

COUNTY AUDITOR/RECORDER'S INDEXING FORM (COVER ~~SHAW~~ HILL
SKAGIT COUNTY AUDITOR

AFTER RECORDING RETURN TO:
DEPARTMENT OF NATURAL RESOURCES
P.O. BOX 47014
OLYMPIA, WA 98504-7014

97 JUN -4 A9:01

INDEXED 6 FILED

9706040005

PLEASE PRINT OR TYPE ALL INFORMATION

DOCUMENT TITLE(S) (OR TRANSACTIONS CONTAINED THEREIN):

EASEMENT EXCHANGE

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED/RELEASED 18364
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

GRANTOR (LAST NAME FIRST, FIRST NAME AND INITIALS):

CROWN PACIFIC

JUN - 3 1997

Amount Paid \$ 4,777.32
By: Kh Skagit County Treasurer Deputy

ADDITIONAL NAMES LISTED ON PAGE _____ OF DOCUMENT.

GRANTEE/ASSIGNEE (LAST NAME FIRST, FIRST NAME AND INITIALS):

STATE OF WASHINGTON
DEPT. OF NATURAL RESOURCES

ADDITIONAL NAMES LISTED ON PAGE _____ OF DOCUMENT.

LEGAL DESCRIPTION (ABBREVIATED: I.E. LOT, BLOCK, PLAT OR SECTION, TOWNSHIP, RANGE)

SE 1/4 SW 1/4 Sec. 2, T 35N, R 6E et al

COMPLETE LEGAL DESCRIPTION IS LISTED ON PAGE EXHIBITS A & B OF DOCUMENT.

ASSESSOR'S TAX PARCEL NUMBER(S)

350501-P38428

12\demo\forms\audindx.frm

additional parcel No. attach
to Excise Tax form

9706040005

BK1669PG0294

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504**

**AMENDMENT OF AGREEMENT No. 50-055502
(Skagit Hill/Hamilton Agreement)**

THIS AGREEMENT, made and entered into this 7th day of May, 1997, by and between CROWN PACIFIC LIMITED PARTNERSHIP, a Delaware Limited Partnership, herein called "Crown," and STATE OF WASHINGTON, acting by and through the Department of Natural Resources, herein called "State,"
WITNESSETH:

- I**
- A. Crown for and in consideration of Three Hundred Twelve Thousand Two Hundred Forty Three and no/100 Dollars (\$312,243.00) and the grant hereinafter made by State, hereby grants, and conveys, to State, its successors and assigns, a permanent easement upon, over, and along rights of way abdy (60) feet in width, over and across the lands in Skagit County, Washington, described on the attached "Exhibit A," being thirty (30) feet on each side of the centerline(s) of roads located approximately as shown the attached "Exhibit B."**

Subject as to said lands to all matters of public record.

- B. State, for and in consideration of the grant hereinabove made by Crown hereby grants, and conveys to Crown, its successors and assigns, a permanent easement upon, over, and along rights of way abdy (60) feet in width over and across the lands in Skagit County, Washington, described on the attached "Exhibit A" being thirty (30) feet on each side of the centerline(s) of roads located approximately as shown on the attached "Exhibit B."**

Subject as to said lands to all matters of public record.

II

The parties hereto hereby agree that the rights hereinabove granted by one party hereto to the other shall be subject to the following terms and conditions:

- 1. The easements are conveyed for the purpose of construction, reconstruction, use and maintenance of roads for the purpose of hauling forest products and other valuable materials from lands now owned or hereafter acquired by the parties hereto, and to provide access to said lands for land management and administrative activities.**

Provided, however, thirty (30) days prior to any construction, reconstruction, and/or betterment of said roads by either party on lands of the other party, the initiating party will submit to the land owning party a written request for joint review of the proposed project, upon completion of which the initiating party will submit a complete and detailed plan of

operations. Each party's operations, specified herein, shall be conducted in accordance with the provisions of the approved plan of operations and as defined in "Exhibit C". Said parties shall provide the other party the right of examination of the right of way before any construction, reconstruction, or betterment is commenced. The purpose of this easement shall not be changed or modified without the consent of both parties. Any unauthorized use of this easement area shall be considered a material breach of this easement.

2. Each party reserves for itself, its successors and assignees, the right at all times for any purpose, to cross and recross at any place on grade or otherwise on the said right of ways on its own lands, and to use said rights of way in a manner that will not unreasonably interfere with the rights granted herein.
3. Each party hereto may grant to third parties, upon such terms as it chooses, on its own lands, any or all of the rights reserved by it herein; provided, that use by such party shall be subject to the terms and conditions of this agreement and shall not unreasonably interfere with the rights granted to the other party herein.
4. Each party hereto may permit its respective agents, contractors, licensees, lessees, purchasers of timber or other valuable materials, and their agents, hereinafter individually referred to as "Permittee" and collectively referred to as "Permittees," to exercise the rights granted to it herein; provided, that when State or one of its Permittees plans to use any portion of said roads, for the purpose of hauling timber or other valuable materials, State or its Permittee shall notify Crown at least fifteen (15) days prior to the commencement of use of said rights, advising of the portion of road to be used, the approximate dates when such use will begin and end, and of the approximate volumes of forest products or valuable materials to be hauled and forthwith upon the completion of such use notify Crown thereof. In those cases where the State or their assignee is the designated maintainer for such roads, Crown will notify State as stated under the provisions above.
5. The cost of road maintenance and resurfacing for those roads that Crown is not the designated maintainer, shall be allocated on the basis of respective uses of said roads. When any party uses a road, that party shall perform or cause to be performed, or contribute or cause to be contributed, that share of maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when a road is being used solely by one party, such party shall maintain that portion of said road so used to the standards existing at the time use is commenced. During periods when more than one party is using the same road, or any portion thereof, the parties hereto shall meet and establish necessary maintenance provisions. Such provisions shall include, but shall not be limited to:

- (a) The appointment of a maintainer, which may be one of the parties hereto or any third party, who will perform or cause to be performed at a reasonable and agreed upon rate the maintenance and resurfacing of the road or the portion thereof being used; and
- (b) A method of payment by which each party using said road or a portion thereof, shall pay its pro rata share of the cost incurred by said maintainer in maintaining or resurfacing said road or portion thereof.

(c) For purposes of this agreement, maintenance and resurfacing is defined as the work normally necessary to preserve and keep the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved or as hereinafter specified to be improved. Examples of road maintenance and resurfacing items are identified in "Exhibit C".

6. The cost of road maintenance and resurfacing for roads covered by this agreement in which Crown is the designated maintainer, shall be allocated on the basis of respective uses of said roads as determined at an annual meeting between both parties as herein set forth:

Both parties shall meet annually to reconcile the previous year's cost of maintenance and resurfacing, based on the previous year's use. At a minimum, both parties shall bring the following information to the meeting:

- A. Volume of timber hauled and the route thereof;
- B. Volume of rock hauled and the route thereof;
- C. Road maintenance and resurfacing dollars expended and the route thereof.

With the above information, both parties shall reconcile on a pro rated use basis the proportionate shares for maintenance and resurfacing.

To assist in calculations, both parties agree to use a conversion factor of 0.85 thousand board feet of timber per cubic yard of rock.

