

EXHIBIT A

POTALA PLACE - EVERETT, WA
 CASH FLOW PROJECTION - APARTMENTS, RETAIL AND HOTEL, CURRENT PLANS
 2016 THROUGH 2021



Current Plans, No Loan			Aug-16	Sept-Dec 2016	2017	2018	2019	2020	2021	Totals
Blue = Inputs										
Revenue										
Apartments										
	Per-Unit	Ann Change								
Total Units	220		220	220	220	220	220	220	220	
Occupancy	98%		93%	93%	93%	93%	93%	93%	93%	
# Units Leased	216		205	205	205	205	205	205	205	
Rental Income - per s.f./mo	\$1.95	3.00%	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26		
Rental Income - per-unit	\$1,386	3.00%	\$1,386	\$1,428	\$1,470	\$1,515	\$1,560	\$1,607		
Rental Income - Total	\$299,374	3.00%	\$1,136,511	\$3,511,819	\$3,617,174	\$3,725,689	\$3,837,460	\$3,952,583	\$19,781,236	
Parking Income	\$71	3.00%	\$58,482	\$180,711	\$186,132	\$191,716	\$197,467	\$203,391	\$1,017,900	
Storage Income	\$11	3.00%	\$8,692	\$26,858	\$27,664	\$28,494	\$29,349	\$30,229	\$151,286	
Other Income	0.5%	3.00%	\$5,683	\$17,559	\$18,086	\$18,628	\$19,187	\$19,763	\$98,906	
Effective Gross Income - Pre-Concessions			\$1,209,368	\$3,736,947	\$3,849,056	\$3,964,527	\$4,083,463	\$4,205,967	\$21,049,328	
Concessions - %	4.0% of Rental Inc		4.0%	6.0%	5.0%	5.0%	5.0%	5.0%		
Concessions - \$	\$11,825		\$44,892	\$210,709	\$180,859	\$186,284	\$191,873	\$197,629	\$1,012,247	
Effective Gross Income - Post-Concessions			\$1,164,476	\$3,526,238	\$3,668,197	\$3,778,243	\$3,891,590	\$4,008,338	\$20,037,081	
Retail										
	Per-S.F./yr	Ann Change								
Rentable S.F. - Total	31,408		31,408	31,408	31,408	31,408	31,408	31,408	31,408	
Occupancy	0%		0%	35%	75%	93%	93%	93%	93%	
Total S.F. Occupied	0		0	10,993	23,556	29,209	29,209	29,209	29,209	
Total S.F. Occupied - F&M				6,362	6,362	6,362	6,362	6,362	6,362	
Total S.F. Occupied - Other				4,631	17,194	22,847	22,847	22,847	22,847	
Rental Income - per s.f./yr	\$15.08	3.00%	\$15.08	\$15.53	\$16.00	\$16.48	\$16.97	\$17.48		
Rental Income - Total	\$0	3.00%	\$0	\$170,743	\$376,853	\$481,317	\$495,756	\$510,629	\$2,035,298	
NNN Payment	\$11.99	3.00%	\$0	\$135,805	\$299,741	\$382,829	\$394,314	\$406,144	\$1,618,833	
Effective Gross Income - Pre-Concessions			\$0	\$306,548	\$676,594	\$864,146	\$890,071	\$916,773	\$3,654,131	
Concessions - %	0.0% of Rental Inc		0.0%	75.0%	25.0%	10.0%	5.0%	5.0%		
Concessions - \$	\$0		\$0	\$128,057	\$94,213	\$48,132	\$24,788	\$25,531	\$320,721	
Effective Gross Income - Post-Concessions			\$0	\$178,491	\$582,381	\$816,015	\$865,283	\$891,241	\$3,333,410	
Total Income - Apartments and Retail			\$1,164,476	\$3,704,729	\$4,250,578	\$4,594,257	\$4,756,873	\$4,899,579	\$23,370,492	
Expenses										
Apartments										
	Gross Annual	Ann Change								
Operating Expenses										
Repairs & Maintenance	\$57,360	3.00%	\$19,101	\$59,081	\$60,853	\$62,679	\$64,559	\$66,496	\$332,769	
Pool & Recreation Expense	\$13,200	3.00%	\$4,396	\$13,596	\$14,004	\$14,424	\$14,857	\$15,302	\$76,579	
Utilities	\$205,500	3.00%	\$68,432	\$211,665	\$218,015	\$224,555	\$231,292	\$238,231	\$1,192,190	
Advertising & Promotions	\$61,104	3.00%	\$20,348	\$62,937	\$64,825	\$66,770	\$68,773	\$70,836	\$354,489	
Cleaning & Supplies	\$46,200	3.00%	\$15,385	\$47,586	\$49,014	\$50,484	\$51,999	\$53,558	\$268,025	
Salaries & Wages	\$342,876	3.00%	\$114,178	\$353,162	\$363,757	\$374,670	\$385,910	\$397,487	\$1,989,164	
Taxes (incl. abatement)	\$491,029	3.00%	\$95,900	\$75,864	\$78,140	\$80,484	\$82,899	\$85,386	\$498,672	
Insurance	\$39,000	3.00%	\$12,987	\$40,170	\$41,375	\$42,616	\$43,895	\$45,212	\$226,255	
Property Management	\$96,336	3.00%	\$32,080	\$99,226	\$102,203	\$105,269	\$108,427	\$111,680	\$558,885	
Administrative	\$44,124	3.00%	\$14,693	\$45,448	\$46,811	\$48,215	\$49,662	\$51,152	\$255,981	
Legal & Accounting	\$1,200	3.00%	\$400	\$1,236	\$1,273	\$1,311	\$1,351	\$1,391	\$6,962	
Reserves	\$55,000	3.00%	\$18,315	\$56,650	\$58,350	\$60,100	\$61,903	\$63,760	\$319,078	
Subtotal Apartment Operating Expenses			\$416,213	\$1,066,621	\$1,098,620	\$1,131,578	\$1,165,526	\$1,200,491	\$6,079,049	
Retail										
	Gross Annual	Ann Change								
Operating Expenses										
Leasing Commissions	6.0%		\$0	\$51,223	\$60,297	\$27,947	\$0	\$0	\$139,467	
NNN Expenses - per s.f.	\$11.99	3.00%	\$125,445	\$388,014	\$399,655	\$411,644	\$423,994	\$436,714	\$2,185,467	
Management Expenses (Carlin)	\$120,000	3.00%	\$123,600	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$656,209	
Operating Reserve	\$50,000	3.00%	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,700	\$273,420	
Other Non-Reimbursed	3.0%	3.00%	\$11,640	\$11,640	\$11,990	\$12,349	\$12,720	\$13,101	\$61,801	
Subtotal Retail Operating Expenses			\$125,445	\$625,978	\$652,294	\$637,705	\$628,050	\$646,892	\$3,316,364	
Total Operating Expenses - Apartments and Retail			\$541,658	\$1,692,599	\$1,750,914	\$1,769,283	\$1,793,576	\$1,847,383	\$9,395,412	
Net Operating Income										
Apartments			\$748,263	\$2,459,617	\$2,569,577	\$2,646,665	\$2,726,064	\$2,807,846	\$13,958,033	
Retail			(\$125,445)	(\$447,487)	(\$69,913)	\$178,310	\$237,233	\$244,350	\$17,047	
Total Net Operating Income			\$622,818	\$2,012,130	\$2,499,664	\$2,824,974	\$2,963,297	\$3,052,196	\$13,975,079	
Cash Flows from 20% Hotel Ownersh	\$20,000	Monthly Gross	\$80,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$1,280,000	
Tax Abatement Share with Carlin	\$0		\$0	\$0	\$186,440	\$228,038	\$234,880	\$241,926	\$891,284	
Net Reversion Value (incl value of abatement)								\$45,849,068	\$45,849,068	
Cash Flow Before Debt Service			\$702,818	\$2,252,130	\$2,553,224	\$2,836,936	\$2,968,418	\$48,899,338	\$60,212,863	
Debt Service										
Debt Service - Total			\$400,059	\$1,390,911	\$1,581,647	\$1,581,647	\$1,581,647	\$1,581,647	\$8,117,556	
Loan Payoff - Total								\$23,357,167	\$23,357,167	

