

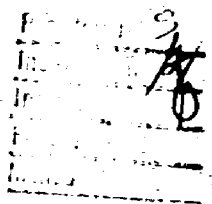
SALE AND BULK TRANSFER AGREEMENT

This Agreement, made this 10th day of December, 1986, between GARY R. WILBORN, owner, and JAMES W. DENNY, purchaser. The subject of this agreement is that certain restaurant and tavern known as BUNGALOW TAVERN located on Wind River Highway in the community of Carson, Washington.

The Purchaser agrees to purchase and the Seller agrees to sell all assets of the BUNGALOW TAVERN and its equipment for the sum of THIRTY THOUSAND and NO/100 DOLLARS (\$30,000.00). A receipt of FIFTEEN THOUSAND and NO/100 DOLLARS (\$15,000.00) is hereby acknowledged by the seller. The purchaser will furnish further consideration, and be credited therefore, by the assumption and payment of all sums due and owing under that certain sale and bulk transfer agreement entered into by the seller and the former owner John Carroll on the 15th day of August, 1986. Payments and obligations due under the Carroll sale agreement shall be satisfied in the same manner set forth in that agreement and that agreement is hereby made a reference part of this agreement. In the event that sums due and owing on the principal amount under the Carroll agreement not, upon payment thereof, amount to the total sum of \$15,000.00, then, and in that event, the balance of the \$15,000.00 due to the seller, Gary R. Wilborn, shall be paid to him in a lump sum within one month following payment of the Carroll contract.

The Purchaser has inspected the premises; understands that the premises are subject to lease from Tom Pellett, and that it will be his responsibility to renew and carry that lease throughout the course of this contract; that he has inspected the inventory and accepts the business and its contents in its present condition.

In addition to the sale price set forth above, the Purchaser will pay to the Owner a further sum equal to the acquisition value of the inventory at the time of transfer



of the business to the Purchaser.

Owner is indebted only to the creditors named on a separate exhibit given to the Purchaser. Owner has made arrangements for the payment of the Creditors and both parties are advised of their rights and liabilities under the Bulk Transfer provisions of Chapter 62A Revised Code of Washington. They are agreed that they do not wish to have the list of Creditors filed for public knowledge and do, therefore, rely upon the Owner's representation of payment plans for creditors and on the right of the Purchaser to pay unpaid creditors from future sums due on the contract. Owner authorizes any such payment and agrees to hold Purchaser wholly harmless from any claims or expenses relating to unpaid creditors.


In the event that Purchaser is in default with regard to any obligations under this contract, Owner may, after giving ten days notice to Purchaser of his intent to do so, enter into possession of the business and its equipment and declare all of Purchaser's interests herein to be forfeited.

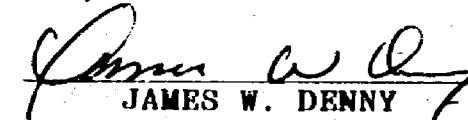
In the event that either party shall incur legal or collection expenses in connection with enforcement of this contract, the prevailing party shall receive reasonable costs and fees from the other party.

Purchaser shall operate the Tavern in a businesslike manner and shall obey all laws and regulations pertaining thereto. Closure or insolvency of the business shall be a default of this contract entitling Owner to immediately recover the business and its equipment.

This agreement is secured by a Security Filing of this same date.

FILED FOR RECORD
SEARCHED & INDEXED
BY CLERK JUDITH DOW
DEC 15 4 22 PM '86
& Notary
AUDITOR
GARY H. OLSON


GARY R. WILBORN - Owner


JAMES W. DENNY Purchaser

STATE OF WASHINGTON)
County of Skamania) ss.

On this day personally appeared before me GARY R. WILBORN and JAMES W. DENNY, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10th day of December, 1986.

REAL ESTATE EXCISE TAX
DEC 16 1986

PAID N/A
Wilma J. Cornwall
 KAWAHA COUNTY TREASURER

Shirley M Day
NOTARY PUBLIC in and for
the State of Washington, residing
at Stevenson

