



HOUSEHOLD GOODS CARRIER PERMIT APPLICATION



RECEIVED
MAY 06 2004

WASH. UT. & TP. COMM

Type of Household Goods Authority Requested – Check one	Fee Required
<input type="checkbox"/> Emergency temporary authority (to meet an urgent need for up to thirty days) - Complete pages 1 - 5 and Attachment E	\$ 50
<input type="checkbox"/> Temporary authority (to meet a short-term need) – Complete pages 1 - 5 and Attachment A	\$ 250
<input type="checkbox"/> Permanent authority (at least six months must be served on a temporary provisional basis) – Complete pages 1 - 5 and Attachment A	\$ 550
<input type="checkbox"/> Permanent authority to transfer or acquire control resulting in a change in ownership or controlling interest (at least six months must be served on a temporary provisional basis) – Complete pages 1 - 5 and Attachment B	\$ 550
<input checked="" type="checkbox"/> Permanent authority to transfer or acquire control under the exceptions in WAC 480-15-260 – Complete pages 1 - 5 and Attachments B & C	\$ 250 <i>OP</i>
<input type="checkbox"/> Reinstatement of permit (must be filed within 30 or 60 days of cancellation, depending on criteria set forth in WAC 480-15-460) – Complete pages 1 - 2 and include a statement justifying the reinstatement	\$ 250
<input type="checkbox"/> Name Change – Complete page 1 and Attachment D	\$ 35
<input type="checkbox"/> Extension of authority – Complete pages 1 - 5 and Attachment A	\$ 550

TYPE OF PAYMENT

Check
 Money Order
 Amex
 Discover
 Mastercard
 Visa

Expiration Date: 03/06 Amount: 250.00 # 102577

CERTIFICATION: I, the undersigned, under penalty for false statement, certify that the following information is true and correct, that I am authorized to execute and file this document on behalf of the applicant, and that all information on file is current and valid.

Name (printed): Kathryn A. Mitchell Date: 4/30/04
 Signature: *Kathryn A. Mitchell* Title: President

FOR OFFICIAL USE ONLY			
Date Filed: <u>5/10/04</u>	Application #: <u>179278</u>	Motcar: <u>4915</u>	Permit Issued: HG-
Staff Assigned: <i>[Signature]</i>	Insurance:	Inspection:	DOL/SOS: <i>OP</i>
Reception #: <u>111-0268-207-02</u>	<u>250.00</u>	<u>111-0268-202-01</u>	<u>111-0268-013-20</u>

0007100

TV-040861

BUSINESS INFORMATION

Name of Applicant Sanders Transfer Company
(must be individual, partners of a partnership, or corporation)

Trade Name, if applicable _____

Physical Address 2418-A 104th St Ct S Lakewood, Wa 98499-8718

Mailing Address 2418-A 104th St Ct S Lakewood, Wa 98499-8718

Telephone Number (253) 472-2410 Fax Number (253) 472-9425

UBI # 278 039 971 000 W Email: sanderstransfer@kathymitchell.com

TYPE OF BUSINESS STRUCTURE

- Individual Partnership Corporation Other _____
(LP, LLP, LLC)

List the name, title, and percentage of partner's share or stock distribution for major stockholders:

<u>Name</u>	<u>Title</u>	<u>Stock Distribution or Percentage of Shares</u>
<u>Kathryn A. Mitchell</u>	<u>President</u>	<u>100%</u> <u>W</u>

Choose one of the following for the territory in which you wish to operate:

- All counties in the State of Washington
 The following named counties only: _____

Describe the services you wish to provide. Explain how your services will enhance customer choice, promote competition, or fill an unmet need for service: Packing, loading, storage & delivery of household goods. Have an established customer base (private sector & military contracts) dating back to 1961.

Briefly describe your experience in the transportation/household goods moving industry:

I started as the secretary/bookkeeper at Sanders in 1982. Since then, I have managed the office, dispatched, packed, worked in the warehouse and delivered shipments to residence. I have handled claims, complaints and personnel.

