

NORETEP, a general partnership herein expressly reserves to itself and its heirs and assigns, forever, all minerals of every nature whatsoever, including but not limited to coal, uranium, iron, natural gas and oil upon or under the property legally described on the attached EXHIBIT "A" pages 1 through 9.

TOGETHER WITH the right to the use of such part of the surface as may be reasonably necessary for the purpose of exploring for (by geological, geophysical or other methods) drilling for, mining, extracting and removing the same; provided however, that the land owner shall be paid, at the time or times such mining operations are commenced, the then fair market value of such portion of the surface as may be used for such operations, including any improvements thereon.

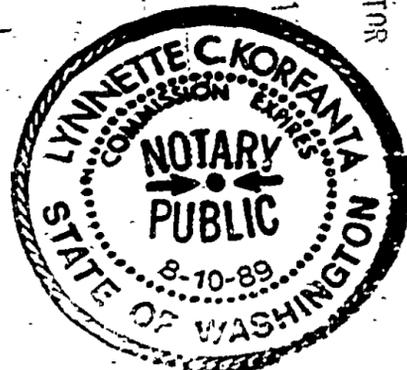
DATED THIS 3RD DAY OF OCTOBER 1988

NORETEP, a general partnership

Ronald Schultz
Ronald Schultz, partner

Kathryn Schultz
Kathryn Schultz, partner

Peter J. Poeschel
Peter J. Poeschel, partner



JERRY MCINTURFF
SKANSKI
REGISTRATION
OCT 11 1988
3:11 PM

ACCOMMODATION RECORDING ONLY

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STATE OF Washington
County of Inchouish ss.

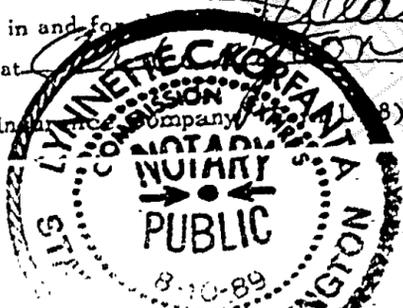
On this 3rd day of October, A. D. 1988, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Ronald Schultz

to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto-affixed the day and year in this certificate above written.

Lynnette C. Korfanta
Notary Public in and for the State of Washington
residing at Washington

(Acknowledgment by Individual. Pioneer National Title Insurance Company)



STATE OF Washington
County of Inchouish ss.

On this 3rd day of October, A. D. 1988, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ronald Schultz

to me known to be the individual described in and who executed the foregoing instrument for him self and as attorney in fact of Kathryn Schultz also therein described, and acknowledged to me that he signed and sealed the same as his voluntary act and deed and as the free and voluntary act and deed of the said Kathryn Schultz for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said Kathryn Schultz now living.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Lynnette C. Korfanta
Notary Public in and for the State of Washington
residing at Washington

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Exhibit "A"

Parcel 1

The South half of the Southwest quarter of Section 1, Township 35 North, Range 5 East, W.M., in Skagit County, Washington.

The Southwest quarter of the Southeast quarter of Section 1, Township 35 North, Range 5 East, W.M., in Skagit County, Washington.

The Southeast quarter of the Southeast quarter of Section 2, Township 35 North, Range 5 East, W.M., in Skagit County, Washington.

Parcel 2

The Southeast quarter of the Northeast quarter, and the North half of the Northeast quarter of Section 11, Township 35, North, Range 5 East, W.M., in Skagit County, State of Washington.

The North half of the Northwest quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington.

The West 20 feet of that portion of the West half of the Southwest quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, lying North of the County Road.

Parcel 3

The Southwest quarter of the Northeast quarter; the South half of the Northwest quarter; the North half of the Southwest quarter; the North half of the Southeast quarter; the Southwest quarter of the Southeast quarter, except that portion as conveyed to Skagit County for road by instrument recorded August 27, 1953, under Auditor's File No. 492036; the Southeast quarter of the Southeast quarter, except that portion thereof as conveyed to Skagit County for road by instrument recorded July 3, 1953, under Auditor's File No. 490200; all in Section 11, Township 35 North, Range 5 East W.M., in Skagit County, Washington.

and

That part of the North half of the Northeast quarter of Section 14, Township 35 North, Range 5 East W.M., in Skagit County, Washington, lying North of the right-of-way of the New State Secondary Highway 17-A (State Road No. 20), except that portion of said premises described as follows: Commencing at a point on the East line of said Section 14, which is 294 feet South of the Northeast corner of said section; thence in a Northwesterly direction at an angle of 21° North of West, a distance of approximately 270 feet to the intersection of the South line of an existing road on said premises; thence in a generally westerly direction along the South line of said road to the West line of the Northeast quarter of the Northeast quarter of said Section 14; thence South along said line to a point which is 220 feet South of the Northwest corner of said Northeast quarter of the Northeast quarter; thence West a distance of 330 feet; thence South to the North line of State Secondary Highway 17-A; thence Easterly along the North line of State Secondary Highway 17-A to the East line of said Section 14; thence North to the point of beginning.

