ADDENDUM TO LEASE AND OPERATING AGREEMENT

THIS ADDENDUM to Lease and Operating Agreement, entered into this 3rd day of March, 2010 by and between Public Utility District No. 1 of Chelan County, Washington, (hereinafter “District”) and the City of Entiat (hereinafter “Entiat”).

WITNESSETH:

WHEREAS, the District and Entiat have entered into a Lease and Operating Agreement (hereinafter “Lease”) dated January 10, 1978, with respect to Entiat Park Site No. 6, a part of the District’s Exhibit “R” for the Rocky Reach Hydroelectric Project No. 2145, as modified by Modification of Lease and Operating Agreement dated March 21, 1978;

WHEREAS, Entiat is requesting Reimbursement from the District for certain operation and maintenance “O & M” related expenses in order to maintain the condition of Entiat Park to the current standards required by the District and pursuant to the yearly management plan.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and agreements provided in the Lease as modified and in consideration of the covenants and conditions set out herein, the parties agree as follows:

1. Provision for Expenses in excess of Revenues Not to Exceed $65,000.00. The District agrees to reimburse Entiat for Entiat’s expenses specific to the operation and maintenance of the Entiat Park in amounts approved by the District and up to, but not to exceed, Sixty Five Thousand and 00/100 Dollars ($65,000.00) annually. Between November 1 and November 31, of each year, Entiat shall submit a written request for Reimbursement to the District (“Reimbursement Request”). Said Reimbursement Request shall itemize all expenses and set out the purpose for said expenditures identifying the specific purpose related to the operation and maintenance of Entiat Park to which the expenditure is related. Payment shall be made by the District on the Reimbursement Request within 30 days following the District’s approval of the Reimbursement Request. In addition, Entiat may, at Entiat’s option, submit an itemized Reimbursement Request to the District in September of each year seeking reimbursement for expenditures up to $25,000 incurred between January and September 1 of said year. In the event Entiat elects to submit a Reimbursement Request in September, the District shall pay said Reimbursement Request up to $25,000 within 30 days following the District’s approval of same. All remaining expenses shall be reimbursed by the District in response to the December Reimbursement Request up to the maximum allowed by this Addendum.
2. **Annual Review.** The Reimbursement Request provisions of this Addendum shall be subject to review by the District on an annual basis. At the sole discretion of the District, the Reimbursement obligations and provisions of this Addendum shall be subject to increase in amount, decrease in amount, or elimination.

3. **Snow Removal.** Entiat agrees to conduct snow removal operations at the District’s Entiat Sub Station located at 14335 State Route 97A.

All other provisions of the Lease as modified shall remain in full force and effect. The provisions of this addendum replace and supplant the provisions of the first Addendum executed September 24th of 2004.

IN WITNESS WHEREOF the Parties have hereunto set their hands and seals on the day and year above first written.

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY

By: [Signature]
Rich Riazzi, Manager
Chief Executive Officer

CITY OF ENTIAT

By: [Signature]
Title: Mayor
City of Entiat
ADDENDUM TO LEASE AND OPERATING AGREEMENT

THIS ADDENDUM to Lease and Operating Agreement, entered into this day of ___, 2004 by and between Public Utility District No. 1 of Chelan County, Washington, (hereinafter “District”) and the City of Entiat (hereinafter “Entiat”).

WITNESSETH:

WHEREAS, the District and Entiat have entered into a Lease and Operating Agreement (hereinafter “Lease”) dated January 10, 1978, with respect to Entiat Park Site No. 6, a part of the District’s Exhibit “R” for the Rocky Reach Hydroelectric Project No. 2145, as modified by Modification of Lease and Operating Agreement dated March 21, 1978; and

WHEREAS, Entiat is requesting repayment from the District for certain operation and maintenance “O & M” related expenses in order to maintain the condition of Entiat Park to the current standards required by the District and pursuant to the yearly management plan.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and agreements provided in the Lease as modified and in consideration of the covenants and conditions set out herein, the parties agree as follows:

1. Provision for Expenses Not to Exceed $25,000.00. The District agrees to repay Entiat for expenses specific to the operation and maintenance of the Entiat Park in amounts approved by the District and up to, but not to exceed, Twenty Five Thousand and 00/100 Dollars ($25,000.00) annually. Entiat shall submit a written request for repayment to the District (“Repayment Request”). Said Repayment Request shall itemize all expenses and set out the purpose for said expenditures identifying the specific purpose related to the operation and maintenance of Entiat Park to which the expenditure is related. Payment shall be made by the District on the Repayment Request within 30 days following approval of the Repayment Request.