Only timber and rock hauled by authorized users over authorized routes shall be used in the annual reconciliation of road maintenance and resurfacing costs.

7. Each party using any portion of a road shall repair, or cause to be repaired, at its sole cost and expense, that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road.

Should inordinate damage to a road occur, as defined in "Exhibit C", which is not caused by an authorized user of said road, the parties hereto shall meet to agree upon the cost of repair, the party to undertake the repair, and the shares of repair cost to be borne by each party, which will be shared on the basis of each party's proportionate tributary acreage. These acres may change from time to time, but the cost sharing will be based on each party's tributary acres at the time of the occurrence, beyond the point where the repairs or damage occurs. Unless the parties hereto agree in writing to share the costs of repairs in advance of such repairs being made, such repairs shall be made solely for the account of the repairer.

8. Unless the parties hereto agree in writing to share the costs of improvements in advance of such improvements being made, such improvements shall be solely for the account of the party who pays for the improvements. Improvements include substantial resurfacing as defined in "Exhibit C". The costs of such improvements shall be borne by the respective parties and allocated on the basis of each party's proportionate tributary acreage beyond the point where the improvement occurs at the time of improvement. Each party agrees to meet and determine tributary acreage prior to the commencement of any improvement to be cost

shared.

9. Each party hereto reserves to itself all timber now on or hereafter growing within the rights of way on its said lands.

10. Each party hereto shall require each of its Permittees, before using any of said roads on the lands of the other party hereto for commercial purposes, to:

(a) Obtain and during the term of such use, maintain a policy of liability insurance in a form generally acceptable in the trade and customary in the area of said rights of way, insuring said Permittee against liability arising out of its operations, including use of vehicles. Minimum amounts of insurance shall be:

(1) For log haulers, and other miscellaneous users operating heavy trucks (over one (1) ton), Five Hundred Thousand Dollars (\$500,000.00) for injury to one person, One Million Dollars (\$1,000,000.00) for any one occurrence, and Five Hundred Thousand Dollars (\$500,000.00) property damage for any one occurrence;

(2) For fern cutters, bough cutters, shake cutters, or other miscellaneous users operating pickup trucks, light trucks (under one (1) ton) or passenger cars for the purpose of transporting miscellaneous forest products, One Hundred Thousand Dollars (\$100,000.00) for injury to one person, Three Hundred Thousand Dollars (\$300,000.00) for any one occurrence, and One Hundred Thousand Dollars (\$100,000.00) property damage for any one occurrence; or

(3) Such other limits as the parties hereto may agree upon in writing from time to time.

(b) Deliver to each party hereto a certificate from the insurer of said Permittee certifying that coverage is not less than the above named amounts is in force and that, in the event of cancellation or modification of such coverage, the insurer will give each party hereto ten (10) days written notice prior to any cancellation or modification.

11. Each party specifically and expressly agrees to indemnify and save harmless the other party, to the extent of each respective party's and/or its respective agents or permittees' own negligence, its officers, agents and/or employees from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatsoever kind and nature, including attorney's fees, to the "greatest extent" as allowed by law, as set forth in RCW 4.24.115 and any amendments thereto arising out of and in connection with or incident to the respective uses of the respective easements and any and all work and/or maintenance performed on said easements except those caused by the sole negligence of a respective party and/or its employees and agents. In the event of litigation between the parties to enforce the rights under this paragraph, reasonable attorney's fees shall be allowed to the prevailing party.

12. It is understood and agreed between the parties hereto that this agreement amends the following instrument:

An agreement dated May 27, 1960, between Scott Paper Company (Crown's predecessor) and State, as recorded under auditor's file number 598781, in volume 311, pages 688-695 records of Skagit county on September 15, 1960.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, to become effective as of the day and year first above written.

CROWN PACIFIC LIMITED PARTNERSHIP
a Delaware Limited Partnership

By *Royall G. Seft* Title

Attest _____
Title

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Joy Keniston-Longrie
Joy Keniston-Longrie, Manager
Resource Planning and Asset Management Division

Affix Seal of Commissioner
of Public Lands

Ease. No. 55-002889
App. No. 50-055502

STATE OF)
)ss
County of)

On this 9th day of April, 1997, personally appeared
before me ROGER L. KRAE to me known to be the Secretary
of the CROWN PACIFIC LIMITED PARTNERSHIP a Delaware
Limited Partnership that executed the within and foregoing instrument, and
acknowledged said instrument to be the free and voluntary act and deed of said Limited
Partnership, for the uses and purposes therein mentioned, and on oath stated that 182
is authorized to execute said instrument for said Limited
Partnership..

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

(Print or Type Name)

Katherine A. Hanna
Notary Public in and for the State of
Oregon
residing at PORTLAND, OR

My appointment expires _____.



STATE OF WASHINGTON)
)ss
COUNTY OF THURSTON)

On this 7th day of May, 1997, personally appeared before
me JOY KENISTON-LONGRIE to me known to be the Resource Planning and Asset
Management Division Manager of the Department of Natural Resources, State of
Washington, who executed the within and foregoing instrument on behalf of the State
of Washington, and acknowledged said instrument to be the free and voluntary act and
deed of the State of Washington for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument and that the seal affixed
is the official seal of the Commissioner of Public Lands for the State of Washington.

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

(Print or Type Name)



Steven R. Carles
Notary Public in and for the State of
Washington, residing at Centralia

My appointment expires 9/30/99.

EXHIBIT A
ACCESS GRANTED ACROSS CROWN LANDS

| <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>Subdivision</u> |
|-----------------------|------------------------|---------------------|--|
| 2 | 35N | 6E | SE¼ SW¼ |
| 3 | 35N | 6E | NW¼ SW¼ |
| 4 | 35N | 6E | Government Lots 2, 3, and 4, S½ NE¼, SW¼ NW¼, NE¼ SE¼ |
| 5 | 35N | 6E | S½ NE¼, SE¼ NW¼, NE½ SW¼ |
| 6 | 35N | 6E | Government Lot 6, NE¼ SW¼, N½ SE¼ |
| 11 | 35N | 6E | E½ NW¼, NE¼ SW¼ |
| 13 | 36N | 5E | N½ SW¼, SE¼ NW¼, SW¼ NE¼, N½ SE¼, SE¼ SE¼ |
| 14 | 36N | 5E | SE¼ NE¼ |
| 17 | 36N | 6E | S½ NW¼, N½ SW¼, NW¼ SE¼ |
| 18 | 36N | 6E | Government Lots 7, 8, 9, 10, 11, 15, 16, and 17, SE¼ NE¼ |
| 19 | 36N | 6E | Government Lots 1, 2, 3, 5, 6, and 7, SW¼ NE¼, NW¼ SE¼, E½ SE¼ |
| 20 | 36N | 6E | S½ SW¼ |
| 23 | 36N | 6E | S½ SE¼ |
| 24 | 36N | 6E | S½ SW¼, SE¼ |
| 26 | 36N | 6E | NE¼ NW¼ |
| 29 | 36N | 6E | W½ SE¼, E½ NW¼, NE¼ SW¼ |
| 32 | 36N | 6E | N½ NE¼, SE¼ NE¼ |
| 33 | 36N | 6E | E½ NW¼, S½ SW¼, SE¼ NW¼, NW¼ SW¼ |
| 19 | 36N | 7E | Government Lots 3 and 4 |

