

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is dated as of _____, 2008, and is entered into by and between Aloha Lumber Company, a Washington corporation ("Seller"), and _____, a Washington _____, ("Buyer"). Seller wishes to sell and Buyer wishes to purchase the Property, as defined below, upon the following terms and conditions:

1. The Property. The property to be purchased by Buyer consists of Seller's entire interest in: (a) that certain parcel of real property legally described on **Exhibit A** attached hereto and incorporated herein (hereinafter called the "Property"); (b) any and all buildings, structures, or other improvements thereon; (c) timber, trees, plants and other crops located thereon; (d) if owned by Seller, any and all oil, gas, water, riparian rights, appropriative rights and mineral rights appurtenant thereto, (e) all easements, rights-of-way, road agreements and other rights or entitlements appurtenant thereto, and (f) any and all permits and approvals relating thereto.

2. Closing. "Closing" shall mean the date on which the special warranty deed transferring title to the Property from Seller to Buyer is recorded in the official records of _____ County, Washington. Closing shall occur on _____, 2008, or such other date as may be mutually agreed upon by the parties, at the office of Title Company.

3. Consideration. The consideration to be paid to Seller by Buyer for purchase of the Property (the "Purchase Price") shall be a total of _____ Dollars (\$_____.00) and shall be payable all cash at Closing, less an earnest money deposit of \$_____ which has been delivered to Seller in the form of a cashiers or certified check payable to Chicago Title Insurance Company ("Escrow Deposit").

4. Title.

(a) Preliminary Title Report. Seller has provided to Buyer, or within seven (7) days after the mutual acceptance of this Agreement shall provide to Buyer, a title commitment or preliminary title report applicable to the Property (the "Preliminary Title Report") issued by Chicago Title Insurance Company (the "Title Company"), together with a copy of all items indicated as exceptions in such Preliminary Title Report.

(b) Condition of Title at Closing. At Closing, Seller shall convey fee simple title to the Property to Buyer by special warranty deed, subject only to the exceptions indicated on the Preliminary Title Report.

5. Costs to Buyer and Seller.

(a) Seller shall pay the following:

(i) Cost of obtaining the Preliminary Title Report and the policy of title insurance;;

(ii) One-half of the escrow fee;

(iii) The real estate excise tax; and

(iv) Costs of Seller's counsel.

(b) Buyer shall pay the following:

(i) One-half of the escrow fee;

(ii) Costs of Buyer's counsel; and

(iii) Fee for recording the deed.

(c) Accrued but not yet payable real estate taxes and assessments for the current year shall be prorated as of Closing. Any real estate taxes or assessments owed in connection with prior years shall be the sole responsibility of Seller.

6. Representations and Warranties of Seller. Except as disclosed to or known by Buyer including in any books, records and documents made available to Buyer, or in the Preliminary Title Report or any supplemental report or documents referenced therein, Seller represents to Buyer (and such representations are strictly limited to Buyer only) that, to the best of Seller's knowledge as of the Closing:

(a) Seller has the capacity and requisite authority to enter into and carry out this Agreement and the transactions contemplated hereby;

(b) There is no suit, action or arbitration, or legal or other proceeding or governmental investigation pending which affects the Property;

(c) To Seller's knowledge, the Property (or off-site of the Property that might affect the Property): (i) does not contain, no activity on the Property has produced, and the Property has not been used in any manner for the storage, discharge, deposit or dumping of hazardous or toxic wastes or substances, whether in the soil, ground water or otherwise; (ii) does not contain underground tanks of any kind; (iii) does not contain and does not produce polychlorinated biphenyls, asbestos, or urea formaldehyde; (iv) there are no surface or subsurface conditions which constitute or with the passage of time may constitute a public or private nuisance; and (v) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of hazardous or toxic wastes or substances. Seller has not undertaken any of the foregoing activities and to Seller's knowledge has not knowingly caused or allowed any of the foregoing conditions to exist on the Property.

(d) Seller is not a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and the Income Tax Regulations promulgated thereunder. At Closing, Seller shall deliver to Buyer a certificate of nonforeign status.

7. As-Is. Except for those representations and warranties specifically included in this Agreement, Buyer acknowledges that it is not relying upon any statement, information or representation with respect to any matters relating to the Property made by Seller or anyone acting or purporting to act, on behalf of Seller. Buyer agrees to accept the Property "AS-IS" and "WITH ALL FAULTS" in its condition and state of repair on the date of Closing, and acknowledges that Seller is making no warranties, express or implied, with respect to the condition of the Property or the volume or condition of the timber located thereon (either now or at the time of Closing). Buyer agrees that, except as herein specifically provided, Seller is not liable or bound in any manner by any express or implied warranties, pertaining to the Property, its state of title, income, operations, tenancies (or the existence or absence of defaults thereunder) nor with respect to the physical condition thereof. This Agreement embodies and constitutes the entire understanding between the parties hereto with respect to the transaction contemplated by this Agreement and all prior or contemporaneous negotiations, communications, conversations, understandings and agreements, had between the parties hereto, oral or written, are merged in this Agreement. The provisions of this Section 7 shall survive delivery of the deed hereunder. Buyer has been informed that Seller has undertaken no investigation to determine if Seller's current operations utilizing the Property are in compliance with applicable federal, state and/or local statutes, laws and/or regulations regarding environmental compliance. 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.

