

To insure about the availability of this notice in an alternate format for the visually impaired or in a language other than English, please call (360) 753-5217. Teletype (TTY) users may call (800) 451-7985

Interest in Property: Fee Owner Contract Purchaser Other

Date of Sale or Transfer: 6 / 27 / 02 Date of Notice: / /

File No. Taxing District

Photo No. Excise Tax No.

Address: 9600 SW BARNES RD., SUITE 200 PORTLAND, OR 97225-6666

Name of New Owner(s): MID-VALLEY RESOURCES, INC.

If the new owner(s) of land that is classified or designated as current use or forest land wish(es) to continue the classification or designation of this land, the new owner(s) must sign below. All new owners must sign. If the new owner(s) do(es) not desire to continue the classification or designation, all additional or continuing tax calculated pursuant to RCW 84.34.108 or RCW 84.33.120, 140 shall be due and payable by the seller or transferor at the time of sale. To determine if the land qualifies to continue classification or designation, the county assessor may be consulted.

Reference Numbers of Documents Assigned or Released: C-75

Assessor's Property Tax Parcel or Account Number: SEE ATTACHED EXHIBIT B

Parcel ID: P18404

Legal Description: SEE ATTACHED EXHIBIT A Ptn Sect 1, Twp 33 R9e6

Grantee(s): MID-VALLEY RESOURCES, INC.

Grantor(s): LINCOLN TIMBER LLC

NOTICE OF CONTINUANCE
LAND CLASSIFIED AS CURRENT USE OR FOREST LAND
Chapter 84.34 And 84.33 Revised Code of Washington



TIMBERLAND

A. CLASSIFICATION UNDER CHAPTER 84.34 RCW. I/we request that this land retains the current use classification as Open Space Land, Farm and Agricultural Land, Timberland, and I am/we are aware of the following use classification of the land:

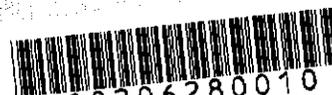
1. OPEN SPACE LAND MEANS EITHER:

-) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or
-) any land area, the preservation of which in its present use would: (i) conserve and enhance natural or scenic resources; (ii) protect streams or water supply; (iii) promote conservation of soils, wetlands, beaches, or tidal marshes; (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; (v) enhance recreation opportunities; (vi) preserve historic sites; (vii) preserve visual quality along highway, road, and street corridors or scenic vistas; or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification; or
-) any land that meets the definition of farm and agricultural conservation land. "Farm and agricultural conservation land is either: (i) land that was previously classified as open space farm and agricultural land that no longer meets the criteria of farm and agricultural land, and that is reclassified as open space and under RCW 84.34.020(1); or (ii) land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agriculture.

2. FARM AND AGRICULTURAL LAND MEANS EITHER:

-) any land in contiguous ownership of twenty or more acres devoted: (i) primarily to the production of livestock or agricultural commodities, for commercial purposes; or (ii) enrolled in the federal conservation reserve program or its successor administered by the United States department of agriculture; or (iii) other similar commercial activities as may be established by rule; or
-) any parcel of land at least five acres but less than twenty acres devoted primarily to agricultural uses and produces a gross income equal to two hundred dollars or more per acre per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or
-) any parcel of land that is less than five acres devoted primarily to agricultural uses and produces a gross income equal to fifteen hundred dollars or more per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or
-) any land on which the principal place of residence of the farm operator or owner of land or housing for employees is sited if the classified farm and agricultural land is classified pursuant to subsection (a) of this section, if the residence or housing is on or contiguous to the classified parcel, and the use of the residence or housing is integral to the use of the classified land for agricultural purposes.

Agricultural land also includes (i) land on which appurtenances necessary for the production, preparation, or sale of commercial agricultural products are situated when the appurtenances are used in conjunction with the land(s) producing agricultural products; (ii) land incidentally used for an activity or enterprise that is compatible with commercial agricultural purposes as long as the incidental use does not exceed twenty percent of the classified land, and (iii) any noncontiguous parcel of land from one to five acres in size that constitutes an integral part of the commercial agricultural operations of a classified parcel of farm and agricultural land.



3. **TIMBER LAND MEANS** any land in contiguous ownership of five or more acres devoted primarily to the growing and harvesting of forest crops for commercial purposes and not classified as reforestation land pursuant to Chapter 84.28 RCW. Timber land means the land only.

