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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re
GLACIERVIEW HAVEN, LLC,¹
Debtor.

No. 15-17327-TWD
MOTION FOR (1) APPROVAL OF POST-
PETITION SECURED FINANCING
AND (2) SALE OF SUBSTANTIALLY
ALL OF THE CONSOLIDATED RESORT
DEBTORS' ASSETS FREE AND CLEAR
OF LIENS, CLAIMS AND
ENCUMBRANCES PURSUANT TO
BANKRUPTCY CODE § 363

Andrew Wilson (the "Trustee"), Chapter 11 trustee herein, moves the Court for an order authorizing him to borrow \$100,000 from the Gary Outzen Trust (the "Purchaser") and for authority to sell substantially all of the Consolidated Estate Debtors' assets to Purchaser free and clear of liens, claims and encumbrances pursuant to the terms of the Purchase and Sale Agreement (the "PSA")

¹ The following Debtors are substantively consolidated with Glacierview Haven, LLC: Forest Court, LLC (USBC Case No. 15-17329); Skagit River Resort, LLC (USBC Case No. 16-11632); Buller Brothers, LLC; Clark Homestead, LLC; Cow Heaven, LLC; Mountain Court, LLC; Skagit River Properties, LLC and New Bullerville, LLC.

1 attached hereto as Ex. A. This Motion is based upon the files and records herein and the
2 accompanying Declarations of Andrew Wilson and David Rinning.

3 I. FACTUAL BACKGROUND

4 A. Procedural Background

5 The substantively consolidated debtors (together, the “Consolidated Resort Debtors”) own
6 and/or have an interest in² fifteen parcels of real property on Highway 20 along the Skagit River near
7 Rockport, Washington that have historically been operated together as Skagit River Resort (the
8 “Resort”). Wilson Decl., Ex. A. Three of the now-substantively consolidated debtors initially filed
9 individual Chapter 11 bankruptcies in December 2015 and March 2016 to stay a receivership motion
10 and certain foreclosures initiated by secured creditor Columbia Bank. The cases were
11 administratively consolidated on June 13, 2016 and the Trustee was appointed on June 20, 2016.
12 Docket Nos. 56 and 61. All of the debtors, with the exception of New Bullerville, LLC, were
13 substantively consolidated on August 5, 2016. Docket No. 102. New Bullerville was substantively
14 consolidated with the remaining debtors on October 12, 2016. Docket No. 145. The bankruptcy
15 estate of the Consolidated Resort Debtors is referred to herein as the “Consolidated Estate.”

16 B. The Resort Operations Did Not Generate Sufficient Revenue to Fund A Plan.

17 After his appointment, the Trustee oversaw management of the Resort operations throughout
18 June, July, August and September. Wilson Decl. at ¶ 3. These are the months in which the Resort
19 generates the vast majority of its business. Aside from undertaking the necessary expenditures to
20 ensure that there were no imminent safety hazards at the Resort, the Trustee attempted to operate the
21 Resort as efficiently as possible. *Id.* Nonetheless, the Resort only generated \$271,250.73 in revenue,
22

23 _____
² Madrene Clark, Donald Clark and Judith Brooks hold a life estate in the three parcels in which
Glacierview Haven, LLC owns a life estate interest. These are

1 as compared to \$253,123.31 in expenses. Id. This does not take into account the debt service that
2 would have been required to be paid outside of bankruptcy. Id.

3 Based upon the Resort's performance, the Trustee concluded that the Consolidated Resort
4 Debtors would be unable to confirm a plan of reorganization through which creditors could be repaid
5 through Resort revenues. Wilson Decl. at ¶ 4. The Trustee determined that he would need to
6 liquidate the Consolidated Estate assets in order to maximize repayment to creditors. Wilson Decl. at
7 ¶ 5.

8 **C. Selling the Resort as a Whole is the Only Scenario Likely to Repay Creditors.**

9 In determining how best to market the assets, the Trustee analyzed a number of possible
10 scenarios and, as described below, concluded that selling the Resort as a whole would be the only
11 scenario with any realistic potential for repaying creditors in full. Wilson Decl. at ¶ 6.

12 **1. Claims Against the Consolidated Resort Debtors.** Proofs of Claim filed in the
13 Consolidated Resort Debtors' bankruptcy, total \$964,739.20. See Wilson Decl., Ex. B. The Trustee
14 and his professionals have significant accrued and unpaid fees. Wilson Decl. at ¶ 9. The Trustee
15 estimates that at least \$1,300,000 will be ultimately required to pay creditors, including administrative
16 expense claimants, in full. Id.

17 **2. Uncertain Property Values.** The approach commonly used to value an income
18 producing property is the income capitalization approach in which the net operating income of a
19 property is divided by an appropriate capitalization rate to yield the likely value of the property.
20 Rinning Decl. at ¶ 3. Because the Resort does not generate net income, this methodology could not be
21 used. Id.

22 The comparable sale approach is another methodology commonly used to establish value in
23 which the subject property is compared to properties of a similar size and use that have recently sold.

1 Rinning Decl. at ¶ 4. Because there is such a very small pool of resorts that have sold, some on leased
2 land, and in very dissimilar locations, this methodology is not appropriate. Id.

3 The third approach to value is the replacement value approach in which the value of the land is
4 added to the depreciated value of the improvements. Rinning Decl. at ¶ 5. This methodology is the
5 most relevant as the other approaches to value are not appropriate. Id. The Skagit County Assessor's
6 value of land and improvements were used as the best guide to land value and depreciated
7 improvement value, under this replacement value approach, because of the very limited number of
8 sales in the upper Skagit area. Id. The tax assessed values of the parcels total \$1,534,500. See
9 Wilson Decl., Ex. A.

10 From an active real estate broker in the area, the Trustee has learned that recent property sales
11 have generally been in the range of 17% to 20% greater than the tax assessed value of the property.
12 Rinning Decl. at ¶ 6.

13 **D. Financial Status of the Consolidated Estate, Marketing Efforts and Proposed Sale**

14 The estate currently has less than \$1,000 in cash on hand. Moreover, in addition to unpaid
15 professional fees, the estate currently owes \$32,674.16 to the State of Washington for post-petition
16 Department of Revenue, Department of Labor and Industries and Employment Security Taxes.
17 Wilson Decl. at ¶ 10. The Trustee requires funds to maintain the Consolidated Estate assets and
18 administer the Consolidated Estate pending a sale. Wilson Decl. at ¶ 11. While the Trustee filed a
19 motion seeking authority to log and sell certain timber on the Resort, that course of action is
20 disfavored as it will likely reduce the value of the Resort to potential purchasers. Wilson Decl. at
21 ¶ 12.

22 Recognizing both that time and resources are of the essence and that the most likely and most
23 expedient buyer for the Resort would be a strategic purchaser, the Trustee's Real Estate Consultant,

1 David Rinning, contacted likely potential purchasers including Upper Skagit Tribe (potential resort),
2 the State of Washington (potential state park) and several brokers representing church groups
3 (potential retreat). Rinning Decl. At ¶ 7. The Purchaser had previously expressed interest in
4 Purchasing the Resort and thus, Mr. Rinning initiated contact with the Purchaser. Wilson Decl. at
5 ¶ 13. Finally, a fourth party expressed interest and the Trustee invited him to provide a term sheet.
6 Id. To date, only the Purchaser has provided a term sheet and/or executed a PSA. Id.

7 Pursuant to the PSA, the Purchaser would pay a total of \$1,800,000 (the “Purchase Price”) for
8 the real and personal property of the Consolidated Estate (the “Consolidated Estate Property”). Ex. A.
9 at ¶ 1. In addition to a 45-day due diligence period, the proposed sale (the “Sale”), is subject to (a)
10 Donald Clark, Madrene Clark and Judith Brooks contributing their life estates to the Consolidated
11 Estate such that they can be transferred to the Purchaser free and clear of liens, claims and
12 encumbrances; (b) to the extent the Bullerville Utility District (“BUD”) owns or controls the water-
13 infrastructure on the Resort, appointment at Closing of Purchaser and/or individuals or entities
14 designated by Purchaser as the only commissioners of BUD; and (c) the State’s release of its existing
15 judgment against the BUD. Ex. A.

