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KING COUNTY
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SEATTLE, WA.

SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY

BAJ CAPITAL, INC., a Washington corporation,

Plaintiff,

v.

SEATTLE CAPITAL CORPORATION, a Washington corporation; and FAUNTLEROY PLACE LLC, a Washington limited liability corporation,

Defendants.

NO. 09-2-11860-4 SEA

COMPLAINT FOR BREACH OF FIDUCIARY DUTY AND FOR DECLARATORY JUDGMENT

JOHN P. ERLICK

Plaintiff, BAJ Capital, Inc., ("BAJ Capital"), for cause of action against the above-named Defendants, alleges as follows:

I. PARTIES

1. BAJ Capital, is a Washington corporation authorized to transact business in the State of Washington with its principal place of business in Seattle, Washington.

2. Defendant, Seattle Capital Corporation ("SCC") is and was at all material times a Washington corporation with its principal place of business in Seattle, Washington.

3. Defendant, Fauntleroy Place LLC was at all material times a Washington limited liability corporation with its principal place of business in Seattle, Washington.

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II. JURISDICTION AND VENUE

4. Jurisdiction and venue are proper in this Court pursuant to RCW 2.08.010 and RCW 4.12.025, and pursuant to the express terms of the Limited Liability Company Agreement of Fauntleroy Place, LLC.

III. STATEMENT OF FACTS

Background

5. Beginning in 2002, BAJ Capital and its principal, Christopher NeVan ("NeVan") began developing a business opportunity for a mixed use residential and commercial project in West Seattle. NeVan, a long-time resident of West Seattle, recognized the potential for an underdeveloped and underused site located on Fauntleroy Avenue near the heart of the West Seattle retail district.

6. The perspective site, then occupied by two retail establishments—an auto parts franchise and Hancock Fabrics—was advantageously situated relative to access, population density and other commercial developments. Over a period of four (4) years, NeVan pursued the concept of acquiring the site and developing it as a mixed residential and commercial project.

7. Following years of effort and months of negotiation, NeVan secured the right to purchase the site and acquire valuable leases. NeVan joined with long-time Pacific Northwest real estate developer, Steve Hartley, to form Pacific Coast Investment Group, LLC ("PCIG"). Steve Hartley and his companies, BlueStar Real Estate Capital Group, Inc. ("BlueStar Capital") and BlueStar Management, Inc. ("BlueStar") had the experience, knowledge and industry connections to assist in successfully developing the Project.

8. PCIG entered into an agreement to purchase a parcel known as the "Gervais Property" on December 16, 2005. PCIG entered into an agreement on January 11, 2006 to purchase a parcel known as the "Hancock Property." The Gervais Property, the Hancock

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Property and an adjacent alley that was subsequently vacated comprise the 1.5 acre site (collectively the "Property").

9. BAJ Capital and BlueStar applied for and received the Master Use Permit ("MUP") from the City of Seattle to develop Fauntleroy Place ("Fauntleroy Place" or the "Project"), a planned six story mixed use complex with retail, a grocery store, 178 residential units and underground parking. BAJ Capital and BlueStar sought out and ultimately convinced Whole Foods Market Pacific Northwest, Inc. ("Whole Foods") to become the anchor tenant for the Project, which significantly increased the potential value of Fauntleroy Place. Whole Foods entered into a Lease with PGIC dated January 3, 2006.

10. Having secured the Property, site concepts, leases, valuable tenants and permits, BAJ Capital needed an equity partner who would advance the funds necessary to take the Project to the next level. SCC held itself as an experienced and capable equity partner, knowledgeable about real estate development projects and fully aware of the risks associated with ownership obligations. SCC actively sought the opportunity to participate in the Fauntleroy Place project and ultimately BAJ agreed to forego other interested equity investors.

11. Fauntleroy Place LLC (the "LLC") was formed on June 24, 2006 for the purpose of proceeding with the Project. Attached hereto as Exhibit 1 is a true and accurate copy of the Limited Liability Agreement for Fauntleroy Place, LLC (the "Agreement").

12. In return for agreeing to provide equity financing for the Project, SCC demanded and received received a full 50% ownership interest in the LLC. The Agreement obligated SCC to make certain mandatory cash contributions. SCC received a credit in its Capital Account for such contributions and such contributed amounts earned a preferred rate of return.

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13. BAJ Capital and BlueStar Capital contributed all the rights under various purchase agreements including title to the Gervais Property, the Hancock Property, the MUP and the Whole Foods lease to the LLC, in return for which they each received a 25% interest in the LLC. BAJ Capital and BlueStar Capital received non-cash credits to their respective Capital Accounts in the amount of $650,000.00 each. Neither BAJ Capital nor BlueStar Capital were entitled to a preferred rate of return on their Capital Accounts.

14. To protect the interest of the two minority members who had contributed the property, leases and permits which comprised the essential value of the Project, the Agreement prohibited the manager from selling any part of the Project or the Property without the written consent of a majority of members. By this provision, the interests of the minority members were protected. The Agreement also provides that all transactions must be commercially reasonable.

15. On August 16, 2007, the LLC members amended the Agreement ("Amendment 1") whereby Bluestar became manager of the LLC. BlueStar had been the property developer for the Project since its inception, and was an integral part of the development.

SCC Wants to Change the Deal

16. In early 2008, SCC advised the other LLC members that, due to its internal financial difficulties, the LLC should seek another financial partner.

17. In February 2008, BlueStar began negotiations with United Dominion Realty, L.P. ("UDR"), a large and successful real estate investment trust, regarding a possible pre-sale contract. The negotiations contemplated that a UDR subsidiary would purchase the Project for the amount of actual hard and soft costs incurred, and continue to fund the Project to completion (the "UDR Deal"). Under the UDR Deal, the LLC members would be reimbursed

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for the amounts actually incurred and would thereafter be entitled to a percentage of the value of the total Project at completion.

18. Aware that the UDR Deal was imminent, SCC engaged in a number of maneuvers designed to enhance its ability to recover its capital contributions to the detriment of the LLC's other members. First, SCC took over management of the Project by threatening to withhold all further funding unless the minority members agreed to change management of the LLC from BlueStar to SCC. (Attached hereto as Ex. 2 is a true and accurate copy of the June 2, 2008 Amendment 2 to the Agreement.)

19. On June 2, 2008 and just moments after installing itself as manager, SCC required the minority members to sign Amendment 3 whereby, in exchange for no consideration, SCC took all of BlueStar Capital's interest in the LLC. As a result, SCC became the holder of 75% of the membership units in the LLC. (Attached hereto as Exhibit 3 is a true and accurate copy of the June 2, 2008 Amendment 3 to the Agreement.)

20. Amendment 3 also purported to convert all of SCC's equity contributions in the Project into a loan encumbering the LLC, while simultaneously increasing the preferential rate of return on the "loan" from 9% to 14%. BAJ Capital only agreed to sign Amendment 3 because it was told by SCC that all funding for the Project would be cut off unless BAJ Capital signed Amendment 3. Thus, in its first act as manager and majority member, SCC created a debt obligation in favor of itself and against the Project, thereby ensuring that it would have the right to preferential repayment before the interests of the sole remaining minority member.

21. On June 2, 2008 (the same day that SCC forced the execution of Amendment 2 and 3 were signed), SCC (as manager of the LLC) entered into a Construction Loan Agreement ("Construction Loan") with itself as Lender. All of SCC's equity contributions were converted to a loan against the LLC, plus retroactive preferred return. The Construction

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Loan also awarded SCC (as lender) a loan origination fee of $945,425.00 and imposed all costs and expenses including taxes, recording fees, surveys, appraisals, title insurance, real estate taxes insurance policies and inspections against the LLC.

22. As a result of SCC's manipulations, as of June 2, 2008 it became manager of the LLC, it converted all of its prior equity in the Project to debt against the Project, and retroactively increased the preferred return on such amount from 9% to 14%. Moreover, even though it no longer had any equity contribution in Fauntleroy Place, it owned 75% of the membership units.

23. As manager, SCC then thwarted the UDR Deal. As originally contemplated, the purchase price of the UDR Deal was intended to reimburse the actual hard and soft costs of the Project. When SCC ultimately submitted the Project costs, they were substantially inflated, owing to the Deed of Trust that SCC had awarded itself, interest and origination fees contained in SCC's "Construction Loan" and a line item seeking to recover an additional $1.25 Million as an expense claimed for a membership buy-out. The Project costs were so significantly above the amount that had been discussed that UDR terminated the deal and walked away.

24. After losing the UDR Deal, SCC began to adversely impact the Project in other ways. During the summer of 2008, SCC refused to renew the development contract with BlueStar, refused to enter into a new development agreement with BlueStar, would not confirm that the contractor, subcontractors and others working on the Project would be paid. Such actions placed the Project in extreme danger of cessation, caused the Project to become hopelessly behind schedule, created the likelihood that the anchor tenant, Whole Foods, would be lost.

25. After the UDR Deal and without the consent of BAJ Capital, SCC attempted to sell the LLC on terms and conditions that would distribute the entire sale proceeds to satisfy

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SCC's Deed of Trust, but render the remainder of the LLC, including the BAJ Capital interest, worthless.

26. SCC, as manager, has not communicated with BAJ Capital as to the amount of any encumbrances that have been placed on the Property or obligations created by SCC on behalf of the LLC since becoming manager. Such additional obligations dilute BAJ Capital's interest in the LLC.

27. SCC has pursued a course of conduct, commencing with securing BAJ Capital's consent to convert SCC's interest in the LLC from equity to debt and becoming manager of the LLC based on SCC's fraudulent misrepresentations that it would continue to fund the LLC, which acts and omissions were intended to protect and prefer SCC's own self interest, at the expense of the minority LLC member.

IV. BREACH OF FIDUCIARY DUTY

28. Plaintiff restates and incorporates by reference each and every allegation set forth above as if fully set forth herein.

29. SCC, as a majority member, owed a fiduciary duty to the minority member to exercise good faith, care and diligence in its control of the assets of the LLC.

30. SCC breached the fiduciary duties it owed to BAJ Capital by conduct including but not limited to, forcing BAJ Capital, as a minority member, to accept amendments whereby SCC removed the prior manager and inserted itself; engaged in self-dealing by forcing the minority member to accept an amendment converting all of SCC's equity to debt (and thereby entitled to preferred repayment) and retroactively increasing the interest rate; by failing and refusing to keep the minority member advised of the business of the LLC; by grossly inflating the amount of its debt, as a result of which certain third party financing was lost; terminating the services of the Construction Manager/Developer and thereby imperiling the Project, and without approval of, or participation by the minority

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member, entering into a transaction to sell all of the assets of the LLC pursuant to terms whereby SCC would be entitled to be paid and all of BAJ Capital's interest will be eliminated.

31. BAJ Capital has been damaged by SCC's breach of its fiduciary duties in an amount to be proven at trial plus attorneys' fees and expenses and costs.

V. BREACH OF CONTRACT

32. Plaintiff restates and incorporates by reference each and every allegation set forth above as if fully set forth herein.

33. Pursuant to Section 3.2 of the Agreement, SCC as the manager of the LLC was required at all times to act in a manner that was commercially reasonable. Any transaction between the LLC and the manager or any affiliate of the manager was required to be commercially reasonable.

34. SCC breached its obligation under the Agreement as manager to act in a commercially reasonable manner by conduct including but not limited to entering into a Construction Loan as a guise to convert equity to debt, impose inflated interest, fees and costs and ensure that all such amounts would be repaid prior to the interests of the minority member, failing and refusing to apprise a minority member of material facts concerning the Project, intentionally thwarting business opportunities by making inflated demands and acting in a purely self-interested fashion, and failing and refusing to pursue any reasonable business alternative which would be at least as equally preferential to the minority member.

35. As a sole and proximate result of the breaches of SCC and its failure to act in a commercially reasonable manner, BAJ Capital has been damaged in an amount to be proven at the time of trial including attorney's fees, costs and expenses.

VI. REQUEST FOR DECLARATORY RELIEF

36. Plaintiff restates and incorporates by reference each and every allegation set forth above as if fully set forth herein.

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37. *Pursuant to RCW 7.24, plaintiff requests a declaration that Amendment 2 and* Amendment 3 are void as having been procured under duress by business compulsion.

38. Amendment 2 and Amendment 3 were prepared by and insisted upon by SCC solely to further its self-interest and compel a serious business loss to BAJ Capital.

39. Amendment 2 and Amendment 3 were imposed on BAJ Capital through oppressive and unwarranted conduct of SCC acting as manager and majority member. SCC applied immediate pressure by threatening to withhold further funding at the risk of ruination of the Project, which situation was caused or contributed to by SCC's own acts or omissions.

40. As a result of the duress by business compulsion, this Court should enter a declaration that Amendment 2 and Amendment 3 were procured pursuant to duress and are therefore voidable at the election of BAJ Capital.

VII. REQUEST FOR DECLARATORY RELIEF – CONSTRUCTION LOAN

41. Plaintiff restates and incorporates by reference each and every allegation set forth above as if fully set forth herein.

42. Pursuant to RCW 7.24, plaintiff requests that the purported Construction Loan dated June 2, 2008 executed by SCC as manager of the LLC be deemed void as blatantly self-interested and having been procured in a non-commercially reasonable manner, and without notice to the minority member, and that all Deeds of Trust in favor of SCC (and incurred and recorded without notice to or approval by the minority member) be set aside.

PRAYER FOR RELIEF

WHEREFORE, having stated its Complaint, BAJ prays for relief as follows:

1. That BAJ be awarded judgment against SCC for its breach of fiduciary duty and breach of contract in an amount to be proven, plus interest, costs, expenses and attorneys' fees;

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2. For a declaratory judgment establishing that Amendment 2 and Amendment 3 are void;

3. For a declaratory judgment establishing that the Construction Loan and any subsequent Deed of Trust resulting therefrom be deemed void;

4. For an award of post-judgment interest; and

5. For such other and further relief as the court deems proper and equitable.

DATED this 9th day of March, 2009.

RYAN, SWANSON & CLEVELAND, PLLC

By _____
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EXHIBIT 1

THE SECURITIES REPRESENTED BY THE INTERESTS DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER UNITED STATES FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED OR ASSIGNED FOR VALUE, DIRECTLY OR INDIRECTLY, NOR MAY THE SECURITIES BE TRANSFERRED ON THE BOOKS OF THE COMPANY, WITHOUT REGISTRATION OF SUCH SECURITIES UNDER ALL APPLICABLE UNITED STATES FEDERAL OR STATE SECURITIES LAWS OR COMPLIANCE WITH AN APPLICABLE EXEMPTION THEREFROM, SUCH COMPLIANCE, AT THE OPTION OF THE COMPANY, TO BE EVIDENCED BY AN OPINION OF MEMBER'S COUNSEL, IN FORM ACCEPTABLE TO THE MANAGER OF THE COMPANY, THAT NO VIOLATION OF SUCH REGISTRATION PROVISIONS WOULD RESULT FROM ANY PROPOSED TRANSFER OR ASSIGNMENT.

LIMITED LIABILITY COMPANY AGREEMENT

OF

FAUNTLEROY PLACE LLC,
a Washington limited liability company

Dated and Effective

as of

June 30, 2006

EXHIBIT 1

TABLE OF CONTENTS

LIST OF EXHIBITS:

LIMITED LIABILITY COMPANY AGREEMENT
OF
FAUNTLEROY PLACE LLC,
a Washington limited liability company

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") is made and entered into effective as of June 30, 2006, by and among the Persons whose signatures appear on the signature page hereof.

1. DEFINITIONS.

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Act" means the Washington Limited Liability Company Act.

"Affiliate" means, with respect to any Person, (i) any other Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling 50% or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, or holder of 50% or more of the voting interests of any Person described in clauses (i) through (iii). For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Alley" has the same meaning as set forth in the Hancock Agreement.

"BAJ" means Okanogan Management Company, Inc., a Washington corporation, which holds its Interests in the Company under its registered trade name, BAJ Capital, Inc.

"BlueStar" means BlueStar Real Estate Capital Group, Inc., a Washington corporation.

"Budget" shall mean the latest budget for land acquisition, and for the leasing, design, permitting, development, construction, and operation of the Project, including condominiumization and sale of the condominiums and for operating the Company, including Total Project Costs and Operating Expenses, as now or hereafter initially estimated by the Manager and approved in writing by a Majority Interest. The approved initial Budget, which is limited to the cost of purchasing the Gervais Property and covering certain costs and reimbursements as described in Section 6.1.3(B) of this Agreement, is attached hereto as **Exhibit B** (the "Initial Budget").

"Business of the Company" shall mean acquiring the Land for investment and development and developing the Project and the Land for investment.

"Capital Account" means the capital account determined and maintained for each Interest Holder pursuant to Section 6.

"Capital Contribution" means a cash contribution to the capital of the Company by a Member, pursuant to Section 6.1.1.

"Capital Event" means any of the following events: (a) the sale or other disposition of the Project or the Company's interest in the Project, (b) the financing or refinancing of the Project (excluding the Construction Loan), (c) partial or total destruction of the Project, and any receipt of insurance awards or settlements resulting therefrom, except to the extent used for the restoration, alteration, reconstruction or rehabilitation of the Project following such destruction, or (d) partial or total condemnation of the Project, and any receipt of awards or settlements resulting therefrom, except to the extent used for any restoration, alteration, or rehabilitation of the Project following such condemnation.

"Certificate of Formation" means the certificate of formation pursuant to which the Company was formed, as originally filed with the office of the Secretary of State of Washington on June 24, 2006, and as amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws, and regulations issued thereunder.

"Company" means **FAUNTLEROY PLACE LLC**, a Washington limited liability company.

"Company Minimum Gain" has the same meaning as the term "partnership minimum gain" in Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

"Deficit Capital Account" means with respect to any Member the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount that such Member is obligated to restore to the Company under Regulation Section 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the next to last sentences of Regulation Sections 1.704-2(g)(1) and (i)(5); and

(ii) debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition is intended to comply with the provisions of Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

"Development Agreement" means that certain Development Coordination Agreement to be hereafter executed between the Company and BlueStar with the prior consent of a Majority Interest, pursuant to which BlueStar will provide certain management and development services for the Project.

"Distributable Cash" means all cash on hand and on deposit, less Reserves. Any reference to "Distributable Cash from Operations" means all Distributable Cash other than Distributable Cash from a Capital Event.

"Economic Interest" means an Interest Holder's share of Net Profits, Net Losses, or other tax items of the Company and distributions of the Company's assets pursuant to this Agreement and the Act, but shall not include any Management Interest.

"Economic Interest Owner" means the owner of an Economic Interest who is not a Member.

"Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural person.

"Existing Hancock Lease" means that certain lease dated January 15, 1964 between Ingrid Realty Corp., a Delaware corporation, as lessor and Lucky Stores, Inc., a California corporation as lessee, the lessor's and lessee's respective interests in which are now held, respectively, by Gervais and Hancock, as assigned and amended to date, pursuant to which the land and building subject of the Gervais Agreement are presently leased to Hancock as lessee.

"Fiscal Year" means the calendar year.

"Gervais" means Saint Gervais LLC, a Delaware limited liability company.

"Gervais Agreement" means that certain Contract of Sale by and between Gervais and PCIG dated as of December 16, 2005, as amended by Amendment 1 dated as of January 31, 2005, and Amendment 2 dated as of December 16, 2005, PCIG's interest in which has been or will be assigned to the Company.

"Gervais Property" means the real and other property to be acquired by the Company pursuant to the Gervais Agreement.

"Gross Receipts" shall mean all sums derived from operation of the Project including all rents and other income received from the operation of the Project; excluding, however, (i) expense reimbursements paid directly by tenants, such as common area maintenance, taxes and insurance, (ii) proceeds of sale, refinancing, or condemnation, and (iii) insurance proceeds (but including rental loss insurance proceeds).

"Hancock" means Hancock Fabrics, Inc., a Delaware corporation.

"Hancock Agreement" means that certain Amended and Restated Real Estate Purchase and Sale Agreement dated as of January 11, 2006, by and between Hancock and PCIG, as now or hereafter amended with the consent of a Majority Interest, PCIG's interest in which has been or will be assigned to the.

"Hancock Property" means the real and other property to be acquired by the Company pursuant to the Hancock Agreement.

"Interest" means all of a Person's share in the Net Profits, Net Losses, and other tax items of the Company and distributions of the Company's assets pursuant to this Agreement and the Act and all of such Person's rights, if any, to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members.

"Interest Holder" means a Person who is a Member or an Economic Interest Owner. When the term Interest Holder is used in any given provision of this Agreement it shall mean a Member, an Economic Interest Owner, or both, depending on the context and/or applicability of the particular provision to a Member or Economic Interest Owner.

"Interest Rate" means 3% in excess of the Prime Rate.

"Interests" means the Interests or portions thereof held by any Member under this Agreement as reflected in attached **Exhibit A**, as amended from time to time.

"Land" means the approximately 1.4587 acre parcel of real property on S.W. Alaska Street, between 39th Avenue S.W. and 40th Avenue S.W., Seattle, Washington, described on **Exhibit C** attached hereto.

"Majority Interest" means, at any time, 75 percent or more of the then outstanding Interests held by Members including, in all situations in which this Agreement requires the approval of a Majority Interest, the Interests held by Seattle Capital.

"Manager" means Northwest Resource Management Group LLC., a Washington limited liability company.

"Management Interest" means a Member's right to vote on, consent to or otherwise participate in, any decision of the Members or the management of the Company.

"Member" means each Person who executes a counterpart of this Agreement as a Member and each Person who may hereafter become a Member. If a Manager is a Member, it will have all the rights of a Member. If a Person is a Member immediately prior to the acquisition by such Person of an Interest, such Person shall have all the rights of a Member with respect to such Interest. Each Member has the right to vote on all matters for which a vote is to be taken.

"Member Minimum Gain" has the same meaning as the term "partner nonrecourse debt minimum gain" in Regulation Section 1.704-2(i).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Regulation Sections 1.704-2(i)(1) and (2). The amount of Member Nonrecourse Deductions for a Company Fiscal Year shall be determined in accordance with Regulation Section 1.704-2(i)(2).

"Membership Interest" means all of a Member's share in Distributable Cash, Net Income, Net Losses, and other tax items of the Company, distributions of the Company's assets pursuant to this Agreement and the Act, and all of a Member's rights to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members.

"MUP" means the Master Use Permit hereafter issued by the City of Seattle pursuant to the Master Use Permit Application, a copy of which is attached hereto as **Exhibit D** (the "MUP Application").

"Net Income" and **"Net Losses"** shall be determined in each period in question, an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (including all items required to be stated separately) with the following adjustments:

(a) include any income exempt from federal income tax;

(b) subtract any expenditures of the Company described in IRC 705(a)(2)(b) (expenditures not deductible from taxable income or chargeable to a capital account); and

(c) any items that are specially allocated pursuant to this Agreement shall not be taken into account computing Net Income or Net Loss.

"New Hancock Lease" means the Lease between the Company as Landlord and Hancock as Tenant, which will be executed and delivered concurrently upon the Company's acquisition of fee simple title to the Hancock Property pursuant to the Hancock Agreement.

"Non-Cash Contribution" has the meaning ascribed to that term in Section 6.1.2(A) of this Agreement.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a Company Fiscal Year shall be determined pursuant to Regulation Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulation Section 1.704-2(b)(3).

"Operating Expenses" means, with respect to the Project from and after the Completion Date, all expenditures of any kind made with respect to the operations of the Company in the normal course of business (other than the development and construction of the Project, or any portion thereof), including, but not limited to, debt service payable on indebtedness of the Company, taxes, insurance premiums, escrow payments, repair and maintenance costs, management fees as preapproved in the Budget or reimbursements to the Manager, advertising expenses, professional fees or reimbursements to the Manager, advertising expenses, professional fees, salaries and wages and fringe benefits of on-site persons employed by the Company, including payroll and withholding taxes, utility costs, and expenditures made for capital repairs, improvements and replacements (other than capital expenses satisfied out of cash reserves previously earned by the Company or satisfied out of proceeds derived from a Capital Event).

"PCIG" means Pacific Coast Investment Group LLC, a Washington limited liability company.

"Percentage Interest" shall mean, with respect to any Person, such Person's undivided percentage ownership interest in the Company. ***Exhibit A*** sets forth the outstanding Percentage Interests and the names and addresses of the Persons who hold them and shall be amended from time to time to reflect any changes in such percentages and Persons.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

"Preferred Return" means an amount equal to interest on a Member's unreturned cash Capital Contributions at the rate of 9%, compounded annually from the date of each cash contribution.

"Prime Rate" means the per annum "prime rate" as published in the "Money Rates" section of The Wall Street Journal.

"Project" means a retail and condominium development containing approximately 59,600 square feet of retail area, approximately 160 residential condominiums, and an underground parking structure to be built on the Land, to be known as Fauntleroy Place, and containing appropriate amenities consistent with the MUP.

"Purchase Agreement" means the Gervais Agreement or the Hancock Agreement, as the context may require, pursuant to which the Company will purchase the Land from Gervais or Hancock, as the case may be.

"Regulations" includes proposed, temporary and final Treasury regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

"Reserves" means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Manager for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the development of the Project and the Land, and the ownership or operation of the Company, including fees payable to Manager.

"Seattle Capital" means Seattle Capital Corporation, a Washington corporation.

"Seattle Mortgage" means Seattle Mortgage Company, a Washington corporation, which is an Affiliate of Seattle Capital.

"Total Project Costs" with respect to the Project means all costs of predevelopment, development and construction of the Project (to the extent applicable to an approved phase of the Project) paid or payable or incurred by or on behalf of the Company with respect to the construction, development, and initial leasing of the Project, computed in accordance with a modified cash basis of accounting, including, without limitation or duplication, the following:

(i) Predevelopment expenses, including those referred to in Section 6.1.3(A);

(ii) Acquisition costs and any carrying costs attributable to the Land from the date of Acquisition thereof by the Company until Whole Foods occupies its Premises and commences to pay Base Rent pursuant to the Whole Foods Lease;

(iii) the cost of all labor, materials, utilities, equipment (acquired or rented) and similar items incorporated into or consumed in the construction and development of the Project and any related site, utility, or landscaping work incorporated in or related to the Project, including, without limiting the generality of the foregoing, all contract prices, including fees and bonuses of contractors or materialmen;

(iv) architectural, topographical and boundary surveying, legal, consulting, accounting, and engineering fees and expenses paid to outside architects, surveyors, accountants, consultants, attorneys, and engineers in connection with the planning, construction, financing, condominiumization and leasing of the Project and any related site, utility, or landscaping work, including, but not limited to, borings, soil analysis, traffic studies, surveys and market studies;

(v) to the extent not including in fee and expense statements from architects and engineers, costs of reproducing plans and specifications for Company, tenants, lenders, inspecting architects and/or engineers, and the general contractor;

(vi) any leasing fees and commissions payable to outside brokers or agents, advertising and promotional costs, lease costs incurred by or on behalf of the Company in connection with leasing of space in the Project;

(vii) all costs and expenses with respect to the installation of tenant finish work in the Project and the amount of any tenant finish allowances or any other concessions actually paid under all initial tenant leases for space in the Project;

(viii) all direct and indirect costs of obtaining the MUP, demolition, building and other permits for the Project and all other approvals required from any governmental entities having jurisdiction over the Land;

(ix) all, interest, commitment fees and other financing costs, which shall include any attorneys' fees and similar costs incurred in connection with the negotiation and closing of any loan to acquire or to construct any of the Project;

(x) attorneys' fees and filing fees incurred in connection with formation of the Company including preparation of this Agreement;

(xi) all ad valorem taxes and other taxes and assessments paid or payable by the Company with respect to the Land and/or the Project or any portions thereof from and after acquisition of the Land;

(xii) the actual costs of all offsite improvements constructed or paid for by the Company, including, but not limited to, any such improvements required to be constructed or paid for in connection with the issuance of any building or other permits by any governmental entities having jurisdiction over the Project;

(xiii) all costs of applying for and acquiring fee simple title to the Alley, any easements, air rights, use permits, or other offsite rights in connection with the development of the Project;

(xiv) the fees and reimbursements payable to BlueStar pursuant to the Development Agreement; and

(xv) all insurance premiums paid or payable by the Company prior to Project completion; including, but not limited to, any builder's risk, fire and extended coverage, rent loss, or general liability coverage carried by the Company.

It is expressly acknowledged that any of such costs and expenses which have been paid by PGIC, BAJ or BlueStar (other than any indirect costs relating to the overhead of any of them or their Affiliates or salaries of their respective employees) shall be included in Total Project Costs for all purposes hereof. Notwithstanding the foregoing, any such costs and expenses incurred prior to the date of this agreement shall only be included to the extent they are identified as approved prior expenses on Exhibit B.

"Unreturned Capital Contribution" shall mean a Member's Capital Contribution less capital returned to such Member under Section 8.1.

"Whole Foods" means Whole Foods Market Pacific Northwest, Inc., a Delaware corporation.

"Whole Foods Lease" means that certain lease dated effective January 3, 2006, between PGIC as landlord and Whole Foods as tenant, as amended, if at all, hereafter, landlord's interest which shall be assigned to the Company upon the Company's acquisition of the Hancock Property.

2. *FORMATION OF COMPANY.*

2.1. Formation. The Company was formed on June 24, 2006, when the Certificate of Formation was filed with the office of the Washington Secretary of State in accordance with the Act.

2.2. Name. The name of the Company is "FAUNTLEROY PLACE LLC."

2.3. Principal Place of Business. The principal place of business of the Company shall be c/o Northwest Resource Management Group, 19940 Ballinger Way N.E., Suite A-1, Shoreline, WA 98155. The Company may locate its places of business at any other place or places as the Manager may from time to time deem advisable. Manager will promptly notify all Interest Holders of any change in the Company's principal place of business.

2.4. **Registered Office and Registered Agent.** The Company's initial registered agent and the address of its initial registered office in the State of Washington are as follows: Assist, Inc., a Washington corporation, 700 Fifth Avenue, 56th Floor, Seattle, Washington 98104. The registered office and registered agent may be changed by the Manager from time to time by filing an amendment to the Certificate of Formation. Manager will promptly notify all Interest Holders of any change in the Company's registered agent or the registered agent's registered office.

2.5. **Term.** The term of the Company shall be perpetual, unless the Company is earlier dissolved in accordance with Section 11.

2.6. **Business of Company.** The "Business of the Company" is defined in Section 1. The Company shall have the right to exercise all other powers necessary to or reasonably connected with the Business of the Company which may be legally exercised by limited liability companies under the Act.

2.7. **Names and Addresses of Members.** The names and addresses of the Members are set forth on attached **Exhibit A**, as amended or restated from time to time.

3. MANAGEMENT OF THE COMPANY.

3.1. **Manager Authority.** The business and affairs of the Company shall be managed by the Manager. Except as provided in Section 3.2 (limitation on Manager authority) and Section 13.3 (Amendment of Agreement) the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Business of the Company, and in such capacity shall have the authority shall have the authority to exercise all the powers and privileges granted by the Act, any other law or this Agreement, together with any powers incidental thereto, and to take any other action not prohibited under the Act or other applicable law, so far as such powers or actions are necessary or convenient or related to the conduct, promotion or attainment of the business, purposes or activities of the Company. Without limiting the generality of the foregoing, the Manager shall have power and authority, on behalf of the Company:

(a) to acquire property and services from any Person, provided that if the Manager is an Affiliate of such Person the Manager may only deal with such Person on commercially reasonable terms and rates pre approved by a Majority Interest;

(b) to borrow money from financial institutions, on such terms as the Manager deems appropriate, and in connection therewith, to grant security interests in the assets of the Company; provided that: (i) any such borrowing from a Member or Affiliate of a Member is on commercially reasonable terms; and (ii) any Company borrowing must be approved by a Majority Interest;

(c) to purchase liability and other insurance to protect the Company's property and business at commercially competitive rates and terms;

(d) subject to Section 3.2, to acquire, improve, manage, charter, operate, lease, rent, sell, transfer, exchange or dispose of all or any part of the Project and any other real or personal property of the Company;

(e) to invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

(f) to execute instruments, documents and contracts, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, construction contracts, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company, subject to obtaining the consent of a Majority Interest in connection with any such matter that this Agreement specifically requires consent or approval of a Majority Interest;

(g) to employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(h) to enter into any and all other agreements related to the Business of the Company with any other Person for any purpose, in such form as the Manager may approve;

(i) from time to time open bank accounts in the name of the Company

(j) admit new Members who make Capital Contributions so long as the new Members are first approved by a Majority Interest which will include Seattle Capital; and

(k) to do and perform all other acts as may be necessary or appropriate to the conduct of the Business of the Company.

