

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (hereinafter "Agreement"), made this date, is by and between the PORT OF CHELAN COUNTY, a Washington municipal corporation ("Grantee"), and MILL PROPERTY ASSOCIATES, a Washington joint venture ("Grantor"), sometimes collectively referred to as the "Parties".

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good a valuable consideration, the Parties agree as follows:

AGREEMENT

1. **Agreement to Sell - Earnest Money.** The Grantor agrees to sell, and the Grantee, or its assigns, agree to purchase, subject to the terms and conditions set forth herein, real property in Chelan County, Washington (the "Property"), legally described as follows:

See Exhibit "A" which is attached hereto and incorporated herein by this reference.

Grantee shall pay Grantor earnest money in the amount of Fifty Thousand Dollars only (\$50,000.00), previous receipt of which is acknowledged by the Grantor. The earnest money shall be non-refundable.

2. **Purchase Price and Terms of Payment.** The purchase price for the Property shall be One Million Dollars (\$1,176,961.00) (the "Base Purchase Price"). Grantee agrees to pay the Base Purchase Price as follows:

2.1 The adjustment to the Base Purchase Price calculated in Section 3.5 with regard to construction of the access road to the Property shall be added to the Base Purchase Price.

2.2 A down payment of Three Hundred Fifty Thousand Dollars (\$350,00.00), including earnest money previously paid to Grantor, shall be paid at Closing (as hereafter defined).

2.3 The unpaid principal balance after the adjustment and down payment set forth in Sections 2.1 and 2.2, respectively, shall bear interest at the rate of seven percent (7%) per annum, on the declining balance, until paid in full, and shall be evidenced by a promissory note in the form set forth on attached Exhibit "B" and shall be secured by a deed of trust in the form set forth on attached Exhibit "C."

2.4 The unpaid principal balance shall be amortized over fifteen (15) years and paid in equal annual installments, including interest, due each year on the anniversary of the date of Closing, beginning with the first anniversary of the date of Closing; provided however, the entire unpaid balance of principal and interest shall be due and payable on the fifth (5th) anniversary of the date of Closing. There shall be no penalty for prepayment of all or a portion of the outstanding principal prior to the fifth (5th) anniversary of the date of Closing.

3. **Construction of Road.**

3.1 Grantee shall seek a commitment from Chelan County that the Property has adequate access, that Chelan County will accept and maintain the access as a County road, and that the access can be utilized for the Grantee's intended use of the Property as a technology/business park. All obligations undertaken by the Grantee pursuant to this Section 3, including obtaining commitments from Chelan County, are subject to Sections 5.2, 10, and 15 through 17, inclusive, below. The location of the access road is set forth on Exhibit "D" which is incorporated herein by this reference. The Grantor shall construct the access road from "Station 0 + 12" to "Station 17 + 75" as depicted on Exhibit D ("Grantor's Portion") according to standards approved by Chelan County. The Grantee shall construct the access road from "Station 12 + 75" to "Station 31 + 25" as depicted on Exhibit D ("Grantee's Portion"). Grantor shall be responsible for obtaining approval from Chelan County for construction of Grantor's Portion before Closing, as defined herein.

3.2 The Grantor acknowledges that it will benefit from the construction of the access road and agrees to share in the costs incurred by the Grantee for engineering, surveying, legal, and other professional fees directly related to the access road, and for the costs of constructing the access road as a public work ("Road Improvement Costs") on a pro-rata basis as follows:

Port of Chelan County	50%
Mill Property Associates	50%

3.3 Grant money may be available to apply towards the Road Improvement Costs. In addition Chelan County may participate in a portion of the costs of constructing the intersection at the eastern end of the access road (the "Intersection"). In the event a grant is sought and obtained, or Chelan County participates in the construction of the Intersection, then the Road Improvement Costs shall be reduced by the amount of the grant and/or the contribution of Chelan County, and the net costs of constructing the access after applying the grant money and/or the contribution of Chelan County shall be shared on the same pro-rata basis outline above in Section 3.2.

