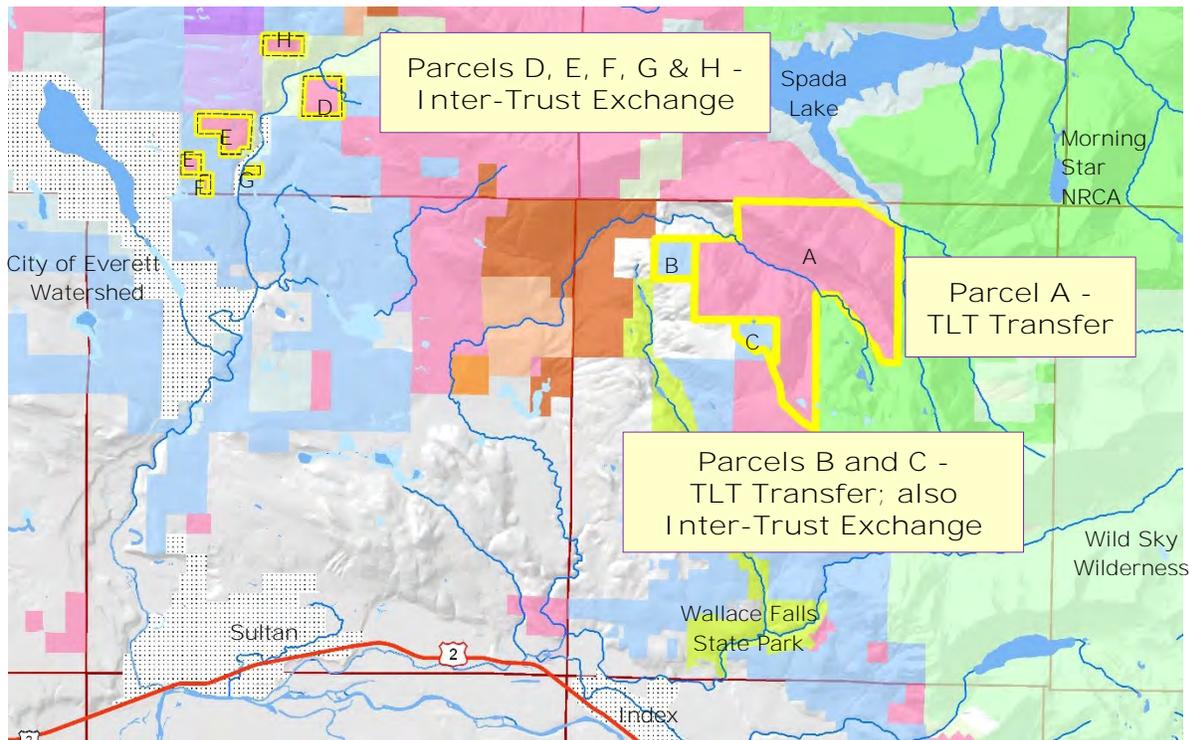




Morning Star Inter-Trust Exchange & Morning Star Trust Land Transfer

No. 86-093996 and No. 02-091942

AN EXCHANGE OF TRUST DESIGNATIONS



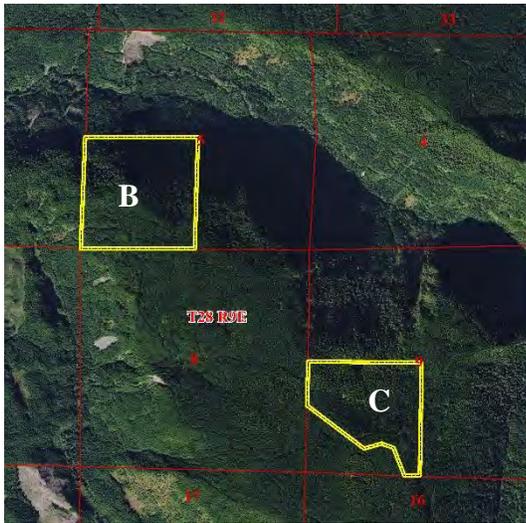
Purpose of Exchange

As directed by 2015-2017 Trust Land Transfer (TLT) legislation, the 2,885-acre Morning Star Trust Land property (parcels A, B and C) located south of Spada Lake in eastern Snohomish County is proposed for transfer into the Morning Star Natural Resources Conservation Area for use as fish and wildlife habitat, open space or recreation. TLT legislation requires that trust properties be designated as Common School Trust holdings prior to transfer. Parcels B and C are currently managed to generate revenue for the State Forest Land Trust. To complete the proposed transfer, these State Forest Land Trust properties must first be re-designated as Common School Trust through an inter-trust exchange.