POTALA PLACE - EVERETT, WA
CASH FLOW PROJECTION - APARTMENTS, RETAIL AND HOTEL, CURRENT PLANS
2016 THROUGH 2021

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Current Plans, No Loan	Aug-16	Sept-Dec 2016	2017	2018	2019	2020	2021	Totals
Blue = Inputs								
Cash Flow after Debt Service and Loan Repayment		\$302,759	\$861,219	\$971,578	\$1,255,289	\$1,386,771	\$23,960,524	\$28,738,140
Retail Build-Out Expenses								
Outstanding receivables (Oct and Nov '15) and delay fee		\$1,400,000						\$1,400,000
Complete remaining build-out		\$0	\$493,248					\$493,248
Sales tax on built-out costs	9.5%	\$0	\$46,859					\$46,859
Seating and loading		\$0	\$150,000					\$150,000
Signage and trash		\$0	\$100,000					\$100,000
A&E, leasing, legal		\$0	\$60,000	\$30,000	\$30,000			\$120,000
Carlin Consulting Fee		\$28,000						\$28,000
Carlin development fee		\$0	\$300,000					\$300,000
Carlin Expenses			\$60,000	\$30,000	\$30,000	\$30,000		\$150,000
F&M TI/startup budget	\$ 135.33	\$0	\$601,066	\$118,856	\$39,542			\$759,464
Tenant improvements (non F&M)	\$ 40.47	\$0	\$187,394	\$508,394	\$228,777	\$88,969		\$1,013,535
Contingency for hard and soft costs			\$200,000	\$100,000	\$50,000			\$350,000
Subtotal Retail Build-Out Expenses		\$1,428,000	\$2,198,567	\$787,250	\$378,319	\$118,969	\$0	\$4,911,106
Cash Flow after Retail Build-Out Expenses		(\$1,125,241)	(\$1,337,348)	\$184,327	\$876,970	\$1,267,802	\$23,960,524	\$23,827,035
			(\$2,462,589)					

Assumptions Detail:

Tax Abatement Value		\$0	\$429,896	\$442,793	\$456,077	\$469,759	\$483,852	\$2,282,377
Tax Abatement Value net Retail Losses		\$0	(\$17,591)	\$372,880	\$456,077	\$469,759	\$483,852	\$1,764,977
Carlin Share of Exemption - Initial Sp	25% of Net Value	\$0	\$0	\$93,220	\$114,019	\$117,440	\$120,963	\$445,642
Carlin Share of Exemption - Occ Thre	25% of Net Value	\$0	\$0	\$93,220	\$114,019	\$117,440	\$120,963	\$445,642
Carlin Share of Exemption - Total		\$0	\$0	\$186,440	\$228,038	\$234,880	\$241,926	\$891,284

Reversion Sale Calculation

Cap Rate - Apts	5.5%							
Reversion Value - Apts							\$42,254,446	
Cap Rate - Retail	7.5%							
Reversion Value - Retail							\$3,257,995	
Reversion Value - Total							\$45,512,442	
PV - Remaining Tax Abatement (from perspective of sale date)							\$3,024,486	
% Remaining Abatement Added to Pu	50%							
Remaining Abatement Value to Purchase							\$1,512,243	
Reversion Value + Remaining Abatement Value							\$47,024,685	
Selling Expenses	2.5%						\$1,175,617	
Net Reversion + Remaining Abatement Value - Total							\$45,849,068	

EXHIBIT B

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "**Agreement**") is entered into as of November ____, 2016, by and between PATH AMERICA FARMER'S MARKET, LP, a Washington limited partnership (the "**Borrower**"), and PATH AMERICA, LLC, a Washington limited liability company (the "**Lender**").

A. Borrower has requested that Lender provide loans ("**Loans**") from time to time up to the aggregate amount of \$1,300,000.

B. Lender is willing to make the Loans to Borrower on the terms and conditions stated herein.

C. The Loans will be evidenced by one or more promissory notes in the form attached hereto as Exhibit A (each individually, a "**Note**," and collectively, the "**Notes**").

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises and covenants of the parties contained herein, and each act done pursuant thereto, it is hereby agreed as follows:

1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"**Debtor Relief Laws**" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Obligations**" means all advances to, and debts, liabilities, obligations, covenants and duties of the Borrower arising under any Loan Document or otherwise with respect to any Loan whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor

in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

2. Loan Commitment. Lender hereby agrees to loan or advance to the Borrower up to a maximum of \$1,300,000 to Borrower (the “**Loan Commitment**”), upon Borrower’s request therefor, provided there is no continuing uncured Event of Default (as hereinafter defined) and subject to the terms and conditions set forth herein. This Agreement, the Note, and any and all other Notes, documents, substitutions, modifications, extensions, amendments or renewals executed and delivered in connection with any of the foregoing are collectively hereinafter referred to as the “**Loan Documents**”.

3. Terms of the Notes. Principal under the Notes shall accrue simple interest from time to time until paid in full at the interest rate of 0.68% per annum. Upon the four year anniversary of the date hereof (the “**Maturity Date**”), all unpaid principal and interest shall be payable in full. The Loans may be prepaid at any time without premium or penalty.