Unless authorized to do so by this Agreement or by the Manager, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

3.2. Limitation on Manager Authority. The Manager shall not without the prior written consent of all Members use any of the Company's funds or credit for any purpose not related to the Business of the Company. Manager shall not, without the prior written consent of Members holding a Majority Interest: (a) make a material change in the MUP Application or the Alley vacation application; (b) modify a Purchase Agreement; (c) sell any part of the Project or the Land (except for grants of easements, road widening strips and other such grants which are reasonably necessary incident to the development of the Project); (d) cause the Company to purchase or be committed to purchase the Hancock Property ; (e) acquire fee simple title to the Alley or execute and deliver the New Hancock Lease; (f) terminate or modify the Whole Foods Lease or the Hancock Lease in any material respect; (g) commit the Company to any obligation in excess of $100,000, or (h) prior to the Company's acquisition of the Hancock Property, incur costs or expenses in excess of the $300,000 Capital Contribution limit set for Seattle Capital in Section 6.1.3 (B) without Seattle Capital's consent. The terms of any

transaction between the Company and the Manager or any Affiliate of Manager shall be commercially reasonable.

3.3. Manager Services and Compensation.

3.3.1. Project Development. Manager shall (a) supervise the Company's Acquisition of the Land and, incident thereto, cause the Land subject of the Gervais Agreement to be acquired on or before June 30, 2006; (b) supervise implementation of the Development Agreement; (c) use its best reasonable efforts to cause the MUP and the Company's acquisition of fee simple title to the Alley to be accomplished as soon as possible on terms approved by a Majority Interest; and (d) use its best reasonable efforts to cause Hancock to amend the Hancock Agreement and the New Hancock Lease to extend the Hancock Agreement closing date to enable the Company to purchase the Hancock Property after the Alley has been purchased by the Company and all entitlements necessary to enable the Company to develop the Project have been secured.

3.3.2. Reimbursement of Expenses of Manager and Its Affiliates. The Manager shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Manager in connection with the Business of the Company. In no event, however, shall the Manager be entitled to reimbursement of its own office overhead, or for compensation to its officers and employees, or for federal income or excise taxes levied on Manager's fees. Furthermore, the Manager shall not be entitled to any management fee that is not in the Budget approved by a Majority Interest.

3.3.3. Reporting. Manager shall provide quarterly (i) written reports to the Members with respect to of the events and activities under its purview, which report shall include a statement of all receipts and disbursements made during the prior quarter, and (ii) an actual against Budget reconciliation for that quarter and on an aggregate basis through the end of that quarterly period.

3.4. Limitation on Liability; Indemnification. Neither the Manager nor any Affiliate of the Manager shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person, except for matters constituting breach of fiduciary duty, receipt of unauthorized funds, negligence, intentional misconduct or knowing violation of the law. The Company shall indemnify and hold harmless the Manager, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests unless the same was occasioned by such Person's breach of fiduciary duty, negligence, intentional misconduct or knowing violation of the law. No member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons. Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section 3.4 for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a Person other than a Member, and (iii) such Person undertakes to repay the advanced funds to the

Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

3.5. Resignation. The Manager shall not have the right to resign, and shall continue to perform the duties of the Manager until the Company is wound up.

3.6. Removal. Seattle Capital shall be entitled to remove the Manager and appoint a successor should the Project exceed the Budget by twenty-five (25%), or should the Project be delayed by at least six months beyond the projections set forth in the Budget unless such delay was caused by reasons beyond the Manager's reasonable control.

3.7. Right to Rely on the Manager. No lender or purchaser or other Person, including any purchaser of property from the Company or any other Person dealing with the Company, shall be required to look to the application of proceeds hereunder or to verify any representation by the Manager as to the extent of the interest in the assets of the Company that the Manager is entitled to encumber, sell, or otherwise use, unless a Member has placed such Person on notice of a legal duty to so inquire. In no event shall any Person dealing with the Manager or the Manager's representative with respect to the business or property of the Company be obligated to ascertain that the terms of this Agreement have been complied with, and each such Person shall be entitled to rely on the assumptions that the Company has been duly formed and is validly in existence, that the Members have given any necessary approval incident to execution and delivery of any document or instrument of any nature whatsoever. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by any Manager as to the identity and authority of any Manager or other Person to act on behalf of the Company or any Member.

3.8 Failure of Project. Notwithstanding any language to the contrary in this Agreement, it is expressly understood that the initial phase of the Project shall be limited to the Company's acquisition of the Gervais Property and the pursuit of entitlements at a cost not to exceed the Capital Contribution limit of Seattle Capital set forth in Section 6.1.3 (B). The next phase of the Project shall include the Company's acquisition of the Hancock Property and the Alley, which acquisition shall be subject the prior approval of the said acquisition and of the Budget for the entire Project, in each case by Seattle Capital in Seattle Capital's sole discretion. If the Company fails to acquire the Hancock Property and execute and deliver the New Hancock Lease pursuant to the Hancock Agreement, or the Company fails to acquire the Alley or obtain necessary entitlements from the City of Seattle, in all such cases in form and content as are approved by a Majority Interest, and in each case no later than April 30, 2007 then BAJ and BlueStar will, promptly upon the written request of Seattle Capital, quitclaim assign and transfer their entire respective Interests in the Company to Seattle Capital and from and after such assignment, (i) neither BAJ nor BlueStar will have any further Interest in the Company, the Project or any other property of the Company and (ii) Seattle Capital agrees not to develop or cause any other Person to develop improvements on the Land containing Whole Foods as a tenant or occupant.

4. RIGHTS AND OBLIGATIONS OF MEMBERS.

4.1. Limitation of Liability. Each Member's liability shall be limited as set forth in this Agreement and the Act, to the maximum extent permitted by the Act. All provisions of this Agreement shall be construed consistent with this Section 4.1.

4.2. Liability for Company Obligations. Members shall not be personally liable for any debts, obligations or liabilities of the Company.

4.3. Inspection of Records. Upon reasonable request, each Member shall have the right to inspect and copy at such Member's expense, during ordinary business hours the records required to be maintained by the Company pursuant to Section 9.4.

4.4. No Priority and Return of Capital. Except as expressly provided in Sections 7 and 8, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Income, Net Losses or distributions; provided, that this Section 4.4 shall not apply to advances made by a Member to the Company.

4.5. Events of Dissociation. The sole event of dissociation pursuant to which a Member will cease to be a Member of the Company shall be (a) a Member dies or (b) the assignment of a Member's Membership Interest, except as permitted by this Agreement. In no event shall any other event or circumstance constitute an event of dissociation for purposes of Section 25.15.130 of the Act.

5. MEETINGS OF MEMBERS.

5.1. Authority for Call; Location; Meetings. Meetings of the Members, for any purpose or purposes, may be called by the Manager or by any two Members. The place of meeting shall be the principal office of the Company specified in Section 2.3, unless in the reasonable opinion of the Manager it would be more appropriate to meet at the Project because of the nature of the agenda.

5.2. Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 30 days before the date of the meeting, either personally or by mail, by or at the direction of the Manager or the Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered three calendar days after being deposited in the United States Mail, addressed to the Member as specified in Section 13.1, with postage thereon prepaid. In the event of an emergency where delay would not be in the best interests of the Company, or where the Company is required (or it is in its best interest) to respond to third parties within a shorter period of time, special meetings may be called upon reasonable notice dictated by the circumstances.

5.3. Quorum. A quorum shall be deemed present if Members holding a Majority Interest are represented in person or by proxy.

5.4. Manner of Acting. If a quorum is present, the affirmative vote of a Majority Interest in the Company represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser percentage is required by this Agreement or the Act.

5.5. Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with the Manager before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

5.6. Action by Members Without a Meeting. Any action required or which may be taken at a meeting of Members may be taken without a meeting if the action is taken by a Majority Interest of the Members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed or otherwise confirmed in writing (such as by email or facsimile sent to all other Members by the sender) by a Majority Interest of all of the Members entitled to vote on the action, and delivered to the Company for filing with the Company's records. Action taken in accordance with this section shall be effective when all written consents have been delivered to the Company, unless the consent specifies a later effective date. The record date for determining Members entitled to take a particular action without a meeting shall be the date the first Member gives its written consent with respect to such particular action. The parties anticipate that the majority of written consents will be by email or facsimile.

5.7. Waiver of Notice. When any notice is required to be given to a Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

6. CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS.

6.1. Members' Capital Contributions.

6.1.1. Initial Contributions. Upon execution of this Agreement, each of the Members shall make an initial Capital Contribution to the Company of cash in the amount set forth on **Exhibit A** attached hereto.

6.1.2. Contributions by BAJ and BlueStar.

(A) Contribution of Purchase Agreements. BAJ and BlueStar will cause their affiliate, PCIG, to take title to the Gervais Property from Gervais on June 30, 2006 and, immediately thereafter, acquire title to the Gervais Property themselves and convey such title to the Company. BAJ and BlueStar will cause PCIG to assume the lessor's obligations under the Existing Hancock Lease, and, concurrently with conveyance to the Company of title to the Gervais Property, to and assign the lessor's interest in the Existing Hancock Lease to the Company, which will assume all obligations of such lessor arising from and after such assumption. Promptly thereafter, BAJ and BueStar will cause PCIG to assign to the Company PCIG's interests in the Hancock Agreement. Simultaneously with the Company's acquisition of fee simple title to the Hancock Property, BAJ and BlueStar shall assign the landlord's interest in the Existing Hancock Lease and the Whole Foods Lease to the Company. Thereafter, each of BAJ and BlueStar will receive a credit to its Capital

Account in the amount of $650,000 (the "Non-Cash Contribution"), the parties agreeing that the fair market value of the entire Land is $1.3 million in excess of the aggregate purchase price of the Land under the Purchase Agreements. If the Company has acquired the Gervais Property but it never acquires the Hancock Property, no credit will be made to the Capital Account of BAJ or BlueStar in connection therewith.

(B) **No Other Contributions.** Neither BAJ nor BlueStar shall be obligated to make any additional Capital Contributions to the Company.

6.1.3. Mandatory Contributions by Seattle Capital.

(A) Seattle Capital will contribute to the Company all funds necessary to enable the Company to acquire Fee Simple Title to the Gervais Property pursuant to the Gervais Agreement, closing of which must be consummated on or before June 30, 2006, in the amount set forth on the Initial Budget.

(B) Seattle Capital will contribute to the Company, on or before the 10th day of each month, such sums as are necessary to enable the Company to pay all reasonable expenses of the Business of the Company due and payable during the such month in connection with pursuing the MUP and other necessary entitlements, vacation of the Alley by the City of Seattle, and renegotiating the Hancock Agreement as necessary to enable it to be approved by a Majority Interest, including, for this purpose, third party legal, consulting, engineering and governmental fees and changes; provided, however, that Seattle Capital will have no obligation to contribute in excess of $300,000.00 pursuant to this Section 6.1.3(B) without its prior written consent, which may be withheld in its discretion.

(C) Seattle Capital will contribute to the Company, on or before July 1, 2006, the amounts set forth on the Initial Budget as "Gervais Reimbursements", which amounts will be paid by the Company to PCIG to reimburse it for amounts it paid Gervais in the nature of earnest money or extension deposits under the Gervais Agreement. Seattle Capital agrees to contribute to the Company, immediately upon the Company's acquisition of fee simple title to both the Hancock Property and the Alley, the sum of $658,990.93 (the "Hancock Reimbursements") which will be paid by the Company immediately upon receipt to PCIG in order to reimburse PCIG for predevelopment expenses incurred by it in connection with the Project prior to formation of the Company and not otherwise covered by the above provisions of this Section 6.1.3, including amounts in the nature of earnest money or extension deposits paid to Hancock pursuant to the Hancock Agreement prior to the date of this Agreement.

(E) Seattle Capital will receive a credit to its Capital Account for amounts it contributes to the Company pursuant to this Section 6.1.3 and not covered or reimbursed by the Construction Loan, and all such contributed amounts shall earn a Preferred Return.

(F) The parties will amend this Agreement to establish Seattle Capital's obligations to cover, either as capital contributions from it, or as loans (the "Construction Loan") from its Affiliate, Seattle Mortgage Company, all amounts necessary to pay Total Project Cost after they are established in a Budget hereafter approved by a Majority Interest and Seattle Capital in

writing, the parties agreeing not to unreasonably withhold such approval provided however that Seattle Capital has approved the Company's purchase of the Hancock Property and execution and delivery of the New Hancock Lease pursuant to Section 3.2. Except as set forth above in this Section 6.1.3 or in a Budget approved pursuant to this Section 6.1.3(F) of this Agreement, Seattle Capital will not be obligated to make Capital Contributions to the Company.

6.1.4. Mandatory Contributions or Loans by Seattle Capital. No such Capital Contribution shall result in a change in Percentage Interest. Nothing contained in this Section 6.1 is or shall be deemed to be for the benefit of any Person other than the Members and the Company.

6.2. Capital Accounts.

6.2.1. Establishment and Maintenance. A separate Capital Account will be maintained for each Interest Holder throughout the term of the Company in accordance with applicable regulations and, specifically, the rules of Regulation Section 1.704-1(b)(2)(iv). Each Interest Holder's Capital Account will be increased by (1) the amount of money contributed by such Interest Holder to the Company; (2) the fair market value of property contributed by such Interest Holder to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take the property subject to under Code Section 752); (3) allocations to such Interest Holder of Net Income; (4) any items in the nature of income and gain that are specially allocated to the Interest Holder pursuant to Sections 7.3 and 7.4; and (5) allocations to such Interest Holder of income and gain exempt from federal income tax. Each Interest Holder's Capital Account will be decreased by (1) the amount of money distributed to such Interest Holder by the Company; (2) the fair market value of property distributed to such Interest Holder by the Company (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take the property subject to Code Section 752); (3) allocations to such Interest Holder of expenditures described in Code Section 705(a)(2)(B); (4) any items in the nature of deduction and loss that are specially allocated to the Interest Holder pursuant to Sections 7.2, 7.3 and 7.4; and (5) allocations to such Interest Holder of Net Losses. In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest.

6.2.2. Compliance with Regulations. The manner in which Capital Accounts are to be maintained pursuant to this Section 6.2 is intended to comply with the requirements of Code Section 704(b) and the Regulations promulgated thereunder. If in the opinion of the Company's legal counsel or accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 6.2 should be modified in order to comply with Code Section 704(b) and the Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 6.2, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Interest Holders.

6.3. Withdrawal or Reduction of Members' Contributions to Capital. A Member shall not receive out of the Company's property any part of his Capital Contribution until all liabilities of the Company, including Cost Overrun Advances, have been paid or there remains

property of the Company sufficient to pay all Company liabilities. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

7. ALLOCATIONS OF NET INCOME AND LOSSES.

7.1. Allocation of Net Income and Net Loss. Except as provided in Sections 7.2 , 7.3 and 7.5 of this Agreement, Net Income and Net Loss for each Fiscal Year of the Company shall be allocated among the Members so as to, as nearly as possible, increase or decrease, as the case may be, each Member's Adjusted Capital Account (as defined below) to the extent necessary such that each Member's Adjusted Capital Account is equal to the amount (positive or negative) that such Member would receive with respect to its Capital Account if the Company were dissolved, its assets sold for their book value, its liabilities satisfied in accordance with their terms (limited with respect to each Nonrecourse Liability to the book value of the assets securing such liability) and all remaining amounts were distributed to the Members in accordance with Section 8.1.2 immediately after making such allocation. The intent of the foregoing allocation is to comply with Treasury Regulations Section 1.704-1(b) and ensure that the Members receive allocations of Net Income and Net Loss pursuant to this Section 7.1 in accordance with their relative interests in the Company, with the interest of each Member in the Company determined by reference to such Member's relative rights to receive distributions from the Company pursuant to Section 8 in respect of the Net Income of the Company and such Member's relative loss of amounts otherwise distributable to such Member pursuant to Section 8 in respect of the Net Loss of the Company. For purposes of this Section 7.1, "Adjusted Capital Account" means the Capital Account balance of a Member, increased by any Company Minimum Gain or Company Minimum Gain attributable to "Member nonrecourse debt" allocable to such Member under Treasury Regulations Section 1.704-2(g); provided, however, all allocations shall be permitted allocations under Code Section 514(c)(9)(E), as set forth in Treasury Regulations 1.514(c)-2, such that the allocation of items to a Member that is a "qualified organization" cannot result in that Member having a percentage share of overall Company income for any Company taxable year greater than that Member's fractions rule percentage, as defined in such Treasury Regulation.

7.2 Limitation. The Net Loss allocated to each Interest Holder for any Company Fiscal Year pursuant to Section 7.1 shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Interest Holder to have a Deficit Capital Account at the end of the Fiscal Year. All Net Losses in excess of the limitation set forth in this Section 7.2 shall be allocated to the other Interest Holders who do not have Deficit Capital Accounts in proportion to their respective Percentage Interests.

7.3. Special Allocations. The following special allocations shall be made for any Fiscal Year of the Company in the following order:

7.3.1. Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Company Fiscal Year, each Interest Holder shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Interest Holder's share of the net decrease in Company Minimum Gain, determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(g)(2). The items to be so allocated, and

the manner in which those items are to be allocated among the Interest Holders, shall be determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(j)(2). This Section 7.3.1 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted and applied accordingly.

7.3.2. **Member Minimum Gain Chargeback.** If there is a net decrease in Member Minimum Gain during any Company Fiscal Year, each Interest Holder who has a share of that Member Minimum Gain, determined in accordance with Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Interest Holder's share of the net decrease in Member Minimum Gain, determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(5). The items to be so allocated, and the manner in which those items are to be allocated among the Interest Holders, shall be determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 7.3.2 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(i)(4) and shall be interpreted and applied accordingly.

7.3.3. **Qualified Income Offset.** In the event that any Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Interest Holder in an amount and in a manner sufficient to eliminate as quickly as possible, to the extent required by Regulation Section 1.704- (1)(b)(2)(ii)(d), the Deficit Capital Account of the Interest Holder (which Deficit Capital Account shall be determined as if all other allocations provided for in this Section 7 have been tentatively made as if this Section 7.3.3 were not in this Agreement).

7.3.4. **Nonrecourse Deductions.** Nonrecourse Deductions shall be allocated among the Interest Holders in accordance with their respective Percentage Interests.

7.3.5. **Member Nonrecourse Deductions.** Any Member Nonrecourse Deductions shall be specially allocated among the Interest Holders in accordance with Regulation Section 1.704-2(i).

7.4. **Allocations to Achieve Economic Agreement.** The allocations set forth in Section 7.2 and in Section 7.3 are intended to comply with certain regulatory requirements under Code Section 704(b). The Interest Holders intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 7 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 7.4. Accordingly, the Manager is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section 7.4 in whatever manner the Manager determines is appropriate so that, after such offsetting special allocations are made, the Capital Accounts of the Interest Holders are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 7.3 were not contained in this Agreement and all income gain loss and deduction of the Company were instead allocated pursuant to Sections 7.1 and 7.2.

7.5. **Other Allocation Rules.**

7.5.1. **General.** Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Interest Holders in the same proportions as they share Net Income or Net Losses, as the case may be, for the year.

7.5.2. **Allocation of Recapture Items.** In making any allocation among the Interest Holders of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Interest Holders who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

7.5.3. **Allocation of Excess Nonrecourse Liabilities.** Solely for purposes of determining an Interest Holder's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulation Section 1.752-3(a)(3), the Interest Holders' interests in the Company's profits shall be their respective Percentage Interests.

7.5.4. **Allocations in Connection with Varying Interests.** If, during a Company Fiscal Year, there is (i) a permitted transfer of a Membership Interest under this Agreement during a Company Fiscal Year or (ii) the admission of a Member or additional Interest Holders, Net Income, Net Loss, each item thereof, and all other tax items of the Company for such period shall be divided and allocated among the Interest Holders by taking into account their varying interests during such Fiscal Year in accordance with Code Section 706(d) and using any conventions permitted by law and selected by the Interest Holder.

7.6. **Determination of Net Income or Loss.**

7.6.1. **Computation of Net Income or Loss.** The Net Income or Net Loss of the Company, for each Fiscal Year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

7.6.2. **Adjustments to Net Income or Loss.** For purposes of computing taxable income or loss on the disposition of an item of Company property or for purposes of determining the cost recovery, depreciation, or amortization deduction with respect to any property, the Company shall use such property's book value determined in accordance with Regulation Section 1.704-1(b)(2)(iv). Consequently, each property's book value shall be equal to its adjusted basis for federal income tax purposes, except as follows:

(a) The initial book value of any property contributed by a Member to the Company shall be the gross fair market value of such property at the time of contribution;

(b) In the sole discretion of any Interest Holder, the book value of all Company properties may be adjusted to equal their respective gross fair market values, as determined by the Manager as of the following times: (1) in connection with the acquisition of an interest in the Company by a new or existing Interest Holder for more than a de minimis Capital Contribution, (2) in connection with the liquidation of the Company as defined in Regulation Section 1.704-(l)(b)(2)(ii)(g), or (3) in connection with a more than de minimis distribution to a retiring or a continuing Interest Holder as consideration for all or a portion of his interest in the Company. In the event of a revaluation of any Company assets hereunder, the Capital Accounts of the Interest Holders shall be adjusted, including continuing adjustments for depreciation, to the extent provided in Regulation Section 1.704-(l)(b)(2)(iv)(f);

(c) If the book value of an item of Company property has been determined pursuant to this Section 7.6.2, such book value shall thereafter be used, and shall thereafter be adjusted by depreciation or amortization, if any, taken into account with respect to such property, for purposes of computing taxable income or loss.

7.6.3. Items Specially Allocated. Notwithstanding any other provision of this Section 7.6, any items that are specially allocated pursuant to Sections 7.3 or 7.4 shall not be taken into account in computing Net Income or Net Loss.

7.7. Mandatory Tax Allocations Under Code Section 704(c). In accordance with Code Section 704(c) and Regulation Section 1.704-3, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial book value computed in accordance with Paragraph (a) of Section 7.6.2. Prior to the contribution of any property to the Company that has a fair market value that differs from its adjusted tax basis in the hands of the contributing Interest Holder on the date of contribution, the Members shall agree upon the allocation method to be applied with respect to that property under Regulation Section 1.704-3. Notwithstanding the foregoing, any gain resulting from the Non-Cash Contribution shall be allocated solely to the Member to whom that Non-Cash Contribution is credited.

If the book value of any Company property is adjusted pursuant to Paragraph (b) of Section 7.6.2, subsequent allocations of income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its book value in the same manner as under Code Section 704(c). The choice of allocation methods under Regulation Section 1.704-3 with respect to such revalued property shall be made by the Interest Holder.

Allocations pursuant to this Section 7 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Interest Holder's Capital Account or share of Net Income, Net Loss, or other items as computed for book purposes, or distributions pursuant to any provision of this Agreement.

8. DISTRIBUTIONS.

8.1. Cash Distributions.

8.1.1. Distributions from Operations. Manager shall distribute Distributable Cash from Operations quarterly, on or before 30 days after the end of each Fiscal Year quarter, in the following order of priority:

First, to the Members, until they have received their Preferred Returns, provided, if there are not sufficient funds to pay the entire Preferred Returns to all Members, then an amount to each Member pro rata in accordance with its relative outstanding accrued Preferred Return balance;

Second, to the Members in accordance with the relative amount of unreturned Capital Contributions of the Members compared to the aggregate amount of unreturned Capital Contribution of all Members, until all Members' Capital Contributions have been returned;

Third, to the Members in accordance with the relative amount of unreturned Non-Cash Contributions of the Members compared to the aggregate amount of unreturned Non-Cash Contributions of all Members, until all Members' Non-Cash Contributions have been returned; and

Forth, to the Members pro rata in accordance with their respective Percentage Interests.

8.1.2. Distribution from Capital Events. Manager shall distribute Distributable Cash from Capital Events within 90 days after the occurrence of the Capital Event, in the following order of priority:

First, to the Members, until they have received their Preferred Returns, provided, if there are not sufficient funds to pay the entire Preferred Returns to all Members, then an amount to each Member pro rata in accordance with its relative outstanding accrued Preferred Return balance;

Second, to the Members in accordance with the relative amount of unreturned Capital Contributions of the Members compared to the aggregate amount of unreturned Capital Contribution of all Members, until all Members' Capital Contributions have been returned;

Third, Third, to the Members in accordance with the relative amount of unreturned Non-Cash Contributions of the Members compared to the aggregate amount of unreturned Non-Cash Contributions of all Members, until all Members' Non-Cash Contributions have been returned; and

Forth, to the Members pro rata in accordance with their respective Percentage Interests.

8.1.3. **Distributions in Liquidation.** Notwithstanding Section 8.1, distributions in liquidation of the Company shall be made to each Interest Holder in the manner set forth in Section 11.3.

8.2. **Distributions in Kind.** Non-cash assets, if any, shall be distributed in a manner that reflects how cash proceeds from the sale of such assets for fair market value would have been distributed (after any unrealized gain or loss attributable to such non-cash assets has been allocated among the Interest Holders in accordance with Section 7).

8.3. **Withholding; Amounts Withheld Treated as Distributions.** The Manager is authorized to withhold from distributions, or with respect to allocations or payments, to Interest Holders and to pay over to the appropriate federal, state or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment, distribution or allocation to any Interest Holder shall be treated as amounts distributed to such Interest Holder pursuant to this Section 8 for all purposes of this Agreement.

8.4. **Setting Reserve Amounts.** It is the Manager's present intent to maintain Reserves for normal working capital and the contingencies equal to 1½ months of operating expenses plus 110% of any major expense which Manager reasonably anticipates will be incurred in the next 12 months, such as but not limited to tenant improvement costs, lease commissions and lost rents which will be incurred by the Company on the occasion of lease expirations, capital improvements and other expenses against which Manager deems it prudent to establish reserves. Manager is not required to maintain Reserves in such amount nor does Manager guaranty that such Reserve levels will be achievable but Manager will use reasonable efforts to maintain Reserves to the extent they are provided for in a Budget.

9. ACCOUNTING, BOOKS, AND RECORDS.

9.1. **Accounting Principles.** The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Manager determines is in the best interest of the Company and its Members.

9.2. **Interest on and Return of Capital Contributions.** No Interest Holder shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

9.3. **Records, Audits and Reports.** At the expense of the Company, the Manager shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list and past list, setting forth the full name and last known mailing address of each Member and Manager;

(b) A copy of the Certificate of Formation and all amendments thereto;

(c) Copies of this Agreement and all amendments hereto;

(d) Copies of the Company's federal, state, and local tax returns and reports, if any, for the three most recent years;

(e) Minutes of every meeting of the members and any written consents obtained from Members for actions taken by Members without a meeting; and

(f) Copies of the Company's financial statements for the three most recent years.

Manager will, on or about 30 days after the end of each Fiscal Year quarter, deliver to each Member a balance sheet and income statement for such quarter showing the results of the Company's operations during such quarter on a monthly basis and in reasonable detail. No later than 90 days after the end of each Fiscal Year, Manager will, at the expense of the Company, cause the Company's independent accountants to deliver to each Member a balance sheet, an income statement and an annual statement of source and application of funds of the Company for such Fiscal Year, as certified by the Company's independent accountants.

9.4. Tax Matters Partner. The Manager shall be the "tax matters partner" of the Company for purposes of Code Section 6221 et seq. and corresponding provisions of any state or local tax law. The Company shall indemnify and reimburse the tax matters partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining Distributable Cash) or any discretionary Reserves are set aside by the Manager. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Manager set forth in Section 3.4 of this Agreement shall be fully applicable to the Member acting as tax matters partner for the Company.

9.5. Returns and Other Elections. The Manager shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within 90 days after the end of the Company's Fiscal Year. Except as otherwise expressly provided to the contrary in this Agreement, all elections permitted to be made by the Company under federal or state laws shall be made by the Manager in his sole discretion.

10. TRANSFERABILITY.

10.1. General. Except as provided in Section 10.1.1 or Section 10.6, an Interest Holder shall have no right to sell, assign, transfer, exchange or otherwise convey (including for security) (collectively, "transfer") all or any part of such Interest Holder's Membership Interest or Economic Interest without the approval of the Manager and Seattle Capital, which approval may be withheld in the sole subjective discretion of the Manager and Seattle Capital. Any transfer or attempted transfer in violation of this provision shall be void and unenforceable by any party to the transfer. In the event of a transfer so approved by the Manager and Seattle Capital (an "approved transfer"), the

transfer shall not be effective until the transferring Interest Holder and the proposed transferee have complied with Section 10.3.

10.2. Additional Requirements. Upon an approved transfer or a permitted transfer, and as a condition to recognizing the effectiveness and binding nature of such transfer and substitution of a Person as a new Interest Holder, the Manager may require the transferring Interest Holder and the proposed transferee to execute, acknowledge and deliver to the Company and the Members such instruments of transfer, assignment and assumption and such other agreements and to perform all such other acts that the Manager may deem necessary or desirable, including those required to:

(a) Constitute such Person as an Interest Holder;

(b) Confirm that the Person desiring to become an Interest Holder, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement (whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);

(c) Maintain the status of the Company as a partnership for federal tax purposes;

(d) Assure compliance with any applicable state and federal laws, including securities laws and regulations;

(e) The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Interest;

(f) The transferee shall make such representations and warranties as may be deemed appropriate;

(g) If the transferee is not an individual of legal majority, the transferee provides the Company with evidence satisfactory to counsel for the Company of the authority of the transferee to become a Member and to be bound by the terms and conditions of this Agreement;

(h) The Transfer does not cause termination or dissolution of the Company or cause the Company to be regarded as an unincorporated association taxable as a corporation; and

(i) The Transfer does not violate any terms or provisions of, and is in compliance with, this Agreement. Prior to any voluntary Transfer, the transferring Member or his representative must provide sufficient information to permit counsel to the Company to determine whether the proposed Transfer complies with this Section 10.2. The Company may charge the Transferor a transfer fee equal to its out-of-pocket costs for any Transfer.

Any approved transfer or permitted transfer shall be deemed effective as of the date that all conditions to transfer as set forth in this Section 10 have been met to the satisfaction of the Manager.

10.3. Specific Performance. Each Interest Holder hereby acknowledges the reasonableness of the restrictions on transfer of Membership Interests and Economic Interests imposed by this Agreement in view of the Company's purposes and the relationship of the Interest Holders. Accordingly, the restrictions on transfer contained herein shall be specifically enforceable.

10.4. Protective Provisions. Without limiting in any way the restrictions, conditions or requirements set forth in Sections 10.1 and Section 10.2, the following provisions shall govern any transfer not in compliance with Section 10.1 or Section 10.2 to the extent that such transfer is deemed or held for any reason to be valid, in whole or in part (such as a transfer ordered, made or approved pursuant to a court order).

(a) The transferring Interest Holder hereby indemnifies the Company and other Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any such transfer or purported transfer.

(b) The transferee in any such transfer shall not have the rights of a Member and shall only have the rights of an Economic Interest Owner.

(c) In the event that such transfer involves the pledge or encumbrance of, or creation of a security interest or lien against (collectively a "lien") an Interest Holder's Membership Interest or Economic Interest as security for repayment of a liability, the holder of such lien shall be bound by all the terms and conditions of this Section 10.

10.5. Transferee has no Governance Rights. Notwithstanding anything to the contrary in this Section 10, if the sale, gift or bequest of a Member's Membership Interest to a transferee or donee which is not a Member immediately prior to the sale or gift is not approved in writing by the Manager and the other Members who are not transferors of the interest, in their sole discretion, then the transferee or donee shall have no right to participate in the management of the business and affairs of the Company, no right to vote, and such Person shall be disregarded for purposes of quorum, calculating percentage of consent, including provisions requiring unanimous consent, and the like.

10.6. Restraining Order. In the event that any Member shall at any time transfer or attempt to transfer his Membership Interest, or the Project, in violation of the provisions of this Agreement and any rights herein contained, then any other Member, in addition to all rights and remedies at law and in equity, shall be entitled to a decree or order restraining and enjoining such transfer, and the offending Member shall not plead in defense thereto that there would be an adequate remedy at law, it being hereby expressly acknowledged and agreed that the injury and damage resulting from such a breach would be impossible to measure monetarily.

10.7. Involuntary Transfers. Upon the involuntary transfer of all or any portion of an Interest Holder's Interest by: (i) court proceedings on attachment, garnishment, bankruptcy, receivership or under any other debtor relief law, or by execution on a judgment; (ii) transfer because of insolvency or the making of any general assignment for the benefit of creditors; or (iii) transfer because of a court order or private divestiture not otherwise covered herein, such Interest Holder (or

such Interest Holder's personal representative) shall immediately give written notice to the Company. Upon the Company's receipt of such notice, the Company and the other Members may elect to purchase all of such Interest in the manner and during the time periods specified in Section 10.8.1. The purchase price for the Interest shall be the Price (as defined in Section 10.8.3) and the terms of any such sale shall be as set forth in Section 10.8.4. If the Company and the other Members allow to expire or waive their rights to purchase as to all or part of such Interest, then the involuntary transfer of such Interest may be effected to the extent such rights are not exercised and the transferee shall become an unadmitted assignee under Sections 10.4 and 10.5 of this Agreement.