2. Annual Review. The Repayment Request provisions of this Addendum shall be subject to review by the District on an annual basis. At the sole discretion of the District, the repayment obligations and provisions of this Addendum shall be subject to increase in amount, decrease in amount, or elimination.

All other provisions of the Lease as modified shall remain in full force and effect.
IN WITNESS WHEREOF the Parties have hereunto set their hands and seals on the day and year above first written.

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY

By: Charles J. Hosken
Charles J. Hosken, Manager
Chief Executive Officer

CITY OF ENTIAIAT

By: [Signature]
Title: Mayor
MODIFICATION OF LEASE AND OPERATING AGREEMENT

This agreement, entered into March 21, 1978, by and between the Public Utility District No. 1 of Chelan County, Washington, herein called "District" and the Town of Entiat, herein called "Entiat."

WITNESSETH:

WHEREAS, the District and Entiat have entered into a Lease and Operating Agreement (herein called Lease) dated January 10, 1978, with respect to Entiat Park Site No. 6, a part of the District's Exhibit "R" for the Rocky Reach Hydro-electric Project No. 2145, a copy of which is attached hereto; and

WHEREAS, Entiat has agreed under said Lease to manage, administer, maintain and operate, certain premises and facilities located on the property described in Exhibit "C" attached to said Lease including a certain house located upon the property described in Exhibit "C" and more particularly situated upon:

The easterly 200 feet of the northerly 200 feet of the west half of Lot 7, Block 3, Plat of Entiat Fruitlands, according to the recorded Plat thereof in Section 9, Township 25 North, Range 21, E.W.M.; and

WHEREAS, the terms of said lease are to commence upon the date of completion of the work specified by the finalized Bid Documents, Drawings and Specifications as outlined in said Lease; and

WHEREAS, Entiat has requested that there be a modification of said Lease so that its provisions relating to said house take effect upon execution of this agreement; and

WHEREAS, the District is willing to modify said Lease to the extent that those provisions relating to said house take effect upon execution of this agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements provided in said Lease, the parties agree as follows:

1. That those provisions contained in the Lease attached hereto relating to that certain house owned by the District and located upon the following described real property:

The easterly 200 feet of the northerly 200 feet of the west half of Lot 7, Block 3, Plat of Entiat Fruitlands, according to the recorded plat thereof in Section 9, Township 25 North, Range 21, E.W.M.

shall take effect upon the execution of this agreement instead of upon completion of certain work as described in said Lease.

2. No other terms or provisions of the Lease are modified or in any way affected by this Agreement.

3. Entiat hereby agrees that it will abide by all covenants and agreements contained in said Lease as the same pertain to the house described above.

MODIFICATION OF LEASE AND OPERATING AGREEMENT - 1
4. Entiat furthermore agrees that it will provide adequate fire insurance on said house in an amount equal to the full insurable value thereof and public liability insurance in the sums as provided in paragraph 16 of said Lease.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals on the day and year first above written.

TOWN OF ENTIAT                        PUBLIC UTILITY DISTRICT NO. 1 OF
                                       CHELAN COUNTY, WASHINGTON

By                                     By

Mayor                                   President

By                                      By

Attest                                  Attest

Acting Secretary                       Acting Secretary

Attest

Town Clerk

STATE OF WASHINGTON )
 County of Chelan ) ss.

On this 21st day of MARCH, 1978, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROBERT D. MCDougall and ARCHIE VAN DOREN, to me known to be the President and Secretary, respectively, of the Board of Commissioners of PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Washington, residing at Wenatchee.

MODIFICATION OF LEASE
AND OPERATING AGREEMENT - 2
LEASE AND OPERATING AGREEMENT

LEASE AND OPERATING AGREEMENT, entered into JANUARY 10, 1978, by and between the PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, hereinafter referred to as the "DISTRICT" and the TOWN OF ENTIAI, hereinafter referred to as "ENTIAI."

