession and Control. The Record Owner shall have the nonexclusive possession and general control over all the Common Area, and may, at any time and from time to time, exclude and restrain any Person from the use and occupancy of the Common Area excepting Beneficial Users who make use of the Common Area in accordance with the rules and regulations established from time to time for such use as provided in Section 3.2 hereof. If in the reasonable opinion of any Major, unauthorized Persons are using any of the Common Area, such Major may demand of the Record Owner and any Occupant permitting or otherwise responsible for such unauthorized use to restrain such use by any such unauthorized Person by appropriate proceedings. If the Record Owner and/or Occupant do not restrain such unauthorized use within a reasonable time after such demand, the Major shall have the right to remove or exclude from or to restrain (or take legal action to do so) such unauthorized use, and prohibit, abate and recover damages arising from such unauthorized use, provided, that in so doing, such Major is not the agent of the Record Owner or any Occupants unless expressly authorized or directed to do so by such Record Owner and/or occupants in writing, but such Major is acting pursuant to the rights in the Common Area vested in such Major by the provisions of this Declaration.

3.4 Employee Parking Areas. Areas for use for motor vehicle parking purposes by employees of any Occupant may be designated within the Shopping Center from time to time by the Record Owner and the Majors who are Occupants of not less than 50% of the Floor Area of all Majors, acting collectively. No such employee shall use any part of the Common Area for motor vehicle parking purposes except such area or areas as may be designated for such purposes as provided herein. Occupants shall require their employees to use only such areas as are designated for employee parking.

3.5 Structures in Common Area Prohibited. No building, fence, wall, structure of any kind, pool, pipe, post or other facility shall be erected, constructed or maintained above the surface of any Common Area outside of the Enclosed Mall except:

(a) exterior boundary walls or fences, decorative landscape planting, walkways, walls, arches, curbs, roadways, signs, fire hydrants, lighting facilities, mailboxes, and other similar facilities installed or erected in such a manner as not to interfere with the use of the Common Area as a unit;

(b) those buildings, structures and other improvements shown on Exhibit C (including the improvements contemplated as Phase II);

(c) those buildings, structures and other improvements which may be approved by the Record Owner and all Majors.

Canopies, awnings or marquis attached to commercial buildings (including columns or pillars supporting the same) may project over or encroach upon sidewalks and walkways within the Common Area.

3.6 Maintenance of Common Area. The Record Owner shall maintain all Common Area located within the Shopping Center and shall keep the same in good condition and repair, clean and free of rubbish, debris and other hazards to Persons using such Common Area. The Record Owner shall make all repairs, replacements or improvements as may be required to maintain all the Common Area.

(a) Standards for Maintenance of Common Area Exclusive of Enclosed Mall. Without limiting the generality of the foregoing provisions of this Section 3.6, in the maintenance of the Common Area, exclusive of the Enclosed Mall, the Record Owner shall:

(i) maintain the surface of the Automobile Parking Area and sidewalks level, smooth and evenly covered with the type of surfacing materials originally installed thereon, or such substitute thereof as shall in all respects be equal thereto in quality, appearance and durability;

(ii) remove all papers, debris, filth and refuse from the Shopping Center, and thoroughly sweep the paved areas as required;

(iii) maintain within the Shopping Center such appropriate Automobile Parking Area entrance, exit and directional signs, markers and lights as shall be reasonably required in accordance with the practices prevailing in the operation of similar community Shopping Centers in the state of Washington;

(iv) clean Common Area lighting fixtures of the Shopping Center and relamp and reballast as needed;

(v) repaint striping, markers, directional signs and related traffic signs as necessary to maintain such stripes, markers and signs in first class condition;

(vi) maintain and replace landscaping as necessary to keep such landscaping in a first class condition;

(vii) clean signs of the Shopping Center but not those of Occupants, including relamping and repairs as needed;

(viii) clean, repair and maintain all utility systems that are a part of the Common Area to the extent that the same are not cleaned, repaired and maintained by public utilities;

(ix) take such action as may be reasonable and necessary to deal with snow, ice and other adverse weather conditions affecting the Common Areas; and

(x) employ courteous security personnel for Common Area patrol, in such numbers, and during store hours and such other hours as Record Owner shall deem prudent for the safe and orderly operation of the Common Areas.

(b) Standards for Maintenance of Enclosed Mall. The Enclosed Mall shall be operated and maintained or caused to be operated and maintained in good order, condition and repair. Without limiting the generality of the foregoing, in the operation and maintenance of the Enclosed Mall, the Record Owner shall:

(i) maintain the floor surfaces of the Enclosed Mall smooth and evenly covered with the type of surfacing material originally installed thereon, or such substitute thereof as shall in all respects be equal thereto in quality, appearance and durability;

(ii) remove all papers, debris, filth and refuse from the Enclosed Mall and wash and thoroughly sweep the surface of the Enclosed Mall;

(iii) clean lighting fixtures within the Enclosed Mall and relamp as needed;

(iv) maintain the landscaping within the Enclosed Mall in a first class condition;

(v) maintain or cause to be maintained all signs within the Enclosed Mall (but not those of Occupants) in a clean and orderly condition, including relamping and repairing as may be required;

(vi) maintain and keep in a sanitary condition public restrooms and other common use facilities within the Enclosed Mall;

(vii) clean, repair and maintain all utility systems that are a part of the Enclosed Mall;

(viii) clean and maintain the structures of the Enclosed Mall, the roofs, skylights, wall surfaces, doors and other appurtenances to the Enclosed Mall;

(ix) maintain the temperature control system in good order, condition and repair; and

(x) employ courteous security personnel to patrol the Enclosed Mall, in such numbers and during store hours, and such other hours, as may be deemed necessary by the Record Owner for the safe and orderly operation of the Enclosed Mall.

3.7 Common Area Maintenance Cost. The payment of the cost and expenses of the Common Area maintenance shall be shared by the Occupants as is set forth in the separate leases or other agreements between the Record Owner and each of the Occupants.

3.8 Temporary Obstruction of Common Areas. Notwithstanding the provisions of Section 2.3 and the other provisions of this Declaration, the Record Owner may temporarily obstruct, interfere with or impede the use of portions of the Common Areas (including the Automobile Parking Area) under the following conditions:

(a) in the event of an emergency or in order to maintain health, safety and public order in or about the Shopping Center;

(b) in connection with repairs, maintenance and/or replacement of all or portions of the Common Area, provided that in conducting such repairs, Record Owner shall use all reasonable efforts to conduct such

repairs so as not to interfere with the use of the Common Areas by Beneficial Users;

(c) in order to prevent a dedication of any such portion of the Common Area to the public;

(d) during such hours as no stores are open within the Shopping Center, to prevent the unauthorized use of such portions of the Shopping Center; and

(e) in connection with construction activities associated with the development of Phase II, provided that such construction activities shall be undertaken so as not to interfere with the continued operation and use of the remainder of the Common Area by all Beneficial Users.

4. Operation and Use of Shopping Center.

4.1 Use of Floor Area. Neither the Shopping Center nor any part thereof shall be used and no buildings or other improvements shall be thereon constructed, maintained, or used for any purpose other than the following:

establishments selling goods, wares, merchandise, food and beverages, and services to the public at retail (including necessary supporting office, storage, and service facilities), financial institutions, travel agencies, theater, and offices, excluding general offices, which are common to first-class regional shopping centers in the state of Washington containing enclosed air conditioned malls.

4.2 Prohibited Operations and Nuisances. No use or operation will be made, conducted, or permitted on or with respect to all or any part of the Shopping Center, which use or operation is obnoxious or out of harmony with the development or operation of a first-class regional shopping center including, but limited to, the following:

(a) any public or private nuisance;

(b) any noise or sound that can be heard outside the floor area of its origin and is objectionable due to intermittence, beat, frequency, shrillness, or loudness;

(c) any obnoxious odor;

(d) any noxious, toxic, caustic or corrosive fuel or gas;

(e) any dust, dirt, or fly-ash in excessive quantities;

(f) any unusual fire, explosion, or other damaging or dangerous hazard;

(g) any warehouse (but any area for the storage of goods needed to be sold at any retail establishment in the Shopping Center shall not be deemed a warehouse), manufacture, distillation, refining, smelting, agricultural, or mining operations;

(h) any trailer court, labor camp, junkyard, stockyard (or animal raising other than pet shop);

(i) any drilling for or removal of subsurface substances;

(j) any dumping, disposal, incineration, or reduction of garbage or refuse other than handling or reducing such waste if produced on the premises from authorized uses and if handled in a reasonably clean, sanitary and noiseless manner; and

(k) any health club.

Anything contained in this section 4.2 to the contrary notwithstanding, the Majors shall have the right to use and conduct operations in their respective Stores in accordance with their standard practices and their separate lease or other agreements with the Record Owner.

4.3 Signs. No sign, symbol, advertisement or billboard shall be constructed, used, maintained, displayed or permitted on or about any portion of the Shopping Center except signs maintained by the Record Owner for the Shopping Center as a whole and one or more signs for each retail facility in the Shopping Center which complies with the sign criteria established by the Record Owner. Notwithstanding the foregoing, the following standards shall apply with respect to all signs within the Shopping Center.

(a) There shall be no flashing, rotating, or moving signs or markers of any type.

(b) There shall be no signs painted on the exterior surface of any building.

(c) There shall be no free-standing or pylon signs other than the monument sign shown on Exhibit C, which sign shall be erected and maintained by the Record Owner and which shall display only the name of the Shopping Center, and, if the Record Owner elects to do so at some time in the future, a free-standing pylon sign at the location shown as the "Future Pylon Sign" on Exhibit C.

(d) All signs for Store Buildings which front on the Enclosed Mall shall be (i) not more than four feet in height, (ii) flush with the wall of the building to which affixed and of a length which does not exceed 80% of the linear frontage of the store upon which it fronts or a blade sign not more than 4-1/2 feet wide and 12" high, (iii) of a design which is uniform with other signs similarly placed, and (iv) of a design that does not flash, scintillate, make noise, or admit smoke.

(e) There shall be no rooftop signs, except that signs affixed to the sides of mechanical equipment penthouses on the building of any Major shall not be considered rooftop signs.

(f) No signs shall be permitted at the rear of any store buildings, except in the case of stores with approved customer entrances opening directly into the Automobile Parking Area, as shown on Exhibit C.

Anything contained in this section 4.3 to the contrary notwithstanding, the Majors shall have the right to install their standard signs on the walls and penthouses of the respective store buildings.

4.4 Limitation on Improvements. There shall not be constructed in the Shopping Center, without the prior written approval of the Majors:

(a) any facility for the parking of motor vehicles other than at ground level in the location shown therefor on Exhibit C;

(b) any building or structure except in the location shown therefor on Exhibit C;

(c) any kiosk within the court designated for each Major or within 150 feet of the Mall entrance for any Major without the advance written approval of such Major; and the Enclosed Mall shall not contain any amusement device, coin-operated or otherwise, or any vending machine dispersing any food or beverage, within 150 feet of the entrance to any Major Store without the advance written approval of the Major so affected;

(d) any improvement, or any replacement of, or alteration or addition to, existing improvements, which does not conform in general exterior architectural treatment (including the appearance of construction materials used) to the other portions of the Shopping Center or, in the case of the replacement of an improvement, to the improvement which is being replaced; and

(e) any hedge, fence, wall or other barrier in the Common Area not shown on Exhibit C.

4.5 Minimum Parking Requirements. Following the construction of Phase I and prior to the construction of Phase II, Record Owner shall provide and at all times maintain or cause to be maintained within the Automobile Parking Area parking facilities for not less than five and five-tenths (5.5) parking spaces for every one thousand (1,000) square feet of Floor Area contained within the Shopping Center, and in any event parking spaces for an absolute minimum of 2,090 passenger automobiles. Following the completion of construction of Phase II, Record Owner shall provide and at all times maintain or cause to be maintained within the Automobile Parking Area parking facilities for not less than five (5) parking spaces for every one thousand (1,000) square feet of Floor Area contained within Shopping Center, and in any event parking spaces for an absolute minimum of 2,240 passenger automobiles.

4.6 Noninterference. In order not to interfere with the use of the Common Area by all Beneficial Users, no promotional activities shall be conducted and no merchandise and/or services shall be displayed, sold, leased, stored, advertised, or offered for sale or lease within the Common Area, including the Enclosed Mall, except for occasional promotions having the prior approval of the Majors, and except with respect to sales at kiosks. Outdoor selling shall not be permitted in the Shopping Center.

5. Improvement Plans.

5.1 Improvement Plans. The Shopping Center shall be developed as shown on Exhibit C, and in accordance with the improvement plans and specifications approved by the Majors. To provide continuity and harmonious architectural treatment in the development of the Common Area, including the Enclosed Mall, any substantial or significant changes in such improvement plans shall be subject to the approval of the Majors.

5.2 Architectural Approval of Revisions and Alterations. Any alteration, repair or restoration of any exterior surface of any building, including the Enclosed Mall, or any other commercial facility at the Shopping Center which shall constitute only a replacement or minor alteration or revision of what was previously located on the parcel or portion of the Shopping Center shall be consistent with the exterior design, color, finish and signing previously approved by the Majors and to which the building or facility was subject prior to the alteration, repair or restoration. Any significant or substantial change in the exterior design, color, finish or signing of any building or facility within the Shopping Center from the design, color, finish and signing previously approved by the Majors in the improvement plans shall be undertaken only following approval of the new or revised design, color, finish and signing by all Majors. The purpose of this Section 5.2 is to achieve a harmonious relationship between the various buildings, facilities and signings which will comprise the commercial area of the Shopping Center.

6. Development of Phase II

6.1 Status Prior to Development of Phase II. In connection with the development of Phase I, and prior to the commencement of construction on Phase II, a portion of the Shopping Center shown on Exhibit C-II as Phase II shall be improved as Common Area in conformity with the requirements of this Declaration and as shown in Exhibit C-I, and shall remain Common Area until the commencement of construction on Phase II, provided that until September 1, 1990, the Record Owner may "preload" the building pad location of the Future Department Store as shown in Exhibit C-I. After the commencement of construction of Phase II, the portions of Phase II that are actually constructed and which constitute Floor Area shall no longer be part of the Common Area.

6.2 Development of Phase II. Record Owner, at its own expense, may construct or cause to be constructed the Future Department Store within Phase II shown on Exhibit C. If the Future Department Store is constructed, Record Owner shall also

construct the Future Mall Store Buildings within the area shown as Future Mall Store Buildings on Exhibit C. The Future Mall Store Buildings shall be constructed in accordance with Exhibit C and all applicable requirements of this Declaration.

6.3 Parking Improvements. In the event Record Owner elects to construct or cause the construction of the Future Department Store and the Future Mall Store Buildings, Record Owner shall, at its own expense and prior to the completion of construction of such improvements, complete construction of the Phase II Automobile Parking Area which shall be sufficient, after completion of such construction, to satisfy the parking requirements as set forth in Section 4.5, hereof.

6.4 Additions to Common Area. All Common Area to be constructed as part of Phase II shall be constructed by Record Owner at its own expense and in accordance with Exhibit C and the applicable requirements of this Declaration. Record Owner shall construct the Phase II Automobile Parking Areas within the area designated as the Phase II Automobile Parking Area on Exhibit C, such additional Automobile Parking Area to be sufficient to maintain the parking requirements set forth in Section 4.5, hereof, taking into account the additional Floor Area created by such improvements and the Automobile Parking Area lost through the construction of Phase II. The required parking facilities, when constructed, shall be part of the Automobile Parking Area for all purposes of this Declaration.

6.5 Sale of Site. Notwithstanding any provision of this Declaration to the contrary, Record Owner may at any time convey fee title or lease the site of the Future Department Store to a Person for the construction and operation of such Future Department Store in the Shopping Center, but subject to the following conditions:

(a) Such conveyance or lease shall be subject to all of the terms, covenants and conditions of this Declaration.

(b) Such conveyance or lease shall not result in the Automobile Parking Area being reduced below the minimum parking requirements required by Section 4.5 of this Declaration.

(c) In no event shall any Major be required to bear any cost, including the cost of constructing additional Common Area, Automobile Parking Area or other facilities made necessary by such conveyance or lease.

(d) In the event the Record Owner conveys fee title to such location to a single retailing entity (a "Retailer") for the construction and operation by such Retailer of a department store, the Majors shall each, upon Record Owner's request, join with Record Owner and the Retailer in negotiating, and when and if approved, executing an amendment to this Declaration (the "Amendment") in order to carry out the purposes of this Declaration. In the Amendment, such Retailer shall agree to perform and be bound by each and every term, covenant and condition of this Declaration which are binding on the Record Owner (with respect to the parcel conveyed to the Retailer) and shall be subject to the applicable provisions of this Declaration to the same extent as are the Record Owner and the Majors.

