

or interest, all taxes, including any leasehold tax due the State of Washington, assessments, or other governmental charges that shall or may during the lease term be imposed on, or arise in connection with the use of, the demised premises or any part thereof. It is the intention of the parties that the rent herein is net rental, and lessor shall receive the same free from all taxes that are made payable by lessee.

SECTION SIX Utilities

All applications and connections for necessary utility services on the demised premises shall be made in the name of lessee only, and lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.

SECTION SEVEN Security Deposit

Lessee shall deposit with lessor an irrevocable letter of credit from a banking institution acceptable to lessor, or other security satisfactory to lessor, in the amount of \$97,200.00 which shall be held by lessor for the full term of this lease as security for the full and timely performance by lessee of the terms and conditions herein and for the payment of any final judgment that may be rendered against lessee for a breach of those terms and conditions. The rights of lessor against lessee for a breach of this lease shall in no way be limited or restricted by this security deposit, but lessor shall have the absolute right to pursue any available remedy to protect its interests herein, as if this security deposit had not been made. The deposit shall be returned to lessee at the expiration of this lease provided that all the terms and conditions herein contained have been fully performed by lessee. Should the demised premises be sold, lessor may transfer or deliver this security deposit to the purchaser of the interest, and lessor shall then be discharged from any further liability with respect to the security deposit.

SECTION EIGHT Insurance

1. Fire insurance. At all times during the term of this lease and for any further time that lessee shall hold the demised premises, lessee shall obtain and maintain at his expense fire insurance on all buildings and improvements on the demised premises, including all alterations and additions thereto in an amount equal to the current full replacement cost of the demised premises, excluding the cost of excavation and of foundations.

2. Personal injury and property damage insurance. During the term of this lease and for any further time that lessee shall hold the demised premises, lessee shall obtain and maintain at his expense personal injury and liability insurance in amounts and in forms of insurance policies as may from time to time be required by lessor.

3. Other insurance. Lessee shall provide and keep