WITNESSETH:

WHEREAS, the District is required by Federal Power Commission (F.P.C.) to provide recreational facilities as a condition of its amended license for the Rocky Reach Hydroelectric Project, and as required by the regulation of the F.P.C.; and

WHEREAS, the Federal Power Commission by order issued March 2, 1976, and amended by order issued April 29, 1976, approved the District's Exhibit "R" for the Rocky Reach Hydroelectric Project No. 2145; and

WHEREAS, the District, by Resolution No. 5452, adopted December 7, 1976, accepted the Federal Power Commission's Order issued March 2, 1976, approving Exhibit "R", and Order issued April 29, 1976, amending license; and

WHEREAS, Article 45 of the Federal Power Commission License for the Rocky Reach Hydroelectric Project, (Project), provides that the District will implement the Recreational Use Plan set forth in the Exhibit "R", by developing (construction) and securing (purchasing) of land necessary to develop the Exhibit "R" Plan; and

WHEREAS, The Richardson Associates, licensed Architects and Engineers, have been requested to prepare Bidding Documents, Drawings and Specifications for the construction of Entiat Park Site No. 6, a part of the District's Exhibit "R" for the Rocky Reach Hydroelectric Project No. 2145; and

WHEREAS, Entiat has reviewed a draft of the Bidding Documents, Drawings, and Specifications (Exhibit A), for the construction of Site No. 6 of the District's Exhibit "R"; and

WHEREAS, Entiat presently owns certain real property more fully described in Exhibit B attached hereto, and improvements thereon, that are within the Site No. 6; and

WHEREAS, Entiat is specially qualified and equipped to provide operation and maintenance services for recreational facilities; and by Resolution No. 71, adopted on October 10, 1974, did certify assurance of its willingness and capability to provide administration, operation and maintenance of recreation aspects shown in the Rocky Reach Exhibit "R", Site No. 6; and

WHEREAS, the District owns certain real property described in Exhibit C attached hereto and as a part of its Rocky Reach Exhibit "R" intends to improve said property, in accordance with the basic provisions contained in the draft Bidding Documents, Drawings and Specifications (Exhibit A);

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein provided, the parties agree as follows:

LEASE AND OPERATING AGREEMENT - 1
1. **USE AND OPERATION OF ENTIAT PROPERTY.** Entiat hereby grants and allows to the District and its agents, employees and contractors the right to enter upon the property owned by Entiat, described in Exhibit B, attached hereto, and to improve and construct the improvements upon said property as shown in the draft Bid Documents, Drawings and Specifications (Exhibit A), for the construction of Site No. 6 of the District's Exhibit "R".

2. **OPERATING DUTIES.** Entiat shall during the term of this agreement manage, administer, maintain and operate, subject to the provisions of this agreement, all of the premises and recreational facilities described in and provided for in the District's Rocky Reach Exhibit "R" plan Site No. 6 to be located on the premises described in Exhibits B and C attached hereto.

3. **BID DOCUMENTS AND SPECIFICATIONS.** Entiat has been given a copy of the draft Bid Documents, Drawings and Specifications (Exhibit A) for the construction of Site No. 6 of the District's Exhibit "R" and hereby approves the basic provisions contained in said plans relating to the construction of improvements described therein. The District agrees to submit to Entiat, for its approval, a final copy of the Bid Documents, Drawings and Specifications at such time as they are finalized. A final copy of said Bid Documents, Drawings and Specifications shall be attached hereto as an exhibit upon acceptance of them by Entiat.

4. **LEASEHOLD OF DISTRICT PROPERTY.** The District hereby demises and lets to Entiat all those certain premises situate in Chelan County, Washington, more particularly described in Exhibit C attached, and all improvements located thereon, for the purposes of managing, administering, maintaining and operating thereon certain recreational facilities as a part of the District's Exhibit "R" responsibility.

5. **CONSIDERATION.** In consideration of the letting of the aforesaid premises and the construction of the improvements described in the draft Bidding Documents, Drawings and Specifications (Exhibit A), Entiat shall manage, administer, maintain and operate the property described in Exhibits B and C during the term of this agreement, in accordance with the terms and conditions hereinafter provided and shall for the lease term commit and devote its properties, described in Exhibit B hereto, exclusively to the uses and purposes provided in the District's Rocky Reach Exhibit "R" plan for Site No. 6.

