

CHRONIC NUISANCE PROPERTY CORRECTION AGREEMENT
4200 South Othello Street, Seattle WA (the Citadel or the O Event Center)

This Agreement is entered into this 17th day of June, 2011 (the "Effective Date"), between the City of Seattle, acting through the Chief of the Seattle Police Department, ("SPD") and Othello Station North, LLC ("Owner of the Property located at 4200 South Othello Street, Seattle, WA known as "the Citadel or "the O Event Center.") through Steve Rauf, managing member, and The O Event Center Inc. ("Person in Charge" of the Property located at 4200 South Othello Street, Seattle, WA known as "the Citadel" or "the O Event Center.") through Steve Rauf, president.

I. Recitals and Representations

A. The City of Seattle has enacted into law, the provisions of Seattle Municipal Code (SMC) 10.09 et seq., which gives the City the authority to identify as a "Chronic Nuisance Property" those properties which meet the criteria enumerated in SMC 10.09.010(4) and to take action to cause the same to be corrected and the nuisance abated.

B. Pursuant to the authority granted in SMC 10.09.030, the Chief of Police has declared the property located at 4200 South Othello St, Seattle, Washington, The Citadel or the O Event Center (the "Property"), to be a Chronic Nuisance Property upon the specific facts and circumstances and requirements for abatement and correction set forth in the written notice of Declaration of Chronic Nuisance Property ("Notice") dated April 5, 2011, a copy of which is attached hereto and incorporated herein by this reference.

C. On April 6, 2011, the Notice was personally served and a copy was sent by certified mail on April 12, 2011 as provided in SMC 10.09.030.

D. Steve Rauf has confirmed that he is both the Managing Member of Othello Station North, LLC ("Owner"), and the President of The O Event Center, Inc. ("Person in Charge") of the Property as defined in this Agreement and in SMC 10.09.010, and that the Notice attached to this Agreement was received.

E. Steve Rauf will be referred to in this Agreement as "the Principal", and he represents and confirms that there are no persons not identified in this Agreement who are a Person in Charge or Owner of the Property.

F. The Principal is entering this Agreement and taking steps to maintain abatement of the nuisance specified in the Notice as set forth in this Agreement as a free and voluntary act.

Based upon the foregoing affirmative Recitals and Representations by the Principal, which he acknowledges to be the material inducement to the City to forbear taking further action to abate the nuisance through exercise of its police powers as defined in

SMC 10.09, the City and the Principal agree upon the following terms and conditions as authorized in SMC 10.09.040.

2. Definitions

For purposes of this Agreement, the following words or phrases shall have the meaning prescribed below:

1. "Abate" means to repair, replace, remove, destroy, or otherwise remedy a condition which constitutes a violation of this chapter by such means and in such a manner and to such an extent as the Chief of Police determines is necessary in the interest of the general health, safety and welfare of the community.
2. "All-ages dance" means any public dance at (1) which persons under age 18 years are allowed or permitted to attend or (2) at which each patron is not required to show valid picture identification, showing that patron's date of birth, as a condition of entry.
3. "Chief of Police" means the Chief of Police or his or her designees.
4. "Control" means the power or ability to direct or determine conditions, conduct, or events occurring on a property.
5. "Chronic nuisance property" means:
 - a. a property on which three or more nuisance activities as described in subsection 5 of this Section, exist or have occurred during any sixty-day period or seven or more nuisance activities have occurred during any twelve-month period, or
 - b. a property which, upon a request for execution of a search warrant, has been the subject of a determination by a court two or more times within a twelve-month period that probable cause exists that illegal possession, manufacture or delivery of a controlled substance or related offenses as defined in RCW Chapter 69.50 has occurred on the property.
6. "Nuisance activity" includes:
 - a. a "most serious offense" as defined in RCW 9.94A;
 - b. a "drug related activity" as defined in RCW 59.18.130;