I/we declare that I am/we are aware of the liability of withdrawal or removal of this land from classification to the following extent:

1. If the owner has filed the proper notice of request to withdraw the classified land and the land has been classified for a minimum of ten years he/she shall pay an amount equal to the difference between the tax computed on the basis of "current use" and the tax computed on the basis of true and fair value plus interest at the same statutory rate charged on delinquent property taxes. The additional tax and interest shall be paid for the preceding seven years.
2. If land is removed from classification because of a change to a non-conforming use, land is removed prior to the minimum ten year period, or land is removed because the owner(s) failed to comply with the two year notice of withdrawal he/she shall be liable to pay the additional tax and interest described in 1 above plus a penalty of twenty percent of the additional tax and interest. The additional tax, interest, and penalty shall be paid for the preceding seven years.
3. The additional tax, interest, and/or penalty shall not be imposed if the withdrawal or removal from classification resulted solely from:
 - a) transfer to a government entity in exchange for other land located within the state of Washington;
 - b) a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power, said entity having manifested its intent in writing or by other official action;
 - c) a natural disaster such as a flood, windstorm, earthquake, or other calamity rather than by virtue of the act of the landowner changing the use of the classified land;
 - d) official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present classified use of the land;
 - e) transfer of land to a church when the land would qualify for exemption pursuant to RCW 84.36.020;
 - f) acquisition of property interests by a state or federal agency, county, city, town, metropolitan park district; metropolitan municipal corporation, nonprofit historic preservation corporation as defined in RCW 64.04.130, or nonprofit nature conservancy corporation or association as defined in RCW 84.34.250;
 - g) removal of classified farm and agricultural land on which the principal residence of the farm operator or owner or housing for employees;
 - h) removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification;
 - i) the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120; or
 - j) the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

B CLASSIFICATION UNDER CHAPTER 84.33 RCW. I/we request that this land retain its classification or designation as forest land and I am/we are aware of the following definition of forest land:

FOREST LAND means and is synonymous with timber land and means all land in contiguous ownership of at least twenty acres that is primarily devoted to and used for growing and harvesting timber. Forest land means the land only.

- a) **CLASSIFIED FOREST LAND** is land whose highest and best use is the growing and harvesting of timber.
- b) **DESIGNATED FOREST LAND** is land that is primarily devoted to and used for growing and harvesting timber but whose value for other purposes may be greater than its value as forest land.

REV 4 0047-3 (1/03/00)



200206280010

Skagit County Auditor

6/28/2002 Page 3 of 19 8:38AM

I/we declare that I am/we are aware of the liability of removal of this land from classification or designation and upon removal a compensating tax shall be imposed that shall be equal to the difference between the amount of tax last levied on the land as forest land and an amount equal to the new assessed valuation of the land multiplied by the mileage rate of the last levy extended against the land multiplied by a number, not greater than ten, equal to the number of years the land was classified or designated as forest land.

The compensating tax shall not be imposed if the removal of classification or designation resulted solely from:

-) transfer to a government entity in exchange for other forest land located within the state of Washington;
-) a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power;
-) a donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in Chapter 79.70 RCW;
-) the sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
-) official action by an agency of the State of Washington or by the county or city within which the land is located that disallows the present use of such land;
-) the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120; or
-) the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

SEE ATTACHED SIGNATURE PAGE _____ / /
 Proprietor Owner Date

Address _____

REV 0047-4 (1/03/00)



SIGNATURE PAGE

Property Owner Signature:

MID-VALLEY RESOURCES, INC., an Oregon corporation

By: RC Parker
Name: Ronald C. Parker
Title: President

Property Owner Address:
Mid-Valley Resources, Inc.
9600 SW Barnes Road, Suite 200
Portland, OR 97225-6666
Attention: Steve Zika



200206280010

Skagit County Auditor

EXHIBIT A

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel 15A:

The East 1/2 of Section 7, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15B:

All of Section 8, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15C:

All of Section 9, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15D:

All of Section 10, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15E:

All of Section 11, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcels 15F and 15G:

All of Section 12, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcels 15H and 15I:

All of Section 13, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15J:

All of Section 14, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15K:

All of Section 15, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15L:

All of Section 17, Township 33 North, Range 6 East, W.M., EXCEPT that portion conveyed to Skagit County for road under Auditor's File No. 730560, situate in Skagit County, Washington.

Parcel 15M:

The Northeast 1/4 and the Northeast 1/4 of the Southeast 1/4, Section 20, Township 33 North, Range 6 East, W.M., EXCEPT the following described tract:

Beginning at the Northeast corner of the above described subdivision; thence North 88 degrees 51' 27"



200206280010
Skagit County Auditor

Commitment No. 00068437

West along the North line of said subdivision, 105.0 feet; thence South 38 degrees 54' 30" East, 165.0 feet, more or less, to a point on the East line of the Northeast 1/4 of said Section 20; thence North along said East line, 125 feet, more or less, to the point of beginning, conveyed to Skagit County for road under Auditor's File No. 730560, situate in Skagit County, Washington.

Parcel 15N:

The Southwest 1/4 of the Northwest 1/4; the Southwest 1/4; the West 1/2 of the Southeast 1/4; and that portion of the Northeast 1/4 of the Southeast 1/4 lying Westerly of the South Shore County Road, all in Section 21, Township 33 North, Range 6 East, W.M.