(e) The Amendment shall provide that the Retailer shall become a Major hereunder with such rights, obligations and liabilities as are herein imposed on the other Majors. Among other things, the Retailer shall covenant with the Record Owner in its separate lease or other agreement with Record Owner that it will open and will operate or cause to be operated a department store in the location shown therefore in Exhibit C, under its own trade name for its retail stores for not less than the period of time as then remains in the covenants of the Majors contained in their respective leases with Developers.

(f) The Amendment shall be executed by the Record Owner and consented and subordinated to by the Majors, the Retailer and the owner of the fee estate of the Shopping Center and shall be in form and substance approved by all such parties.

7. Mutuality, Reciprocity: Runs With Land

7.1 Dominant and Servient Estates. Each and all of the easements and rights herein granted or created are appurtenances to the benefitted parcels in the Shopping Center and none of such easements and rights may be transferred, assigned or encumbered except as an appurtenance to such benefitted parcel. For the purposes of such easements and rights, the parcel benefitted shall constitute the dominant estate, and the particular area in the parcel which respectively shall be burdened by such easements and rights shall constitute the servient estate.

7.2 Covenants Run With Land. Each and all of the covenants, restrictions, conditions and provisions contained herein (whether affirmative or negative in nature) (a) are made for the direct, mutual and reciprocal benefit of each parcel or portion of the Shopping Center, (b) shall create mutual equitable servitudes upon each parcel or portion of the Shopping Center in favor of every other parcel, (c) shall constitute covenants running with the land, (d) shall bind every person having any fee, leasehold or other interest in any portion of any parcel or portion of the Shopping Center at any time or from time to time to the extent that such parcel or portion thereof is affected or bound by the covenant, restriction, condition or provision in question, or that such covenant, restriction, condition or provision is to be performed on such portion thereof, and (e) shall inure to the benefit of the Record Owner and each Major and their respective successors and assigns of a fee or leasehold interest, as the case may be, in their respective parcels or portions of the Shopping Center.

8. Bon, Sears, Emporium and Penney Lease Provision

8.1 Leases. Developer has or anticipates entering into leases with Sears, Penney, Emporium and Bon which provide for the construction and leasing to each of Sears, Penney, Emporium and Bon of a retail store building on that portion of the Shopping Center (the "Sears Store Parcel," the "Penney Store Parcel," the "Emporium Store Parcel" and the "Bon Store Parcel," respectively) as shown on Exhibit C. So long as the respective leases are in force and effect and such lessee has executed a Consent and Subordination in the form attached hereto and by this reference incorporated herein, it is expressly understood and agreed that, anything to the contrary in this Declaration notwithstanding, this Section 8 shall be controlling with respect to Bon, Sears, Emporium and Penney, and their respective Store Parcels, to the extent inconsistent with the other terms of this Declaration.

8.2 Leases Superior to Lien. The rights of Bon, Sears, Emporium and Penney to continue occupancy of their respective Store Parcels under their respective leases shall be superior to any express or implied lien created on the Shopping Center as a result of the application of provisions of Section 3.

8.3 Bon, Sears, Emporium and Penney Approval of Termination and Certain Declaration Amendments. Termination of this Declaration at any time that either of the Bon lease, the Sears lease, the Emporium lease or the Penney lease is in force and effect shall require the consent of each of such respective Major whose lease is in force and effect. Rules and Regulations

06/28/89

-17-

8907210046

VOL 831 PAGE 465

adopted pursuant to the provisions of Section 3.2 of this Declaration, shall require the consent of each such Major.

8.4 Effect of Declaration on Penney Lease, Bon Lease, Emporium Lease and Sears Lease. The Developer agrees as follows:

(a) That in the event of any inconsistency or difference between the terms of the Bon lease and this Declaration (including, without limitation, the differences between the site plan attached to such Bon lease and Exhibit C attached to this Declaration), as between Developer and Bon only, the provisions of the Bon lease shall be controlling; and

(b) That in the event of any inconsistency or difference between the terms of the Penney lease and this Declaration (including, without limitation, the differences between the site plan attached to such Penney lease and Exhibit C attached to this Declaration), as between Developer and Penney only, the provisions of the Penney lease shall be controlling; and

(c) That in the event of any inconsistency or difference between the terms of the Emporium lease and this Declaration (including, without limitation, the differences between the site plan attached to such Emporium lease and Exhibit C attached to this Declaration), as between Developer and Emporium only, the provisions of the Emporium lease shall be controlling; and

(d) That in the event of any inconsistency or difference between the terms of the Sears lease and this Declaration (including, without limitation), the differences between the site plan attached to such Sears lease and Exhibit C attached to this Declaration), as between Developer and Sears only, the provisions of the Sears lease shall be controlling.

Notwithstanding the provisions of this Section 8.4 and the provisions of the Bon lease, the Penney lease, the Emporium lease and the Sears lease, respectively, the restrictions on the use of the Shopping Center as set forth in Sections 4.1 and 4.2 hereof shall be binding upon Record Owner, the Majors and all other Occupants of the Shopping Center.

8.5 Notices. Any notice, demand, request, consent, approval, designation, or other communication which the Record Owner or Major is required or desires to give or make or

communicate to the Record Owner or any other Major shall be in writing and shall be given or made or communicated by United States registered or certified mail, return receipt requested, addressed to the respective Major as follows:

To Record Owner: Pan Pacific Development (Cascade) Inc.
1601 Fifth Avenue, Suite 1701
Seattle, Washington 98101
Attn: Darrell Vange

With duplicate
copy to: Winmar Cascade, Inc.
900 Fourth Avenue, Suite 800
Seattle, Washington 98111
Attn: Thomas A. Sroufe

To Bon: The Bon, Inc.
Third and Pine Streets
Seattle, Washington 98101
Attn: Executive Office

With duplicate
copy to: Allied Department Stores
7 W 7th Street
Cincinnati, Ohio 45202
Attn: Real Estate Department

To Penney: J.C. Penney Company, Inc.
P.O. Box 4015
Buena Park, California 90624
Attn: Real Estate Counsel

With duplicate
copy to: J.C. Penney Company, Inc.
Cascade Mall
Burlington, Washington
Attn: Store Manager

To Emporium: Troutman Investment Company d/b/a
Emporium, Inc.
86776 McVay Highway
Eugene, Oregon 97405

To Sears: Sears, Roebuck and Co.
Sears Tower
Chicago, Illinois 60684
Attn: National Manager, Real Estate
Planning Group
Department 824 RE

06/28/89

-19-

VOL 831 PAGE 467

8907210046

With duplicate
copy to:

Sears, Roebuck & Co.
Sears Tower
Chicago, Illinois 60684
Attn: General Counsel, Sears
Merchandise Group
Department 766

or such substitute address as Bon, Sears, Emporium and Penney, and Record Owner, respectively, may be notified of in writing by the Record Owner or respective Major. Any notice, demand, request, consent, approval, designation, including any copy thereof, or other communication so sent shall be deemed to have been given, made or communicated on the date the same was delivered by United States mail as registered or certified matter, with postage thereon fully prepaid. If any such notice requires any action or response by the recipient, such fact shall be clearly stated in the notice.

9. General Provisions

9.1 Successors. This Declaration and the easements, covenants, restrictions, benefits and obligations created hereby shall inure to the benefit of and be binding upon the Record Owner, the Majors and their respective successors and assigns; provided, however, that if the Record Owner or any Major sells or assigns any portion or all of its interest in any parcel owned or leased by such Record Owner or Major and obtains from the purchaser or assignee thereof an express agreement by which the purchaser or assignee assumes and agrees to be bound by the covenants and agreements herein contained, the vendor or assignor shall thereupon be released and discharged from all further obligations under this Declaration as such Record Owner or Major in connection with the property sold by it.

9.2 Duration. Each easement, covenant, restriction and undertaking of this Declaration shall be for the term of fifty-five (55) years from the date hereof.

9.3 Injunctive Relief; Third Party Beneficiaries. In the event of any violation or threatened violation by the Record Owner or Occupant of any portion of the Shopping Center of any of the terms, covenants and conditions herein contained, in addition to the other remedies herein provided, the Record Owner, any Major or any Mortgagee of the Record Owner or Major shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. No other person shall have the right to enjoin such violations or otherwise enforce the provisions of this Declaration or be deemed to be a third-party beneficiary hereunder.