4. Payments. All amounts tendered by the Borrower or otherwise available for payment under this Agreement shall be received by the Lender for application as follows:

(a) First, costs and expenses required to be paid to the Lender pursuant to this Agreement that are then due and payable;

(b) Second, interest required to be paid to the Lender pursuant to this Agreement that is then due and payable;

(c) Third, principal required to be paid to the Lender pursuant to this Agreement; and

(d) Fourth, to whomsoever shall be entitled thereto.

5. Term. Unless sooner terminated or unless renewed as provided herein, this Agreement shall terminate on the date in which all Obligations have been paid in full.

6. Representations and Warranties of the Borrower. The Borrower hereby warrants and represents to the Lender that:

6.1. Organization and Corporate Authority. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full organizational power and authority to enter into this Agreement.

6.2. Authorization. This Agreement has been duly and validly authorized, executed and delivered by the Borrower.

6.3. Valid Obligations. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary action and each represents a legal, valid

and binding obligation of Borrower and is fully enforceable according to its terms, except as limited by equity or laws relating to the enforcement of creditors' rights.

7. Events of Default. The following events are "**Events of Default**":

7.1. Default shall be made by the Borrower in the payment of principal or interest when and as the same shall become due and payable;

7.2. Default shall be made in the due performance or observance of any other material covenant, agreement or provision to be performed or observed by the Borrower under the Loan Documents;

7.3. The Borrower shall be involved in financial difficulties as evidenced by:

(a) the Borrower filing a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code (as now or in the future amended) or an admission seeking the relief therein provided;

(b) the Borrower making a general assignment for the benefit of its creditors;

(c) the Borrower consenting to the appointment of a receiver or trustee for all or a substantial part of the property of the Borrower or approving as filed in good faith a petition filed against the Borrower under said Bankruptcy Code (in both cases without the consent of the Borrower);

(d) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all the property of the Borrower;

(e) an attachment being made on any substantial part of the property or assets of the Borrower which shall not be discharged within 90 days from the making thereof;

(f) the occurrence without cure within 30 days thereof of a material adverse effect on the business, assets, condition or results of operations of the Borrower taken as a whole;

(g) the Borrower terminating or suspending its business, or there is filed by or against the Borrower any petition seeking the liquidation or dissolution of the Borrower or the commencement of any other procedure to liquidate or dissolve the Borrower, or there occurs any event, condition or circumstances which causes the liquidation or dissolution of the Borrower;

(h) the failure by the Borrower to pay and discharge, before the same becomes delinquent and before penalties accrue thereon, taxes, except to the extent and so long as (x) the same are being contested in good faith and by appropriate proceedings and (y) the Borrower shall have set aside on its books adequate reserves with respect thereto;

(i) a court having jurisdiction shall enter a decree or order of relief in respect of the Borrower in an involuntary case under any applicable bankruptcy, insolvency or other similar federal or state law now or hereafter in effect, which decree or order is not stayed; or

(j) an involuntary appointment shall be made by a court of competent jurisdiction of an interim receiver, trustee or other custodian of the Borrower for all or a substantial part of its respective property.

7.4. The Borrower makes any material misrepresentation or material misstatement in any warranty or representation in this Agreement.

8. Remedies Upon Default. Upon the occurrence and during the continuation of any Events of Default, the Lender may, by notice to the Borrower, terminate the Lender's commitment to make any further Loans and declare the unpaid principal and all accrued interest on the Loans and the Notes to be immediately due and payable, whereupon all such principal, interest and other amounts shall be forthwith due and payable, without presentment, demand, protest or further notice of any kind.

9. General.

9.1. Assignment. This Agreement may not be transferred, delegated or assigned by either party without the prior written consent of the other party. This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Borrower and the Lender.

9.2. Notices. All notices and other communications hereunder shall be in writing and shall be delivered by hand, transmitted by facsimile, or mailed by registered or certified mail, return receipt requested, first-class postage prepaid, addressed as follows:

If to the Borrower:

Path America Farmer's Market, LP
c/o The Grassmueck Group
PO Box 230091
Portland, OR 97281
Attention: Michael Grassmueck

If to the Lender:

Path America, LLC
c/o The Grassmueck Group
PO Box 230091
Portland, OR 97281
Attention: Michael Grassmueck

If to the Lender or Borrower
also copy to:

David R. Zaro, Esq.
Allen Matkins Leck Gamble Mallory & Natsis LLP
825 S. Figueroa Street, Suite 2800
Los Angeles, CA 90017-2543
Facsimile: (213) 620-8816

9.3. Governing Law. This Agreement shall be deemed to have been entered into and shall be construed and enforced in accordance with the laws of the State of Washington without regard to that body of law known as the conflict of laws.

9.4. Waivers. No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial waiver thereof include any other or further exercise thereof or the exercise of any other right, power, or privilege.

9.5. Amendments. Unless otherwise provided herein, this Agreement may not be changed, waived, discharged, or terminated orally, but only by a written document signed by duly authorized officers of the parties hereto.

9.6. Entire Agreement. This Agreement is the entire agreement between the parties and supersedes and shall be substituted for each and every prior agreement with respect to the matters referred to herein, whether written, oral or otherwise in effect between the parties hereto.

9.7. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the validity or enforceability of the other provisions, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

9.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

LENDER:

PATH AMERICA, LLC
a Washington limited liability company

By: _____
Name: _____
Title: _____

BORROWER:

PATH AMERICA FARMER'S MARKET, LP
a Washington limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT A

(See attached)

PROMISSORY NOTE

November __, 2016

FOR VALUE RECEIVED, the undersigned, Path America Farmer's Market, LP, a Washington limited partnership (the "Borrower"), hereby promises to pay to Path America, LLC, a Washington limited liability company (the "Lender"), at [_____], (or at such other places the Lender may designate in writing) the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Loan Agreement dated as of November __, 2016 (the "Loan Agreement") in lawful money of the United States of America, by wire transfer or check, with interest thereon as the rate of 0.68% per annum. Borrower will have the right, at any time, to prepay all or any portion of the outstanding principal amount without premium or penalty. The entire principal balance of this Note, including any and all accrued and unpaid interest thereon, and all other charges due and owing in connection with this Note, if not sooner paid, shall be due and payable on the Maturity Date. Capitalized terms not defined herein shall have the meanings set forth in the Loan Agreement.