16 **E. Post-Petition Secured Financing**

17 In order to allow the timber to remain in place pending the closing of the Sale, the Purchaser
18 has agreed, as part of the PSA, to loan the Consolidated Estate \$100,000 (the “Secured Post-Petition
19 Loan”), to be secured by two parcels of land owned by Cow Heaven, LLC, Tax Parcel Numbers
20 45478 and 45522 (the “Post-Petition Loan Collateral”). Ex. A, Addendum A at ¶ 6; Wilson Decl. at
21 ¶ 14. The tax assessed values of the parcels are set forth on Exhibit A to the Wilson Declaration and
22 the two parcels comprising the Post-Petition Loan Collateral are unencumbered with the exception of
23 real property tax liens in favor of Skagit County in the cumulative amount of \$6,837.05. Wilson Decl.

1 at ¶ 15 and Ex. C. The Secured Post-Petition Loan would be applied as a credit against the Purchase
2 Price. In the event the Sale fails to close, the Purchaser would retain a secured claim against the
3 Consolidated Estate unless the Purchaser failed to close without legal excuse. Ex. A, Addendum A at
4 ¶ 6.

5 **F. The Trustee Intends to Propose a Liquidating Plan.**

6 The Trustee intends to propose a liquidating plan pursuant to which the Sale will close and, if
7 necessary, the conditions relating to will be addressed such that the Consolidated Estate may avoid
8 paying excise tax pursuant to Washington Administrative Code 458-61A-207. Wilson Decl. at ¶ 16.

9 **II. LEGAL ANALYSIS**

10 **A. The Proposed Sale Satisfies Bankruptcy Code §§ 363(b) and (f).**

11 **1. Bankruptcy Code § 363(b)**

12 Section 363(b) of the Bankruptcy Code authorizes a debtor to sell its assets outside of the
13 ordinary course of business. Each of the following elements must be met: (i) a sound business reason
14 exists for the proposed transaction; (ii) the proposed Sale has been proposed in good faith; (iii) the
15 proposed Sale price is fair and reasonable; and (iv) accurate and reasonable notice has been provided
16 of the transaction.³ Here, the proposed Sale meets each of these four factors.

17 As described in Section I supra, the Sale provides the best way to maximize the value of the
18 assets for the benefit of creditors. The Trustee and the Purchaser have no relationship to one another
19 and negotiated the proposed transaction through arms' length negotiations. Wilson Decl. at ¶ 17. The

20
21 ³ In Stephens Industries, Inc. v. McClung, 789 F.2d 386 (6th Cir. 1986); In re Lionel Corp., 722 F.2d 1063 (2nd
22 Cir. 1983); Bartel v. Bar Harbor Airways, Inc., 196 B.R. 268 (S.D.N.Y. 1996); In re Equity Management
23 Systems, 149 B.R. 120 (Bankr.S.D.Iowa 1993); In re Channel One Communications, Inc., 117 B.R. 493
(Bankr.E.D.Mo. 1990).

1 Purchase Price is consistent with property values in the area. The Trustee has provided full notice of
2 the transaction to all known creditors of the Consolidated Resort Debtors.

3 **2. Bankruptcy Code Section § 363(f)**

4 Section 363(f) of the Bankruptcy Code provides:

5 (f) The Trustee may sell property under subsection (b) or (c) of this
6 section free and clear of any interest in such property of an entity other
than the estate, only if –

7 (1) applicable non-bankruptcy law permits sale of such
8 property free and clear of such interest;

9 (2) such entity consents;

10 (3) such interest is a lien and the price at which such
11 property is to be sold is greater than the aggregate value of all
12 liens on such property;

13 (4) such interest is in bona fide dispute; or

14 (5) such entity could be compelled, in a legal or equitable
15 proceeding, to accept a money satisfaction of such interest.

16 11 U.S.C. § 363(f).

17 Thus, a sale may be approved, even over the objection of a secured creditor, based on the
18 provisions of § 363(f). In re Jolan, 403 B.R. 866 (Bankr. W.D. Wash. 2009). In addition, Washington
19 receivership statutes provide for the sale of assets free and clear of interests, as contemplated by
20 § 363(f)(1). *See* RCW 7.60.260.

21 The Trustee is unaware of any liens, claims, interests or encumbrances on the assets to be sold
22 except as set forth on Exhibit C to the Wilson Declaration. Wilson Decl. at ¶ 18. Accordingly, the
23 Trustee seeks the entry of an order authorizing the proposed Sale pursuant to §363.

B. Secured Post-Petition Financing

Section 364(c) of the Bankruptcy Code provides that:

1 (c) If the trustee is unable to obtain unsecured credit allowable under
2 section 503(b)(1) of this title as an administrative expense, the court, after
notice and a hearing, may authorize the obtaining of credit or the incurring of
debt –

- 3 (1) with priority over any or all administrative expenses of the kind
4 specified in section 503(b) or, 507(b) of this title;
- 5 (2) secured by a lien on property of the estate that is not otherwise
6 subject to a lien; or
- 7 (3) secured by a junior lien on property of the estate that is subject
to a lien.

8 The Debtor has been unable to procure the required funds in the form of unsecured credit or
9 unsecured debt with an administrative priority. The circumstances of this case thus require the Debtor
10 to obtain financing under § 364(c). The Secured Post-Petition Loan is in the best interest of the
11 Consolidated Estate and its creditors because it is the only means for the Trustee to continue to fund
12 the continued administration of the Consolidated Estate pending the Sale. Moreover, the Trustee and
13 the Purchaser negotiated the terms of the Secured Post-Petition Loan in good faith, at arm's length.
14 Accordingly, the Trustee respectfully requests that the Court authorize the Trustee to obtain the
15 proposed post-petition financing pursuant to § 364(c) of the Bankruptcy Code.

16 III. CONCLUSION

17 Based upon the foregoing, the Trustee respectfully requests that the Court enter an order (1)
18 approving the Sale, pursuant to the terms of the PSA, free and clear of liens, claims and encumbrances

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1 pursuant to Bankruptcy Code §§ 363(b) and (f) and (2) authorizing the Post-Petition Financing
2 pursuant to the terms of the PSA and Addenda A and B thereto pursuant to Bankruptcy Code § 364(c).

3 DATED this 7th day of December, 2016.

4 BUSH STROUT & KORNFELD LLP

5 By /s/ Christine M. Tobin-Presser
6 Christine M. Tobin-Presser, WSBA #27628
7 Attorneys for Andrew Wilson, Chapter 11
8 Trustee
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**COMMERCIAL & INVESTMENT REAL ESTATE
 PURCHASE & SALE AGREEMENT**

This has been prepared for submission to your attorney for review and approval prior to signing. No representation is made by licensee as to its sufficiency or tax consequences

AW
S
JAW

Reference Date: December 2, 2016

Gary B. Outzen Trust on behalf of an entity to be formed ("Buyer") agrees to buy and Andrew Wilson ("Seller"), CHAPTER 11 TRUSTEE OF THE GLACIERVIEW HAVEN, LLC SUBSTANTIVELY CONSOLIDATED BANKRUPTCY CASE No. 15-17327, COMPRISED OF THE SUBSTANTIVELY CONSOLIDATED BANKRUPTCY ESTATE (THE "CONSOLIDATED ESTATE") OF THE FOLLOWING SUBSTANTIVELY CONSOLIDATED ENTITIES (TOGETHER, THE "CONSOLIDATED RESORT DEBTORS") GLACIERVIEW HAVEN, LLC ("GLACIERVIEW"), BULLER BROTHERS, LLC ("BULLER BROTHERS"); CLARK HOMESTEAD, LLC ("CLARK HOMESTEAD"); COW HEAVEN, LLC ("COW HEAVEN"); FOREST COURT, LLC ("FOREST COURT"); MOUNTAIN COURT, LLC ("MOUNTAIN COURT"); NEW BULLERVILLE, LLC ("NEW BULLERVILLE"); SKAGIT RIVER PROPERTIES, LLC ("SRP"); AND SKAGIT RIVER RESORT, LLC ("SRR"), agrees to sell, on the following terms:-

a) the commercial real estate and all improvements thereon (collectively, the "Property") commonly known as Skagit River Resort, 58468 Clark Cabin Road, consisting of approximately 98 acres in the City of Rockport, Skagit County, Washington, legally described on attached Exhibit A SUBJECT TO AND CONDITIONED UPON THE FOLLOWING:

- (i) ACQUISITION BY SELLER OF THE LIFE ESTATE INTERESTS OF DONALD CLARK, MADRENE CLARK AND JUDITH BROOKS WITH RESPECT TO CERTAIN PORTIONS OF THE REAL ESTATE SUCH THAT THEY MAY BE TRANSFERRED TO BUYER AS PART OF THE REAL PROPERTY;
- (ii) IF BULLERVILLE UTILITY DISTRICT ("BUD"), AS OPPOSED TO ONE OR MORE OF THE CONSOLIDATED RESORT DEBTORS, IS THE OWNER OF THE WATER-RELATED INFRASTRUCTURE ON THE PROPERTY, BUYER AND/OR BUYER'S DESIGNEES BEING NAMED THE SOLE COMMISSIONERS AS OF BUD SUCH THAT BUYER SHALL HAVE CONTROL OF THE WATER-RELATED INFRASTRUCTURE ON THE REAL PROPERTY, AND
- (iii) THE RELEASE BY THE STATE OF WASHINGTON DEPARTMENT OF COMMERCE, ON OR BEFORE CLOSING, OF THE BUD FROM THE EXISTING JUDGMENT IN FAVOR OF THE STATE OF WASHINGTON AGAINST BUD DATED FEBRUARY 14, 2014, IN THE PRINCIPAL AMOUNT OF \$344,875.

b) THE PERSONAL PROPERTY (THE "PERSONAL PROPERTY") ASSOCIATED WITH THE PROPERTY DESCRIBED ON ATTACHED EXHIBIT B. THE REAL PROPERTY AND PERSONAL PROPERTY SHALL BE REFERRED TO HEREIN AS THE "CONSOLIDATED ESTATE PROPERTY."

The Reference Date above is intended to be used to reference this Agreement and is not the date of "Mutual Acceptance," which is defined in Section 23.

1. **PURCHASE PRICE.** The purchase price is One Million Eight Hundred Thousand and no/100 Dollars (\$1,800,000.00), ALLOCATED ONE MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,400,000) TO THE REAL PROPERTY AND FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000) TO THE PERSONAL PROPERTY, AND payable as follows (check only one):

- All cash at closing with no financing contingency.
- All cash at closing contingent on new financing in accordance with the Financing Addendum (attach CBA Form PS_FIN).

INITIALS: Buyer AW Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____

EXHIBIT A



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 PURCHASE & SALE AGREEMENT
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\$ _____ OR _____% of the purchase price in cash at closing with the balance of the purchase price paid as follows (check one or both, as applicable): Buyer's assumption of the outstanding principal balance as of the Closing Date of a first lien note and deed of trust (or mortgage), or real estate contract, in accordance with the Financing Addendum (attach CBA Form PS_FIN); Buyer's delivery at closing of a promissory note for the balance of the purchase price, secured by a deed of trust encumbering the Property, in accordance with the Financing Addendum (attach CBA Form PS_FIN).
 Other: _____.

2. **EARNEST MONEY.** The earnest money in the amount of \$100,000 shall be in the form of Cash Personal check Promissory note (attached CBA Form EMN) Other: Cash, cashier's check or other immediately available funds.

The earnest money shall be held by Selling Firm Closing Agent. Selling Broker may, however, transfer the earnest money to Closing Agent.

BUYER UNDERSTANDS THAT THE EARNEST MONEY SHALL BE A LOAN TO SELLER PURSUANT TO THE TERMS OF ADDENDUM A..

Buyer shall deliver the earnest money no later than:

- 1 days after Mutual Acceptance.
- On the last day of the Feasibility Period defined in Section 5 below.
- Other: _____.

~~If the earnest money is to be held by Selling Firm and is over \$10,000, it shall be deposited to: Selling Firm's pooled trust account (with interest paid to the State Treasurer) A separate interest-bearing trust account in Selling Firm's name. The interest, if any, shall be credited at closing to Buyer. If this sale fails to close, whoever is entitled to the earnest money is entitled to interest.~~

Selling Firm shall deposit any check to be held by Selling Firm within 3 days after receipt or Mutual Acceptance, whichever occurs later. Buyer agrees to pay financing and purchase costs incurred by Buyer. Unless otherwise provided in this Agreement, the earnest money shall be applicable to the purchase price.

3. **EXHIBITS AND ADDENDA.** The following Exhibits and Addenda are made a part of this Agreement:

- Exhibit A - Legal Description
- Earnest Money Promissory Note, CBA Form EMN
- Promissory Note, LPB Form No. 28A/
- Short Form Deed of Trust, LPB Form No. 20
- Deed of Trust Rider, CBA Form DTR
- Utility Charges Addendum, CBA Form UA
- FIRPTA Certification, CBA Form 22E
- Assignment and Assumption, CBA Form PS-AS
- Addendum/Amendment, CBA Form PSA
- Back-Up Addendum, CBA Form BU-A
- Vacant Land Addendum, CBA Form VLA
- Financing Addendum, CBA Form PS_FIN
- Tenant Estoppel Certificate, CBA Form PS_TEC
- Defeasance Addendum, CBA Form PS_D
- Other Addendum A, Exhibit B

INITIALS: Buyer AE Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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 (CONTINUED)**

~~4. SELLER'S UNDERLYING FINANCING. Unless Buyer is assuming Seller's underlying financing, Seller shall be responsible for confirming the existing underlying financing is not subject to any "lock out" or similar covenant which would prevent the lender's lien from being released at closing. In addition, Seller shall provide Buyer notice prior to the end of the Feasibility Period if Seller is required to substitute securities for the Property as collateral for the underlying financing (known as "defeasance"). If Seller provides this notice of defeasance to Buyer, then the parties shall close the transaction in accordance with the process described in CBA Form PS_D or any different process identified in Seller's defeasance notice to Buyer.~~

4. **FEASIBILITY CONTINGENCY.** Buyer's obligations under this Agreement are conditioned upon Buyer's satisfaction in Buyer's sole discretion, concerning all aspects of the Property, including its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives written notice to Seller within 45 days (30 days if not filled in) (the "Feasibility Period") of Mutual Acceptance stating that this condition is satisfied. If such notice is timely given, the feasibility contingency stated in this Section 5 shall be deemed to be satisfied.

a. Books, Records, Leases, Agreements. Seller shall make available for inspection by Buyer and its agents within 5 days (2 days if not filled in) after Mutual Acceptance all documents in Seller's possession or control relating to the ownership, operation, renovation or development of the Property, excluding appraisals or other statements of value, and including: statements for real estate taxes, assessments, and utilities for the last three years and year to date; property management agreements and any other agreements with professionals or consultants; leases or other agreements relating to occupancy of all or a portion of the Property and a suite-by-suite schedule of tenants, rents, prepaid rents, deposits and fees; plans, specifications, permits, applications, drawings, surveys, and studies; maintenance records, accounting records and audit reports for the last three years and year to date; and "Vendor Contracts" which shall include maintenance or service contracts, and installments purchase contracts or leases of personal property or fixtures used in connection with the Property. Buyer shall determine within the Feasibility Period: (i) whether Seller will agree to terminate any objectionable Vendor Contracts; and (ii) whether Seller will agree to pay any damages or penalties resulting from the termination of objectionable Vendor Contracts. Buyer's waiver of the Feasibility Contingency shall be deemed Buyer's acceptance of all Vendor Contracts which Seller has not agreed in writing to terminate. Buyer shall be solely responsible for obtaining any required consents to such assumption and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur any out-of-pocket expenses or liability in doing so. Seller shall transfer the Vendor Contracts as provided in Section 17.

b. Access. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory

INITIALS: Buyer [Signature] Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

c. Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.06. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.