3.4 The Grantor shall be responsible for demolishing the building located on property legally described in Exhibit "E", attached hereto and incorporated herein by this reference (the "Building"). The Grantee shall have the right to inspect and approve the demolition of the Building prior to accepting the site for constructing the access road. The Grantor shall be solely responsible for any costs in excess of Thirty-Four Thousand Five Hundred Dollars (\$34,500) for the demolition of the Building, without any off-set or claim against the Grantee. The Grantor is contributing the property necessary for construction of the access road. The Grantor represents and warrants that the value of the property being contributed for the access road shall remain fixed and that any costs in excess of One Hundred Forty-Five Thousand Nine Hundred Dollars (\$145,900) shall be the sole responsibility of Grantor without any off-set or claim against the Grantee. The Parties agree that the design engineering for the access road will be Sixty Nine Thousand One Hundred and Four Dollars

(\$69,104.00) ("Design Engineering Costs"). The Grantee shall be solely responsible for payment of the Design Engineering Costs for the access road, regardless of the actual costs associated therewith, subject to the accounting set forth in Section 3.5.

3.5 For purposes of Section 2.1, the Base Purchase Price shall be adjusted as follows:

3.5.1 The Parties agree with the original good faith estimate of the Road Improvements Costs prepared by the Grantee's engineer in the amount of \$569,100 ("Original Estimate"). The Parties have agreed to subtract the Design Engineering Costs from the Original Estimate, leaving a balance of \$499,896 ("New Estimate"). Fifty percent (50%) of the New Estimate is equal to \$249,948. The Parties also agree with the good faith estimate of the Grantee's engineer for the Grantor's Portion in the amount of \$265,342. The Grantee shall pay Grantor the sum of \$15,394 (representing the difference between 50 percent of the New Estimate and the costs for Grantor's Portion), at Closing. The Grantor shall be solely responsible for any costs incurred in excess of \$265,342 for Grantor's Portion and will be the sole beneficiary if the cost of the Grantor's Portion is less than \$265,342.

3.5.2 The Parties agree with the good faith estimate of the Grantee's engineer for the additional costs associated with the alignment of the Intersection commonly known as "Alternate C" in the amount of \$18,612. The additional costs associated with Alternate C, are in addition to the calculations set forth in Section 3.5.1. The Grantor agrees to construct Alternate C simultaneously with the construction of Grantor's Portion according to standards approved by Chelan County. Grantee will reimburse Grantor the maximum sum of \$9,306 at Closing, representing one-half of the agreed costs of the Intersection. Grantor shall be solely responsible if the additional costs of Alternate C exceed \$18,612. Both parties shall benefit on an equal basis if Chelan County contributes to the construction of the Intersection, as set forth in Section 3.3.

3.5.3 Grantee shall pay Grantor the sum of \$17,250, at closing, representing one-half of the costs of demolishing the Building.

3.5.4 Grantee shall pay Grantor the sum of \$72,950, at closing, representing one-half of the costs of the value of the real property over which the access road will be constructed.

3.5.5 Grantor shall pay Grantee the sum of \$34,552, at closing, representing one-half of the Design Engineering Costs.

3.5.6 Grantee shall pay Grantor a sum equal to one-half of the costs in obtaining additional property from Burlington Northern-Santa Fe Railroad for the access road near "Station 21 + 50" as depicted on Exhibit D; provided the Grantee's responsibility for one-half of said costs shall not exceed \$7,500; provided further the additional property referred to herein is acquired before Closing.

3.5.7 The sum of \$71,042 (plus the Grantee's share of the costs in Sections 3.5.2 and 3.5.6) shall be inserted in Section 2.1 and added to the Base Purchase Price, which represents the sum of Sections 3.5.1, 3.5.2, 3.5.3, 3.5.4, 3.5.5. and 3.5.6 .