1. Use of Proceeds. Proceeds from this loan shall be used by Borrower, its subsidiaries or affiliates to pay for the construction, leasing and operation of retail sites at the Farms & Market project developed by Path Farmer's Market, LLC at 2900 Grand Ave, Everett, Washington.
2. Application of Payments. Each payment hereunder (including any prepayment) shall be applied first to any late charges and other fees and costs then owing hereunder, next to any accrued but unpaid interest and the balance, if any, shall be applied to the reduction of the principal. Interest for all purposes hereunder shall be calculated on the basis of a 365-day year and actual days elapsed.
3. Event of Default. From and after the existence of an Event of Default, Lender, at its option, may declare all outstanding principal and accrued interest payable by Borrower (the "Obligations") to be immediately due and payable, then or thereafter, as Lender may elect, regardless of the stated Maturity Date of this Note.
4. Conversion. Upon the written request of Lender and subject to approval by the United States District Court, Western District of Washington, Seattle Division (the "District Court"), the Obligations may be converted into limited liability company membership interests of Borrower. The Company shall deliver to Holder evidence of the issuance of membership interests issuable upon such conversion as soon as practicable following the conversion and approval by the District Court.
5. Collection Costs. If Lender collects all or any part of the Obligations by an action, at law or in equity, or in any bankruptcy, receivership or other court proceeding (whether at the trial or appellate level), or if this Note is placed in the hands of attorney(s) for collection, Borrower shall pay, in addition to the principal and interest due or deemed to be due, whether by

acceleration or otherwise, (a) all costs, including, without limitation, attorneys' fees and expenses, of collecting or attempting to collect all amounts due pursuant to this Note and all other Obligations and (b) interest, computed on the amount of the Obligations.

6. Remedies. The failure by Lender to exercise any right, power, privilege, remedy or option as to maturity, foreclosure or otherwise, provided in this Note or otherwise available at law or in equity (each a "Remedy" and collectively, "Remedies") before or after any Event of Default, in any one or more instances, or the acceptance by Lender of any partial payment or partial performance, shall not constitute a waiver of any default or any Remedy, each of which shall remain continuously in force, until waived in writing by Lender. Lender, at its option, may rescind, in writing, any acceleration of this Note, but the tender and acceptance of partial payment or partial performance alone shall not rescind or in any other way affect any acceleration of this Note or the exercise by Lender of any of its Remedies.

7. Waiver. Borrower waives all requirements for presentment, protest, notice of protest, notice of dishonor, demand for payment and diligence in collection of this Note, and any and all other notices and matters of a like nature. Without notice to Borrower and without discharging Borrower's liability hereunder, Borrower consents to any extension of time (whether one or more) of payment of this Note or release of any person liable for payment of this Note.

8. Amendment and Waiver. This Note may be changed only by an agreement, in writing, signed by Borrower and Lender. No failure or delay on the part of Lender in exercising any Remedy pursuant to this Note, and no course of dealing between Borrower and Lender, shall operate as a waiver of any Remedy, nor shall any single or partial exercise of any Remedy preclude any other or further exercise thereof or the exercise of any other Remedy. All Remedies expressly provided for in this Note are cumulative and are not exclusive of any rights, powers, privileges or remedies which Lender would otherwise have at law or equity. No notice to or demand on Borrower in any case shall entitle Borrower to any other or further notice or demand in similar or other circumstances, nor shall any such notice or demand constitute a waiver of the right of Lender to take any other or further action in any circumstances without notice or demand.

9. Usury. Regardless of any provision contained in this Note, it is expressly stipulated and agreed that the intent of the Lender and Borrower is to comply at all times with all usury and other laws relating to this Note. If the laws of the State of Washington would now or hereafter render usurious, or are revised, repealed or judicially interpreted as to render usurious, the indebtedness evidenced by this Note, or if any prepayment by Borrower results in Borrower's having paid any interest in excess of that permitted by law, then it is Lender's and Borrower's express intent that all excess amounts theretofore collected by Lender be credited to the principal balance of this Note (or, if this Note has been paid in full, refunded to Borrower), and the provisions of this Note immediately be deemed reformed and the amounts therefor collectible hereunder reduced, without the necessity of execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

10. Miscellaneous. The unenforceability or invalidity of any provision of this Note as to any person or circumstance shall not render that provision unenforceable or invalid as to any

other person or circumstance, and all provisions hereof, in all other respects, shall remain valid and enforceable. If any payment required hereunder or under any other loan instrument becomes due on a Saturday, Sunday, or legal holiday in the State of California (those being non-business days), then such payment shall be due and payable on the immediately preceding business day. "Borrower" and "Lender" shall be deemed to include the respective heirs, administrators, legal representatives, successors and assigns of Borrower and Lender. Time is of the essence with respect to each and every provision hereof. This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington, other than such laws with respect to conflicts of laws.

* * * *

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

BORROWER:

PATH AMERICA FARMER'S MARKET, LP,
a Washington limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT C

The Carlin Company

GRAND AVENUE MARKETPLACE FEE DEVELOPMENT

SERVICES AGREEMENT

This Grand Avenue Marketplace Fee Development Services Agreement

(**"Agreement"**)

is made and entered into as of this __th day of November, 2016 (**"Effective Date"**),

in Napa, California by and between

THE CARLIN COMPANY, LLC, a California limited liability company (**"Carlin"**),

PATH FARMERS MARKET, LLC, a Washington limited liability company (**"Owner"**),

and

PATH AMERICA FARMERS MARKET, LP, a Washington limited partnership (**"PAFM"**), and

GRAND AVENUE FARMS & MARKET, LLC, a Delaware limited liability company (**"GAFM"**),

solely for purposes of Section 5.4(f) herein..

WHEREAS, Owner holds fee title in and to that certain real property commonly known as 2900 Grand Avenue in Everett, Washington (**"Property"**), and the mixed-use building thereon formerly known as Potala Place (**"Building"**), having approximately 40,000 square feet planned and approved for retail development located on the first floor (**"Project Space"** or "Grand Avenue Marketplace"), and approximately 220 residential units on floors two through six; and,

WHEREAS, Owner and its agents have, throughout the history of the leasing of residential units at the Building marketed and continue to market as an amenity of the Building to potential tenants the presence of a premium food market and related retail offerings in the Project Space; and,

WHEREAS, the City of Everett Washington has contracted with Owner to provide Owner with significant exemption on real property taxes that would otherwise be due from ownership of the Building, which exemptions are conditioned - in part - on the development and operation of a premium food market in the Project Space; and,

WHEREAS, to date no such premium food market exists; and,

WHEREAS, Carlin is in the business of planning, designing, developing, building, tenanting, and managing premium food markets and related retail developments; and,

WHEREAS, Owner desires to have Carlin plan, design, develop, open, tenant, and manage the first floor retail of the Building, and to include within the first floor retail a premium food market sufficient to satisfy the City of Everett's conditions for real property tax exemption ("**Project**"); and,

WHEREAS, Carlin desires to plan, design, develop, open, tenant, and manage the retail activity in the Project Space in exchange for payment from Owner, all on the terms and conditions set forth herein.

