

November 15, 1989

Tuell, Anderson & Fisher  
1457 South Union Ave.  
Tacoma, Washington 98405  
Attn: Robyn L. Koppe

Dear Ms. Koppe,

Pursuant to your request, I have made an appraisal of Pacific Bowling Lanes, located at 7015 South "D" Street, in the city of Tacoma, Washington 98408. The purpose of this appraisal is to estimate the Fair Market Value as of March 07, 1989 for estate purposes.

The accompanying report sets forth the most pertinent data gathered, techniques used and reasoning leading to the final opinion of value, subject to the assumptions, limiting conditions and certification herein.

After careful analysis and judgement of all pertinent data herein, it is my opinion that the Fair Market Value of the subject property as of March 07, 1989 is:

-----  
ONE MILLION THREE HUNDRED THIRTY-FOUR THOUSAND (\$1,334,000.00)  
-----

Your attention is invited to the accompanying report which sets forth descriptive and factual data upon which the conclusion of value is predicated.

I have appreciated this opportunity to be of service to you.

Yours very truly,

  
Jim Latteri, CRPA/S

JVL:mt

enclosures

July 7, 1993

Mr. Ronald A. Chynoweth  
Vice President & Manager  
Key Bank of Washington  
Commercial Appraisal Services MS 7755  
P. O. Box 90  
Seattle, Washington 98111-0090

RE: Pacific Lanes Bowling Alley  
7115 South "D" Street, Tacoma, WA  
Our File No. 3067-E-P  
Key Bank File No. 93-0193

Dear Mr. Chynoweth:

At your request, we have completed an appraisal of the real property named above. The appraisal states our opinion of the Market Value of the fee simple interest, subject to various Assumptions and Limiting Conditions described in the accompanying report. The physical inspection and analysis that form the basis of this report were conducted by Paul Zemtseff and myself.

This appraisal report was prepared in accordance with the instructions provided by the client in a letter dated May 11, 1993, and is subject to the Standard of Professional Practices and Code of Ethics of the Appraisal Institute and the Appraisal Foundation. It is also intended to comply with OCC's regulations and Key Bank's written instructions for appraisals. The concluded value is based upon a marketing time of nine months or less, as supported by market data. It is our understanding that the appraisal will be used for financing purposes.

Based on the analysis presented in the following report, it is our opinion that the Market Value of the fee simple estate, as of June 8, 1993, was:

-Value of Going Concern	\$1,775,000
-Value of Real Estate	\$1,190,000

Respectfully submitted,

Leslie W. Eastman, Jr., MAI

Paul Zemtseff, Associate  
mh

**EXHIBIT B**

↓  
**EXHIBIT 21**

BUSINESS ACQUISITION AND LEASE AGREEMENT

THIS CONTRACT CONTROLS THE TERMS OF SALE OF THE PROPERTY. READ CAREFULLY BEFORE SIGNING.

Tacoma, Washington;  
September 19, 1992

THIS AGREEMENT, made between PACIFIC RECREATION ENTERPRISES, INC., corporation to be formed (hereinafter called "Enterprises"), PACIFIC LANES, INC., a Washington corporation (hereinafter called "Pacific"), and HOFFMAN-STEVENSON, INC., a Washington corporation (hereinafter called "Hoffman"), for the purchase of the business and lease of the property thereon, commonly known as Pacific Lanes, located at 7015 South D Street, Tacoma, Pierce County, Washington.

As to the real estate located at the above address, the legal description of which Enterprises and Pacific authorize the attachment of a legal hereto, as if fully set forth herein, agree as follows:

1. Hoffman shall lease to Enterprises the entire underlying real estate, building and all attachments thereto, pursuant to Lease to be agreed to between the parties, the option and terms of which will include the following:
2. Monthly rental of \$6,000.00 per month.
3. A non-refundable option deposit of \$50,000.00
4. An option to purchase the property at each two-year anniversary for cash, in amounts hereafter set forth:

October _____, 1994	\$600,000
October _____, 1996	\$540,000
October _____, 1998	\$475,000
October _____, 2000	\$395,000
October _____, 2002	\$305,000

Each option shall be exercised, in writing, within sixty (60) days of the end of each two-year period. the option price will be for cash, payable at closing, the closing to be at LEGAL ESCROW or as may be otherwise agreed between the parties.