10.8. Interests Subject to Offers. If an Interest becomes the subject of an involuntary transfer described in Section 10.7 (a "Transferring Interest"), then the Company and the other Members shall have the options to purchase all or part of the Transferring Interest under the following terms:

10.8.1. Company Option. The Company may elect to purchase all or part of the Transferring Interest (the "Company Option"), by the affirmative vote of all Members (excluding any Member who is a transferring Member), by giving written notice of such election to all Members. The Company Option shall expire at 11:59 p.m., local time, at the Company's principal office, on the 60th day after the Company receives notice and confirmation of the event triggering the offer to purchase under Section 10.7 (the "Company Option Period").

10.8.2. Member Option. If the Company Option is not exercised with respect to all of the Transferring Interest before the expiration of the Company Option Period, the other Members, other than the transferring Member, may elect to purchase that portion of the remaining Transferring Interest that corresponds to the ratio of his Percentage Interest to the total Percentage Interests held by all Members other than the transferring Member (the "Member Option") who elect to purchase the Transferring Interest, by giving written notice of such election to the Company. The Member Option shall expire at 11:59 p.m., local time, at the Company's principal office, on the 30th day following the expiration of the Company Option Period (the "Member Option Period").

10.8.3. Price. The purchase price to be paid for a Transferring Interest shall be equal to ninety percent (90%) of the amount of the Capital Contribution paid to the Company for the Transferring Interest (the "Price").

10.8.4. Terms of Purchase. The Price of a Transferring Interest purchased pursuant to Sections 10.7 and 10.8 shall be paid either as a lump sum or as follows:

(a) The Purchasers shall make a cash down payment in the amount of at least 20% of the Price.

(b) The balance of the Price due from the Purchasers shall be paid in twenty (20) equal consecutive quarterly installments, including interest on the declining balance of the purchase price at the Interest Rate from time to time, changing with the Prime Rate in effect at the beginning of each calendar quarter, compounded annually. The first such installment of principal and accrued interest shall be due one quarter from the date of closing, with subsequent installments due each quarter thereafter until the purchase price and accrued

interest have been paid in full. The balance of the purchase price shall be evidenced by a promissory note to be delivered to the Transferor by the Purchasers, jointly and severally, which note shall, in addition to its other terms and conditions, include no prepayment penalty and specifically provide that if any installment of principal or interest remains unpaid for at least 30 days after it is due, the entire principal of and accrued interest on the note shall at once become due and payable at the option of the holder of the note. The date and place of closing for each purchase and sale hereunder shall be established by agreement of the Purchasers and Transferor, but closing shall occur not later than 30 days after the Company Option or the Member Option, as the case may be, has been exercised.

10.8.5. Liens, Encumbrances, Taxes. All Interests purchased under any of the provisions of this Agreement shall be delivered at closing to the Purchasers free and clear of all taxes, debts, claims, judgments, liens or encumbrances whatsoever.

10.8.6. Acceleration of Obligation. If the Company is liquidated or dissolved at any time prior to having completed payment of the purchase price for a Transferring Interest purchased by it under any provision of this Agreement, then the unpaid balance of such Purchase Price shall become immediately due and payable.

11. DISSOLUTION AND TERMINATION.

11.1. Dissolution. The Company shall be dissolved only upon the vote of a Majority Interest together with the consent of the Manager. The Company will in all events be dissolved on or before 90 days after the final accounting. Dissociation of a Member shall not cause dissolution of the Company, and in the event of any such dissociation, the remaining Members shall be deemed to have elected to continue the Business of the Company unless and until they fill a certificate of dissolution with respect to the Company.

11.2. Allocation of Net Income and Loss in Liquidation. The allocation of Net Income, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Section 7 and shall be credited or charged to the Capital Accounts of the Interest Holders in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

11.3. Winding Up, Liquidation and Distribution of Assets. Upon dissolution, the Manager shall immediately proceed to wind up the affairs of the Company. The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Members in kind) and shall apply the net proceeds of such sale and the remaining Company assets in the following order of priority:

(a) Payment of creditors, including Members and Managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distributions to Members;

(b) To establish any Reserves that the Manager deems reasonably necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as the Manager shall deem advisable, the balance then remaining in the manner provided in Paragraphs (c) of this Section 11.3;

(c) By the end of the taxable year in which the liquidation occurs (or, if later, within 90 days after the date of such liquidation), to the Members in accordance with Section 8.1.2.

11.4. No Obligation to Restore Negative Capital Account Balance on Liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

11.5. Termination. The Manager shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

11.6. Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, the Manager shall file a certificate of cancellation as required by Section 25.15.080 of the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

11.7. Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Interest Holder shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the contributions of Interest Holders, no Interest Holder shall have recourse against any other Interest Holder.

12. INDEPENDENT ACTIVITIES OF MANAGERS AND MEMBERS.

Any Manager and Member shall have the absolute right to engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to and competitive with the Business of the Company or any investment of the Company, and neither the Company nor any of the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom, or to prevent such independent ventures. If Manager or an Affiliate of Manager

represents a competing development, Manager shall nevertheless provide fair market exposure to the competing Project owned by the Company.

13. MISCELLANEOUS PROVISIONS.

13.1. Notices. Any notice, demand, or communication required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given (i) when delivered personally to the Person to whom directed or (ii) if mailed by registered or certified mail, postage and charges prepaid, three (3) business days after the date of posting by the United States Postal Service, or (iii) if sent by nationally recognized overnight delivery service, upon delivery as documented by the service's delivery records; in either of such cases, addressed (a) if to a Member, to the Member's address specified on attached **Exhibit A**, and (b) if to the Company, to the address specified in Section 2.3. A Member or the Company may change its address for the purposes of notices hereunder to any address that is not a post office box by giving notice to the others specifying such changed address in the manner specified in this Section 13.1.

13.2. Governing Law, Venue, Jurisdiction. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington determined without regard to conflict of law laws. The parties agree that venue for any litigation arising out of this Agreement shall lie exclusively in King County Superior Court, and each party hereby agrees to submit to the jurisdiction of said court.

13.3. Amendments. This Agreement may not be amended except by the unanimous written agreement of all of the Members and the Manager; provided, however, that Manager, acting alone, may amend this Agreement after Capital Contributions have been received by the Company for the sole purpose of attaching a complete **Exhibit A** showing the relevant information on all Members including those admitted pursuant to Subscription Agreements. This Agreement will be amended and restated in its entirety in such form as all Members and Manager agree incident to new capital formation arising out of implementation of the Phase II Development Plan.

13.4. Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.5. Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

13.6. Waivers. The failure of any Person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.7. Rights and Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies.

13.8. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.9. Heirs, Successors and Assigns. Each of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns; provided this Section 13.9 shall not be deemed to limit or modify any limitations, restrictions of conditions contained in this Agreement with respect to the transfer or proposed transfer by an Interest Holder of its Membership Interest or Economic Interest.

13.10. Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

13.12. Attorneys' Fees. In the event of litigation or arbitration between the parties hereto, declaratory or otherwise, in connection with or arising out of this Agreement, the prevailing party shall recover from the non-prevailing party reasonable attorneys' fees and charges, paralegal and clerical fees and charges and other professional or consultants' fees and charges expended or incurred in connection therewith, as set by the court or arbitrator, including for appeals, which shall be determined and fixed by the court or arbitrator as part of the judgment. In addition, if either party owes or is held by a court or arbitrator to owe to the other a sum of money, whether as damages, indebtedness, or otherwise for breach of this Agreement, such party shall also owe to and pay the other party interest on such sum from the time of the breach until paid at the rate of 5% in excess of the Prime Rate.

14. INVESTMENT INTENT.

14.1. Compliance with Securities Laws.

No Company interest has been registered under the Securities Act of 1933, as amended. A Member may not transfer all or any part of an interest, except upon compliance with the applicable federal and state securities laws. A transfer, for purposes of this Agreement, shall be deemed to include, but not be limited to, any sale, transfer, assignment, pledge, creation of a security interest or other disposition. The Company shall have no obligation to register any Company interest under the Securities Act of 1933, as amended, or to make any exemption therefrom available to any Member. Any documents representing interests in the Company will bear a legend outlining the above restrictions. Further, the Company will make notations on its records of the foregoing restrictions on transfer. If a transfer agent is ever appointed, the Company will issue appropriate stop transfer instructions to its transfer agent respecting the limitations on transfer outlined herein and on the cover of this Agreement.

Each Member understands that any certificate representing his, her, or its interest in the Company will be imprinted with the following legend:

THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE OR FOREIGN SECURITIES LAWS. NO OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE, CREATION OF A SECURITY INTEREST OR OTHER DISPOSITION OF THE INTEREST MAY BE EFFECTED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

14.2. Investment Representations.

No Company interest has been registered under the Securities Act of 1933, the Washington Securities Law or any other state securities laws (collectively, the "Securities Acts") because the Company is issuing interests in the Company in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that interests in the Company are to be held by each Member for investment.

Accordingly, each Member hereby confirms all Company interests have been acquired for such Member's own account, for investment and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other qualification relating thereto under all applicable Securities Acts or unless such Member delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Member understands that the Company is under no obligation to register any Company interest or to assist any Member in complying with any exemption from registration under the Securities Acts.

In order to induce the Company to accept this Agreement, each Member represents, warrants and agrees as follows:

(a) Each individual Member is at least 21 years of age.

(b) Member understands that (i) the Company has no significant financial or operating history; (ii) investment in the Company is a speculative investment which involves a high degree of risk of loss of Member's investment therein; and (iii) there are substantial restrictions on the transferability of, and there will be no public market for, any Company interest, and accordingly, it may not be possible for Member to liquidate an investment in the Company in case of emergency.

(c) Member is acquiring a Company interest solely for Member's own account, for investment and not with a view to distribution or resale. Member has no contract, undertaking, understanding, agreement, or arrangement, formal or informal, with any person to sell, transfer, or pledge to any person any Company interest; Member has no present plans to enter into any such contract, undertaking, agreement, or arrangement, and Member

understands that the legal consequences of the foregoing representations and warranties to mean the Member must bear the economic risk of the investment for an indefinite period of time because a Company interest cannot be sold unless it is subsequently registered under applicable securities laws (which the Company is not obligated to do) or an exemption from such registration is available.

(d) Member has the business or financial experience, ability and sophistication necessary to evaluate the merits and risks of an investment in the Company and has the capacity to protect his or her own interests in connection with an investment in the Company.

(e) Member is aware that no interest in the Company will be registered under the Securities Act of 1933 or under the Securities Exchange Act of 1934. Company interests are being offered pursuant to the so-called "nonpublic offering" exemption provided by Section 4(2) of the Securities Act of 1933, as amended. Further, no interest in the Company will be registered or qualified under the securities laws of any state.

(f) Member acknowledges that: (i) Tousley Brain Stephens PLLC has a preexisting personal or business relationship with, and has represented exclusively the Company and Manager in connection with this Agreement with the Company; (ii) the rights created by this Agreement are complex and may well require the assistance of counsel to understand their full implications; (iii) Manager has an enormous degree of discretion to control the operations of this Company; and (iv) the interests created hereby are not freely transferable and may have limited market value. Notwithstanding the foregoing, the Interests created hereby may well subject Member to federal income tax consequences, and Member has been advised to seek his or her independent tax counsel with respect thereto. In the event any litigation arising out of or in connection with this Agreement or the Company, including any litigation by or among any of the Interest Holders or against Manager or the owners of Manager and/or the Company, Tousley Brain Stephens PLLC may represent the Company, Manager and the owners of Manager. Each Member, by the act of becoming a Member, shall be deemed irrevocably and unconditionally to consent to such representation, and waives any right to object to such representation on the grounds of conflict of interest. Member also understands and acknowledges that from time to time Tousley Brain Stephens PLLC, will engage in representation for the express benefit of the Company and indirectly for the Member, and that such efforts alone do not create an attorney-client relationship with the Member.

(g) Member understands the information contained therein. Member has had a reasonable opportunity to ask questions of and receive answers from independent counsel concerning the Company and its business plans, and all such questions have been answered to Member's full satisfaction. Member is not relying upon Tousley Brain Stephens PLLC, for any legal or business advice, and understands that none has been given to the Member by Tousley Brain Stephens PLLC.

(h) Each Member acknowledges that he understands the meaning and legal consequences of the representations and warranties contained herein, and the Member hereby agrees to indemnify and hold harmless the Company and each officer, director, shareholder,

and promoter thereof, and their agents, employees, attorneys, successors, and assigns, from and against any and all loss, damage, liability, or expense, including costs and attorneys' fees, due to or arising out of a breach of any agreement, representation, warranty, or acknowledgment of Member contained in this Agreement.

(i) Member warrants that Member is an Accredited Investor under Regulation D of the Securities Act of 1933. "Accredited Investor" means: (a) if Member is a natural person, that Member's individual net worth, or joint net worth with Member's spouse, exceeds $1,000,000 or that Member has individual income in excess of $200,000 in each of the two most recent years or joint income with Member's spouse is in excess of $300,000 in each of those years and that Member has a reasonable expectation of reaching the same income level in the current year; (b) if Member is a corporation or an irrevocable trust, that it has total assets in excess of $5,000,000; and (c) if Member is a revocable trust, or Member is an IRA or an account in a self-directed employee benefit plan, or if Member is any other kind of entity, that all equity owners of Member are Accredited Investors.

Executed by the undersigned Manager and Members effective as of the date first above written.

MEMBERS:

BLUESTAR REAL ESTATE CAPITAL GROUP, INC.,
a Washington corporation

By:_____
Steven M. Hartley, President

BAJ CAPITAL, INC.,
a Washington corporation

By:_____
Christopher F. NeVan, President

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Roger Johnson, President

and promoter thereof, and their agents, employees, attorneys, successors, and assigns, from and against any and all loss, damage, liability, or expense, including costs and attorneys' fees, due to or arising out of a breach of any agreement, representation, warranty, or acknowledgment of Member contained in this Agreement.

(i) Member warrants that Member is an Accredited Investor under Regulation D of the Securities Act of 1933. "Accredited Investor" means: (a) if Member is a natural person, that Member's individual net worth, or joint net worth with Member's spouse, exceeds $1,000,000 or that Member has individual income in excess of $200,000 in each of the two most recent years or joint income with Member's spouse is in excess of $300,000 in each of those years and that Member has a reasonable expectation of reaching the same income level in the current year; (b) if Member is a corporation or an irrevocable trust, that it has total assets in excess of $5,000,000; and (c) if Member is a revocable trust, or Member is an IRA or an account in a self-directed employee benefit plan, or if Member is any other kind of entity, that all equity owners of Member are Accredited Investors.

Executed by the undersigned Manager and Members effective as of the date first above written.

MEMBERS:

BLUESTAR REAL ESTATE CAPITAL GROUP, INC.,
a Washington corporation

By:_____
Steven M. Hartley, President

BAJ CAPITAL, INC.,
a Washington corporation

By:_____
Christopher F. NeVan, President

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Roger Johnson, President

MANAGER:

NORTHWEST RESOURCE MANAGEMENT GROUP LLC, a Washington limited liability company
by its Members:

BAJ CAPITAL, INC.,
a Washington corporation

By: _____
Christopher F. NeVan, President

BLUESTAR HOLDINGS, INC.,
a Washington corporation

By: _____
Steven M. Hartley, President

EXHIBIT A

Member Information

Names and Addresses of Members	Initial Capital Contribution	Percentage Interest
BAJ Capital, Inc. 19940 Ballinger Way N.E., Suite A-1 Shoreline, WA 98155	$50	25%
BlueStar Real Estate Capital Group, Inc. 19940 Ballinger Way N.E., SuiteA-1 Shoreline, WA 98155	$50	25%
Seattle Capital Corporation Attn: Roger Johnson, President 190 Queen Anne Avenue North, Suite 500 Seattle, WA 98109	$100	50%

EXHIBIT B

Initial Budget for Total Project Costs

I.	Under Section 6.1.3(A)	$ 724,824.60
II.	Under Section 6.1.3(B)	$ 300,000.00
III.	Gervais Reimbursements under Section 6.1.3(C)	$ 186,000.00
	TOTAL BUDGET FOR INITIALLY AGREED TOTAL PROJECT COSTS	$ 1,201,824.60

EXHIBIT C

Description of Land

The Land consists of three parcels, described and referred to in the Agreement as follows:

I. HANCOCK PROPERTY

THE LAND SITUATE IN THE STATE OF WASHINGTON, COUNTY OF KING AND DESCRIBED AS FOLLOWS:
LOTS 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 AND 24, BLOCK 56, BOSTON CO.'S PLAT OF WEST SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 19, RECORDS OF KING COUNTY, WASHINGTON; EXCEPT THAT PORTION OF SAID LOTS 23 AND 24 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NOS. 70682 AND 93059, RECORDS OF KING COUNTY, WASHINGTON.

II. GERVAIS PROPERTY

THE LAND SITUATE IN THE STATE OF WASHINGTON, COUNTY OF KING AND DESCRIBED AS FOLLOWS:
LOTS 17, 18, 19, 20, 21, 22, 23 AND 24, BLOCK 55, BOSTON CO.'S PLAT OF WEST SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 19, RECORDS OF KING COUNTY, WASHINGTON; EXCEPT THAT PORTION OF SAID LOT 24 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 70682, RECORDS OF KING COUNTY, WASHINGTON.

III. ALLEY

THAT PORTION OF THE ALLEY LYING BETWEEN BLOCKS 55 AND 56, BOSTON CO.'S PLAT OF WEST SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 19, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
ALL THAT PORTION OF SAID ALLEY LYING NORTHERLY OF THE NORTHERLY RIGHT OF WAY LINE OF S.W. ALASKA STREET AND SOUTHERLY OF THE EASTERLY PROJECTION OF THE NORTHERLY LINE OF LOT 17, BLOCK 55, BOSTON'S CO.'S PLAT OF WEST SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 19, IN KING COUNTY, WASHINGTON.

BULKY SUB

CASE# 09-2-11860-4 SEA

SEGMENT 2 OF 2

EXHIBIT D

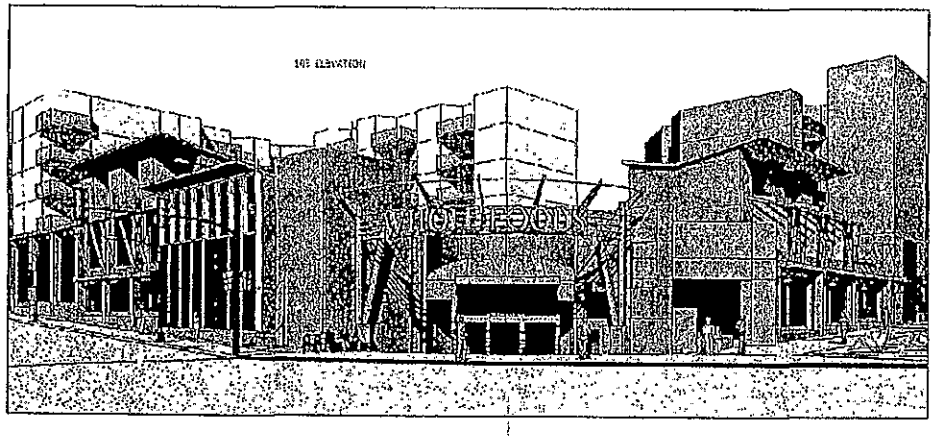
Copy of MUP Application

[See Attached]

FAUNTLEROY PLACE - WEST SEATTLE

SEATTLE, WASHINGTON

MUP SUBMITTAL



PROJECT DESCRIPTION

PROJECT DESCRIPTION:

DEVELOPMENT OF A SIX STORY MIXED USE COMPLEX WITH RETAIL, GROCERY STORE AND 118 UNIT RESIDENTIAL UNITS. PROJECT WILL CONSIST OF FOUR LEVELS AND UNDERGROUND PARKING.

LEGAL DESCRIPTION / PARCEL NUMBERS:

ZONING DATA:

ZONE: C1-65

USE: M, R-1 AND R-2

BUILDING DATA:

JURISDICTION: CITY OF SEATTLE

OCCUPANCY:

LEVEL	GROUP	USE
P-4 TO P-1	S-2	PARKING GARAGE
1ST	M	RETAIL
FLOOR 2	R-1/R-2	RETAIL/RESIDENTIAL
FLOOR 3-6	R-2	RESIDENTIAL

CONSTRUCTION TYPE: I-A AND III-A

BUILDING AREA: 413,455 SF

DRAWING INDEX

CIVIL

C101 TESC

TOTAL: 1 SHEET

ARCHITECTURAL

A0.1 COVER SHEET
A2.1 PARKING LEVEL P1 (EAST)
A2.2 PARKING LEVEL P1 (WEST)
A2.3 PARKING LEVEL P2 (EAST)
A2.4 PARKING LEVEL P2 (WEST)
A2.5 PARKING LEVEL P3 (EAST)
A2.6 PARKING LEVEL P3 (WEST)
A3.1 PARKING LEVEL P4 (EAST)
A3.5 PARKING LEVEL P4 (WEST)
A3.9 SITE GROUND PLAN (EAST)
A3.10 SITE GROUND PLAN (WEST)
A3.11 SECOND FLOOR PLAN (EAST)
A3.12 SECOND FLOOR PLAN (WEST)
A3.13 THIRD FLOOR PLAN (EAST)
A3.14 THIRD FLOOR PLAN (WEST)
A3.15 FORTH FLOOR PLAN (EAST)
A3.16 FORTH FLOOR PLAN (WEST)
A3.17 FIFTH FLOOR PLAN (EAST)
A3.18 FIFTH FLOOR PLAN (WEST)
A3.19 SIXTH FLOOR PLAN (EAST)
A3.20 SIXTH FLOOR PLAN (WEST)
A3.21 ROOF PLAN
A3.1 EXTERIOR ELEVATIONS
A3.2 BUILDING EXTERIOR ELEVATIONS
A3.3 BUILDING SECTIONS

TOTAL: 31 SHEETS

STRUCTURAL

S0 GENERAL NOTES
S2.1 FOUNDATION PLAN-P4
S2.2 REINFORCING PLAN-P3
S2.2A REINFORCING PLAN-P3
S2.3 REINFORCING PLAN-P2
S2.3A REINFORCING PLAN-P2
S2.4 REINFORCING PLAN-P1
S2.4A REINFORCING PLAN-P1
S2.5 REINFORCING PLAN-L1
S2.5A REINFORCING PLAN-L1
S2.6 REINFORCING PLAN-MEZZANINE
S2.6A REINFORCING PLAN-MEZZANINE
S2.7 REINFORCING PLAN-L2
S2.7A REINFORCING PLAN-L2
S2.8 REINFORCING PLAN-L3
S2.8A REINFORCING PLAN-L3
S4.1 DETAILS
S5.1 DETAILS
S5.2 DETAILS
S5.3 DETAILS
S5.4 DETAILS

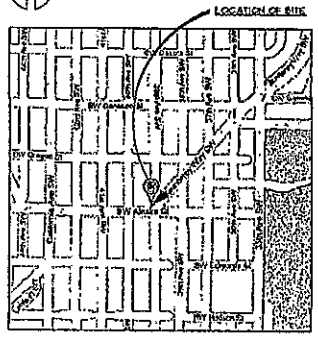
TOTAL: 31 SHEETS

LANDSCAPE

L-1 SITE/AMENITY PLAN
L-2 35TH AVE SW ENLARGEMENT
L-3 40TH AVE SW ENLARGEMENT

TOTAL: 3 SHEETS

VICINITY MAP



OWNER / APPLICANT
BLUESTAR MANAGEMENT DEVELOPMENT
19340 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155
TEL: (541) 488-1021
FAX: (541) 482-9250

ARCHITECT
STRICKER CATO MURPHY ARCHITECTS, P.S.
120 LAKESIDE AVE., SUITE 310
SEATTLE, WA 98122
TEL: (206) 324-4800
FAX: (206) 322-2815

STRUCTURAL
DCI ENGINEERING
10900 NE 4th, SUITE 1200
BELLEVUE, WA 98004
TEL: (425) 827-7238
FAX: (425) 827-8586

CIVIL
DCI ENGINEERING
10900 NE 4th, SUITE 1200
BELLEVUE, WA 98004
TEL: (425) 827-7238
FAX: (425) 827-8586

MEP
WEST DAVIDSON REYNOLDS
3031 MAIN, SUITE 202
KANSAS CITY, MO 64108
(816) 931-1298
(816) 931-9414

LANDSCAPE
WEISMAN DESIGN GROUP
2379 EAST MADISON STREET
SEATTLE, WA 98112
TEL: (206) 322-1132
FAX: (206) 322-1199

SCMA

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BLUESTAR MANAGEMENT
DEVELOPMENT
19340 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

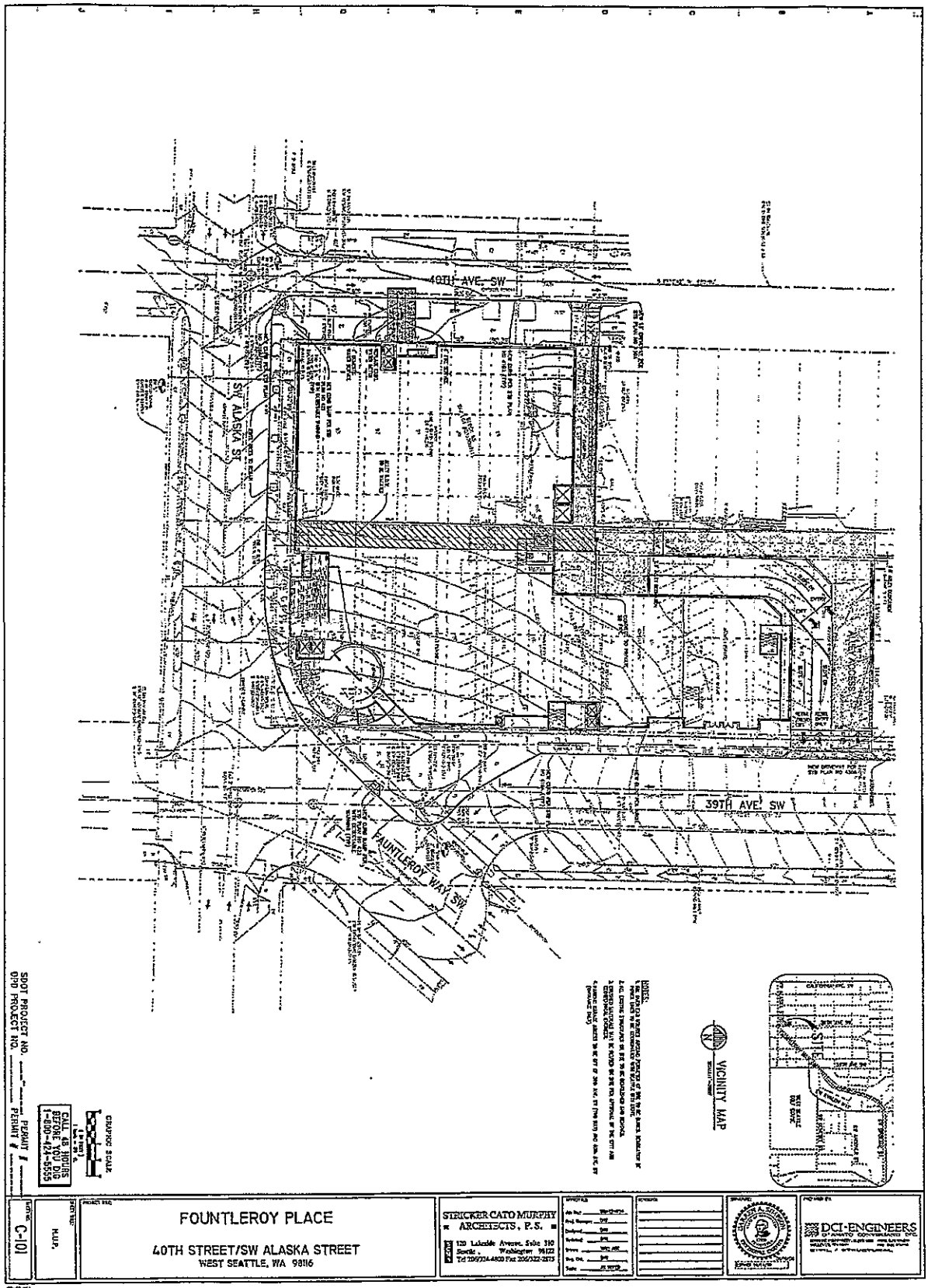
PROJECT
FAUNTLEROY PLACE
WEST SEATTLE
3808 SW ALASKA STREET
SEATTLE, WA 98116

COVER SHEET

A0.1

OF • SHEETS

BEST AVAILABLE IMAGE POSSIBLE



SDOT PROJECT NO.
DDD PROJECT NO.
PERMIT #

CALL BEFORE YOU DIG
1-800-424-5555

GRAPHIC SCALE

FOUNTLEROY PLACE

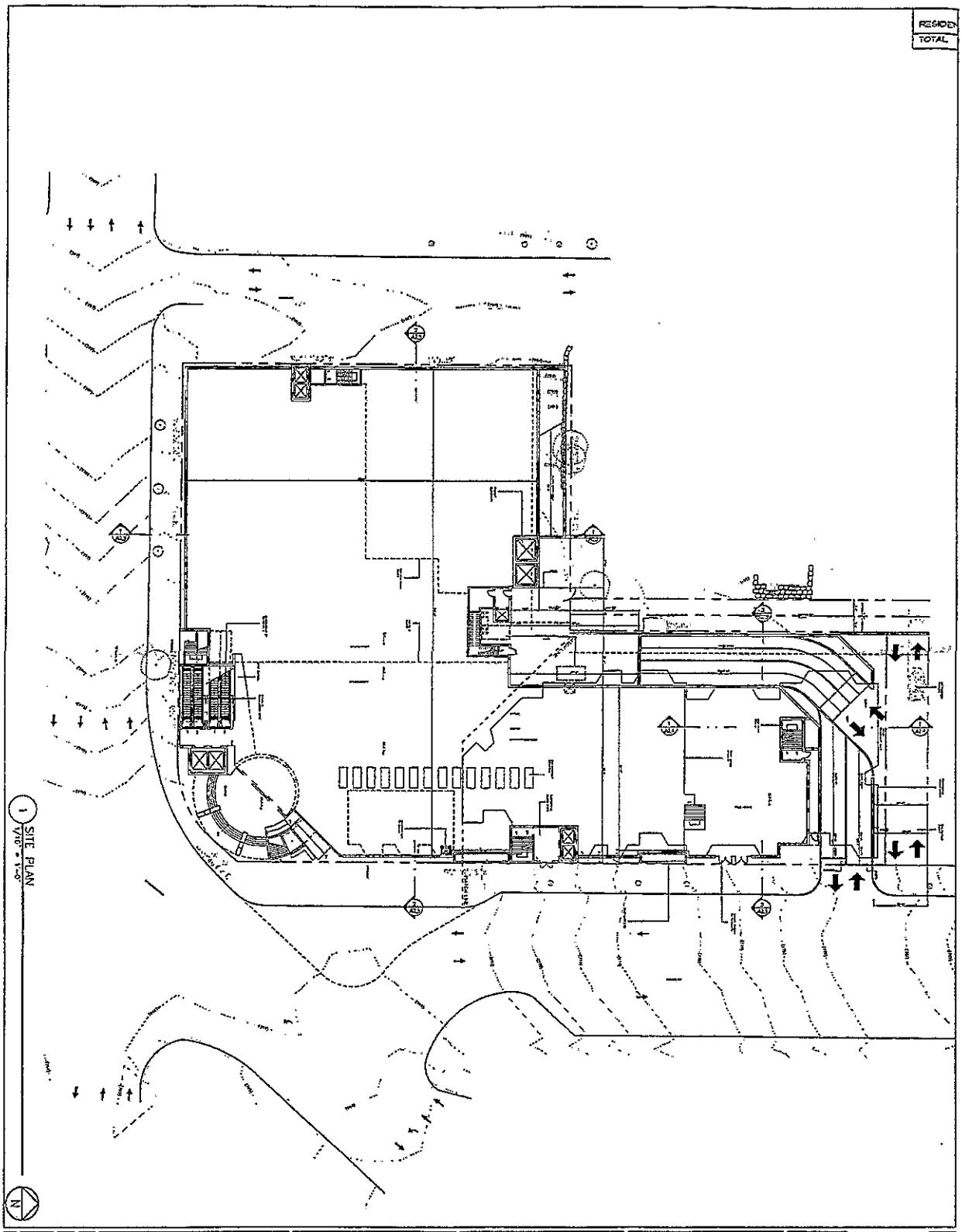
40TH STREET/SW ALASKA STREET
WEST SEATTLE, WA 98116

STRICKER CATO MURPHY
ARCHITECTS, P.S.
120 Lakeside Avenue, Suite 310
Seattle, Washington 98122
Tel 206/324-4800 Fax 206/322-2873

DCI ENGINEERS

C-101

M.U.P.



