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CARD TITLE COMPANY OF WASHINGTON

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REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 16th day of June, 1982, between Camp Brotherhood, Inc., a Washington corporation, hereinafter called the "seller," and Rainier Evergreen, Inc., a Washington Corporation, hereinafter called the "purchaser,"

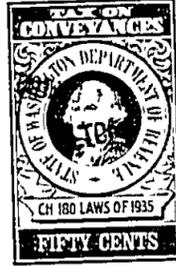
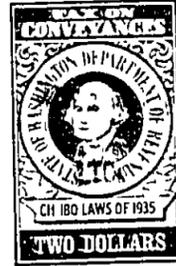
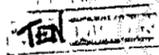
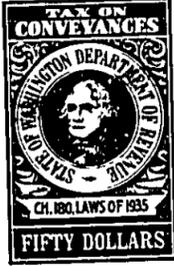
WITNESSETH: That the seller agrees to sell to the purchaser and the purchaser agrees to purchase from the seller the following described real estate, with the appurtenances, in Skagit County, State of Washington:

The East one-half of the Southwest one-quarter; the Southeast one-quarter of the Northwest one-quarter; and also the South one-half of the Southwest one-quarter of the Northwest one-quarter, EXCEPT that portion thereof lying within the 50 foot wide strip of land conveyed to English Lumber Company by Deed recorded under Auditor's File No. 137551, in Volume 115 of Deeds, page 441, records of Skagit County, Washington; all of the above being in Section 32, Township 33 North, Range 5 East W.M.; EXCEPT from all of the above mineral rights as reserved by Union Lumber Company by Deed recorded under Auditor's File No. 29453, in Volume 37 of Deeds, page 1, records of Skagit County, Washington.

TOGETHER WITH a license for ingress and egress over Seller's existing roads, provided, however, that said license will terminate the earlier of two years from the date of closing or whenever the subject license is used by traffic exceeding the equivalent of seven households. Purchaser shall utilize his best efforts to obtain access to the subject property by an alternate route. In the event Purchaser, having utilized his best efforts, is unable to acquire alternate access, then and only then Seller will negotiate in good faith to sell on reasonable terms, conditions and price to Purchaser a permanent easement for construction of an alternate roadway upon which Seller may construct a new access. This roadway shall be for the benefit of any and all parcels purchaser is acquiring hereunder, and shall fully satisfy any obligation of Seller to provide access for ingress, egress and utilities. Purchaser, its successors and assigns will contribute pro rata to the maintenance of the existing utilized roads of Seller so long as Purchaser retains a right to utilize said roads.

SUBJECT TO Deed of Trust between Camp Brotherhood, Inc., Grantor; Pioneer National Title Insurance Company, Trustee; and Seattle First National Bank, Beneficiary recorded July 11, 1978 under Auditor's No. 883172.

SUBJECT TO reservation contained in Deed recorded under Auditor's File No. 29453, Volume 37 of Deeds, page 1, from Union Lumber Company.



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SUBJECT TO easement for electric transmission lines in favor of Puget Sound Power & Light Company affecting a strip of land 100 feet in width and recorded June 19, 1924 under Auditor's No. 175151, Volume 133 of Deeds, page 248.

SUBJECT TO easement for electric transmission lines in favor of Puget Sound Power & Light Company affecting a right of way 10 feet in width having 5 feet of such width on each side of its centerline and recorded December 12, 1978 under Auditor's No. 892933.

SUBJECT TO unrecorded easement in favor of Pacific Northwest Pipeline Corporation as disclosed by the Skagit County Metzger May affecting a portion of the Northeast corner of the Southeast one-quarter of the Northwest one-quarter of Section 32, Township 33 North, Range 5 East, W.M.

The terms and conditions of this contract are as follows: The purchase price is One Hundred Eighty Two Thousand and no/100's (\$182,000.00) Dollars, of which Fifty Thousand and no/100's (\$50,000.00) Dollars have been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows: One Thousand Five Hundred and no/100's (\$1,500.00) Dollars, or more at purchaser's option, on or before the 5th day of July, 1982, and One Thousand Five Hundred and no/100's Dollars (\$1,500.00), or more at purchaser's option, on or before the 5th day of each succeeding calendar month until the balance of said purchase price shall have been fully paid. The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of twelve per cent (12%) per annum from the 16th day of June, 1982, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal. All payments to be made under this contract shall be payable to Camp Brotherhood, Inc., Account No. 001440 1250; and shall be sent to Seattle First National Bank; Head Office Branch; 1001 Fourth Avenue; Post Office Box 3586; Seattle, WA 98124, or at such other place as the seller may direct in writing.