9.4 Modification. This Declaration may only be modified or rescinded, in whole or in part, with the consent of (i) the Record Owner, (ii) any Mortgagee of the Record Owner and any Mortgagee of a Major, (iii) Bon, as long as Bon is an Occupant and/or has any leasehold interest of record in the Shopping Center, (iv) Sears, as long as Sears is an Occupant and/or has any leasehold interest of record in the Shopping Center, (v) Emporium, as long as Emporium is an Occupant and/or has any leasehold interest of record in the Shopping Center, and (vi) Penney, as long as Penney is an Occupant and/or has any leasehold interest of record in the Shopping Center; such consents shall be given only by written instrument duly executed and acknowledged by such requisite parties, and shall be duly recorded in the office of the Recorder of Skagit County, Washington.

9.5 Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center to the general public or for the general public or for any public purpose whatsoever, it being the intention of Developer that this Declaration shall be strictly limited to and for the purposes herein expressed. The Record Owner shall have the right to close the Common Area at such reasonable times as no stores are open within the Shopping Center to prevent a dedication for a public purpose.

9.6 Breach Shall Not Permit Termination. No breach of this Declaration shall entitle the Record Owner or any Major to cancel, rescind or otherwise to terminate this Declaration, but such limitations shall not affect in any manner any other rights or remedies which such Record Owner or Majors may have hereunder by reason of any breach of this Declaration.

9.7 Breach Shall Not Defeat Mortgage. A breach of any of the terms, conditions, covenants or restrictions of this Declaration shall not defeat or render invalid the lien of any Mortgage of the Record Owner or a Major made in good faith and for value, but such term, condition, covenant or restriction shall be binding upon and effective against such Record Owner and Major of the Shopping Center or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

9.8 Severability. If any clause, sentence or other portion of this Declaration shall become illegal, null or void for any reason or shall be held by any court of competent

jurisdiction to be so, the remaining portions thereof shall remain in full force and effect.

IN WITNESS WHEREOF, Developer has duly executed this Declaration the day and year first above written.

PAN PACIFIC DEVELOPMENT (CASCADE),
INC., a Washington corporation

By *Darrell M. Vange*
Its VP

STATE OF WASHINGTON

COUNTY OF KING

I certify that I know or have satisfactory evidence that DARRELL M. VANGE signed this instrument, on oath stated that HE is authorized to execute the instrument and acknowledged it as the SR VP of PAN PACIFIC DEVELOPMENT (CASCADE) INC., a Washington corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated: 19 July 1989.



Darrell M. Vange
Notary Public in and for the
State of Washington

My appointment expires: 3/1/93

RE-125

06/28/89

8907210046

-22-

VOL 831 PAGE 470

EXHIBIT A
TO
DECLARATION

(Legal description of Shopping Mall Parcel including parcel added
by proposed Boundary Line Adjustment)

PARCEL "A":

That portion of the East Half of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of said subdivision where the same is intersected by the North line of the L.C. Stevens County Road; thence North along said West line 937.4 feet; thence South 88°53' East, 301.28 feet; thence South 0°21'15" East along a line parallel to the West line of said subdivision 941.17 feet to the North line of said L.C. Stevens County Road; thence Westerly along said North line of said road 301.30 feet to the point of beginning.

ALSO that portion of the West 52 rods of the Southeast Quarter of the Southeast Quarter, lying South of the L.C. Stevens County Road and North of Gage's Slough, EXCEPT that portion, if any, lying South of a line 304 feet North of and parallel to the South line of said Southeast Quarter of the Southeast Quarter, AND EXCEPT that portion thereof conveyed to the State of Washington for State route SR 5, by Deed dated July 28, 1972 and recorded September 27, 1972 under Auditor's File No. 774572, records of Skagit County; AND ALSO EXCEPT that portion, if any, lying within the boundaries of the East 28 rods (462 feet) of the South 30 rods (495 feet) of said Southeast Quarter of the Southeast Quarter.

ALSO that portion of the West 52 rods of the Southeast Quarter of the Southeast Quarter, if any, lying North of a line 304 feet North of and parallel to the South line of said southeast Quarter of the Southeast Quarter, and South of Gage's Slough, EXCEPT that portion thereof conveyed to the State of Washington for State Route SR 5, by Deed dated July 28, 1972 and recorded September 27, 1972 under Auditor's File No. 774572, records of Skagit County; AND ALSO EXCEPT that portion, if any, lying within the boundaries of the East 28 rods (462 feet) of the South 30 rods (495 feet) of said Southeast Quarter of the Southeast Quarter.

ALSO that portion of the vacated L.C. Stevens county Road which has reverted to said premises by operation of law.

PARCEL "B":

That portion of the East Half of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the North line of the L. C. Stevens County Road 301.3 feet East of the West line of said subdivision; thence North 0°21'15" West 941.17 feet; thence South 88°53' East to a point 462 feet West of the East line of said Section; thence South along a line parallel to the East line of said subdivision to the North line of the said L. C. Stevens County Road; thence Westerly along said North line of said L. C. Stevens County Road to the POINT OF BEGINNING.

TOGETHER WITH that portion of the vacated L.C. Stevens County Road which has reverted to said premises by operation of law.

(continued on next page)

8907210046

A-1

VOL 831 PAGE 471

PARCEL "C":

That portion of the East 462 feet of the Southeast Quarter of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., lying North of the Gage's Slough, EXCEPT any portion thereof lying South of a line that is parallel with and 495 feet North of the South line of said Southeast Quarter of the Southeast Quarter: EXCEPT the East 50 feet thereof, AND EXCEPT the West 5 feet of the East 55 feet thereof.

TOGETHER WITH that portion of the East 462 feet of the Northeast Quarter of the Southeast Quarter lying South of a line that is parallel with and 914 feet South of the North line of said Northeast Quarter of the Southeast Quarter, EXCEPT the East 50 feet thereof.

TOGETHER WITH that portion of the vacated L.C. Stevens County Road which has reverted to said premises by operation of law.

PARCEL "D":

The North 55 rods 6-1/2 feet (914) feet of the Northeast Quarter of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., EXCEPT the East 50 feet thereof.

EXCEPTING from all of the above-described tracts all County roads and ditch rights of way.

PARCEL "E":

That portion of the Northeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., being more particularly described as follows:

Commencing at the East Quarter corner of said Section 6; thence North $88^{\circ}50'40''$ West along the South line of said Northeast Quarter a distance of 50.01 feet to the intersection with the West right-of-way line of "Burlington Boulevard" (formerly known as Garl Street), said intersection being the TRUE POINT OF BEGINNING; thence continue along said South line, North $88^{\circ}50'40''$ West, 869.52 feet; thence North $66^{\circ}57'44''$ East, 111.61 feet to the beginning of a curve to the right; thence along the arc of said curve to the right, having a radius of 125.50 feet, through a central angle of $24^{\circ}11'39''$, an arc distance of 53.00 feet; thence South $88^{\circ}50'37''$ East, 697.31 feet to the beginning of a curve to the left; thence along the arc of said curve to the left, having a radius of 29.50 feet, through a central angle of $37^{\circ}39'38''$, an arc distance of 19.39 feet to the intersection with said West right-of-way line of Burlington Boulevard; thence South $0^{\circ}17'54''$ West, along said right-of-way line 62.91 feet to the POINT OF BEGINNING.

Situate in Skagit County, Washington.

8907210046

A-2

VOL 831 PAGE 472

EXHIBIT B
TO
DECLARATION

(Legal description of Shopping Mall Parcel including parcel added by proposed Boundary Line Adjustment and excluding the Lagerquist Parcel)

PARCEL "A":

That portion of the East Half of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of said subdivision where the same is intersected by the North line of the L.C. Stevens County Road; thence North along said West line 937.4 feet; thence South 88°53' East, 301.28 feet; thence South 0°21'15" East along a line parallel to the West line of said subdivision 941.17 feet to the North line of said L.C. Stevens County Road; thence Westerly along said North line of said road 301.30 feet to the point of beginning.

ALSO that portion of the West 52 rods of the Southeast Quarter of the Southeast Quarter, lying South of the L.C. Stevens County Road and North of Gage's Slough, EXCEPT that portion, if any, lying South of a line 304 feet North of and parallel to the South line of said Southeast Quarter of the Southeast Quarter, AND EXCEPT that portion thereof conveyed to the State of Washington for State route SR 5, by Deed dated July 28, 1972 and recorded September 27, 1972 under Auditor's File No. 774572, records of Skagit County; AND ALSO EXCEPT that portion, if any, lying within the boundaries of the East 28 rods (462 feet) of the South 30 rods (495 feet) of said Southeast Quarter of the Southeast Quarter.