5. The term of the Lease shall be ten (10) years.
6. Enterprises shall be responsible for all expenses incidental to the building and property located thereon, including all real

Acquisition/Option Agmt. - 1

RECEIVED

OCT 01 1992

Garrett

**EXHIBIT C**

estate taxes, assessments, insurance and maintenance and repairs.

7. Hoffman shall provide Enterprises, at Enterprises's expense, with a statement of title, from a title insurance company, for Enterprises's inspection and approval, prior to execution of the Lease.
8. In addition to the above option periods, Enterprises must agree to exercise the option to purchase the property or terminate the Lease if the First Interstate Bank obligation, secured by the underlying property becomes due and the bank will not extend the same.
9. As between Enterprises and Pacific, the parties agree as follows:
  - a. Enterprises shall purchase from Pacific all of the operating assets of that business known as Pacific Lanes, including inventory, equipment, and goodwill. Enterprises realizes and agrees that all assets attached to the building and/or real estate are part of the real estate, an even though are used as operating equipment by Pacific Lanes, are considered property of Hoffman for lease purposes.
  - b. Enterprises shall pay Pacific \$50,000.00, cash, at closing, with the balance of \$250,000.00 to be paid at \$3,000.00 per month, including interest at the rate of 7½ percent per annum on the declining balance. This figure includes \$30,000.00 for the goodwill of Pacific Lanes, Inc.
  - c. Enterprises shall take such assets, subject to the underlying security interest granted to First Interstate Bank on the underlying obligation, which is secured by the building and operating assets of Pacific. Pacific agrees to continue payment to First Interstate Bank and hold Enterprises harmless therefrom.
10. The sale shall close at LEGAL ESCROW or such other escrow agent as the parties shall agree upon. The cost of escrow shall be paid one-half by Enterprises and one-half by Hoffman and Pacific.
11. The inventory, equipment and goodwill purchased by Enterprises shall not include any accounts receivable or cash, nor shall Enterprises be responsible for any accounts payable at date of closing. Enterprises shall have the right to use the name "Pacific Lanes" for all business purposes.

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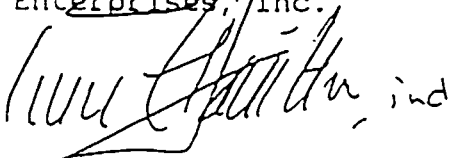
Gaming & Entertainment

Acquisition/Option Agmt. - 2

12. Pacific agrees that the supplies shall be kept at current operating level and Enterprises will accept the property, after investigation, in as is condition.
13. Enterprises, Hoffman and Pacific agree that the above transactions are all conditioned upon the following:
  - a. Successful transfer of all state and local permits, specifically including gambling license and liquor license.
  - b. That Hoffman and Pacific have disclosed to Enterprises that above the suspended roof over the lanes there is asbestos, as well as in the back wall of the unit which is covered by sheetrock. That the asbestos has been encapsulated in accordance with E.P.A. standards.
  - c. That the title report shall be acceptable to Enterprises as to the status of the underlying real estate.
  - d. That this matter shall be closed as soon as reasonably possible on the first of the month following the receipt of all approvals.
14. There are no verbal or other agreements which modify or affect this agreement. Time is of the essence of this agreement. All Subsequent modifications or waivers, of any condition of this agreement, shall be in writing and signed by the appropriate parties.

DATED this 17 day of SEPT, 1992.

  
Pacific Recreation  
Enterprises, Inc.

  
Hoffman-Stevenson, Inc.

PACIFIC LANES, INC.