Exhibit "A" (Continued)

Parcel 4

That portion of the Southwest quarter of the Southwest quarter of Section 11, Township 35 North, Range 5 East, W.M., in Skagit County, Washington, lying Easterly of the centerline of Wiseman Creek; EXCEPT that portion thereof lying within that certain tract conveyed to Hobart M. Wiseman by Deed dated March 7, 1929, and recorded May 22, 1929, under Auditor's File No. 223306, and lying South and East of the following described line: Beginning at the Southeast corner of the Southwest quarter of said Section 11; thence North 100 feet; thence West 1387.5 feet; thence South to a point 25 feet North of the centerline of the Skagit Mill Co. Logging Spur in Section 14, said Township and Range, EXCEPT that portion thereof lying Southerly of the Northeasterly right-of-way line of SR-20.

Situate in the County of Skagit, State of Washington.

Parcel 5

That portion of the Southeast quarter of the Southwest quarter of Section 11, Township 35 North, Range 5 East, W.M., and that portion of the Northeast quarter of the Northwest quarter of Section 14, Township 35 North, Range 5 East, W.M., lying North of the State Highway, EXCEPT that portion lying North of the State Highway and South of the Bacus County Road and lying West of the centerline of the Creek, said centerline being described as follows: Beginning at the intersection of the East line of said Northeast quarter of the Northwest quarter of Section 14, Township 35 North, Range 5 East, W.M., with the North line of said State Highway right of way; thence North $73\frac{1}{2}^{\circ}$ West along said North line of Highway right of way 485.0 feet, more or less, to the middle of an existing stream, which is the True Point of Beginning; thence Northerly along the middle of said stream as follows: North 16° East 12.0 feet; thence North 11° West 136.0 feet; thence North 9° East 90.0 feet; thence North 137.0 feet; thence North $22\frac{1}{2}^{\circ}$ East 125.0 feet; thence North $4\frac{1}{2}^{\circ}$ West 104.0 feet; thence North $28\frac{1}{2}^{\circ}$ West 80.0 feet, more or less, to the South right of way line of said Bacus County Road, EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated June 30, 1954; recorded July 7, 1954 under Auditor's File No. 503646.

All in the Skagit County, State of Washington.

Parcel 6

That portion of the Southeast quarter of the Southwest quarter of Section 11, and that portion of the Northeast quarter of the Northwest quarter of Section 14, all in Township 35 North, Range 5 East, W.M., lying North of SR-20 and South of Bacus County Road and West of the centerline of the creek, said centerline being described as follows:

Beginning at the intersection of the East line of said Northeast quarter of the Northwest quarter of Section 14, with the North line of said State Highway right of way; thence North $73\frac{1}{2}^{\circ}$ West along said North line of Highway right of way 485.0 feet, more or less, to the middle of an existing stream, which is the True Point of Beginning; thence Northerly along the middle of said stream, as follows: North 16° East 12.0 feet; thence North 11° West 136.0 feet; thence North 9° East 90.0 feet; thence North 137.0 feet; thence North $22\frac{1}{2}^{\circ}$ East 125.0 feet; thence North $4\frac{1}{2}^{\circ}$ West 104.0 feet; thence North $28\frac{1}{2}^{\circ}$ West 60.0 feet, more or less, to the South right of way line of said Bacus County Road.

Exhibit "A" (Continued)

and

That portion of the Southwest quarter of the Southwest quarter of Section 11, Township 35 North, Range 5 East, W.M., lying South and East of the following described line:

Beginning at the Southeast corner of the Southwest quarter of said Section 11; thence North 100 feet; thence West 1387.5 feet; thence South to a point 25 feet North of the centerline of the Skagit Mill Co. Logging Spur in Section 14, said Township and Range, EXCEPT that portion thereof lying within SR-20.

All in the Skagit County, State of Washington.