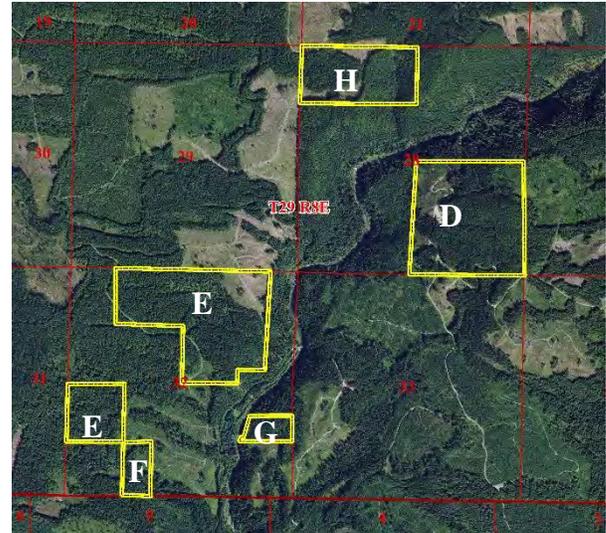
How an Inter-Trust Exchange Works

Parcels of Common School Trust in the Sultan Basin landscape (parcels D, E, F, G and H) are selected for an inter-trust exchange. Market valuations for both the Common School Trust property (parcels D, E, F, G and H) and the State Forest Trust property (parcels B and C) are completed. DNR obtains comments at a public hearing concerning the potential exchange of trust designations. DNR then proposes an equal value exchange for each trust to the Board of Natural Resources, which makes a final decision on the inter-trust exchange at one of its public meetings.

Morning Star Inter-Trust Exchange 86-093996

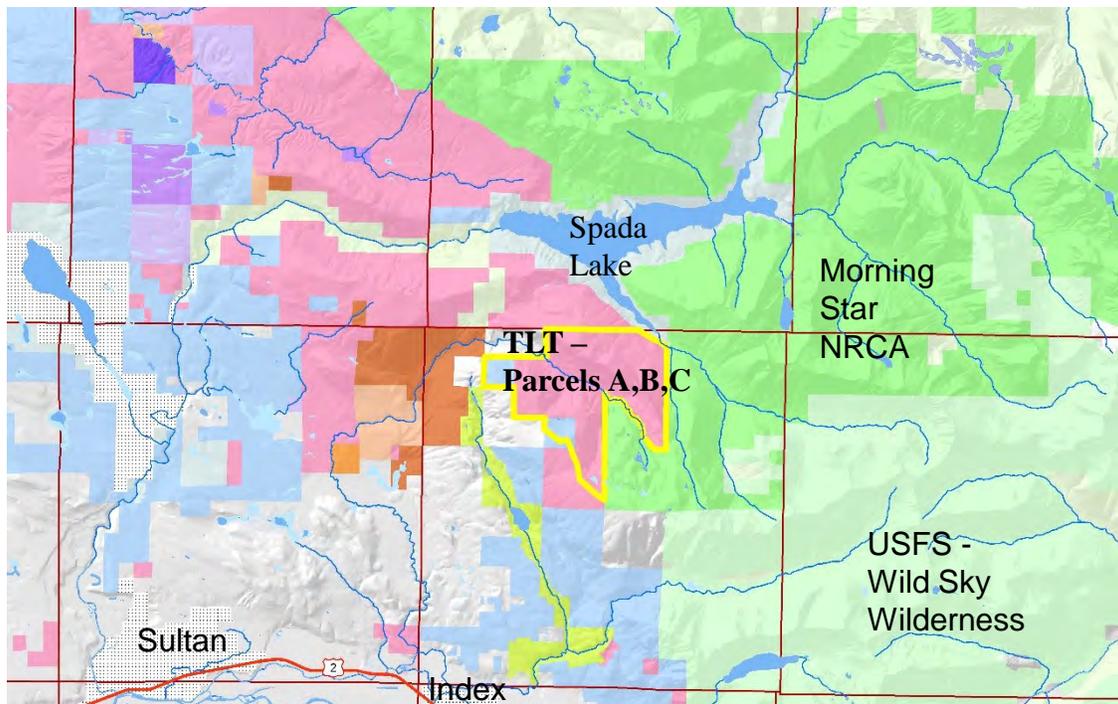


Parcels B & C: State Forest Trust land in a portion of Sections 5 and 9, T28N, R9E will become Common School Trust land.



Parcels D, E, F, G & H: Common School Trust land in a portion of Sections 28 and 32, T29N, R8E, will become State Forest Trust land.

Morning Star Trust Land Transfer 02-091942



The Morning Star Trust Land Transfer will add 2,885 acres of forestland, outlined in yellow on the above map, to the Morning Star Natural Resource Conservation Area. The property is located in a portion of Sections 3, 4, 5, 8, 9, 10 and 16, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.