6. TITLE INSURANCE.

a. **Title Report.** Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a standard extended (standard, if not completed) coverage owner's policy of title insurance. If an extended coverage owner's policy is specified, Buyer shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by Land Title Company of Skagit County (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. **Permitted Exceptions.** Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) ~~TEN~~ twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of real property taxes, and Seller shall provide an owner's affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

7. **CLOSING OF SALE.** The sale shall be closed on See Addendum A, 20 ("Closing") by Wanda J.R. Nuxoll, Law Office of Wanda Reif Nuxoll, P.S., PO Box 2406, Issaquah, WA 98027, Tel: 206-749-2850, Fax: 206-749-2851, wnuxoll@wrnlaw.com ("Closing Agent") (Seller shall select the Closing Agent, if not completed). Buyer and Seller shall deposit with Closing Agent by 12:00 p.m. on the scheduled Closing date all instruments and monies required to complete the purchase in accordance with this Agreement. "Closing" shall be deemed to have

INITIALS: Buyer [Signature] Date 12/5/16 Seller JAW Date 12/5-2015
 Buyer _____ Date _____ Seller _____ Date _____



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occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. Sale proceeds shall be considered available to Seller, even though they cannot be disbursed to Seller until the next business day after Closing. Notwithstanding the foregoing, if Seller informed Buyer during the Feasibility Period that Seller's underlying financing requires that it be defeased and may not be paid off, then Closing shall be conducted in accordance with the three-day closing process described in CBA Form PS_D. This Agreement is intended to constitute escrow instructions to Closing Agent. Buyer and Seller will provide any supplemental instructions requested by Closing Agent provided the same are consistent with this Agreement.

8. CLOSING COSTS AND PRORATIONS. Seller shall deliver an updated rent roll to Closing Agent not later than two (2) days before the scheduled Closing date in the form required by Section 5(a) and any other information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. Seller certifies that the information contained in the rent roll is correct as of the date submitted. Seller shall pay the premium for the owner's standard coverage title policy. Buyer shall pay the excess premium attributable to any extended coverage or endorsements requested by Buyer, and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Any real estate excise taxes AND/OR PERSONAL PROPERTY USE TAXES shall be paid by the party who bears primary responsibility for payment under the applicable statute or code. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; interest; utilities; and other operating expenses shall be pro-rated as of Closing. If tenants pay any of the foregoing expenses directly, then Closing Agent shall only pro rate those expenses paid by Seller. Buyer shall pay to Seller at Closing an additional sum equal to any utility deposits or mortgage reserves for assumed financing for which Buyer receives the benefit after Closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. If the Property was taxed under a deferred classification prior to Closing, then Seller shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the Property from the deferred classification. At Closing, all refundable deposits on tenancies shall be credited to Buyer or delivered to Buyer for deposit in a trust account if required by state or local law. Buyer shall pay any sales or use tax applicable to the transfer of personal property included in the sale.

a. Unpaid Utility Charges. Buyer and Seller WAIVE DO NOT WAIVE (do not waive if neither box checked) the right to have the Closing Agent disburse closing funds necessary to satisfy unpaid utility charges affecting the Property pursuant to RCW 60.80. If "do not waive" is checked, then attach CBA Form UA ("Utility Charges" Addendum) to this Agreement.

9. POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS. After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.

10. OPERATIONS PRIOR TO CLOSING. Prior to Closing, Seller shall ~~continue to operate the Property in the ordinary course of its business and~~ maintain the Property in the same or better condition than as existing on the

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 Buyer _____ Date _____ Seller _____ Date _____



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date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Period, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.

11. **POSSESSION.** Buyer shall be entitled to possession on closing _____ (on closing, if not completed). Buyer shall accept possession subject to all tenancies disclosed to Buyer during the Feasibility Period.

12. ~~**SELLER'S REPRESENTATIONS.** Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the feasibility contingency stated in Section 5 above, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property; (c) Seller has not received any written notices that the Property or the business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 8 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer in writing during the Feasibility Period; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the Property. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("Environmental Law"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by products, and asbestos.~~

12. If prior to Closing Seller or Buyer discovers any information which would cause any of the representations above to be false if the same were deemed made as of the date of such discovery, then the party discovering the same shall promptly notify the other party in writing. If the newly discovered information will result in costs or liability to Buyer in excess of the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement, or will materially adversely affect Buyer's intended use of the Property, then Buyer shall have the right to terminate the Agreement and receive a refund of its earnest money. Buyer shall give notice of termination within five (5) days of discovering or receiving written notice of the new information. Nothing in this paragraph shall prevent Buyer from pursuing its remedies against Seller if Seller had actual knowledge of the newly discovered information such that a representation provided for above was false.

13. **AS-IS.** Except for those representations and warranties specifically included in this Agreement: (i) Seller makes no representations or warranties regarding the Property; (ii) Seller hereby disclaims, and Buyer hereby waives,

INITIALS: Buyer *RP* Date 12/5/16 Seller *JAD* Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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any and all representations or warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (iii) Buyer otherwise takes the Property "AS IS;" and (iv) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.

14. PERSONAL PROPERTY.

a. This sale includes all right, title and interest of Seller to the following tangible personal property: None That portion of the personal property located on and used in connection with the Property, which Seller will itemize in an Exhibit B to be attached to this Agreement within ten (10) days of Mutual Acceptance (None, if not completed). AS SET FORTH IN PARAGRAPH 1, The value assigned to the personal property shall be \$ 400,000 (if not completed, the County-assessed value if available, and if not available, the fair market value determined by an appraiser selected by the Listing Broker and Selling Broker). Seller warrants title to, but not the condition of, the personal property and shall convey it by bill of sale.

b. In addition to the leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) above, this sale includes all right, title and interest of Seller to the following intangible property now or hereafter existing with respect to the Property including without limitation: all rights-of-way, rights of ingress or egress or other interests in, on, or to, any land, highway, street, road, or avenue, open or proposed, in, on, or across, in front of, abutting or adjoining the Property; all rights to utilities serving the Property; all drawings, plans, specifications and other architectural or engineering work product; all governmental permits, certificates, licenses, authorizations and approvals; all rights, claims, causes of action, and warranties under contracts with contractors, engineers, architects, consultants or other parties associated with the Property; ~~all utility, security and other deposits and reserve accounts made as security for the fulfillment of any of Seller's obligations;~~ any name of or telephone numbers for the Property and related trademarks, service marks or trade dress; and guaranties, warranties or other assurances of performance received.

15. CONDEMNATION AND CASUALTY. Seller bears all risk of loss until Closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.

16. FIRPTA - TAX WITHHOLDING AT CLOSING. Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

17. CONVEYANCE. Title shall be conveyed by a ~~Statutory Warranty~~ TRUSTEE'S Deed subject only to the Permitted Exceptions. ~~If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) and all intangible property transferred pursuant to Section 14(b).~~

INITIALS: Buyer *[Signature]* Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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18. NOTICES AND COMPUTATION OF TIME. Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Seller shall be deemed delivered only when received by Seller, Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Selling Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Broker, or the licensed office of Selling Broker. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 28.

Unless otherwise specified in this Agreement, any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day.

19. AGENCY DISCLOSURE. At the signing of this Agreement,

Selling Broker None
 represented Buyer
 and the Listing Broker None
 represented Seller.

Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to the Brokers' Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as a dual agent. If Selling Broker and Listing Broker are the same person representing both parties, then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

20. ASSIGNMENT. Buyer may may not (may not, if not completed) assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless provided otherwise herein. If the "may not" option is selected and the words "and/or assigns" or similar words are used to identify the Buyer, then this Agreement may be assigned with notice to Seller but without Seller's consent only to an entity which is controlled by or under common control with the Buyer identified in this Agreement. Any other assignment requires Seller's consent. The party identified as the initial Buyer shall remain responsible for those obligations of Buyer stated in this Agreement

INITIALS: Buyer [Signature] Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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notwithstanding any assignment and, if this Agreement provides for Seller to finance a portion of the purchase price, then the party identified as the initial Buyer shall guarantee payment of the Seller financing.