Do you currently hold, or have you ever held, a permit to operate as a motor carrier of property?
 No Yes If yes, please indicate your permit number: HG001673

Have you ever applied for and been denied a permit to operate as a motor carrier of property?
 No Yes If yes, please explain: _____

Do you currently operate interstate? No Yes If yes, please indicate your:
 DOT# _____ MC# _____ Single State Registration Base State _____

Do you operate interstate as an agent of another company? No Yes If yes, what is the name of the company? Andrews Van Lines, Inc.

Do you have, or have you ever had a business related legal proceeding against you in Washington, or in any other state? No Yes If yes, please explain: _____


Have you ever been convicted of a Class A or B Felony? No Yes If yes, please explain: _____

Have you been cited for violation of state laws or Commission rules? No Yes If yes, please explain: _____

FINANCIAL STATEMENT			
You may attach a Balance Sheet, Profit and Loss Statement, or business plan if available			
ASSETS	SEE ATTACHED	LIABILITIES	
Cash in Bank	\$	Salaries/Wages Payable	\$
Notes Receivable	\$	Accounts Payable	\$
Accounts Receivable	\$	Notes Payable	\$
Investments	\$	Mortgages Payable	\$
Other Current Assets	\$	Other	\$
Prepaid Expenses	\$	TOTAL LIABILITIES	\$
Land and Buildings	\$	NET WORTH	
Trucks and Trailers	\$	Preferred Stock	\$
Office Furniture	\$	Common Stock	\$
Other Equipment	\$	Retained Earnings	\$
Other Assets	\$	Capital	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES & NET WORTH	\$

EQUIPMENT LIST

Describe the equipment that will be used (attach additional sheets if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal before your application may be granted.

Year	Make	License Number	Vehicle ID Number	Gross Vehicle Weight
	SEE ATTACHED			

SAFETY AND OPERATIONS

In each of the categories shown below, list the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State Laws and rules. Please refer to the WAC rules, Fact Sheets, and publication "Your Guide to Achieving a Satisfactory Safety Rating" for assistance with requirements that may apply to your specific operations.

SAFETY RESPONSIBILITIES

COMMERCIAL DRIVERS LICENSE (CDL) REQUIREMENTS (Title 49, Code of Federal Regulations Part 383) Any driver who operates a vehicle that meets the definition of a commercial motor vehicle must have a valid CDL.

Name: Jess D. Needham	Position: Operations Officer
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DRIVER QUALIFICATION REQUIREMENTS (Title 49, Code of Federal Regulations Part 391) Driver's must meet minimum qualification requirements and each company must maintain driver qualification files for each driver.

Name: Lori A. Brooks	Position: Office Manager
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DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395) Drivers must maintain logs and each company must maintain true and accurate hours of service records for each driver.

Name: Lori A. Brooks	Position: Office Manager
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CONTROLLED SUBSTANCES AND ALCOHOL TESTING (Title 49, Code of Federal Regulations Part 382 & Part 40) Any person who drives a commercial motor vehicle requiring a CDL must be in a Controlled Substance and Alcohol Testing program that complies with the FMCSR in 49 CFR Part 382 and 49 CFR Part 40.

Name: Kathryn A. Mitchell	Position: President
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Each company will have in place a system for complying with FMCSR governing alcohol and controlled substances testing requirement (49 CFR Part 382 and 49 CFR Part 40)

VEHICLE INSPECTION, REPAIR, AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396) Companies must ensure that each motor vehicle operated is regularly inspected, repaired, and maintained.

Name: Jess D. Needham	Position: Operations Officer
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INSURANCE REQUIREMENTS (WAC 480-15-530) All companies must file and maintain proof of public liability and property damage insurance covering vehicles operated. (\$300,000 minimum coverage for vehicles under 10,000 pounds GVWR and \$750,000 minimum coverage for vehicles 10,000 pounds GVWR or more)

Name: Kathryn A. Mitchell	Position: President
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CARGO INSURANCE REQUIREMENTS (WAC 480-15-550) All companies must maintain cargo insurance coverage. (\$10,000 for household goods transported in motor vehicles under 10,000 pounds GVWR and \$20,000 for vehicles 10,000 pounds GVWR or more)

Name: Kathryn A. Mitchell	Position: President
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OPERATIONAL RESPONSIBILITIES

ANNUAL REPORTS and REGULATORY FEES (WAC 480-15-480) Companies must annually file a report of their financial operations and pay regulatory fees.