NOW, THEREFORE, in light of the foregoing recitations, and in consideration of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, Owner and Carlin (each individually a "Party" and collectively the "Parties" to this Agreement) agree as follows:

1. NATURE OF AGREEMENT

Owner hereby engages Carlin for the purposes of:

(a) Planning, designing, developing, overseeing finishing construction of, marketing, tenanting, and managing during the Term of this Agreement (defined herein below) the first floor of the Building under the name, "**Grand Avenue Marketplace**"; and,

(b) Managing a new limited liability company created and owned by PAFM for the purpose of developing and operating a unique retail concept featuring local farm stands and a large commercial kitchen producing and serving foods made from the farm stand offerings in a retail and restaurant format under the name "**Farms & Market**,"

(collectively "**Carlin Work**"), on behalf of Owner all as set forth in this Agreement.

2. TERM

The term of this Agreement shall be for a period of four years beginning on the Commencement Date ("**Term**").

3. OWNER RESPONSIBILITIES

3.1 Building Delivery. Owner shall, at its sole cost and expense, deliver the first floor of the Building to Carlin in finished "shell condition" with satisfactory main heating and cooling systems installed.

3.2 Property-Level Accounting and Reporting. Owner shall be responsible for all property-level accounting and reporting for the Project, including processing invoices for payment, receiving payment from tenants, bookkeeping, accounts receivable processing, accounts payable processing, preparing monthly operating reports and preparing budgets and business plans in collaboration with Carlin, lease administration including issuing rent statements, collecting tenant and vendor insurance, approving CAM reconciliations, maintaining tenant property files, all tax related bookkeeping and reporting, and all other activities essential and incidental to property-level accounting and reporting.

3.3 Tenant Improvement Allowance.

a. *Farms & Market*. Owner shall have sufficient funds available as of the Effective Date to construct tenant improvements for, open and operate Farms & Market ("**F&M TI Funds**") as projected on the Pro Forma and architectural drawings attached hereto as Exhibit A ("**F&M Pro Forma and Build Out Plan**").

b. *Grand Avenue Marketplace*. Owner shall, as and when needed, have sufficient additional funds available for the remaining tenant improvement construction and related costs of finishing the Project Space ("**GAM TI Funds**"), consistent with other premium retail properties in the area and with the business plan for the Project attached as Exhibit B to this Agreement, and incorporated herein by this reference ("**Business Plan**").

c. *"TI Funds"*. As used herein, the term "**TI Funds**" shall refer to both F&M TI Funds and GAM TI Funds.

d. *Expenditure of Funds*. Carlin shall be responsible for directing the expenditure of the TI Funds, either for construction costs or as tenant improvement incentives to tenants of the Project, subject to Owner's authorization. So long as Carlin's direction for a given expenditure of TI Funds is reasonably calculated to contribute to the finishing of the

Building in a manner consistent with premium retail properties in the area, and is reasonably consistent with the terms of this Agreement, the F&M Pro Forma and Build Out Plan, and the Business Plan, Owner may not unreasonably withhold authorization or funds for such expenditure.

3.4 Contracts for Services. Carlin shall identify and negotiate with third-party service providers, including but not limited to real estate brokers and outside legal counsel as provided for in Section 4.1(g) herein below. Carlin shall submit all proposed third-party service provider contracts to Owner. Owner shall review and either accept or reject in a timely manner, all contracts for services recommended by Carlin (whether relating to Grand Avenue Marketplace, Farms & Market or both). Absent reasonable commercial interest, Owner shall not reject any such recommended contract so long as it: (a) relates to a subject within the scope of the Carlin Work; and (b) is consistent with the terms of this Agreement; and is either (1) consistent with the terms of either (or both) of (x) the F&M Pro Forma and Build Out Plan and, (y) the Business Plan; or, (2) reasonably required for the operation of the Grand Avenue Marketplace and/or Farms & Market consistent with similarly situated first class retail operations. The law firm of Allen Matkins Leck Gamble Mallory & Natsis LLP shall be offered all legal work related to leasing at Grand Avenue Marketplace.

3.5 Farms & Market. Owner's affiliate shall organize a limited liability company to be owned exclusively by such affiliate for purposes of developing, owning and operating the Farms & Market retail concept ("**F&M LLC**").

3.6 Property Expenses and Related Accounts Payable. Notwithstanding any other provisions of this Agreement, the Parties intend and agree that Owner shall be fully responsible for all costs, fees, and liabilities incurred in and relating to the design, development, construction, operation, maintenance, and management of the Project and/or the Project Space (collectively "**Project Expenses**"). Owner shall promptly pay, when due, all costs, fees and expenses identified herein as Property Expenses, and all other accounts payable incurred in the design, development, and operation of the Project.

4. CARLIN RESPONSIBILITIES.

4.1 Grand Avenue Marketplace.

a. *Condition Precedent to Carlin Duties.* Owner's satisfaction of its obligation to have funds as needed pursuant to Section 3.3(b) above is a condition precedent to Carlin's continuing obligations and duties under this Section 4.1.

b. *Carlin as Development Manager.* Subject to Section 4.1(a) above, Carlin shall during the Term hereof perform the development and management duties, responsibilities and obligations required for: (i) the design, planning, development, construction, implementation, operation and administration (not including property-level accounting and reporting) of the Grand Avenue Marketplace within the Building; and (ii) securing prospective tenants and negotiating prospective leases for the Project as more particularly set forth in this Section 4.1.

c. *Contracts for Services.* Carlin shall make recommendations and advise Owner on all third-party contracts, agreements, instruments and/or leases that Carlin reasonably believes are required for the design, development, management, and operation of the Project consistent with similarly situated first-class retail projects.

d. *Ownership of Plans, Specifications, Etc.* All plans, specifications, budgets, schedules and Permits related to the Project, whether now owned or thereafter acquired by Carlin, including without limitation, the Final Plans, will be the property of the Owner.

e. *Consistency with Business Plan.* Carlin will make commercially reasonable good faith efforts to develop the Grand Avenue Marketplace in a manner consistent with the Business Plan. If necessary for the economic health or success of the Project, Carlin shall have authority to refine or revise the Business Plan in consultation with Owner. Any material change in the Business Plan, Project or Budget during the pendency of the receivership case may be submitted to the District Court for approval.