DEED RELEASE

So long as Purchaser is not in default of any of the terms and conditions of the contract, it is further understood and agreed as follows:

Seller agrees to execute and deliver to Purchaser warranty deeds free of encumbrance of the underlying mortgage to Seattle First National Bank of Seller herein for parcels or tracts of land of not less than twenty acres, each parcel representing one-quarter of a quarter section as surveyed upon payment by Purchaser of the lump sum of \$1,000.00 per acre for each of the twenty acre parcels so released. Purchaser shall sell all parcels in a logical pattern, leaving all residual unsold tracts with reasonably regular size and shape. All sums received in consideration for the said parcels shall be paid for

in cash at the time of release and shall be in addition to and excluded from the down payment and monthly payment provided for herein. All sums paid for partial releases shall be applied to reduce the outstanding principal balance then remaining. Provided further, that such parcel so conveyed shall be not so conveyed as to deny or limit access to any other remaining tract. Purchaser shall deliver to Seller the exact legal description of any parcel desired to be conveyed and Purchaser shall pay for all costs of surveying, conveying, platting, filing and approval.

As referred to in this contract, "date of closing" shall be June 16, 1982.

(1) The purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between grantor and grantee become a lien on said real estate; and if by the terms of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance, or has assumed payment of or agreed to purchase subject to, any taxes or assessments now a lien on said real estate, the purchaser agrees to pay the same before delinquency.

(2) The purchaser agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.

(3) The purchaser agrees that full inspection of said real estate has been made and that neither the seller nor his assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the purchaser or seller or the assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.

(4) The purchaser assumes all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use; and agrees that no such damage, destruction or taking shall constitute a failure or consideration. In case any part to said real estate is taken for the public use, the portion of the condemnation award remaining after payment of reasonable expenses of procuring the same shall be paid to the seller and applied as payment on the purchase price herein unless the seller elects to allow the purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.

(5) The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form or a commitment therefor, issued by Land Title Insurance Company of Skagit County insuring the purchaser to the full amount of said purchase price against loss or damage by reason of defect in seller's title to said real estate as of the date of closing and containing no exceptions other than the following:

- a. Printed general exceptions appearing in said policy form;
- b. Liens or encumbrances which by the terms of this contract the purchaser is to assume, or as to which the conveyance hereunder is to be made subject; and
- c. Any existing contract or contracts under which seller is purchasing said real estate, and any mortgage or other obligation, which seller by this contract agrees to pay, none of which for the purpose of this paragraph (5) shall be deemed defects in seller's title.

(6) If seller's title to said real estate is subject to an existing contract or contracts under which seller is purchasing said real estate, or any mortgage or other obligation, which seller is to pay, seller agrees to make such payments in accordance with the terms thereof, and upon default, the purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the seller under this contract.

(7) The seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to purchaser a Statutory Warranty Fulfillment deed to said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing through any person other than the seller, and subject to the following:

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(8) Unless a different date is provided for herein, the purchaser shall be entitled to possession of said real estate on date of closing and to retain possession so long as purchaser is not in default hereunder. The purchaser covenants to keep the buildings and other improvements on said real estate in good repair and not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The purchaser covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date purchaser is entitled to possession.

(9) In case the purchaser fails to make any payment herein provided or to maintain insurance, as herein required, the seller may make such payment or effect such insurance, and any amounts so paid by the seller, together with interest at the rate of 12% per annum thereon from date of payment until repaid, shall be repayable by purchaser on seller's demand, all without prejudice to any other right the seller might have by reason of such default.

(10) Time is of the essence of this contract, and it is agreed that in case the purchaser shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the seller may elect to: a) call the whole sum of principal and interest due and payable at his option; or b) declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have right to re-enter and take possession of the real estate; and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default.

Service upon purchaser of all demands, notices or other papers with respect to forfeiture and termination of purchaser's rights may be made by United States Mail, postage pre-paid, return receipt requested, directed to the purchaser at his address last known to the seller.

(11) Upon seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

If the seller shall bring suit to procure an adjudication of the termination of the purchaser's rights hereunder, and judgment is so entered, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