Name: Kathryn A. Mitchell

Position: President

STATE OF WASHINGTON – general laws, rules and regulations: Individuals and companies doing business in the state of Washington must comply with the regulations of local, state, and federal agencies. Please state the name and position of the person in your organization who will be responsible for ensuring compliance with the laws of the state of Washington, such as, but not limited to: Department of Labor and Industries (industrial insurance, safety, prevailing wage); Department of Licensing (vehicle and drivers licenses, business licensing, Unified Business Identifier (UBI number), fuel permits, fuel tax); Secretary of State (corporate registrations); Department of Transportation (over-size or over-weight permits); Department of Revenue and Internal Revenue Service (taxes); and Employment Security.

Name: Kathryn A. Mitchell

Position: President

DECLARATION OF APPLICANT:

*I understand that filing this application **does not** in itself constitute authority to operate as a household goods mover.*

As the applicant for a household goods permit, I understand the responsibilities of a motor carrier, and I am in compliance with all local, state, and federal regulations governing businesses, including household goods movers, in the state of Washington.

I understand that if the Commission grants my application as a new entrant I will be granted temporary authority to provide service as a household goods carrier on a provisional basis for at least six months. During this time, the Commission will evaluate whether I have met the criteria in WAC 480-15-330 to obtain permanent authority. I also understand that I must comply with all conditions placed on my temporary permit and that failure to do so will result in cancellation of my permit.

I certify or declare under penalty of perjury under the laws of the State of Washington that the information contained in this application is true and correct.

Kathryn A. Mitchell

Print name of applicant



Signature of Applicant

4/30/04 Lakewood, Wa

Date & Place

ATTACHMENT B

Transfer or Acquisition of Control

Applicant is seeking one of the following - please check one:

Transfer Acquisition of Control

Sanders Transfer Company

Current Name on Permit (Seller)

Current Trade Name on Permit (Seller)

3120 So Tacoma Way Tacoma, Wa 98409

253-472-2410

Address (Seller)

HG- 001673

Permit Number

Phone Number (Seller)

Does the transfer of this permit fall under the provisions of WAC 480-15-260? No Yes If yes, please complete Attachment C.

Have all fines and/or penalties been paid? No Yes

Has the closing annual report been filed with the Commission? No Yes

A customer may file a loss or damage claim for up to nine months following a move, and up to two years for a lawsuit. Who will be responsible for handling claims filed by customers for loss and/or damage that occurred on moves taking place prior to the sale and transfer or acquisition?

RELEASE OF AUTHORITY

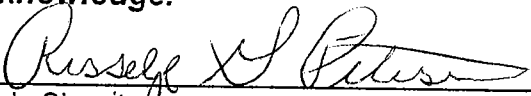
I, the seller, have sold or otherwise released interest in my household goods permit number HG- 001673 to the following:

Sanders Transfer Company

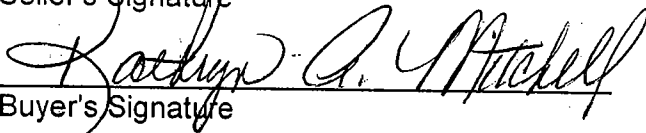
Name of Buyer

Trade Name of Buyer

We, as applicants, hereby jointly declare and affirm that all information is true to the best of our knowledge.


Seller's Signature

4/30/04 Lakewood, Wa
Date & Location


Buyer's Signature

4/30/04 Lakewood, Wa
Date & Location

ATTACHMENT C

TRANSFER OR ACQUISITION OF PERMANENT HOUSEHOLD GOODS AUTHORITY UNDER EXCEPTIONS IN WAC 480-15-260

1. The Commission will grant an application for permanent authority without public notice or comment if the applicant is fit, willing, and able to provide service and the application is filed to transfer or acquire control of permanent authority for one of the following reasons (check one, if applicable):
- A partnership has dissolved due to the death, bankruptcy, or withdrawal of a partner, and that partner's interest is being transferred to one or more of the remaining partners or a spouse;
 - A shareholder in a corporation has died and that shareholder's interest is being transferred to a surviving spouse or one or more surviving shareholders;
 - A sole proprietor has died and the interest is being transferred as property of the estate;
 - An individual has incorporated, and the same individual remains the majority shareholder;
 - An individual has added a partner, but the same individual remains the majority partner;
 - A corporation has dissolved and the interest is being transferred to the majority shareholder;
 - A partnership has dissolved and the interest is being transferred to the majority partner;
 - A partnership has incorporated and the partners are the majority shareholders; or
 - Ownership is being transferred from one corporation to another corporation when both are wholly owned by the same shareholders.