f. *Design and Development of the Project.* Carlin will be responsible for the design of the Project, the day-to-day development activities for the Project, including, but not limited to interfacing with the City and other applicable governmental agencies, overseeing the development of design and construction drawings, creating project budgets and schedules.

g. *Leasing and Tenanting Expenses.* Carlin may, at Carlin's discretion arrange to advertise vacant space in the Project from time to time. Any and all fees, costs and expenses incurred in such advertising shall be property expenses payable by Owner. In addition, subject to section 3.4 above, Carlin shall retain real estate brokers and legal counsel as reasonably required and/or necessary to assist in the tenanting and leasing process. All commissions, costs, fees, and other related expenses incurred in obtaining such real estate brokerage and legal professional services shall be considered property expenses payable by the Owner.

h. *Leasing Responsibilities and Obligations.* Subject to Section 3.4 above, Carlin shall be responsible for lease administration (other than in connection with property-level accounting and reporting, including processing invoices for payment, preparing monthly operating reports and preparing budgets and business plans, and lease administration including issuing rent statements, collecting tenant and vendor insurance, approving CAM reconciliations and maintaining tenant property files), lease advice, marketing to tenants, leasing strategy, tenant programming and "curating" of the market, and managing tenant relationships and the overall Project community. Carlin shall have exclusive authority to issue Letters of Intent ("LOI") to prospective Tenants. Carlin shall cooperate and work with Owner to solicit and develop offers to lease vacant space in the Project. Carlin shall monitor and coordinate enforcement of the terms of the tenant leases, and other occupancy agreements. If Carlin shall receive any rents or insurance certificates from tenants or occupants, Carlin shall promptly deliver the same to the Owner. Carlin may issue a notice of default or similar notice to tenants, or other persons or entities in the Project, but Carlin will take no further legal action unless approved by Owner. Carlin shall not terminate any lease or license agreement without the prior approval of Owner. The duties provided in this Section 4.1(h) shall be executed and performed by Carlin with the same care, skill and diligence, and according to the usual customs and practices found in the leasing, marketing and operation of properties similar to the Project. Carlin shall notify Owner promptly of any service of process on it relating to any litigation or threatened litigation affecting the Building, the Project, Owner, or any Related Entity.

i. *Letters of Intent Requiring Owner Consent.* Carlin shall not issue any LOI to the extent (a) such LOI terms are materially dilutive from the lease terms approved in the

Business Plan, taking into account, inter alia, base rent, reasonably projected percentage rent, expense reimbursements, tenant allowances, leasing commissions, landlord work capital and other capital amounts, for the proposed term of such Lease; (b) the Lease is for space over 1,500 square feet; or, (c) the Lease would materially alter the character of the Project, in either Owner or Carlin's reasonable judgment. If Carlin shall desire to issue any LOI that is subject to this Section 4.1(i), Carlin shall promptly provide Owner with a copy of any such proposed LOI together with a request to approve or disapprove such LOI, and such additional information relating to the lease anticipated in the LOI as the Owner may reasonably request, which request shall be made within three (3) Business Days of Owner receiving the proposed LOI. In the event Owner fails to approve or disapprove of a LOI within three (3) Business Days of receiving the last of all of the foregoing information, then such LOI shall be "deemed" approved under this Section.

j. *Execution of Leases.* Notwithstanding any other provision of this Agreement, Owner shall not execute or otherwise authorize or enter into any leases for any area or subarea of the Project, without Carlin's written consent. (For purposes of this Section, a LOI executed by Carlin shall serve as written consent to a lease upon the same terms.)

k. *Operational Responsibilities.* Through the expiration of the Term, Carlin shall oversee the performance of a professional property management services provider who shall be retained by Owner to manage the day to day operation of the Grand Avenue Marketplace. Owner and Carlin anticipate that Allied Residential, the current property manager for the Building shall be the initial property management firm for Grand Avenue Marketplace. Should either or both Carlin and/or Owner feel that Allied Residential should be replaced as property manager, they will work together to select a replacement firm.

4.2 Farms & Market. F&M LLC shall design, open and operate a retail store of approximately 6,362 square feet under the name, "Farms & Market" within the Project. Carlin shall, during the Term of this Agreement manage F&M LLC. Farms & Market shall be designed, built and operated in such a manner as to satisfy the City of Everett's conditions for the forbearance of real property taxes based on operation of a specialty food market in the Building. As manager of F&M LLC, Carlin shall have full control over all aspects of the design, layout, tenant improvement construction, development and operation of Farms & Market in a manner that is reasonably consistent with the F&M Pro Forma and Build Out

Plan, subject only to the terms and conditions set forth herein, and the operating agreement governing F&M LLC.

5. COMPENSATION

Owner shall compensate Carlin as follows.

5.1 Development Fee. Owner shall pay to Carlin a Development Fee in the amount of \$300,000 (three hundred thousand dollars) payable in twelve monthly installments of \$25,000 (twenty-five thousand dollars) on or before the fifth day of each calendar month, beginning with the first calendar month following the Effective Date of this Agreement.

5.2 Management Fee. In addition, Owner shall pay to Carlin an annual Management Fee from and after the first anniversary of the Effective Date of this Agreement. The initial Management Fee shall be \$120,000 (one hundred twenty thousand dollars) per annum, payable in twelve monthly installments of \$10,000 on or before the fifth day of each calendar month beginning with the first such day following the first anniversary of the Effective Date and continuing for a period of thirty-six months. At the second and each subsequent anniversary of the Effective Date during the term hereof, the Management Fee shall be increased by 3%.

5.3 Reimbursable Expenses. In addition, Owner shall reimburse Carlin for reasonable expenses incurred exclusively in the performance of this Agreement, including but not limited to business-class travel and lodging expenses for travel to and from Everett, Washington. Reimbursable Expenses under this Section shall not include costs incurred in the general operation and/or administration of the Carlin Company.