ALSO that portion of the West 52 rods of the Southeast Quarter of the Southeast Quarter, if any, lying North of a line 304 feet North of and parallel to the South line of said southeast Quarter of the Southeast Quarter, and South of Gage's Slough, EXCEPT that portion thereof conveyed to the State of Washington for State Route SR 5, by Deed dated July 28, 1972 and recorded September 27, 1972 under Auditor's File No. 774572, records of Skagit County; AND ALSO EXCEPT that portion, if any, lying within the boundaries of the East 28 rods (462 feet) of the South 30 rods (495 feet) of said Southeast Quarter of the Southeast Quarter.

ALSO that portion of the vacated L.C. Stevens county Road which has reverted to said premises by operation of law.

PARCEL "B":

That portion of the East Half of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the North line of the L. C. Stevens County Road 301.3 feet East of the West line of said subdivision; thence North 0°21'15" West 941.17 feet; thence South 88°53' East to a point 462 feet West of the East line of said Section; thence South along a line parallel to the East line of said subdivision to the North line of the said L. C. Stevens County Road; thence Westerly along said North line of said L. C. Stevens County Road to the POINT OF BEGINNING.

TOGETHER WITH that portion of the vacated L.C. Stevens County Road which has reverted to said premises by operation of law.

(continued on next page)

2307210046

B-1

VOL 831 PAGE 473

8907210046

PARCEL "C":

That portion of the East 462 feet of the Southeast Quarter of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., lying North of the Gage's Slough, EXCEPT any portion thereof lying South of a line that is parallel with and 495 feet North of the South line of said Southeast Quarter of the Southeast Quarter; EXCEPT the East 50 feet thereof, AND EXCEPT the West 5 feet of the East 55 feet thereof.

TOGETHER WITH that portion of the East 462 feet of the Northeast Quarter of the Southeast Quarter lying South of a line that is parallel with and 914 feet South of the North line of said Northeast Quarter of the Southeast Quarter, EXCEPT the East 50 feet thereof.

TOGETHER WITH that portion of the vacated L.C. Stevens County Road which has reverted to said premises by operation of law.

PARCEL "D":

The North 55 rods 6-1/2 feet (914) feet of the Northeast Quarter of the Southeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., EXCEPT the East 50 feet thereof.

EXCEPTING from all of the above-described tracts all County roads and ditch rights of way.

PARCEL "E":

That portion of the Northeast Quarter of Section 6, Township 34 North, Range 4 East, W.M., being more particularly described as follows:

Commencing at the East Quarter corner of said Section 6; thence North $88^{\circ}50'40''$ West along the South line of said Northeast Quarter a distance of 50.01 feet to the intersection with the West right-of-way line of "Burlington Boulevard" (formerly known as Carl Street), said intersection being the TRUE POINT OF BEGINNING; thence continue along said South line, North $88^{\circ}50'40''$ West, 869.52 feet; thence North $66^{\circ}57'44''$ East, 111.61 feet to the beginning of a curve to the right; thence along the arc of said curve to the right, having a radius of 125.50 feet, through a central angle of $24^{\circ}11'39''$, an arc distance of 53.00 feet; thence South $88^{\circ}50'37''$ East, 697.31 feet to the beginning of a curve to the left; thence along the arc of said curve to the left, having a radius of 29.50 feet, through a central angle of $37^{\circ}39'38''$, an arc distance of 19.39 feet to the intersection with said West right-of-way line of Burlington Boulevard; thence South $0^{\circ}17'54''$ West, along said right-of-way line 62.91 feet to the POINT OF BEGINNING.

(continued on next page)

B-2

VOL 831 PAGE 474

8907210046

EXCEPT THE FOLLOWING:

That portion of the East Half of Section 6, Township 34 North, Range 4 East, W.M., being more particularly described as follows:

Beginning at the East Quarter corner of said Section 6; thence South $0^{\circ}32'18''$ East, along the East line of said Section 6, a distance of 270.75 feet; thence North $88^{\circ}50'37''$ West, 50.02 feet to the intersection with the West right-of-way line of Burlington Boulevard (formerly known as Garl Street), said intersection being the TRUE POINT OF BEGINNING; thence North $88^{\circ}50'37''$ West, 240.00 feet; thence North $0^{\circ}32'18''$ West, 272.50 feet; thence South $88^{\circ}50'37''$ East, 222.90 feet, to the beginning of a curve to the right; thence along the arc of said curve to the right, having a radius of 29.50 feet, through a central angle of $35^{\circ}48'58''$, an arc distance of 18.44 feet to the intersection with said West right-of-way line of Burlington Boulevard; thence South $0^{\circ}32'18''$ East, along said West line, 266.92 feet to the POINT OF BEGINNING.

Situate in Skagit County, Washington.

VOL 831 PAGE 475

B-3

8907210046

EXHIBIT C
PLOT PLANS

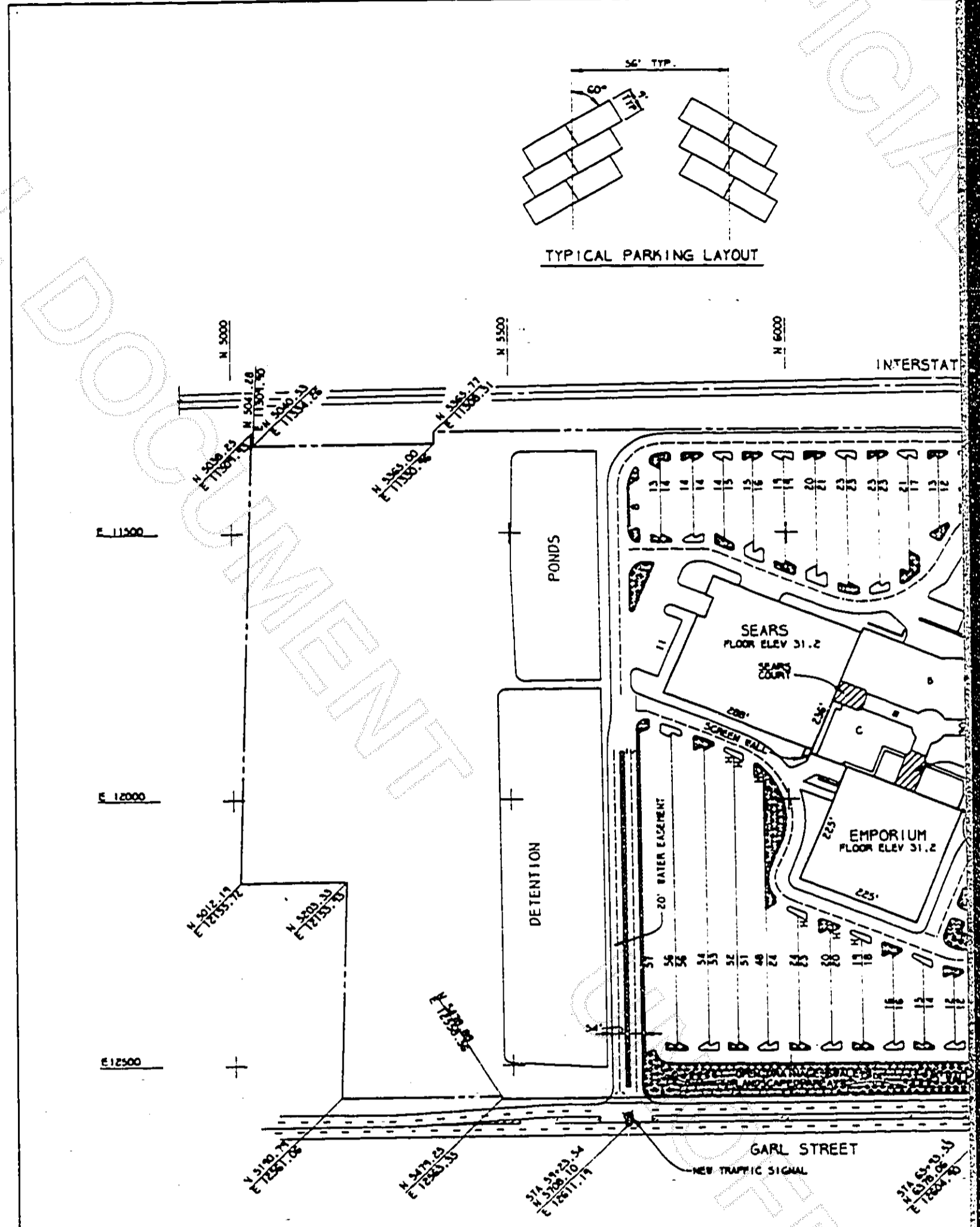
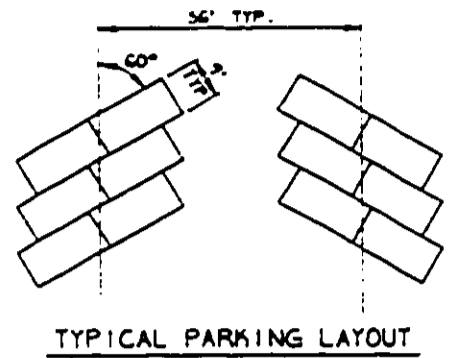
EXHIBIT C-I
Phase I

