

**FOR IMMEDIATE RELEASE**

**APRIL 12, 2007**

**PORT OF WALLA WALLA OPTIONS FIBRE FARM AND  
HELPS FACILITATE SALE OF FORMER  
PONDEROSA FIBRES OF WASHINGTON RECYCLE PLANT**

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Port of Walla Walla Commission President, Paul Schneidmiller announced today the Port has acquired an exclusive option to purchase the Boise White Paper, LLC fibre farm in Wallula, Washington. The fibre farm consists of approximately 1,900 acres with the majority of the property already zoned for industrial development purposes. The purchase price is \$4,000,000 should the Port exercise its option. The Port will have 90 days to perform due diligence on the property prior to deciding whether to exercise its option.

"There are very few tracts of industrial zoned property like this in the state of Washington. This will create a strategic advantage for the Port in attracting new industries to Walla Walla County," according to Commissioner Schneidmiller. The Port has a proven track record of recruiting large industries to Walla Walla County. This includes the Boise Cascade Pulp & Paper Mill in 1957, Tyson Fresh Meats processing plant in 1969 and the Railex Produce Distribution Facility in 2006.

Chuck Wierman, Fibre Farm Manager for Boise White Paper said, "Our fibre supply assessment concluded the Wallula Fibre Farm does not represent a long-term strategic source of fibre for Boise. While Boise believes fibre farms will continue to be a source of fibre for the Wallula Mill, we have sufficient access to other fibre resources including our 9,000 acres located near the Ice Harbor Dam."

Dick Larman, Business Development Manager for the Washington State Department of Community Trade & Economic Development said, "The Port of Walla Walla is well managed and very strategic in preparing and positioning Walla Walla County and Southeastern Washington for significant economic development projects. We look forward to continue working with them on attracting investment to Washington State."

Commissioner Schneidmiller also announced today the Port of Walla Walla Public Corporation has retained an exclusive 90 day option to purchase the former Ponderosa Fibres of Washington Recycling Plant from Walla Walla County for \$2,587,887.28. The sale price represents the back taxes owed to Walla Walla County without interest or penalty. The Public Corporation has in turn granted Boise White Paper, LLC the exclusive option to purchase the Ponderosa Fibres Plant from the Public Corporation. Boise will use a portion of the proceeds from the fibre farm sale to purchase the Ponderosa facility.

The Port of Walla Walla Public Corporation in September 1995 issued Non-Recourse Solid Waste Recycling Revenue Bonds as conduit financing for the construction of the Ponderosa Fibres of Washington plant. The facility was designed to recycle post-consumer waste paper into high-quality de-inked pulp suitable for use in the manufacturing of recycled content printing

and writing grade paper. On January 21, 1999 Ponderosa Fibres of Washington filed for Chapter 11 Bankruptcy.

In 2006 Walla Walla County foreclosed on the facility after no bids were received during a public auction for the back taxes.

Commissioner Schneidmiller praised Boise for its willingness to take a portion of the proceeds of the Fibre Farm sale to purchase the Ponderosa facility. "While Boise is not legally responsible for paying the back taxes, they believe it was important that the taxing districts in the County receive the principal amount of taxes owed," said Commissioner Schneidmiller.

Ashim Banerjee, Boise White Paper, Wallula Mill Manager said, "The Walla Walla Community has been very supportive of the Wallula Mill and reinvesting a portion of the Fibre Farm proceeds back into the community is the right thing to do." Boise will initially use a portion of the Ponderosa facility for warehousing as they explore reuse options for the recycling facility.

Walla Walla County Commission Chairman, Gregg Loney said, "The County's goal has been to get the back taxes paid and return the property to the tax rolls. The partnership between the Port and Boise will accomplish our objectives."

The Port of Walla Walla was founded in 1952 and is the lead economic development agency for Walla Walla County. The Port's primary mission is the creation and retention of family wage jobs. The Port is governed by three elected Commissioners Paul Schneidmiller, Fred Bennett and Mike Fredrickson. The Port was recently named Port of the Year by the Washington Public Ports Association for its leadership in enhancing the economic vitality of Southeastern Washington. The Port also received the Governor's award for Best Practices in Economic Development related to the Railex Produce Distribution facility.

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