By   
President

HOFFMAN-STEVENSON, INC.

By   
President

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OCT 01 1992

56100 - 1000000

# EXHIBIT 128

HAMILTON

08-23-1992 Pg 1

Compounding period...: Monthly

Nominal annual rate...: 7.500  
 Effective annual rate: 7.763  
 Periodic rate.....: 0.6250  
 Equivalent daily rate: 0.02055

CASH FLOW DATA

Event	Date	Amount	#	Period	End-date
1	Loan	08-23-92	650,000.00	1	
2	Payment	09-23-92	6,000.00	180	Monthly 08-23-07
3	Payment	09-23-07	8,522.98	1	

AMORTIZATION SCHEDULE - Normal amortization

Pmt	Date	Payment	Interest	Principal	Balance
Loan	08-23-1992				650,000.00
1	09-23-1992	6,000.00	4,062.50	1,937.50	648,062.50
2	10-23-1992	6,000.00	4,050.39	1,949.61	646,112.89
3	11-23-1992	6,000.00	4,038.21	1,961.79	644,151.10
4	12-23-1992	6,000.00	4,025.94	1,974.06	642,177.04
1992	totals	24,000.00	16,177.04	7,822.96	
5	01-23-1993	6,000.00	4,013.61	1,986.39	640,190.65
6	02-23-1993	6,000.00	4,001.19	1,998.81	638,191.84
7	03-23-1993	6,000.00	3,988.70	2,011.30	636,180.54
8	04-23-1993	6,000.00	3,976.13	2,023.87	634,156.67
9	05-23-1993	6,000.00	3,963.48	2,036.52	632,120.15
10	06-23-1993	6,000.00	3,950.75	2,049.25	630,070.90
11	07-23-1993	6,000.00	3,937.94	2,062.06	628,008.84
12	08-23-1993	6,000.00	3,925.06	2,074.94	625,933.90
13	09-23-1993	6,000.00	3,912.09	2,087.91	623,845.99
14	10-23-1993	6,000.00	3,899.04	2,100.96	621,745.03
15	11-23-1993	6,000.00	3,885.91	2,114.09	619,630.94
16	12-23-1993	6,000.00	3,872.69	2,127.31	617,503.63
1993	totals	72,000.00	47,326.59	24,673.41	
17	01-23-1994	6,000.00	3,859.40	2,140.60	615,363.03
18	02-23-1994	6,000.00	3,846.02	2,153.98	613,209.05
19	03-23-1994	6,000.00	3,832.56	2,167.44	611,041.61
20	04-23-1994	6,000.00	3,819.01	2,180.99	608,860.62
21	05-23-1994	6,000.00	3,805.38	2,194.62	606,666.00
22	06-23-1994	6,000.00	3,791.66	2,208.34	604,457.66
23	07-23-1994	6,000.00	3,777.86	2,222.14	602,235.52
24	08-23-1994	6,000.00	3,763.97	2,236.03	599,999.49
25	09-23-1994	6,000.00	3,750.00	2,250.00	597,749.49
26	10-23-1994	6,000.00	3,735.93	2,264.07	595,485.42
27	11-23-1994	6,000.00	3,721.78	2,278.22	593,207.20
28	12-23-1994	6,000.00	3,707.54	2,292.46	590,914.74