NOTE Documentation must be included with your application. Documentation may be in the form of a corporate resolution, partnership agreement, court order, death certificate, will or other proof of right to inherit, estate executor's statement, community property agreement or other such documentation that may support your request.

2. The Commission will grant an application for permanent authority without temporary permit operations following public notice or comment if the applicant is fit, willing, and able to provide service and the application is filed to transfer or acquire control of permanent authority for the following reason (check box, if applicable):
- Ownership or control of a permit is being transferred to any shareholder, partner, family member, employee, or other person familiar with the company's operations and the household goods moving services provided. If you check this option, please complete the following:
 - a. Has the permit been actively used by the current owner to provide household goods moving services during the last twelve-month period? No Yes
 - b. Explain why the transfer of ownership or control is necessary to ensure the company's economic viability:
Russell G. Peterson retired
 - c. Describe the steps taken by the applicant and the current owner to ensure that safe operations and continuity of service to the customers are maintained:
K. A. Mitchell has worked at Sanders with R.G. Peterson since 1/82 and has been managing the business since 1/90 when Mr. Peterson stopped working.

9:49 AM
 05/03/04
 Accrual Basis

SANDERS TRANSFER COMPANY
Balance Sheet
 As of December 31, 2003

	<u>Dec 31, 03</u>
ASSETS	
Current Assets	
Checking/Savings	
1012 · Checking	5,012.60
1013 · Petty Cash	100.00
1014 · Savings Account	22,465.36
Total Checking/Savings	<u>27,577.96</u>
Accounts Receivable	
1200 · Accounts Receivable	32,633.83
Total Accounts Receivable	<u>32,633.83</u>
Other Current Assets	
1360 · Advances	
1365 · Employee Advance	2,877.13
1360 · Driver Advances	1,683.58
1365 · Other Advances	-3,195.90
Total 1360 · Advances	<u>1,364.81</u>
Total Other Current Assets	<u>1,364.81</u>
Total Current Assets	<u>61,576.60</u>
Fixed Assets	
Fixed Assets	
1400 · Trucks	142,672.96
1410 · Equipment (Dollies, Pads, Board	14,176.84
1430 · Road Trailers & Equipment	44,709.00
1420 · Office Equipment & Furniture	11,659.14
1490 · Depreciation (All Categories)	-178,344.64
Total Fixed Assets	<u>34,873.30</u>
1500 · Covenant Not to Compete	
1550 · Amortization of Covenant	-34,000.00
1500 · Covenant Not to Compete - Other	60,000.55
Total 1500 · Covenant Not to Compete	<u>26,000.55</u>
1575 · Goodwill Acct	500.00
Total Fixed Assets	<u>61,373.85</u>
Other Assets	
1600 · Loan to Liberty Movers, Inc.	89,281.64
1625 · Shareholder Receivable-Kathy	-13,000.00
Total Other Assets	<u>76,281.64</u>
TOTAL ASSETS	<u><u>199,232.09</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	13,761.60
Total Accounts Payable	<u>13,761.60</u>

9:49 AM
05/03/04
Accrual Basis

SANDERS TRANSFER COMPANY
Balance Sheet
As of December 31, 2003

	<u>Dec 31, 03</u>
Other Current Liabilities	
2100 · Payroll Liabilities	
2105 · Fed Withholding	2,904.00
2107 · Medicare	501.88
2109 · Social Security	2,146.12
2110 · State Unemploy	988.03
2112 · L&I	5,580.76
2115 · Fed Unemploy	68.08
Total 2100 · Payroll Liabilities	<u>12,188.87</u>
Total Other Current Liabilities	<u>12,188.87</u>
Total Current Liabilities	25,950.47
Long Term Liabilities	
2040 · R. G. Peterson #950-22686-0	52,791.41
2045 · Columbia Bank (Alarm)	827.23
2046 · Loan for Road trailer	11,469.83
Total Long Term Liabilities	<u>65,088.47</u>
Total Liabilities	91,038.94
Equity	
2610 · Capital Stock	100.00
2652 · Retained Earnings	80,842.20
Net Income	27,250.95
Total Equity	<u>108,193.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>199,232.09</u></u>