A1.1

FAUNTLEROY PLACE
WEST SEATTLE
3208 SW ALASKA STREET
SEATTLE, WA 98106

BLUESTAR MANAGEMENT
DEVELOPMENT
8340 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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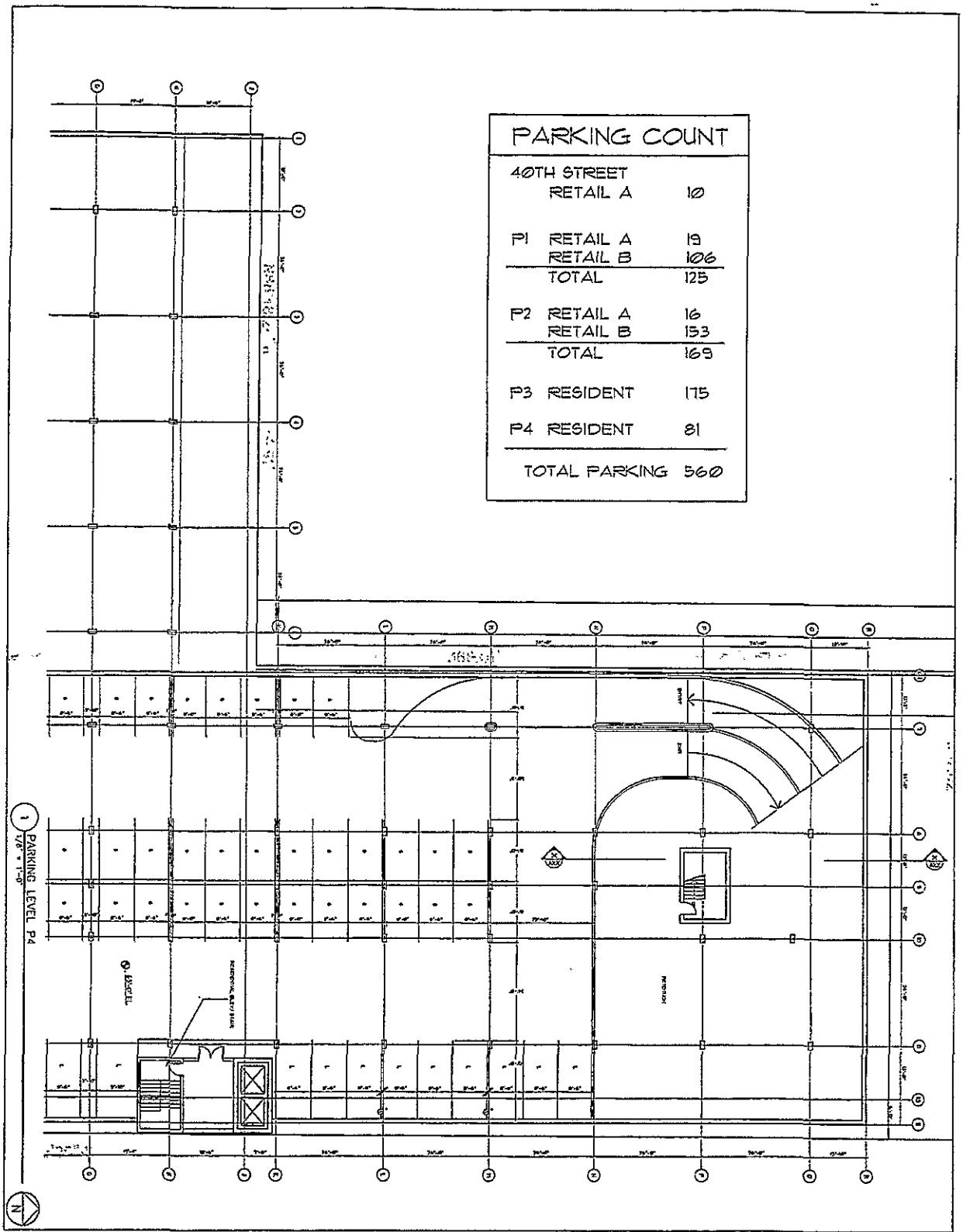

PARKING COUNT

40TH STREET		
	RETAIL A	10
P1	RETAIL A	19
	RETAIL B	106
	TOTAL	125
P2	RETAIL A	16
	RETAIL B	153
	TOTAL	169
P3	RESIDENT	175
P4	RESIDENT	81
	TOTAL PARKING	560

1 PARKING LEVEL P4
1/8" = 1'-0"

N

A2.1

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
15940 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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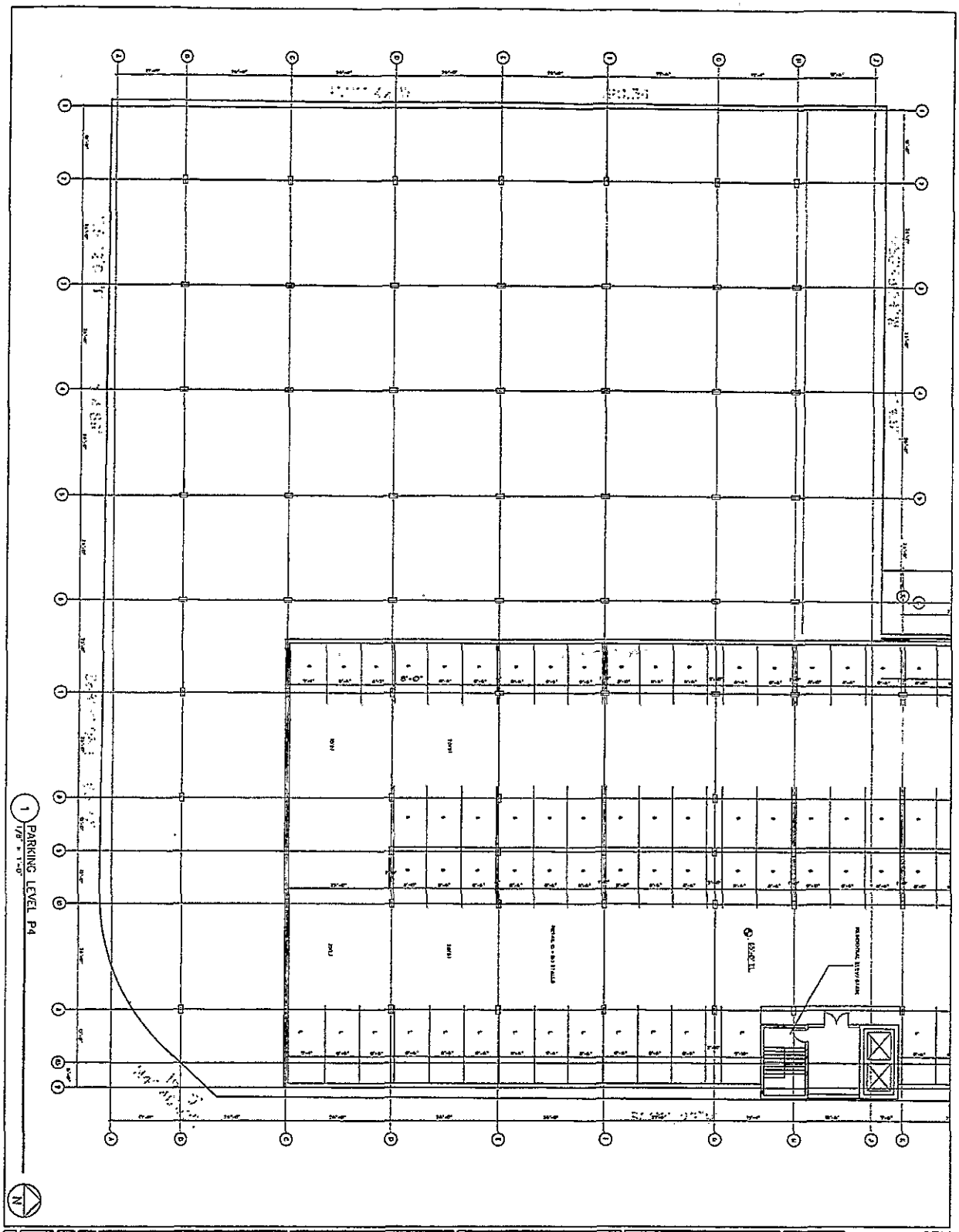
F:\1. SCMA Files\1. Project Files\2004 Jobs\04017 West Seattle Mixed Use\Drawings\WEST SEATTLE MIXED USE\Sheets\MUP\A2.1 PARKING LEVEL P4.dwg, 6/30/2006 9:09:54 AM, Ben



1 PARKING LEVEL P4
1/8" = 1'-0"

N

A2.2

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98126

BLUESTAR MANAGEMENT
DEVELOPMENT
19440 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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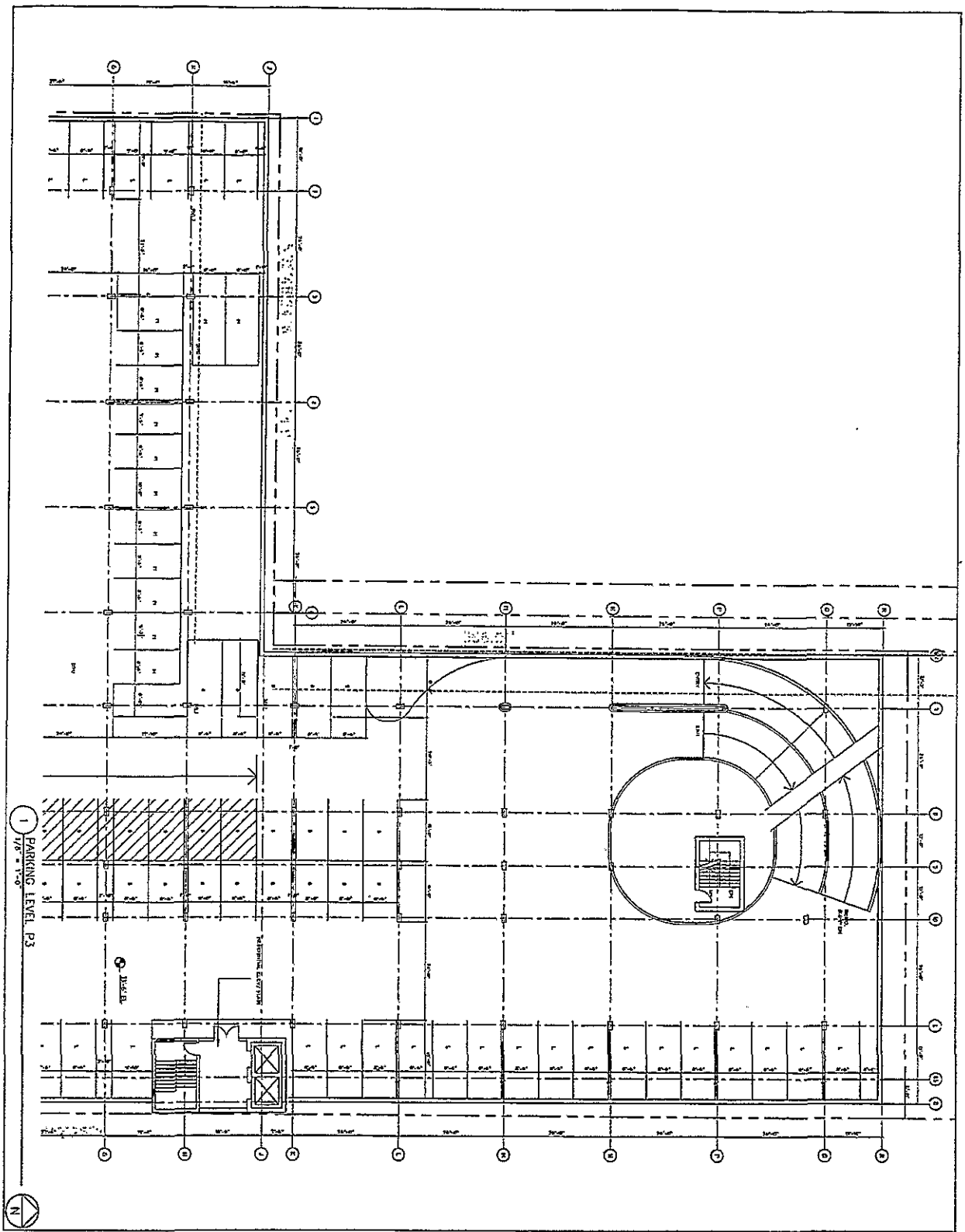

A2.3

FAUNTLEROY PLACE
WEST SEATTLE
2908 SW ALASKA STREET
SEATTLE, WA 98106

BLUESTAR MANAGEMENT
DEVELOPMENT
19745 GULLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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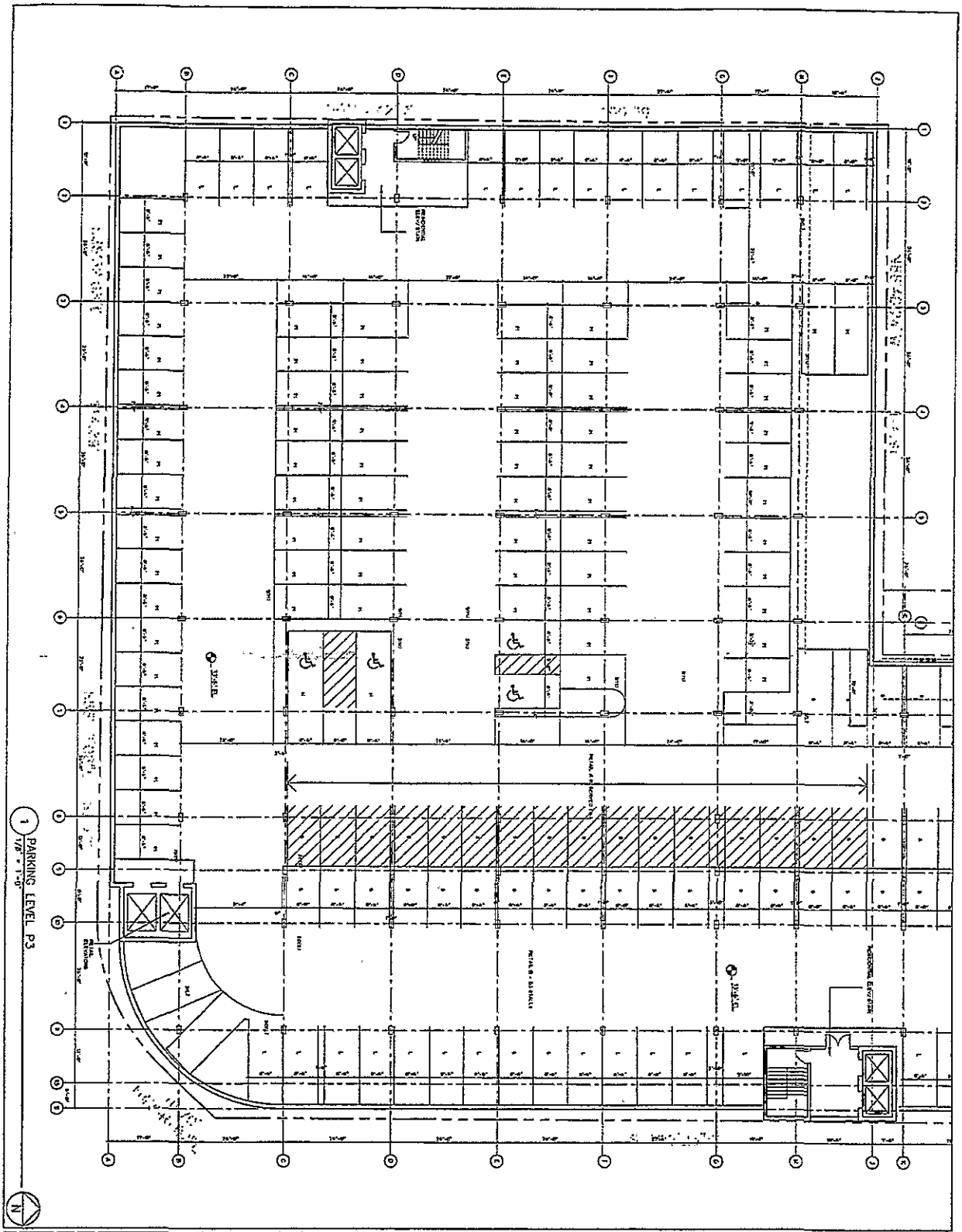

1 PARKING LEVEL P3
1/8" = 1'-0"

N

A2.4

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
19440 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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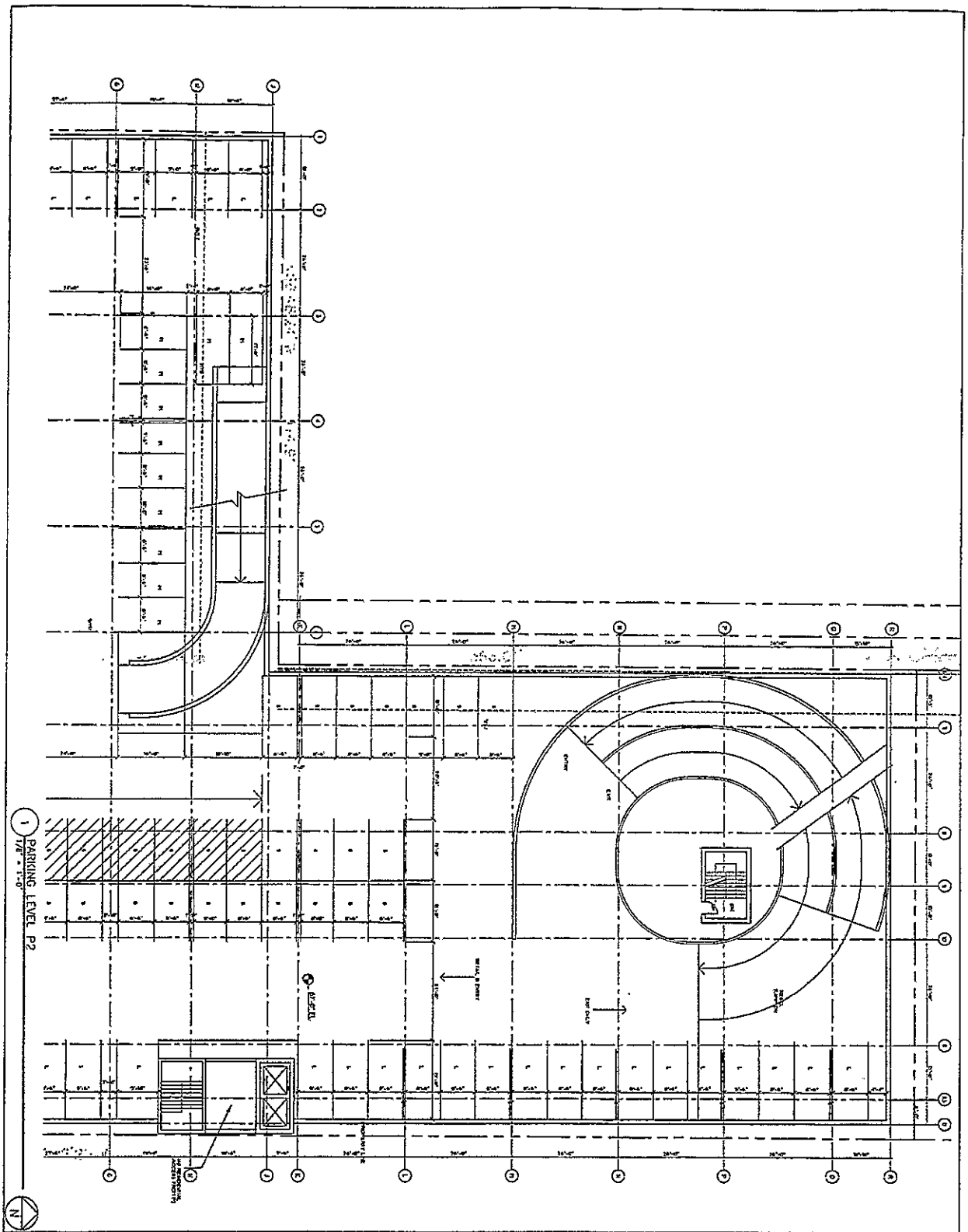

A2.5

FAUNTLEROY PLACE
WEST SEATTLE
3906 SW ALASKA STREET
SEATTLE, WA 98116

OWNER:
BLUESTAR MANAGEMENT
DEVELOPMENT
18940 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

CONSULTANTS:

SCMA

STRICKER CATO MURPHY ARCHITECTS • 120 LAKESIDE AVE. SUITE 310 • SEATTLE, WA 98122 • TEL. (206) 324-4800 FAX (206) 322-2875 • WWW.SCM-ARCH.COM

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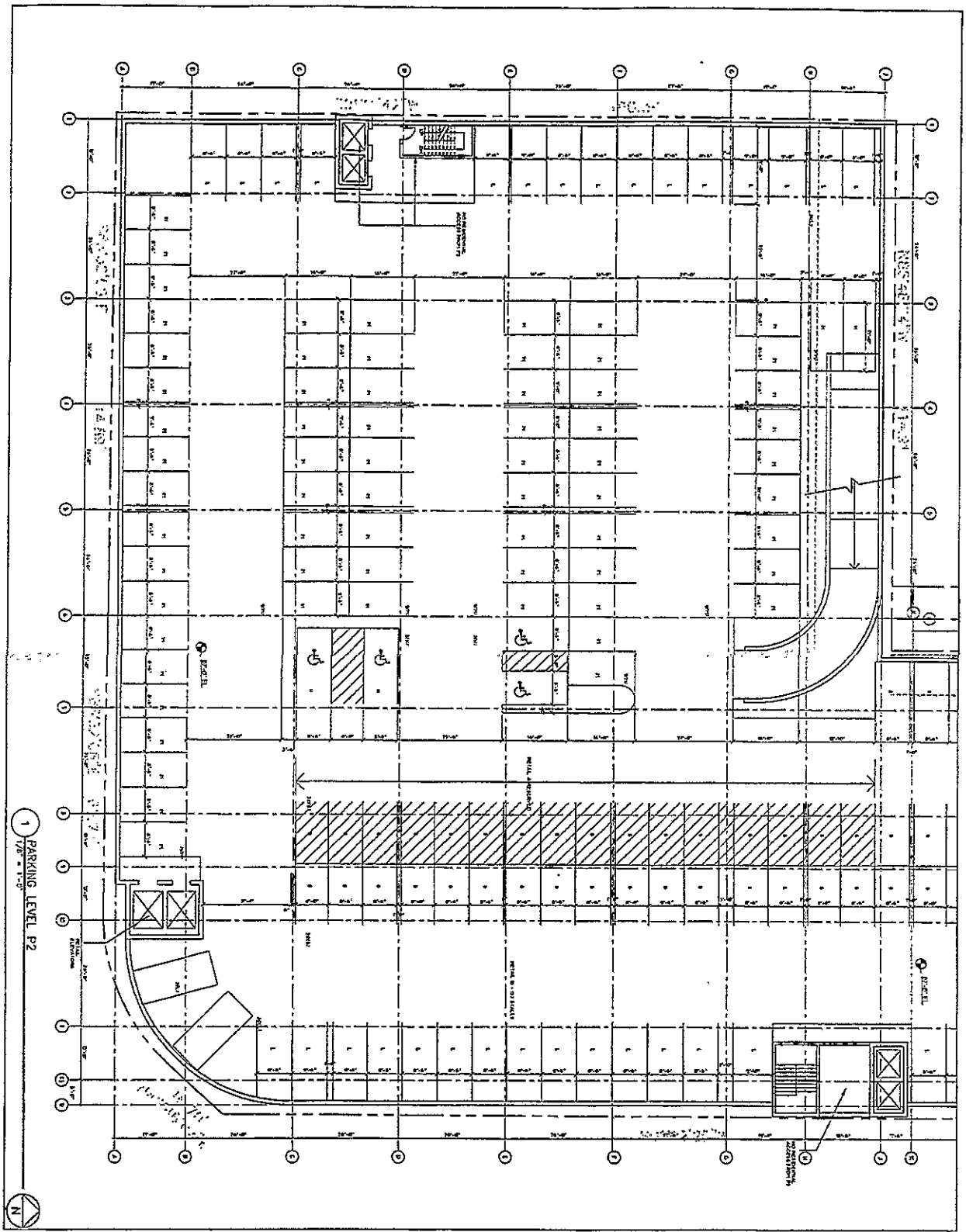

1 PARKING LEVEL P2
1/8" = 1'-0"

N

A2.6

PARKING LEVEL P2

PROJECT
FAUNTLEROY PLACE
WEST SEATTLE
3903 SW ALASKA STREET
SEATTLE, WA 98116

OWNER
BLUESTAR MANAGEMENT
DEVELOPMENT
19840 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

SCMA

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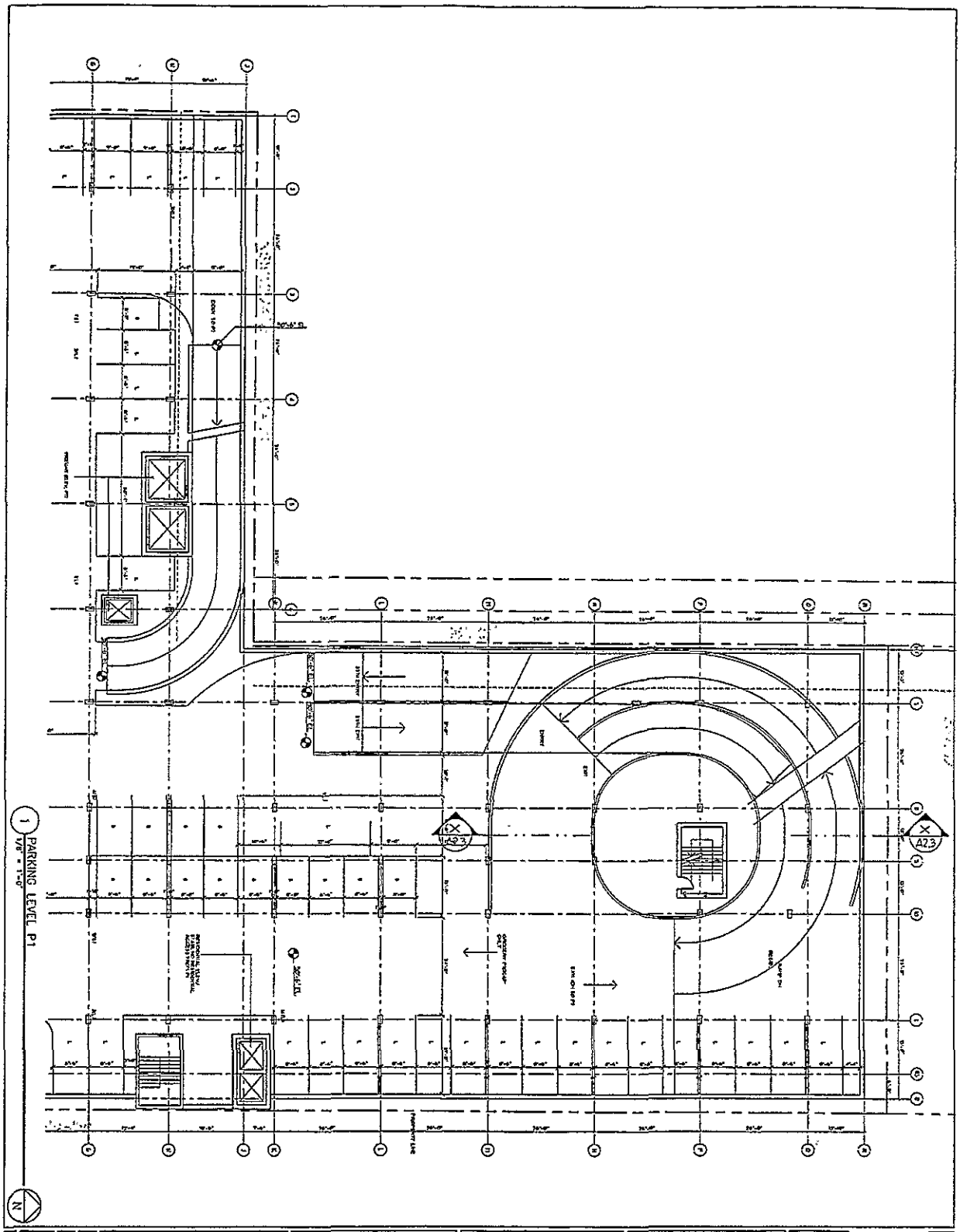

A2.7

PROJECT
FAUNTLEROY PLACE
WEST SEATTLE
3909 SW ALASKA STREET
SEATTLE, WA 98116

OWNER
BLUESTAR MANAGEMENT
DEVELOPMENT
2340 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

STRICKER CATO MURPHY ARCHITECTS • 120 LAKESIDE AVE. SUITE 310 • SEATTLE, WA 98122 • TEL. (206) 324-4800 FAX (206) 322-2875 • WWW.SCM-ARCH.COM

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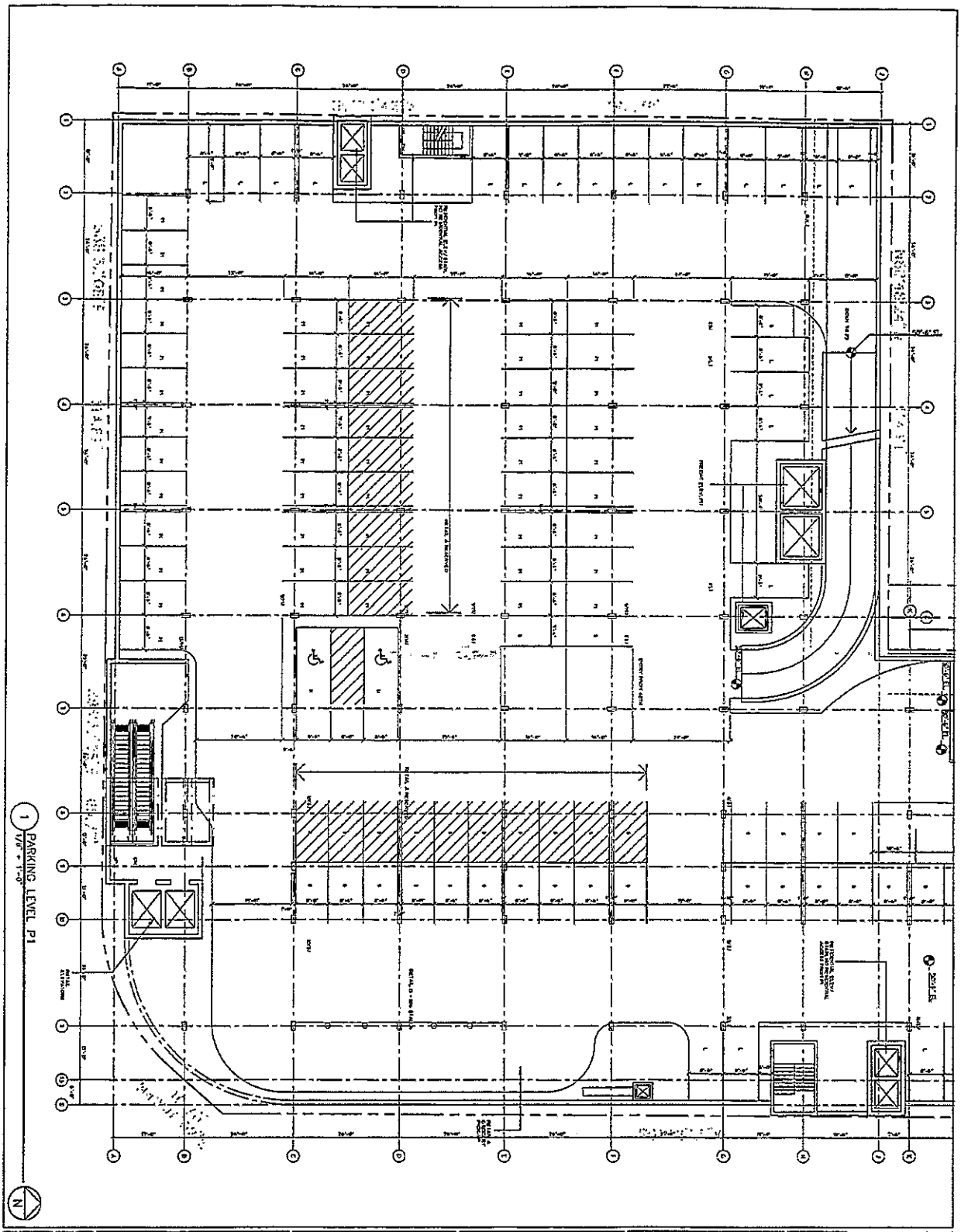