3.6 This Agreement is contingent upon Grantor obtaining consents, subordination agreements, or other documentation satisfactory to the Grantee from any third party who may have an interest in the property on which the access road will be located.

3.7 Upon completion of the access road, the Grantor shall execute a quitclaim deed or other means of conveyance as required by the Grantee and the County for the purpose of dedicating the access road to the County.

3.8 Upon written request delivered by the Grantor, the Grantee shall transfer the designs for the construction of Grantor's Portion and the Intersection prepared by the engineer retained by the Grantee. The transfer of said designs will be made without representation or warranty and the Grantor agrees to indemnify and hold the Grantee harmless from any and all liability or damage arising out of or associated with said designs. The Grantor shall independently hire an engineer and retain the necessary experts and contractors to complete the Grantor's Portion and the Intersection consistent with the design standards imposed by Chelan County. Grantee shall review and approve, in writing, the application for a variance to be submitted by the Grantor to Chelan County which will be required before construction may commence on Grantor's Portion and the Intersection.

4. **Time for Closing.** Grantee shall designate the date for closing by providing written notice to Grantor of the Closing date; provided that the date chosen by Grantee shall be within ninety (90) days of the approval of the shorelines substantial development permit and the binding site plan, whichever is later, subject to Sections 15 and 16. Closing may be extended for a reasonable time not to exceed an additional sixty (60) days, for a total of one hundred and fifty (150) days to evaluate an appeal of any land use decision obtained by the Grantee as set forth herein. In no event shall Closing be extended beyond December 31, 2000.

5. **Title.**

5.1 A preliminary commitment for title insurance for the Property issued by Land Title Company, Chelan-Douglas Counties, Inc. (the "Preliminary Commitment") has already been issued and reviewed by the Parties. Grantee has provided written notice to Grantor of all title defects or encumbrances, other than Permitted Exceptions (as defined below) and liens, defects, and encumbrances to be cleared at Closing by Grantor, to which Grantee reasonably objects. Permitted Exceptions are defined to include the following:

5.1.1 This Agreement in favor of Grantee;

5.1.2 Encumbrances, rights, restrictions, reservations, covenants, and easements not materially affecting the value of the Property or unduly interfering with the Grantee's intended use of the Property; and

5.1.3 Rights reserved in federal patents or state deeds, and building or use restrictions general to the area.

5.2 At or before Closing, Grantor shall remove or attempt to remove the following matters: (a) all railroad related easements, including special exceptions numbered 13, 14, 15 and 16 identified on the Preliminary Commitment; (b) all reserved mineral interests, including special exceptions numbered 3 and 17 identified on the Preliminary Commitment; (c) all irrigation related easements, including special exceptions numbered 2, 4, and 11 identified on the Preliminary Commitment; and (d) the boundary encroachments by the neighbors, including Don Howerton and Jerry Jeffries and special exceptions numbered 28 and 33 identified on the Preliminary Commitment. If Grantor is unable to remove these matters before July 1, 2000, then Grantee may elect, as its exclusive remedy, either to waive the removal, or to terminate this Agreement. If Grantee does not give Grantor written notice waiving the defects that Grantor is unable to remove before June 15, 2000, then Grantee shall be deemed to have terminated the Agreement. Any defect that Grantor is unable to remove and to which Grantee has waived the removal of shall hereafter be referred to as a Permitted Exception.

5.3 The Property is included in a limited improvement district for sewer improvements formed by Chelan County Public Utility District No. 1 (the "LID"). Grantor agrees to finance the LID pursuant to the terms offered by Chelan County P.U.D. No. 1. The approximate amount of the LID is Forty Thousand Seven Hundred and Seven and 01/100 Dollars (\$40,707.01). Grantee agrees to assume the LID at closing, provided the final amount of the LID for the Property does not exceed Forty-Five Thousand Dollars (\$45,000), and the interest rate set forth in the financing offered by Chelan County P.U.D. No. 1 is not greater than five percent (5%). Assuming the conditions outlined in this Section 5.3 are satisfied, the LID will become a "Permitted Exception" to the condition of title.