21. DEFAULT AND ATTORNEY'S FEE.

a. Buyer's default. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then (*check one*):

Seller may terminate this Agreement and keep the earnest money as liquidated damages as the sole and exclusive remedy available to Seller for such failure *AS FURTHER PROVIDED IN PARAGRAPH 6 OF ADDENDUM A*; or

Seller may, at its option, (a) terminate this Agreement and keep as liquidated damages the earnest money as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

b. Seller's default. In the event Seller fails, without legal excuse, *PROVIDED, HOWEVER, THAT SELLER'S FAILURE TO OBTAIN BANKRUPTCY COURT APPROVAL OF THIS AGREEMENT SHALL CONSTITUTE LEGAL EXCUSE*, to complete the sale of the Property, then (*check one*):

As Buyer's sole remedy, Buyer may either (a) terminate this Agreement *AND HOLD AN ALLOWED CLAIM AGAINST THE CONSOLIDATED ESTATE SECURED BY THE POST-PETITION COLLATERAL AS PROVIDED IN PARAGRAPH 6 OF ADDENDUM A* and recover all earnest money, or fees paid by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages, provided, however, Buyer must file suit within sixty (60) days from the scheduled date of closing or from the date Seller has informed Buyer in writing that Seller will not proceed with closing, whichever is earlier; or

Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (c) pursue any other rights or remedies available at law or equity.

Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the *SUBSTANTIALLY* prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

22. MISCELLANEOUS PROVISIONS.

a. Complete Agreement. This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement.

b. Counterpart Signatures. This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.

c. Electronic Delivery. Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents.

d. Section 1031 Like-Kind Exchange. If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are

INITIALS: Buyer [Signature] Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding Section 20 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

- 23. ACCEPTANCE; COUNTEROFFERS.** Seller has until midnight of See Addendum A, 20 (if not filled in, the third business day) following the day Buyer delivers the offer to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse ~~and the earnest money shall be refunded to Buyer.~~ If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the _____ business day (if not filled in, the second business day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse ~~and the earnest money shall be refunded to the Buyer.~~ No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Broker or the licensed office of the Selling Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to and shall be effective when received by that party.
- 24. INFORMATION TRANSFER.** In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.
- 25. CONFIDENTIALITY.** Until and unless closing has been consummated, Buyer and Seller shall follow reasonable measures to prevent unnecessary disclosure of information obtained in connection with the negotiation and performance of this Agreement. Neither party shall use or knowingly permit the use of any such information in any manner detrimental to the other party.
- 26. SELLER'S ACCEPTANCE AND BROKERAGE AGREEMENT.** Seller agrees to sell the Property on the terms and conditions herein, and further agrees to pay a commission in a total amount computed in accordance with the listing or commission agreement. If there is no written listing or commission agreement, Seller agrees to pay a commission of None% of the sales price or \$None. The commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing or any co-brokerage agreement. If there is no listing or written co-brokerage agreement, then Listing Firm shall pay to Selling Firm a commission of _____% of the sales price or \$_____. Seller assigns to Listing Firm and Selling Firm a portion of the sales proceeds equal to the commission. If the earnest money is retained as liquidated damages, any costs advanced or committed by Listing Firm or Selling Firm for Buyer or Seller shall be reimbursed or paid therefrom, and the balance shall be paid one-half to Seller and one-half to Listing Firm and Selling Firm according to the listing agreement and any co-brokerage agreement. In any action by Listing Firm or Selling Firm to enforce this Section, the *SUBSTANTIALLY* prevailing party is entitled to reasonable attorneys' fees and expenses. Neither Listing Firm nor Selling Firm are receiving compensation from more than one party to this transaction unless disclosed on an attached addendum, in which case Buyer and Seller consent to such compensation. The Property described in attached Exhibit A is commercial real estate. Notwithstanding Section 25 above, the pages containing this Section, the parties' signatures and an attachment describing the Property may be recorded.
- 27. LISTING BROKER AND SELLING BROKER DISCLOSURE.** EXCEPT AS OTHERWISE DISCLOSED IN WRITING TO BUYER OR SELLER, THE SELLING BROKER, LISTING BROKER, AND FIRMS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OR CONDUCTED ANY INDEPENDENT INVESTIGATION CONCERNING THE LEGAL EFFECT OF THIS AGREEMENT, BUYER'S OR SELLER'S FINANCIAL STRENGTH, BOOKS, RECORDS, REPORTS, STUDIES, OR OPERATING STATEMENTS; THE CONDITION OF THE PROPERTY OR ITS IMPROVEMENTS; THE FITNESS OF THE PROPERTY FOR BUYER'S

INITIALS: Buyer 12/5/16 Date 1 Seller JAW Date 12/5-2016
 Buyer [Signature] Date _____ Seller _____ Date _____



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INTENDED USE; OR OTHER MATTERS RELATING TO THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE PROPERTY'S ZONING, BOUNDARIES, AREA, COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LAWS REGARDING ACCESSIBILITY FOR DISABLED PERSONS), OR HAZARDOUS OR TOXIC MATERIALS INCLUDING MOLD OR OTHER ALLERGENS. SELLER AND BUYER ARE EACH ADVISED TO ENGAGE QUALIFIED EXPERTS TO ASSIST WITH THESE DUE DILIGENCE AND FEASIBILITY MATTERS, AND ARE FURTHER ADVISED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE RELATED TO THIS AGREEMENT.

INITIALS: Buyer *SR* Date 12/5/16 Seller *JAW* Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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**COMMERCIAL & INVESTMENT REAL ESTATE
 PURCHASE & SALE AGREEMENT
 (CONTINUED)**

28. IDENTIFICATION OF THE PARTIES. The following is the contact information for the parties involved in this Agreement:

Buyer

Contact: Gary B. Outzen
 Address: _____
 Business Phone: _____
 Mobile Phone: _____
 Fax: _____
 Email: _____

Seller

Contact: Andrew Wilson
 Address: _____
 Business Phone: _____
 Mobile Phone: _____
 Fax: _____
 Email: _____

Selling Firm

Name: None
 Assumed Name (if applicable) : _____
 Selling Broker: _____
 Address: _____
 Business Phone: _____
 Mobile Phone: _____
 Email: _____
 Fax: _____
 MLS Office No.: _____

Listing Firm

Name: None
 Assumed Name (if applicable) : _____
 Listing Broker: _____
 Address: _____
 Business Phone: _____
 Mobile Phone: _____
 Email: _____
 Fax: _____
 MLS Office No.: _____

Licensed Office of the Selling Broker

Address: _____
 Business Phone: _____
 Email: _____
 Fax: _____
 CBA Office No.: _____

Licensed Office of the Listing Broker

Address: _____
 Business Phone: _____
 Email: _____
 Fax: _____
 CBA Office No.: _____

INITIALS: Buyer GO Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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 800 Bellevue Way, Suite 400
 Bellevue, WA 98004
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**COMMERCIAL & INVESTMENT REAL ESTATE
 PURCHASE & SALE AGREEMENT
 (CONTINUED)**

Courtesy Copy of Notices to Buyer to:

Name: _____
 Address: _____
 Business Phone: _____
 Fax: _____
 Mobile Phone: _____
 Email: _____

Courtesy Copy of Notices to Seller to:

Name: _____
 Address: _____
 Business Phone: _____
 Fax: _____
 Mobile Phone: _____
 Email: _____

IN WITNESS WHEREOF, the parties have signed this Agreement intending to be bound.

Buyer Gary B. Outzen Trust
 Printed name and type of entity

Buyer _____
 Printed name and type of entity

Buyer *Gary B. Outzen*
 BY: GARY B. OUTZEN, TRUSTEE
 Signature and title

Buyer _____
 Signature and title

Date signed 12/5/16

Date signed _____

Seller The Bankruptcy Estate of Glacierview Haven LLC
 Printed name and type of entity

Seller _____
 Printed name and type of entity

Seller *Andrew Wilson*
 BY: ANDREW WILSON, TRUSTEE
 Signature and title

Seller _____
 Signature and title

Date signed 12/5-2016

Date signed _____

INITIALS: Buyer *GO* Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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**COMMERCIAL & INVESTMENT REAL ESTATE
 PURCHASE & SALE AGREEMENT
 (CONTINUED)**

EXHIBIT A *

[Legal Description]

* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer *BP* Date *12/5/16* Seller *JAW* Date *12/5-2016*
 Buyer _____ Date _____ Seller _____ Date *12/5-2016*

Glacierview Haven

Schedule "A-1"

156202-S

DESCRIPTION:

PARCEL "A":

That portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 23, Township 35 North, Range 10 East, W.M, described as follows:

Beginning at the Northeast corner of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence South along the East line thereof a distance of 330 feet;
thence West a distance of 300 feet;
thence North a distance of 330 feet to the North line thereof;
thence East along said North line to the point of beginning.