Exhibit C-II
Phase I and Phase II, combined

RE-125

8907210046

VOL 831 PAGE 476



NOTES:

1. HALL WIDTH EXCEPT MAIN ENTRANCE 30' CLEAR, 14' MIN. HEIGHT.
2. DEPARTMENT STORE COURTS AND MAIN ENTRANCE 40' CLEAR, 17' MIN. HEIGHT.
3. KIOSKS ARE PERMANENT 9' X 15' PAVILION-TYPE STRUCTURES, (12' CLEAR BOTH SIDES).
4. SIDEWALK WIDTH INCLUDES PLANTER STRIP.
5. 12' FIRE LANE ADJACENT TO BUILDING.
6. PARKING ISLANDS SHOWN SHADED SHALL BE LANDSCAPED. ALL OTHERS SHALL BE PAINTSTRIPES ONLY.
7. PRELOAD IS EXPECTED TO REMAIN IN PLACE UNTIL JUNE 1982. AREA TO BE CONVERTED TO PARKING BY SEPTEMBER 1, 1982.

VOL 831 PAGE 477

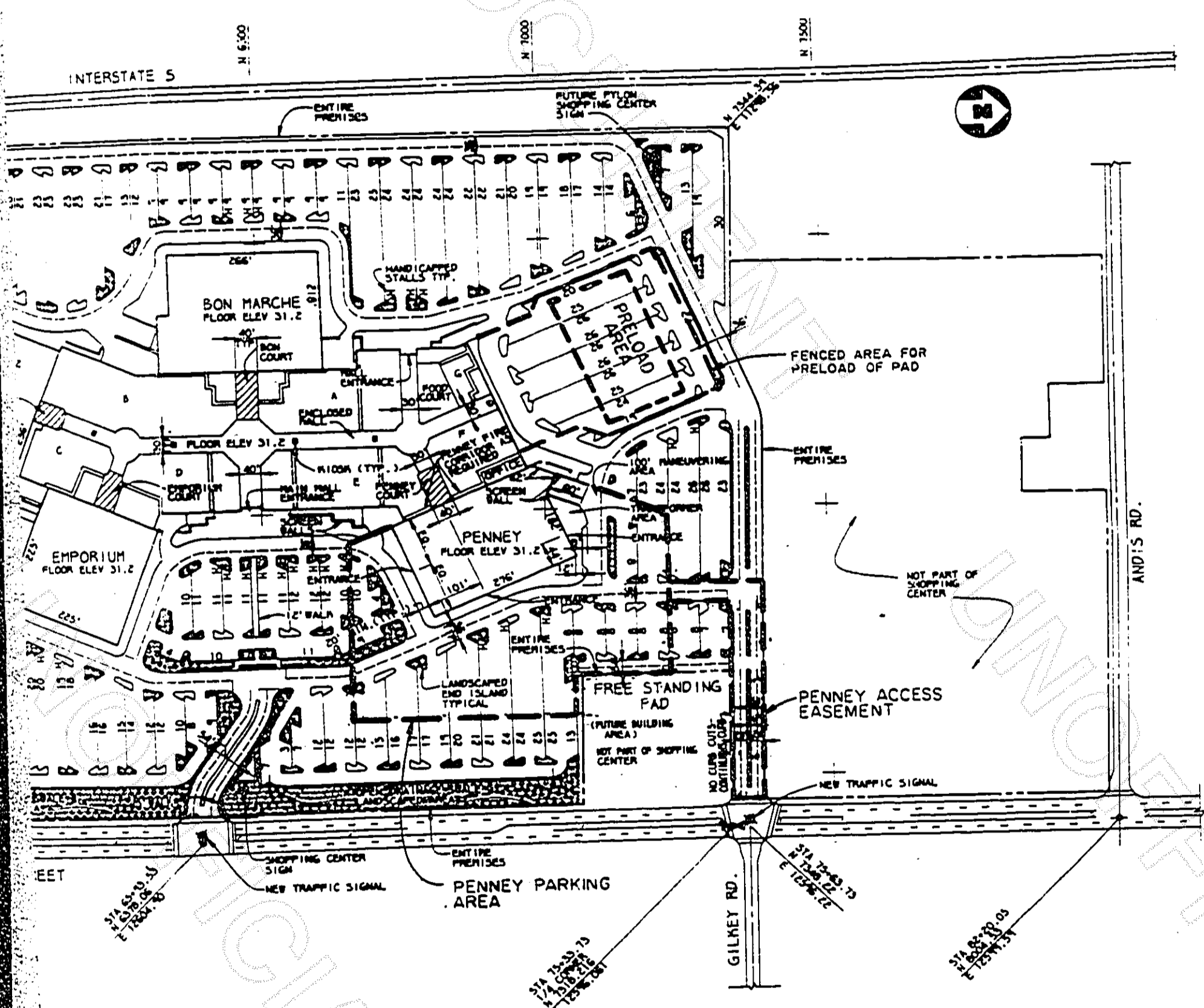
8907210046

BUILDING TABULATION

MALL STORES	G.B.A.	FLOOR AREA	MALL STORES	G.B.A.	FLOOR AREA
A	30,283 SF	28,198 SF	PENNEY	50,874 SF	47,447 SF
B	37,142 SF	37,762 SF	SEARS	67,448 SF	64,076 SF
C	17,611 SF	15,279 SF	BON MARCHÉ	60,320 SF	57,308 SF
D	24,620 SF	20,722 SF	EMPORIUM	50,625 SF	48,094 SF
E	31,353 SF	29,782 SF			
F	18,447 SF	14,455 SF			
G	7,344 SF	5,447 SF			
				227,267 SF	218,923 SF
MALL FOOD COURT	52,474 SF		MALL SPACE	227,262 SF	160,293 SF
TOTAL	5,738 SF	5,738 SF	TOTAL	456,529 SF	379,216 SF
	227,262 SF	160,293 SF			

PARKING REQUIREMENTS

379,216 SF X 3.5 STALLS / 1000 SF = 2,006 STALLS REQUIRED
 REGULAR STALLS SHOWN 2,583
 HANDICAPPED STALLS REQ'D 26
 TOTAL STALLS SHOWN 2,609
 SITE AREA = 47.4 ACRES



PHASE I SITE PLAN
 EXHIBIT C-I

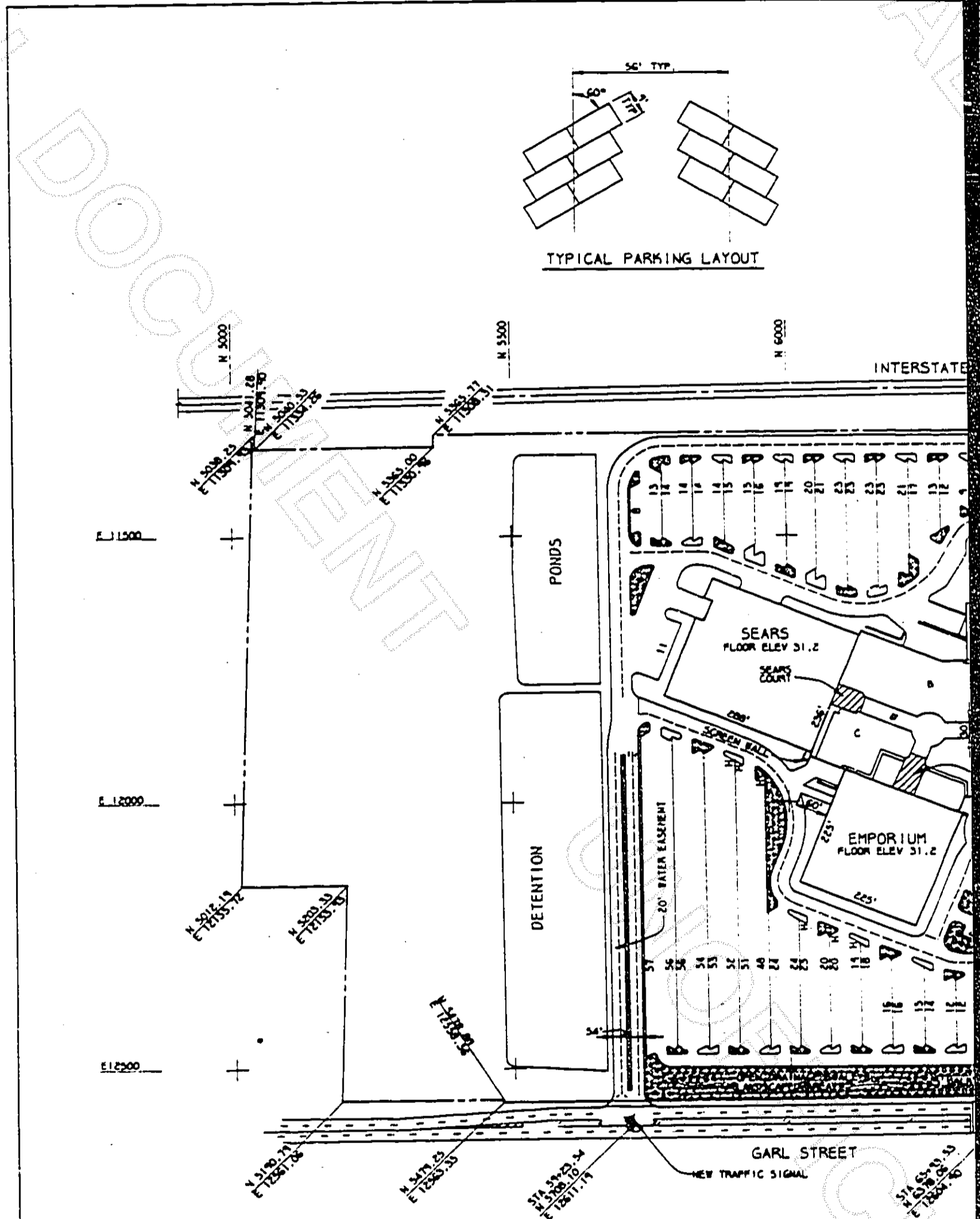
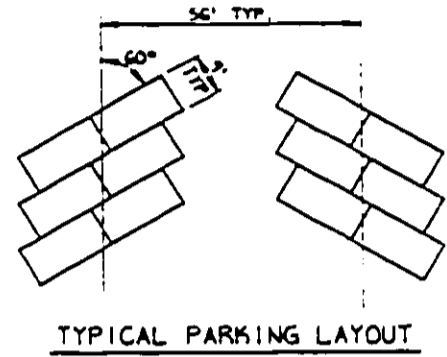
8907210046

100' 0' 100' 50'

APRIL 3, 1989

CASCADE MALL
 BURLINGTON, WASHINGTON
 A NEW DEVELOPMENT OF WINBAR COMPANY, INC.
 KOFF CONSULTING ENGINEERS

PENNE



NOTES:

1. HALL WIDTH EXCEPT MAIN ENTRANCE 30' CLEAR, 14' MIN. HEIGHT.
2. DEPARTMENT STORE COURTS AND MAIN ENTRANCE 40' CLEAR, 17' MIN. HEIGHT.
3. KIOSKS ARE PERMANENT 9'x15' PAVILION-TYPE STRUCTURES, (12' CLEAR BOTH SIDES).
4. SIDEWALK WIDTH INCLUDES PLANTER STRIP.
5. 12' FIRE LANE ADJACENT TO BUILDING.
6. PARKING ISLANDS SHOWN SHADED SHALL BE LANDSCAPED, ALL OTHERS SHALL BE PAINTSTRIPED ONLY.

VOL 831 PAGE 479

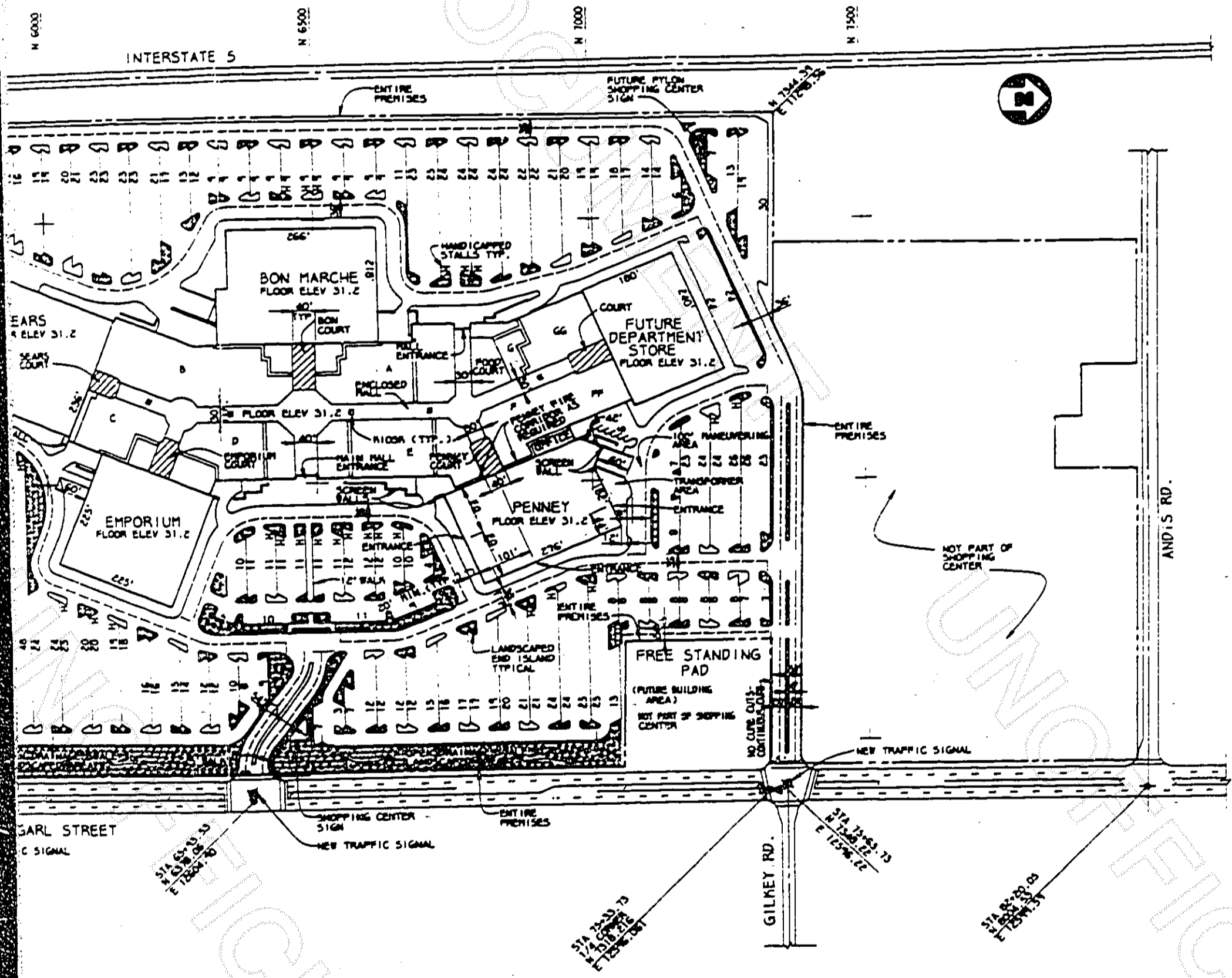
8907210C46

BUILDING TABULATION

MALL STORES	G.B.A.	FLOOR AREA	MALL STORES	G.B.A.	FLOOR AREA
SEARS	30,283	37,198 SF	PENNEY	30,874 SF	47,447 SF
BON MARCHE	17,812	13,762 SF	SEARS	67,448 SF	64,076 SF
EMPORIUM	24,620	23,122 SF	BON MARCHE	60,320 SF	57,304 SF
EMPOREUM STORE E	18,447	14,455 SF	EMPORIUM	30,625 SF	46,074 SF
	7,344	5,447 SF	STORE E	43,200 SF	41,040 SF
	10,411	10,288 SF			
	11,421	11,085 SF			
	191,882 SF	176,686 SF		272,467 SF	251,763 SF
MALL FOOD COURT	56,345 SF	5,736 SF	MALL SPACE	253,765 SF	182,424 SF
TOTAL	253,765 SF	182,424 SF	TOTAL	526,432 SF	442,387 SF

