



200206280180

Skagit County Auditor

6/28/2002 Page 1 of 20 1:52PM

After Recording, Return To:

Mr. Mark A. Norby
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204

**ASSIGNMENT AND ASSUMPTION AGREEMENT
FOR ACCESS RIGHTS**

(Skagit County)

FIRST AMERICAN TITLE CO.

68437

To be recorded with the Skagit County Recorder.

Reference No. (if applicable): _____

Grantor Name: Lincoln Timber LLC, a Delaware limited liability company

Grantee: Mid-Valley Resources, Inc., an Oregon corporation

Legal Description (Abbreviated):

All or portions of Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 20, 21, 22, 23, 26, 27, 35, Township 33 North Range 6 East, W.M.; all or portions of Sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 21, 22, 23, 24, 25, 26, Township 33 North Range 7 East, W.M.; all or portions of Sections 25 Township 34 North Range 5 East, W.M.; all or portions of Section 21, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, Township 34 North Range 6 East, W.M.; all or portions of Sections 25, 27, 34, 35, 36, Township 34 North Range 7 East, W.M.; all or portions of Sections 29, 30, Township 34 North Range 8 East, W.M.; all or portions of Sections 23, 24, 25, 26 Township 35 North Range 6 East, W.M.; all or portions of Sections 19, 21, 23, 24, 25, 26, 35, Township 35 North Range 7 East, W.M.; all or portions of Sections 17, 18, 19, 20, 21, 29, 30, 31, 32, Township 35 North Range 8 East, W.M.; Lot 2 SP 48-89, Tract C Vol 5 Pg 37, Tracts A, B & C Vol 5 Pg 49 and Tract A Vol 6 Pg 26.

Full Legal Description: See Exhibit A attached.

Assessor's Property Tax Parcel/Account Nos.:

330607-1-001-0005 (P18404)	330609-1-001-0003 (P18408)
330608-1-001-0004 (P18407)	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)
330723-4-001-0008 (P18541)
330724-1-001-0003 (P18542)
330724-3-002-0008 (P18544)
330725-2-001-0000 (P18547)
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)
350625-2-003-0007 (P41901)
350625-3-001-0007 (P41902)
350625-3-002-0006 (P41903)
350625-4-001-0005 (P41904)
350625-4-002-0004 (P41905)
350626-1-001-0000 (P41906)



200206280180

Skagit County Auditor

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)
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)



200206280180
Skagit County Auditor

AFTER RECORDING, RETURN TO:

Mr. Mark A. Norby
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204

**UNTIL A CHANGE IS REQUESTED,
SEND ALL TAX STATEMENTS TO:**

Mid-Valley Resources, Inc.
9600 SW Barnes Road, Suite 200
Portland, OR 97225-6666

**ASSIGNMENT AND ASSUMPTION AGREEMENT
FOR ACCESS RIGHTS
(Skagit County, Washington)**

This ASSIGNMENT AND ASSUMPTION AGREEMENT FOR ACCESS RIGHTS dated as of June 27, 2002 (this "Agreement"), is by and between LINCOLN TIMBER LLC, a Delaware limited liability company ("Lincoln"), and MID-VALLEY RESOURCES, INC., an Oregon corporation ("Mid-Valley").

RECITALS

WHEREAS, Lincoln and Mid-Valley have concurrently herewith consummated the exchange of certain property and assets, such exchange being pursuant to the terms and conditions of that certain Timberlands Exchange Agreement, dated as of June 14, 2002 (the "Exchange Agreement"); and

WHEREAS, pursuant to the Exchange Agreement, Lincoln has agreed to assign to Mid-Valley certain access rights appurtenant to or used in connection with certain real property in Skagit County, Washington that Lincoln has conveyed to Mid-Valley by Statutory Bargain and Sale Deed of even date herewith, which real property is more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Skagit County Timberlands").

NOW, THEREFORE, in consideration of the exchange of assets and the payment of cash pursuant to the Exchange Agreement, the receipt and sufficiency of which are hereby acknowledged by Lincoln and Mid-Valley, Lincoln and Mid-Valley hereby agree as follows:



200206280180

Skagit County Auditor

1. Effective as of the date of this Agreement, Lincoln hereby grants, assigns, and transfers to Mid-Valley all of Lincoln's right, title, and interest in and to all access licenses, reciprocal access agreements, road use agreements, easements, access contracts, and all other access rights appurtenant to, or used in connection with the Skagit County Timberlands (the "Access Rights and Agreements"), including but not limited to those listed on Exhibit B attached hereto and incorporated herein by this reference.

2. Mid-Valley hereby assumes all obligations of Lincoln accruing under the Access Rights and Agreements after the date of this Agreement.

3. Lincoln shall indemnify, defend and hold harmless Mid-Valley from any claim, loss or liability arising under the Access Rights and Agreements based upon matters arising or occurring on or prior to the Closing Date or the failure of Lincoln to perform obligations accruing on or prior to the Closing Date under the Access Rights and Agreements. Mid-Valley shall indemnify, defend and hold harmless Lincoln from any claim, loss or liability arising under the Access Rights and Agreements based upon matters arising or occurring after the Closing Date or the failure of Mid-Valley to perform obligations accruing after the Closing Date under the Access Rights and Agreements.