6. **TERM.** The term of this Lease and Operating Agreement shall commence upon the date of completion of the work specified by the finalized Bid Documents, Drawings and Specifications to be approved by Entiat and shall extend for a period of not less than 25 years, or, in the alternative, until the F.P.C. license for the Rocky Reach Hydroelectric Project No. 2145 expires, whichever period is longer.

7. **OWNERSHIP.** The land and facilities, purchased and installed by the District on District-owned land, shall remain the property of the District. Land and facilities purchased, and facilities installed by Entiat on Entiat-owned land, shall remain the property of Entiat. All improvements and facilities placed on District-owned land by Entiat shall become the property of the District at the expiration or termination of this agreement.

8. **COMPLIANCE WITH LAW.** Entiat shall conform in fulfilling its obligations hereunder to and comply with all pertinent rules,
regulation, conditions or restrictions promulgated by the Federal
Power Commission or any other Federal, State, County or Local State
agency having jurisdiction over the Rocky Reach Hydroelectric
Project.

9. MANAGEMENT PROGRAM. Entiat, at its sole expense, shall manage,
administer, maintain and operate the premises (Site No. 6) in
accordance with an annual management program to be mutually agreed
upon between Entiat and the District. With consent of both parties
the annual management program may be amended from time to time as
may be necessary. Such annual management program shall include,
but is not limited to, the following:

(a) Plan for management activities to be undertaken
solely by Entiat, or jointly with the District,
including capital improvements and other facilities to
be constructed thereon.

(b) Annual report on the management, budget, mainte-
nance, capital development and other accomplishment, and
problems, for the preceding year.

(c) Proposals for modification of management policies
or procedures, or any other part of the annual manage-
ment program.

(d) A systematic recording system reflecting public use
of the facility.

(e) A budget approved by Entiat to enable it to carry
out its management responsibilities for the next year.

10. FACILITIES, SERVICES, CONCESSION AGREEMENTS. Entiat shall
provide the facilities and services necessary to meet public
demand either directly or through concession agreements with third
parties. All concession agreements shall expressly state that
they are granted subject to all the terms and conditions of this
Lease and Operating Agreement and concession agreement shall not be
effective until the terms and conditions thereof are approved by
the District.

11. ADMISSION OR USER FEES. Admission, entrance or user fees may
be charged by Entiat for entrance to or use of the premises or
any facilities constructed thereon, PROVIDED, prior written approval
of the District is obtained.

12. USE OF REVENUES FROM CONCESSIONS AND USER FEES. Subject to
appropriation by the Entiat Town Council, Entiat agrees to expend,
on the premises for maintenance, operations and development, an
amount at least equal to any fees and charges Entiat receives
from concessions, admissions or user fees. Any monies not so
utilized by Entiat, or programmed for utilization within a reason-
able time, shall be remitted to the District for improvement of
this or any other recreational site provided by the District.

13. DEVELOPMENT AND LANDSCAPING. Entiat agrees that all develop-
ment and landscaping will be in accordance with plans approved by
the District, and shall be in conformance with appropriate building
and health codes.

14. RESERVATION OF RIGHT OF RE-ENTRY AND ACCESS. The District
reserves the right for its officers, agents and employees, to
enter upon land and water areas, referred to in this Lease and
Operating Agreement, at any time and for any purpose necessary or
convenient to its operation of the Rocky Reach Hydroelectric
Project. The District expressly reserves the right to make such
other use of the demised premises as may be necessary in connection
with the purpose of the Project. If the District elects to re-
enter and retake this land for any lawful purpose, connected with the Rocky Reach Hydroelectric Project. Entiat shall have no claim for damages of any character on account thereof against the District or any of its agents, officers or employees. Furthermore, if the District does retake the leased lands for other than recreational purposes, it will replace in kind the land and recreational facilities thereon at another location.

15. INDEMNIFICATION. Entiat shall hold the District harmless from and shall defend and indemnify the District from and against all liability for injuries to or deaths of persons or damage to property arising from activities or incidents thereto including, but not limited to, those arising from the operation or maintenance of the property subject to this Lease and Operating Agreement. Entiat shall give the District prompt notice of any claim coming to its knowledge that in any way directly or indirectly affects the District, and the District shall have the right to participate in the defense of such claim to the extent of its interest.