Parcel 15O:

The Northeast 1/4, EXCEPT that portion lying within the Lake Cavanaugh - North Shore Drive County Road in Section 22, Township 33 North, Range 6 East, W.M.

AND EXCEPT that portion described as follows:

Commencing at the Southwest corner of said Southwest 1/4 of the Northeast 1/4, the true point of beginning; thence South 89 degrees 45' 18" East along the South line of said Southwest 1/4, a distance of 867.67 feet; thence North 53 degrees 31' West, a distance of 264.39 feet; thence North 73 degrees 31' West, a distance of 371.76 feet; thence North 56 degrees 20' West, a distance of 360.08 feet to an intersection with the West line of said Southwest 1/4; thence South 00 degrees 08' 06" East along said West line, a distance of 458.69 feet to the true point of beginning.

(Said exception as described within that instrument recorded December 10, 1999, under Auditor's File No. 199912100076, records of Skagit County, Washington.)

Parcel 15P:

The Northwest 1/4; the Northeast 1/4 of the Southwest 1/4; and the North 1/2 of the Northwest 1/4 of the Southwest 1/4, Section 23, Township 33 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 15R:

The Southwest 1/4 of the Southwest 1/4 of Section 26, Township 33 North, Range 6 East, W.M.; EXCEPT that portion if any lying within the boundaries of the as built and existing County road commonly known as South Shore Drive.

Parcel 15S:

The South 1/2 of the South 1/2 and the South 1/2 of Government Lot 8 all in Section 27, Township 33 North, Range 6 East, W.M.; EXCEPT roads if any.

Parcel 15Z:

That portion of Government Lot 1 of Section 35, Township 33 North, Range 6 East, W.M., lying Southerly of the Southerly line of the Plat of "LAKE CAVANAUGH SUBDIVISION NO. 2", as per plat recorded in Volume 5 of Plats, page 49, records of Skagit County, Washington.

Parcel 16A:

All of Section 1, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.



200206280010
Skagit County Auditor

Commitment No. 00068437

Parcel 16B:

All of Section 2, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16C:

All of Section 3, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16D:

All of Section 4, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16E:

All of Section 5, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Southerly portion of Parcel 16F:

Government Lots 3 and 4, and the East 1/2 of the Southwest 1/4, Section 7, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Northerly portion of Parcel 16F:

A 300-foot right-of-way across the North 1/2 of Section 7, Township 33 North, Range 7 East, W.M., being a strip of land 300 feet wide, 150 feet on each side of the following described center line:

Beginning at a point 665 feet South of the Northeast corner of Section 7; thence North 87 degrees West, 400 feet; thence South 86 degrees West, 260 feet; thence South 80 degrees West, 300 feet; thence West, 218 feet; thence North 83 degrees West, 520 feet; thence South 81 degrees West, 280 feet; thence South 67 degrees West, 440 feet; thence South 58 degrees West, 320 feet to a point 1037 feet South of the quarter Section corner on the North side of said Section; thence South 58 degrees West, 110 feet; thence south 62 degrees West, 500 feet; thence South 76 degrees West, 520 feet; thence South 69 degrees West, 520 feet; thence South 57 degrees West, 280 feet; thence South 48 degrees West, 330 feet; thence South 66 degrees West, 697 feet to a point 340 feet North of the quarter Section corner on the West side of said Section.

Southerly portion of Parcel 16G:

The Southwest 1/4 of Section 8, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Northerly portion of Parcel 16G:

A strip of land across the North 1/2 of Section 8, Township 33 North, Range 7 East, W.M., being 300 feet wide, 150 feet on each side of the following described centerline:

Beginning at a point 419 feet North of the quarter Section corner on the East side of Section 8; thence West, 360 feet; thence North 80 degrees West, 330 feet; thence West, 238 feet; thence North 86 degrees West, 360 feet; thence North 64 degrees West, 180 feet; thence North 77 degrees West, 280 feet; thence North 72 degrees West, 200 feet; thence North 66 degrees West, 360 feet; thence North 74 degrees West, 420 feet to a point 967 feet North of the center of Section 8; thence North 74 degrees West, 280 feet; thence North 62 degrees West, 440 feet; thence North 68 degrees West, 630 feet; thence North 60 degrees West, 270 feet; thence North 54 degrees West, 310 feet; thence North 69 degrees West, 400 feet; thence North 87 degrees West, 540 feet to a point 665 feet South of the Northwest corner of said Section 8.



200206280010

Skagit County Auditor

Commitment No. 00068437

Parcel 16H:

The Northeast 1/4 and the South 1/2, Section 9, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

ALSO, a strip of land across the Northwest 1/4 of Section 9, Township 33 North, Range 7 East, W.M., being 300 feet wide, 150 feet on each side of the following described centerline:

Beginning at a point 790 feet North of the center of Section 9; thence south 84 degrees West, 850 feet; thence South 85 degrees West, 320 feet; thence South 79 degrees West, 920 feet; thence South 75 degrees West, 300 feet; thence West, 283 feet to a point 419 feet North of the quarter Section corner on the West side of side Section 9.