PARKING REQUIREMENTS

442,387 SF X 3.0 STALLS 1000 SF	1,327,161 STALLS	1,327,161 STALLS REQUIRED
REGULAR STALLS SHOWN	2,370	
HANDICAPPED STALLS REQ'D	26	
TOTAL STALLS SHOWN	2,396	
SITE AREA = 47.4 ACRES		



**PHASE II SITE PLAN
EXHIBIT C-II**

VOL 831 PAGE 480

AGE 479

8907210046

100' 0' 100' 500'

APRIL 3, 1989

CASCADE MALL
BURLINGTON, WASHINGTON
A NEW DEVELOPMENT OF WINNOR COMPANY, INC.
KOFF CONSULTING ENGINEERS

BON MAR

EXHIBIT D

CASCADE MALL

RULES AND REGULATIONS

A. CONDUCT OF PERSONS

The Record Owner hereby establishes the following rules and regulations for the conduct of Persons in the Common Area:

1. No Person shall use any roadway, walkway or mall except as a means of egress or ingress as between Floor Area and Automobile Parking Area or adjacent public streets. Such use shall be in an orderly manner in accordance with directional or other signs or guides. Roadways shall not be used at a speed in excess of twenty (20) miles per hour and shall not be used for parking or stopping, except for the immediate loading or unloading of passengers. No walkway or mall shall be used for other than pedestrian travel.

2. No Person shall use any Automobile Parking Area except for the parking of motor vehicles during the period of time such Person or the passengers in such vehicle are customers or business invitees of the business establishments within the Shopping Center. All motor vehicles shall be parked in an orderly manner within the painted lines defining the individual parking places. During peak periods of business activity, limitations may be imposed as to the length of time for parking use. Such limitations may be made in specified areas.

3. No Person shall use any utility area, truck court or other area reserved for use in connection with the conduct of business except for the specific purpose for which permission to use such area is given.

4. No employee of any business in the Shopping Center shall use any area for motor vehicle parking except the area or areas specifically designated for employee parking for the particular period of time such use is to be made. No employer shall designate any area for employee parking except such area or areas as are designated in writing by the Parties.

5. Except as otherwise permitted by law, no Person without the written consent of the Record Owner, shall in or on any part of the Common Area:

(a) Vend, peddle or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet or other matter whatsoever.

(b) Exhibit any sign, placard, banner, notice or other written material.

(c) Distribute any circular, booklet, handbill, placard or other material.

(d) Solicit membership in any organization, group or association or contribution for any purpose.

(e) Parade, patrol, picket, demonstrate, rally, or engage in any conduct that might tend to interfere with or impede the use of any of the Common Area by any Person, create a disturbance, attract attention or harass, annoy, disparage or be detrimental to the interest of any of the business establishments within the Shopping Center.

(f) Use any Common Area for any purpose when none of the business establishments within the Shopping Center is open for business or employment.

(g) Throw, discard or deposit any paper, glass or extraneous matter of any kind, except in designated receptacles, or create litter or hazards of any kind.

(h) Use any sound-making device of any kind, or create or produce in any manner noise or sound that is annoying, unpleasant or distasteful to Occupants or other Persons.

(i) Deface, damage or demolish any sign, light standard or fixture, landscaping material or other improvement within the Shopping Center or the property of customers, business invitees, or employees situated within the Shopping Center.

The listing of specific items as being prohibited is not intended to be exclusive, but to indicate in general the manner in which the right to use the Common Area solely as a means of access and convenience in shopping at the business establishments in the Shopping Center is limited and controlled by the Record Owner.

The Record Owner and any Major shall have the right to remove or exclude from or to restrain (or take legal action to do so) any unauthorized Person from, or from coming upon, the Shopping Center or any portion thereof, and prohibit, abate and recover damages arising from any unauthorized act, whether or not such act is in express violation of the prohibitions listed above. In so acting such party is not the agent of any other party(ies) or Occupant(s), unless expressly authorized or directed to do so by such other party(ies) or Occupant(s) in writing, but such party is acting pursuant to the rights in the Common Area vested in such party by the provisions of the Declaration.

B. FLOOR AREA

1. All Occupants shall have their window displays and exterior signs adequately illuminated continuously during such hours as the Enclosed Mall shall be open.

2. All Floor Area, including vestibules, entrances and returns, doors, fixtures, windows and plate glass shall be maintained in a safe, neat and clean condition.

3. All trash, refuse and waste materials shall be regularly removed from the premises of each Occupant, and until removal shall be stored (a) in adequate containers, which containers shall be located so as not to be visible to the general public shopping in the Shopping Center, and (b) so as not to constitute any health or fire hazard or nuisance to any Occupant. No burning of trash, refuse or waste materials shall occur.

4. No portion of the Shopping Center shall be used for lodging purposes.

5. Neither sidewalks nor walkways shall be used to display, store or place any merchandise, equipment or devices.

6. No advertising medium shall be utilized which can be heard or experienced outside of Floor Area, including, without limiting the generality of the foregoing, flashing lights, searchlights, loud speakers, phonographs, radios or television.

7. Except if conducted pursuant to court order, no auction, fire, bankruptcy or going-out-of-business sale shall be conducted in, at, on, or about the Shopping Center or any portion or portions thereof.

8. No use shall be made of the Shopping Center or any portion or portions thereof which would (a) violate any law, ordinance or regulation, (b) constitute a nuisance, (c) constitute an extra-hazardous use, or (d) violate, suspend or void any policy or policies of insurance on the stores of Occupants.

9. Record Owner shall use best efforts to require its Occupants to cause all trucks servicing the retail facilities of such Occupants to load and unload prior to the hours of opening for business to the general public of the Shopping Center.

C. PROMOTIONS

It is expressly understood and agreed that, subject to the provisions of any organizational documents of an association or promotional service formed to promote the Center, notwithstanding the provisions of Paragraph B-5 of these Rules and Regulations, special promotions under the auspices of the association or service, which are approved by the Record Owner and the Majors, may make limited use of the Common Area for display of merchandise, equipment or devices, and may make use of promotional lighting or sound effects and make otherwise prohibited use of the Common Area for limited periods of time as approved by the association or service.

D. COMMON AREAS.

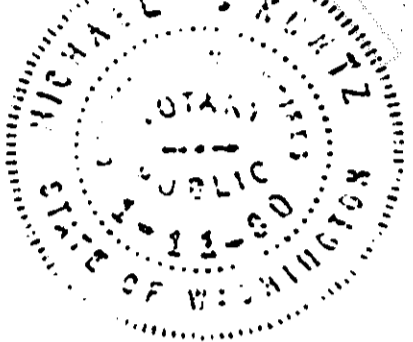
1. The Record Owner shall use its best efforts to arrange with local police authorities to (a) patrol the Common Area at regular intervals, and (b) supervise traffic direction at entrances and exits to the Shopping Center Site during such hours and periods as traffic conditions would reasonably require such supervision.

2. The Record Owner, the Majors and all Occupants shall use their best efforts to require their respective employees, customers and business invitees to comply with all regulations with respect to the Common Area, including, but not by way of limitation, posted speed limits, directional markings and parking stall markings.

3. The Common Area shall be illuminated in such areas as the Record Owner and Majors shall determine, at least during such hours of darkness as any of the stores of the Occupants in the Shopping Center shall be open for business to the public, and for a reasonable period thereafter, in order to permit safe ingress and egress to and from the Shopping Center by the Beneficial Users, and shall also be illuminated during such hours of darkness and in such manner as will afford reasonable security for such stores.

4. The heating, ventilating and cooling systems for the Enclosed Mall shall be operated in accordance with the provisions of these Rules and Regulations, at least during the same hours of the same days that the heating, ventilating and cooling systems serving the various Majors stores shall be operating.

WITNESS my hand and official seal the day and year in this certificate first above written.



Michael S. Kunz
Notary public in and for the state of Washington, residing at _____

My appointment expires 1-11-90

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 20th day of ^{July}~~May~~, 1989, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared L.W. Wells, to me known to be the Secretary of Winmar Cascade, Inc., the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that said individual was authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.



Michael S. Kunz
Notary public in and for the state of Washington, residing at _____

My appointment expires 1-11-90

RE-125
06/28/89

8907210046

VOL 831 PAGE 490