6. **Escrow; Closing.** An escrow shall be opened with Ogden Murphy Wallace, P.L.L.C., or such other closing agent as designated by the Grantee. All necessary documents shall be delivered to the escrow agent and all payments required hereunder, including the down payment of the Base Purchase Price, shall be made to the escrow agent. Grantor and Grantee shall execute such Escrow Instructions, not inconsistent with the terms of this Agreement, as may be requested by the escrow agent from time to time. Taxes and assessments for the year of closing and rentals under existing leases and tenancies (if any) shall be prorated between the Parties as of the date of closing. "Closing," as used herein, means the date on which all appropriate documents are recorded, and the sale proceeds are available for disbursement to Grantor.

7. **Possession.** Grantor shall deliver possession of the Property to Grantee at Closing.

8. **Grantor's Representations.** Grantor represents and warrants to the best of Grantor's knowledge:

8.1 That Grantor is not aware of any material facts adversely affecting the Property which have not been disclosed in writing to the Grantee or which are not obvious from a reasonable inspection of Property.

8.2 That Grantor is not aware of any asbestos or PCBs on the Property or of any underground storage tanks beneath the Property.

8.3 That Grantor shall maintain the Property in its present condition until Closing, provided that Grantor may continue to remove the wood chips and sawdust.

8.4 That Grantor has no knowledge or notice from any governmental agency of any violation of laws relating to the Property.

8.5 That to the best of Grantor's knowledge there is no litigation pending against the Grantor or regarding the Property that might detrimentally affect the intended use of the Property by the Grantee.

8.6 Grantor has authority to enter into this Agreement.

9. **Notices.** Any notice hereunder shall be given in writing to the party for whom it is intended in person or by registered mail at the following address or such future address as may be designated in writing to any successor or assignee of either party, at the address stated in the notice of succession or assignment.

Grantor: Mill Property Associates
c/o Pat Burnett
PO Box 447
Peshastin, WA 98847

Grantee: Port of Chelan County
P.O. Box 849
Wenatchee, WA 98807-0849

With a copy to: Ogden Murphy Wallace, P.L.L.C.
1 Fifth Street, Suite 200
P.O. Box 1606
Wenatchee, WA 98807
Attn: Robert A. Kiesz, Esq.

10. **Risk of Loss.** If prior to Closing, the Property shall be destroyed or materially damaged by fire or other casualty, such as to render the Property not usable for Grantee's intended need, then Grantee will have twenty (20) days after it has knowledge of the destruction or damage to elect to terminate this Agreement, which will include the termination of any obligation set forth in Section 3. The election to terminate must be made in writing. If Grantee elects to proceed with closing, then all insurance proceeds, if any, shall be payable to Grantee at Closing.

11. **Merger.** The Parties have previously entered into a Letter of Intent, with three Addendums (the "Letter of Intent"), an Option to Purchase Real Property ("Option Agreement"), and a Real Estate Purchase and Sale Agreement ("Purchase Agreement"). This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements among them with respect to the subject matter, including the Letter of Intent, the Option Agreement, and the Purchase Agreement. Except as fully set forth in the Agreement, there are no representations, agreements or understandings, oral or written, among the Parties hereto and relating to the subject matter of this Agreement that are binding on the Parties.

12. **Assignment and Succession.** It is intended that all the provisions of this Agreement shall bind and inure to the benefit of the heirs, administrators, executors, successors, personal representatives and assigns of the respective Parties. All rights of Grantee and Grantor hereunder may be assigned provided the party seeking the assignment obtains the consent of the other party. Consent to an assignment shall not be unreasonably withheld.