1 PARKING LEVEL P1
1/8" = 1'-0"

N

A2.8

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
10240 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98133

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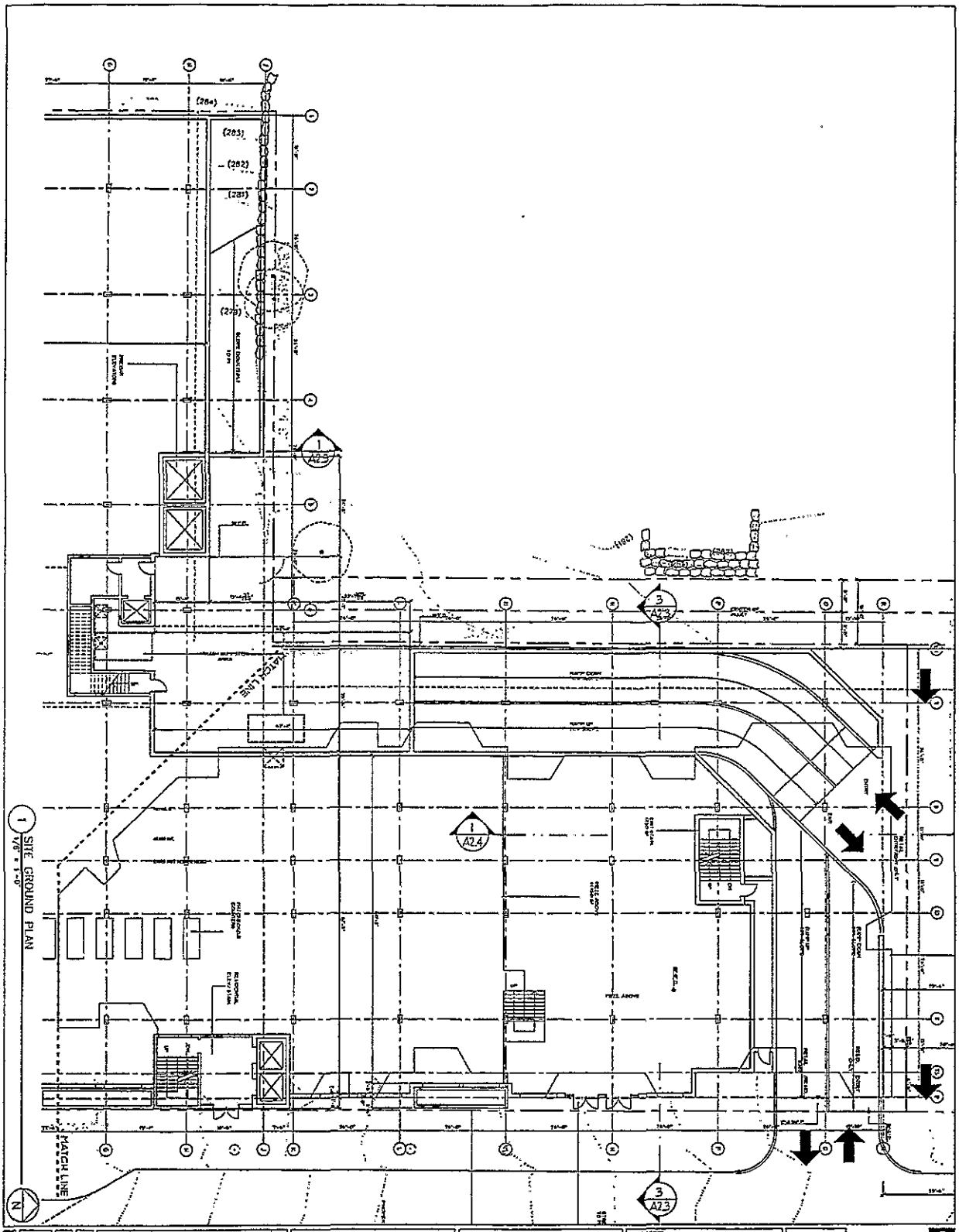

A2.9

FAUNTLEROY PLACE
WEST SEATTLE
2906 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
12940 BALLINGER WAY NE SUITE A-1
SHORELINE, WA 98155

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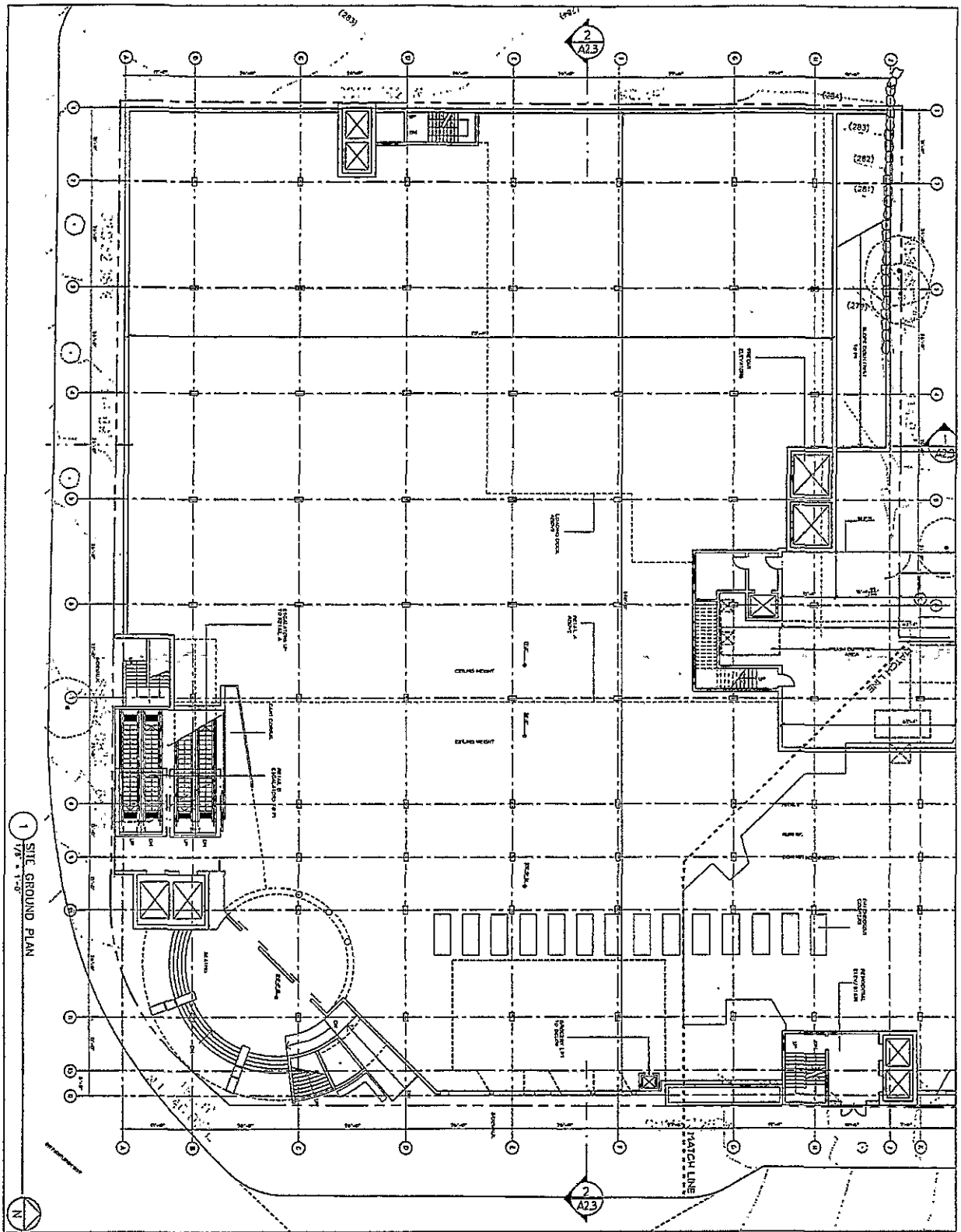
P:\1. SCMA Files\1. Project Files\2004 Jobs\04017 West Seattle Mixed Use\Drawings\WEST SEATTLE MIXED USE\Sheets\MUP\A2.9 SITE GROUND PLAN.dwg, 6/30/2006 9:19:59 AM, thus



A2.10

FAUNTLEROY PLACE
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3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
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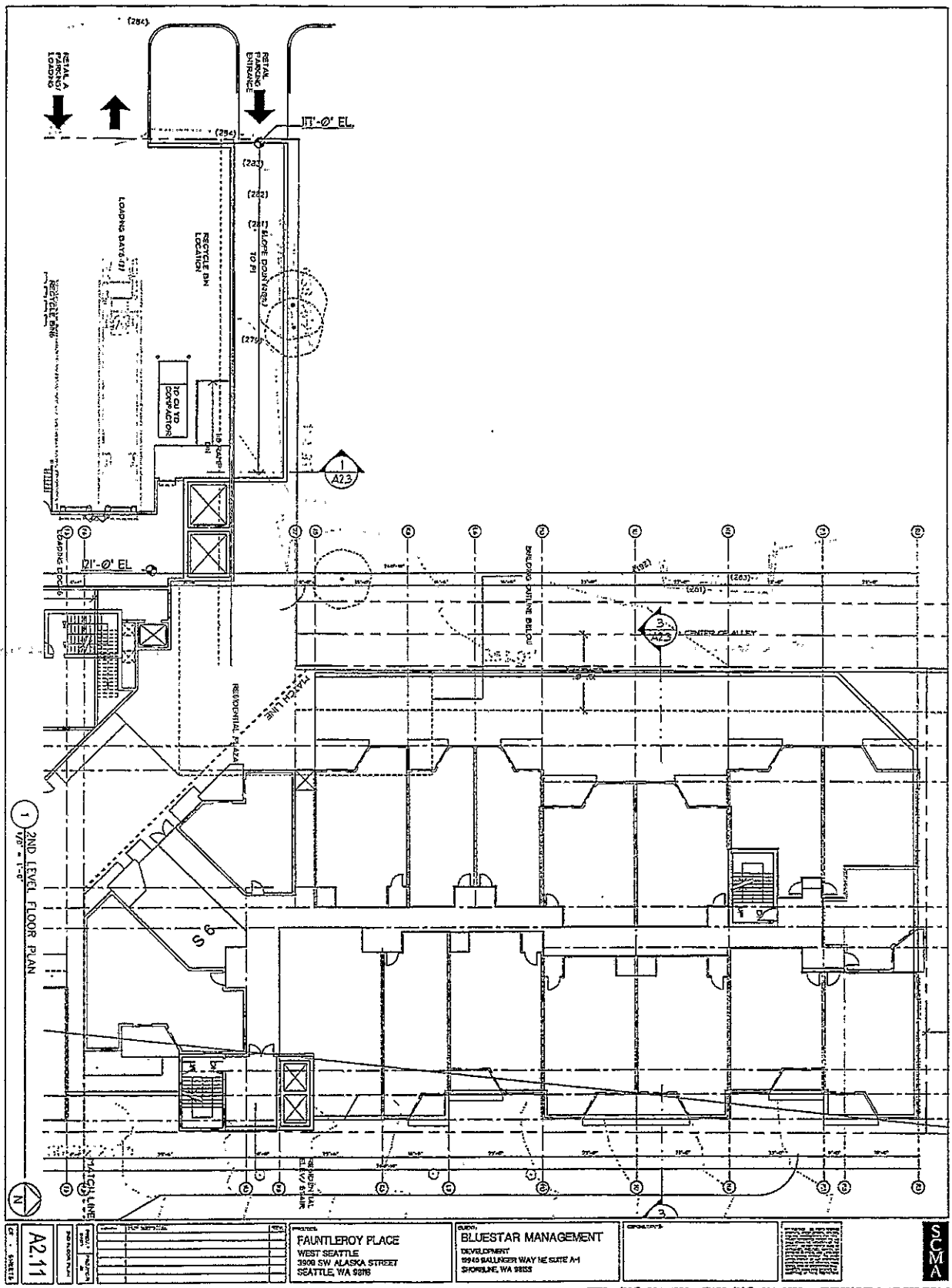

A2.11

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
DEVELOPMENT
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SHORELINE, WA 98155

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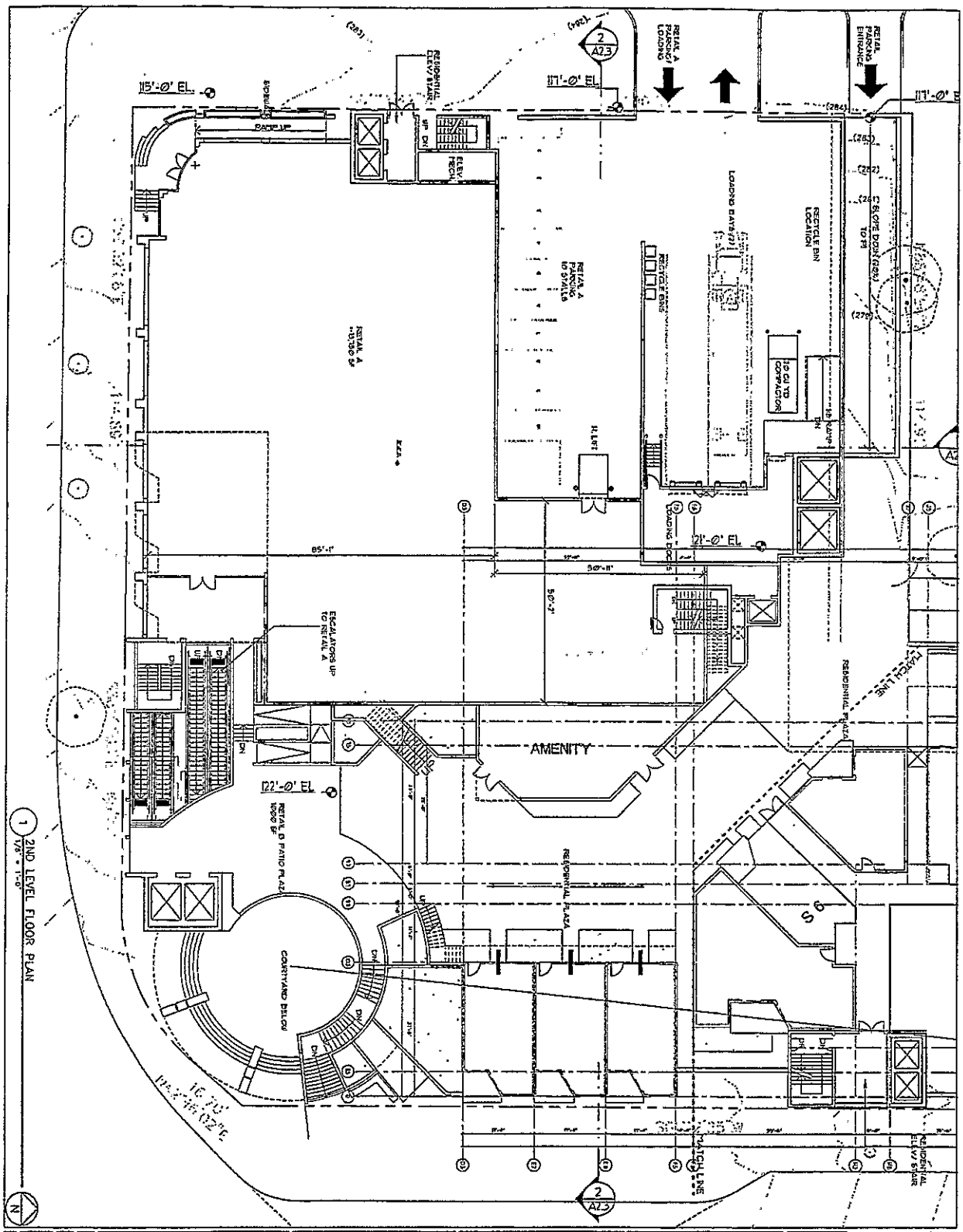

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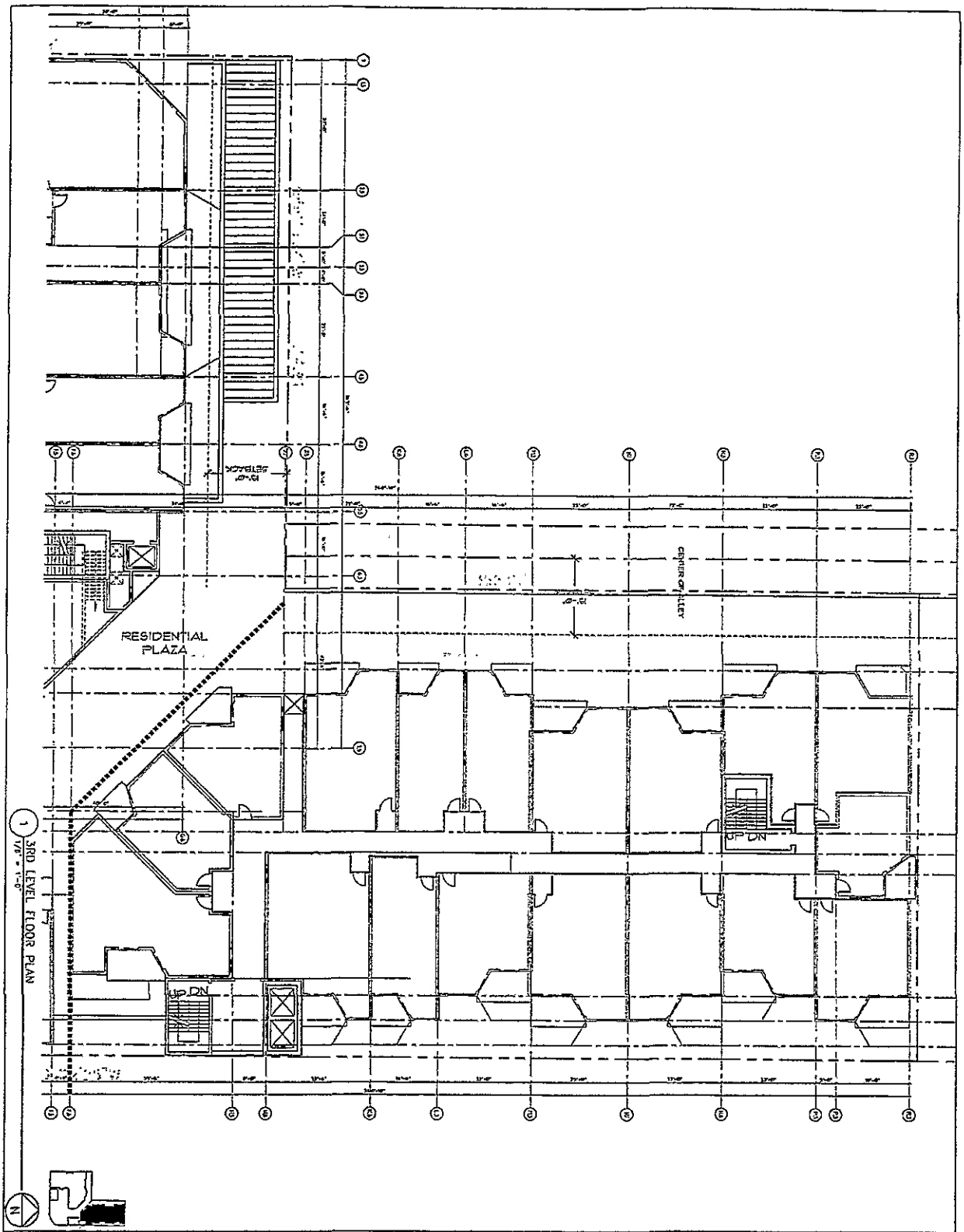

1 3RD LEVEL FLOOR PLAN
1/8" = 1'-0"

A2.13

FAUNTLEROY PLACE
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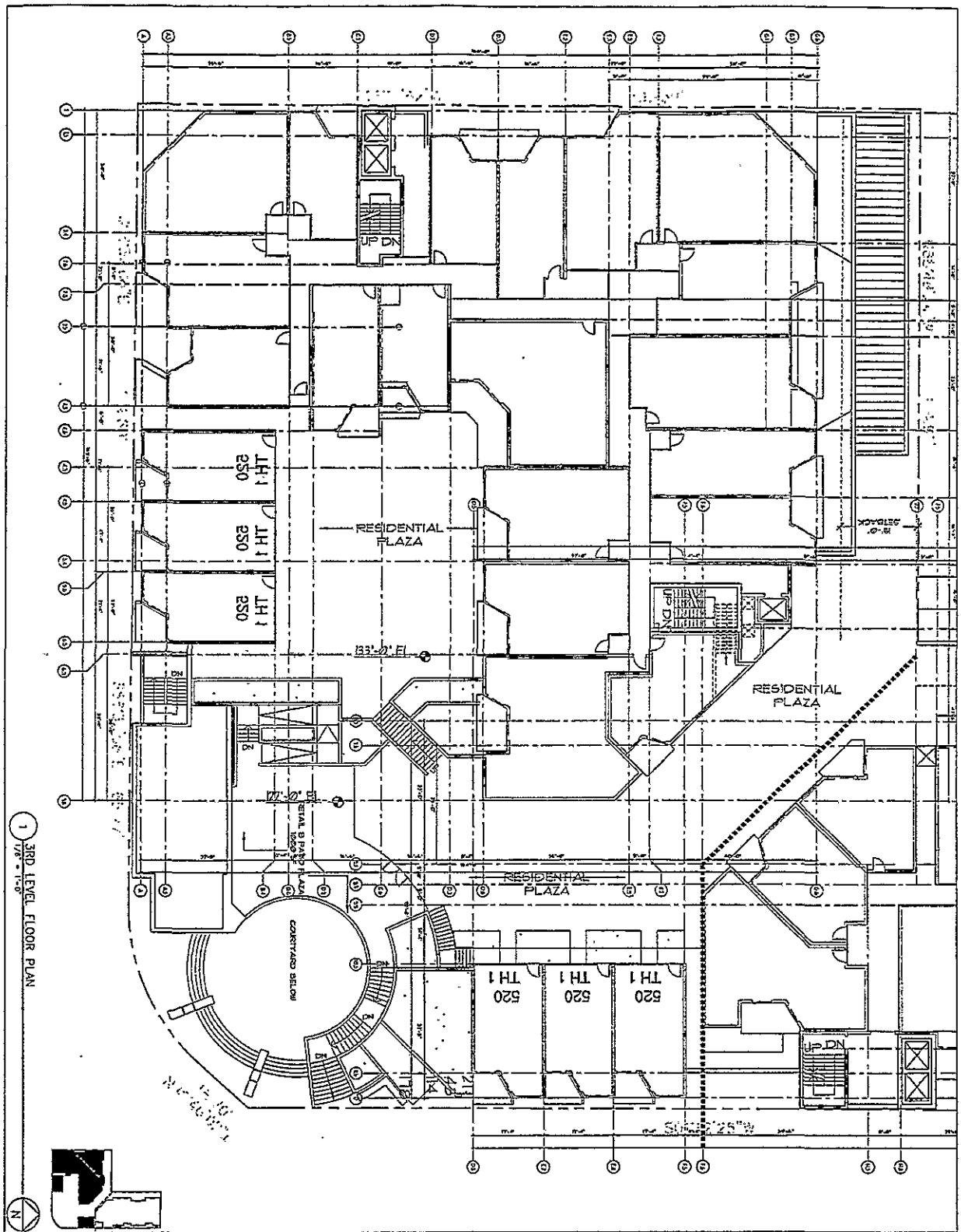

1 3RD LEVEL FLOOR PLAN
1/8" = 1'-0"

SHEETS	A2.14		PROJECT	FAUNTLEROY PLACE WEST SEATTLE 3908 SW ALASKA STREET SEATTLE, WA 98195	OWNER BLUESTAR MANAGEMENT DEVELOPMENT 15940 BALLINGER WAY NE SUITE A-1 SHORELINE, WA 98155	CONSULTANTS

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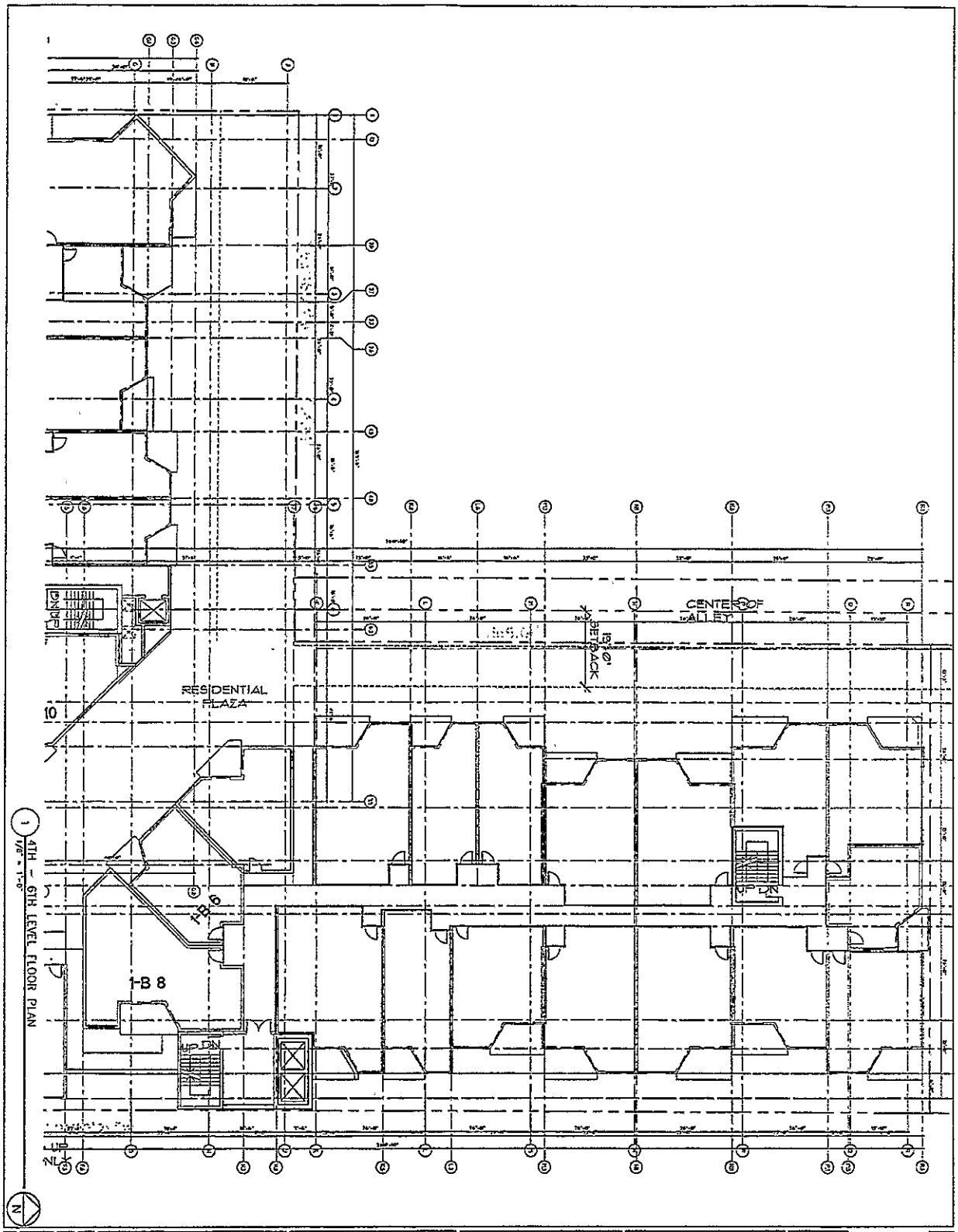

1 4TH – 6TH LEVEL FLOOR PLAN
1/8" = 1'-0"

N

OF SHEETS	A2.15			PROJECT: FAUNTLEROY PLACE WEST SEATTLE 3908 SW ALASKA STREET SEATTLE, WA 98116	CLIENT: BLUESTAR MANAGEMENT DEVELOPMENT 19540 BALLINGER WAY NE SUITE A-1 SHORELINE, WA 98155	CONSULTANTS

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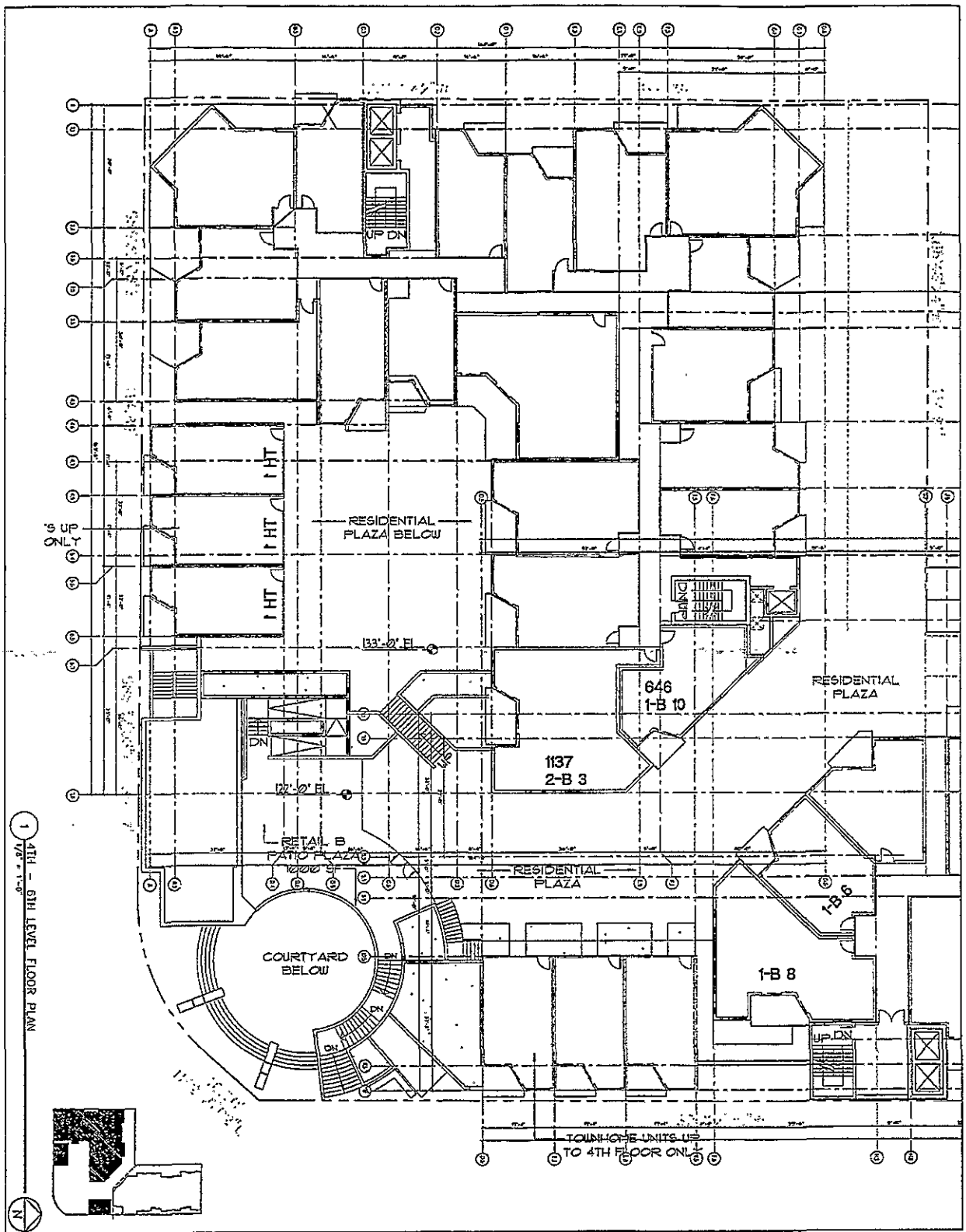

1 4TH — 6TH LEVEL FLOOR PLAN
1/8" = 1'-0"