EXCEPT the right-of-way for the County road known as Clark Cabin Road #9769 as established by Order of Establishment recorded May 7, 1984, under Auditor's File No. 8405070009.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 23, Township 35 North, Range 10 East, W.M, described as follows:

Beginning at a point on the North line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ 300 feet West of the Northeast corner thereof;
thence South a distance of 330 feet;
thence West a distance of 160 feet;
thence North a distance of 330 feet to the said North line;
thence East along said North line a distance of 160 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

AKO 12/5/16

JAW 12/5.2016

Clark Homestead

Schedule "A-1"

156207-S

DESCRIPTION:

That portion of Government Lot 2 of Section 23, Township 35 North, Range 10 East, W.M. lying Westerly of the West line of the as-built and established right-of-way for State Highway 17A.

EXCEPT the right-of-way for the County road known as Clark Cabin Road #9769 as established by Order of Establishment recorded May 7, 1984, under Auditor's File No. 8405070009, and

EXCEPT that portion described as follows:

Beginning at the Northwest corner of said Government Lot 2, said point also being the North $\frac{1}{4}$ corner of said Section 23;

thence South $1^{\circ}14'12''$ West, along the West line of said Government Lot 2, 207.00 feet;

thence North $89^{\circ}46'56''$ East, parallel with the North line of said Government Lot 2, 270.00 feet to the true point of beginning;

thence South $15^{\circ}11'01''$ West 178.35 feet;

thence South $64^{\circ}26'05''$ East 195 feet, more or less, to the Westerly margin of the Highway 17-A or Highway 20;

thence Northerly, along said Westerly margin 247 feet, more or less, to a point that is South $81^{\circ}08'37''$ East from the true point of beginning;

thence North $81^{\circ}08'37''$ West, 248 feet, more or less, to the true point of beginning,

Situate in the County of Skagit, State of Washington.

see 12/5/16

JAW 12/5-2016

Cow Heaven

Schedule "A-1"

156206-S

DESCRIPTION:

PARCEL "A":

The Southeast ¼ of the Northeast ¼ of the Northwest ¼ of Section 23, Township 35 North, Range 10 East, W.M.

EXCEPT the as built and existing right-of-way for State Highway 17A, (now known as State Route 20).

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of Government Lot 2, Section 23, Township 35 North, Range 10 East, W.M., being more particularly described as follows:

Beginning at the Northwest corner of said Government Lot 2, said point also being the North ¼ corner of said Section 23;

thence South 1°14'12" West, along the West line of said Government Lot 2, 207.00 feet;

thence North 89°46'56" East, parallel with the North line of said Government Lot 2, 270.00 feet to the true point of beginning;

thence South 15°11'01" West 178.35 feet;

thence South 64°26'05" East 195 feet, more or less, to the Westerly margin of the Highway 17-A or Highway 20;

thence Northerly, along said Westerly margin 247 feet, more or less, to a point that is South 81°08'37" East from the true point of beginning;

thence North 81°08'37" West, 248 feet, more or less, to the true point of beginning,

Situate in the County of Skagit, State of Washington.

SA 12/5/16

JAW 12/5-2016

Buller Brothers

Schedule "A-1"

156205-S

DESCRIPTION:

PARCEL "A":

That portion of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, Township 35 North, Range 10 East, W.M., lying Southeasterly of a line that is distant 55 feet Southeasterly of and parallel with the Southeasterly line of the right of way of the City of Seattle Railway as said right of way line existed prior to March 9, 1950.

EXCEPT that portion thereof, described as follows:

Beginning at the intersection of the City of Seattle right of way with the North and South center line of said Section 14, as said point of intersection is set forth in deed to Rudy Clark et ux., dated July 31, 1953, filed January 22, 1954 as file No. 497455 and recorded in Volume 260 of Deeds at Page 483;
thence South 600 feet;
thence West to the City of Seattle right of way;
thence Northeasterly along said right of way to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, Township 35 North, Range 10 East, W.M., described as follows:

Beginning at the intersection of the City of Seattle right of way with the North and South center line of said Section 14, as said point of intersection is set forth in deed to Rudy Clark et ux, dated July 31, 1953, filed January 22, 1954, under Auditor's File No. 497455 and recorded in Volume 260 of Deeds, page 483;
thence South 600 feet;
thence West to the City of Seattle right of way;
thence Northeasterly along said right of way to the point of beginning.

Situate in the County of Skagit, State of Washington.

YQ 12/5/16

JAW 12/5-2016

Forest Court

Schedule "A-1"

156204-S

DESCRIPTION:

Lot 3, Short Plat No. 31-82, also known as "Bosse Short Plat", approved December 10, 1982 and recorded December 13, 1982 in Volume 6 of Short Plats, page 39, under Auditor's File No. 8212130001, being a portion of Government Lot 5 of Section 14, Township 35 North, Range 10 East, W.M.

Situate in the County of Skagit, State of Washington.

EA 12/15/16

JAW 12/5-2016

Mountain Court

Schedule "A-1"

156203-S

DESCRIPTION:

PARCEL "A":

The Northeast ¼ of the Northwest ¼ of Section 23, Township 35 North, Range 10 East, W.M.

EXCEPT the Southeast ¼ thereof, and

EXCEPT the West ½ of the West ½ thereof, and

EXCEPT the North 330 feet of the East 630 feet thereof, and

EXCEPT the as-built and existing right-of-way for State Highway 17A, and

EXCEPT the following described tract:

Beginning at a point 330 feet East and 30 feet North of the Southwest corner of said Northeast ¼ of the Northwest ¼;
thence North 630 feet;
thence East 100 feet;
thence South 630 feet to the North line of State Highway right-of-way for 17A;
thence West 100 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northeast ¼ of the Northwest ¼ of Section 23, Township 35 North, Range 10 East, W.M, described as follows:

Beginning at a point on the North line of said Northeast ¼ of the Northwest ¼ 460 feet West of the Northeast corner thereof;
thence South a distance of 330 feet;
thence West a distance of 160 feet;
thence North a distance of 330 feet to the said North line;
thence East along said North line a distance of 160 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

JAW 12/5/16

JAW 12/5-2016

DESCRIPTION:

PARCEL "A"

That portion of Government Lot 2, Section 23, Township 35 North, Range 10 East, W.M., described as follows:

Beginning at a point on the North line of said Government Lot 2 at its intersection with the East paved edge of the as-built and existing State Highway 17-A/Highway 20;
thence South 225 feet;
thence West 140 feet, more or less, to the Easterly paved edge of the as-built and existing State Highway 17-A/Highway 20;
thence Northeasterly along said Easterly paved edge to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the North 660 feet of Government Lot 2, Section 23, Township 35 North, Range 10 East, W.M., lying Westerly of the Skagit River and lying Easterly of the as built and existing State Highway 17-A/Highway 20.

EXCEPT that portion described as follows:

Beginning at a point on the North line of said Government Lot 2 at its intersection with the East paved edge of the as-built and existing State Highway 17-A/Highway 20;
thence South 225 feet;
thence West 140 feet, more or less, to the Easterly paved edge of the as-built and existing State Highway 17-A/Highway 20;
thence Northeasterly along said Easterly paved edge to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

That portion of Government Lot 2, Section 23, Township 35 North, Range 10 East, W.M., more particularly described as follows:

Beginning at the intersection of the Easterly paved edge of the as-built and existing State Highway 17-A/Highway 20 with a line drawn 660 feet South of the North line of said Government Lot 2;
thence East to the West bank of the Skagit River;
thence Southerly along said West bank of the Skagit River to a point 100 feet South of the Southerly line of the O'Brien Ferry Landing Road;
thence Westerly to a point on the South line of the O'Brien Ferry Landing Road with its intersection with the North-South centerline of said Section 23;
thence North along said North-South centerline to the Easterly paved edge of the as-built and existing road known as State Highway 17-A/Highway 20;
thence Northeasterly, along said Easterly paved edge of said as-built and existing road to the point of beginning.