5.4 Performance Bonus Compensation. In addition, the Owner shall pay to Carlin an annual Performance Bonus ("**Bonus**"), subject to the following:

a. Condition Precedent. Owner shall only be required to pay Carlin the Bonus if Farms & Market is open to the public and operational as of the Opening Date (defined herein below) and Farms & Market continues to be open and operational during regular business hours from that date through the end of the Term of this Agreement.

b. Opening Date. The Opening Date is estimated to be the first anniversary of the Effective Date of this Agreement ("**Estimated Opening Date**"), which is the date by which the parties anticipate that Farms & Market will be open to the public. The actual "**Opening Date**" shall be the earlier of (1) the date that all Farms & Market tenant improvements are

completed, and all requisite municipal approvals have been granted for the opening of Farms & Market to the public; and, (2) the Estimated Opening Date. The Estimated Opening Date shall be extended for any act or omission by Owner or any third-party or any other event that is beyond the reasonable control of Carlin and actually leads to or contributes to a delay in the opening of Farms & Market to the public.

c. Amount. Reference is made to that certain Multifamily Housing Limited Property Tax Exemption Agreement and Conditional Certificate of Acceptance of Tax Exemption by and between Owner and the City of Everett, and dated October 15, 2013 (“**Tax Exemption Agreement**”), a copy of which is attached hereto as Exhibit C and made a part hereof by this reference, and any extensions thereof. The Bonus shall be in an amount equal to:

i. Fifty percent (50%) of the total dollar amount of real property tax exemption that Owner is entitled to receive pursuant to the Tax Exemption Agreement for calendar year 2018; plus,

ii. An additional twenty-five percent (25%) of the total dollar amount of real property tax exemption that Owner is entitled to receive pursuant to the Tax Exemption Agreement, *net* any Grand Avenue Marketplace operating losses, for each of the calendar years 2019, 2020, 2021, and 2022; plus,

iii. An additional twenty-five percent (25%) of the total dollar amount of real property tax exemption that Owner is entitled to receive pursuant to the Tax Exemption Agreement for each of the calendar years 2019, 2020, 2021, and 2022 in which the average occupancy of the Grand Avenue Marketplace is 75% or greater.

iv. To the extent Owner fails to receive some or all of the real property tax exemption due solely to Owner's failure to comply with the terms of the Tax Exemption Agreement for reasons other than a change in law that makes compliance with the terms of the Tax Exemption Agreement impossible or would result in a violation of law, Carlin shall nevertheless be entitled to receive Bonus payments as set forth in this section 5.4.

d. Survival. Owner's obligations to pay all or any part of the Bonus shall survive the expiration of the Term of this Agreement.

e. Payment. Payment of the Bonus shall be made within 14 business days after the date on which the first property tax payment for the Building is due for the respective tax year (2018, 2019, 2020, 2021, and 2022) for which the Bonus accrues.

f. Grant of Security Interest. In consideration of the services provided by Carlin under this Agreement and as collateral security for payment and performance in full of all its obligations hereunder:

(i) PAFM hereby grants to Carlin a continuing first priority security interest (the "**Membership Interest Pledge**") in all of the PAFM's present or hereafter acquired right, title and interest in the membership interests of GAFM, and any and all payments, dividends or distributions of whatever kind or character ("**Distributable Proceeds**"), whether in cash or other rights or property, at any time made, owing or payable to PAFM in respect of or on account of PAFM's present or hereafter acquired interests in the foregoing company, whether due or to become due and whether representing profits, dividends, distributions pursuant to complete or partial liquidation or dissolution of the companies, distributions pursuant to any complete or partial liquidation or withdrawal of any interests in the companies, repayment or other return of capital contributions (the "**Membership Interest Collateral**"); and

(ii) GAFM hereby grants to Carlin a continuing first priority security interest (collectively with the Membership Interest Pledge, the "**Security Interest**") in all of GAFM's present or hereafter acquired right, title and interest in Accounts, Chattel Paper, Deposit Accounts, Documents, General Intangibles, Goods, Investments, Investment Property, Letter of Credit Rights, Letters of Credit and Money, and Proceeds and Products thereof, as such terms are defined in the UCC (collectively with the Membership Interest Collateral, the "**Collateral**").

PAFM and GAFM (together, the "**Pledgors**") shall, from time to time, as may be required by Carlin with respect to all Collateral, immediately take all actions as may be requested by Carlin to perfect the Security Interest of Carlin in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of RCW 62A.8-106, 9A-105, 9A-106, and 9A-107. Pledgors irrevocably authorize Carlin at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by

Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Security Interest in the Collateral, including any financing or continuation statement or amendment documents for the purposes of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by Pledgors, without the signature of either Pledgor where permitted by law.

g. Pledgor Representations, Warranties and Covenants. Each Pledgor hereby represents and warrants and covenants as follows:

(i) Pursuant to the Order of the District Court approving this Agreement, Pledgors are the legal record and beneficial owner of, and have good and marketable title to, the Collateral; and,

(ii) Pursuant to the Order of the District Court approving this Agreement, Pledgors have full power, authority and legal capacity to pledge all of the Collateral pursuant to the terms of this Agreement.

h. Late Fees. All balances paid by Owner within the time provided for in this Agreement shall bear no late fees. Any costs, fees, or other amounts owing from Owner to Carlin and unpaid on the deadline for payment set forth in this Agreement shall be subject to monthly accruing late charges computed by applying a monthly periodic rate or rates to the past due amounts, less any payments made and credits applied during that month ("**Late Fee**"). The monthly periodic rate shall be one percent (1.0%), resulting in a corresponding annual percentage rate of twelve percent (12%).

6. INSURANCE

During the Term, Owner shall maintain property insurance written on a Special Form (formerly known as "all risk") basis covering the Property and the Building, including any and all Grand Avenue Marketplace improvements and tenant improvements for Farms & Market, against damage by fire and standard extended coverage perils and with vandalism and malicious mischief endorsements, rental loss coverage, earthquake damage coverage (if Landlord elects to obtain earthquake coverage), and such additional coverage as Owner deems appropriate. Owner shall also carry commercial general liability in such reasonable amounts and with such reasonable deductibles as would be carried by a prudent owner of a similar building in the state in which the Building is located.

7. INDEMNIFICATION BY OWNER

Owner hereby agrees to defend, indemnify and hold harmless Carlin, its owners, members, managers, directors, agents, and employees from and against any claims, demands, suits or actions for injury, damages, loss or expense, including reasonable attorneys' fees, asserted against Carlin and arising out of the operation of, or relating in any way to the Building, the Project, Grand Avenue Marketplace, and/or Farms & Market. In any such action, Carlin shall have the right to select legal counsel for its defense and to direct such counsel and defense. Notwithstanding the foregoing, this duty to defend and indemnify shall not extend to any claim, demand, suit or action based upon or arising exclusively out of any act or omission that constitutes gross negligence or willful misconduct on the part of Carlin.