13. **No Sale or Transfer.** Grantor shall not sell or convey title to the Property during the period of the Agreement.

14. **Closing Costs.**

14.1 Grantee shall pay the following closing costs: The cost of recording the Deed, one-half (1/2) of the closing agent's escrow fee, one-half (1/2) of the document preparation costs (statutory warranty deed, real estate excise tax affidavit, promissory note, and deed of trust), and any other closing costs customarily paid by Grantee.

14.2 Grantor shall pay the following closing costs: Costs of clearing title of the property as set forth in Paragraph 5, one-half (1/2) of the closing agent's escrow fee, one-half (1/2) of the document preparation costs (statutory warranty deed, real estate excise tax affidavit, promissory note, and deed of trust), the title insurance premium, real estate excise tax (if required) and any other closing costs customarily paid by Grantor.

15. **County Approvals.** Closing is specifically contingent upon the Grantee obtaining satisfactory evidence in the form of a commitment from Chelan County that the Property has adequate access, that the County will accept and maintain the access as a County road, and that the access can be utilized for the Grantee's intended use of the Property as an industrial and/or business park ("County Approvals"). In order to obtain County Approvals, the Parties agree to submit a binding site plan and a shoreline substantial development permit for the road and the development on the Property. County Approvals must be obtained on or before July 1, 2000. The Grantor consents to a rezone of the Property, but obtaining a rezone is not a condition of sale. The Parties have previously obtained a variance to address sub-standard right-of-way widths for the Grantor's Portion.

16. **Water System.**

16.1 Grantee and Grantor understand and acknowledge that a domestic water system servicing the Property is not in place, and that if Grantee acquires the Property it will, in all likelihood, have to contribute financially to improvements to or changes of the existing system. Closing is specifically contingent upon the Grantee obtaining satisfactory evidence in the form of a commitment from a reasonably acceptable public entity providing domestic water service to the Property, that: (1) the Property can be served by public water system for the Peshastin area pursuant to the terms of a comprehensive water plan approved by the Department of Health and the Department of Ecology, (2) that water Availability Certificates are available to the Property to allow it to be developed into parcels for technology, business, or similar uses, and (3) that the financial contribution sought from the Grantee for the domestic water system to the Property will not exceed Seventy Thousand Dollars (\$70,000) (collectively the three items are referred to as the "Contingencies"). If Grantee determines, on or before July 1, 2000, that the Contingencies are not reasonably expected to be satisfied, or cannot be satisfied, Grantee shall have the right to terminate this Agreement subject to the provisions of Sections 19.2 and 20.

16.2 The Parties understand that the PUD has conceptually agreed to assist the entity currently providing water to the Peshastin-area in performing a comprehensive plan for development of a governmentally-approved domestic water system. However, the Parties understand that it may take several months before the comprehensive plan is completed and approved by the State Departments of Health and Ecology, and, therefore, several months before the PUD, or any other public entity capable of providing domestic water service to the Property, would be willing to make a commitment that can be relied upon by the Parties for implementation of an approved water system to serve the Property. Consequently, Grantee and Grantor agree that the deadline set forth above in Paragraph 19.1 may, at the option of the Grantee, be extended to September 1, 2000, to determine whether the Contingencies can be satisfied.

17. **Cure.** The Grantee shall notify the Grantor in writing, within ten (10) days from the deadline or time frame set forth in Sections 15 and 16, inclusive of any situation or condition, which permits the Grantee, in good faith, to elect to terminate this Agreement ("Notice of Termination"). Grantor shall have twenty (20) days from the receipt of the Notice of Termination to agree to cure or remove (within ninety (90) days from Grantor's receipt of the Notice) any situation or condition set out in the Notice of Termination giving rise to Grantee's right to terminate. If the Grantor does not agree to cure or remove the situation or condition to the reasonable satisfaction of the Grantee upon the expiration of the twenty (20) day period, then Grantee shall be deemed to have terminated this Agreement, as its sole and exclusive remedy, in which event all rights and obligations of Grantor and Grantee under this Agreement shall terminate and be of no further force and effect, unless Grantee waives, in writing, within ten (10) days from the expiration of the twenty (20) day period such condition or situation. If Grantor does not agree to cure the situation or condition set out in the Notice of Termination and Grantee does not agree to waive the situation or condition, then all costs incurred by Grantee prior to the date the Notice of Termination is received by Grantor associated with obtaining access as set forth in Section 3, above, shall be shared on the pro-rata basis set forth in Section 3, above, and Grantee agrees to assign any rights and transfer any engineering plans associated with the access