16. LIABILITY, FIRE, WORKMEN'S COMPENSATION INSURANCE. Entiat shall maintain at all times during the term of this agreement, at its sole expense, public liability insurance for the joint and separate protection of the District and Entiat, in the minimum amount of Five Hundred Thousand and no/100 Dollars ($500,000.00) in the case of injury to any person, or in the case of injury to more than one person in the same occurrence, and in the minimum amount of One Hundred Thousand and no/100 Dollars ($100,000.00) for property damage. Entiat shall also carry fire insurance on all structures constructed by the District in the amount of 80 percent of their replacement value. Entiat shall furnish the District with evidence of such insurance. Such insurance shall contain an endorsement providing that it will be primary as to any other insurance Entiat may have. Such insurance shall not be canceled or coverage reduced without the insurance carrier first giving 60 days' written notice to the District. Entiat shall provide workmen's compensation insurance to cover paid employees and insurance similar to workmen's compensation insurance to cover volunteer workers.

17. ENCUMBRANCES. This Lease and Operating Agreement is subject to all existing easements, and all easements subsequently granted by the District for purposes consistent with the duties and obligations of the District under its license as granted by the Federal Power Commission to the District for the operation of the Rocky Reach Hydroelectric Project. Before the District grants any easement it will be coordinated with Entiat and easements will not be granted which will interfere with the developments, present or proposed, by Entiat.

18. ASSIGNABILITY OF RIGHTS AND DELEGATION OF DUTIES. Neither Entiat's rights nor its duties hereunder shall be delegable, without prior written approval of the District.

19. NON-Discrimination. Neither Entiat nor its concessionaires shall discriminate against any person or persons because of race, creed, color, sex, or national origin in the conduct of management and operations hereunder.

20. DELAYS BEYOND CONTROL OF PARTIES. Neither of the parties hereto shall be liable to the other party on account of any delay or inability to perform when such delay or inability is due in whole or in part to any cause beyond the control of the party in default. If any delay is caused for the above reason, Entiat

LEASE AND OPERATING AGREEMENT - 4
shall have the power to extend the time for performance of any act required by the District, and the District shall have the power to extend the time for performance of act required of Entiat.

21. TERMINATION. This Lease may be terminated by Entiat at any time by giving notice to the District at least 183 days prior notice in writing. The District may terminate the Lease upon Entiat's default of any provision of this Lease and Operating Agreement, provided that any such default continues and persists for a period of 183 days after written notice of the particular violation is given to Entiat, by the District.

22. EFFECT OF TERMINATION. On or before the date of expiration of this Lease or its relinquishment by Entiat, Entiat shall vacate the said premises and return the same to the District in a good condition, normal wear and tear excepted. If, however, this Lease is revoked by the District for non-performance by Entiat, Entiat shall vacate the premises and restore the premises within such time as designated by the District. In either event, if Entiat shall fail or neglect to remove said property and restore the premises, then said property shall become the property of the District without compensation therefore and no claim for damage against the District or its officers or agents shall be created or made on account thereof.

23. INVENTORY. As of the date of commencement of this Lease and Operating Agreement, the District shall provide an inventory and condition report of all District-owned property referred to in this Lease and Operating Agreement. Such inventory and condition report shall be attached hereto as Appendix "A". Upon the expiration, relinquishment, or revocation of this Lease and Operating Agreement, a similar inventory and condition report shall be prepared by Entiat and submitted to the District so as to provide a basis for settlement by Entiat with the District for the leased property shown to be lost, damaged or destroyed. Any unresolved differences as to damages suffered by the District shall be outlined in the Appraisal section of this Lease and Operating Agreement. This inventory and condition report shall be updated from time to time as improvements are placed upon the premises.

24. APPRAISALS. For inventory purposes the appraised value of any facilities or land shall be determined by mutual agreement. When the parties disagree as to such value, then Entiat shall appoint an appraiser, the District shall appoint an appraiser, and the two appraisers shall then appoint a third appraiser and the appraised price that is agreed upon by two of the three appraisers shall be binding upon both Entiat and the District. Appraisal costs shall be borne equally by the District and Entiat.