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 05/03/04
 Accrual Basis

SANDERS TRANSFER COMPANY
Profit & Loss
 January through December 2003

	Jan - Dec 03
Income	
3912 · Insurance Settlement	2,876.00
3110 · Interstate Highway	8,563.80
3120 · Washington Highway	13,133.75
3130 · Local Moving	121,592.20
3300 · Pick up & Delivery	69,147.67
3510 · Packing	96,607.45
3520 · Accessorial/Misc Revenue	8,967.32
3710 · Storage	57,969.81
3720 · Warehouse Handling In & Out	21,855.03
3810 · Booking Commissions	83,085.53
3850 · Road Trailer Revenue	22,364.75
3860 · Truck Leasing	1,573.77
3911 · Interest Income	3,652.68
3920 · Late Fees & Bad Check Fees	-1,754.25
Total Income	509,635.51
Expense	
4100 · Labor	
4110 · Office	48,069.75
4120 · Drivers, Packers, Loaders	150,156.31
Total 4100 · Labor	198,226.06
4130 · Casual/Day Labor	9,610.00
5020 · Pensions	8,943.67
6110 · Fuel	9,282.65
6200 · Truck Repair	15,614.70
6220 · Road Trailer Repair	6,804.31
6410 · Warehouse	10,882.06
6560 · Payroll Expenses	
6561 · Social Security	12,289.99
6562 · Medicare	2,874.27
6563 · Fed Unemploy	740.67
6564 · State Unemploy	3,013.43
6565 · L&I	
6565A · Retro Fund Expense	-1,184.25
6565 · L&I - Other	16,392.32
Total 6565 · L&I	15,208.07
Total 6560 · Payroll Expenses	34,126.43
6571 · Other Federal Taxes	36.13
6585 · State Excise Tax	4,570.77
6595 · Tacoma Bus & Occupation Tax	1,750.11
6610 · Office Expense	3,366.35
6615 · Accounting Fees	745.00
6620 · Tariffs/Permits	528.43
6640 · Legal Fees	1,482.70
6650 · Insurance	
6652 · Employee Health Insurance	22,728.07
6654 · Business/Vehicle Insurance	19,908.72
6655 · Storage Premiums	-540.60
Total 6650 · Insurance	42,096.19
6700 · Packing Material	25,683.59
7320 · Watch & Alarm	4,615.93
7360 · Advertising	16,380.25
7400 · Utilities	2,075.48
7500 · Telephone	
7510 · Cell Phones	2,682.92
7520 · Office Telephones	3,310.88
Total 7500 · Telephone	5,993.80
7600 · Training/Conferences	984.87

9:50 AM
05/03/04
Accrual Basis

SANDERS TRANSFER COMPANY
Profit & Loss
January through December 2003

	<u>Jan - Dec 03</u>
7700 · Operating Travel	
7700A · Meals	853.43
7700 · Operating Travel - Other	5,548.26
Total 7700 · Operating Travel	<u>6,401.69</u>
7800 · Management	434.44
7900 · Miscellaneous	546.48
7901 · Scale Expense	875.50
7902 · Donations & Contributions	1,110.00
7920 · Membership & Dues	1,743.00
8112 · Amortization Expense	4,000.00
8310 · Rent	
8310A · Russ Peterson	24,000.00
8310B · JENCO Development	31,905.00
Total 8310 · Rent	<u>55,905.00</u>
8410 · Personal Property Taxes	96.62
8420 · Vehicle License	2,971.20
8600 · Bad Debt Expense	234.39
8700 · Claims Expense	
8710 · Local & Intra Claims	879.57
8720 · Interstate Claims	293.89
Total 8700 · Claims Expense	<u>1,173.46</u>
9211 · Interest Expense	3,093.30
Total Expense	<u>482,384.56</u>
Net Income	<u><u>27,250.95</u></u>