EXHIBIT 25 Date 6/30/97  
 Hamilton Vol. II  
 Starkovich 323-0919

## EXHIBIT D

3/9/93

EXHIBIT 30

PACIFIC LANES PURCHASE PRICE ADJUSTMENTS  
PER DISCUSSIONS WITH GRANT ANDERSON AND BILL HAMILTON

ORIGINAL PURCHASE PRICE, PACIFIC LANES EFFECTIVE SEPTEMBER 1, 1992	<u>\$300,000</u>
REALLY TOOK POSSESSION JANUARY 1, 1993	
NEED TO ADJUST FOR CASH FLOW FROM SEPTEMBER 1 TO DECEMBER 31	
NET INCOME, DECEMBER FINANCIAL STATEMENT	(50,127)
NET INCOME, AUGUST FINANCIAL STATEMENT	<u>(95,672)</u>
SEPTEMBER THROUGH DECEMBER PROFIT	45,545
ADD BACK - FAIR MARKET RENT	24,000
- DEPRECIATION (NON-CASH)	25,834
- EXCESS LEGAL AND ACCOUNTING	14,600
LESS PURCHASE OF BANK	(5,150)
PACIFIC LANES PAYMENT	<u>(12,000)</u>
TENTATIVE PURCHASE PRICE ADJUSTMENT	<u>92,829</u>
ADJUSTED PURCHASE PRICE	207,171
CASH DOWN	(50,000)
PAYMENTS MADE BY PACIFIC RECREATION ENTERPRISES, INC. ON BEHALF OF PACIFIC LANES	
THREE MONTHS INSURANCE	4,370
4TH QUARTER PAYROLL AND BUSINESS TAXES	23,048
JANUARY INSTALLMENT FIRST INTERSTATE LOAN	5,218
JANUARY MILDRED HOFFMAN PAYMENT	750
LESS - PACIFIC LANES NSF REDEPOSIT	(978)
- PACIFIC LANES CHECK TO START NEW ACCOUNTS	<u>(750)</u>

(31,658) Jan pay  
↓  
\$125,513  
===== Feb 3000  
Mar 3000

AMOUNT OWING

# 3000/mo 7/20 approx 4yrs  
Feb, March

~~# 3000/mo~~  
adjust purchase price down

260  
↓  
207,171

EXHIBIT E

# EXHIBIT 29

## OPTION

For and in consideration of the sum of fifty thousand and no/100 dollars (\$50,000.00) receipt of which is hereby acknowledged, HOFFMAN-STEVENSON, INC., a Washington Corporation (Hereinafter called "optionor") hereby grants to PACIFIC RECREATION ENTERPRISES, INC., a Washington Corporation (hereinafter called "optionee") a series of options to purchase that property, utilized for a bowling alley and related activities, located at what is commonly known as 7015 South D Street, Tacoma, Washington, legally described on exhibit "A" attached hereto and made a part hereof, on the following terms and conditions:

**1. OPTION TERMS AND PRICE:** An option may be exercised once at optionee's discretion on or before 5 p.m. of the following dates for the price indicated for each date:

<u>OPTION DATE</u>	<u>PRICE</u>
October 1, 1994	\$600,000
October 1, 1996	\$540,000
October 1, 1998	\$475,000
October 1, 2000	\$395,000
October 1, 2002	\$305,000

If any one of the options is not exercised by 5 p.m. October 1, 2002, or if First Interstate Bank accelerates it's note due and options is not exercised as set forth below this option agreement shall terminate in its entirety and be of no further effect.

**2. TERMS OF PAYMENT:** In full on closing.

**3. MODE OF EXERCISE:** Any one of the above designated series of options may be exercised by optionee giving optionor written notice of intent to exercise, no earlier than 90 days before nor later than 5 p.m. of each date except that if First Interstate Bank notifies Optionor of it's intent to accelerate it's note, Optionor shall so notify Optionee in writing and Optionee shall have 30 days thereafter to exercise the option in writing or this whole agreement shall terminate.

**4. CLOSING:** If Optionee exercises any one of the series of options, Optionor shall forthwith order a preliminary title report from Commonwealth Title Insurance Company and provide a copy thereof to Optionee. If said report shows that seller's title is or can be made free of defects or encumbrances, then the sale shall close at Commonwealth Title Insurance Company, or at other escrow as the parties may agree, within 30 days after said title report is provided. If Optionor's title cannot be made free of any encumbrances or defects within 30 days after the report, then Optionor shall refund to Optionee the entire amount paid for this option, or Optionee may waive any defect and close the sale on the original terms. Optionee obtained a status of title report from Commonwealth Title Insurance Company at or before the signing of this option and accepts everything set forth therein except the deed of trust dated August 22, 1988, in favor of First Interstate Bank, which is the retained responsibility of Optionor.