25. NOTIFICATION. All notices to be given pursuant to this Lease and Operating Agreement shall be addressed to Town of Entiat, P. O. Box 228, Entiat, Washington 98822, Attention: Mayor, and to the District, Manager, Chelan County Public Utility District No. 1 P. O. Box 1231, Wenatchee, Washington 98801, or as may from time to time be directed by the other party. Notice shall be deemed to have been given when enclosed in a properly sealed envelope or wrapper, addressed as aforesaid and deposited, postage prepaid, in a post office or branch post office of the United States Government. In the event Land and Water Conservation Funds or Washington State Interagency Committee for Outdoor Recreation funds have been used in the project, notifications pursuant to this Lease shall include those agencies at addresses established by those agencies. The
agency utilizing such funds shall be responsible for intial notification to all affected parties.

26. MODIFICATIONS. This Lease and Operating Agreement can only be modified by written instrument bearing the signatures of the authorized representatives of each party.

27. BINDING EFFECT. This agreement shall be binding upon all parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals on the day and year first above written.

TOWN OF ENTIA T

By
Mayor

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON

By
President

Approved as to Form

By
Attorney

Attorney
Town Clerk

Secretary

STATE OF WASHINGTON)
COUNTY OF CHELAN ) ss.

On this 10th day of JANUARY, 1978, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROBERT D. MCDougall and ROBERT O. KEISER, to me known to be the President and Secretary, respectively, of the Board of Commissioners of PUBLIC UTILITY NO. 1 OF CHELAN COUNTY, WASHINGTON, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Washington, residing at Wenatchee.

LEASE AND OPERATING AGREEMENT - 6
EXHIBIT B

All that part of Lots 7, 8, 9, 10 and 11, Block 3 Plats of Entiat Fruitlands, Chelan County, Washington, and Lot 1, Block 2, Plats of Entiat Delta Orchards, said County lying southeasterly of the right of way of the relocated Great Northern Railway Company's Railway, as shown on sheet wr of 40 sheets, Plan and Profile for Railway and Highway Relocation, Chelan County, Rocky Reach Hydroelectric Project, attached hereto and by this reference made a part hereof, and northeasterly of the southwesterly line of said Lot 1, Block 2, Plats of Entiat Delta Orchards and westerly of a line which is parallel to and 225 feet easterly from the west line of said Lots 7, 8 and 11; and northwesterly of Primary State Highway #10 existing on January 1, 1959.
PARCEL NO. 1 - ENTIAT RIVER SITE (2145-84)

That portion of the S1/2 of the NW1/4, and that portion of the N1/2 of the N1/2 of the SW1/4 of Section 17, Township 25 North, Range 21, E.W.M., lying between the Entiat River and the southerly right-of-way line of County Road No. 121, the same being between approximate highway engineers station 11+78.70 and 33+82.58 of said County Road No. 121.

Subject to all existing restrictions, reservations and agreements.

PARCEL NO. 2 - COLUMBIA RIVER SITE (2145-84)

Beginning at a point on the northerly boundary of Lot 7, Block 3, Entiat Fruitlands, according to the recorded plat thereof, where said northerly boundary of said Lot 7 intersects the easterly right-of-way line of the Burlington Northern Railway, Wenatchee to Oroville Branch Line, at approximate railway station 705+78.18 and the TRUE POINT OF BEGINNING; thence southerly along said easterly right-of-way line of said railway for approximately 3900 feet, more or less, to a point opposite approximate railway station 66+68.65; thence turn left 90° and run southeasterly 160 feet, more or less, to contour elevation 703, U.S.C. & G.S. datum, thence run in a generally northeasterly direction along said contour elevation of 703 to a point where said contour elevation intersects the northerly boundary of said Lot 7, Block 3, Plat of Entiat Fruitlands; thence N 89°40'20" W along the northerly boundary of said Lot 7 to the True Point of Beginning. EXCEPT that portion thereof conveyed to the Town of Entiat for Park purposes by Quit Claim Deed dated March 19, 1963, and recorded March 22, 1963, in Book 646, at Page 100, under Chelan County Auditor's File No. 605171.

Subject to all the existing restrictions, reservations and easements.