- c. any of the following activities, behaviors or criminal conduct:
1. Assault, Fighting, Menacing, Stalking, Harassment or Reckless Endangerment, as defined in SMC Chapter 12A.06;
 2. Promoting, advancing or profiting from prostitution as defined in Chapter 9A.88 RCW;
 3. Prostitution, as defined in SMC 12A.10.020;
 4. Permitting Prostitution, as defined in SMC 12A.10.060;
 5. Obstructing pedestrian or vehicular traffic, as defined in SMC12A.12.015(4);
 6. Failure to Disperse, as defined in SMC 12A.12.020;
 7. Weapons violations, as defined in SMC Chapter 12A.14;
 8. Drug Traffic Loitering, as defined in SMC 12A.20.050(B);
 9. Gang related activity, as defined in RCW 59.18.030(16).
7. "Owner" means any person who, alone or with others, has title or interest in any property.
8. "Person" means an individual, group of individuals, corporation, partnership, association, club, company, business trust, joint venture, organization, or any other legal or commercial entity or the manager, lessee, agent, officer or employee of any of them.
9. "Person in Charge" of a property means the owner and, if different than the owner, any other person in actual or constructive possession of a property, including but not limited to, a lessee, tenant, occupant, agent, or manager of a property under his or her control.
10. "Property" means any land and that which is affixed, incidental or appurtenant to land, including but not limited to any business or residence, parking area, loading area, landscaping, building or structure or any separate part, unit or portion thereof.
11. "RCW" means the Revised Code of Washington.
12. "SMC" means Seattle Municipal Code.

3. Objective of Agreement

The Principal recognizes and agrees that the objective of this Agreement is to abate and correct the nuisance identified in the Notice without causing the City to seek enforcement and abatement as provided in SMC 10.09. The Principal further recognizes that it is solely the obligation of the Principal to abate and correct the nuisance as required under the Seattle Municipal Code, and that the Principal's promises contained in this Agreement are material inducements to the City's forbearance to enforce the City's Nuisance code provisions during the term of this Agreement. The Principal further recognizes that the City's willingness to enter into this Agreement does not in any manner constitute a guarantee that the steps identified will succeed in abatement or correction, nor does the Principal's performance of the terms of this Agreement relieve the Principal of the obligation to initiate additional measures to correct and abate the nuisance should additional measures be required. The Principal further recognizes and agrees that in the event that the nuisance is not abated and corrected despite the reasonable good faith efforts on the part of Principal, the City is not restricted in its ability to take action to abate the nuisance as provided in SMC 10.09, nor excuse the Principal from further action to abate and correct the nuisance; provided however, the City agrees to refrain from taking further action to abate the nuisance through exercise of its police powers as defined in SMC 10.09 while Principal is making good faith efforts to take the actions set forth in Section 4B of this Agreement .

4. Time and Steps to Abate and Correct Nuisance

A. Upon execution of this Agreement, the Principal shall undertake the actions listed in 4B within their corresponding time deadlines in 4B, in order that the nuisance conditions shall continue to be abated not later than 90 days from the effective date of this Agreement. The Parties shall observe the Property for a 30 day period following the initial 90 days of this Agreement to ensure that the nuisance is fully abated. After the initial 90 days and the next 30 days (120 days combined), if the nuisance has been fully abated, then the City shall notify the Principal of this in writing. From the date of that notification, the City shall then monitor the Property for 180 days to ensure that the nuisance does not return. If the City determines the nuisance has not been abated at the end of the initial 90 days from the effective date of this Agreement, or the nuisance has not been fully abated after the next 30 days, or the nuisance returns during the succeeding 180 days, City shall notify the Principal in writing that such nuisance has not been abated.

- B. Specifically, as of the “Effective Date” of this agreement, the Principal shall take the following action:**
- 1. For an all-ages dance event, the Principal either as the Owner of “the Property”, or through his lessee, agent, or employee must have an all-ages dance license pursuant to SMC Chapter 6.295.**
 - 2. If the Principal either as the Owner of “the Property” or through his lessee, agent, or employee is granted an all-ages dance license pursuant to SMC Chapter 6.295, the Principal either as the Owner of “the Property”, or through his lessee, agent, employee or mortgagee shall comply with actions 3 through 12 below.**
 - 3. The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall be prohibited from hosting, promoting, facilitating all-ages dance or all-ages music events between 2400 hours (12 a.m., midnight) and 0900 hours (9 a.m.).**
 - 4. The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall provide security staff for any event open to the public.**
 - 5. The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall implement a best practices for the security staff and execute and maintain in writing a standard of operations guide for the security staff and ensure security has received and maintained proper training according to the standards and best practices that are adopted.**
 - 6. The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall have security personnel search attendees of any event for illegal drugs, weapons and other contraband at the entrance point and search and monitor the attendees during the event on the floor inside “the Property” for any signs of illegal drug sales, possession, consumption/ingestion and other illicit and illegal activities.**
 - 7. If the Principal either as the Owner of “the Property”, or through his lessee, agent, or employee hosts, promotes, or facilitates any event, then the respective person or persons shall comply with SMC 25.08.500 Public Disturbance Noise ordinance.**