Parcel 16I:

All of Section 10, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16J:

All of Section 11, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16K:

All of Section 12, Township 33 North, Range 7 East, W.M., EXCEPT the South 1/2 of the Southeast 1/4, AND ALSO EXCEPT the Southeast 1/4 of the Southwest 1/4, situate in Skagit County, Washington.

Parcel 16L:

The Northwest 1/4 of the Northwest 1/4; the South 1/2 of the Northwest 1/4; the Northeast 1/4; the North 1/2 of the Southwest 1/4; and the Southeast 1/4, Section 13, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16M:

The North 1/2; the Southwest 1/4; and the North 1/2 of the Southeast 1/4, Section 14, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16N:

All of Section 15, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16O:

All of Section 17, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16P:

All of Section 18, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16Q:

The East 1/2 of the Southwest 1/4, Section 19, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.



200206280010
Skagit County Auditor

Commitment No. 00068437

Parcel 16R:

The Northwest 1/4, the Northeast 1/4, the East 1/2 of the Southwest 1/4, and the West 1/2 of the Southeast 1/4, Section 21, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16S:

The North 1/2, the North 1/2 of the Southeast quarter, and the Southeast 1/4 of the Southeast 1/4, Section 22, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16T:

All of Section 23, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16U:

The North 1/2 and the West 1/2 of the Southwest 1/4, Section 24, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16V:

The Northwest 1/4 of Section 25, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 16W:

The North 1/2 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4, Section 26, Township 33 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 17Q:

The East 1/2 of the East 1/2, Section 25, Township 34 North, Range 5 East, W.M., situate in Skagit County, Washington.

Parcel 18S:

All of Section 21, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18T:

All of Section 22, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcels 18U and 18V:

All that portion of Section 23, Township 34 North, Range 6 East, W.M., lying Westerly of Day Creek, situate in Skagit County, Washington.

Parcels 18W and 18X:

That portion of the following described property lying Westerly of Day Creek. The Northeast 1/4, the Northwest 1/4, and the Southwest 1/4, Section 24, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.



200206280010
Skagit County Auditor

Commitment No. 00068437

Parcel 18AA:

The North 1/2 of the Northwest 1/4, the Southwest 1/4 of the Northwest 1/4; the Southwest 1/4 of the Southwest 1/4, the Southeast 1/4 of the Southwest 1/4; and the Southwest 1/4 of the Southeast 1/4, Section 26, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18BB:

All of Section 27, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18CC:

All of Section 28, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18DD:

The Northwest 1/4; the Southwest 1/4; and the Southeast 1/4, Section 29, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18EE:

All of Section 30, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18FF:

Government Lots 4, 5, 6 and 7; the Northeast 1/4; the East 1/2 of the Northwest 1/4; the Northeast 1/4 of the Southwest 1/4; and the North 1/2 of the Southeast 1/4, Section 31, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18GG:

All of Section 32, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18HH:

All of Section 33, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 18II:

All of Section 34, Township 34 North, Range 6 East W.M.; situate in Skagit County, Washington.

Parcel 18JJ:

The West 1/2 of the Northeast 1/4; the Northwest 1/4; the Southeast 1/4; and the Southwest 1/4, Section 35, Township 34 North, Range 6 East, W.M.; situate in Skagit County, Washington.

Parcel 19A:

The Southwest 1/4 of the Southeast 1/4, Section 25, Township 34 North, Range 7 East W.M.; situate in Skagit County, Washington.



200206280010

Skagit County Auditor

Commitment No. 00068437

Parcel 19B:

The North 1/2 of Section 27, Township 34 North, Range 7 East, W.M.; situate in Skagit County, Washington.

Parcel 19G:

The Southwest 1/4 of the Northeast 1/4, Section 34, Township 34 North, Range 7 East, W.M.; situate in Skagit County, Washington.

Parcel 19H:

All of Section 35, Township 34 North, Range 7 East, W.M., situate in Skagit County, Washington.

Parcel 19I:

The North 1/2 of the Northeast 1/4 and the Southwest 1/4 of the Northeast 1/4, Section 36, Township 34 North, Range 7 East, W.M.; situate in Skagit County, Washington.

Parcel 20A:

The South 1/2 of the Northwest 1/4 and the North 1/2 of the Southwest 1/4, Section 29, Township 34 North, Range 8 East, W.M.; situate in Skagit County, Washington.

Parcel 20B:

The Southwest 1/4 of the Northeast 1/4; the Southeast 1/4 of the Northwest 1/4; the Northeast 1/4 of the Southwest 1/4 and Government Lot 3, Section 30, Township 34 North, Range 8 East, W.M.; situate in Skagit County, Washington.