SANDERS TRANSFER EQUIPMENT LIST

<u>YEAR</u>	<u>MAKE</u>	<u>LICENSE NUMBER</u>	<u>VEHICLE ID NUMBER</u>	<u>GROSS VEHICLE WEIGHT</u>
1976	INTL	XW5171	D0522FCA25058	12040
1986	CHEV	UJ8793	1GBL7D1B1GV108581	12020
1997	ISUZU	A91949B	4KLB4B1R4VJ001482	7700
1992	GMC	A29720D	1GDJ6H1P6NJ505034	10520
1992	GMC	03041W	1GTDC14K4NZ535300	3957
1993	INTL	A03005D	1HSSDPPN1PH520671	11160
1985	KENWO	A15472T	1XKEDB9X1FK365567	21540
1977	MATLO	2505RH	2651	17600
1962	UTL	J43268	37929	7800

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
SANDERS TRANSFER COMPANY, INC.

June 8, 1995

Upon call of a majority of the Board of Directors, a special meeting of the Board of Directors of Sanders Transfer Company, Inc., a Washington corporation (the "Corporation"), was held at 11:00 a.m. on June 8, 1995, at Suite 450, 950 Pacific Avenue, Tacoma, WA 98402.

ATTENDANCE AND QUORUM

Directors Russell G. Peterson, Marian L. Peterson and Kathryn A. Mitchell were present. Also present by invitation were Clifton A. Mitchell, spouse of Kathryn A. Mitchell, and Timothy J. Lowenberg, corporate counsel. Director Russell G. Peterson, acting as chairman of the meeting, announced that pursuant to ARTICLE II, Section 11 of the Bylaws of the Corporation, a quorum was present for the transaction of corporate business.

ADOPTION OF STOCK REDEMPTION RESOLUTION

The Chairman announced that prior to this special board meeting he had sold one of his outstanding, issued shares of common stock in the Corporation to Kathryn A. Mitchell. The chairman also reported that Kathryn A. Mitchell and he had signed an Agreement for the Coordinated Private Sale and Corporate Redemption of Stock prior to this special directors meeting. Timothy J. Lowenberg generally discussed the terms and conditions of the Agreement for the Coordinated Private Sale and Corporate Redemption of Stock for the benefit of those present.

After open discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Kathryn A. Mitchell, acting as agent for Sanders Transfer Company, Inc., be and she is hereby authorized and directed to execute, on behalf of the Corporation, the Stock Redemption Agreement with majority shareholder Russell G. Peterson in the exact form of the Stock Redemption Agreement of even date which is attached as Exhibit "A" to these minutes and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that Kathryn a. Mitchell, acting as agent for the Corporation, be and she is hereby authorized

and directed to sign the Promissory Note on behalf of the Corporation, as Maker, in favor of Russell G. Peterson, as Holder, in the exact form of the Promissory Note of even date which is attached as Exhibit "B" to these minutes and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that Kathryn A. Mitchell, acting as agent for the Corporation, be and she is hereby authorized and directed to sign such other and further documents as may be necessary, from time to time, to effect full implementation of the above-referenced Stock Redemption Agreement.

ADOPTION OF COMMERCIAL LEASE RESOLUTION

The Chairman next reported on that portion of the above-described Agreement for the Coordinated Private Sale and Corporate Redemption of Stock by which the Chairman is personally and individually obligated to lease to the Corporation the real property and improvements personally owned by the Chairman and currently occupied by the Corporation at 3120 S. Tacoma Way, Tacoma, Pierce County, Washington in accordance with the terms and conditions of a commercial lease which had been negotiated between the parties prior to this special board meeting. After open discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Kathryn A. Mitchell, as agent for Sanders Transfer Company, Inc., be and she is hereby authorized and directed to sign, on behalf of the corporation, that certain commercial lease with Russell G. Peterson, in his private and individual capacity, in the form set forth as Exhibit "C", a copy of which is attached hereto and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that the real property which is the subject of the foregoing commercial lease is commonly known as 3120 S. Tacoma Way, Tacoma, Pierce County, Washington, and legally described as:

Lots 6 and 7, Block 3, Wing's Addition to Tacoma, W.T., according to plot recorded in book 1 of plats at page 83, in Pierce County, Washington; and

Lots 1 to 3, inclusive, Block 3, Wing's Addition to Tacoma, W.T., according to plat recorded in book 1 of Plats at page 83. EXCEPT portion appropriated by City of Tacoma for South Tacoma Way, in Pierce County Superior Court Cause No. 75346, in Pierce County, Washington.