Parcel 7

That portion of the North half of the Northeast quarter of Section 14, Township 35 North, Range 5 East, W.M., Skagit County, Washington described as follows:

Commencing at a point on the East line of said Section 14, which is 294 feet South of the Northeast corner of said Section; thence in a Northwesterly direction at an angle of 21° North of West, a distance of approximately 270 feet to the intersection of the South line of an existing road on said premises; thence in a generally Westerly direction along the South line of said road to the West line of the Northeast quarter of the Northeast quarter of said Section 14; thence South along said line to a point which is 220 feet South of the Northwest corner of said Northeast quarter of the Northeast quarter; thence West a distance of 330 feet; thence South to the North line of State Secondary Highway 17-A; thence Easterly along the North line of State Secondary Highway 17-A to the East line of said Section 14; thence North to the Point of Beginning; EXCEPT such portion thereof, if any, that lies South of the South line of said North half of the Northeast Quarter of said Section 14; EXCEPT right of way for road.

Parcel 8

The West half of the Southwest quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, Washington, EXCEPT county road right of way and EXCEPT the West 20 feet thereof lying North of the county road and EXCEPT the following described tracts:

1. Beginning at the intersection of the East line of the West half of the Southwest quarter of said Section 12 with the Northerly line of the Bacus Road, said intersection being the True Point of Beginning; thence Northerly along said East line 209 feet; thence Westerly parallel to the Northerly line of Bacus Road 209 feet; thence Southerly parallel to the East line of said West half of the Southwest quarter 209 feet to the Northerly line of said Bacus Road; thence Southeasterly along said North line to the True Point of Beginning.
2. Beginning at the Southeast corner of said subdivision; thence North along the East line of said subdivision 296.73 feet, more or less, to a 1 inch iron pipe, said point being the True Point of Beginning, and the Northeast corner of a tract sold on contract to Ray Moore Construction Company, dated February 11, 1971, recorded February 22, 1971, under

Exhibit "A" (Continued)

Auditor's File No. 749000; thence North along the East line of said subdivision 313.07 feet, more or less, to a steel fence post; thence Westerly parallel to the North line of said subdivision 417.42 feet, more or less, to a 1 inch iron pipe; thence South parallel to the East line of said subdivision to the intersection with the North line of Bacus Road, conveyed to Skagit County by Deed dated August 3, 1953, recorded August 4, 1953, under Auditor's File No. 491213; thence Easterly along the North line of said Bacus Road to the Southwest corner of said Ray Moore Construction Company Tract, said point being 209 feet Westerly of the East line of said subdivision as measured along the North line of said Bacus Road; thence North parallel to the East line of said subdivision 209 feet; thence Easterly parallel to the North line of said Bacus Road 209 feet to the True Point of Beginning.

3. Beginning at the intersection of the West line of Section 12 and the South line of Bacus Road; thence South along the West line of Section 12, 209 feet; thence East 209 feet; thence North to the South line of Bacus Road; thence Westerly along the South line of Bacus Road to the Point of Beginning.

Parcel 9

That portion of the Northwest quarter of the Southwest quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at the intersection of the East line of the West half of the Southwest quarter of said Section 12 with the Northerly line of the Bacus Road, said intersection being the True Point of Beginning; thence Northerly along said East line 209 feet; thence Westerly parallel to the Northerly line of Bacus Road 209 feet; thence Southerly parallel to the East line of said West half of the Southwest quarter, 209 feet to the Northerly line of said Bacus Road; thence Southeasterly along said North line to the True Point of Beginning.

and

That portion of the Northwest quarter of the Southwest quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows.

Beginning at the Southeast corner of said subdivision; thence North along the East line of said subdivision 296.73 feet, more or less, to a 1 inch iron pipe, said point being the True Point of Beginning, and the Northeast corner of a tract sold on contract to Ray Moore Construction Company, dated February 11, 1971, recorded February 22, 1971, under Auditor's File No. 749000; thence North along the East line of said subdivision 313.07 feet; more or less, to a steel fence post; thence Westerly parallel to the North line of said Subdivision 417.42 feet, more or less, to a 1 inch iron pipe; thence South parallel to the East line of said Subdivision to the intersection with the North line of Bacus Road, conveyed to Skagit County by deed dated August 3, 1953, recorded August 4, 1953, under Auditor's File No. 491213; thence Easterly along the North line of said Bacus Road to the Southwest corner of said Ray Moore Construction Company Tract, said point being 209 feet Westerly of the East line of said subdivision, as measured along the North line of said Bacus Road; thence North parallel to the East line of said subdivision 209 feet; thence Easterly parallel to the North line of said Bacus Road 209 feet to the True Point of Beginning.