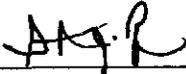
4. This Agreement shall be governed by, and construed in accordance with the laws of the State of Washington.

5. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and all of which together shall constitute one and the same instrument.

6. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

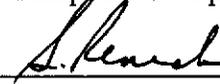
IN WITNESS WHEREOF, Mid-Valley and Lincoln have caused this Assignment and Assumption Agreement for Access Rights to be duly executed under seal as of the day and year first above written.

MID-VALLEY RESOURCES, INC., an
Oregon corporation

By: 
Name: STEVEN J. ZIKA
Its: VICE PRESIDENT

LINCOLN TIMBER LLC, a Delaware
limited liability company

By: The Campbell Group, LLC, as Manager

By: 
Stanley G. Renecker, Managing
Director - Acquisitions



STATE OF OREGON)
Washington) ss.
County of Multnomah)

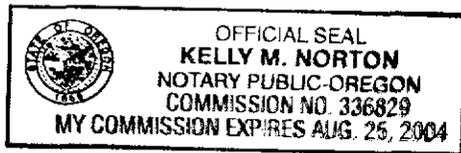
The foregoing instrument was acknowledged before me this 21st day of June, 2002 by Steven J. Zika, the Vice President of Mid-Valley Resources, Inc., an Oregon corporation.

Diana J. Nicolay
Notary Public for Oregon
My Commission Expires: February 7, 2003



STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me this 20th day of June, 2002 by Stanley G. Renecker, the Managing Director - Acquisitions of The Campbell Group, LLC, as Manager of Lincoln Timber LLC, a Delaware limited liability company.



Kelly M. Norton
Notary Public for Oregon
My Commission Expires: 8/25/04

030943\00002\461562 V001



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 54' 27"



200206280180

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.



200206280180

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.



200206280180
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.



200206280180

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.



200206280180
Skagit County Auditor
6/28/2002 Page 11 of 20

1:52PM

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.



200206280180
Skagit County Auditor

6/28/2002 Page 12 of 20

1:52PM

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;



200206280180

Skagit County Auditor

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:



200206280180
Skagit County Auditor

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



200206280180

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.



200206280180

Skagit County Auditor

6/28/2002 Page 16 of 20

1:52PM

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, 1980 AS AUDITOR'S FILE NO.



200206280180

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



200206280180

Skagit County Auditor

6/28/2002 Page 18 of 20 1:52PM

EXHIBIT B

Access Rights and Agreements Skagit County

HTF#	Auditor #	Vol	Page	Date	Twp	Rng	Sec
HSka-51	792754	132	258	2/13/73	35	8E	18
HSka-52	616101	320	518	11/28/61	35	6E	22, 23, 24, 25, 19, 20
					35	7E	
HSka-53	8608150015	662	119	8/7/86	34	6	Many
					35	7	29, 35
HSka-54	9610290078	1598	320	10/29/96	35	6E	23
						7E	
HSka-55	8511130019	625	39	12/10/79	35	5E	36
HSka-56	125738		341	1/25/18	35	6E	33
						7E	
HSka-57	920702022	1091	533	6/22/92	33	6E	18, 22, 23, 26, 27
					33	5E	
HSka-58	851130021	625	49	10/22/81	33	5E	23
HSka-59	9507070096	1454	575	7/5/95	33	6E	28
HSka-60	Jefferson County 291725	JeffCo 194	JeffCo 467	8/27/84	33	5E	11
					35	6E	33
HSka-61	8511130023	625	59	9/29/77	33	6E	1, 10, 12, 16, 6, 7
					33	7E	
HSka-62	8901270020	799	481	1/18/89	33	6E	16
HSka-63	8901270022	799	487	9/1/87	33	6E	1, 2, 6, 7, 8, 9
					33	7E	
HSka-64	8906300008	826	58	6/14/89	34	7E	Many
					34	8E	Many
HSka-65	851130020	625	44	1/18/82	34	6E	36
HSka-66	8906300009	826	72	6/15/89	34	7E	19, 32, 34, 36
						8E	
HSka-67	592783	308	420	3/16/60	35	6E	22, 23
HSka-68	498178	245	237	7/5/38	35	6E	33
HSka-69	9308030025	1219	445	7/23/93	35	8E	17
					33	7E	7, 8, 30
HSka-70	555973	289	209	8/3/57	35	8E	29
HSka-71	8611130008			12/7/54	35	7E	13



200206280180

Skagit County Auditor

HTF#	Auditor #	Vol	Page	Date	Twp	Rng	Sec
					35	8E	20, 21
HSka-72	9210300020			10/28/92	35	8E	20
HSka-73	9704280077	1655	437	3/6/97	35	7	19
HSka-74	419698	227	486	5/5/48	35	6E	22, 23

030943\00002\461562 V001



200206280180

Skagit County Auditor