8. INTELLECTUAL PROPERTY

8.1 GAFM's Rights to Intellectual Property. GAFM shall be the exclusive owner of any and all trademark and other intellectual property rights relating to the use of the names Grand Avenue Marketplace and Farms & Markets in association with the Project. GAFM hereby warrants and represents that it enjoys and owns all necessary rights to use the Grand Avenue Marketplace and Farms & Market names in connection with the development and operation of the Project. GAFM hereby further warrants and represents that it enjoys and owns all necessary rights to use every other trademark, trade name, trade dress, brand identifier, image, or copyrighted material provided by or approved by GAFM and/or Owner for use in the marketing, promotion, and operation of Grand Avenue Marketplace and Farms & Market. (For purposes of this Agreement, the names Grand Avenue Marketplace and Farms & Market, and every other trademark, trade name, trade dress, brand identifier, image, or copyrighted material provided by or approved by GAFM and/or Owner for use in the marketing, promotion, and operation of Grand Avenue Marketplace and Farms & Market shall be referred to, collectively and individually, as "**Project IP.**"). GAFM shall provide any all written consents or licenses necessary to allow Carlin to fulfill its obligations under this Agreement.

8.2 Indemnification for Use of Intellectual Property. GAFM hereby agrees to defend, indemnify, and hold harmless Carlin, its owners, affiliates, agents, and employees from and against any and all claims, demands, suits or actions for injury, damages, loss or expense, including reasonable attorneys' fees, asserted against Carlin by any party based on use of

any of the Project IP, whether such suit is brought under U.S., state, or foreign trademark law, anti-trust law, or any other authority.

9. RELATIONSHIP OF PARTIES

It is understood, agreed and intended by the parties hereto that in performing this Agreement, the parties are each separately and independently carrying out their respective business, that this Agreement does not and shall not create or constitute a partnership or joint venture between them, or a principal/agent relationship, and that each is and shall be as to each other an independent contractor and not an employer/employee. This Agreement shall at all times be read, interpreted and applied in accordance with that intent.

10. ASSIGNMENT

10.1 Carlin.

a. Generally. This Agreement may not be assigned or transferred, whether voluntarily or by operation of law, in whole or in part, by Carlin, without the prior written consent Owner, which Owner may, in its sole and absolute discretion, provide or withhold. Any purported assignment or transfer without such consent shall be null and void at the option of Owner.

b. Permitted Transfer. Notwithstanding the provisions of Section 10.1 above to the contrary, provided that Carlin is not then in default, Carlin may assign this Agreement (herein, a "**Permitted Transfer**"), without Owner's consent to any entity that controls, is controlled by or is under common control with Carlin, or to any entity resulting from a merger or consolidation with Carlin, or to any person or entity which acquires all the assets of Carlin's business as a going concern (each a "**Permitted Transferee**"), provided that: (a) at least thirty (30) days prior to such assignment or sublease, Carlin delivers to Owner a reasonably detailed description of the proposed Transfer; and, (b) in the case of an assignment, the assignee assumes, in full, the obligations of Carlin under this Agreement pursuant to an assignment and assumption agreement reasonably acceptable to Owner, a fully executed copy of which is delivered to Owner within thirty (30) days following the effective date of such assignment; and, (c) principal Steve Carlin remains involved in the Carlin Work, either as a principal or employee of the Transferee.

10.2 Owner. Owner shall not sell, assign, or otherwise transfer, hypothecate, mortgage, or pledge, whether voluntarily or by operation of law, in whole or in part, at any time any interest in or to any or all of the Building, the Project Space, the Project, Grand Avenue Marketplace, and/or Farms & Market without Owner transferring to the transferee in writing, and obtaining from the transferee acceptance of such transfer also in writing, as part of the sale, assignment, transfer, hypothecation, mortgage or pledge, all of Owner's duties and obligations under this Agreement, including but not limited to those relating to compensation and Security Interest set forth in Section 5 herein above.

11. MISCELLANEOUS

11.1 Amendment. Any changes in this Agreement that may be reasonably required to carry out the understanding and intent of the parties shall be promptly embodied in a supplement or amendment to this Agreement to be signed by both parties. No change shall be valid unless it is in writing and is signed by the parties.

11.2 Notices. Any notices that are required to be sent or permitted to be given to another party under this Agreement shall be in writing, and shall be provided in person or sent by U. S. mail to the address shown below. Notices are effective upon receipt:

CARLIN: The Carlin Company, LLC
 Attn: Lloyd Llewelyn
 1606 Main Street, Ste 205
 Napa, CA 94559
 (707) 257-7878

PATH PARTIES: Path Farmer's Market, LLC
 Path America Farmers Market LP
 Grand Avenue Farms & Market LLC
 c/o Grassmueck Group
 P.O. Box 230091
 Portland, OR 97281
 Attention: Michael Grassmueck, Receiver
 Phone: (503) 294-9928, ext. 101
 Fax: (503) 294-9928

11.3 Waivers. No failure or omission by either party to insist upon or enforce any of the terms hereof shall be deemed a waiver of such terms unless the same shall be in writing and signed by the waiving party. Waiver of a term or default at any time shall not be

deemed a waiver of any other term of default, or of the same term or default at another time.

11.4 Time. Time is of the essence of this Agreement and each and every provision thereof.

11.5 Article Headings. The titles contained in article headings of this Agreement are merely for convenience and are not intended to give notice of all of the matter in the articles following such titles. Said titles do not constitute any part of this Agreement and are not to be considered in its interpretation.

11.6 Severability of Agreement. If any part or parts of this Agreement are found to be illegal or unenforceable, the remainder shall be considered severable, shall remain in full force and effect, and shall be enforceable.

11.7 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with, and be subject to, the laws of the State of Washington. The parties agree that the exclusive venue for any action brought by either party relating to this Agreement shall be in the Snohomish County Superior Court, or if necessary to address questions of federal law, the U.S. District Court for the Western District of Washington.

11.8 Attorneys' Fees. In the event any party hereto shall institute legal proceedings hereunder, pursuant to, or in connection with this Agreement, or any representation, warranty or covenant herein given, the prevailing party shall be entitled to recover in such proceedings its costs and reasonable attorneys' fees.

11.9 Entire Agreement. This Agreement constitutes the complete agreement between the parties hereto with respect to the subject matter hereof, and no representations or understandings other than those herein expressed shall add to, vary or modify the agreement between the parties with respect to the subject of this Agreement unless such addition, variance or modification is made in writing and signed by the parties hereto.

11.10 Authority. The Parties warrant that the execution of this Agreement, and the covenants, representations warranties promises and releases created hereunder, have been duly authorized by all necessary corporate, partnership, court or other necessary action and that the person signing this Agreement has full authority to do so.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officer, have set their hands hereunto on the day and year set forth below.

CARLIN

Dated: _____

By: Steve Carlin
C.E.O.

OWNER

Dated: _____

By: Michael Grassmeuck
Receiver

PAFM

Dated: _____

By: Michael Grassmeuck
Receiver

GAFM

Dated: _____

By: Michael Grassmeuck
Receiver