Exhibit "A" (Continued)

Parcel 10

That portion of the West half of the Southwest quarter or Section 12, Township 35 North, Range 5 East, W.M., Skagit County, Washington described as follows:

Beginning at the intersection of the West line of said Section 12, and the South line of Bacus Road; thence South along the West line of said Section 12, a distance of 209 feet; thence East a distance of 209 feet; thence North to the South line of said Bacus Road; thence Westerly along the South line of Bacus Road to the Point of Beginning.

Parcel 11

The Northwest quarter of the Northwest quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, EXCEPT the following described premises:

Beginning at the Southwest corner of the Northwest quarter of the Northwest quarter of said Section 13; running thence East 800 feet, more or less, to the West line of the private road; running thence North to a point 50 feet South of the center line of the right of way for electric transmission line of Stone & Webster; running thence in a Northwesterly direction parallel to the right of way for such electric transmission line, to a point 1165 feet South of the Northwest corner of said Section 13; running thence South to the Point of Beginning.

Parcel 12

That portion of the Northwest quarter of the Northwest quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at the Southwest corner of the Northwest quarter of the Northwest quarter of said Section 13; running thence East 800 feet, more or less, to the West line of the private road; running thence North to a point 50 feet South of the centerline of the right of way for electric transmission line of Stone & Webster; running thence in a Northwesterly direction parallel to the right of way for such transmission line, to a point 1165 feet South of the Northwest corner of said Section 13; running thence South to the Point of Beginning.

Parcel 13

That portion of the following described property lying Northerly of State Highway 17-A:

That portion of the Southeast quarter of the Northeast quarter of Section 14, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at the intersection of the North line of the Puget Sound and Baker River Railroad right of way and the North line of the Southeast quarter of the Northeast quarter of said Section 14, thence Easterly along the North line of said subdivision, to the Northeast corner thereof; thence Southerly along the Easterly line of said Section 14 to a point 205 feet Northerly of the North line of the Great Northern Railway right of way, thence North 80° 20' West 492.44 feet; thence North 30° West to the North line of the right of way of the Puget Sound and Baker River Railway; thence

Exhibit "A" (Continued)

Easterly along said North line to the place of Beginning; EXCEPT road and Railway right of way and State Road 17-A and also except that portion thereof lying within the boundaries of the following described tract:

That portion of the South half of the Northeast quarter of Section 14, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at a point 497.18 feet North and 479.63 feet West of the East quarter corner of said section; thence North $80^{\circ}20'$ West 582.56 feet; thence North $0^{\circ}30'$ West 710.01 feet, more or less, to the Southerly right of way line of Minkler Road, as conveyed to Skagit County by Deed dated August 23, 1905, recorded August 26, 1905, in Volume 56 of Deeds, page 258, under Auditor's File No. 53278; thence South $86^{\circ}33'$ East 484.6 feet, more or less, along the South line of said Minkler Road to the intersection of the Southerly line of the right of way of the Puget Sound and Baker River Railway Company as conveyed by Deed dated January 7, 1907, recorded July 30, 1907, in Volume 62 of Deeds, page 607, under Auditor's File No. 63376; thence South $71^{\circ}33'$ East 90 feet, more or less, along the Southerly boundary line of said right of way to a point which bears North $0^{\circ}30'$ West from the Point of Beginning, thence South $0^{\circ}30'$ East parallel with the East line of said Section 14, 753.41 feet, more or less, to the Point of Beginning, EXCEPT that portion, if any, lying within the boundaries of that certain tract of land conveyed to John E. Minkler by Deed dated August 22, 1905, recorded August 22, 1905, in Volume 56 of Deeds, page 253, under Auditor's File No. 53267.

Parcel 14

A tract of land in the Southwest quarter of the Northwest quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, being more particularly described as follows:

Beginning at a point on the West line of said Section 13, which point is South $1^{\circ}34'50''$ West, 1368.74 feet from the Northwest corner of said Section 13; thence South $1^{\circ}34'50''$ West, along said West line 52.19 feet to a point on the North line of State Hwy. No. SR-20, said point also being the P.C. of a 1933.6 foot radius curve concave to the North; thence following said 1933.6 foot radius curve and along said North line through a central angle of $11^{\circ}10'03''$ and an arc length of 376.88 feet to the P.T. of said curve; thence South $7^{\circ}39'28''$ West, 75 feet to a point on the North line of said SR-20, said point also being the P.C. of a 2008.6 foot radius curve concave to the North; thence following said 2008.6 foot radius curve and along said North line, through a central angle of $7^{\circ}28'36''$ and an arc length of 262.10 feet to the P.T. of said curve; thence North $0^{\circ}57'20''$ East, 230.96 feet to a point on the North line of the Southwest quarter of the Northwest quarter of said Section 13, thence South $89^{\circ}58'07''$ West along said North line 620.00 feet to the True Point of Beginning.