**5. COMMISSIONS:** Each party warrants that there are no commissions due to any party as a result of this option agreement or the exercise thereof and each will hold the other harmless from any claim made through them.

**6. BINDING EFFECT:** This option shall be binding on successor's in interest of both Optionor and Optionee during the full term hereof.

**7. NOTICES:** All notices required shall be personally delivered to the registered agent of the receiving corporation or sent certified mail return receipt requested to such registered

# EXHIBIT F



agent.

**MISCELLANEOUS:** Optionee acknowledges that if the option is not exercised, unless by defect of title not curable by Optionor, that the \$50,000.00 paid for this option shall not be refunded.

DATED THIS 4 DAY OF Dec., 1992.

HOFFMAN-STEVENSON, INC.

Grant L. Anderson  
BY: PRESIDENT  
OPTIONOR

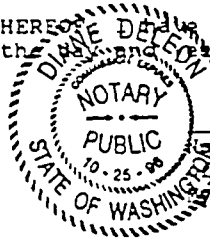
PACIFIC RECREATION ENTERPRISES, INC.

William L. Hamilton  
BY: PRESIDENT  
OPTIONEE

STATE OF WASHINGTON )  
: ss.  
County of Pierce )

On this 4th day of December, 1992, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared GRANT L. ANDERSON, to me known to be the President of HOFFMAN-STEVENSON, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I, the undersigned, hereunto set my hand and affixed my official seal the 4th day of December, 1992, at Tacoma, Washington.

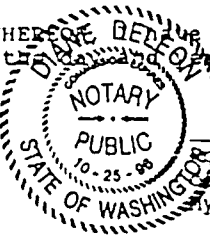


Diane DeLeon  
Notary Public in and for the State  
Washington, residing at Tacoma.  
Commission expires: 10-25-96

STATE OF WASHINGTON )  
: ss.  
County of Pierce )

On this 4th day of Dec., 1992, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared WILLIAM L. HAMILTON to me known to be the President of PACIFIC RECREATION ENTERPRISES, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I, the undersigned, hereunto set my hand and affixed my official seal the 4th day of Dec., 1992, at Tacoma, Washington.



Diane DeLeon  
Notary Public in and for the State  
Washington, residing at Tacoma.  
My commission expires: 10-25-96

USE TYPE OR PRINT

REAL ESTATE EXCISE TAX AFFIDAVIT

This form is your receipt when stamped by cashier.

Form No. 84 0001A

CHAPTER 32.45 RCW - CHAPTER 458-61 WAC

For Use at County Treasurer's Office

(Use Form No. 84-0001B for Reporting Transfers of Controlling Interest of Entity Ownership to the Department of Revenue)

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL ITEMS ARE FULLY COMPLETED

Name <del>XXXXXXXXXXXXXXXXXXXX</del> HOFFMAN-STEVENSON, INC		BUYER GRANTEE	Name PACIFIC RECREATION ENTERPRISES, INC	
Street C/O 6314 190th St W, Suite 8			Street 3538 71st Ave W	
City TACOMA State WA Zip 98466		City TACOMA State WA Zip 98466		
ADDRESS TO SEND ALL PROPERTY TAX RELATED CORRESPONDENCE		ALL TAX PARCEL NUMBERS		COUNTY TREASURER PLACE ASSESSED VALUE IF TAX EXEMPT
		661500-233-0//661500-242-0		
		661500-232-0//661500-241-0		
		661500-239-0//661500-234-0		
		661500-236-0		
/State _____ Zip _____		661500-191-1		
LEGAL DESCRIPTION OF PROPERTY SITUATED IN <input type="checkbox"/> UNINCORPORATED _____ COUNTY <input checked="" type="checkbox"/> OR IN CITY OF TACOMA _____				
Address (if property is improved): 7015 S D ST, TACOMA WA				

EXHIBIT 37

Is this transfer of real property reflect the transfer or acquisition of the controlling interest in an entity with an interest in real property in this state? Yes  No  If yes, this transfer of controlling interest must also be reported to the Department of Revenue within five days of the sale on Form No. 84 0001B.