Parcel 22B:

Government Lot 2; the Southwest 1/4 of the Northeast 1/4; the East 1/2 of the Northwest 1/4; the East 1/2 of the Southwest 1/4; and the Southeast 1/4, in Section 23, Township 35 North, Range 6 East, W.M., in Skagit County, Washington; EXCEPT ROADS.

Parcel 22C:

Government Lots 5, 6, 8, 9, 10; the Southeast 1/4; the Southwest 1/4 of the Southwest 1/4 and the North 1/2 of the Southwest 1/4; all in Section 24, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington.

EXCEPT that certain tract of land in Sections 23 and 24, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington, embraced in that certain mining claim duly patented according to law and described as "Washington", Surveyor General's Survey No. 85, Patent No. 31733, dated November 3, 1899, and recorded under Auditor's File No. 569061, EXCEPT minerals and sub-surface rights;

EXCEPT that certain tract of land in Section 24, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington, embraced in that certain mining claim duly patented according to law and described as "Last Chance", Surveyor General's Survey No. 84, Patent No. 31732, dated November 3, 1899, and recorded under Auditor's File No. 569062; EXCEPT minerals and sub-surface rights;



200206280010
Skagit County Auditor

6/28/2002 Page 12 of 19 8:38AM

Commitment No. 00068437

EXCEPT that certain tract of land in Section 24, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington, embraced in that certain mining claim duly patented according to law, described as "Scottish Chief", Surveyor General's Survey No. 373 (no patent number) recorded in Volume 360 at page 406 of the General Land Office, dated November 3, 1899 and recorded under Auditor's File No. 569063; EXCEPT minerals and sub-surface rights;

EXCEPT that certain tract of land in Sections 24 and 25, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington, embraced in that certain mining claim duly patented according to law described as "Recorder" and also as "Record Iron", Surveyor General's Survey No. 370 (no patent number), recorded in Volume 360 at page 403, records of the General Land Office, dated November 3, 1899, and recorded under Auditor's File No. 569064, EXCEPT minerals and sub-surface rights.

Parcel 22D:

All of Section 25, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington, EXCEPT any portion lying within the patented mining claim described as "Recorder", Surveyor General's Survey Number 370 recorded under Auditor's File No. 569064.

Parcel 22E:

The Northeast 1/4 of the Northwest 1/4 and the North 1/2 of the Northeast 1/4 of Section 26, Township 35 North, Range 6 East, W.M., situate in Skagit County, Washington.

Parcel 23A:

The East 1/2 of the Southwest 1/4 and Government Lot 4, Section 19, Township 35 North, Range 7 East, W.M., situate in Skagit County, Washington; EXCEPT that portion of said Government Lot 4, if any, lying within mining claim known as "Legal Tender" Patent to which was recorded August 13, 1958 under Auditor's File No. 569065.

Parcel 23C:

Government Lots 7 and 10, and the Southeast 1/4 of Section 21, Township 35 North, Range 7 East, W.M., EXCEPT that certain 100 foot strip over and across said Government Lot 7 as conveyed to Puget Sound and Cascade Railway Company, a corporation, by Deed dated May 15, 1923 and recorded January 10, 1927, under Auditor's File No. 204773; AND EXCEPT any portion lying within the present or former bed of the Skagit River; ALSO EXCEPT that portion thereof lying within the South Skagit Highway.

Parcel 23E:

The South 1/2 of the South 1/2 EXCEPT that portion thereof lying Westerly of Mill Creek, and the Northeast 1/4 of the Southeast 1/4, all in Section 23, Township 35 North, Range 7 East, W.M.

Parcel 23F:

The Northwest 1/4 of the Southwest 1/4; the South 1/2 of the Southwest 1/4 and the East 1/2 of Section 24, Township 35 North, Range 7 East, W.M.

Parcel 23G:

All of Section 25, Township 35 North, Range 7 East, W.M.

Parcel 23H:



200206280010
Skagit County Auditor

6/28/2002 Page 13 of 19 8:38AM

Commitment No. 00068437

All of Section 26, Township 35 North, Range 7 East, W.M., EXCEPT the Southeast 1/4 of the Northwest 1/4 thereof, AND ALSO EXCEPT that portion thereof lying Westerly of Mill Creek.

Parcel 23M:

The Northwest 1/4 of the Northwest 1/4 and the South 1/2 of the North 1/2 of Section 35, Township 35 North, Range 7 East, W.M.

Parcel 24A:

The South 1/2 of the Northwest 1/4, Section 17, Township 35 North, Range 8 East, W.M.

Parcel 24B:

That portion of Government Lot 4, lying South of the centerline of Finney Creek; the East 1/2 of the Southwest 1/4; the North 1/2 of the Southeast 1/4; and the Southwest 1/4 of the Southeast 1/4, Section 18, Township 35 North, Range 8 East, W.M.

Parcel 24C:

All of Section 19, Township 35 North, Range 8 East, W.M.

Parcel 24D:

The Northwest 1/4, the Southwest 1/4, and the West 1/2 of the Southeast 1/4, Section 20, Township 35 North, Range 8 East, W.M.

Parcel 24E:

The Southeast 1/4 of the Southeast 1/4 and the South 1/2 of the Southwest 1/4 of the Southeast 1/4 of Section 21, Township 35 North, Range 8 East, W.M.

Parcel 24F:

All of Section 29, EXCEPT the Southeast 1/4 of the Southeast 1/4, Township 35 North, Range 8 East, W.M.

Parcel 24G:

All of Section 30, Township 35 North, Range 8 East, W.M.

Parcel 24H:

All of Section 31, Township 35 North, Range 8 East, W.M.

Parcel 24I:

The Northeast 1/4; the North 1/2 of the Northwest 1/4; the Southwest 1/4 of the Northwest 1/4, and the Northwest 1/4 of the Southwest 1/4, Section 32, Township 35 North, Range 8 East, W.M.

Parcel 27B:

Lot 2, of Skagit County Short Plat No. 48-89, approved January 10, 1990, and recorded January 22, 1990, under Auditor's File No. 9001220041, in Volume 9 of Short Plats, Pages 193 and 194, records of Skagit County, Washington, being a portion of Tract B of Plat of "LAKE CAVANAUGH SUBDIVISION NO. 1" as



200206280010
Skagit County Auditor

Commitment No. 00068437

per plat recorded in Volume 5 of Plats, Pages 37 to 43, inclusive, records of Skagit County, Washington.

ALSO Tract C of Plat of "LAKE CAVANAUGH SUBDIVISION NO. 1", as per plat recorded in Volume 5 of Plats, Pages 37 to 43, inclusive, records of Skagit County, Washington.

EXCEPT that portion of Tract C, "LAKE CAVANAUGH SUBDIVISION NO. 1", as per plat thereof recorded in Volume 5 of Plats, Pages 37 to 43, records of Skagit County, Washington, situated in the Northwest 1/4 of the Northwest 1/4, Section 26, Township 33 North, Range 6 East, W.M., Skagit County, Washington, described as follows:

Beginning at the Southeast corner of said Tract C, said corner being on the Northerly margin of North Shore Drive; thence North 00 degrees 20' 36" East along the East line of said Tract C, 379.45 feet; thence North 89 degrees 39' 24" West, a distance of 249.27 feet to a point on the Westerly line of Tract C, said point being the Northeast corner of Lot 59, Block 2, of said subdivision; thence South 21 degrees 15' 00" East along said Westerly line, 115.49 feet to the Southeast corner of Lot 60, of said subdivision; thence South 68 degrees 45' 00" West along the Southerly line of said Lot, 327.96 feet to the Northerly margin of North Shore Drive; thence South 61 degrees 45' 00" East, 149.44 feet; thence South 81 degrees 12' 00" East, 325.19 feet; thence South 59 degrees 34' 00" East, 67.03 feet to the true point of beginning.

Parcel 27C:

Tracts "A", "B" and "C", "LAKE CAVANAUGH SUBDIVISION NO. 2" according to the recorded plat thereof, filed for record in the Office of the Auditor of Skagit County, Washington, under Volume 5 of Plats, page 49.

Parcel 27D:

Tract "A", "LAKE CAVANAUGH SUBDIVISION NO. 3", according to the recorded plat thereof in the Office of the Auditor of Skagit County, Washington, in Volume 6 of Plats, pages 26 through 31.

Mining Claims:

Six (6) patented ironlode mining claims designated as shown below and as described in said documents:

<u>Name:</u>	<u>Surveyor General No.</u>	<u>GL Patent No.</u>	<u>Mineral Certificate No.</u>	<u>Auditor's File Nos.</u>
Recorder	Lot No. 370	36092	126	42443 and 569064
Keystone	Lot No. 372	31735	128	42444 and 569066
Legal Tender	Lot No. 371	31734	127	42445 and 569065
Washington	Lot No. 85	31733	122	42446 and 569061
Scottish Chief	Lot No. 373	36093	129	42447 and 569063
Last Chance	Lot No. 84	31732	121	42448 and 569062

EXCEPT from all six (6) mining claims, "minerals and sub-surface rights" as excepted on that certain Deed from the Hamilton Coal and Development Company recorded April 4, 1960, as Auditor's File No. 592780, in Volume 308 of Deeds, Page 404.



200206280010
Skagit County Auditor

6/28/2002 Page 15 of 19 8:38AM

PARCEL 27E:

ACCESS EASEMENTS, SUBJECT TO THE LIMITATIONS ON USE SET FORTH THEREIN AS FOLLOWS:

1. EASEMENT ESTABLISHED BY DOCUMENT RECORDED OCTOBER 31, 1973, AS AUDITOR'S FILE NO. 792754.
2. EASEMENT ESTABLISHED BY DOCUMENT RECORDED AUGUST 15, 1986, AS AUDITOR'S FILE NO. 8608150015.
3. EASEMENT ESTABLISHED BY DOCUMENT RECORDED OCTOBER 29, 1996, AS AUDITOR'S FILE NO. 9610290078.
4. EASEMENT ESTABLISHED BY DOCUMENT RECORDED NOVEMBER 13, 1985, AS AUDITOR'S FILE NO. 8511130019.
5. EASEMENT ESTABLISHED BY DOCUMENT RECORDED NOVEMBER 13, 1985, AS AUDITOR'S FILE NO. 8511130021.
6. EASEMENT ESTABLISHED BY DOCUMENT RECORDED JULY 7, 1995, AS AUDITOR'S FILE NO. 9507070096.
7. EASEMENT ESTABLISHED BY DOCUMENT RECORDED SEPTEMBER 28, 1984, AS AUDITOR'S FILE NO. 8409280013.
8. EASEMENT ESTABLISHED BY DOCUMENT RECORDED NOVEMBER 13, 1985, AS AUDITOR'S FILE NO. 8511130023, AND AMENDED BY DOCUMENT RECORDED JANUARY 27, 1989, AS AUDITOR'S FILE NO. 8901270020, AND AS FURTHER AMENDED BY DOCUMENT RECORDED JANUARY 27, 1989, AS AUDITOR'S FILE NO. 8901270022.
9. EASEMENT ESTABLISHED BY DOCUMENT RECORDED NOVEMBER 13, 1985, AS AUDITOR'S FILE NO. 8511130023.
10. EASEMENT ESTABLISHED BY DOCUMENT RECORDED APRIL 4, 1960, AS AUDITOR'S FILE NO. 592783, TO THE EXTENT THAT SAID EASEMENT OPERATES AS AN ASSIGNMENT OF THOSE EASEMENT RIGHTS CONVEYED TO HAMILTON COAL AND DEVELOPMENT COMPANY BY DOCUMENT RECORDED JUNE 23, 1948, AS AUDITOR'S FILE NO. 419698.
11. EASEMENT ESTABLISHED BY DOCUMENT RECORDED AUGUST 3, 1938, AS AUDITOR'S FILE NO. 304486.
12. EASEMENT ESTABLISHED BY DOCUMENT RECORDED AUGUST 3, 1993, AS AUDITOR'S FILE NO. 9308030025.
13. EASEMENT ESTABLISHED BY DOCUMENT RECORDED SEPTEMBER 12, 1957, AS AUDITOR'S FILE NO. 555973.
14. EASEMENT ESTABLISHED BY DOCUMENT RECORDED JUNE 23, 1948, AS AUDITOR'S FILE NO. 419698, EXCEPT AS TO THOSE RIGHTS ALREADY DESCRIBED IN NO. 10 EASEMENT HEREINABOVE.
15. EASEMENT ESTABLISHED BY DOCUMENT RECORDED DECEMBER 27, 1961, AS AUDITOR'S FILE NO. 616101, EASEMENT ESTABLISHED BY DOCUMENT RECORDED JULY 2, 1992, AS AUDITOR'S FILE NO. 9207020022, EASEMENTS ESTABLISHED BY DOCUMENT RECORDED JANUARY 27, 1989, AS AUDITOR'S FILE NOS. 8901270020 AND 8901270022, EASEMENT ESTABLISHED BY DOCUMENT RECORDED JUNE 30, 1989 AS AUDITOR'S FILE NO.



200206280010

Skagit County Auditor

8906300008, EASEMENT ESTABLISHED BY DOCUMENT RECORDED JUNE 30, 1989, AS AUDITOR'S FILE NO. 890630009, EASEMENT ESTABLISHED BY DOCUMENT RECORDED NOVEMBER 13, 1986, AS AUDITOR'S FILE NO. 8611130008, EASEMENT ESTABLISHED BY DOCUMENT RECORDED OCTOBER 30, 1992, AS AUDITOR'S FILE NO. 9210300020, AND EASEMENT ESTABLISHED BY DOCUMENT RECORDED APRIL 28, 1997, AS AUDITOR'S FILE NO. 9704280077.

030943\00002\464801 V001



200206280010

Skagit County Auditor

6/28/2002 Page 17 of 19

8:38AM

EXHIBIT B

Assessor's Property Tax
Parcel/Account Nos.:

330608-1-001-0004 (P18407)
330607-1-001-0005 (P18404)
330609-1-001-0003 (P18408)
330610-1-001-0000 (P18409)
330610-3-002-0005 (P18410)
330611-1-001-0009 (P18411)
330612-1-001-0008 (P18412)
330612-1-003-0006 (P18413)
330613-1-001-0007 (P18414)
330614-1-001-0006 (P18415)
330614-1-002-0005 (P18416)
330614-4-001-0000 (P18417)
330615-0-001-0007 (P18418)
330615-1-002-0004 (P18419)
330617-1-001-0003 (P18422)
330620-1-001-0008 (P18434)
330621-2-001-0005 (P18438)
330622-1-001-0006 (P18440)
330623-2-001-0003 (P18443)
330626-3-001-0008 (P18450)
330627-3-001-0007 (P18456)
330635-0-001-0003 (P18488)
330701-1-001-0000 (P18501)
330702-1-001-0009 (P18502)
330703-1-001-0008 (P18503)
330704-1-001-0007 (P18504)
330705-1-001-0006 (P18505)
330707-3-001-0000 (P18508)
330708-3-001-0009 (P18511)
330708-0-001-0005 (P18509)
330709-1-001-0002 (P18512)
330710-1-001-0009 (P18514)
330711-1-001-0008 (P18515)
330712-1-001-0007 (P18516)
330713-1-001-0006 (P18519)
330714-1-001-0005 (P18522)
330715-1-001-0004 (P18524)
330717-1-001-0002 (P18526)
330718-1-001-0001 (P18527)
330719-3-001-0006 (P18529)
330721-1-001-0006 (P18532)
330721-1-004-0003 (P18533)
330722-1-001-0005 (P18536)
330723-1-001-0004 (P18540)
330608-1-001-0004 (P18407)
330726-1-001-0001 (P18551)
340525-1-001-0003 (P30401)
340621-1-001-0006 (P30689)
340622-1-001-0005 (P30690)
340623-1-001-0004 (P30691)
340624-1-001-0100 (P105973)
340626-2-001-0009 (P30696)
340626-3-002-0006 (P30697)
340627-1-001-0000 (P30698)
340628-1-001-0009 (P30699)
340629-2-001-0006 (P30701)
340630-1-001-0005 (P30702)
340631-1-001-0004 (P30704)
340632-1-001-0003 (P30705)
340633-1-001-0002 (P30706)
340634-1-001-0001 (P30707)
340635-1-002-0009 (P30709)
340725-4-001-0005 (P30717)
340727-1-001-0009 (P30718)
340734-1-001-0000 (P30723)
340735-1-001-0009 (P30724)
340736-1-001-0008 (P30725)
340829-2-001-0004 (P30728)
340830-1-001-0003 (P30729)
350623-0-002-0004 (P41861)
350623-1-001-0003 (P41877)
350623-2-001-0001 (P41878)
350623-2-002-0000 (P41879)
350623-3-001-0009 (P41880)
350623-4-001-0007 (P41883)
350623-4-002-0006 (P41884)
350624-0-003-0002 (P41887)
350624-0-004-0001 (P41888)
350624-0-007-0008 (P41891)
350624-3-001-0008 (P41893)
350624-3-002-0007 (P41894)
350624-4-001-0006 (P41895)
350624-0-006-0009 (P41890)
350625-1-001-0001 (P41897)
350625-1-002-0000 (P41898)
350625-2-002-0008 (P41900)
350625-2-001-0009 (P41899)



200206280010

Skagit County Auditor

330723-4-001-0008 (P18541)
330724-1-001-0003 (P18542)
330724-3-002-0008 (P18544)
330725-2-001-0000 (P18547)
350625-4-002-0004 (P41905)
350626-1-001-0000 (P41906)
350626-1-002-0009 (P41907)
350626-2-001-0008 (P41909)
350719-3-001-0012 (P43043)
350721-4-001-0016 (P43105)
350723-3-002-0015 (P43163)
350724-1-001-0019 (P43172)
350725-1-001-0026 (P43207)
350726-1-001-0017 (P43231)
350735-1-002-0015 (P43295)
350817-2-001-0007 (P44015)
350818-3-001-0012 (P44040)
350819-1-001-0015 (P44055)
350820-2-001-0010 (P44082)

350625-2-003-0007 (P41901)
350625-3-001-0007 (P41902)
350625-3-002-0006 (P41903)
350625-4-001-0005 (P41904)
350821-4-004-0012 (P44115)
350829-1-001-0005 (P44280)
350830-1-001-0002 (P44295)
350831-1-001-0001 (P44307)
350832-1-001-0000 (P44314)
3937-006-036-0007 (P66479)
3938-003-199-0006 (P66776)
3939-003-098-0007 (P67021)
100000-0-010-0006 (R15002)
103600-6-041-0004 (R15169)
103600-6-042-0003 (R15170)
100000-0-200-0006 (R15021)
100000-0-020-0004 (R15003)
100000-0-190-0008 (R15020)
100000-0-180-0000 (R15019)
100000-0-170-0002 (P15018)



200206280010
Skagit County Auditor