8706040005

BK 1669 PG 0301

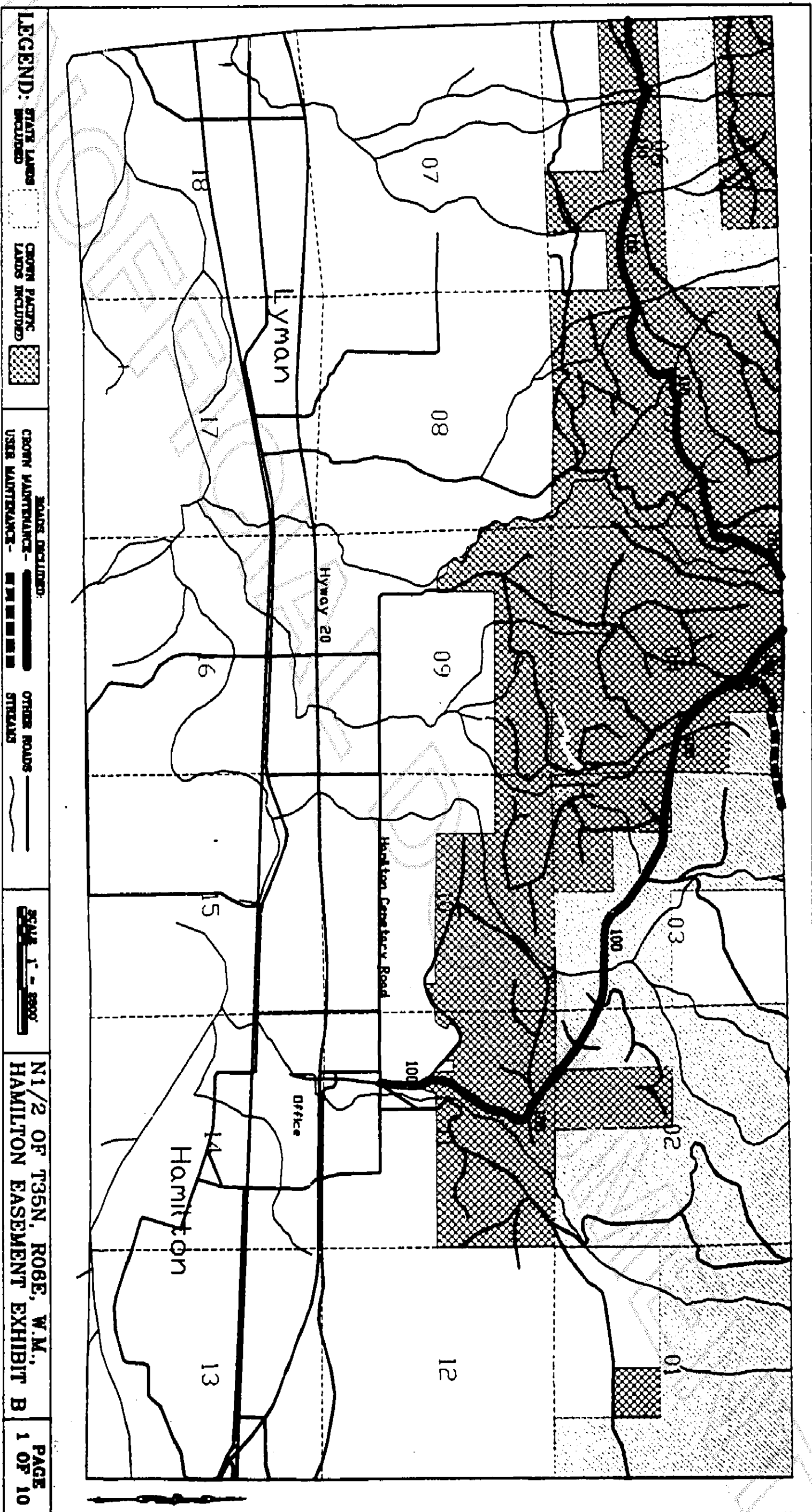
ACCESS GRANTED ACROSS STATE LANDS

| | | | |
|----|-----|----|--|
| 1 | 35N | 5E | Government Lots 2, 3, and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ |
| 2 | 35N | 5E | Government Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ |
| 13 | 36N | 5E | NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ |
| 14 | 36N | 5E | NE $\frac{1}{4}$ NE $\frac{1}{4}$ |
| 35 | 36N | 5E | SE $\frac{1}{4}$ SE $\frac{1}{4}$ |
| 36 | 36N | 5E | SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ |
| 2 | 35N | 6E | SW $\frac{1}{4}$ SW $\frac{1}{4}$ |
| 3 | 35N | 6E | Government Lots 3 and 4, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ |
| 4 | 35N | 6E | Government Lot 1 |
| 25 | 36N | 6E | N $\frac{1}{2}$ NW $\frac{1}{4}$ |
| 26 | 36N | 6E | NW $\frac{1}{4}$ NE $\frac{1}{4}$ |
| 33 | 36N | 6E | SW $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ |
| 34 | 36N | 6E | S $\frac{1}{2}$ SW $\frac{1}{4}$ |

Revised 3/21/97

8706040005

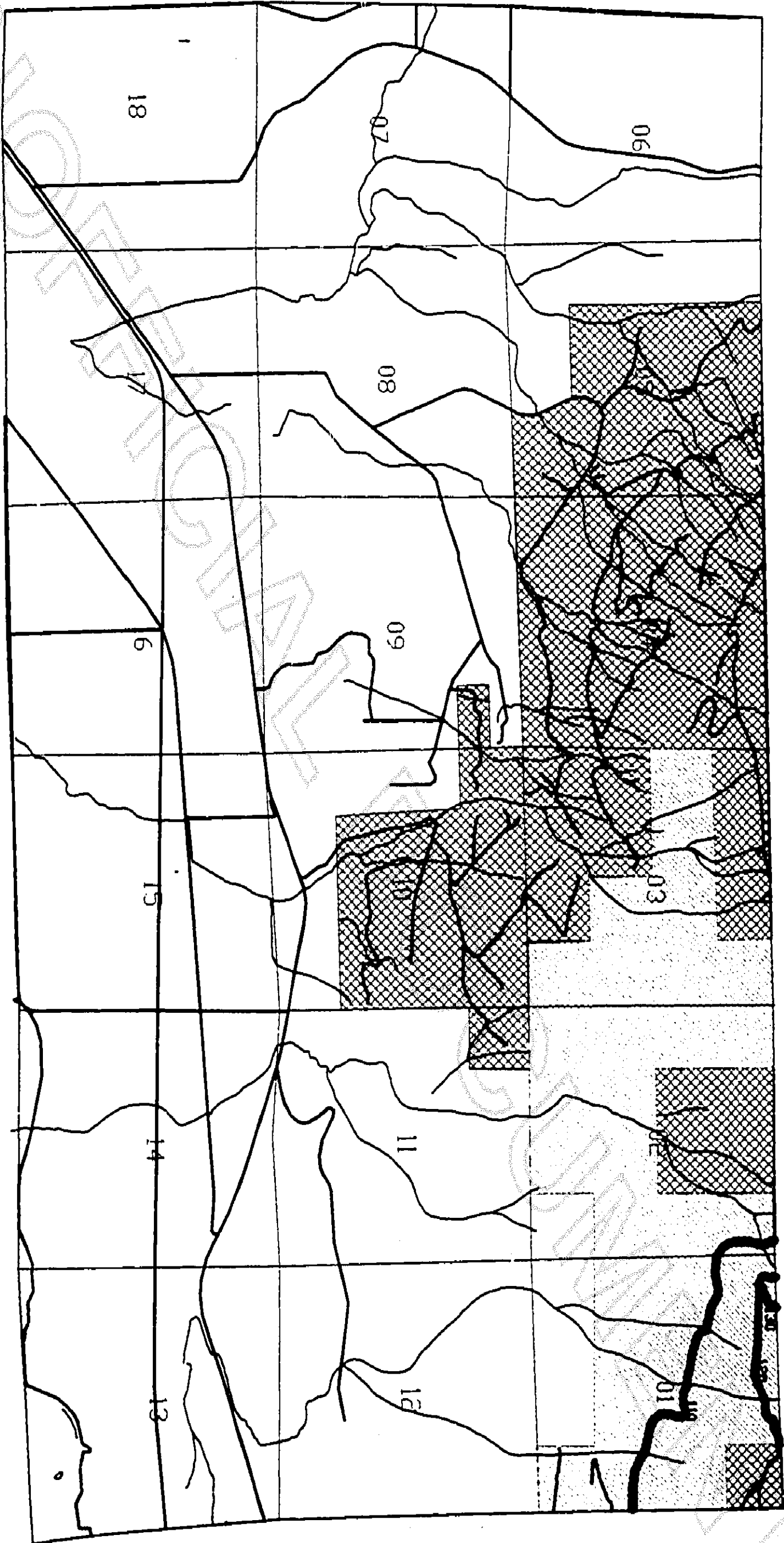
BK1669PG0302



9706040005.

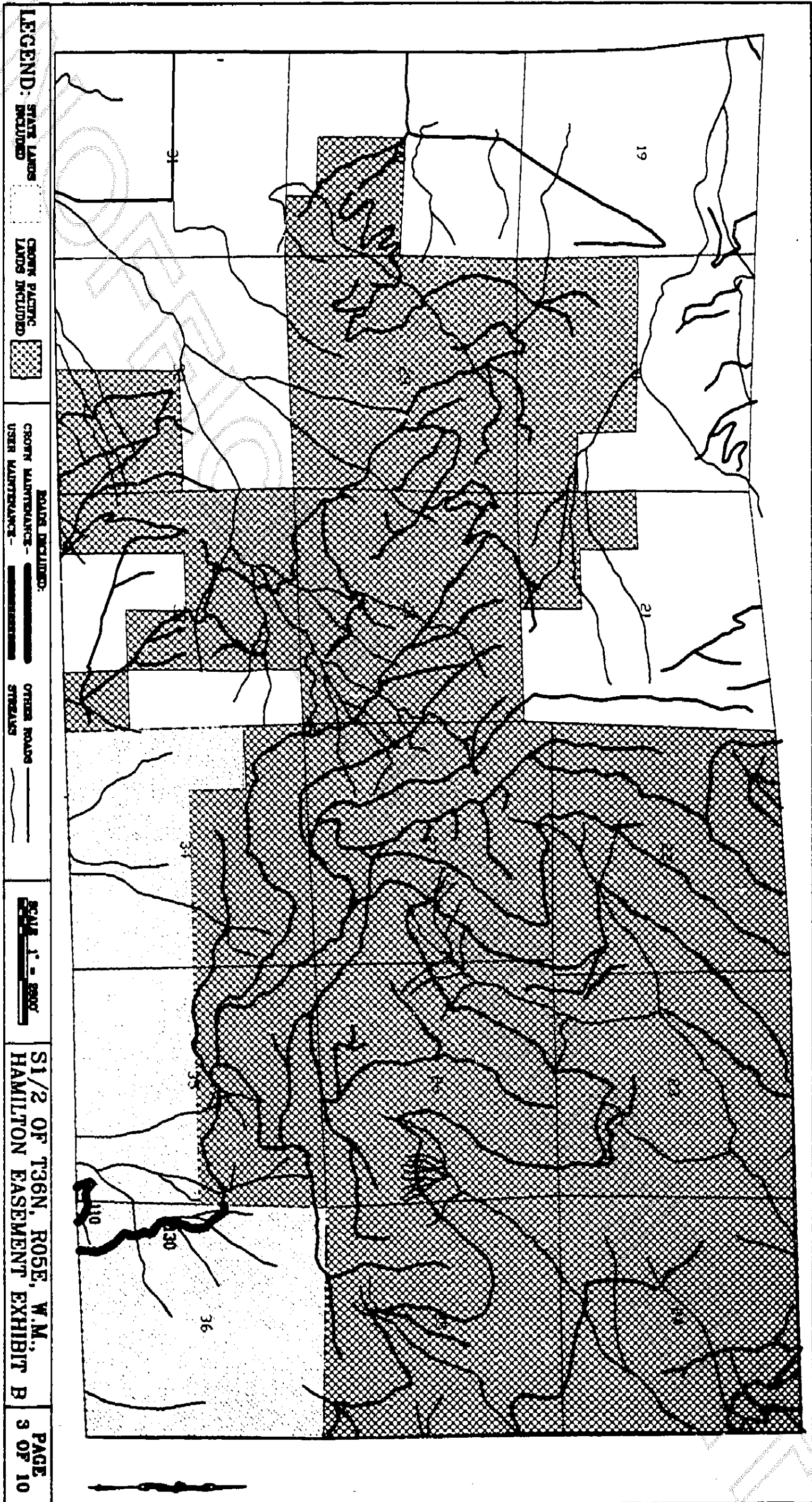
BK1669PG0303

LEGEND: STATE LANDS INCLUDED  CROWN PACIFIC LANDS INCLUDED  ROADS INCLUDED: CROWN MAINTENANCE -  OTHER ROADS -  STRAINS  SCALE 1" = 800' N1/2 OF T35N, R05E, W.M., HAMILTON EASEMENT EXHIBIT B PAGE 2 OF 10

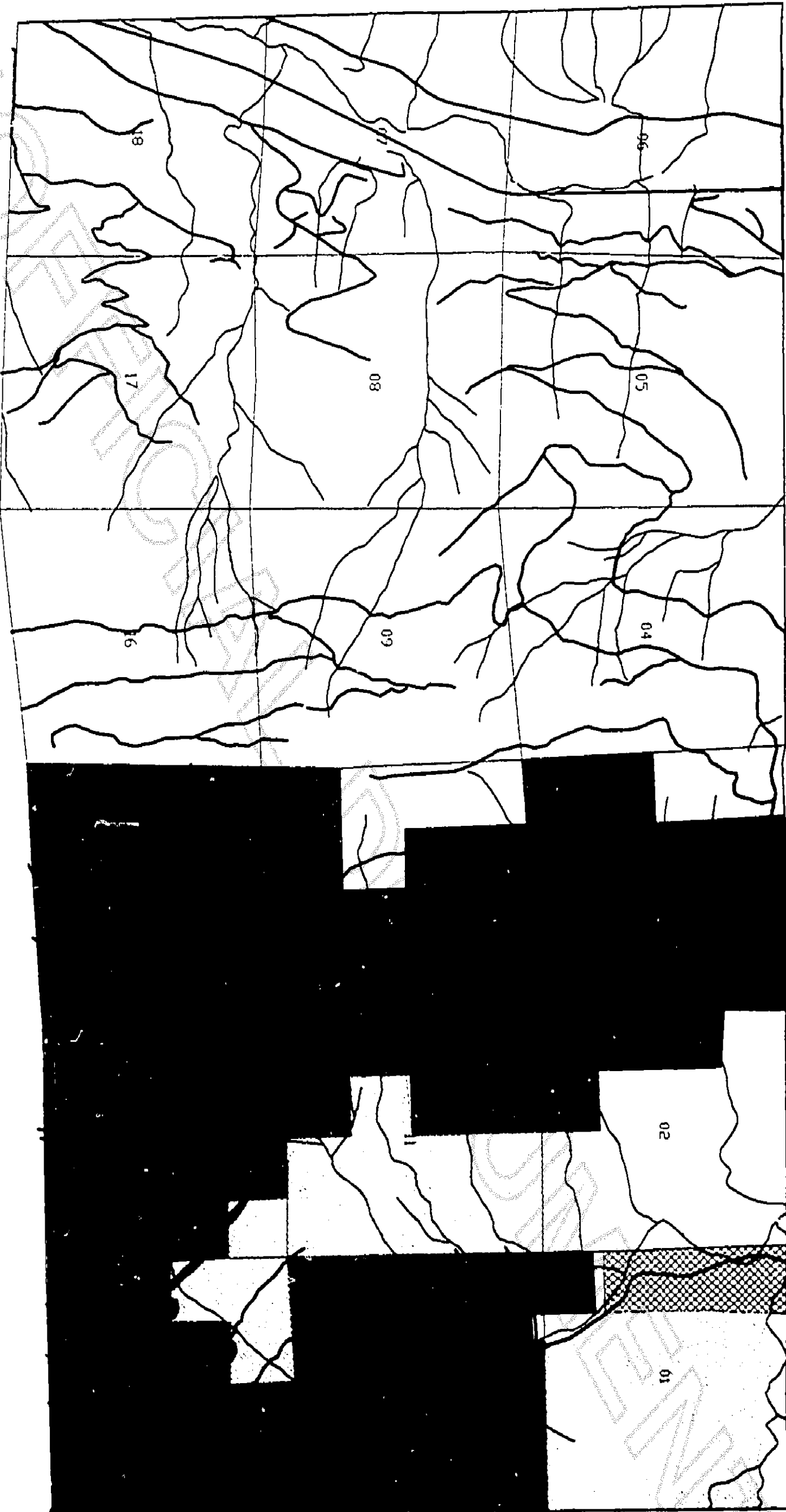


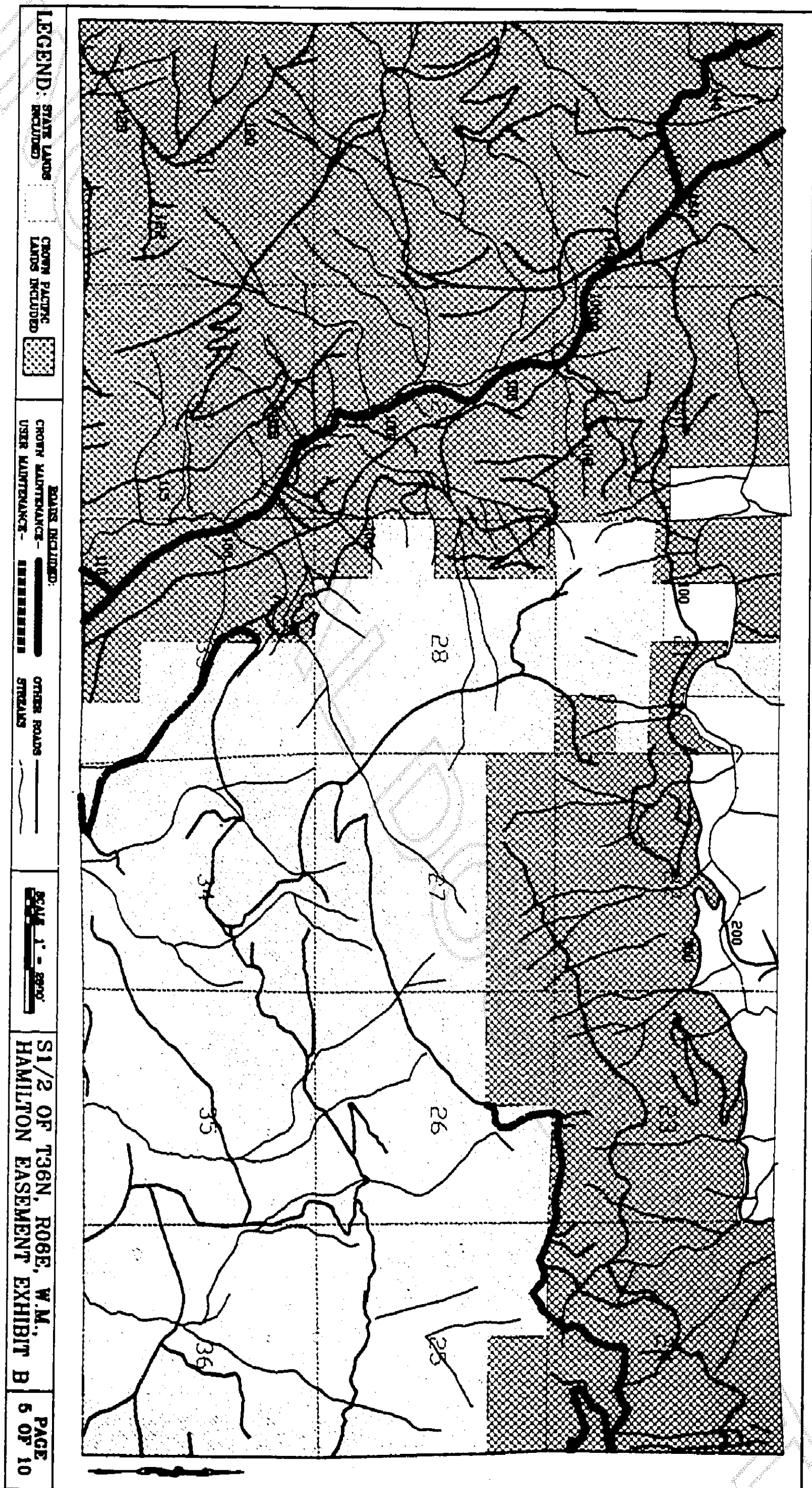
9706040005

BK1669PG0304



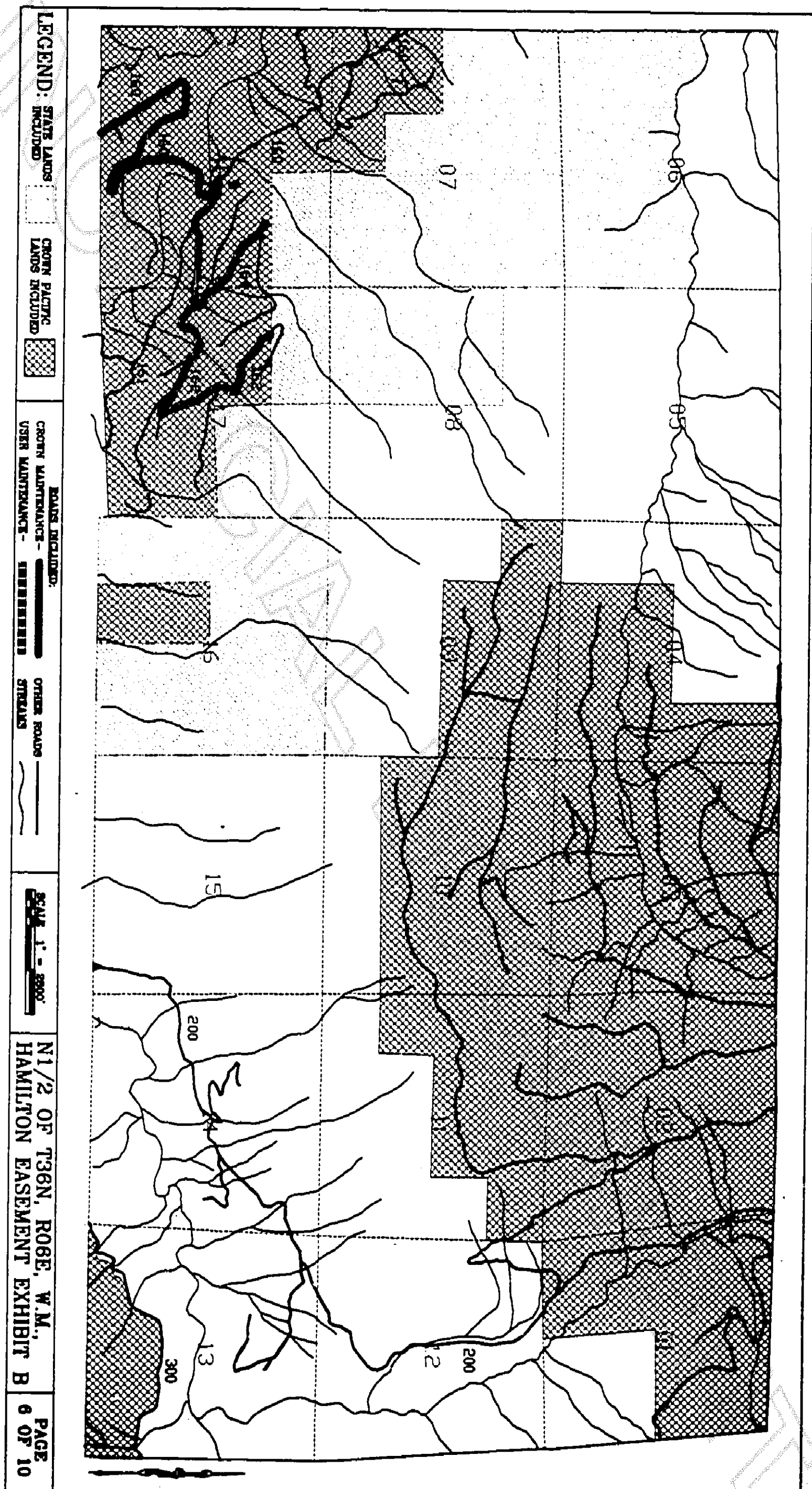
LEGEND: STATE LANDS INCLUDED CROWN PACIFIC LANDS INCLUDED ROADS INCLUDED: CROWN MAINTENANCE - USER MAINTENANCE - OTHER ROADS - STREAMS
 SCALE 1" = 2000'
 N1/2 OF T36N, R05E, W.M.
 HAMILTON EASEMENT EXHIBIT B PAGE 4 OF 10