8. **The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall be prohibited from hosting, promoting, facilitating any event between 0200 hours (2 a.m.) and 0800 hours (8 a.m.) .**
9. **The Principal either as the Owner of “the Property”, or through his lessee, agent, or employee shall not allow, promote, host, hold or facilitate any event at “the Property” where “the Property” will be made available for the use of or for the purpose of delivering, selling, buying, storing, receiving, possessing, using, ingesting, and/or giving away any controlled substances under RCW Chapter 69.50, legend drug under RCW Chapter 69.41, or imitation controlled substance under RCW Chapter 69.52.**
10. **The Principal either as the Owner of “the Property” or through his lessee, agent, or employee, shall notify the Seattle Police Department 14 days prior to any music, dance or entertainment event that will involve amplified music. The Principal will provide a description of the 1) type of event; 2) estimate of number of patrons or attendees; 3) security provisions; 4) time and length of the event.**
11. **The Principal either as the Owner of “the Property” or through his lessee, agent, or employee shall comply with any and all relevant and applicable City ordinances under the SMC and State codes under the RCW.**
12. **The Principal shall meet with a representative of SPD on a regular basis to review actions, activities, and progress under this Agreement. SPD will monitor actions 1-11 above for the time period identified in section 4A to see if the actions taken by Principal abate the nuisance. If SPD determines that Principal has taken the actions set forth above, and such actions have not adequately abated the nuisance or the nuisance returns during the monitoring period, then the Principal and SPD shall meet and agree on further actions to abate the nuisance.**

C. The Principal agrees that the City may, in its sole discretion, during the term of this Agreement enter onto the Property by appointment or when the premises are otherwise open to the public, to inspect to determine compliance with the terms of this Agreement, and that the Principal will cooperate with the City in said access and inspection.

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5. Failure of Best and Good Faith Efforts to Abate Nuisance

The Parties agree that the commercially practicable and good faith efforts on the part of the Principal may not abate the nuisance in whole or in part within the time allowed due to circumstances beyond the control of Principal of which the City shall be the sole determiner in reasonable good faith. If it is determined by the City that additional time and steps may result in abatement and correction of the nuisance, the parties may amend this Agreement to include additional steps deemed reasonably necessary. If, however, the City shall determine that further steps and/or an extension of time do not hold a reasonable likelihood of abating or correcting the nuisance, it shall not be obligated to further extend this Agreement.

6. Default or Breach of Agreement

The following occurrences shall constitute a default or breach of the terms of this Agreement:

- A. Failure of the Principal to initiate and complete the steps described in Section 4B of this Agreement in a timely manner, which shall mean the time reasonably required to complete the steps identified above within the time allowed, or such additional time granted in writing;
- B. Interference by the Principal with the City's right to enter the Property as provided herein.

7. Remedies for Default/Failure to Abate Nuisance

The Principal agrees that if he fails to timely take the steps identified in this Agreement, as specified in Section 4, the City may declare him to be in default and terminate this Agreement, and may take all steps provided by law to abate the nuisance pursuant to SMC 10.09 et. seq., and to take all such other actions as may be allowed by law, including the denial, revocation, or refusal to renew a business or other license as provided in SMC 5.55.230 and 6.02.270.

8. Term, Survival of Terms of Agreement

- A. The Term of this Agreement shall commence on the Effective Date and shall end on the 301st day following the Effective Date as identified in Section 4 (90 days to abate, then 30 days to observe that the nuisance is fully abated, then 180 days to monitor for any

return of the nuisance) unless further extended by mutual written agreement of the Parties.

B. The Parties agree that upon successful abatement and correction of the nuisance, the Principal shall remain obligated to take all reasonable steps to ensure that a recurrence of the abated nuisance does not take place.

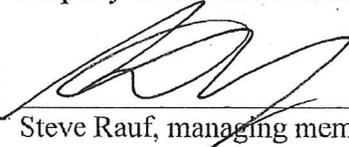
C. This agreement, including representations, admissions, and actions (or inactions) may be considered, used, or referenced in any future nuisance action or correction agreement.

City of Seattle:



John Diaz, Chief
Seattle Police Department

Property Owner and Person in Charge:

 6/17/11

Steve Rauf, managing member, on behalf of
Othello Station North LLC. (Owner)
And
Steve Rauf, president, on behalf of
The O Event Center, Inc. (Person in Charge)
4001 S. Chicago St.
Seattle, WA98118