

**Return Address**

**IP Forestry, LLC**  
398 Shallow Shore Road  
Bellingham, WA 98226  
Attn: Gordon Iverson



200110050144

Skagit County Auditor

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<b>Document Title(s) (or transactions contained therein):</b>	<b>ISLAND TITLE CO.</b>
<ol style="list-style-type: none"> <li>1. Timber Deed</li> <li>2.</li> </ol>	B18636 ✓
<b>Reference Number(s) of Documents assigned or released:</b> (on page ___ of documents(s))	
<b>Grantor(s) (Last name first, then first name and initials):</b>	
<ol style="list-style-type: none"> <li>1. Trillium Corporation</li> <li>2.</li> <li>3. <input type="checkbox"/> Additional names on page ___ of document.</li> </ol>	
<b>Grantee(s) (Last name first, then first name and initials):</b>	
<ol style="list-style-type: none"> <li>1. IP Forestry, LLC</li> <li>2.</li> <li>3. <input type="checkbox"/> Additional names on page ___ of document.</li> </ol>	
<b>Legal description (abbreviated: i.e. lot, block, plat or section, township, range)</b> SW Qtr of the NW Qtr; the NW Qtr of the SW Qtr; Gov Lots 3 & 4, Section 1, Township 35 North, Range 7East. <input type="checkbox"/> Full legal is on page 4-5 of document.	
<b>Assessor's Property Tax Parcel/Account Number</b> Tax Parcel Numbers listed on page 7 of document. 350701-0-003-0008	

**TIMBER DEED**

THE GRANTOR, TRILLIUM CORPORATION, a Washington corporation, for valuable consideration, conveys and warrants to IP FORESTRY, LLC, a Washington limited liability company ("Grantee"), all of Grantor's right, title and interest in and to the standing timber and all lying down timber (the "Timber") location on portions of that certain real property, situated in the County of Skagit, State of Washington, more fully described on Exhibit A attached hereto and incorporated herein by reference. The exact location of such Timber is more fully depicted on the Timber Maps attached to that certain Timberlands and Stumpage Sale Agreement dated August 1, 2001 between Grantor and Grantee (the "Agreement").

This conveyance, and the right of Grantee to enter the property to remove the Timber is for the term of sixty (60) months after the date of this Timber Deed.

The Timber is conveyed free and clear of all liens and encumbrances suffered or incurred by Grantor except for those certain Permitted Encumbrances set forth on Exhibit B attached hereto and incorporated herein by reference.

Dated this 20<sup>th</sup> day of September, 2001.

TRILLIUM CORPORATION

By: *Amber Hill*  
Its: *J. Hill, President*

# 43268  
SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID  
OCT 05 2001  
Amount Paid \$ 22,950<sup>00</sup>  
Skagit County Treasurer  
By: *[Signature]* Deputy

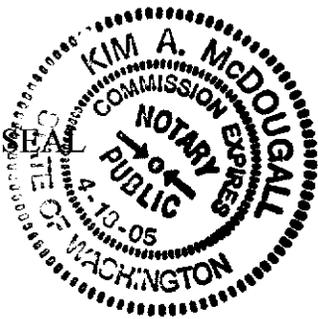


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STATE OF WASHINGTON }  
 } ss.  
COUNTY OF WHATCOM }

On this 20<sup>th</sup> day of September, 2001, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared TIMOTHY L. POTTS to me known to be the SR VP of Trillium Corporation, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first written above.



[Signature]  
Notary Public in and for the State of Washington

My commission expires: 4/10/05

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**EXHIBIT A  
STUMPAGE PARCELS**

PARCEL 350701: RUSSELLS RANCH (PARCEL #54)

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; GOVERNMENT LOTS 3 AND 4, SECTION 1, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT COUNTY ROAD;

ALSO EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY FOR ROAD BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350702: RUSSELLS RANCH (PARCEL #54)

THE NORTH HALF; THE NORTH HALF OF THE SOUTHWEST QUARTER; AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT COUNTY, WASHINGTON;

SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350703: RUSSELLS RANCH (PARCEL #54)

THE NORTH HALF; THE SOUTH HALF OF THE SOUTHWEST QUARTER; NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTH HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 3, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THOSE PORTIONS CONVEYED TO SKAGIT COUNTY BY DEEDS RECORDED JULY 9, 1970 AND SEPTEMBER 20, 1971, UNDER AUDITOR'S FILE NOS. 741026 AND 758244 RECORDS OF SKAGIT COUNTY, WASHINGTON, RESPECTIVELY;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350704: RUSSELLS RANCH (PARCEL #54)

GOVERNMENT LOTS 1, 2, 3, AND 4, AND THE SOUTH HALF OF SECTION 4, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
SITUATE IN SKAGIT COUNTY, WASHINGTON



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PARCEL 350709: RUSSELLS RANCH (PARCEL #54)

THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;

THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 9;

A STRIP OR PIECE OF LAND 50 FEET WIDE, BEING 25 FEET WIDE ON EITHER SIDE OF THE CENTERLINE OF THE LOGGING RAILWAY OF LYMAN TIMBER COMPANY AS SAME IS NOW LOCATED AND ESTABLISHED THROUGH AND UPON THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 9, TO WIT:

BEGINNING AT A POINT ON THE SECTION LINE APPROXIMATELY 193 FEET SOUTH OF THE QUARTER CORNER BETWEEN SECTIONS 8 AND 9; THENCE SOUTH 87°00'00" EAST, 2,090 FEET; THENCE ON A 06°00'00" CURVE TO THE LEFT TURNING THROUGH AN ANGLE OF 19°00'00", FOR A DISTANCE OF 317 FEET; THENCE NORTH 68°00'00" EAST APPROXIMATELY 235 FEET TO A POINT ON THE CENTERLINE OF SECTION 9 APPROXIMATELY 175 FEET SOUTH OF THE CENTER CORNER OF SAID SECTION 9; THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 9, LYING NORTH OF THE LANDS AND RIGHT-OF-WAY OWNED BY OR IN USE BY THE GREAT NORTHERN RAILWAY COMPANY; EXCEPT ALL ROAD AND RAILROAD RIGHTS-OF-WAY OVER AND ACROSS SAID PREMISES.

AND EXCEPT THAT PORTION CONVEYED TO WILLIS ENTERPRISES BY DEED RECORDED OCTOBER 14, 1991, UNDER AUDITOR'S FILE NO. 9110140046 AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 01°07'38" WEST ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 16, A DISTANCE OF 86.59 FEET TO THE NORTH RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE NORTH 80°40'32" EAST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1,287.73 FEET; THENCE NORTH 00°25'49" EAST PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 639.98 FEET; THENCE SOUTH 83°51'29" WEST, A DISTANCE OF 1,277.00 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTH 00°25'49" WEST ALONG SAID WEST LINE OF THE SOUTHEAST QUARTER TO THE POINT OF BEGINNING.

PARCEL 350710: RUSSELLS RANCH (PARCEL #54)

THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE NORTHEAST QUARTER, LYING NORTHWESTERLY OF BAKER LAKE ROAD, AS CONVEYED TO SKAGIT COUNTY BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT COUNTY, WASHINGTON, IN SECTION 10, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN; SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350921: SAUK MTN (PARCEL #55)

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350922: SAUK MTN (PARCEL #55)

THE NORTH HALF OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; GOVERNMENT LOTS 1, 2, 3, 4, 5 AND 6; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON



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**EXHIBIT B**  
**PERMITTED ENCUMBRANCES**

- (a) liens and assessments, both general and special, and other governmental charges which are not yet due and payable as of the Closing;
- (b) all land use restrictions (including environmental, endangered species and wetlands), building and zoning codes and ordinances, and other laws, ordinances, regulations, rules, orders, licenses or determinations of any Governmental Body, now or hereafter enacted, made or issued by any such Governmental Body affecting the Properties;
- (c) all easements (including conservation easements), rights-of-way, road use agreements, covenants, conditions, restrictions, reservations, licenses, agreements and other matters of record;
- (d) all encroachments, overlaps, overhangs, unrecorded easements, variations in area or measurement, rights of parties in possession, lack of access or any other matters not of record which would be disclosed by an accurate survey or physical inspection of the Properties;
- (e) all electric power, telephone, gas, sanitary sewer, storm sewer, water and other utility lines, pipelines, service lines and facilities of any nature on, over or under the Properties, and all licenses, easements, rights-of-way and other agreements relating thereto;
- (f) all existing public and private roads and streets (whether dedicated or undedicated), and all railroad lines and rights-of-way affecting the Properties;
- (g) prior reservations or conveyances of mineral rights or mineral leases of every kind and character;
- (h) inchoate mechanics' and materialmen's liens for construction in progress and workmen's, repairmen's, warehousemen's, and carrier's liens and other similar statutory liens arising in the ordinary course of business;
- (i) all hunting, fishing, apiary, recreational or similar leases or licenses or permits affecting the Properties which do not contain an option to purchase and which (A) have a term of not longer than twelve (12) months or (B) are terminable without premium or penalty by the owner of the Properties upon not greater than ninety (90) days' notice;
- (j) other imperfections of title, easements and encumbrances, if any, which do not materially adversely affect the insurability of title to the Properties or materially detract from the value of or materially interfere with the use of the Properties as commercial timberlands;

**SKAGIT COUNTY  
STUMPAGE PARCELS  
TAX PARCEL NUMBERS**

350701-0-003-0008  
350701-0-004-0007  
350701-2-001-0006  
350701-3-001-0004  
350702-0-001-0009  
350702-0-002-0008  
350702-0-003-0007  
350702-0-004-0006  
350702-1-001-0007  
350702-2-001-0005  
350702-3-001-0003  
350702-4-001-0001  
350703-0-001-0008  
350703-0-002-0007  
350703-0-003-0006  
350703-0-004-0005  
350703-1-001-0006  
350703-2-001-0004  
350703-3-003-0000  
350703-4-001-0000  
350703-4-003-0008  
350703-4-004-0007  
350704-0-001-0015  
350704-3-001-0019  
350709-4-004-0027  
350709-4-004-0010  
350709-4-003-0100  
350710-1-002-0014  
350921-4-001-0006  
350922-1-001-0001



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, Skagit County Auditor