Parcel A:

Commencing at the southwest corner of Block 3 of Wing's Addition to Tacoma, W.T., according to plat recorded in book 1 of plats at page 83, in Section 18, Township 20 North, Range 3 East of the W.M.; thence on the west line of said Block north 334.8 feet to the true point of beginning for this description; thence continuing on said west line of Block north 121.77 feet to the easterly line of South Tacoma Way; thence on said easterly line northeasterly 178.90 feet to the east line of Lot 48 in said Block 3; thence on said east line south 122.19 feet to a point 444.25 feet north of the south line of said block 3; thence southwest 178.3 feet to the true point of beginning.

Parcel B:

ALSO, the west 10.16 feet of Lot 8, Block 3, Wing's Addition to Tacoma, W.T., according to plat recorded in book 1 of plats at page 83.

Parcel C:

Lots four (4) and Five (5) in Block Three (3) of WING'S ADDITION TO TACOMA, W.T., as per map thereof recorded in Book 1 of Plats, at page 83, records of Pierce County Auditor; and

BE IT FURTHER RESOLVED, that Kathryn A. Mitchell, as agent for the corporation, be and she is hereby authorized and directed to sign such other and further documents as may be necessary, from time to time, to fully effect the commercial lease agreement herein authorized.

RESIGNATIONS

The Chairman next discussed his personal desire to remain active as a director of the Corporation but to withdraw from the responsibilities of serving as President of the Corporation. The Chairman therefore announced his resignation as President of the Corporation and as Chairman of the Board of Directors, both actions to be effective immediately. Marian L. Peterson also announced her resignation both as an officer and as a director of the corporation. These resignations being duly accepted, after discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that in light of the resignation of Marian L. Peterson as a director and officer of this Corporation, which said resignation is respectfully accepted, the Board of Directors, acting pursuant to ARTICLE II, Section 4 of

the Corporation Bylaws, does hereby appoint Kathryn A. Mitchell to serve the unexpired term of Marian L. Peterson as a Director of the corporation; and

BE IT FURTHER RESOLVED, that Kathryn A. Mitchell shall be and she is hereby vested with all of the powers, prerogatives, discretion and responsibility as a Director of this corporation.

SPECIAL ELECTION OF OFFICERS

The Chairman next reported that in light of his own resignation as President of the Corporation and as Chairman of the Board of Directors and in light of Marian L. Peterson's resignation as a Director and as Secretary and Treasurer, the Board of Directors needed to elect new officers to fill the unexpired terms of the persons so resigning. The Chairman also reported that ARTICLE VIII, Section 1, of the corporation Bylaws vests the Board of Directors with full power and authority to elect successors to the foregoing vacant corporate offices. Thereupon, the following persons were nominated and, upon ballot being taken, were unanimously elected to fill the offices set forth opposite their respective names:

President:	Kathryn A. Mitchell
Vice-President:	Russell G. Peterson
Secretary:	Peter D. Huckstadt
Treasurer:	Peter D. Huckstadt

After further discussion, the following resolution was duly adopted:

RESOLVED that the records of this meeting reflect that Russell G. Peterson abstained from voting on all resolutions adopted during this meeting.

There being no further business to come before the special meeting of the Board of Directors, the meeting, upon motion duly made and seconded, was adjourned.



KATHRYN A. MITCHELL, newly appointed Director and Acting Secretary of the meeting

APPROVED:



RUSSELL G. PETERSON, Director



KATHRYN A. MITCHELL, Director
(whose appointment was effected during the meeting)



MARIAN L. PETERSON, Director
(whose resignation was accepted during the meeting)

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