A2.16

FAUNTLEROY PLACE
WEST SEATTLE
3906 SW ALASKA STREET
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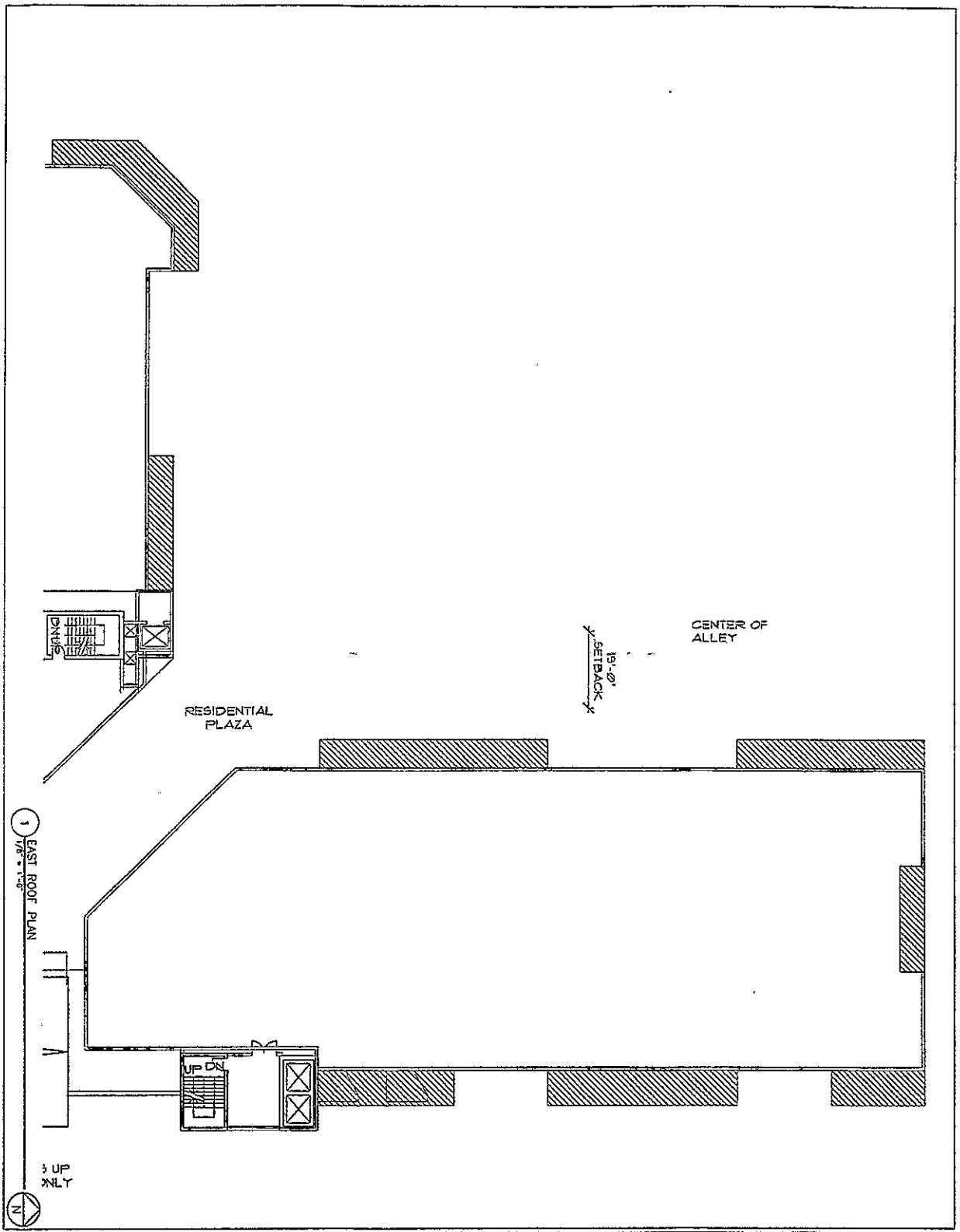

A2.21

FAUNTLEROY PLACE
WEST SEATTLE
3908 SW ALASKA STREET
SEATTLE, WA 98116

BLUESTAR MANAGEMENT
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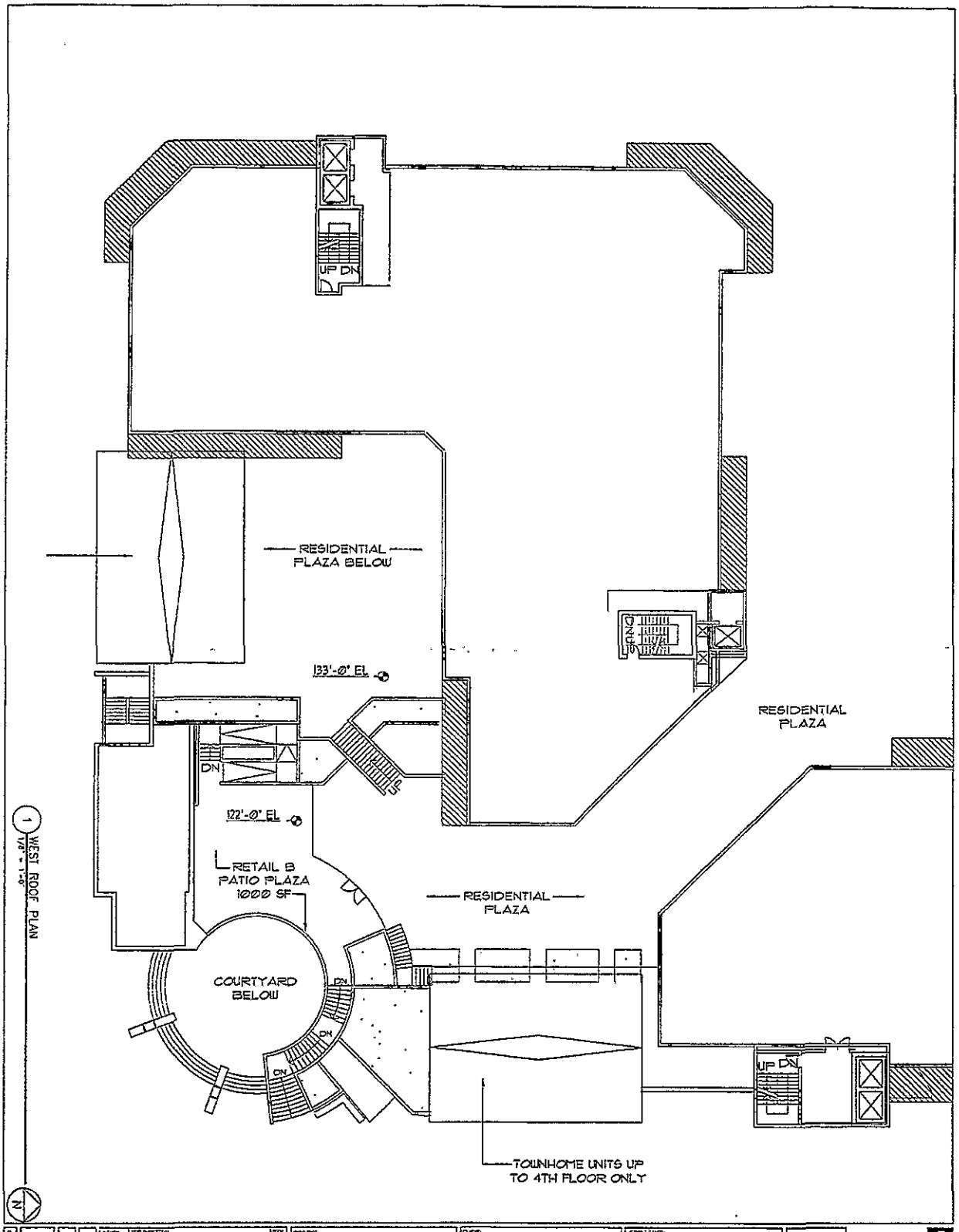

A2.22

FAUNTLEROY PLACE
WEST SEATTLE
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SEATTLE, WA 98116

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STRUCTURAL ASSUMPTIONS AND SPECIFICATIONS

GENERAL

THESE QUANTITIES ARE ESTIMATED BASED ON INFORMATION AVAILABLE. DCI WILL NOT WARRANT THESE QUANTITIES IN ANY WAY, BUT HAVE PROVIDED THEM FOR GUIDANCE IN SELECTING THE STRUCTURE.

CONTRACTOR TO ALLOW FOR QUANTITIES PERTINENT TO THE METHOD OR CONSTRUCTION USED.

CONTRACTOR TO INCLUDE ANTICIPATED WASTE FACTORS.

SQUARE FOOT OF ELEVATED DECK (SF ED) IS DEFINED AS THE SURFACE AREA OF ALL SUSPENDED STRUCTURAL DECKS. DO NOT DEDUCT FOR OPENINGS IN SLABS SUCH AS MECHANICAL, ELEVATOR AND STAIR SHAFTS. SEE BELOW FOR ASSUMED AREAS.

CONTRACTOR IS RESPONSIBLE FOR ACCOUNTING FOR ADDITIONAL CONCRETE, FORMWORK AND REINFORCEMENT IN EXTERIOR BEAMS AND COLUMNS FOR ARCHITECTURAL EXPRESSION OF ELEMENTS.

DESIGN CRITERIA

DESIGN IS PER [illegible] IBC

WIND DESIGN: BASIC WIND SPEED = 85 MPH, EXPOSURE "B", I = 1.0

SEISMIC DESIGN:
- SEISMIC USE GROUP I,
- SITE CLASS D,
- SEISMIC DESIGN CATEGORY D,
- S_S = [illegible], & S_1 = [illegible]
- I = 1.0
- BASIC SEISMIC FORCE RESISTING SYSTEM: BEARING WALL SYSTEM
- SPECIALLY REINFORCED CONCRETE SHEARWALLS, R = [illegible]

LIVE LOADS:

PARKING LEVELS AND RAMPS	[illegible] PSF
LEVEL ONE - GROCERY RETAIL	[illegible] PSF
LEVEL ONE - GROCERY STOCK AREA	[illegible] PSF
LEVEL TWO - DRIVE AISLE LOADING DOCK	[illegible] PSF
LEVEL TWO - RETAIL	[illegible] PSF
RESIDENTIAL FLOOR	40 PSF
PLAZA, CORRIDORS AND EXITS	100 PSF
ROOF	[illegible] PSF

LIVE LOAD REDUCTIONS WERE CONSIDERED WHERE ALLOWED BY THE [illegible] IBC.

SUPERIMPOSED DEAD LOADS TO CONCRETE:

LEVEL ONE - GROCERY RETAIL	[illegible] PSF
LEVEL ONE - GROCERY STOCK AREA	[illegible] PSF
LEVEL TWO - DRIVE AISLE LOADING DOCK	[illegible] PSF
LEVEL TWO - RETAIL	[illegible] PSF
TYPICAL GARAGE FLOOR	[illegible] PSF
[illegible]	[illegible] PSF
OVERFRAMING OF SLABS	[illegible] PSF
TYPICAL RESIDENTIAL ROOF	[illegible] PSF
TYPICAL RESIDENTIAL PER FLOOR	40 PSF
PLANTERS	[illegible] PSF
PAVERS	[illegible] PSF

DEFLECTION LIMITS:

TOTAL LOAD VERTICAL DEFLECTION LIMIT:	L/240
LIVE LOAD VERTICAL DEFLECTION LIMIT:	L/[illegible]
INTERSTORY HORIZONTAL DRIFT LIMIT:	[illegible] X STORY HEIGHT

FOUNDATIONS

SPREAD FOOTINGS:

ALLOWABLE BEARING PRESSURE	[illegible] PSF
	[illegible] PSF (SEISMIC)

BASEMENT WALLS:

STATIC PRESSURE	[illegible] PSF
SEISMIC PRESSURE	[illegible] PSF
TRAFFIC SURCHARGE (FIRST [illegible])	[illegible] PSF

REINFORCING AND POST-TENSIONING

REINFORCING IS GRADE 60.

POST-TENSIONED TENDONS ARE ½" DIAMETER, 270 KSI, UNBONDED.

POST-TENSIONED DESIGN IS BASED ON A FINAL EFFECTIVE FORCE OF [illegible] KIPS PER TENDON.

SLABS MAY BE STRESSED WHEN THE CONCRETE REACHES [illegible] PSI COMPRESSIVE STRENGTH.

QUANTITIES INCLUDE: LAPS, CUTOFFS OF POST-TENSIONED CABLES AND REINFORCEMENT, CLOSURE STRIPS, CONSTRUCTION JOINTS, TRIM BARS AND SUPPORT BARS.

FULLY ENCAPSULATED ANCHOR SYSTEMS SHALL BE USED FOR ALL ANCHORS IN THE STRUCTURE.

CONCRETE

SEE PLAN FOR SLAB THICKNESS AND MEMBER SIZES.
ALL CONCRETE CONSTRUCTION PER ACI CODE.

CONCRETE STRENGTHS:

FOUNDATIONS	[illegible] PSI @ [illegible] DAYS
SLAB ON GRADE	[illegible] PSI @ [illegible] DAYS
BASEMENT WALLS	[illegible] PSI @ [illegible] DAYS
ELEVATED SLABS AND BEAMS	[illegible] PSI @ [illegible] DAYS
COLUMNS (FOUNDATION TO SOFFIT OF L1)	[illegible] PSI @ [illegible] DAYS
COLUMNS (LEVEL L1 TO SOFFIT OF L3)	[illegible] PSI @ [illegible] DAYS
SHEARWALLS	[illegible] PSI @ [illegible] DAYS

SHRINKAGE LIMIT:
CONCRETE USED IN ELEVATED SLABS AND BEAMS SHALL HAVE A SHRINKAGE LIMIT OF [illegible] AT [illegible] DAYS MEASURED IN ACCORDANCE WITH ASTM C157.

STRUCTURAL BUDGET QUANTITIES

ELEVATED DECK AREAS:

LEVEL L3	[illegible] SF
LEVEL L2	[illegible] SF
MEZZANINE	[illegible] SF
LEVEL L1	[illegible] SF
LEVEL P1	[illegible] SF
LEVEL P2	[illegible] SF
LEVEL P3	[illegible] SF
TOTAL =	[illegible] SF

REINFORCING:

COLUMNS	[illegible] LBS/SF ED
ELEVATED SLABS	[illegible] LBS/SF ED
SHEARWALLS	[illegible] LBS/SF ED
BASEMENT WALLS	[illegible] LBS/SF ED
FOUNDATIONS	[illegible] LBS/SF ED
CONTINGENCY	[illegible] LBS/SF ED
SLAB ON GRADE	SEE PLANS

POST-TENSIONING:

TENDONS	[illegible] LBS/SF ED
STUD RAILS	100% OF COLUMNS EXCEPT WHERE DROP BEAMS OCCUR

DRAWING LEGEND

[illegible]

ABBREVIATIONS

[illegible]

DCI ENGINEERS

PROJECT: FAUNTLEROY PLACE

STRUCTURAL GENERAL NOTES

S1.1

FOUNDATION PLAN

MARK	SIZE	REMARKS
F1	5'-0" x 5'-0" x 1'-0"	
F2	6'-0" x 6'-0" x 1'-0"	
F3	7'-0" x 7'-0" x 1'-0"	
F4	8'-0" x 8'-0" x 1'-0"	
F5	9'-0" x 9'-0" x 1'-0"	
F6	10'-0" x 10'-0" x 1'-0"	
F7	11'-0" x 11'-0" x 1'-0"	
F8	12'-0" x 12'-0" x 1'-0"	
F9	13'-0" x 13'-0" x 1'-0"	
F10	14'-0" x 14'-0" x 1'-0"	
F11	15'-0" x 15'-0" x 1'-0"	
F12	16'-0" x 16'-0" x 1'-0"	
F13	17'-0" x 17'-0" x 1'-0"	
F14	18'-0" x 18'-0" x 1'-0"	
F15	19'-0" x 19'-0" x 1'-0"	
F16	20'-0" x 20'-0" x 1'-0"	

SPREAD FOOTING SCHEDULE

S2.1

PROJECT: FAUNTLEROY PLACE

CONSULTANTS: DCI ENGINEERS

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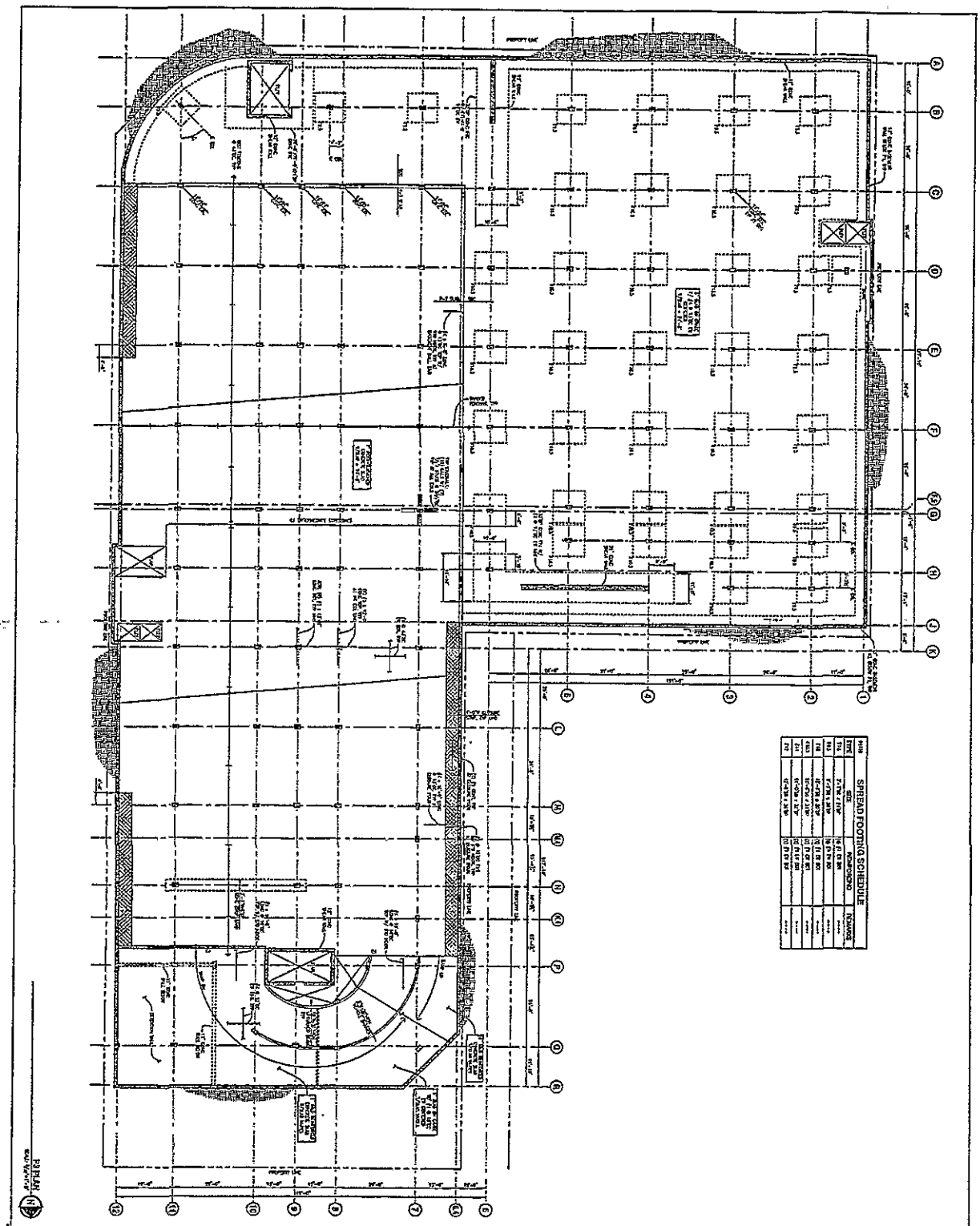

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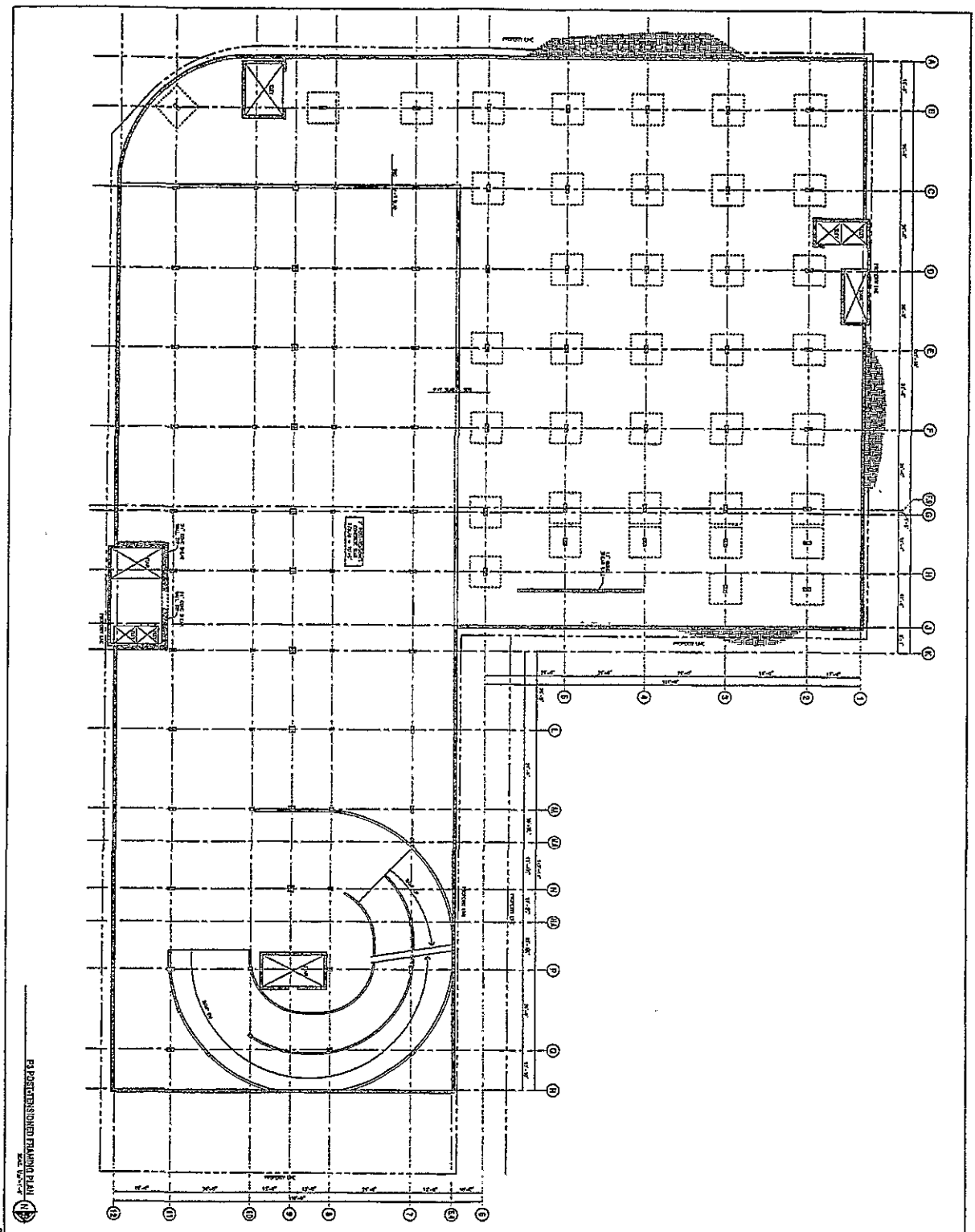

P3 POST-TENSIONED FRAMING PLAN

S2.2A

PROJECT: FAUNTLEROY PLACE

CLIENT:

CONSULTANTS: DCI ENGINEERS

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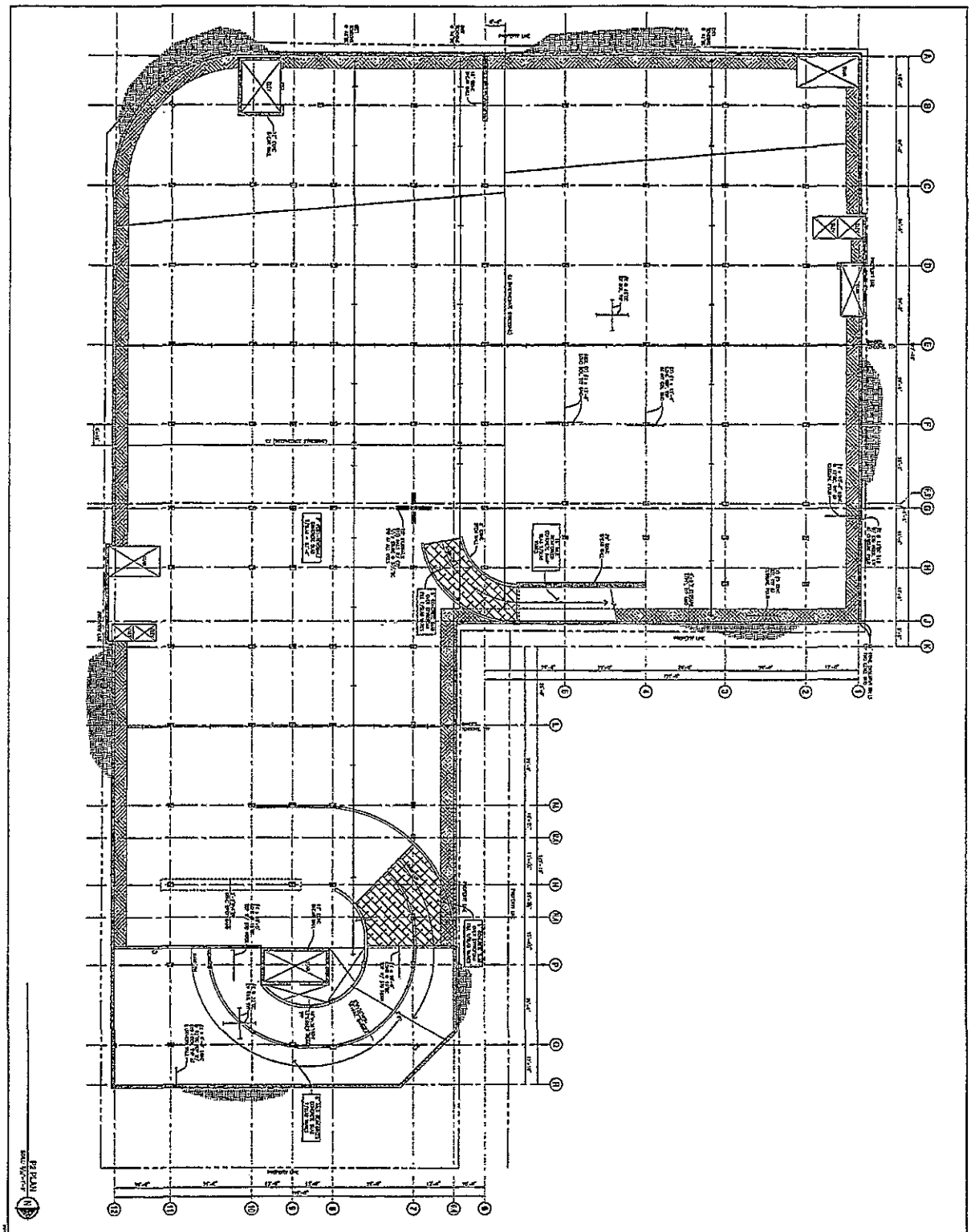

S2.3		FAUNTLEROY PLACE		DCI ENGINEERS

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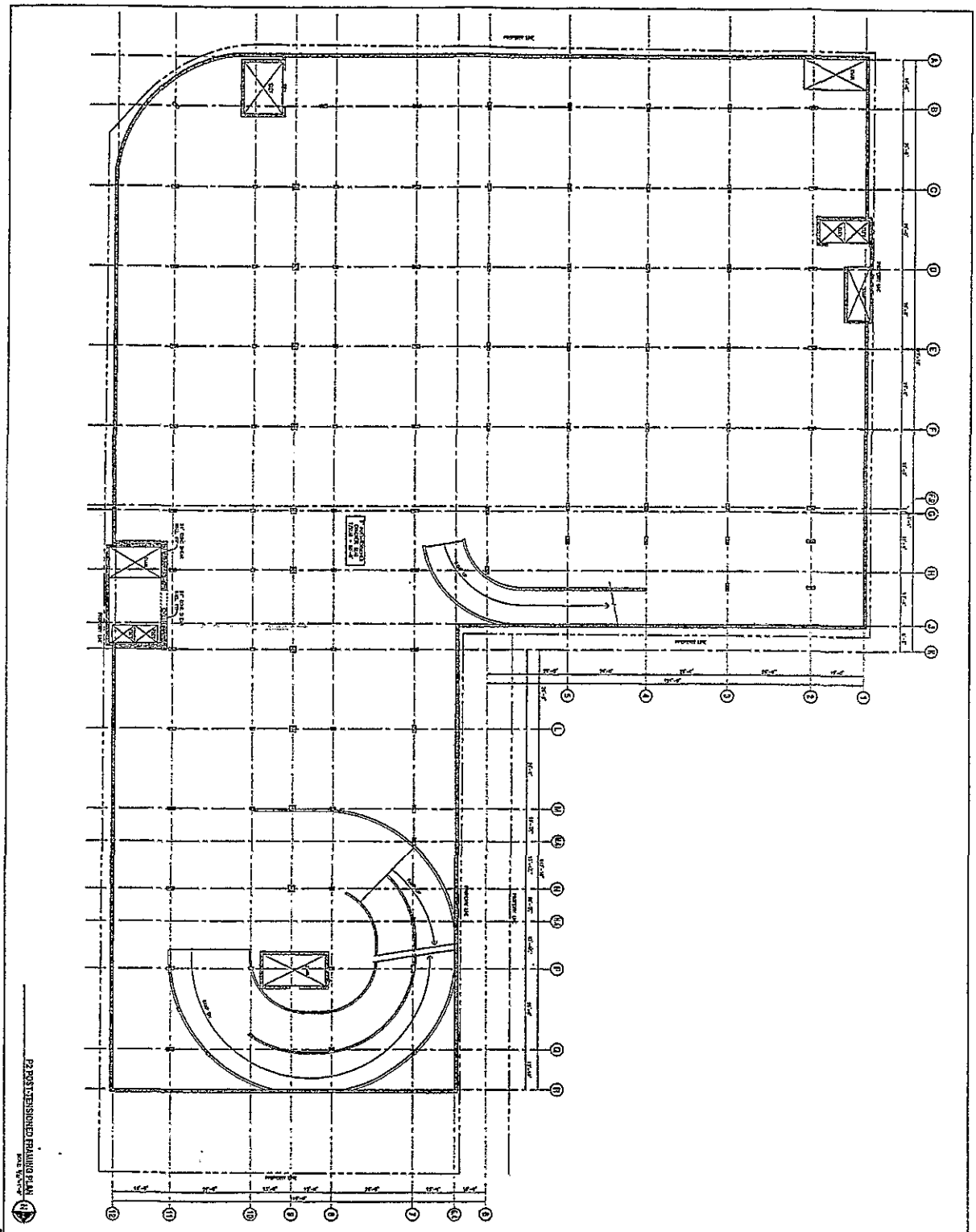

P2 POST-TENSIONED FRAMING PLAN

S2.5A

FAUNTLEROY PLACE

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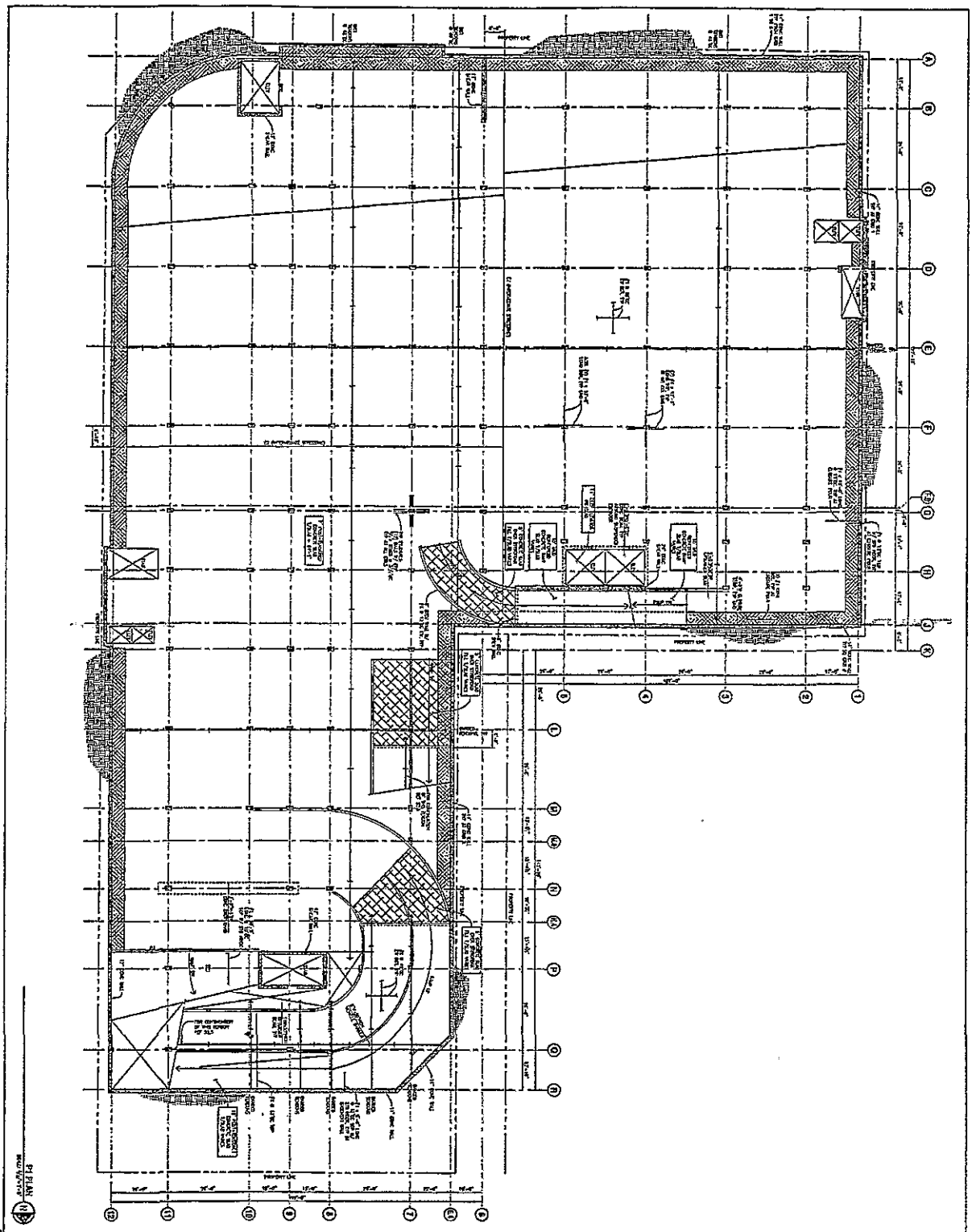