Is this property currently:

Classified or designated as forest land? Chapter 34.33 RCW	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Classified as current use land (open space, farm and agricultural, or timber)? Chapter 34.34 RCW	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Exempt from property tax under nonprofit organizations? Chapter 34.36 RCW	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Receiving special valuation as historic property under? Chapter 34.25 RCW	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

Property Type:  land only  land with new building  
 land with previously used building  land with mobile home used building

6 Description of tangible personal property if included in sale (furniture, appliances, etc.)

If exemption claimed, put WAC number and title.

WAC Number \_\_\_\_\_

WAC Title \_\_\_\_\_

Type of Document STATUTORY WARRANTY DEED

Date of Document \_\_\_\_\_

Gross Sale Price	\$ 500,006.07
Personal Property (deduct)	\$ _____
Taxable Sale Price	\$ _____
Excise Tax State	\$ 6,503.63
Local	\$ 2,540.48
Delinquent Interest: State	\$ _____
Local	\$ _____
Delinquent Penalty: State	\$ _____
Total Due	\$ 9,044.11

THERE IS A \$200 FEE FOR PROCESSING THIS FORM IF NO TAX IS DUE.

(1) NOTICE OF CONTINUANCE (RCW 84.33 or RCW 84.34)

If the new owner(s) of land that is classified or designated as current use or forest land wish to continue the classification or designation of such land, the new owner(s) must sign below. If the new owner(s) do not desire to continue such classification or designation, all compensating or additional tax calculated pursuant to RCW 34.33.120 and 140 or RCW 84.34.108 shall be due and payable by the seller or transferor at the time of sale. The county assessor must determine if the land transferred qualifies to continue classification or designation and must so indicate below. Signatures do not necessarily mean the land will remain in classification or designation. If it no longer qualifies, it will be removed and the compensating taxes will be applied. All new owners must sign.

This land  does  does not qualify for continuance.

Date \_\_\_\_\_ DEPUTY ASSESSOR

(2) NOTICE OF COMPLIANCE (Chapter 84.26 RCW)

If the new owner(s) of property with special valuation as historic property wish to continue this special valuation the new owner(s) must sign below. If the new owner(s) do not desire to continue such special valuation, all additional tax calculated pursuant to Chapter 84.26 RCW, shall be due and payable by the seller or transferor at the time of sale.

(3) OWNER(S) SIGNATURE

\_\_\_\_\_

\_\_\_\_\_

7 AFFIDAVIT

I certify under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

Signature of Grantor/Agent Grant Anderson

Name (print) GRANT L. ANDERSON, PRESIDENT

Date & Place of Signing TACOMA, WA 10- -93

Signature of Grantee/Agent William Hamilton

Name (print) WILLIAM L. HAMILTON, PRESIDENT

Date & Place of Signing TACOMA, WA 10- 11 -93

8 PERJURY Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (IC)).

DISTRIBUTION: Original - County Treasurer 1st Copy - Department of Revenue 2nd Copy - County Assessor 3rd Copy - Taxpayer FOR TREASURER'S USE ONLY

EXHIBIT G

LAW OFFICES OF

# FISHER, KOPPE & HOEFEL

COLLEGE PARK PROFESSIONAL CENTER  
6314 19TH STREET WEST, SUITE 8  
TACOMA, WASHINGTON 98466

STEPHEN W. FISHER  
ROBYN L. KOPPE  
RICHARD L. HOEFEL

FACSIMILE 206 565-3988  
TELEPHONE 206 565-3900

September 21, 1993

Mr. Kevin Iverson  
Certified Public Accountant  
2301 South Tacoma Way  
Tacoma, WA 98409

RE: Charles C. Hoffman Trust

Dear Kevin:

For your information, Pacific Recreation Enterprises, Inc., has proposed to pay off the Promissory Note to Pacific Lanes, Inc., in the sum of \$108,000.00. Pacific Recreation Enterprises, Inc., has also proposed to pay \$400,000.00 in exercising its option with Hoffman-Stevenson for the real property.