or the development of the Property to the Grantor. If Grantor timely agrees to cure the situation or condition within ninety (90) days from the Notice, and Grantor fails to timely cure the situation or condition within the ninety (90) day cure period, then Grantee may elect, in its sole discretion to terminate this Agreement, or waive the situation or condition, but in either event all costs incurred by the Grantee associated with obtaining and constructing the access as set forth in Section 3, above, shall be fully reimbursed by Grantor, including the pro-rata portion attributable to Grantee as set forth in Section 3.

18. **Attorney's Fees.** If either party brings an action at law or in equity to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to recover its attorney's fees and all court costs in addition to all other relief. "Prevailing party" shall include, without limitation, a party who obtains substantially the relief or result sought by it from the other party in any such action irrespective of whether such relief or result is obtained prior to or following full adjudication on the merits.

19. **Title Insurance.** Grantor shall deliver to Grantee, within a reasonable time after Closing, a standard owner's policy of title insurance containing no exceptions other than the customary form printed exceptions and the Permitted Exceptions. If Grantee elects to obtain an extended policy of title insurance, it shall be responsible for the additional costs solely related to the extended policy.

20. **Time of Essence.** Time is of the essence of this Agreement.

21. **Conveyance.** Title to be conveyed as herein provided shall be by Statutory Warranty Deed subject to Permitted Exceptions.

22. **Governing Law and Venue.** This Agreement shall be governed by and interpreted in accordance with Washington law. Any litigation arising out of or in connection with this Agreement shall be conducted in Chelan County, Washington.

23. **FIRPTA Compliance.** Grantor and Grantee agree to comply FIRPTA, if applicable.

24. **Memorandum of Agreement.** Unless both Parties consent thereto in writing, this Agreement shall not be placed of record. Grantor and Grantee agree, however, to execute and place of record a Memorandum of Agreement, in recordable form, evidencing this Agreement.

25. **Counterparts.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

26. **No Brokerage Commission.** Grantor and Grantee, respectively, represent that they have incurred no finder's fee, broker's fees or commissions of similar obligation to any person in connection with the transaction which is the subject of this Agreement. Grantor and Grantee each agree to indemnify the other and other's agents, representatives, and advisors and

hold them harmless from any claims for any such fees or commissions and all costs and expenses for defending any alleged claim therefore (including costs and attorney's fees on appeal, if any) arising out of the acts of the indemnifying party or its agents or employees.

27. **Encumbrance During Interim.** Grantor may not financially encumber the Property prior to Closing, unless the encumbrance is discharged or satisfied at Closing.

28. **Mutual Negotiation and Construction.** This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between, and mutually drafted by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party.

29. **Entire Agreement; Survival; Amendments.** This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto. The provisions of this Agreement survive the Closing and do not merge into the deed. This Agreement may be amended only by an agreement in writing signed by the Parties.


GRANTOR:

GRANTEE:

MILL PROPERTY ASSOCIATES

PORT OF CHELAN COUNTY

By: William P Burnett



Mark Urdahl, General Manager

Name: William P Burnett

Its: Manager

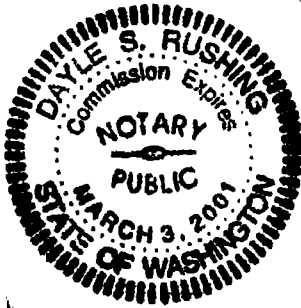
Date signed: NOV. 5 1999

Date signed: 11-8-99

STATE OF WASHINGTON)
)ss.
County of Chelan)

I certify that I know or have satisfactory evidence that Wm. P. Burnett is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Manager of MILL PROPERTY ASSOCIATES to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 5 day of November, 1998. DR

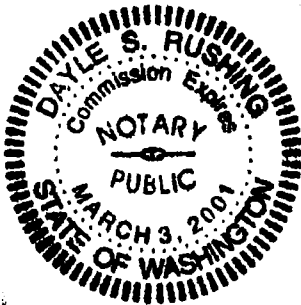


Dayle S. Rushing
Dayle S. Rushing
(printed name)
NOTARY PUBLIC, State of Washington
My appointment expires 3-3-001

STATE OF WASHINGTON)
)ss.
County of Chelan)

I certify that I know or have satisfactory evidence that MARK URDAHL is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the GENERAL MANAGER of THE PORT OF CHELAN COUNTY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 5 day of November, 1998. DR



Dayle S. Rushing
Dayle S. Rushing
(printed name)
NOTARY PUBLIC, State of Washington
My appointment expires _____

In The County of Chelan, State of Washington

Government Lot 3 and all that portion of Government Lot 4 and of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 8, Township 24 North, Range 18, E.W.M., Chelan County, Washington, lying Southwesterly of the Great Northern Railroad right of way as it presently exists,

EXCEPT that portion described as follows:

Commencing at the corner of Sections 8, 9, 16 and 17, Township 24 North, Range 18, E.W.M.; thence South $89^{\circ}42'$ West along the South line of said Section 8, a distance of 1379.4 feet; thence North $39^{\circ}59'$ West a distance of 921.7 feet to the centerline of the Great Northern Railway track and the Southeast face of the Northwest wall of the concrete undercrossing Great Northern Railway Structure Number 1670.18; thence South $50^{\circ}01'$ West at right angles to the Great Northern Railway centerline a distance of 125.0 feet to the Southwest boundary of the Great Northern Railway right of way and the True Point of Beginning; thence continue on the same course a distance of 105.16 feet; thence North $55^{\circ}30'$ West a distance of 661.09 feet; thence North $50^{\circ}01'$ East, 332.02 feet to the Great Northern Railway right of way; thence South $39^{\circ}59'$ East along the Southwest boundary of the Great Northern Railway right of way and 75 feet parallel to the centerline of railway a distance of 564.0 feet; thence South $50^{\circ}01'$ West along the Great Northern Railway right of way a distance of 50.0 feet; thence South $39^{\circ}59'$ East along the right of way a distance of 73.0 feet to the said True Point of Beginning, TOGETHER with and including the North 1784.42 feet of that portion of Government Lots 7 and 8 of Section 17, Township 24 North, Range 18, E.W.M., (including any portion thereof lying within the Plat of Peshastin Land Company's Plat of Peshastin Orchards, according to the plat thereof recorded in Volume 2 of Plats, Page 46) lying West of the Burlington Northern Railroad right of way as it presently exist (as of August 1990).