8. Right of Entry/Possession at Closing. Upon full execution of this Agreement, Buyer, through its authorized agents, personnel and employees, shall be entitled to enter upon the Property during normal business hours to make such inspections or studies as Buyer may deem reasonably necessary, including without limitation soils and hazardous waste studies. Buyer shall obtain written permission from Seller prior to performing physical studies, which permission will not be unreasonably withheld. The results of such studies will be made available to Seller immediately upon receipt by Buyer. Buyer will repair any damage caused by such studies and will hold Seller harmless from any claims resulting therefrom. Possession of the Property shall be delivered to Buyer by Seller at Closing.

9. Seller's Remedy. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, the Escrow Deposit shall be forfeited to Seller as the sole and exclusive remedy available to Seller as a result of such failure. The parties have agreed that the forfeiture of the Escrow Deposit constitutes a reasonable estimate, at the time this Agreement is being executed, of the risks and damages Seller could suffer as a result of Buyer's failure to close. Seller hereby waives any other remedy it may have.

10. Buyer's Remedies. In addition to all other rights or remedies available for Seller's breach of this Agreement, including specific performance, Buyer shall have the right to terminate this Agreement and upon such notice of termination the Escrow Deposit, if any, shall be returned to Buyer. Buyer, at its option, may elect to waive the performance of any condition, contingency or provision in Buyer's favor set forth in this Agreement. If any condition to Closing shall not be satisfied, Buyer, at its option, may terminate this Agreement. In the event of such termination, the Escrow Deposit, if any, shall be returned to Buyer.

11. Continuing Forest Land Obligations. Buyer acknowledges that the Property is subject to certain continuing forest land obligations applicable to the property under the forest practices rules adopted by the State of Washington that may include but are not limited to reforestation, road maintenance, abandonment plans and/or harvest strategies pursuant to RCW 76.09 (the "Continuing Obligations"). At or before Closing, Buyer agrees to sign and deliver to the Seller Form DNR QQ-42, which will be recorded and sent to the Washington Department of Natural Resources. As of Closing, the Buyer assumes and agrees to perform any Continuing Obligations at the Buyer's sole cost and expense in a timely fashion, and to indemnify, defend and hold Seller harmless against any claim, loss, damage, cost or expense resulting from Buyer's failure to fulfill and perform the same. The provisions of this Section 11 shall survive the Closing of this transaction and the delivery of any deed hereunder.

12. Miscellaneous.

(a) All notices, consents and approvals required by this Agreement shall be either: (i) personally delivered; or (ii) placed in the United States mail, properly addressed and with full first-class postage prepaid, certified mail with a return receipt requested. Said notices, consents and approvals shall be deemed received on the earlier of: (1) the date actually received, or (2) seventy-two (72) hours after being mailed as aforesaid.

Said notices, consents and approvals shall be sent to the parties hereto at the following addresses, unless otherwise notified in writing:

To Seller:

Aloha Lumber Corporation
ATTN: Ewan Rose
10260 SW Greenburg Road Suite 1150
Portland, Oregon 97223

With a copy to:

To Buyer:

With a copy to:

(b) Attorneys' Fees. In the event that either party hereto brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, or for an alleged breach or default of, or any other action arising out of this Agreement or the transactions contemplated hereby the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and any court costs incurred in such action or proceeding, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

(c) Entire Agreement and Amendments. This Agreement, together with any Exhibits referred to herein constitute the final and complete expression between the parties hereto and supersedes any and all prior arrangements or understandings between the parties. This Agreement can be amended only by a writing signed by Buyer and Seller.

(d) Exhibits. All exhibits attached hereto are hereby incorporated by reference and made a part hereof.

(e) Time of the Essence. Time is of the essence in connection with each and every provision of this Agreement.

(f) Choice of Law. This Agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Washington.

(g) No Assignment. Buyer shall have no right to assign any of its rights, privileges, duties or obligations under this Agreement without the prior written consent of Seller.

(h) Section Headings. The headings of the sections of this Agreement are inserted solely for convenience of reference, and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(i) Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Agreement shall be made against either party except on the basis of a written instrument executed by or on behalf of such party. A receipt by Seller of any payment due hereunder, with knowledge of any breach of this Agreement,

shall not be deemed a waiver of such breach. The party for whose benefit a condition is herein inserted shall have the unilateral right to waive such condition.

(j) Further Actions. Buyer and Seller agree to execute such further documents, and take such further actions, as may reasonably be required to carry out the provisions of this Agreement, or any agreement or document relating hereto or entered into in connection herewith.

(k) Commissions. If any commissions are owed for completion of this transaction as a result of Seller's participation herein, they are the obligation of the Seller and are stated in a separate agreement between Seller and the real estate broker or other third party. Seller shall indemnify and hold Buyer harmless from any commissions or finder's fees arising through Seller. Buyer shall indemnify and hold Seller harmless from any commissions or finder's fees arising through Buyer.

IN WITNESS WHEREOF, the undersigned have executed this document as of the day and year first hereinabove written.

SELLER:

BUYER:

Aloha Lumber Corporation,

_____ ,

By:

By:

Its:

Its: