

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



199911190120

Kathy Hill, Skagit County Auditor
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PLEASE PRINT OR TYPE ALL INFORMATION

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

Easement Exchange

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED/RELEASED:

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

The Trillium Corporation

ADDITIONAL NAMES LISTED ON PAGE _____ OF DOCUMENT.

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

State of Washington, Department of Natural Resources

ADDITIONAL NAMES LISTED ON PAGE _____ OF DOCUMENT.

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

Pts. NW $\frac{1}{4}$, Sec. 3, T36N, R3E

Pts. NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 14, T36N, R3E

COMPLETE LEGAL DESCRIPTION IS LISTED ON PAGE _____ OF DOCUMENT.

ASSESSOR'S TAX PARCEL NUMBER(S)

360303-0-002-0000, 360303-0-003-0009, 360303-2-001-0007, 360303-2-002-0006,
360314-3-001-0002, 360314-3-002-0001, 360314-4-001-0000

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

EASEMENT EXCHANGE

Easement No. 55-071030

Application No. 50-071029

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

NOV 19 1999

Amount Paid \$
Skagit Co. Treasurer
By *Lp* Deputy

THIS AGREEMENT is between THE TRILLIUM CORPORATION, a Washington corporation, herein called "Trillium," and the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, herein called "State".

Consideration

In exchange for the mutual promises and covenants herein contained, and other good and valuable consideration, the mutual receipt and sufficiency of which is hereby acknowledged, the parties agree to the following terms and conditions. In addition to the conveyance of easements, Trillium shall pay Eight Thousand Four Hundred Ten and no/100 Dollars (\$8,410.00 prior to or concurrent with executing this Agreement.

Conveyances

- A. To State, Trillium hereby grants, conveys, and warrants to State, its successors and assigns, permanent, non-exclusive easement(s) over parcels of land in Whatcom, Snohomish and Skagit Counties legally described as set forth in Exhibit A, said easement to be 60 feet in width being 30 feet on each side of a center line of a road (roads) located or to be constructed approximately as shown on Exhibit(s) I, J, and K1-K3 (hereafter Easement Area or Road). Subject as to said lands to all matters of public record.
- B. To Trillium, State hereby grants, conveys, and warrants to Trillium, its successors and assigns, permanent, non-exclusive easement(s) over parcels of land in Whatcom, Snohomish and Skagit Counties legally described as set forth in Exhibit A, said easement to be 60 feet in width being 30 feet on each side of a center line of a road (roads) located or to be constructed approximately as shown on Exhibit(s) B1-B3, C, D1-D3, E1, E2, F1-F3, G and H1-H5" (hereafter Easement Area or Road). Subject as to said lands to all matters of public record.



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Easement No.:55-071030
Application No.:50-071029

Purpose

The easements are conveyed to provide ingress and egress to and from lands owned by each party for the sole and limited purpose of hauling timber or other forest products and/or profits including but not limited to sand, gravel, stone, or farm products and performing management activities associated with timber production, agriculture or the extraction of profits.

Nature of Estate

These easements shall be deemed appurtenant to real property located in Snohomish, Skagit and Whatcom Counties legally described as set forth in Exhibits B1 through K3 (hereafter Benefitted Parcels) subject to the following terms and conditions:

Notice of Operations

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 L". 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 shall be considered a material breach of this easement.

Reservations

Each fee owner reserves all rights incident to fee ownership of the Easement Area on their respective lands and the profits thereon (including timber) and the right of use for any purpose including but not limited to the right to remove profits within the Easement Area on its land; the right at all times to cross and recross the Easement Area at any place on grade or otherwise; and the right to use, maintain, patrol, reconstruct or repair the Easement Area so long as it does not unreasonably interfere with the rights granted herein. Each fee owner may grant to third parties any and all rights reserved on its land. Timber or other profits of the land may be removed by the easement holder where reasonably necessary to use the easement area, but the fee owner shall be entitled to the market value of the material removed. Each fee owner reserves the right to relocate the Easement Area. If the fee owner relocates the Easement Area on its sole initiative, the fee owner shall construct the relocated Easement Area to the standards existing at the time of relocation.

Permittees

Each easement holder may permit its respective employees, agents, contractors, licensees, lessees, Purchasers of timber or other profits and their agents, herein individually referred to as "Permittee" and collectively referred to as "Permittees", to exercise the rights granted to the easement holder herein. Acts of the Permittees operating under this Agreement shall be deemed an act of the easement holder. Restrictions or requirements placed on the easement holder herein shall apply equally to the Permittees.

Maintenance



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1. The cost of road maintenance and resurfacing for those roads that Trillium 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.

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 M".

2. The cost of road maintenance and resurfacing for roads covered by this agreement in which Trillium 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.

3. 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 M", 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.

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

Improvements

The easement holder will not make improvements to the Easement Area without prior written consent of the fee owner which shall not be unreasonably withheld. Unless the parties agree in writing to share the cost of improvements, improvements shall be at the sole expense of the improver. Any improvements to the Easement Area shall become the property of the fee owner unless otherwise agreed in writing.

Compliance with the State's Habitat Conservation Plan (HCP).

State has entered into a Habitat Conservation Plan (HCP) with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (the Services) to address state trust land management issues relating to compliance with the federal Endangered Species Act. The activities to be carried out on the State's Land under this Agreement are located within State's HCP area and subject to the terms and conditions of the HCP and Incidental Take Permit No. 812521 (ITP). The ITP authorizes the incidental take of certain federally listed threatened and endangered species, as specified in the ITP conditions. All HCP materials, including the ITP, are available for review at State's Regional Offices and the administrative headquarters in Olympia, Washington.

By signing this Agreement, Trillium agrees to comply with the terms and conditions of the ITP, Exhibit N, and the HCP, the requirements of which are included in Section 1 and 2, of Exhibit O and throughout the body of this Agreement, which shall become the terms of this Agreement. State agrees to authorize the lawful activities of Trillium carried out pursuant to this Agreement; PROVIDED Trillium remains in compliance with the terms and conditions of both the HCP and ITP. Non-compliance with the terms and conditions of the HCP and ITP will render the authorization provided in this paragraph void, be deemed a breach of the this Agreement and may subject Trillium to liability for violation of the Endangered Species Act.

The requirements set forth in this contract are intended to comply with the terms and conditions of the HCP and ITP. In order for Trillium's activities to be considered in compliance with the HCP and ITP, Trillium's operations must be in full compliance with this contract. Any modifications to the contract shall be proposed in writing by Trillium's, shall continue to meet the terms and conditions of the HCP and ITP, and shall require the prior written approval of the State before taking effect.



It is the responsibility of Trillium to obtain and comply with the State's HCP procedures, in effect at the execution of this Agreement and as adopted thereafter, that relate to the State's Land when conducting any and all operations on the State's Land. Trillium shall not proceed with operations until State has approved the operations as consistent with the HCP procedures and other contract requirements herein. The current HCP procedures and information on the location of the sites identified in Exhibit O, exhibit reference for Requirements of the Habitat Conservation Plan (HCP), can be obtained from the Contract Administrator and are available at Northwest Regional Office. Sensitive areas, conditions, or species, in addition to those recognized herein, may be identified in the future and as more information is developed about the State's Land or the scope of the HCP changes.

Construction/Operation Plan(s)

Pre-Construction. Thirty (30) days prior to any construction or reconstruction of (a) Road(s) by an easement holder on lands of the fee owner, the easement holder will submit a written plan of construction to the fee owner outlining the construction or activity for approval, which shall not be unreasonably withheld. All construction and reconstruction shall comply with applicable state or local laws. In the event of an emergency that requires immediate action to protect person or property, an easement holder may take reasonable corrective action without prior notice to the fee owner.

Weed Control on State's Easement Area

All methods of chemical weed control on State Land shall be approved in writing by State prior to beginning such activities. No aerial spraying on either parties lands without prior approval by the other party is permitted.

Notice of Operations.

When an easement holder or one of its Permittees plans to use any portion of the Roads for the purpose of hauling timber, farm products or other profits, such party shall notify the fee owner thereof at least fifteen (15) days prior to the commencement of such use, 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 timber, forest products, farm products or other profits to be hauled and promptly upon the completion of such use notify the other party thereof.

Waste

An easement holder shall not cause nor permit any filling activity to occur in or on the Easement Areas, except by prior written approval of the fee owner. An easement holder shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release, or dispose of any hazardous substance, or other pollutants in or on the Easement Areas except in accordance with all applicable laws. The term hazardous substance means any substance or material as those terms are now or are hereafter defined or regulated under any federal, state, or local law including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA 42 USC 9601 et seq.), or the Washington Model Toxic Control Act (MTCA RCW 70.105D.010.). An easement holder shall immediately notify the fee owner if the easement holder becomes aware of any release or threatened release of hazardous substance on the Easement Areas or adjoining property. If a release of hazardous substance occurs in, on, under, or above the Easement Areas arising out of any action of the easement holder, its contractors, subcontractors, invitees, agents, employees, licensees, or permittees, the easement holder shall, at its sole expense, promptly take all actions necessary or



advisable to clean up, contain, and remove the hazardous substance in accordance with applicable laws. Any cleanup shall be performed in an approved manner.

Survey Markers

An easement holder shall not destroy any survey markers (including but not limited to corner markers, witness objects, or line markers) without prior written approval from the land owner, which shall not be unreasonably withheld. Markers that must necessarily be disturbed or destroyed during construction must be adequately referenced and replaced, at the easement holder's cost, in accordance with all applicable laws of the State of Washington in force at the time of construction, including but not limited to RCW 58.24, and all Department of Natural Resources regulations pertaining to preservation of such markers. The markers shall be reestablished using a licensed land surveyor or public official as prescribed by law according to U.S. General Land Office standards.

Insurance

The State is self-insured.

At its own expense, Trillium shall procure and maintain during the term of this Agreement and require its contractors, subcontractors, or other permittees to procure and maintain while operating on its Easement Area the insurance described below. All insurance must be purchased on an occurrence basis and be issued by a carrier admitted by the Insurance Commissioner to do business in the State of Washington. Non-admitted or surplus lines carriers, or admitted carriers with a Best rating of "B" or below must be approved in advance by the Risk Manager for the Department of Natural Resources.

Types of Required Insurance.

Commercial General Liability. Insurance written under Insurance Services Office (ISO) Form CG0001 or its equivalent with minimum limits as set out below covering liability arising from premises, operations, independent contractors, personal injury, products completed and liability assumed under an insured contract.

Description

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

Business Auto Policy (BAP). Insurance on an ISO CG0001 form or equivalent providing Bodily Injury and Property Damage Liability coverage for all owned, hired or non-owned vehicles assigned to, or used in connection with this easement for a combined single limit of not less than \$1,000,000 each occurrence.

Terms of Insurance. The policies required under this section shall name the State of Washington, Department of Natural Resources as an additional insured. Trillium shall provide to the State a certificate of insurance and, if requested, copies of policies, from the insurer 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 the State forty-five (45) days written notice prior to any cancellation or modification. State's receipt of such certificates or policies does not constitute approval by State of the terms of such policies. These notices shall be sent to the Northwest Region office, via certified mail. The policies must reference the State's easement



number.

Further, all insurance policies described in this section shall:

- a. be written as primary policies not contributing with and not in excess of coverage that State may carry;
- b. contain an express waiver of any right of subrogation by the insurance company against State and State's elected officials, employees, or agents;
- c. Expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Exchanger which might otherwise result in a forfeiture of said insurance;
- d. Expressly provide that State shall not be required to give notice of accidents or claims for which State has no liability for premiums; and

Self Insurance. In lieu of the coverages required under this section, the State at its sole discretion, may accept evidence of self-insurance by Trillium upon receipt of a statement by a CPA or actuary, satisfactory to State, demonstrating that Trillium's financial condition is satisfactory to self-insure any of the required insurance coverages. State may require Trillium to provide the above statements from time to time to ensure Trillium's continuing ability to self insure. If at any time Trillium does not satisfy the self insurance requirement, it shall immediately purchase insurance as required in this section. Aside from any self-insurance guaranteed by Trillium, Trillium shall ensure that its contractors, subcontractors, and Permittees meet the minimum insurance requirements when using the Roads.

Notice

Unless otherwise specified herein, any notices required or permitted under this Agreement may be delivered personally, sent by facsimile machine or mailed certified, return receipt requested, to the following addresses or to such other place as the parties hereafter direct. Notice will be deemed given upon delivery, confirmation of facsimile, or three days after being mailed, whichever is applicable.

To State: DEPARTMENT OF NATURAL RESOURCES
Northwest Region Headquarters
919 N. Township
Sedro-Woolley, WA 98284
(360) 856-3500 ph.
(360) 856-2150 fax

To Trillium: THE TRILLIUM CORPORATION
4350 Cordata Parkway
Bellingham, WA 98226
(360) 676-9400 ph.
(360) 738-3042 fax

Modifications

This Agreement shall not be modified except by written approval of both parties.

Severability

Easement No.:55-071030
Application No.:50-071029



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June 10, 1999

If any provision of this Agreement shall be held invalid, it shall not affect the validity of any other provision herein.

Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and assigns except to the extent that this section conflicts with the section labeled "Nature of Estate" in which case the Nature of Estate section will control.

Compliance With Laws

Each party shall, at its own expense, conform to all applicable laws, regulations, permits, or requirements of any public authority affecting the Easement Areas and the use thereof.

Construction

The terms of this Agreement shall be given their ordinary meaning unless defined herein and shall not be presumptively construed against either party.

Exhibits

All exhibits referenced in this Agreement are incorporated as part of the Agreement.

Effective Date

This Agreement shall be effective on the date last signed below.

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

TRILLIUM CORPORATION;
a Washington Corporation

Easement No.:55-071030
Application No.:50-071029



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June 10, 1999

By Timothy Chote
Title Sr Vice President

Date 9/14/99

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

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

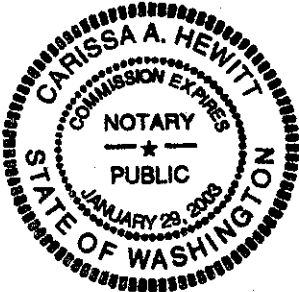
Affix Seal of Commissioner
of Public Lands

STATE OF)
)ss
County of)

On this 14 day of September, 19 99, personally appeared before me Timothy Potts to me known to be the Sr. Vice President of the Trillium Corporation, a Washington Corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that Timothy Potts is authorized to execute said instrument for said Corporation.

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) Carissa Hewitt
Notary Public in and for the State of Washington
residing at Everdale



My appointment expires 1/29/03.

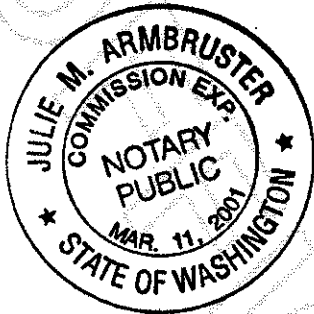
STATE OF WASHINGTON)
)ss
COUNTY OF Thurston)

On this 28 day of October, 19 99, 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 she 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) Julie M. Armbruster
Notary Public in and for the State of
Washington, residing at Olympia.
My appointment expires 3/11/2001.

5/26/1999 version

Revisions To Exchange of Easement

APPROVED AS TO FORM ONLY
this 27th day of May, 1999.

Christine O. Gregoire
Attorney General

By James Schwartz
Assistant Attorney General

Easement No.:55-071030
Application No.:50-071029



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June 10, 1999

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

EASEMENT EXCHANGE

Easement No. 55-071030
Application No. 50-071029

EXHIBIT A

LEGAL DESCRIPTIONS

State to Trillium:

Carpenter Creek - Pts. SE $\frac{1}{4}$, Sec. 6, T29N, R07E,
Pts. E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 7, T29N, R07E,
Pts. SW $\frac{1}{4}$, Sec. 8, T29N, R07E,
See Exhibits B1-B3

Monroe Camp N. - Pts. W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 22, T29N, R07E,
See Exhibit C

Monroe Camp S. - Pts. SE $\frac{1}{4}$ NE $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 26 T29N, R07E,
Pts. NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 35, T29N, R07E,
Pts. E $\frac{1}{2}$ NE $\frac{1}{4}$, Sec. 34, T29N, R07E,

Subject to any third party rights in Section 34 T29N, R7E

See Exhibits D1-D3

Woods Crk. E. - Pts. N1/2, Sec. 2, T28N, R07E,
Pts. E $\frac{1}{2}$ NE $\frac{1}{4}$, Sec. 3, T28N, R07E,
See Exhibits E1-E2

Woods Crk. W. - Pts. E $\frac{1}{2}$, Sec. 5, T28N, R07E,
Pts. E1/2, Sec. 8, T28N, R07E,
Pts. NE $\frac{1}{4}$, Sec. 17 T28N, R07E,
See Exhibits F1-F3

Lower Racehorse - Pts. W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$, Sec. 11, T39N, R05E,
See Exhibit G

Blanchard - Pts. NE $\frac{1}{4}$, Sec. 3, T36N, R03E,
Pts. W $\frac{1}{2}$, and
W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 2, T36N, R03E,
Pts. W $\frac{1}{2}$, W $\frac{1}{2}$, and SE1/4, SE1/4 Sec. 11, T36N, R03E,
Pts. NE $\frac{1}{4}$, and NW1/4, NE1/4 and
SE1/4 Sec. 14, T36N, R03E,
Pts. SE $\frac{1}{4}$, Sec. 15, T36N, R03E,
See Exhibits H1-H5



Exhibit A - Legal Descriptions: cont.

Easement No. 55-071030
Application No. 50-071029

Trillium to State:

Goodwin Pit - Pts. W $\frac{1}{2}$, and SE $\frac{1}{4}$, Sec. 15, T39N, R04E,
 Pts. N $\frac{1}{2}$, Sec. 22, T39N, R04E,

See Exhibit I

Subject to the realignment of the road by Trillium at their sole expense, in Sections 15 and 22, but access by the State on the road under this agreement will not be severed at any time during the realignment.

Look North - Pts. W $\frac{1}{2}$, Sec. 1, T37N, R03E,
 Pts. E $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 2, T37N, R03E,

Subject to any third party rights in Section 1, T37N, R3E

See Exhibit J

Blanchard - Pts. S $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 34, T37N, R03E,
 Pts. NW $\frac{1}{4}$, Sec. 3, T36N, R03E,
 Pts. NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 14, T36N; R03E,

See Exhibits K1-K3



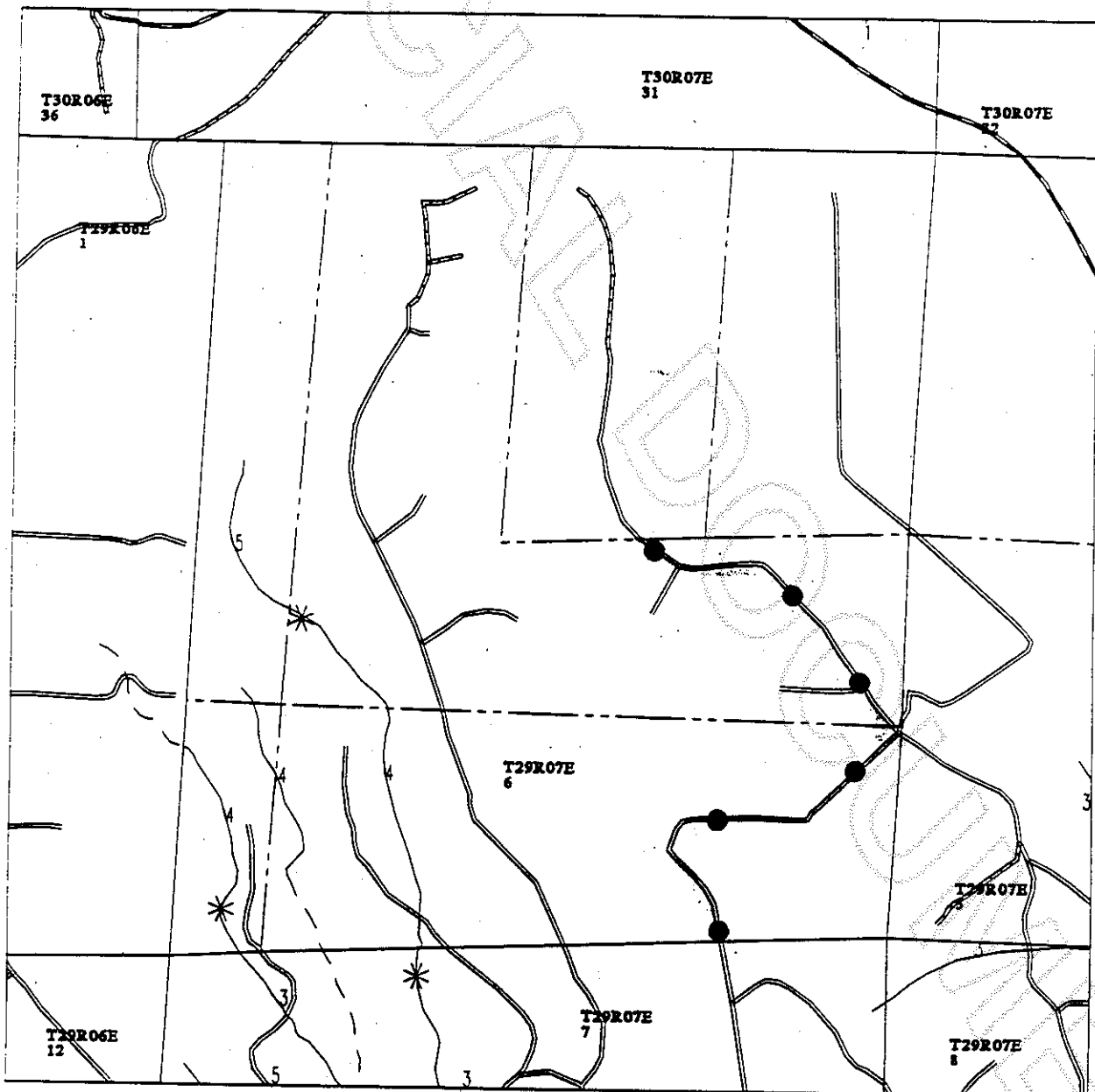
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 6, Township 29 North, Range 7 East, W.M.

Exhibit B1

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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Kathy Hill, Skagit County Auditor

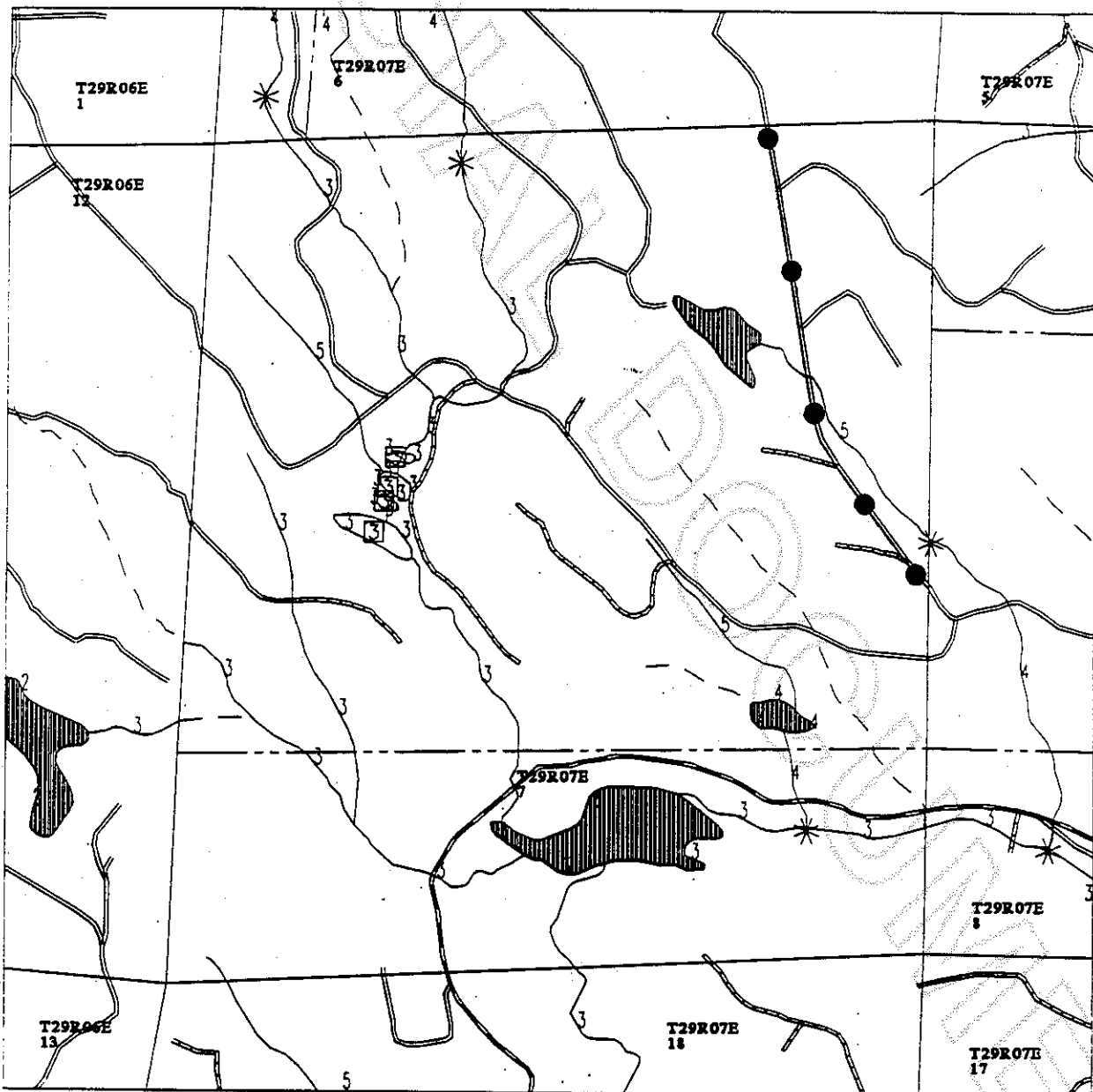
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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 7, Township 29 North, Range 7 East, W.M.
Exhibit B2

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



JB



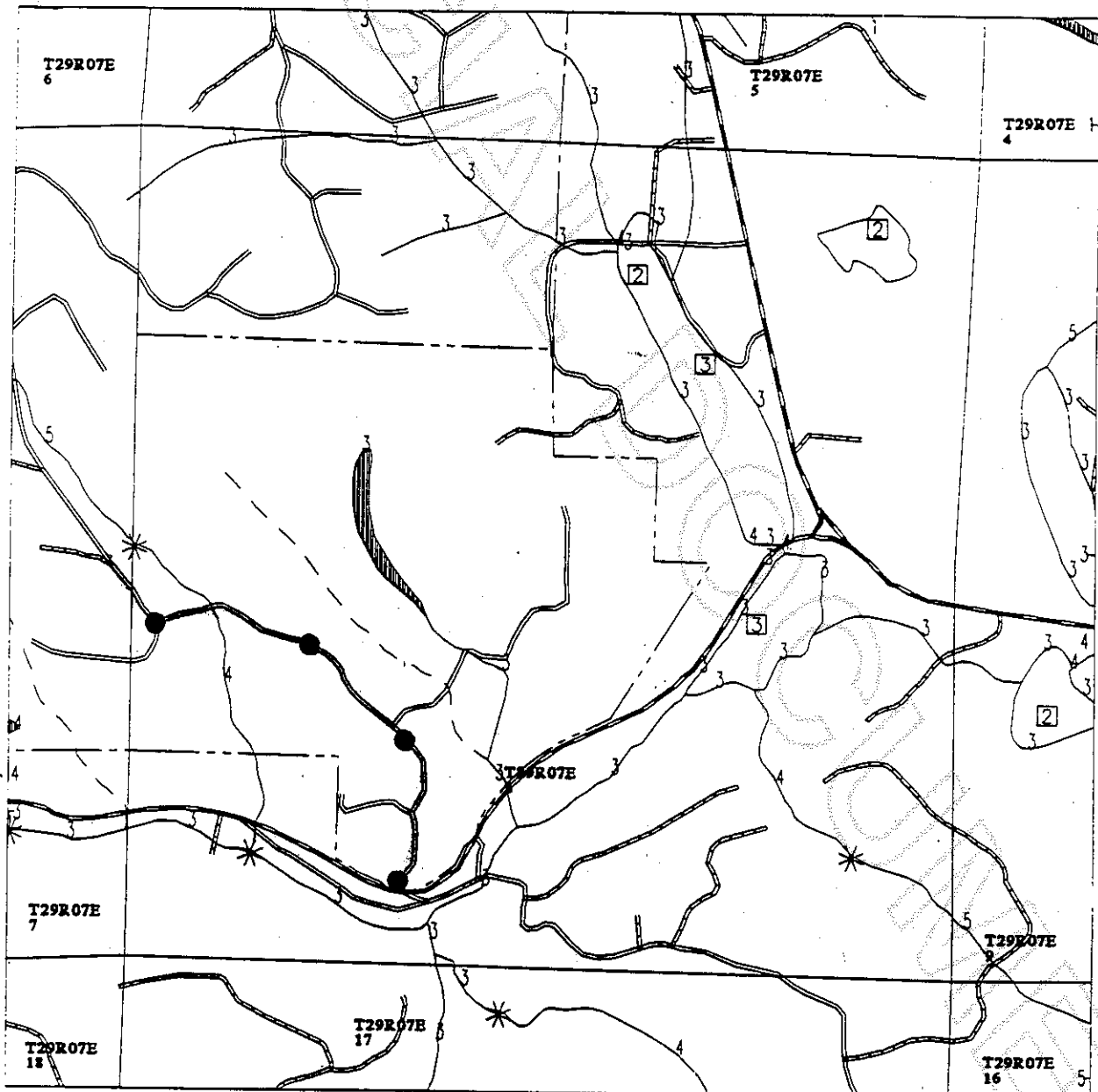
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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 8, Township 29 North, Range 7 East, W.M.
Exhibit B3

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM 

AP



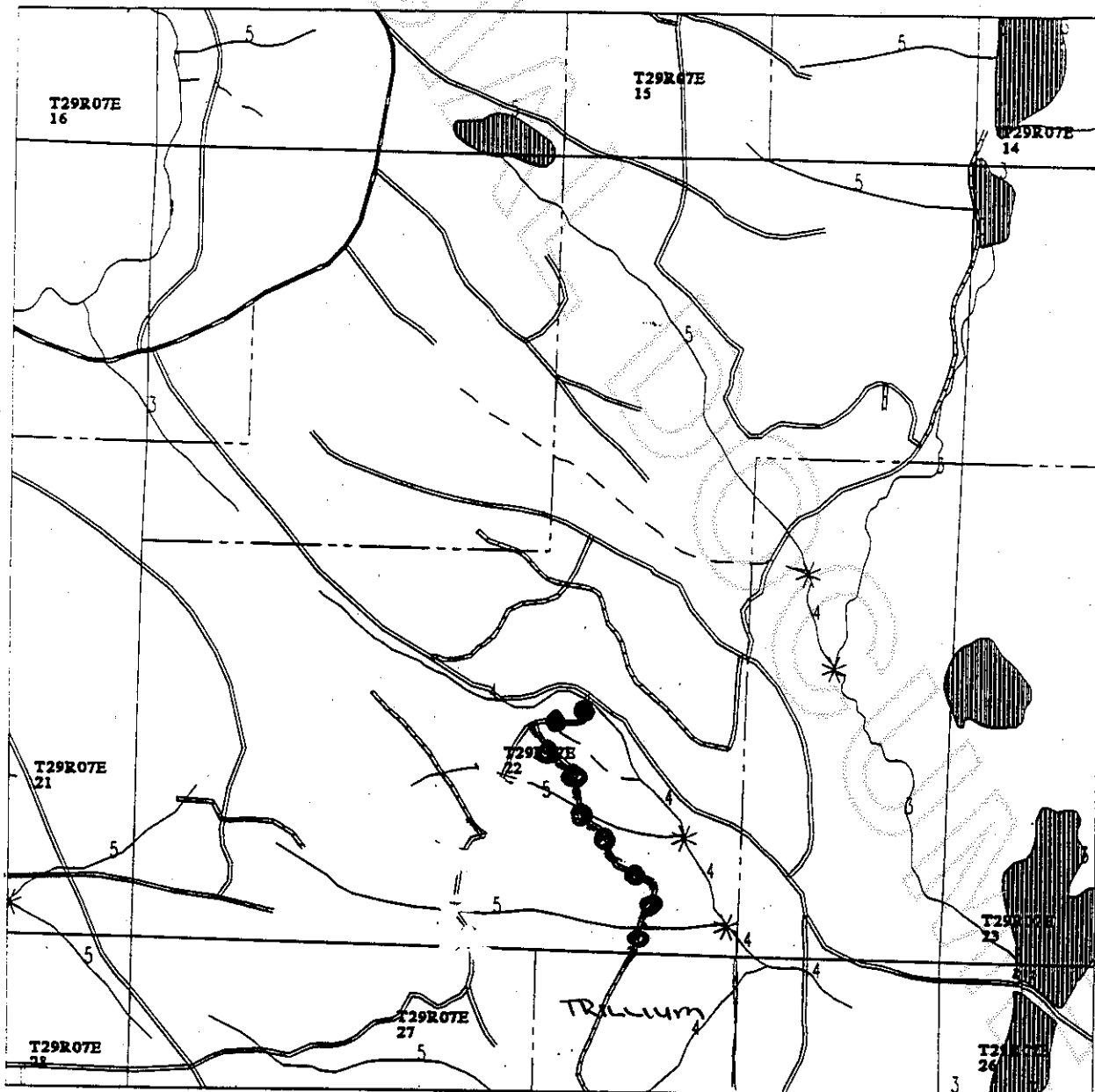
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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 22, Township 29 North, Range 7 East, W.M.
Exhibit C

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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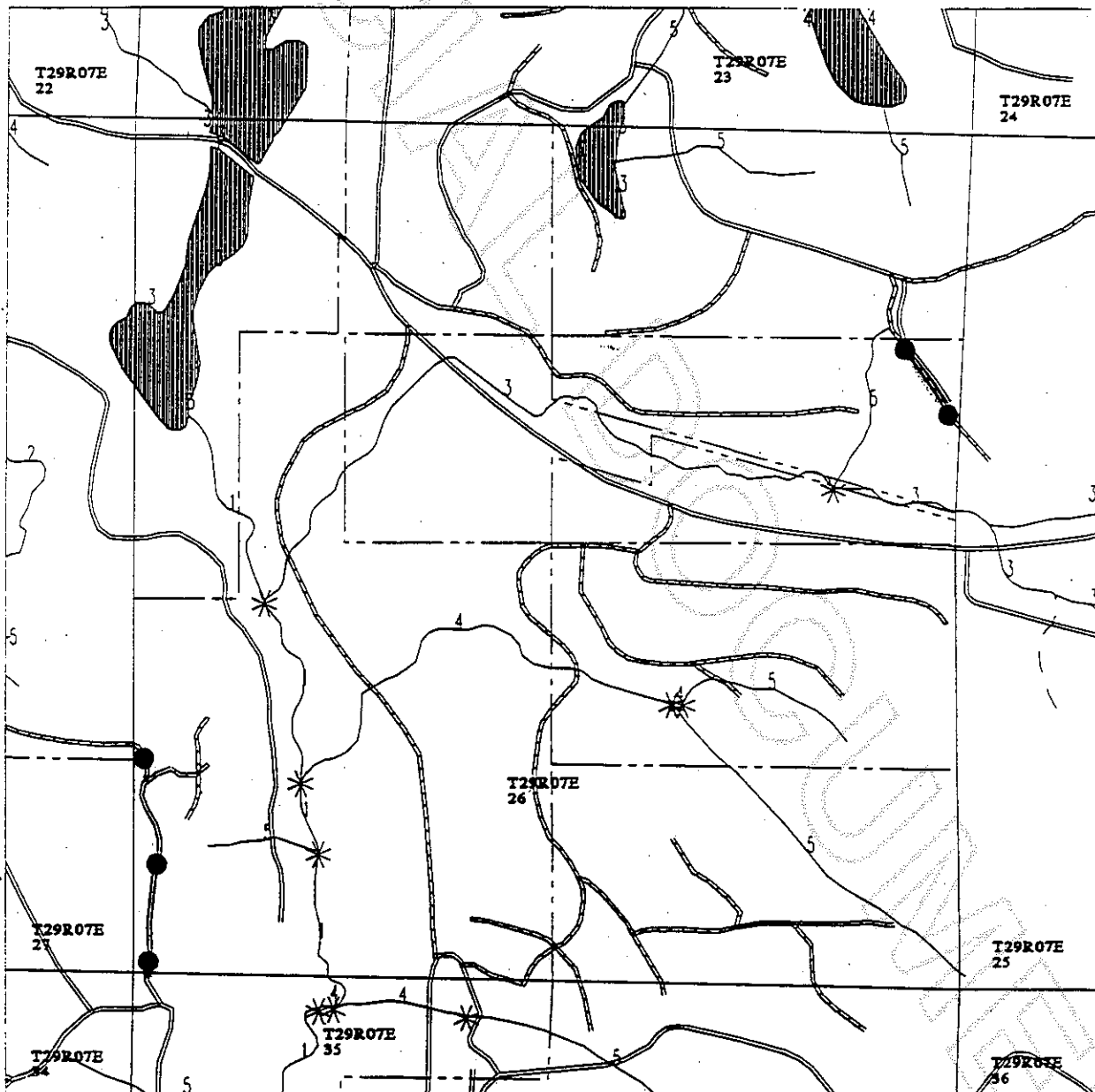
Kathy Hill, Skagit County Auditor

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

EASEMENT EXCHANGE

Section 26, Township 29 North, Range 7 East, W.M.
Exhibit D1

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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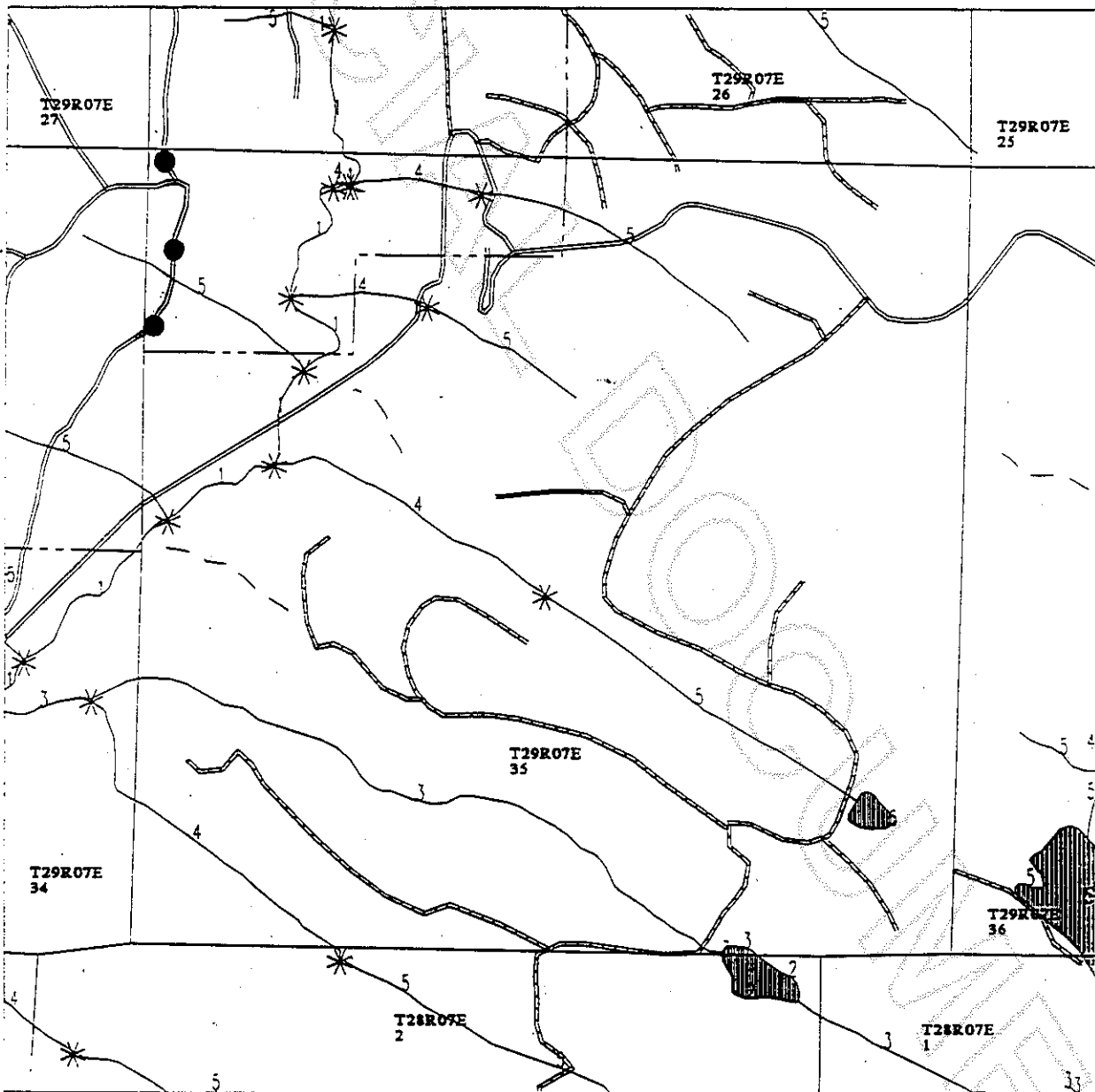


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DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 35, Township 29 North, Range 7 East, W.M.
Exhibit D2

Easement No. 55-071030
Application No. 50-071029



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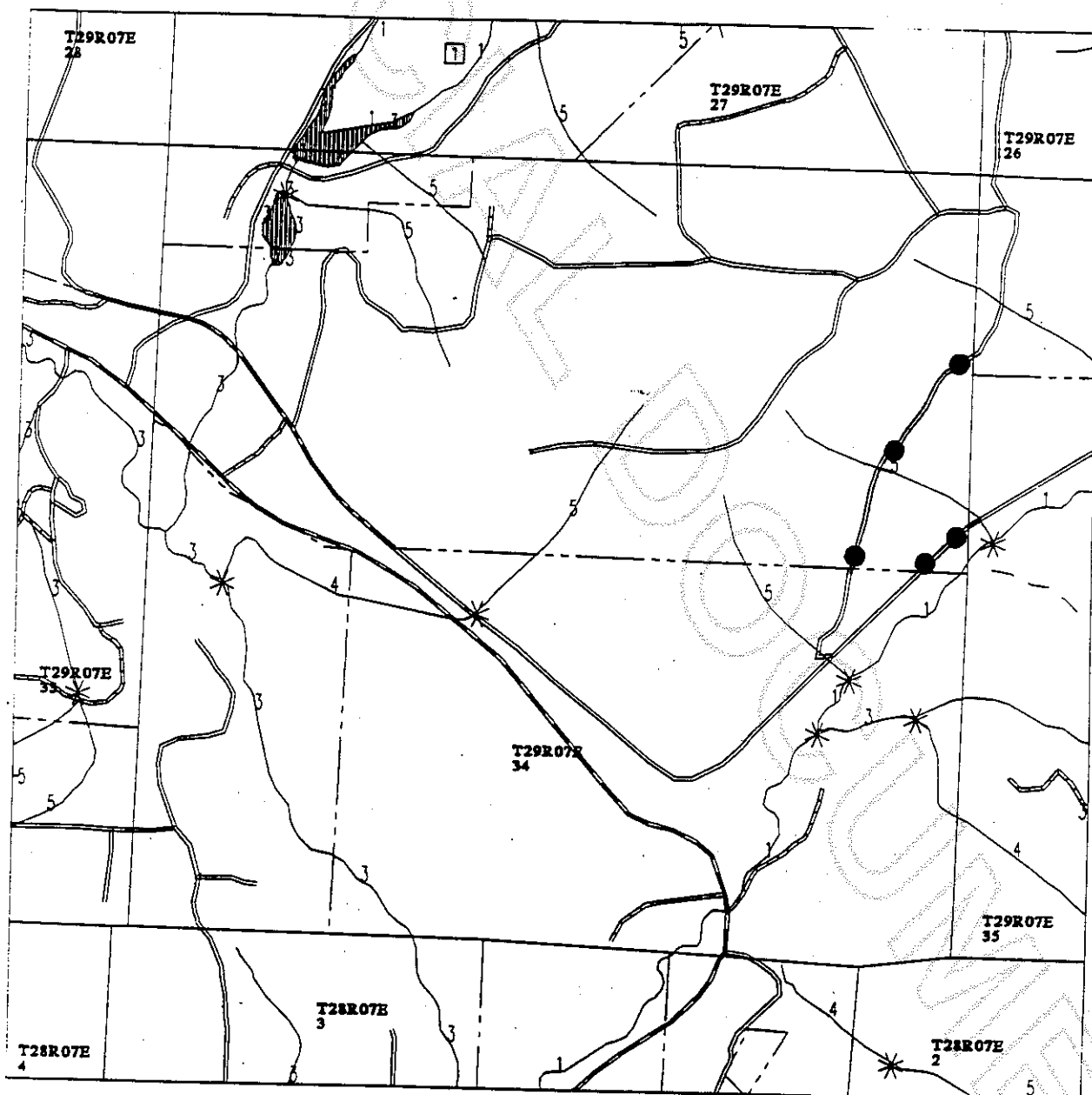


STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 34, Township 29 North, Range 7 East, W.M.
Exhibit D3

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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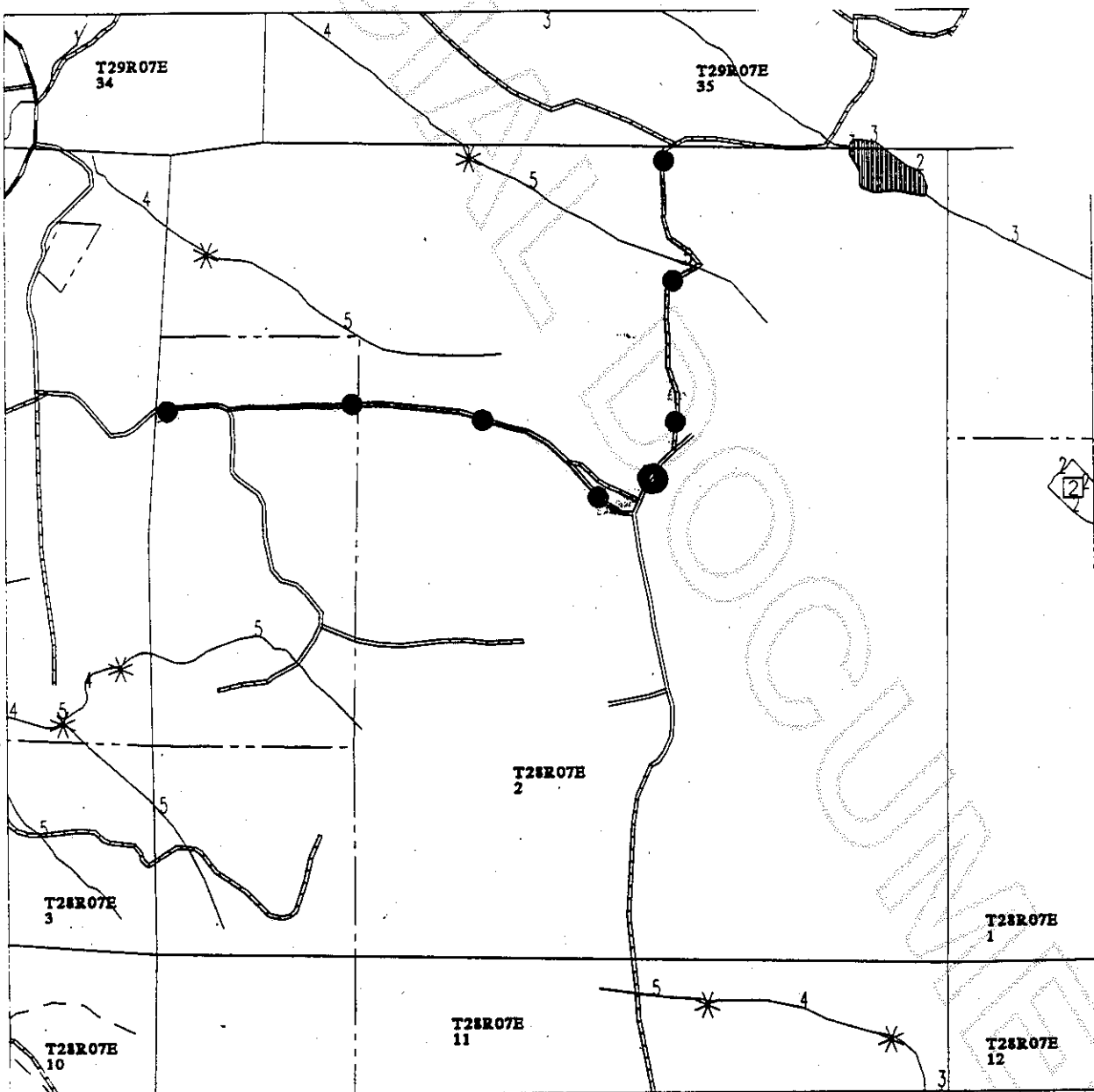


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DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 2, Township 28 North, Range 7 East, W.M.
Exhibit E1

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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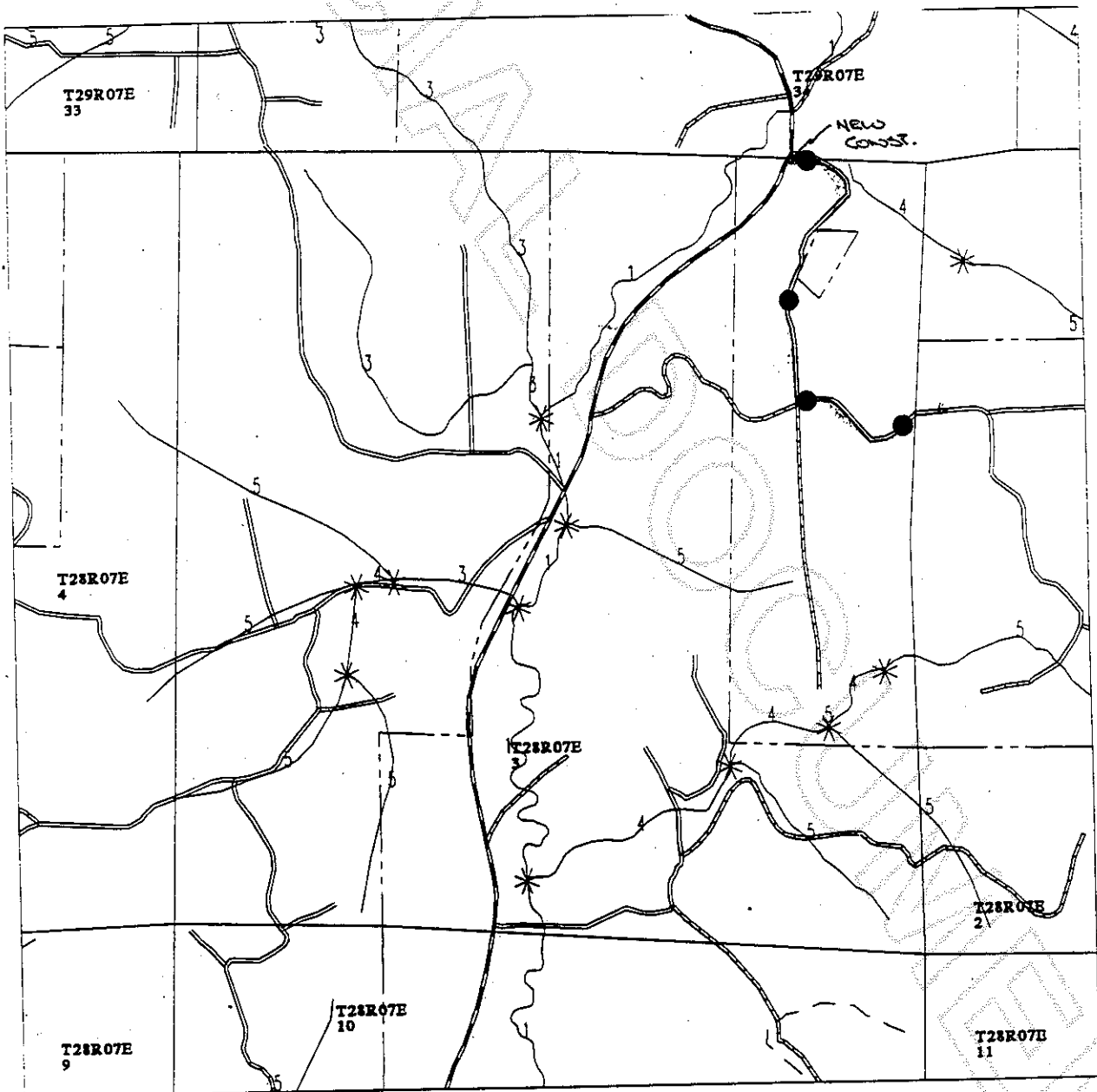


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DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 3, Township 28 North, Range 7 East, W.M.
Exhibit E2

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM
NEW CONST



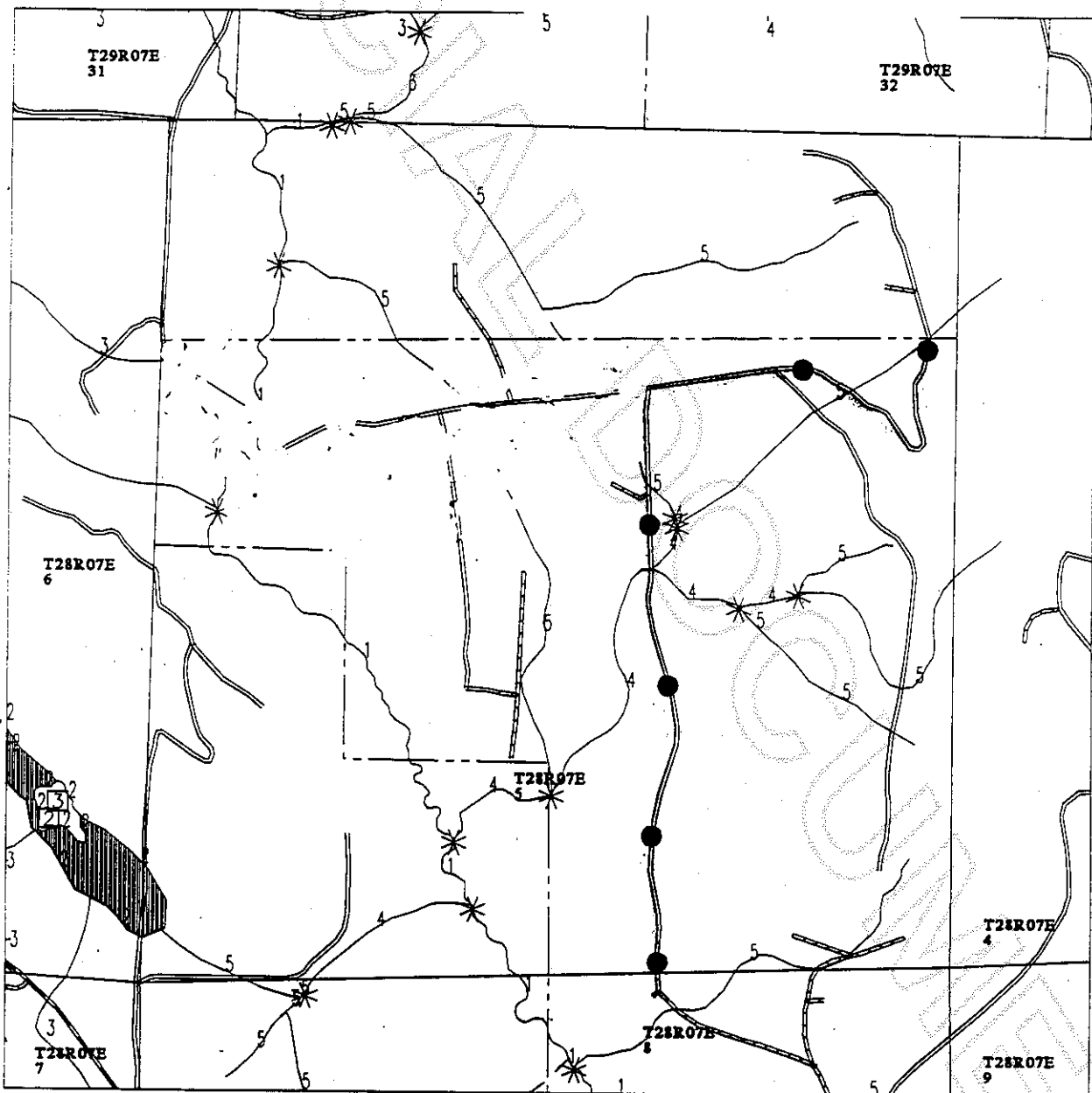
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DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 5, Township 28 North, Range 7 East, W.M.
Exhibit F1

Easement No. 55-071030
Application No. 50-071029



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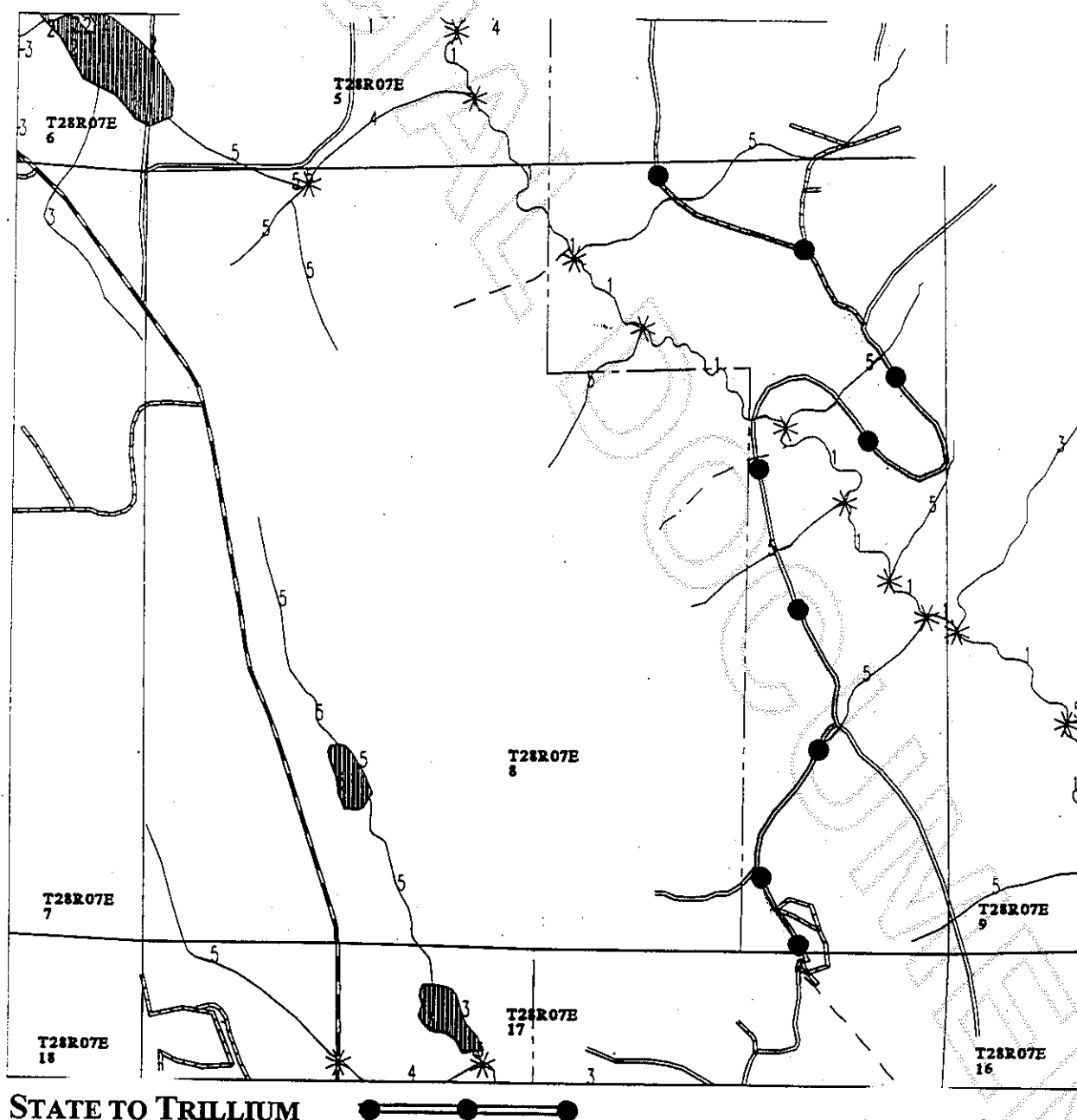


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Olympia, Washington 98504

EASEMENT EXCHANGE

Section 8, Township 28 North, Range 7 East, W.M.
Exhibit F2

Easement No. 55-071030
Application No. 50-071029



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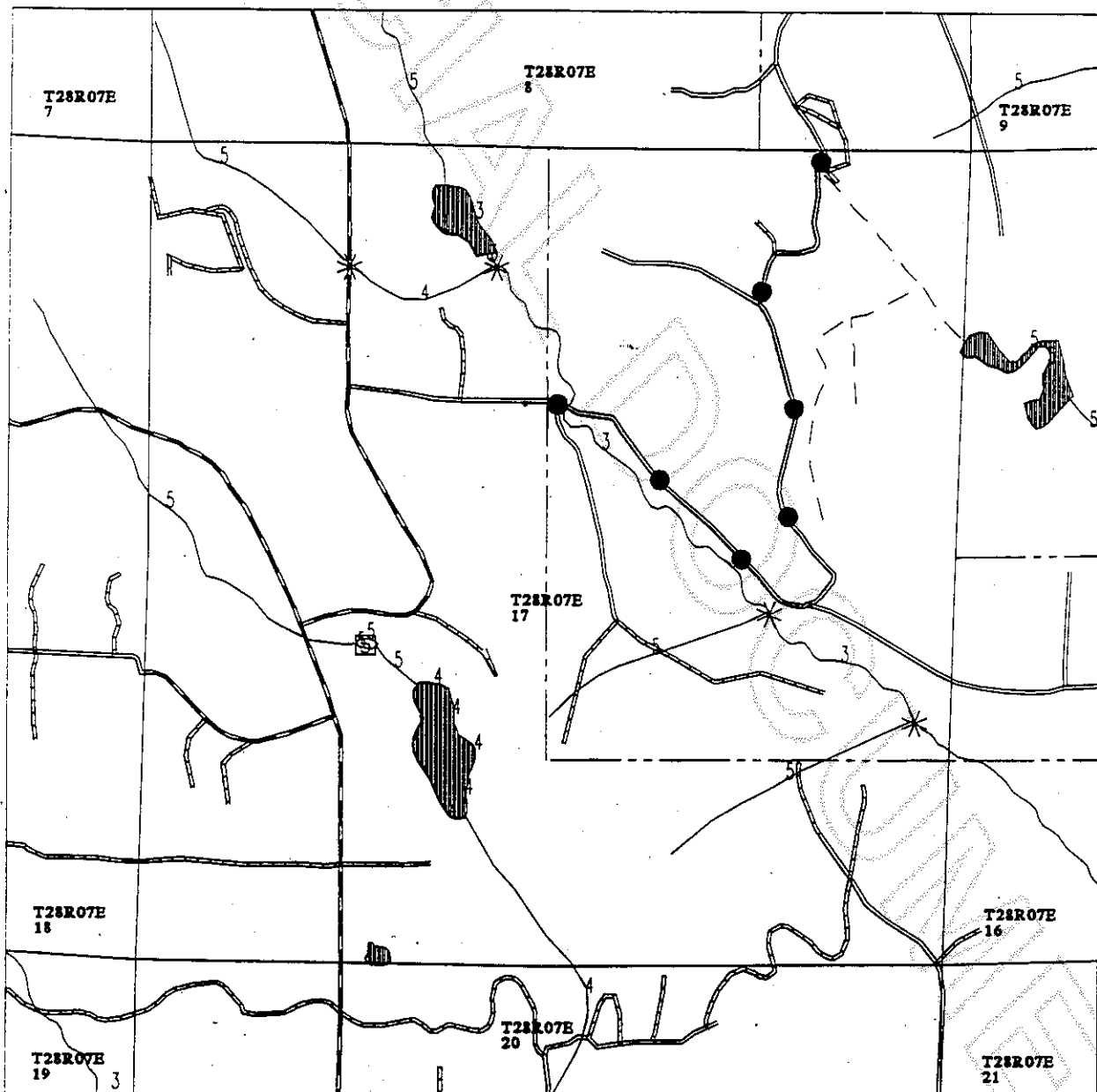


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JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 17, Township 28 North, Range 7 East, W.M.
Exhibit F3

Easement No. 55-071030
Application No. 50-071029



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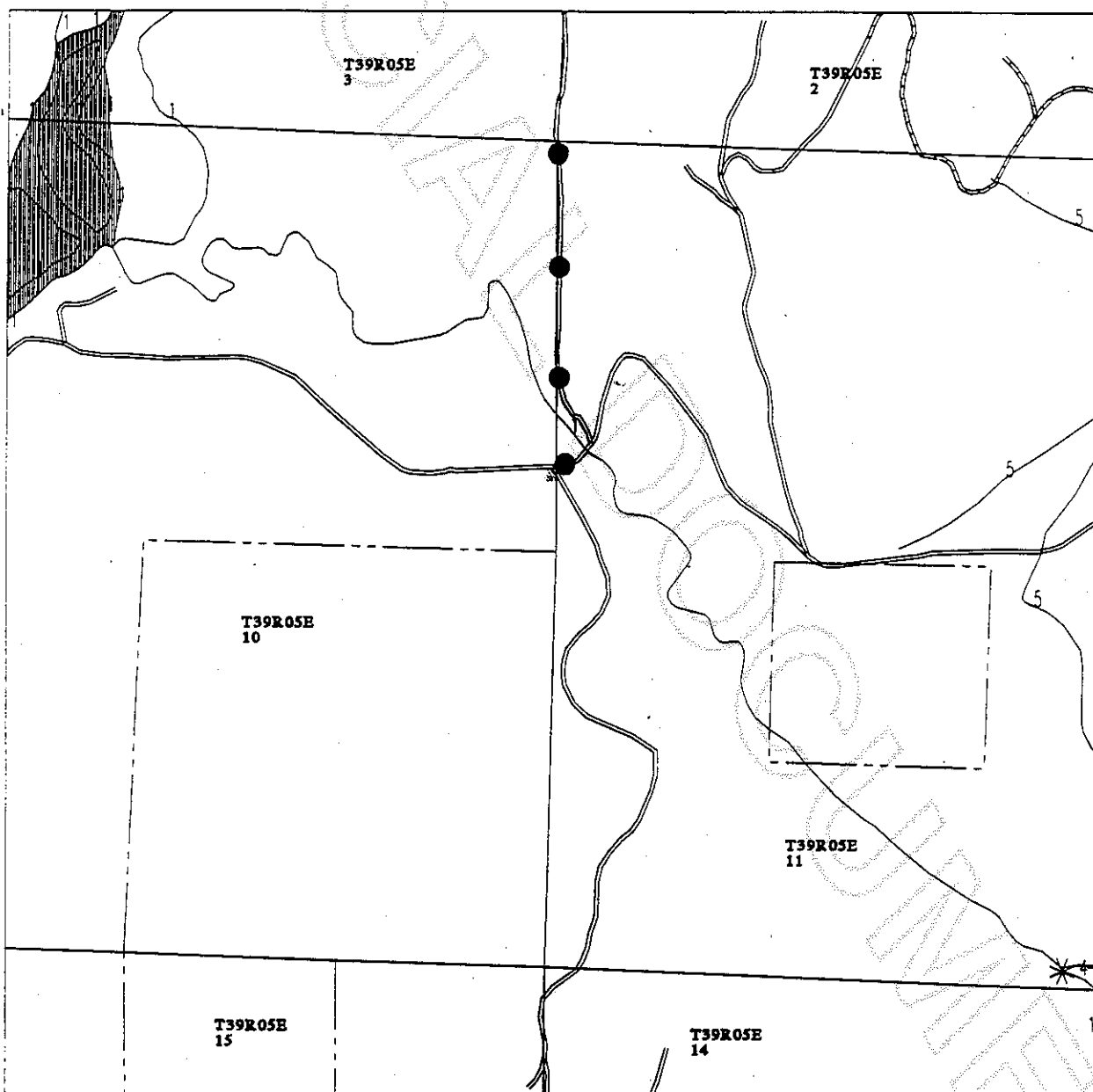
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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 11, Township 39 North, Range 5 East, W.M.
Exhibit G

Easement No. 55-071030
Application No. 50-071029



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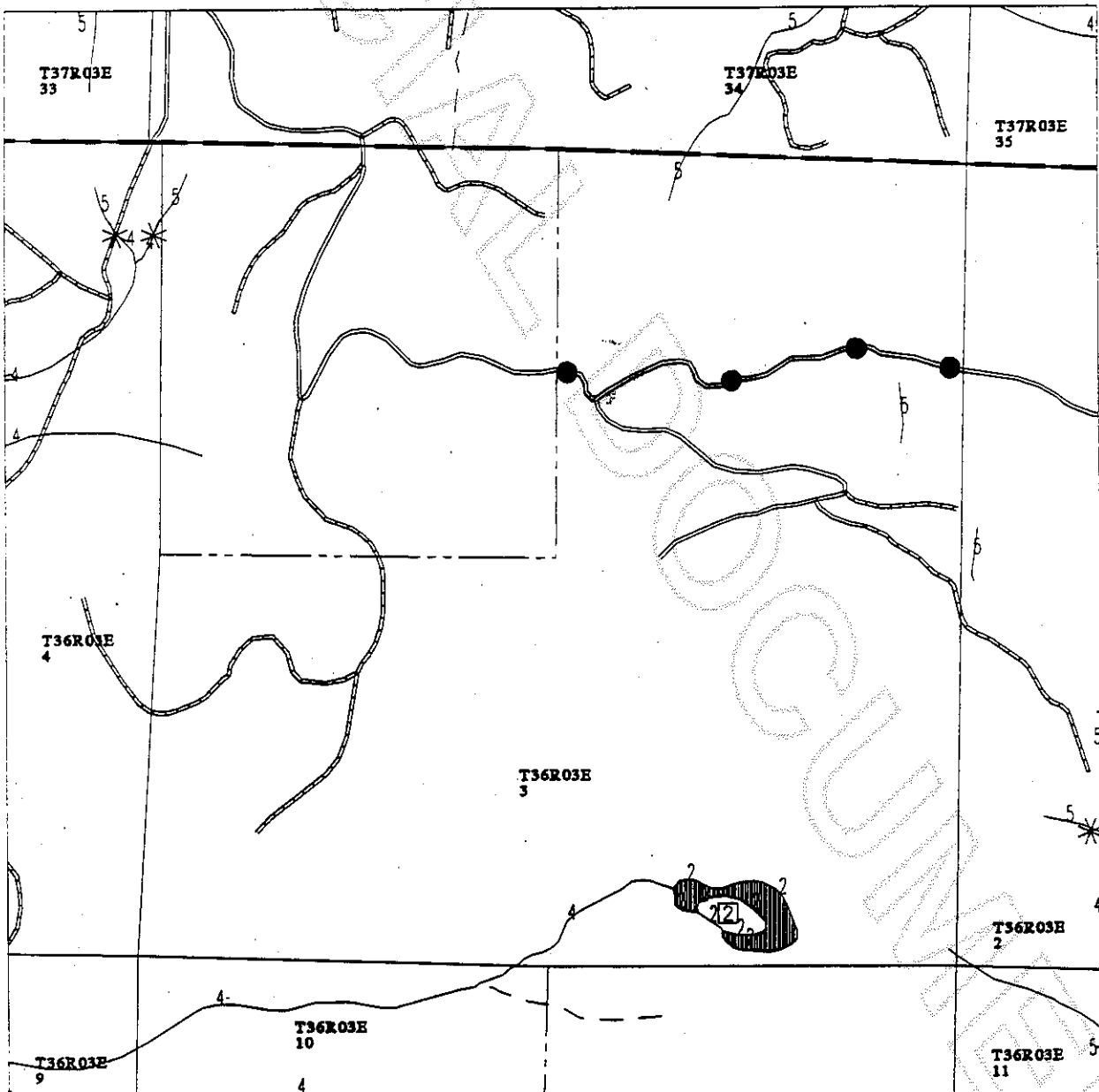
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Kathy Hill, Skagit County Auditor
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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 3, Township 36 North, Range 3 East, W.M.
Exhibit H1

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM



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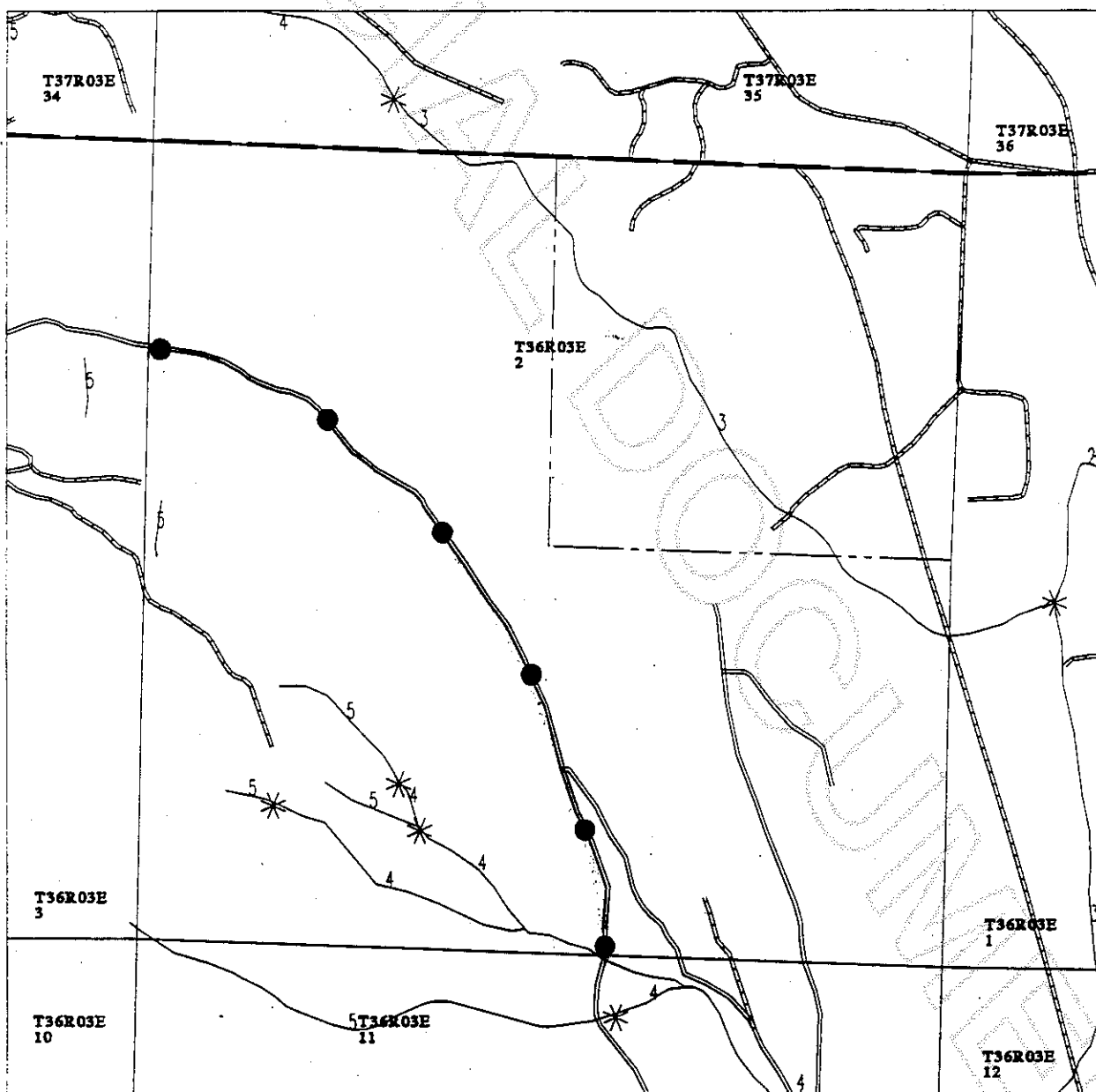
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JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 2, Township 36 North, Range 3 East, W.M.
Exhibit H2

Easement No. 55-071030
Application No. 50-071029



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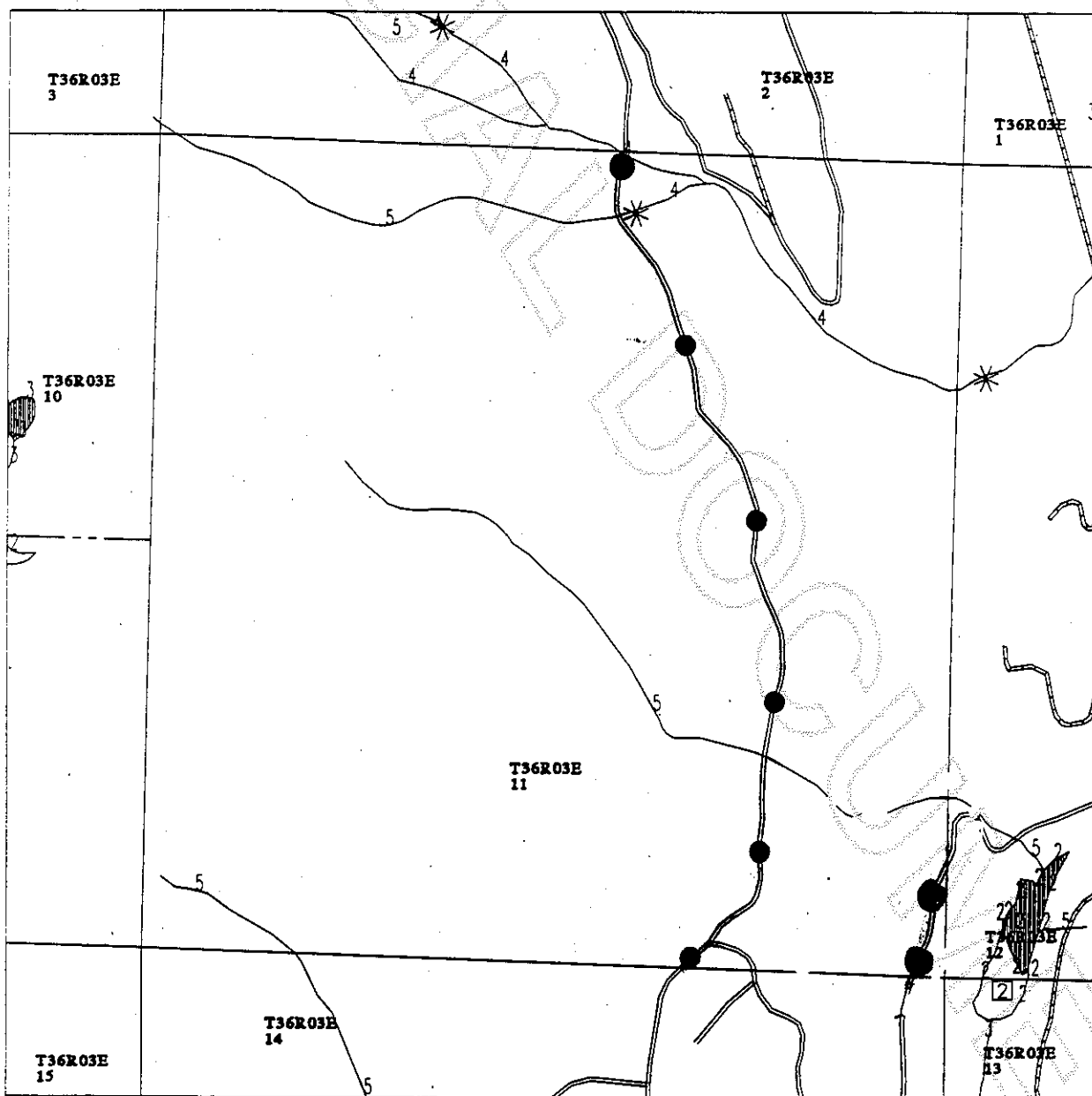
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JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 11, Township 36 North, Range 3 East, W.M.
Exhibit H3

Easement No. 55-071030
Application No. 50-071029



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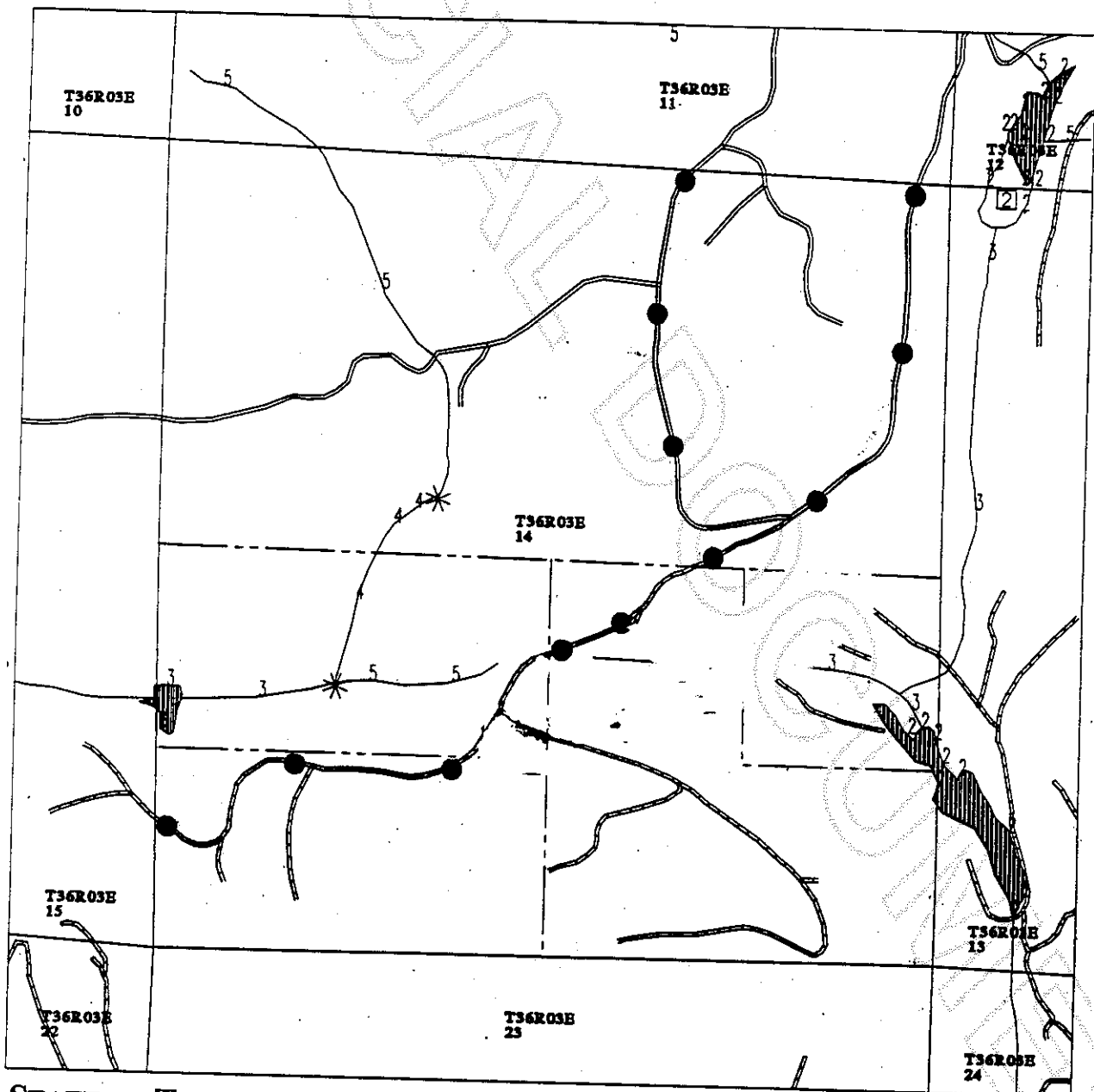


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JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 14, Township 36 North, Range 3 East, W.M.
Exhibit H4

Easement No. 55-071030
Application No. 50-071029



STATE TO TRILLIUM.



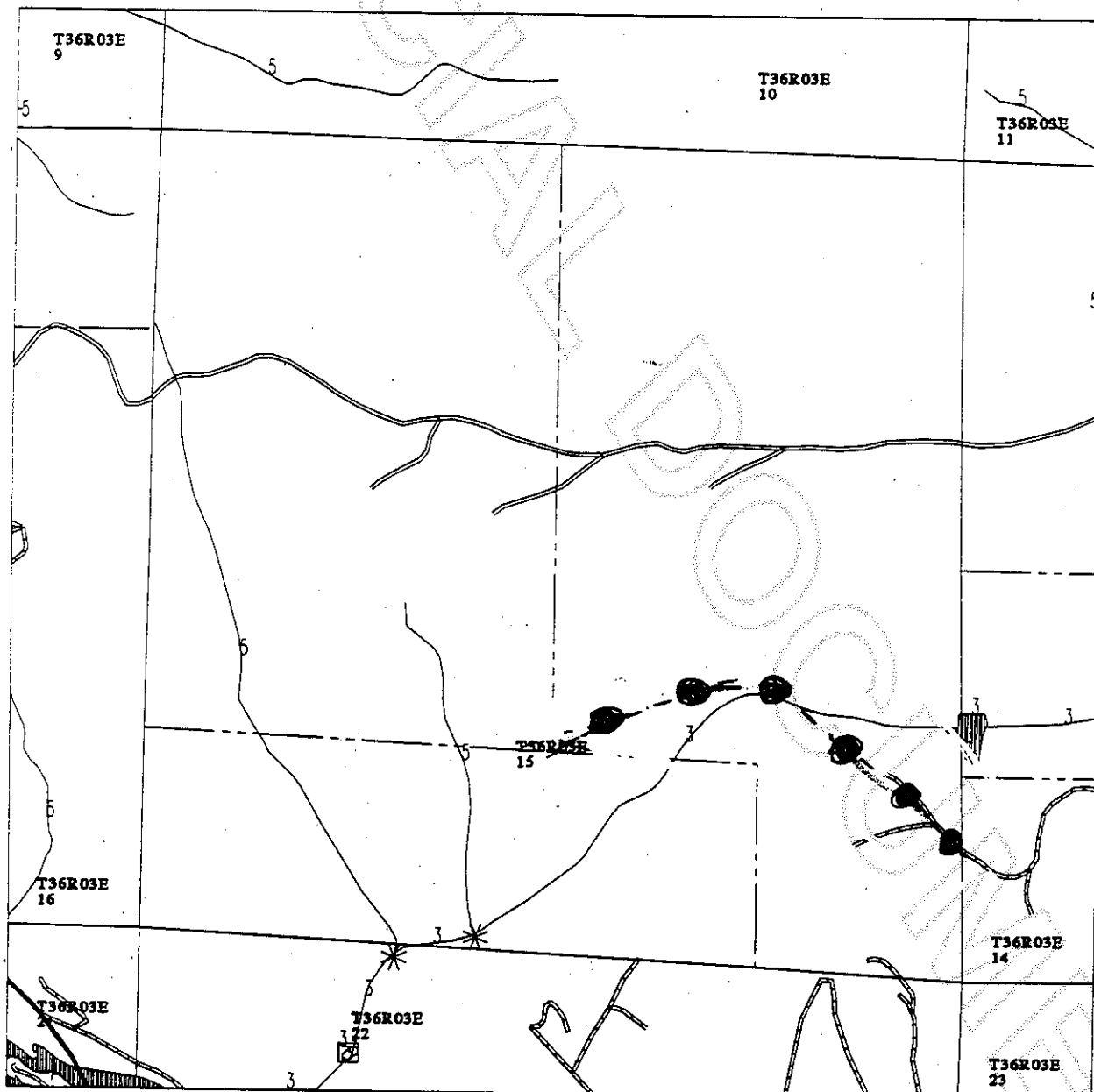
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DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 15, Township 36 North, Range 3 East, W.M.
Exhibit H5

Easement No. 55-071030
Application No. 50-071029



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Olympia, Washington 98504

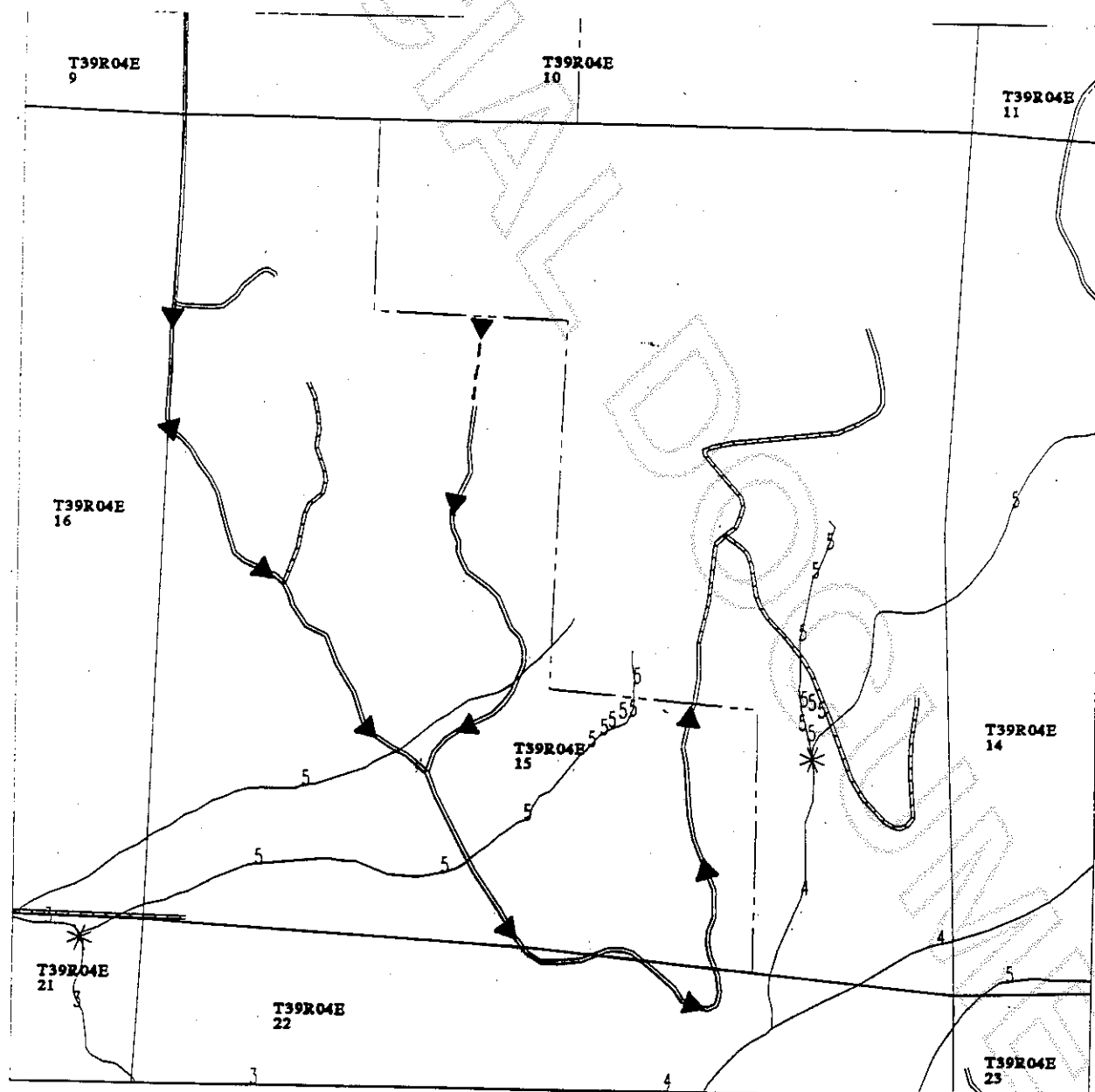
EASEMENT EXCHANGE

Section 15, 22 Township 39 North, Range 4 East, W.M.

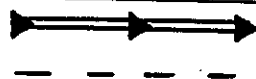
Exhibit I

Easement No. 55-071030

Application No. 50-071029



TRILLIUM TO STATE
NEW CONST.



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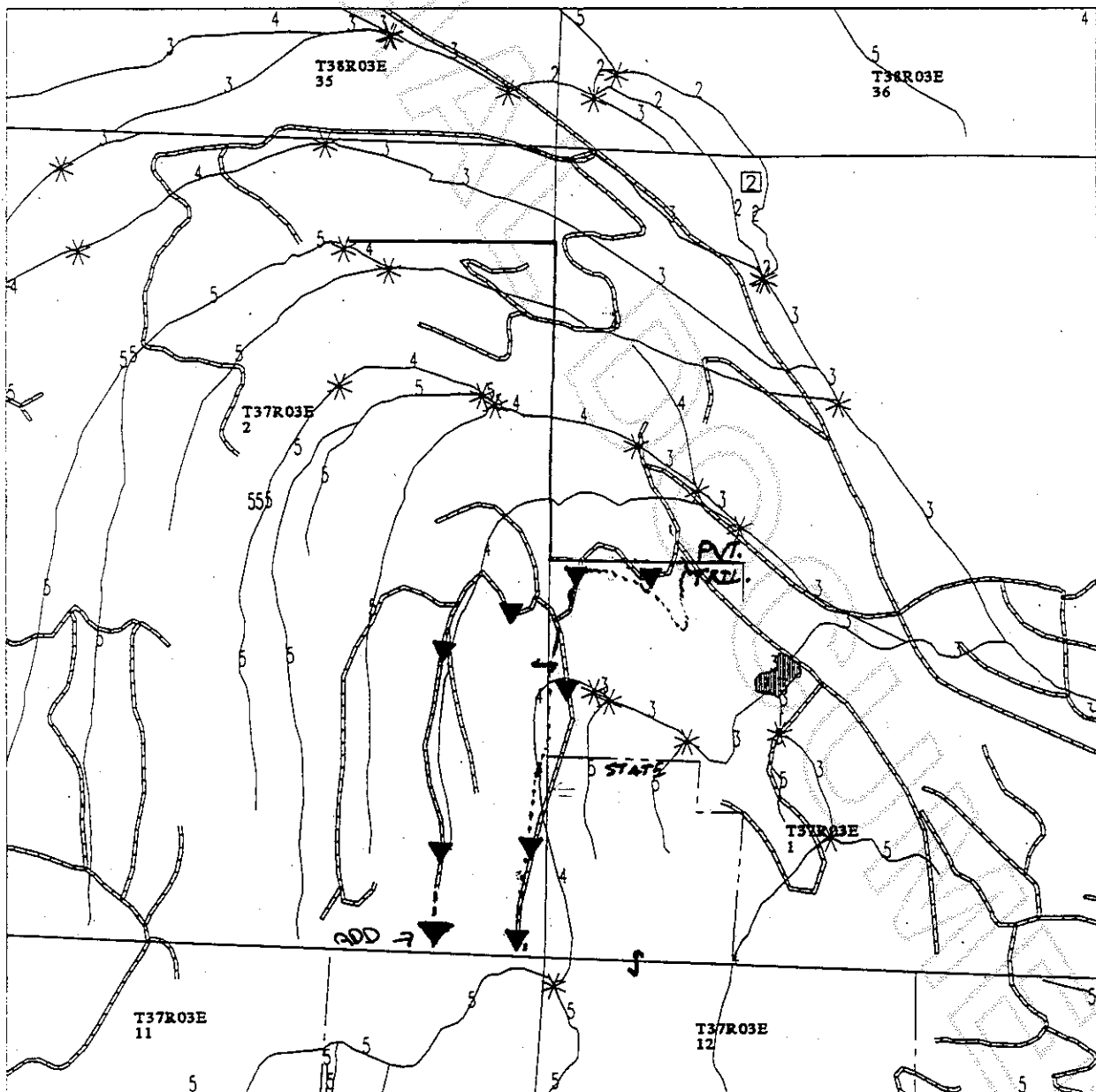
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

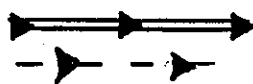
Section 1, 2 Township 37 North, Range 3 East, W.M.

Exhibit J

Easement No. 55-071030
Application No. 50-071029



TRILLIUM TO STATE
New CONST.



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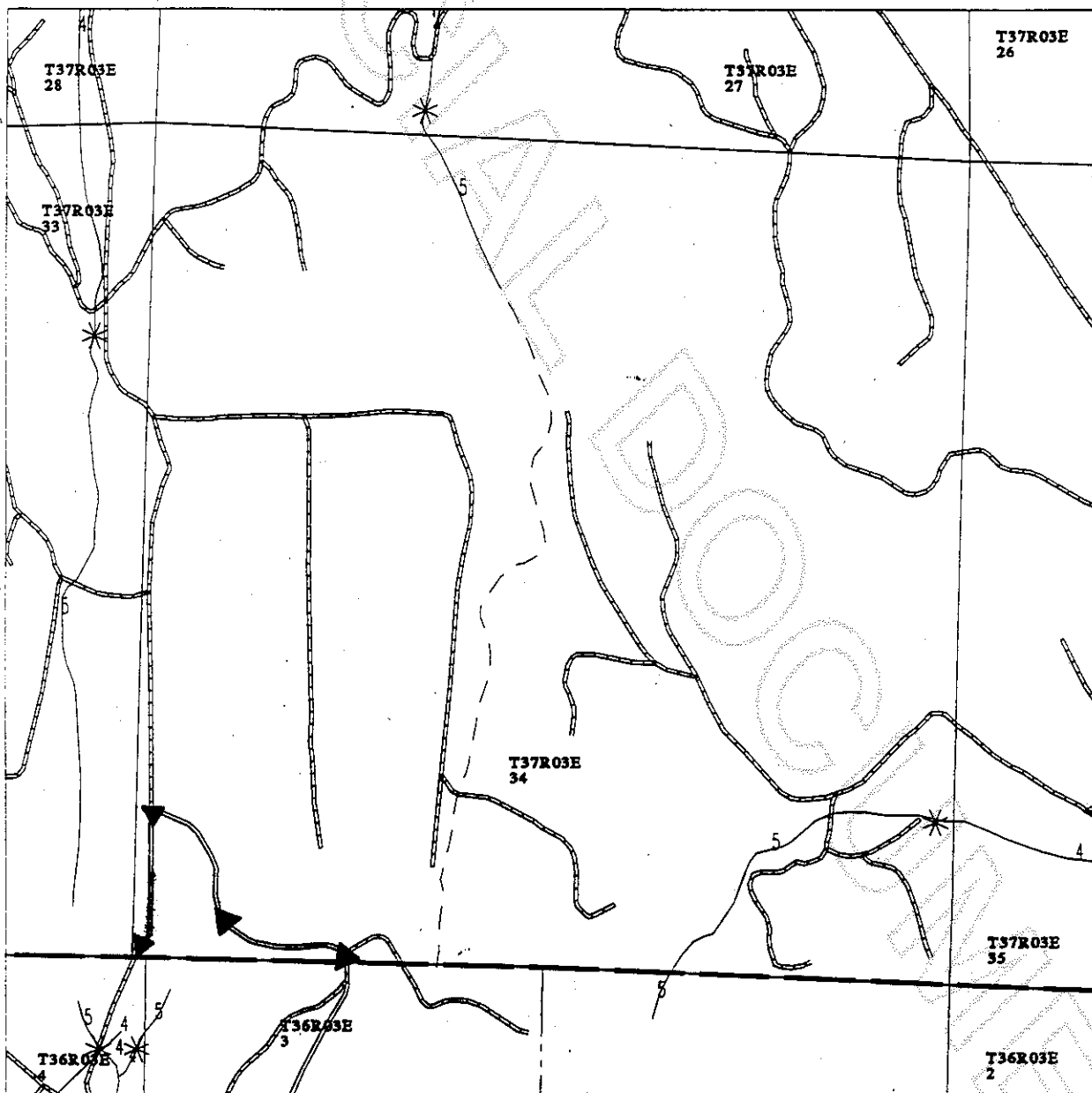
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JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 34 Township 37 North, Range 3 East, W.M.
Exhibit K1

Easement No. 55-071030
Application No. 50-071029



TRILLIUM TO STATE



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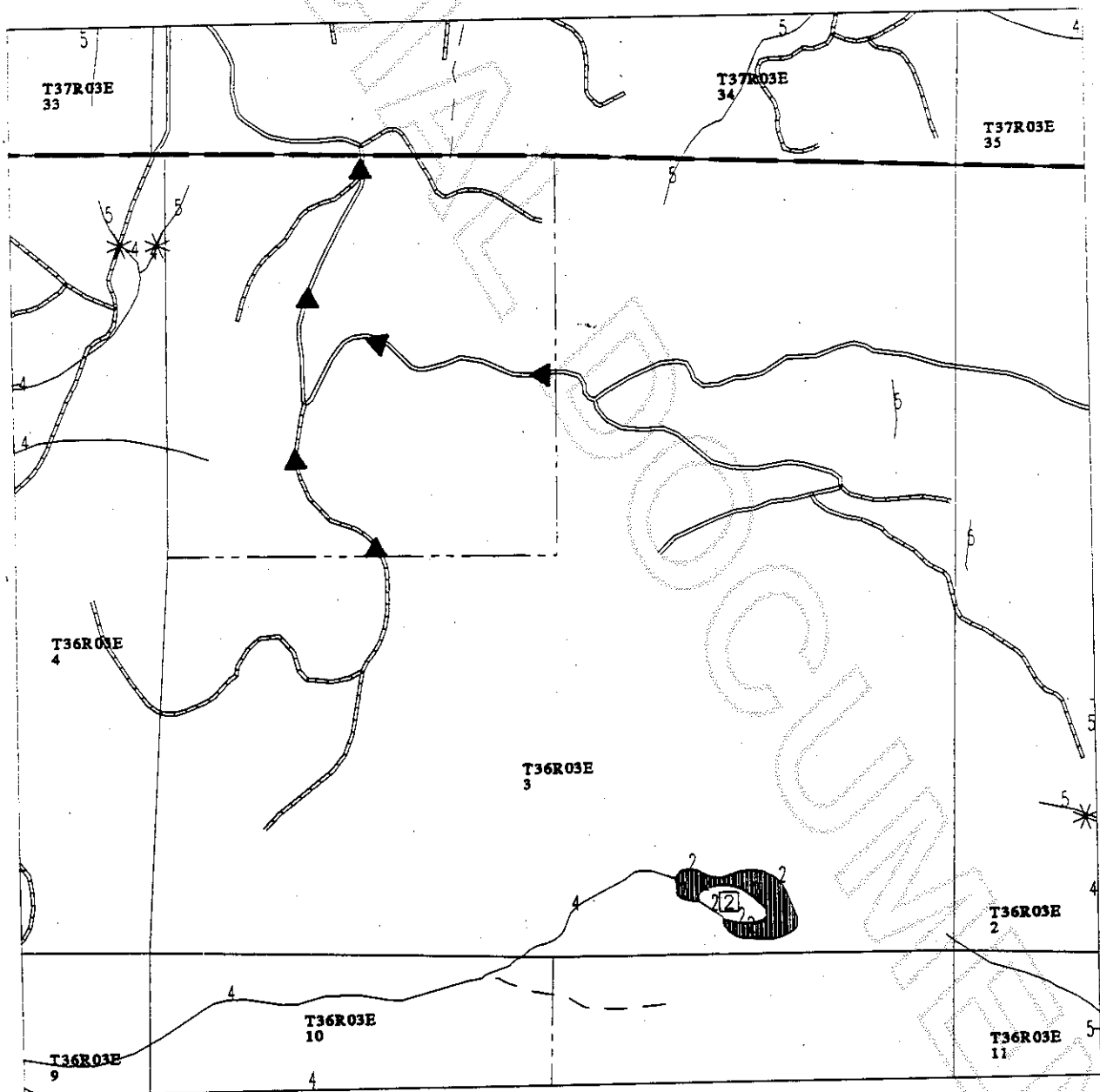


STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 3 Township 36 North, Range 3 East, W.M.
Exhibit K2

Easement No. 55-071030
Application No. 50-071029



TRILLIUM TO STATE



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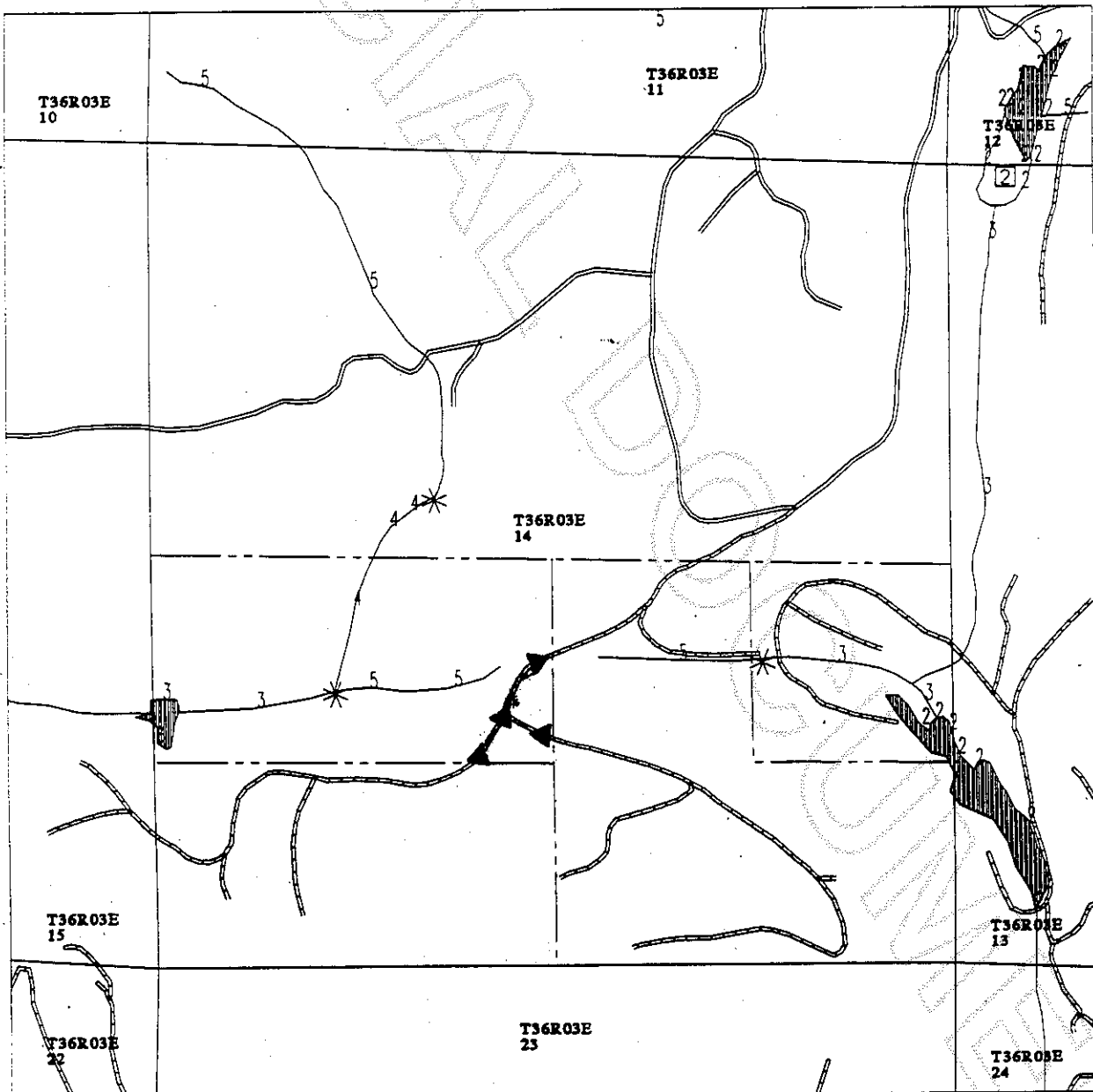


STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
JENNIFER M. BELCHER, Commissioner of Public Lands
Olympia, Washington 98504

EASEMENT EXCHANGE

Section 14 Township 36 North, Range 3 East, W.M.
Exhibit K3

Easement No. 55-071030
Application No. 50-071029



TRILLIUM TO STATE



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EXHIBIT L**DEPARTMENT OF NATURAL RESOURCES**

Northwest Region - 919 North Township Street - Sedro Woolley, WA 98284-9333
Phone: 1-800-527-3305 or 206-856-3500

ROAD PLAN OF OPERATIONS

NAME: _____ ROAD NO. _____

PURCHASER: _____ Phone: _____

Grantee REPRESENTATIVE: _____ Phone: _____

ON SITE REPRESENTATIVE: _____ Phone: _____

CONTRACT ADMINISTRATOR: _____ Phone: _____

How to contact: _____

ROAD BUILDER: _____ Phone: _____

TYPE OF PAYMENT SECURITY: _____ Amount: _____

PLANNED START DATE _____ CONTRACT EXPIRATION DATE _____

FPA EXPIRATION DATE _____ HPA EXPIRATION DATE _____

CRITICAL ROAD FACTORS - environmentally sensitive areas - Special contacts - engineer, geologist, soil scientist - construction staking, interpretation/replacement

OPERATING RESTRICTIONS - period - moisture conditions - siltation - winter shutdown and startup - working during fire closure

FPA and HPA REQUIREMENTS - limitations - timing - review

RIGHT OF WAY TIMBER - width - deck locations - danger trees - pioneering limitations

CLEARING and GRUBBING - width - size - disposal - undercut stumps, stumps in subgrade

EXCAVATION - clearing complete - subgrade width - ditches in subgrade - turnouts - widening - uncompleted subgrade - fill compaction - endhaul - siltation - shut down

FINAL DEVELOPMENT - debris disposal - overburden - face height - drainage - L&I - MSHA



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CULVERTS - prior notification - specifications - skew - headwalls - energy dissipation
downspouts - flumes - placing rip rap - fill armoring - staking - inlet/outlet elevations
bedding

BALLAST - subgrade approval - type - amount - crushing specs - quality - crown

SURFACING - ballast approval - size specs - amount - quality - crown

APPROVAL PRIOR TO USE - in writing - by sections - exceptions

ROAD MAINTENANCE

Designated Maintainer _____
on roads _____
Operator Maintainer _____
on roads _____

Reshaping after logging -

ABANDONMENT REQUIREMENTS - waterbars - fill removal - culvert removal - landings or slash
pull back - blocking road

INACTIVE REQUIREMENTS - driveable waterbars - ditches

REMARKS or SPECIAL ITEMS:



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EXHIBIT M

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.



EXHIBIT N

REQUIREMENTS OF THE STATE'S INCIDENTAL TAKE PERMIT (ITP)

1. The ITP is subject to the provisions of Title 50 Code of federal Regulations Parts 10, 13, and 17.
2. Trillium shall immediately notify the Contract Administrator of new locations of permit species covered in the State's Incidental Take permit (ITP) that are discovered within the area covered by the State's Habitat Conservation Plan (HCP), including, but not limited to: locations of occupied murrelet habitat; spotted owl nest sites; wolves; grizzly bears; nests, communal roosts, or feeding concentrations of bald eagles; peregrine falcon nests; Columbian white-tailed deer; Aleutian Canada geese; and Oregon silverspot butterflies. In all circumstances notification must occur within a 24 hour time period.
3. Section 9 of the Endangered Species Act and Federal regulations pursuant to section 4(d) of the Act prohibit the take of endangered and threatened species, respectively, without special exemption. Take is defined as to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect or to attempt to engage in any such conduct. Harm is further defined by the U.S. Fish and Wildlife Service (FWS) to include significant habitat modification or degradation where it actually kills or injures wildlife by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering. Harass is defined by FWS as an act or omission which create the likelihood of injury to wildlife by annoying it to such an extent as to significantly disrupt normal behavior patterns which include, but are not limited to, breeding, feeding, or sheltering. Incidental take is defined as take that is incidental to, and not the purpose of, the carrying out of an otherwise lawful activity.
4. Upon locating any live, dead, injured, or sick specimens of any listed species covered by the ITP Trillium shall immediately notify the Contract Administrator. In all circumstances notification must occur within a 24 hour time period. Trillium shall notify the Contract Administrator if there is any doubt as to the identification of a discovered permit species. Trillium may be required to take certain actions to help the Contract Administrator safeguard the well-being of any live, injured or sick specimens of any listed species discovered, until the proper disposition of such specimens can be determined by the Contract Administrator. Any such requirements will be explained to Trillium by the Contract Administrator during the Pre-Work Conference.
5. Trillium shall refer to State's ITP number PRT-812521 (a copy of the ITP is located for reference in the region office) in all correspondence and reports concerning permit activities.
6. All applicable provisions of the ITP and this schedule must be presented and clearly explained by Trillium to all authorized officers, employees, contractors, or agents of Trillium conducting authorized activities on the State's Land. Any questions Trillium may have about the ITP should be directed to the Contract Administrator.
7. The ITP term for grizzly bears shall expire on January 30, 2002. No activities resulting in the incidental take of grizzly Bears after January 30th, 2002 will be authorized, unless and until the State receives a permit extension.



EXHIBIT O

REQUIREMENTS OF THE HABITAT CONSERVATION PLAN (HCP).

At this time, the following sensitive areas, conditions or species have been identified on the State's Land, RMZ and Roads. Contact the Contract Administrator for more information on the identified sites.

1. Riparian Management Zones

Bodies of water, including but not limited to those streams, rivers and lakes shown on the map in Exhibit's B1-B3, C, D1-D3 E1 and E2, F1-F3, G and H1-H5, and other lakes and wetlands have been identified and/or may be located on the State's Land. All activities within the Riparian Management Zone, as defined in the HCP and including that portion of the inner riparian ecosystem between the aquatic zone and the direct influence zone (uplands) and including the outer wind buffer, must comply with the current HCP Procedures. Activities in a Riparian Management Zone, including but not limited to cutting or removing any tree and/or timber (including hardwood, merchantable and unmerchantable timber, downed timber, windthrow and snags), and road, reconstruction and/or maintenance, may be restricted during specific times. All activities must provide for no overall net loss of naturally occurring wetland acreage and function.

2. Cutting and/or Removal of Trees and/or Timber

The cutting or removal of any tree and/or timber (including hardwood, merchantable and unmerchantable timber, and snags) from the State's Land or access road as defined in this Agreement must comply with the current HCP Procedures for timber harvest and all other provisions under this Agreement. Any Forest Practices Permit Application submitted for the timber harvesting on the State's Land must comply with the requirements of the HCP and identify that the State's Land is within a Habitat Conservation Plan to implement Incidental Take Permit No. 812521. [Cutting and/or removal of trees or timber may be restricted.]

3. Road Use, Construction, Reconstruction, and/or Maintenance

All road, trench use, construction, reconstruction and/or maintenance on the State's Land and on the approved access to the State's Land identified in this Agreement must comply with the current HCP procedures and the region road guidelines and may be restricted or not permitted at certain times of the year. Any Forest Practices Permit Application submitted for activities on the State's Land must comply with the requirements of the HCP and identify that the State's Land is within a Habitat Conservation Plan to implement Incidental Take Permit No. 812521.