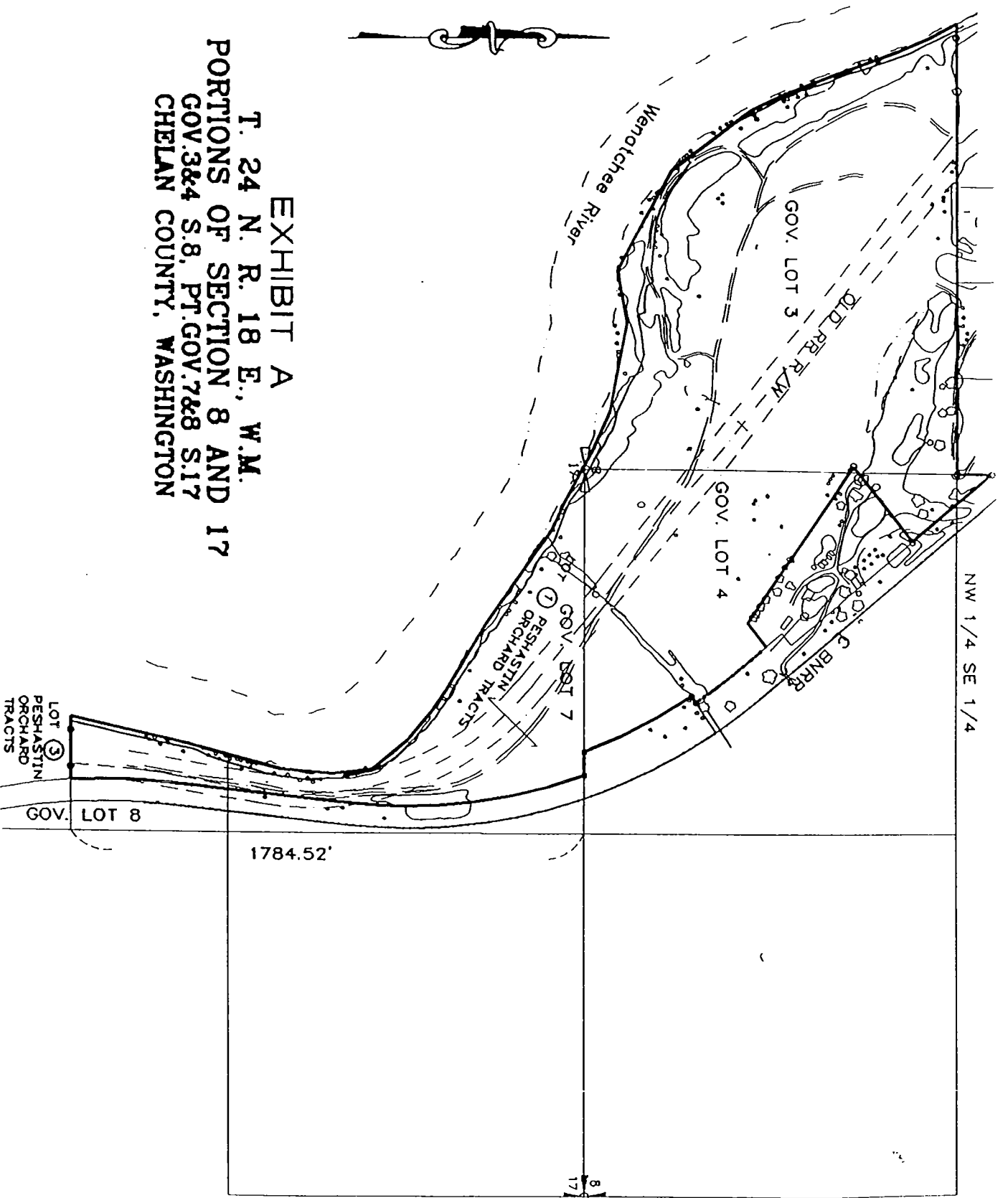


EXHIBIT A
 T. 24 N. R. 18 E., W.M.
 PORTIONS OF SECTION 8 AND 17
 GOV. 3&4 S.8, PT. GOV. 7&8 S.17
 CHELAN COUNTY, WASHINGTON

DRAWN 12/97 VK
 DESIGNED 12/97 BWH
 APPROVED

CHELAN CO., WA.



PESHASTIN MILL SITE
 EXHIBIT A.

SCALE 1" = 500'
 FILE NAME MILL-EXH
 PROJECT NO. 897035
 SHEET NO. 1

1784.52'

NW 1/4 SE 1/4

8° 19'
 17° 16'