At this time, I need to know the specific tax ramifications of the pay off and what the tax liability would be for Pacific Lanes, Inc., Hoffman-Stevenson, Inc., the Charles C. Hoffman Trust, Ocean Beach Hospital and/or Edward Hoffman.

Pursuant to the terms of Mr. Hoffman's Will, the assets of the Charles C. Hoffman Trust were to be transferred to Edward Hoffman and Ocean Beach Hospital, upon the death of Millie Hoffman. Assuming that the stock of Pacific Lanes and Hoffman-Stevenson could be transferred to Edward Hoffman and Ocean Beach Hospital, pursuant to the terms of the trust, I need to know whether that would affect the taxation on the pay off proposed by Pacific Recreation Enterprises, Inc. My concern relates specifically to Ocean Beach Hospital, which receives very favorable tax benefits. After you have determined whether the transfer of the assets to Ocean Beach Hospital would be advantageous, I will need you to provide us with a proposed estimate of taxes that will be due and owing for the year 1993. It will be necessary for us to have a written response from you on or before Wednesday, October 6, 1993.

I thank you very much for your cooperation in this matter. If you should have any questions, or if there are any problems, do not hesitate to contact me.

Sincerely,

Stephen W. Fisher

SWF:src  
cc: Mr. Ronald Bender

EXHIBIT H

CJC 6860

LAW OFFICES OF

# FISHER, KOPPE & HOEFEL

COLLEGE PARK PROFESSIONAL CENTER  
6314 19TH STREET WEST, SUITE 8  
TACOMA, WASHINGTON 98466

STEPHEN W. FISHER  
ROBYN L. KOPPE  
RICHARD L. HOEFEL

FACSIMILE 206 565-3988  
TELEPHONE 206 565-3900

November 10, 1993

Mr. Kevin Iverson  
Gary L. Frind & Associates  
P O Box 11396  
Tacoma WA 98411

RE: Charles C. Hoffman Trust

Dear Kevin:

The closing of the exercise of the option between Hoffman-Stevenson, Inc. and Pacific Recreation Enterprises, Inc., occurred on October 12, 1993. A check was made payable to Hoffman-Stevenson, Inc., in the sum of \$390,955.89. Hoffman-Stevenson, Inc. was required to pay excise tax, on the transaction, in the amount of \$9,044.11.

As a result of the closing, Pacific Recreation Enterprises, Inc. paid off the balance owed on its note to Pacific Lanes, Inc., in the sum of \$109,890.61, which resulted in the pay off of Pacific Lanes, Inc.'s obligation to First Interstate Bank, under Customer No. 67-6329396-3, Obligation No. 000-00-0002-6. Subsequent to the closing of the transaction, it was discovered that Pacific Lanes had an obligation to the Department of Tax and License, for pull-tab penalties for the year of 1988. The sum of \$7,067.21 was reimbursed to Pacific Recreation Enterprises, Inc., for the expenses it had incurred on behalf of Pacific Lanes.

On October 27, 1993, a partial disbursement was made from the Charles C. Hoffman Trust to Pacific County Hospital District No. 1, in the sum of \$270,000.00.

I have also enclosed the recent statements from Northwest Community Bank and a copy of the Charles C. Hoffman Trust checkbook register.

If you should have any additional questions, please feel free to contact me.

Sincerely,

Stephen W. Fisher

SWF/dap  
Enclosures

EXHIBIT I CJC 6857