S2.4

FAUNTLEROY PLACE

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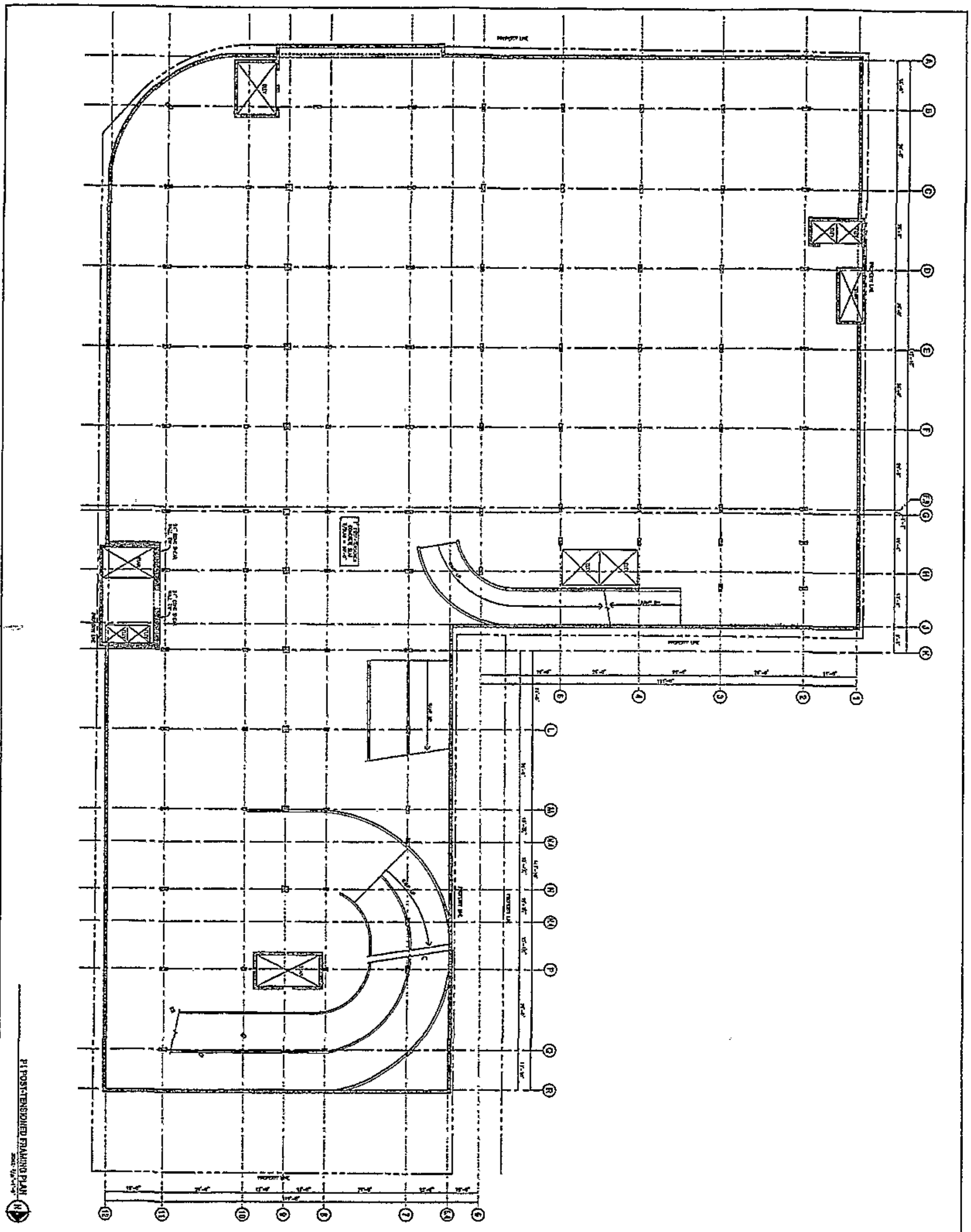

S2.4A

FAUNTLEROY PLACE

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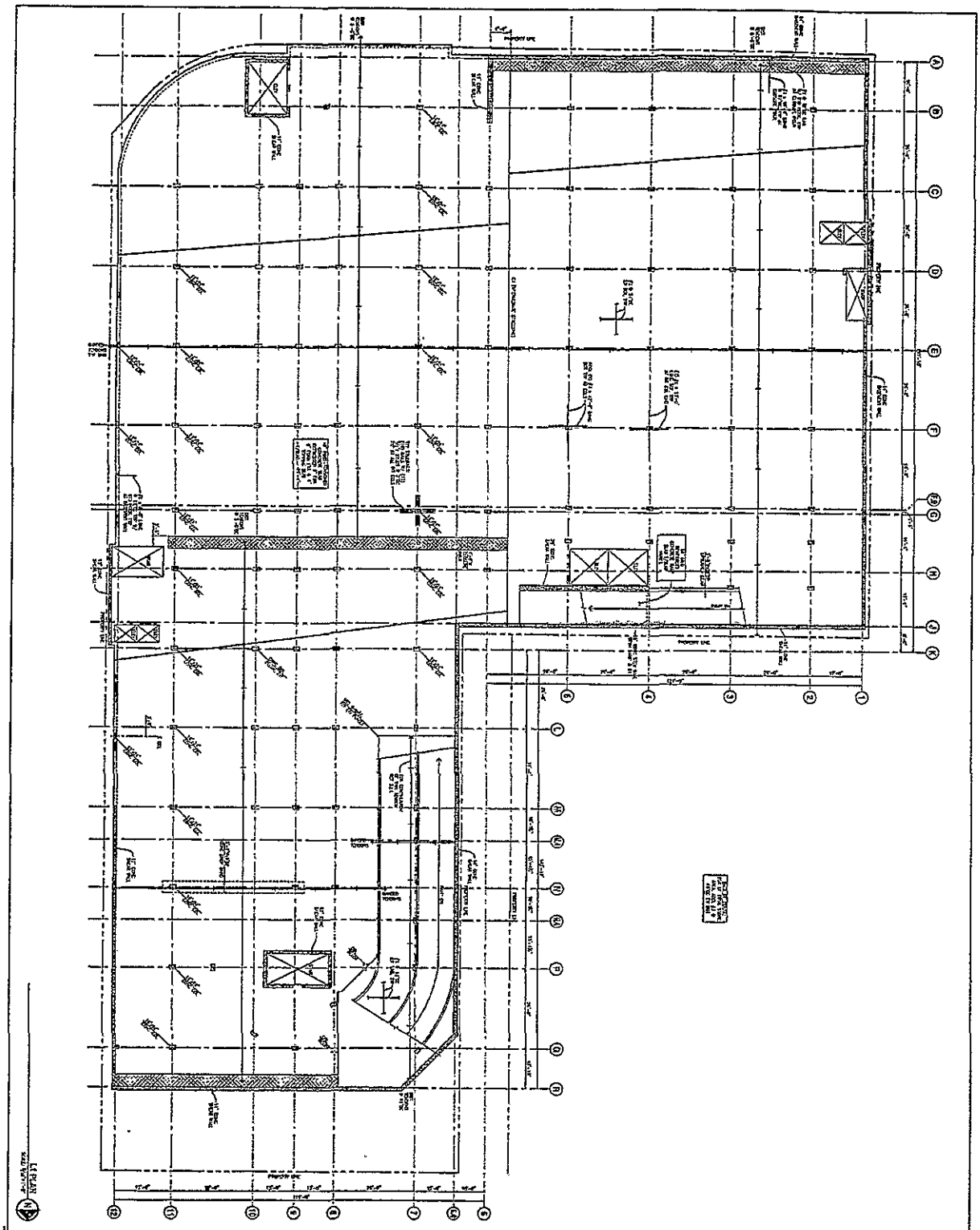

S2.5

FAUNTLEROY PLACE

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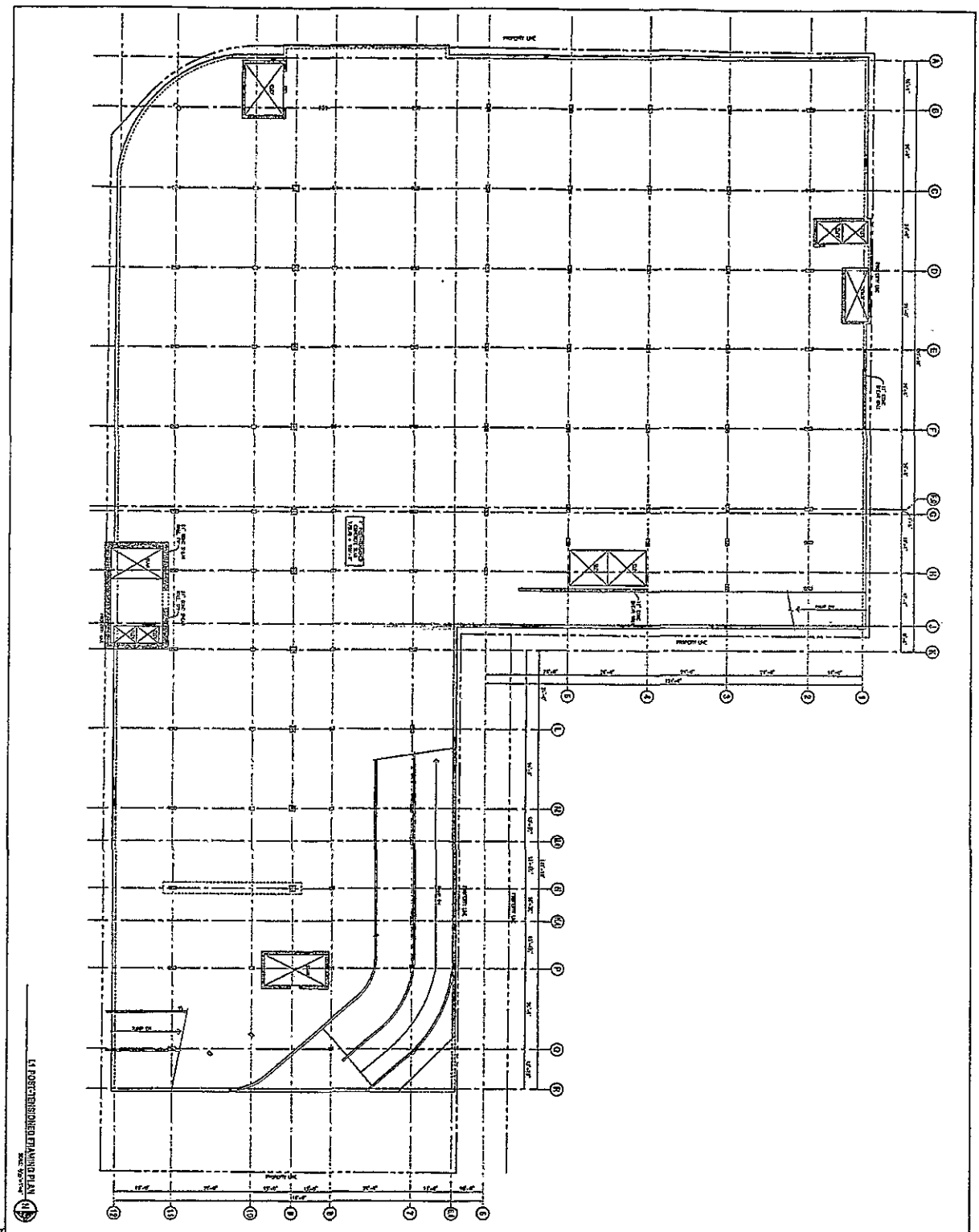

S2.5A

FAUNTLEROY PLACE

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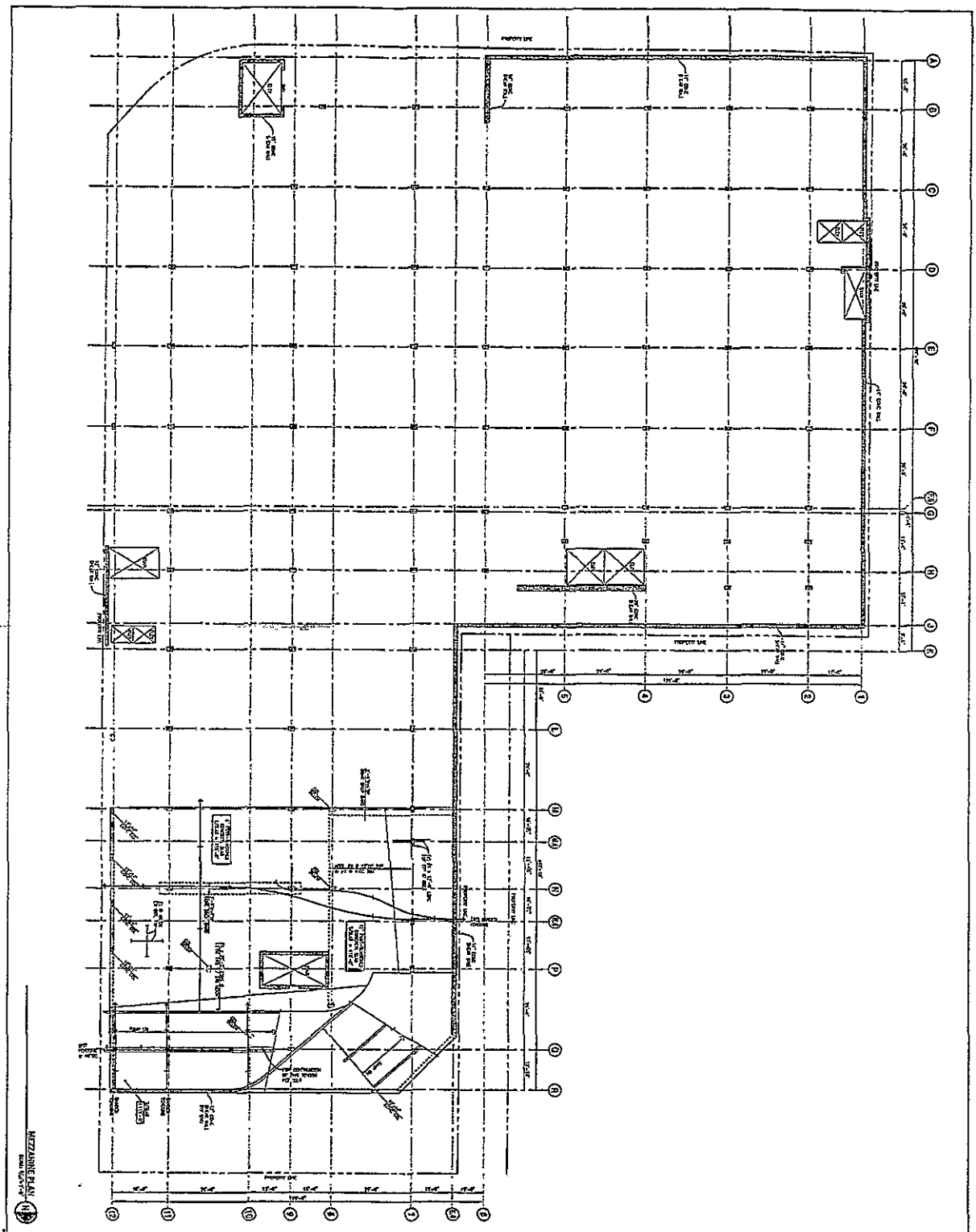

S2.6

FAUNTLEROY PLACE

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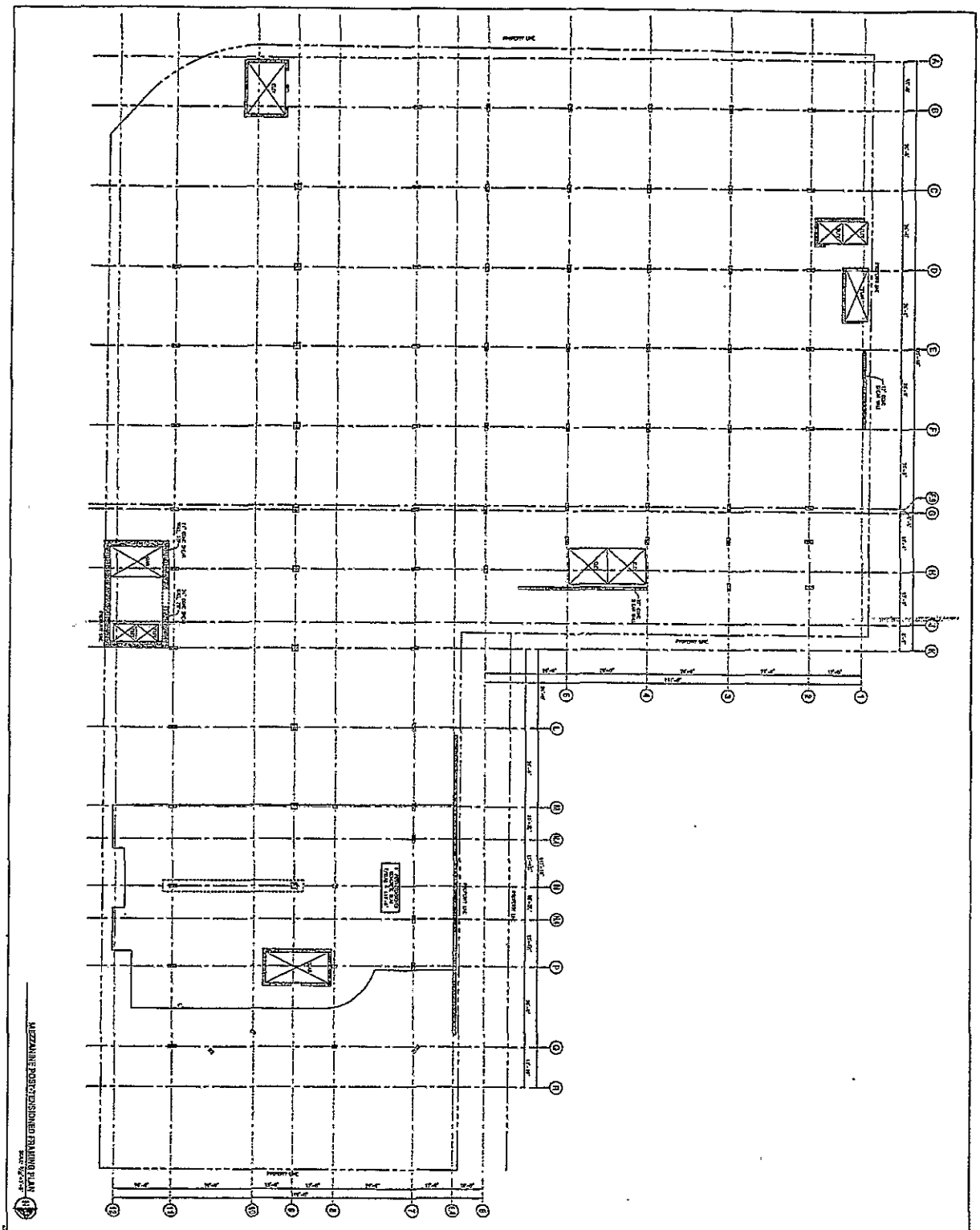

MEZZANINE POST-TENSIONED FRAMING PLAN

S2.6A

FAUNTLEROY PLACE

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S2.7

FAUNTLEROY PLACE

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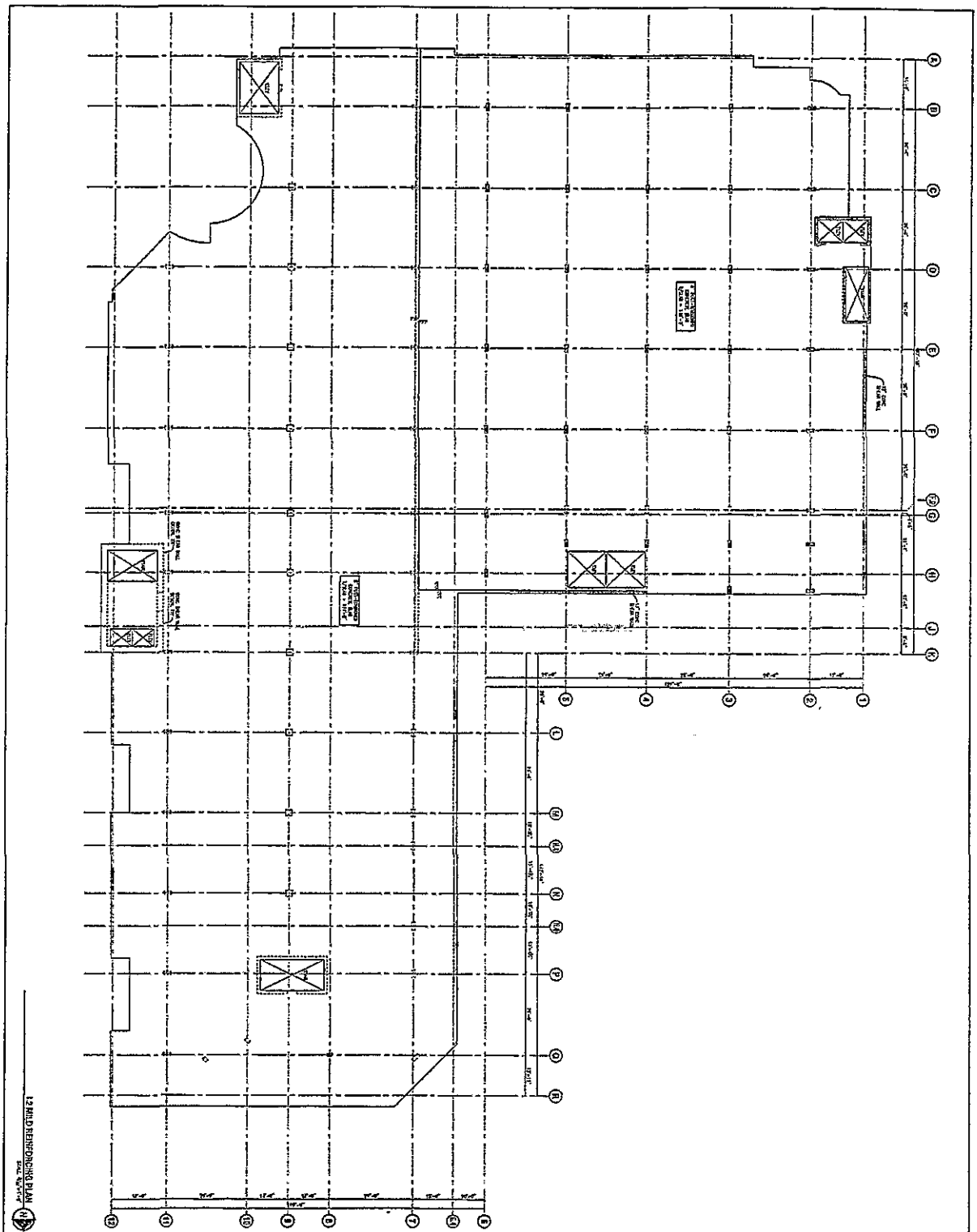

1/2 MILD REINFORCING PLAN

S2.7A

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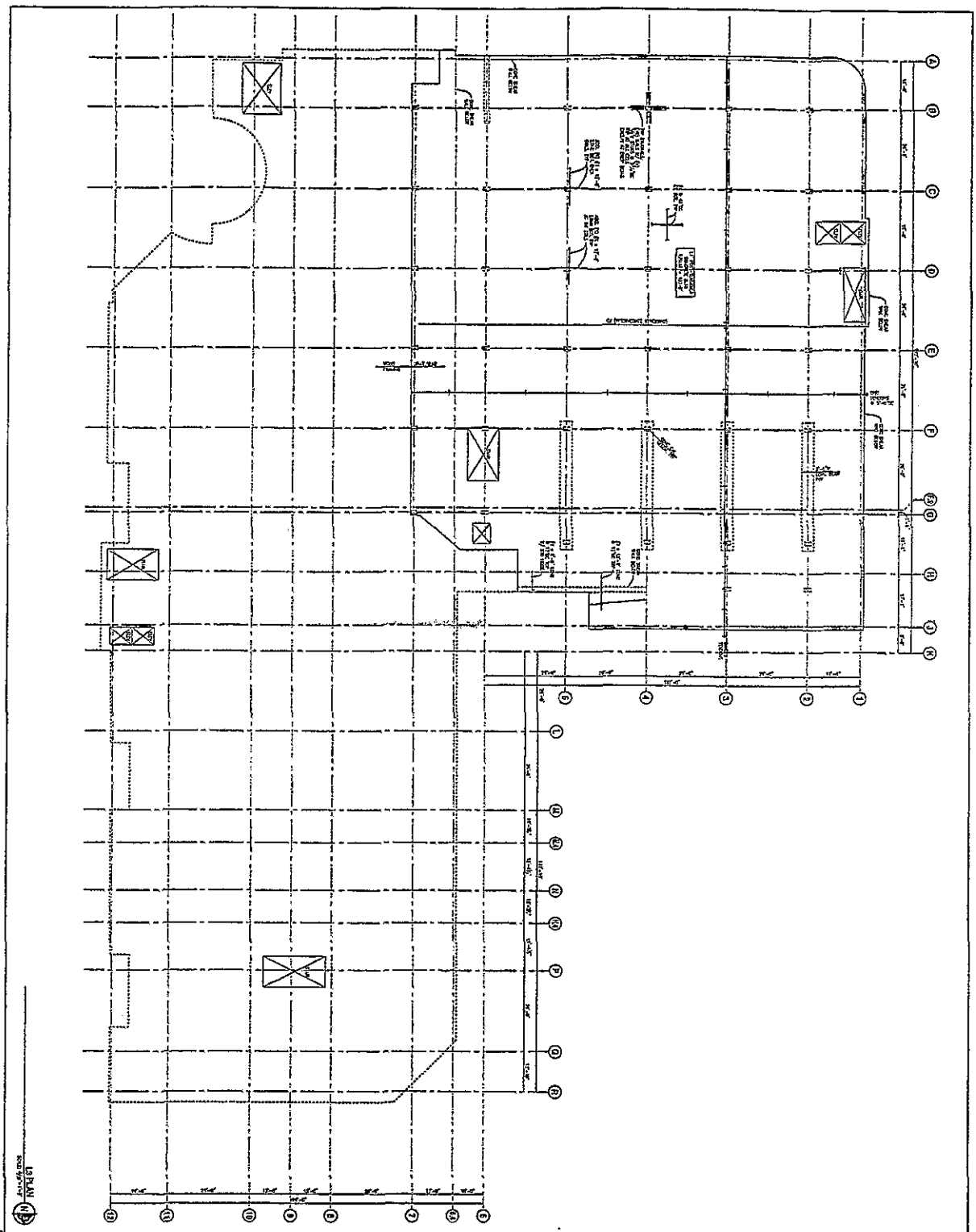

S2.0

FAUNTLEROY PLACE

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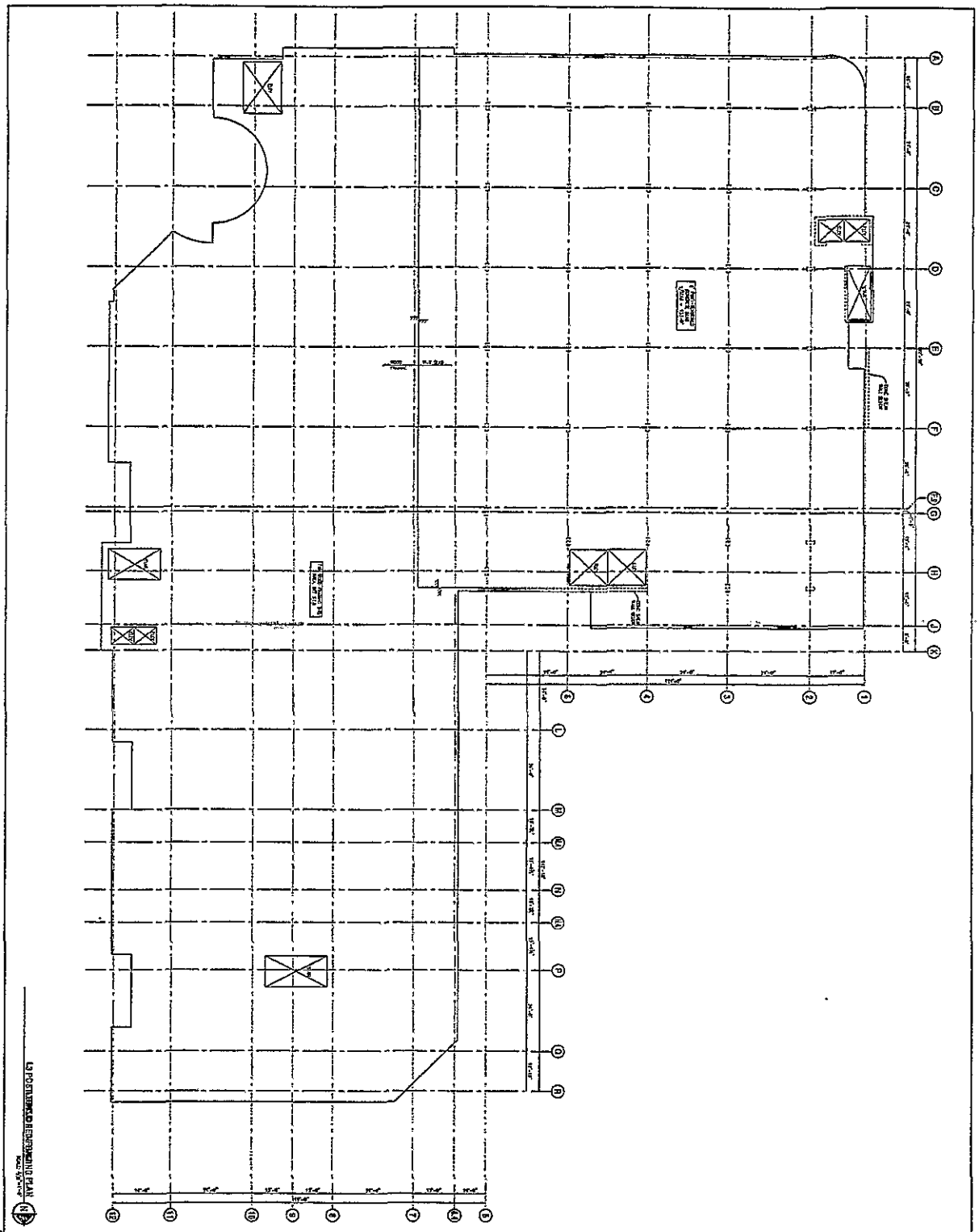

S2.8A

FAUNTLEROY PLACE

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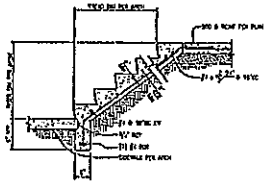
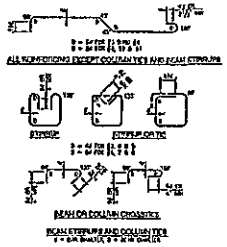
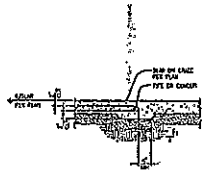