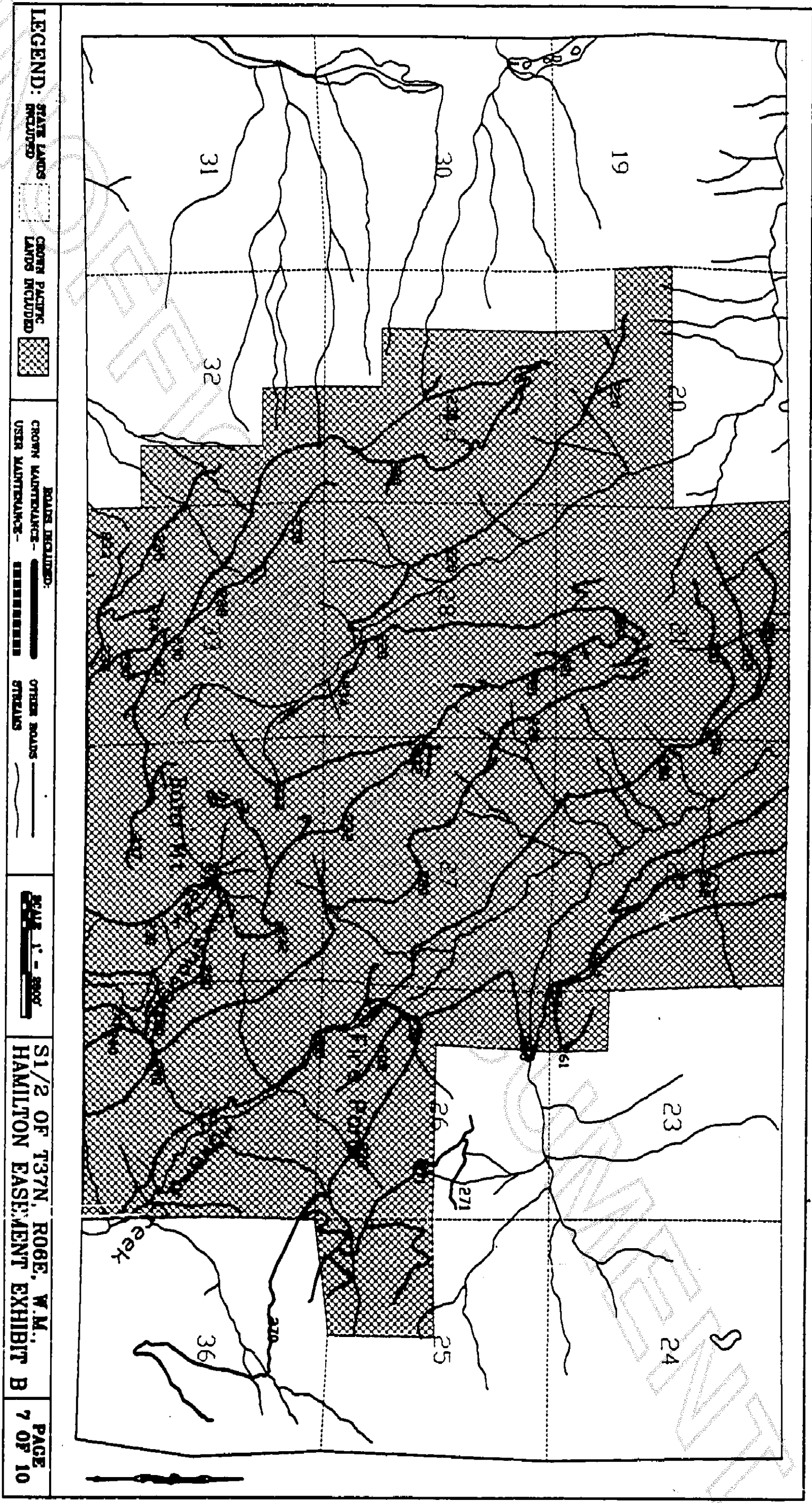
07C6040005

SK1669PGU307



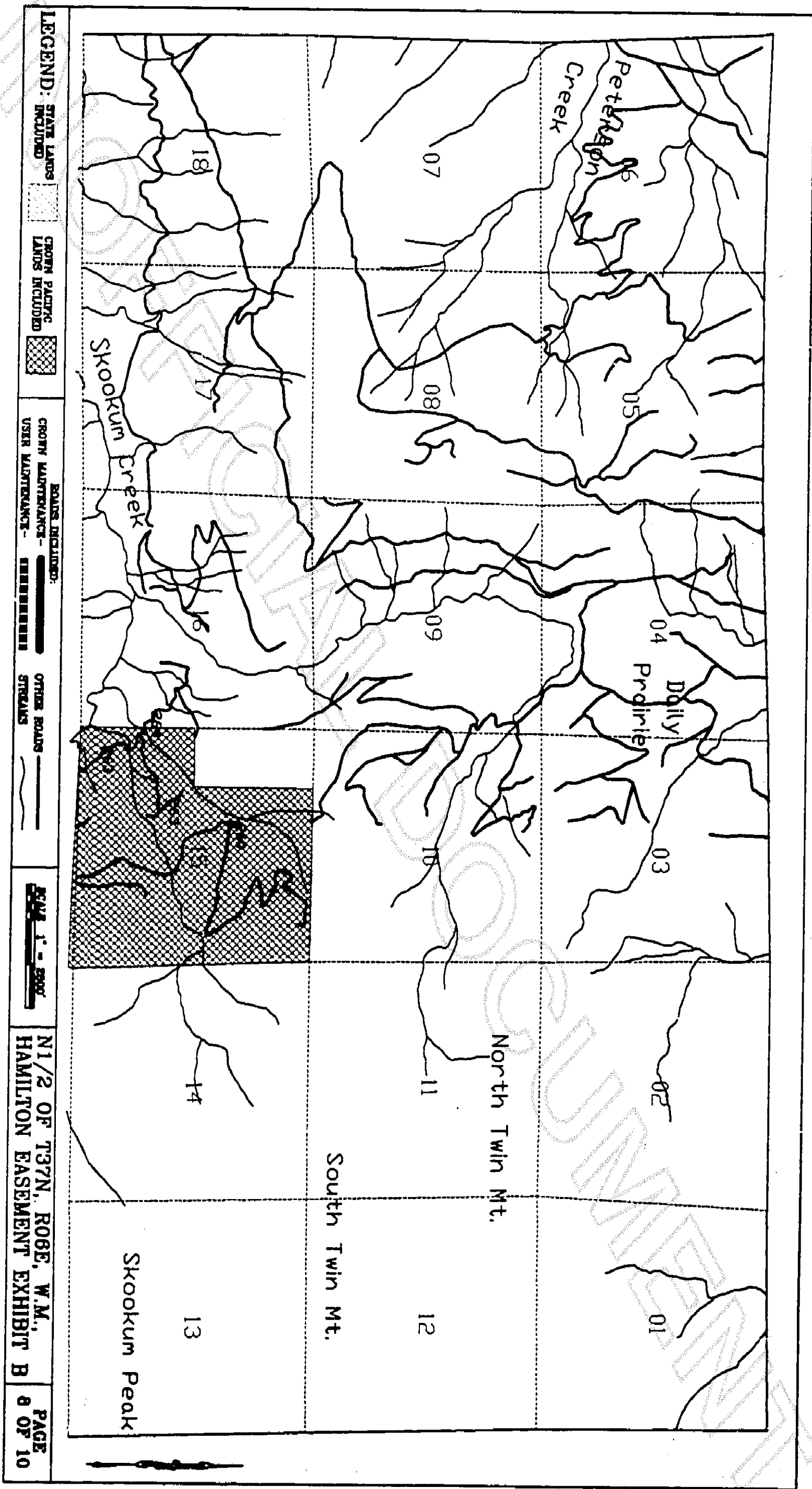
5706040005

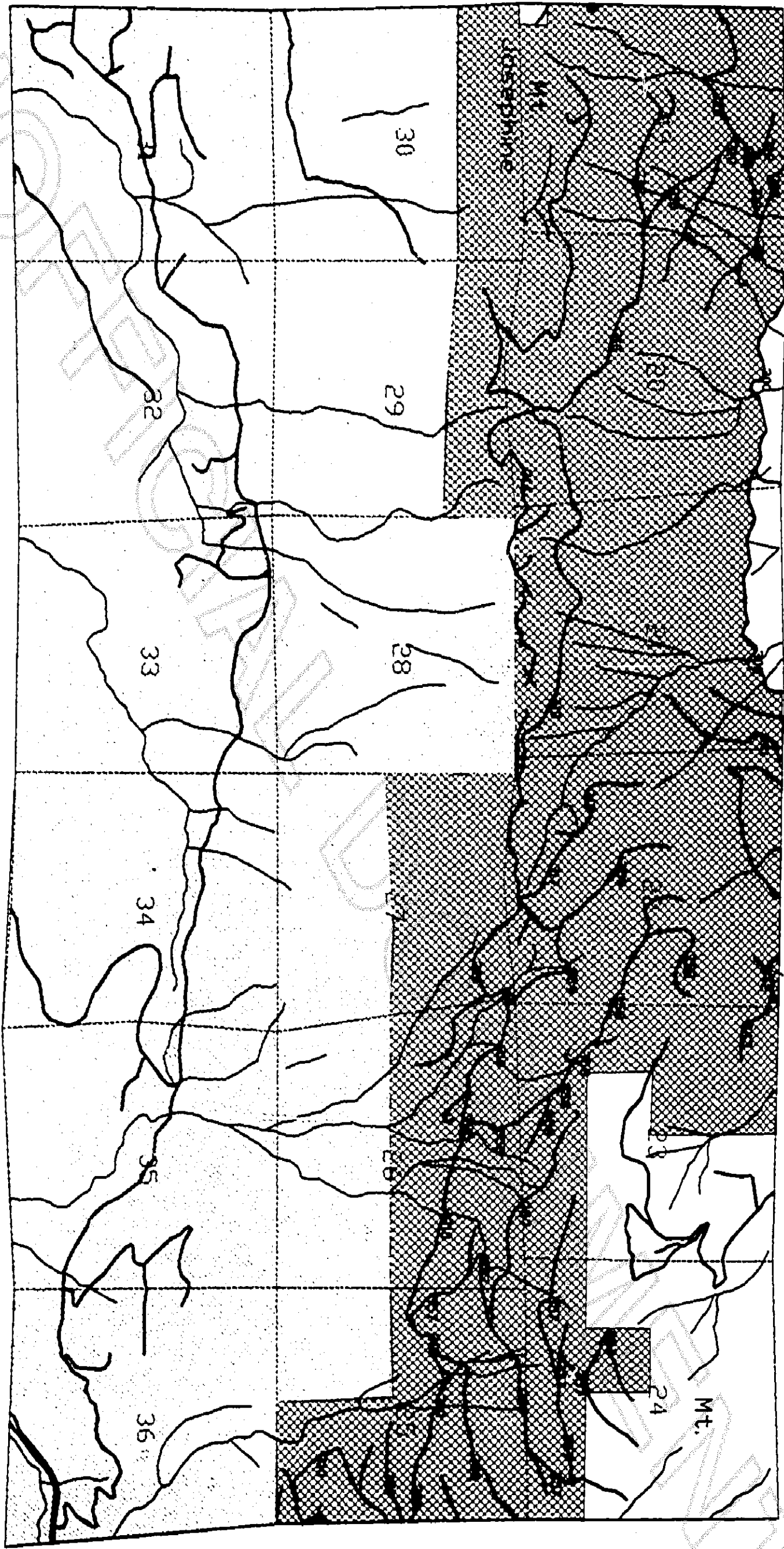
2K1669PG0308



9706040005

BK1669PG0309





LEGEND: STATE LANDS INCLUDED

CROWN PACIFIC LANDS INCLUDED

ROADS DECLINED:
CROWN MAINTENANCE -
USER MAINTENANCE -

OTHER ROADS -
STRAINS

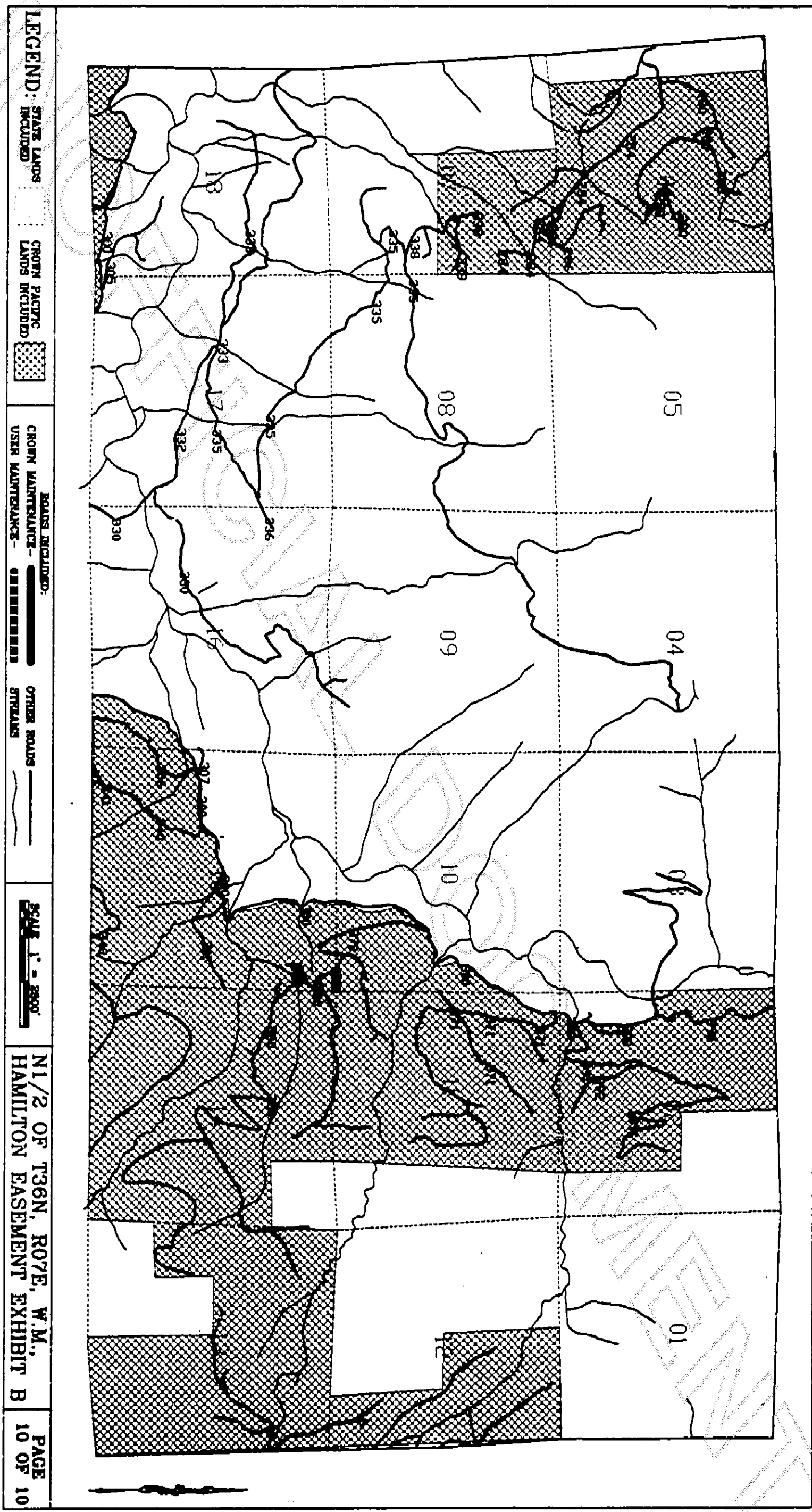
SCALE 1" = 2000'

S1/2 OF T36N, R07E, W.M.,
HAMILTON EASEMENT EXHIBIT B

PAGE
9 OF 10

9706040005

BK1669PG0311



0706040005

BK1669PG0312

Exhibit C

Designated Maintainer

1. Under this agreement, the State agrees that Crown will be the designated maintainer of the CP-100, CP-110, CP-120, CP-130, CP-140, CP-160 as identified on Exhibit B. These roads shall be maintained in accordance with Section II.6 of this agreement. The remaining roads under this agreement shall be maintained in accordance with Section II.5 of this agreement. However, should the property under this agreement be sold to someone other than the parent company (Crown), the State reserves the right to revisit and renegotiate the designated maintainer arrangement under this agreement.

Construction and Maintenance Definitions

1. Construction standards: All work shall be performed in a proper workmanlike manner conforming to the standards of construction for forest management roads in the area, and conforming to all applicable government rules and regulations including without limitation the Forest Practices Act, Chapter 76, RCW, Laws of the State of Washington. In addition, the parties recognize that the construction, maintenance, and improvement of said road(s) will likely be governed by applicable regulations of governmental agencies controlling the same.
2. Road maintenance and resurfacing includes but is not limited to the following items: Grading, ditching, culvert replacement of less than 48 inches in diameter, brush cutting, brush spraying, dust abatement, surface patching, surface rock replacement, minor asphalt repair and replacement, gate repair, slide removal less than 100 cubic yards, and structure maintenance.
3. Inordinate damage includes, but is not limited to, the following: Large slides or road prism failures (100 cubic yards or greater) and drainage structure replacements (bridges or culverts 48 inches in diameter and larger).
4. Substantial resurfacing of roads is defined as those requiring greater than 100 cubic yards of asphalt or gravel and specified road segment drainage structure upgrades. The costs of such resurfacing shall be borne by the respective parties allocated on the basis of each party's proportionate tributary acreage. The cost sharing will be based on the acres beyond the point where the substantial resurfacing occurs at the time of occurrence. Each party agrees to meet in advance of any substantial resurfacing and determine tributary acres prior the commencement of any resurfacing defined in this provision.

9706040005

BK1669PG0313