Parcel 15

That portion of the following described tracts (A) and (B), lying North of the highway right of way as condemned by the State of Washington by decree entered July 11, 1960, in Skagit County Superior Court Cause No. 25060:

- (A) That portion of the East half of the Northwest quarter, Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, lying North of the B. D. Minkler Road No. 175, EXCEPT roads.

Exhibit "A" (Continued)

(B) That portion of the Southwest quarter of the Northwest quarter, Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at the Northeast corner of the Southwest quarter of the Northwest quarter of said Section 13; thence West along the North line of said Southwest quarter of the Northwest quarter of said Section 13, 738.2 feet; thence South 238 feet, more or less, to the North line of the B. D. Minkler Road No. 175; thence Northeasterly along the North right of way line of B. D. Minkler Road No. 175 to the East line of said Southwest quarter of the Northwest quarter of said Section 13; thence North along said East line of said Southwest quarter of the Northwest quarter of said Section 13; 113.2 feet, more or less, to the point of beginning, EXCEPT roads and EXCEPT that portion thereof, if any, lying within the West 620 feet of said Southwest quarter of the Northwest quarter.

Parcel 16

That portion of the North half of the Northeast quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at a point on the North line of the Minkler paved road as it existed on July 14, 1960, said point being North $2^{\circ}20'$ West 1526.3 feet and North $89^{\circ}54'$ West 1034.9 feet from the East quarter corner of said Section 13; thence North $2^{\circ}20'$ West 1187.8 feet parallel with the East line of said Section; thence North $89^{\circ}54'$ West 215 feet; thence South $13^{\circ}16'$ West 1232.4 feet to the North line of said road; thence South $89^{\circ}54'$ East 535.9 feet to a Point of Beginning, EXCEPT right of way of the Puget Sound and Baker River Railway Company and EXCEPT that portion lying Southerly of the Northerly line of State Highway No. 17-A as condemned by the State of Washington by decree entered on July 15, 1960, in the Superior Court for Skagit County, Cause No. 25060.

and

That part of the North half of the Northeast quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, lying North of Minkler paved road and West of a line beginning at a point on the North line of said Section, 1249.9 feet West of the Northeast corner thereof and running South $13^{\circ}16'$ West to the North line of Minkler paved road, EXCEPT railroad right of way, and also EXCEPT that portion thereof conveyed to the State of Washington for Secondary State Highway No. 17-A, by Deed dated February 13, 1958 and recorded under Auditor's File No. 562808, EXCEPT that portion lying Southerly of Secondary State Highway No. 17-A, if any.

Parcel 17

That portion of the Northeast quarter of the Northeast quarter of Section 13, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, described as follows:

Beginning at the Northeast corner of said Section; thence North $89^{\circ}54'$ West 1034.91 feet thence South $2^{\circ}20'$ East to the North line of the State Highway right of way as conveyed to the State of Washington, by Deed dated March 3, 1958, recorded April 17, 1958, under Auditor's File No. 564224; thence Easterly along the North line of said State Highway to the East line of the section; thence North to the Point of Beginning, EXCEPT right of way of Puget Sound and Baker River Railroad Company.

Exhibit "A" (Continued)

Parcel 18

The East half of the Northeast quarter; the East half of the Southeast quarter; all that portion of the Northwest quarter of the Southeast quarter, lying East of the center of gravel road running in a Northerly and Southerly direction near the center of said subdivision; all that portion of the Southwest quarter of the Southeast quarter, lying Easterly of the center of the creek and South of the gravel lane which is near the North line of said subdivision; all in Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington.

Parcel 19

All that part of the Northwest quarter of the Southeast quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, lying West of the center of gravel road running in a Northerly and Southerly direction near the center of said subdivision.

and

That portion of the Southwest quarter of the Southeast quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington, lying North of South line of Gravel lane, which is near the North line of said subdivision.

Parcel 20

The East half of the West half of the Northeast quarter of Section 12, Township 35 North, Range 5 East, W.M., in Skagit County, State of Washington.

Exhibit "A" (Continued)

The land referred to in this policy is situated in the State of Washington, County of Skagit, and is described as follows:

Those portions of Section 12, Township 35 North, Range 5 East W.M., described as follows:

The South 1/2 of the Northwest 1/4; the West 1/2 of the West 1/2 of the Northeast 1/4; that portion of the East 1/2 of the Southwest 1/4 lying North of that certain 60 foot wide strip of land conveyed to Skagit County for road purposes by instruments recorded August 4, 1953 as Auditor's File Nos. 491214 and 491215.