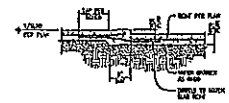
TYPICAL STAIR ON GRADE — 1



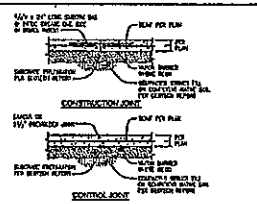
STANDARD HOOKS AND BENDS -
BEAM STIRRUPS AND COLUMN TIES — 2



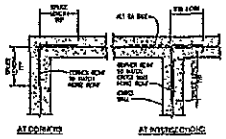
PIPE OR CONDUIT
EMBEDDED IN SLAB ON GRADE — 3



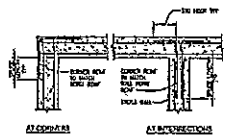
TYPICAL DEPRESSED SLAB DETAIL — 4



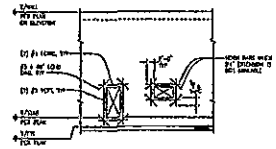
TYPICAL SLAB ON GRADE
JOINT DETAILS WITH REINFORCING — 5



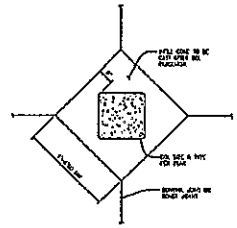
TYPICAL CORNER REINFORCING AT CONCRETE WALLS — 7



TYPICAL CORNER REINFORCING AT CONCRETE WALLS — 8



TYPICAL CONCRETE
WALL OPENING REINFORCING — 9

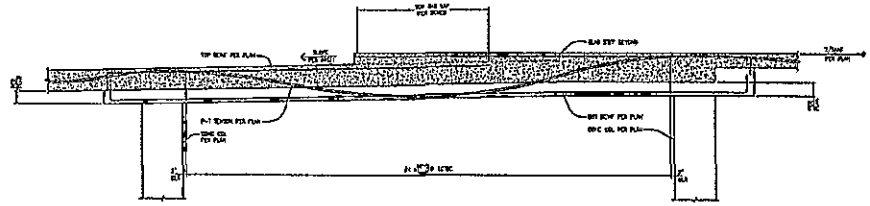


TYPICAL CONTROL JOINT AT CONCRETE COLUMNS — 10

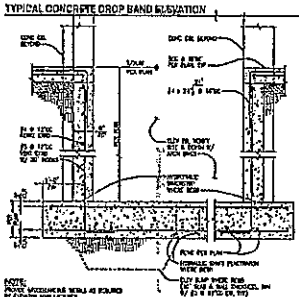
BAR SIZE	SPLICE AND DEVELOPMENT LENGTH IN BAND				TOP BAR (more than 12" of concrete cast below bar)			
	LAP	Bands in Spans	Bands in Supports	Stirrup Ties	LAP	Bands in Spans	Bands in Supports	Stirrup Ties
f'c = 3000psi								
#3	1'-10"	1'-10"	1'-10"	1'-10"	2'-4"	2'-4"	2'-4"	2'-4"
#4	2'-5"	2'-5"	2'-5"	2'-5"	3'-0"	3'-0"	3'-0"	3'-0"
#5	3'-0"	3'-0"	3'-0"	3'-0"	3'-9"	3'-9"	3'-9"	3'-9"
#6	3'-7"	3'-7"	3'-7"	3'-7"	4'-6"	4'-6"	4'-6"	4'-6"
#7	4'-8"	4'-8"	4'-8"	4'-8"	5'-10"	5'-10"	5'-10"	5'-10"
#8	5'-4"	5'-4"	5'-4"	5'-4"	6'-8"	6'-8"	6'-8"	6'-8"
#9	6'-1"	6'-1"	6'-1"	6'-1"	7'-7"	7'-7"	7'-7"	7'-7"
#10	6'-11"	6'-11"	6'-11"	6'-11"	8'-7"	8'-7"	8'-7"	8'-7"
f'c = 4000psi								
#3	1'-7"	1'-7"	1'-7"	1'-7"	2'-0"	2'-0"	2'-0"	2'-0"
#4	2'-1"	2'-1"	2'-1"	2'-1"	2'-7"	2'-7"	2'-7"	2'-7"
#5	2'-7"	2'-7"	2'-7"	2'-7"	3'-3"	3'-3"	3'-3"	3'-3"
#6	3'-1"	3'-1"	3'-1"	3'-1"	3'-11"	3'-11"	3'-11"	3'-11"
#7	4'-0"	4'-0"	4'-0"	4'-0"	5'-0"	5'-0"	5'-0"	5'-0"
#8	4'-7"	4'-7"	4'-7"	4'-7"	5'-9"	5'-9"	5'-9"	5'-9"
#9	5'-3"	5'-3"	5'-3"	5'-3"	6'-7"	6'-7"	6'-7"	6'-7"
#10	6'-0"	6'-0"	6'-0"	6'-0"	7'-5"	7'-5"	7'-5"	7'-5"
f'c = 5000psi								
#3	1'-5"	1'-5"	1'-5"	1'-5"	1'-9"	1'-9"	1'-9"	1'-9"
#4	1'-10"	1'-10"	1'-10"	1'-10"	2'-3"	2'-3"	2'-3"	2'-3"
#5	2'-3"	2'-3"	2'-3"	2'-3"	2'-10"	2'-10"	2'-10"	2'-10"
#6	2'-8"	2'-8"	2'-8"	2'-8"	3'-5"	3'-5"	3'-5"	3'-5"
#7	3'-6"	3'-6"	3'-6"	3'-6"	4'-4"	4'-4"	4'-4"	4'-4"
#8	4'-0"	4'-0"	4'-0"	4'-0"	5'-0"	5'-0"	5'-0"	5'-0"
#9	4'-7"	4'-7"	4'-7"	4'-7"	5'-9"	5'-9"	5'-9"	5'-9"
#10	5'-3"	5'-3"	5'-3"	5'-3"	6'-6"	6'-6"	6'-6"	6'-6"
f'c = 6000psi								
#3	1'-3"	1'-3"	1'-3"	1'-3"	1'-7"	1'-7"	1'-7"	1'-7"
#4	1'-8"	1'-8"	1'-8"	1'-8"	2'-1"	2'-1"	2'-1"	2'-1"
#5	2'-1"	2'-1"	2'-1"	2'-1"	2'-7"	2'-7"	2'-7"	2'-7"
#6	2'-5"	2'-5"	2'-5"	2'-5"	3'-1"	3'-1"	3'-1"	3'-1"
#7	3'-2"	3'-2"	3'-2"	3'-2"	3'-11"	3'-11"	3'-11"	3'-11"
#8	3'-8"	3'-8"	3'-8"	3'-8"	4'-7"	4'-7"	4'-7"	4'-7"
#9	4'-2"	4'-2"	4'-2"	4'-2"	5'-3"	5'-3"	5'-3"	5'-3"
#10	4'-10"	4'-10"	4'-10"	4'-10"	6'-0"	6'-0"	6'-0"	6'-0"

NOTE:
1. SPLICE AND DEVELOPMENT LENGTHS ARE BASED ON NORMAL WEIGHT CONCRETE AND GRADE 60 REINFORCING BARS.
2. FOR ALL REINFORCING IN STRUCTURAL SLABS ON GRADE MINIMUM SIZES SHOWN LENGTH U.
3. TOP BAR = ANY HORIZONTAL BAR WITH MORE THAN 12" OF FRESH CONCRETE POURED BELOW THE BAR AS MEASURED TO THE BOTTOM.
4. UNLESS NOTED OTHERWISE, ALL BARS SHALL BE A MINIMUM CLEAR 2 BAR SIZES OR (1" MIN.).
5. ALL MINIMUM VALUES ARE IN INCHES.

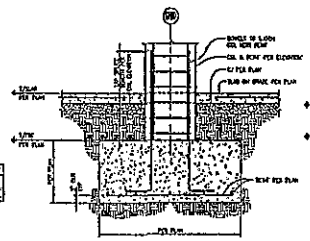
TYPICAL LAP SPLICE AND
DEVELOPMENT LENGTH SCHEDULE — 11



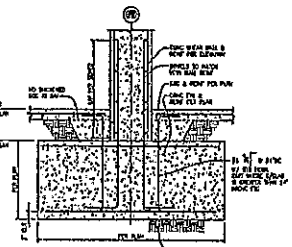
TYPICAL CONCRETE DROP BAND ELEVATION — 15



NOTE:
ELEVATOR PIT SECTION — 18



INTERIOR SPREAD FOOTING AT
CONCRETE COLUMN (BELOW GRADE) — 19



SECTION AT CONCRETE SHEAR WALL — 20

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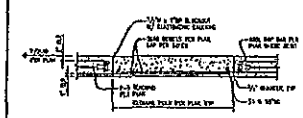
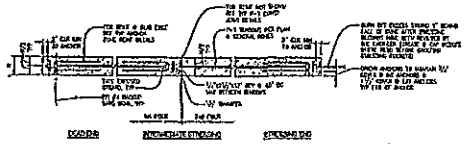
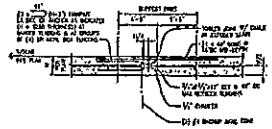


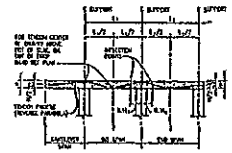
SECTION AT CLOSURE POUR — 1



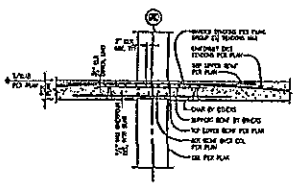
TYPICAL POST-TENSIONED ANCHOR DETAILS — 3



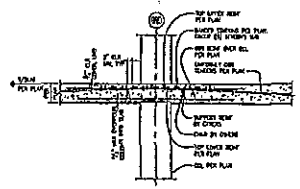
TYPICAL POST-TENSIONED SLAB CONSTRUCTION JOINT — 4



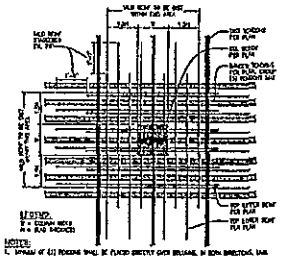
TYPICAL POST-TENSIONED SLAB PROFILE — 5



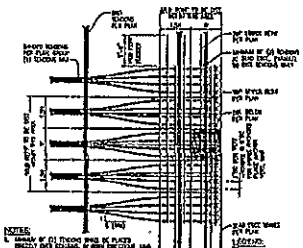
SECTION THRU DISTRIBUTED TENDONS AT SUPPORT — 7



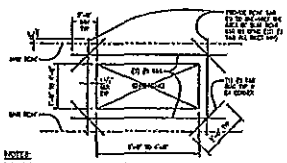
SECTION THRU BANDED TENDONS AT SUPPORT — 8



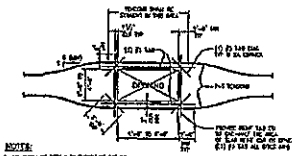
REINFORCING AT INTERIOR COLUMN — 9



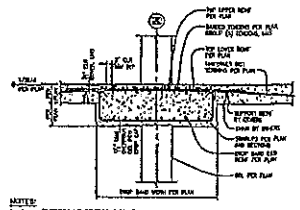
REINFORCING AT EXTERIOR COLUMN — 10



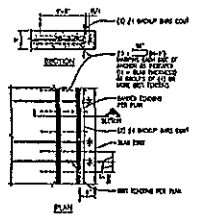
TYPICAL SLAB OPENING REINFORCING AT UNIT REINFORCED SLAB — 11



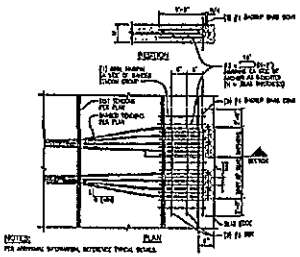
TYPICAL POST-TENSIONED LAYOUT AT SLAB OPENING — 12



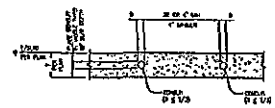
TYPICAL SLAB / DROP BAND SECTION AT COLUMN — 13



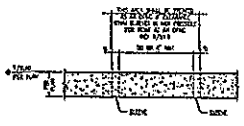
ANCHORAGE AT ENDS OF DISTRIBUTED TENDONS — 14



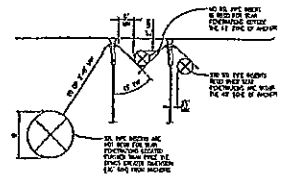
ANCHORAGE AT ENDS OF BANDED TENDONS — 16



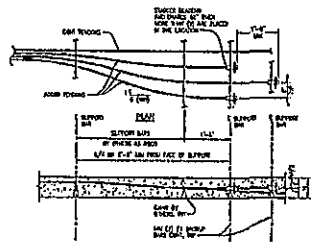
SLEEVES THRU CONCRETE SLAB — 16



SLEEVES THRU CONCRETE SLAB — 17



SLAB PENETRATIONS AT POST-TENSIONED ANCHORS — 18



ANCHORAGE AT ENDS OF ADDED TENDONS — 20

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S3.2

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55.3

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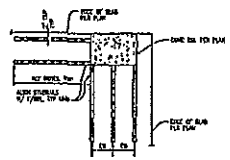
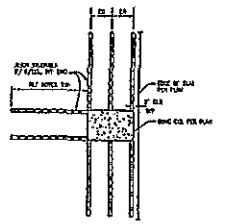
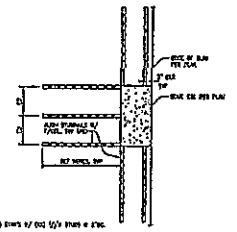


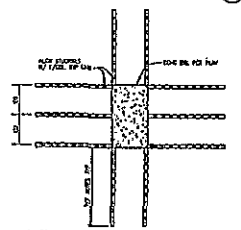
STUDRAIL LAYOUT - TYPE 4



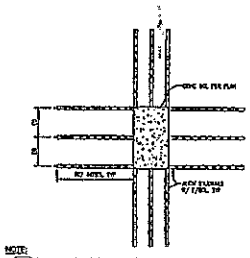
STUDRAIL LAYOUT - TYPE 9



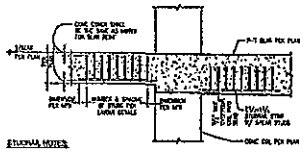
STUDRAIL LAYOUT - TYPE 10



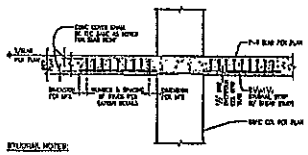
STUDRAIL LAYOUT - TYPE 14



STUDRAIL LAYOUT - TYPE 18



TYPICAL STUDRAIL SECTION AT STEPPED SLABB 19



TYPICAL STUDRAIL SECTION 20

SCM

DCI ENGINEERS

PROJECT: FAUNTLEROY PLACE

STRUCTURAL GENERAL NOTES

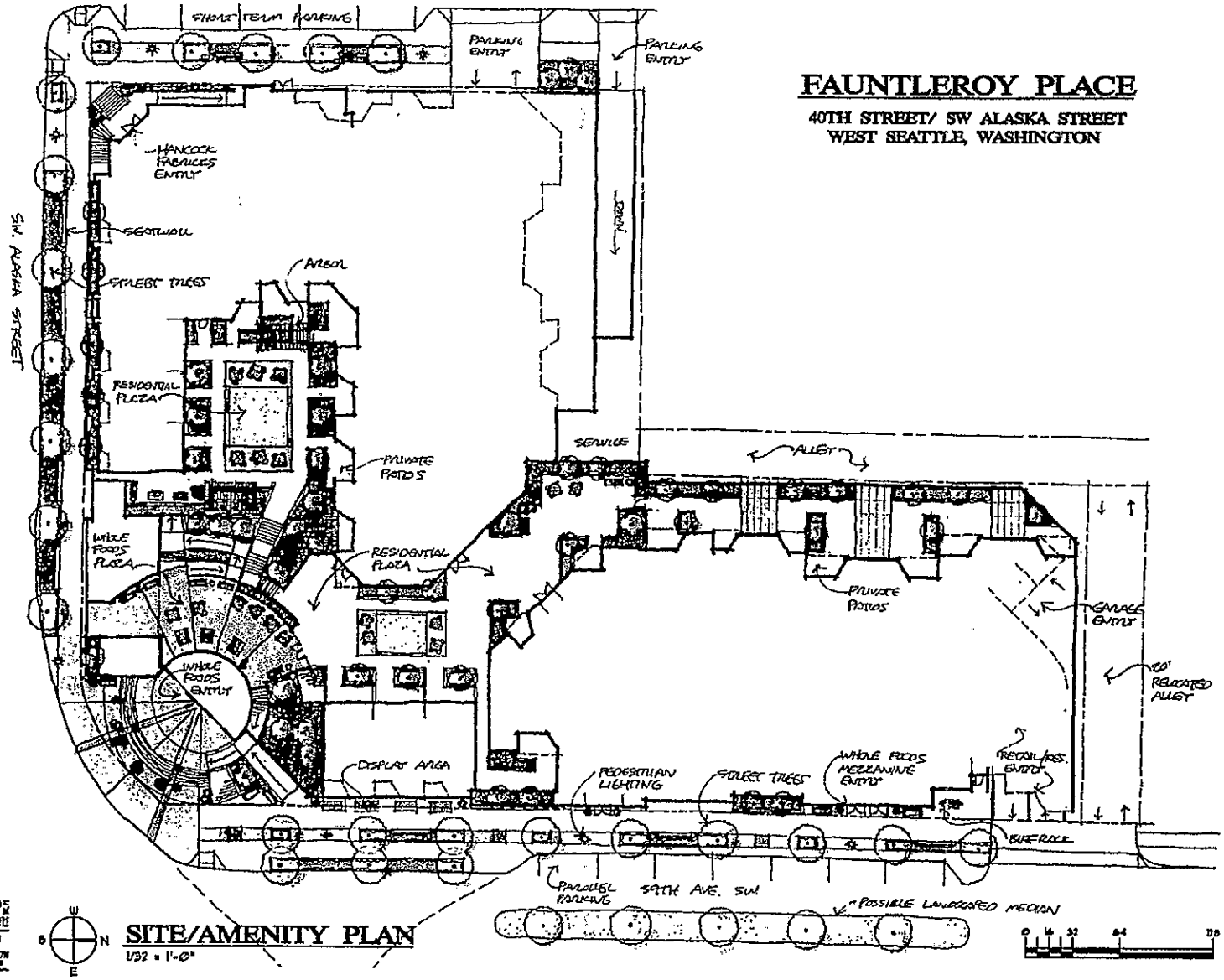
S5.4

OF SHEETS

STRICKER CATO MURPHY ARCHITECTS • 120 LAKESIDE AVE. SUITE 310 • SEATTLE, WA 98122 • TEL (206) 324-4800 FAX (206) 322-2875 • WWW.SCM-ARCH.COM

FAUNTLEROY PLACE

40TH STREET/ SW ALASKA STREET
WEST SEATTLE, WASHINGTON



WEISMAN DESIGN GROUP
LANDSCAPE ARCHITECTURE

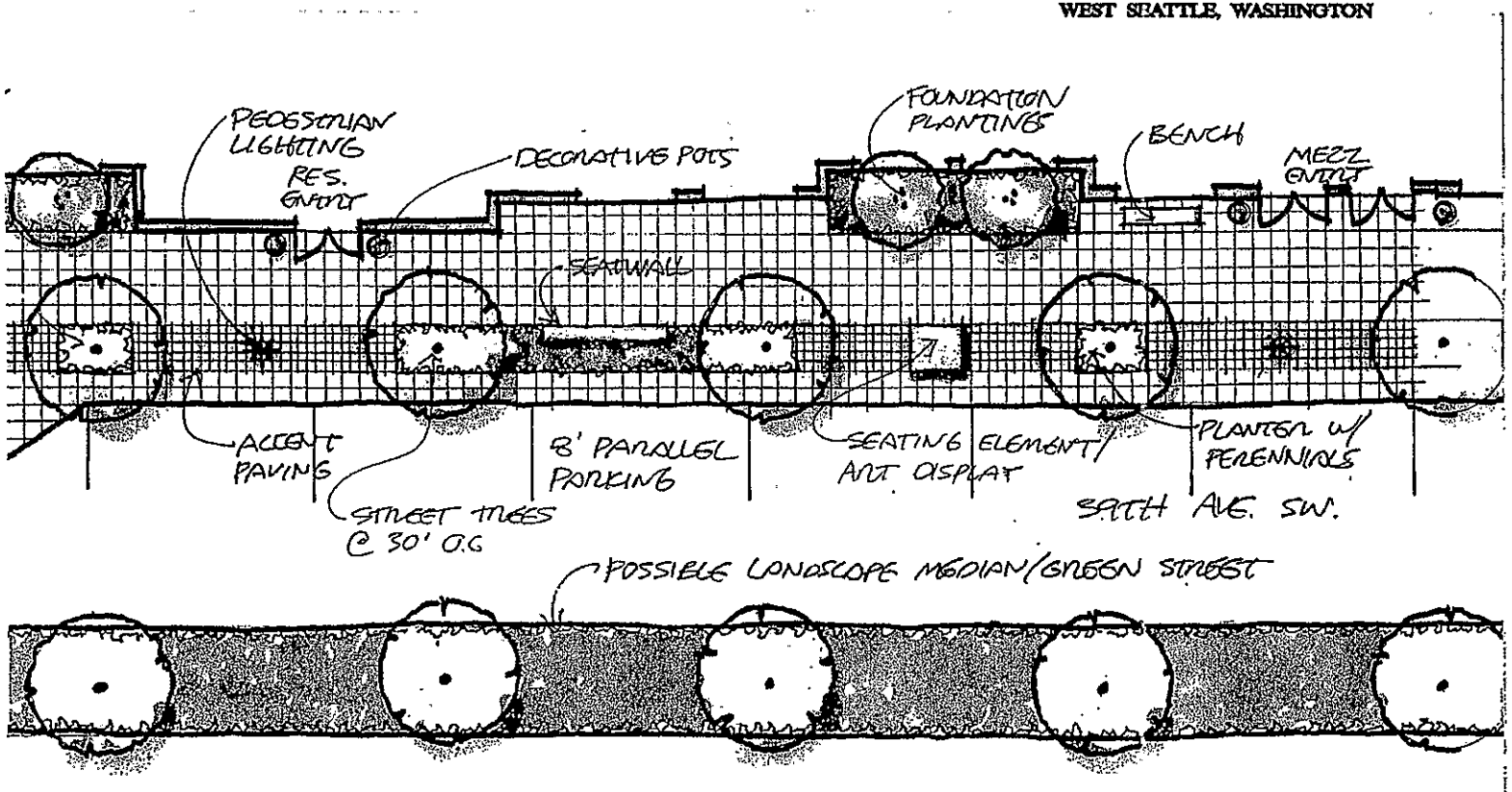
W
S N
E

SITE/AMENITY PLAN

1/32 = 1'-0"

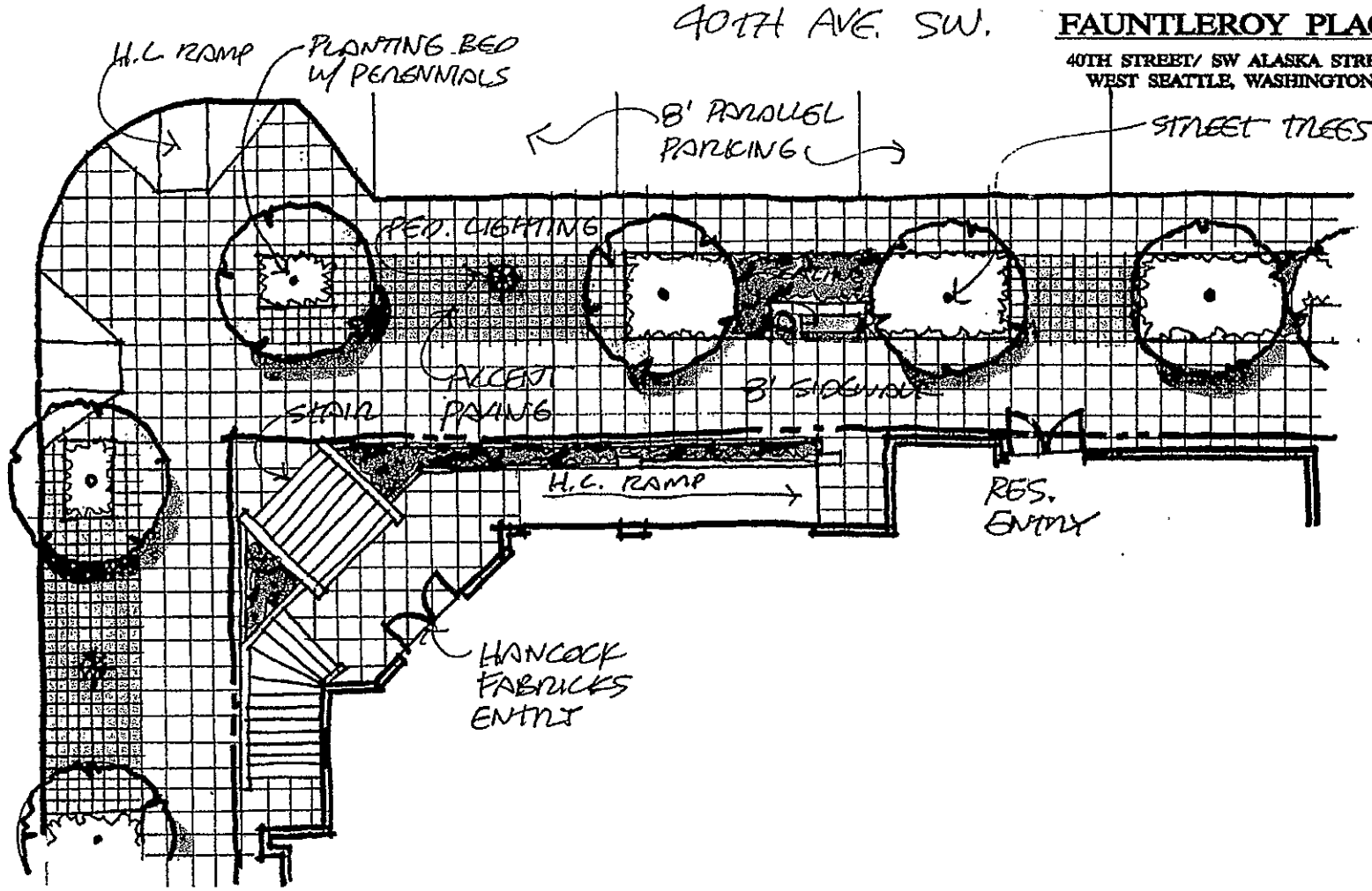
FAUNTLEROY PLACE

40TH STREET/ SW ALASKA STREET
WEST SEATTLE, WASHINGTON



39TH AVE SW ENLARGEMENT

1/8 • 1'-0"



FAUNTLEROY PLACE

40TH STREET/ SW ALASKA STREET
WEST SEATTLE, WASHINGTON

40TH AVE SW ENLARGEMENT

1/8 = 1'-0"

EXHIBIT 2

AMENDMENT 2 TO
LIMITED LIABILITY COMPANY AGREEMENT
OF
FAUNTLEROY PLACE LLC,
a Washington limited liability company

This Amendment 2 (this "Second Amendment") is made and effective as of June 2, 2008.

Undersigned, who are the sole Members and the Manager of Fauntleroy Place LLC, a Washington limited liability company (the "Company") are parties to that certain Limited Liability Company Agreement of the Company dated and effective as of June 30, 2006, and then amended by its Amendment 1 dated effective as of August 16, 2007 (as amended, the "Agreement"). Unless specifically defined in this Second Amendment, capitalized terms have the same meaning as set forth in the Agreement.

The undersigned wish to amend the Agreement in order to change the Manager of the Company.

Now therefore, for and in consideration of the agreements herein contained, receipt and sufficiency of which are fully and unconditionally acknowledged by the parties, the parties hereto do hereby agree as follows:

1. The undersigned Manager, BlueStar Management, Inc., hereby resigns as Manager effective June 2, 2008.

2. The Members hereby appoint Seattle Capital Corporation, a Washington corporation, as Manager of the Company effective June 2, 2008, and Seattle Capital Corporation hereby accepts such appointment. Section 1 of the Agreement is amended in part to revise the definition of Manager to read as follows:

"**Manager**" means Seattle Capital.

3. Except as amended in this Second Amendment, the Agreement is affirmed by the parties and continues in full force and effect in accordance with its terms.

4. This Second Amendment may be executed in counterparts, including by facsimile or email, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

Executed by the undersigned Members, resigning Manager, and incoming Manager effective as of the date first above written.

EXHIBIT 2

MEMBERS:

BLUESTAR REAL ESTATE CAPITAL GROUP, INC.,
a Washington corporation

By:_____
Steven M. Hartley, as its President

BAJ CAPITAL, INC.,
a Washington corporation

By:_____
Christopher F. NeVan, as its President

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Print Name:_____
As its:_____

RESIGNING MANAGER:

BLUESTAR MANAGEMENT, INC.,
a Washington corporation

By:_____
Steven M. Hartley, as its President

INCOMING MANAGER

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Print Name:_____
As its:_____

EXHIBIT 3

AMENDMENT 3 TO
LIMITED LIABILITY COMPANY AGREEMENT
OF
FAUNTLEROY PLACE LLC,
a Washington limited liability company

This Amendment 3 (this "Third Amendment") is made and effective as of June 2, 2008.

Undersigned, who are the sole Members and the Manager of Fauntleroy Place LLC, a Washington limited liability company (the "Company") are parties to that certain Limited Liability Company Agreement of the Company dated and effective as of June 30, 2006, and then amended by its Amendment 1 dated effective as of August 16, 2007, and its Amendment 2 of earlier time but even date herewith (as amended, the "Agreement"). Unless specifically defined in this Third Amendment, capitalized terms have the same meaning as set forth in the Agreement.

The undersigned wish to amend the Agreement in order to allow for: (i) Member Seattle Capital to convert the current balance of its Capital Contributions plus accrued Preferred Return to a construction loan from Seattle Capital to the Company, (ii) the Preferred Return to be increased from 9% to 14%, and (iii) the transfer of Member Bluestar's Interest in the Company to Seattle Capital.

Now therefore, for and in consideration of the agreements herein contained, receipt and sufficiency of which are fully and unconditionally acknowledged by the parties, the parties hereto do hereby agree as follows:

1. As of June 2, 2008 (the "Conversion Date"), Seattle Capital's Capital Contribution balance, plus all accrued Preferred Return through that date, totals $ 10,583,588 (which balance is the "Seattle Capital Balance"). It is agreed that the Seattle Capital Balance shall be converted to a construction loan from Seattle Capital to the Company pursuant to that Construction Loan Agreement by and between the Company and Seattle Capital dated June 2, 2008. The mechanics of said conversion shall be treated as if a draw was made on that loan on the Conversion Date equal to the Seattle Capital Balance, and immediately thereafter, the Seattle Capital Balance was distributed to Seattle Capital. The transactions described in this paragraph shall not alter the relative Percentage Interests of the Members in the Company.

2. It is agreed that all of Seattle Capital's obligations to make Mandatory Contributions to the Company pursuant to Section 6.1.3 of the Agreement have been satisfied.

3. The definition of Preferred Return shall be replaced in its entirety effective as of the original June 30, 2006 effective date of the Agreement with the following:

> **"Preferred Return"** means an amount equal to interest on a Member's unreturned cash Capital Contributions at the rate of 14%, compounded annually from the date of each cash contribution.

4. The Manager hereby consents to, and the Company and BAJ hereby waive any rights of first refusal that they might otherwise have with respect to, the transfer of BlueStar's

EXHIBIT 3

Interest to Seattle Capital. Seattle Capital now owns Blue Star's Interest and the Percentage Interests are now held 75% by Seattle Capital and 25% by BAJ.

5. Except as amended in this Third Amendment, the Agreement is affirmed by the parties and continues in full force and effect in accordance with its terms.

6. This Third Amendment may be executed in counterparts, including by facsimile or email, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

Executed by the undersigned Members and Manager effective as of the date first above written.

MEMBERS:

BLUESTAR REAL ESTATE CAPITAL GROUP, INC.,
a Washington corporation

By:_____
Steven M. Hartley, as its President

BAJ CAPITAL, INC.,
a Washington corporation

By:_____
Christopher F. NeVan, as its President

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Print Name:_____
As its: Pres.

MANAGER:

SEATTLE CAPITAL CORPORATION,
a Washington corporation

By:_____
Print Name: Robert E Story JR
As its: EVP

FORMER MANAGER:

BLUESTAR MANAGEMENT, INC.,
a Washington corporation

By:_____
Steven M. Hartley, as its President