Situate in the County of Skagit, State of Washington.

12/5/16 *AP*

- Continued -

JAW 12/5-2016

DESCRIPTION CONTINUED:

PARCEL "D":

That portion of Government Lot 2, Section 23, Township 35 North, Range 10 East, W.M., more particularly described as follows:

Beginning at the intersection of the Southerly edge of the O'Brien Ferry Landing Road with the North-South centerline of said Section 23;
thence South 100 feet to the true point of beginning;
thence South along said North-South centerline to the Skagit River;
thence Northeasterly along the Northerly edge of the Skagit River to a point 100 feet South of the Southerly edge of the O'Brien Ferry Landing Road;
thence Northwesterly along said Southerly edge to the point of beginning.

Situate in the County of Skagit, State of Washington.

GA 12/5/16

JAW 12/5-2016



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 Financing Addendum
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FINANCING ADDENDUM

CBA Text Disclaimer: Text deleted indicated by strike.
 New text inserted indicated by small capital letters.

The following is part of the Purchase and Sale Agreement dated December 1, 2016 (the "Agreement"), between Gary B. Outzen Trust on behalf of an entity to be formed ("Buyer") and Andrew Wilson, Chapter 11 trustee of the Glacierview Haven LLC substantively consolidated bankruptcy case No. 15-17327 ("Seller"), regarding the sale of the Property known as Skagit River Resort (the "Property").

IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS

1. NEW FINANCING. Buyer's obligations under the Agreement are contingent on Buyer obtaining new financing. Buyer shall submit a complete written application for financing for the Property within five (5) business days after waiver or satisfaction of the Feasibility Period in Section 5 of the Agreement, pay required costs and make a good faith effort to procure such financing. Buyer shall not reject those terms of a commitment which provide for a loan amount of at least \$ _____ or _____% of the purchase price, interest not to exceed _____% per annum, a payment schedule calling for monthly payments amortized over not less than _____ years, and total placement fees and points of not more than _____% of the loan amount. The Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives notice that this condition is satisfied or waived on or before 45 days (60 days, if not completed) following mutual acceptance of the Agreement. *JAW*

2. ASSUMPTION OF EXISTING FINANCING.

a. **Approval of Documents.** Buyer's obligations under the Agreement are contingent on Buyer's assumption of a note and mortgage or deed of trust, or a real estate contract. Seller shall deliver to Buyer within five (5) days after mutual acceptance of the Agreement a copy of all documents relating to the obligations that Buyer will assume, including the note, deed of trust, mortgage or real estate contract (or any other underlying debt instruments); any guaranties, non-recourse carve-outs, or Indemnity agreements; and any fixture filings or financing statements (the "Underlying Loan Documents"). Buyer shall be deemed to have approved the Underlying Loan Documents unless Buyer gives notice of disapproval during the Feasibility Period.

b. **Consent to Assumption.** Buyer shall submit a complete application for assumption of the Underlying Loan Documents together with any required application fee no later than five (5) days after the end of the Feasibility Period. Upon Buyer's request, Seller shall assist Buyer by requesting the lender's consent to the assumption on Buyer's behalf. Buyer's principals shall be required to execute any reasonable guaranties and indemnities required by the lender. Unless Buyer has obtained consent or waived this condition within _____ days (30 days, if not completed) after the end of the Feasibility Period and provided Buyer has timely complied with its obligations under this Addendum, this Agreement shall terminate and, Buyer shall receive a refund of the earnest money.

c. **Assumption Fees and Expenses.** Buyer shall pay all costs and expenses attributable to the assumption of the underlying indebtedness including all application fees, processing charges, and assumption fees.

d. **Release of Seller and Principals.** Seller's obligations under the Agreement shall be shall not be (shall not be, if not completed) conditioned upon Seller and all guarantors or indemnitors being released from their obligations arising under the Underlying Loan Documents for the period on and after Closing.

3. SELLER FINANCING.

INITIALS: Buyer *JAW* Date 12/5/16 Seller *JAW* Date 12/5-2016
 Buyer _____ Date _____ Seller _____ Date _____



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FINANCING ADDENDUM
 (CONTINUED)

a. **Debt Instruments.** If Seller is financing a portion of the purchase price, unless different forms are attached to this Agreement, Buyer shall execute and submit to the Closing Agent: (i) LPB Form No. 28A-05 Promissory Note (CBA Form N-1A) and the DUE ON SALE and COMMERCIAL PROPERTY optional clauses in that form shall apply; (ii) LPB Form No. 20-05 Short Form Deed of Trust; and (iii) CBA Form DTR Deed of Trust Rider. In addition, Buyer authorizes Seller and Closing Agent to file a financing statement to perfect Seller's security interest in the personal property described in the Deed of Trust Rider.

b. **Payment Terms.** The promissory note shall bear interest at the rate of ____% per annum, and shall be payable as follows (**choose one**):

- monthly installments of interest only;
- monthly installments of \$_____;
- equal monthly installments of principal and interest in an amount sufficient to fully amortize the outstanding principal balance at the stated interest rate over ____ years;
- other _____.

Payments shall commence on the first day of the first month after closing and shall continue on the same day of each succeeding month until (**choose one**):

- ____ months from the date of closing;
- other _____, 20____ on which date all outstanding principal and interest shall be due.

Buyer may may not (may, if not completed) prepay the outstanding principal balance without premium or penalty. If Seller receives any monthly payment more than ____ days (15 days if not filled in) after its due date, then Buyer shall be in default and a late payment charge of \$_____ or _____% of the delinquent amount (5% of the delinquent amount if not filled in) shall be added to the scheduled payment. The principal shall, at Seller's option, bear interest at the rate of _____% per annum (18% or the maximum rate allowed by law, whichever is less, if not filled in) during any period of Buyer's default. Buyer shall have ____ days (5 days if not filled in) after written notice from Seller to cure a default before Seller may declare all outstanding sums to be immediately due and payable.

(Note to Buyer and Seller: If the Property is currently used primarily for agricultural purposes, then a non-judicial foreclosure/forfeiture remedy is available to Seller only by using a real estate contract and is not available with a deed of trust.)

4. **ESTOPPELS/SNDAS.** If Buyer or its lender require estoppel certificates or subordination, nondisturbance and attornment agreements ("Estoppel/SNDAs") from some or all of the non-residential tenants at the Property, then Seller shall cooperate with Buyer to obtain them. The form of the Estoppels/SNDAs shall be CBA Form PS_TEC, or any different form required by Buyer's lender which Buyer has delivered to Seller during the Feasibility Period. Promptly after the Feasibility Period, Seller shall use commercially reasonable efforts and diligence to obtain the Estoppel/SNDAs from affected tenants; provided, however, Seller shall not be required to incur any liability or out-of-pocket expenses which are not reimbursed by Buyer. Buyer shall have no separate contingency for receipt of the Estoppels/SNDAs other than as otherwise agreed by Seller in writing.

INITIALS: Buyer Date 12/5/16 Seller JAW Date 12/5-2016
 Buyer Date Seller Date



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FINANCING ADDENDUM
 (CONTINUED)

5. **ADDITIONAL PROVISIONS.** The terms of the Agreement remain unchanged except as supplemented in this Addendum or provided below: _____

INITIALS: Buyer *NR* Date *12/5/16* Seller *JAW* Date *12/5-2016*
 Buyer _____ Date _____ Seller _____ Date _____

**ADDENDUM A
TO
COMMERCIAL AND INVESTMENT PURCHASE AND SALE AGREEMENT**

The following addendum ("Addendum") is part of the Commercial and Investment Purchase and Sale Agreement reference date December 5, 2016, ("Agreement") between Buyer and Seller (each, as defined in the Agreement) regarding the property commonly known as Skagit River Resort, 58468 Clark Cabin Road, Rockport, Washington (the "Property") Capitalized terms herein have the meaning set forth in the Agreement unless otherwise indicated.

IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:

1. Purchase and Sale Subject to Court Approval. Seller's ability to perform under this Agreement is subject entry of certain orders by the United States Bankruptcy Court for the Western District of Washington (the "Bankruptcy Court") providing for (1) approval of the Agreement (the "Sale Order"), and (2) confirmation of the Seller's Plan of Liquidation (the "Plan") providing the means for the satisfaction of certain conditions in the Agreement (the "Confirmation Order"), the entry of which shall be conditions precedent to this Agreement being binding on the Seller. Buyer understands that in connection with this process, the Court can withhold approval of the Agreement to the extent it deems such offer to be not in the best interest of creditors of the Consolidated Estate and can approve what it determines to be a higher and better offer.
2. Closing. Notwithstanding any reference to a Closing Date in Section 7 of the Agreement, Closing shall only occur on the later of (a) the earliest date by which all of the conditions set forth in Section 5 of the Agreement shall have been satisfied or waived (other than conditions with respect to actions the parties will take at the Closing itself) and (b) three business days after the date on which the Confirmation Order shall become a final, unappealable order. Notwithstanding the foregoing, in no event will the Closing occur later than (a) 12:00 noon (Seattle Time) on March 31, 2017, or (b) at such other time, date and place as shall be fixed by agreement among the parties (the date of the Closing being herein referred to as the "Closing Date").
3. Buyer's Pre-Closing Inspections. Buyer's right to entry under Section 5.b of the Agreement shall extend to those pre-closing inspection activities of Buyer. Buyer shall not allow any liens to attach to the Property of any kind.
4. Information Transfer. The first sentence of Section 24 of the Purchase and Sale Agreement shall be amended to read as follows: In the event this Agreement is terminated, Buyer agrees to deliver and assign all rights and interest therein, without warranty, to Seller within ten (10) days of termination of this Agreement copies of all materials received from Seller and any non-proprietary plans, studies, reports, inspections, appraisals, surveys, drawings, permits,

 12/7/16

JAW 12/7/2016

applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

5. No Recordation. Buyer and Seller agree not to record this Agreement or any memorandum hereof, unless same is filed or recorded in connection with an action for specific performance by the Buyer in which Buyer has first filed a complaint in a court of competent jurisdiction pleading such action in good faith. Should Buyer ever record or attempt to record this Agreement, or a memorandum or affidavit thereof, or any other similar document, then, notwithstanding anything herein to the contrary, said recordation or attempt at recordation shall constitute a default by Buyer hereunder unless same is filed or recorded in connection with an action for specific performance as set forth above, and, in addition to the other remedies provided for herein, Seller shall have the express right to terminate this Agreement by filing a notice of said termination in the county in which the Land is located. The terms of this section shall survive any termination of this Agreement.

6. Loan. Upon entry of the Sale Order and subject to Bankruptcy Court approval, the \$100,000 in earnest money provided by Buyer to Seller pursuant to Section 2 of the Agreement shall constitute a loan by Buyer to Seller (the "Post-Petition Loan") which shall be evidenced by the Promissory Note attached hereto as Exhibit A (the "Promissory Note"). [Subject to Bankruptcy Court approval, the Promissory Note shall be secured by the Cow Heaven parcels, Skagit County parcel numbers P45522 and P45478 (the "Post-Petition Collateral")]. The Post-Petition Loan shall constitute a credit against the Purchase Price set forth in Section 1 of the Agreement in the event the sale contemplated by the Agreement (the "Sale") closes, with the amount of the credit equal to the amount outstanding under the Promissory Note as of the Closing Date. Upon Closing of the Sale, the Promissory Note shall be deemed fully satisfied. In the event the Sale Order is entered by Court and the Sale does not close for any reason other than Buyer's failure to close without legal excuse, the Buyer shall hold a claim against the Consolidated Estate, secured by the Post-Petition Collateral, in the amount of the amount outstanding under the Promissory Note, subject to any claims by the Seller against the Buyer. If the Sale Order is entered and the Buyer fails to close without legal excuse, the Post-Petition Loan shall be deemed satisfied in full and Seller shall have no obligation to repay such Post-Petition Loan, nor shall Buyer hold a claim against the Consolidated Estate therefore.

7. Timber. Upon entry of the Sale Order and approval of the Post-Petition Loan, Seller shall strike its Motion for Authority to Enter Into Agreement Relating to Timber and (2) Sell Timber Free and Clear of Liens Claims and Encumbrances (the "Timber Motion"), provided, however, that the Timber Motion is subject to being re-noted in the event the proceeds of the Post-Petition Loan are depleted and additional funds are needed by the Consolidated Estate in the Seller's sole discretion. In the event the Seller proceeds to log the Real Property pursuant to the Timber Motion, the parties agree that Buyer shall may terminate the Agreement with liability relating to such termination and that such termination by Buyer shall be deemed to be for legal cause.

AO 12/7/16

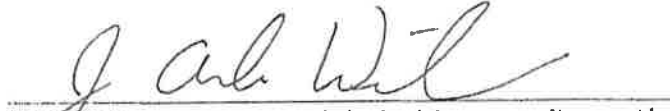
JAW

12/7/2016

8. Conflict Of Terms. In the event any of the terms and/or conditions of this Addendum conflict with the Agreement, the terms contained in this Addendum shall prevail.

"SELLER"

THE SUBSTANTIVELY CONSOLIDATED BANKRUPTCY ESTATE
OF GLACIERVIEW HAVEN, LLC, BANKRUPTCY CASE NO. 15-17327


By: Andrew Wilson solely in his capacity as the trustee
for the Consolidated Estate and not in any personal capacity

Date: 12/7/2016

"BUYER"

GARY B. OUTZEN TRUST


By: Gary B. Outzen, Trustee

Date: 12/7/16

**ADDENDUM B
TO
COMMERCIAL AND INVESTMENT PURCHASE AND SALE AGREEMENT**

The following addendum ("Addendum B") is part of the Commercial and Investment Purchase and Sale Agreement dated December 5, 2016 (the "Agreement"), including the Financing Addendum and Addendum A thereto ("Addendum A"), between Buyer and Seller (each, as defined in the Agreement) regarding the property commonly known as Skagit River Resort, 58468 Clark Cabin Road, Rockport, Washington (the "Property"). Capitalized terms herein have the meaning set forth in the Agreement unless otherwise indicated.

IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:

1. Section 5 of the Agreement is deleted in its entirety and replaced with the following:

FEASIBILITY CONTINGENCY. Buyer's obligations under this Agreement are conditioned upon Buyer's satisfaction in Buyer's sole discretion, concerning all aspects of the Property, including its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. This Agreement shall terminate and Buyer shall hold an allowed claim against the Consolidated Estate, secured by the Post-Petition Collateral, in the amount of the amount outstanding under the Promissory Note, subject to any claims by the Seller against the Buyer unless Buyer gives written notice to Seller within 45 days (the "Feasibility Period") of Mutual Acceptance stating that this condition is satisfied. If such notice is timely given, the feasibility contingency stated in this Section 5 shall be deemed to be satisfied.

2. Section 6.b of the Agreement is deleted in its entirety and replaced with the following:

Permitted Exceptions. Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: ten (10) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall hold an allowed claim against the Consolidated Estate, secured by the Post-Petition Collateral, in the amount of the amount outstanding under the Promissory Note, subject to any claims by the Seller against the Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2)

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Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of real property taxes, and Seller shall provide an owner's affidavit containing the Information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

3. All other provisions of the Agreement and Addendum A remain unchanged.

4. Conflict Of Terms. In the event any of the terms and/or conditions of this Addendum B conflict with the PSA or Addendum A, the terms contained in this Addendum B shall prevail.

"SELLER"

THE SUBSTANTIVELY CONSOLIDATED BANKRUPTCY ESTATE
OF GLACIERVIEW HAVEN, LLC, BANKRUPTCY CASE NO. 15-17327

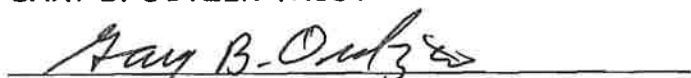


By: Andrew Wilson solely in his capacity as the trustee
for the Consolidated Estate and not in any personal capacity

Date: 12/5-2016

"BUYER"

GARY B. OUTZEN TRUST



By: Gary B. Outzen, Trustee

Date: 12/5/16