

After Recording, Mail To:
I P Forestry L.L.C.
501 B. South 2nd Street
Mount Vernon, WA 98273



200403160147

Skagit County Auditor

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EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT is made as of this 16th day of March, 2004, by and between LARRY G. HOWER AND I. LYNNE HOWER AS TRUSTEES OF THE LARRY G. HOWER AND I. LYNNE HOWER REVOCABLE LIVING TRUST ("Hower", or "Grantor"), CLIFF LEIGHT ("Leight", or "Grantor"), AND I. P. FORESTRY L.L.C., a Washington limited liability corporation ("I. P.", or "Grantee").

RECITALS

- A. Hower is the owner of certain real property located in the NW1/4 of the NW1/4 of Section 22, Township 36 North, Range 3 East of W.M., Skagit County, Washington that is legally described on attached Exhibit A1 and depicted on the map attached as Exhibit C (the "Burdened property"). The Burdened Property is represented by tax parcel numbers 360322-2-006-0009 and 360322-2-006-0108.
- B. Leight is the owner of certain real property located in the NW1/4 of the NW1/4 of Section 22, Township 36 North, Range 3 East of W.M., Skagit County, Washington that is legally described on attached Exhibit A2 and depicted on the map attached as Exhibit C (the "Burdened Property"). The Burdened Property is represented by tax parcel number 360322-2-007-0008.
- C. I. P. is the owner of certain real property located in the South 1/2 of the SW1/4 of Section 15 and the NW1/4 of the NE1/4 of the NW1/4 of Section 22, all in Township 36 North, Range 3 East of W.M., Skagit County, Washington that is legally described on attached Exhibit B and depicted on the map attached as Exhibit C (the "Benefited Property"). The Benefited Property is represented by tax parcel numbers 360315-3-003-009, 360315-3-004-0008 and 360322-2-002-0003.

D. Subject to the terms and conditions contained in this Easement Agreement, Hower and Leight desire to grant an easement over portions of their respective Burdened Property to benefit the Benefited Property, and I. P. desires to acquire such easement from Hower and Leight (the "Easement").

E. Capitalized terms shall have the meanings ascribed to them herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and conditions contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties Hereto agree as follows:

1. Grant of Easement.

Hower and Leight hereby grant, bargain, sell, convey, transfer and deliver unto I. P. a non-exclusive Easement for the purpose of ingress, egress and location of utilities over, under, along, across and through the "Easement Area" as defined herein. The Easement Area shall be sixty (60) feet in width with the centerline of the Easement Area being the centerline of an existing road. Accordingly, the easement area shall extend thirty (30) feet on each side of the centerline of said road. The Easement Area is approximately depicted on attached Exhibit D. I. P. may, at its discretion and at its cost, have the centerline of the road surveyed; and may record an amendment to this Easement Agreement to legally describe said centerline.

2. Non-Exclusive Nature of Easement.

This Easement is non-exclusive as to I. P. and its successors and assigns. Hower and Leight or any subsequent owner of the Burdened Property may grant additional easements over the Easement Area to other parties, provide that the use of such additional easements by parties entitled to such use shall not unreasonably restrict or interfere with the reasonable use of this Easement for the Benefit of the Benefited Property. Any additional grants of easement rights to other parties shall fairly require such parties to share in the costs and responsibilities for repair and maintenance of the applicable easement improvements and the subject roadway.

3. Duration of Easement.

The Easement herein granted shall be perpetual in duration and is given by Hower and Leight to I. P., and to their successors and assigns, forever.



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4. Collateral Easements.

Grantor acknowledges that road improvements and utilities to service or benefit the Benefited Property may be installed by other private companies, contractors or municipal entities, including utility districts, rather than by the Grantee. In order to facilitate the installation of utility services to the Benefited Property as contemplated by this Easement, Grantee may grant other easements over, under, along, across, and through the easement area to other private or municipal entities, including utility districts, for the purpose and according to the other terms of this Easement. Further, such collateral parties are hereby granted temporary easements for ingress and egress from time to time as necessary for purposes of construction, repair, maintenance or inspection of their respective utility lines or other improvements. The Grantor agrees to execute other documents, at no cost to Grantor, that are reasonably required by such third parties to establish such collateral easements.

5. Cost of Maintenance.

A gate is located near the junction of the Easement Area and the County Road known as the Blanchard Road. The gate shall be kept in a locked condition during periods when the Easement Area is not in daily use. Hower and Leight will be provided a key to the gate. Each party using the roadway shall pay its proportionate share of any road maintenance costs over the Easement Area that corresponds to the relative amount of use of the roadway by such party compared to all parties who have road usage rights, provided that no such cost shall be allocated to Hower, Leight, or their successors or assigns, for occasional use of such road for inspection, recreation or similar purposes. The exemption to road maintenance costs shall additionally apply to Hower for one personal residence. It is understood and agreed that if more than one personal residence is constructed by Hower or its successors and assigns then regular maintenance costs will be allocable to such additional parties. I. P., Hower, and Leight, or their successors and assigns, shall reasonably agree upon the allocation of responsibility for said costs prior to undertaking maintenance. 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.

6. Indemnity.

The Owner(s) of the Benefited Property shall indemnify and hold harmless Hower, Leight, and their successors and assigns from and against all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses, whether or not a lawsuit is instituted), arising out of or resulting from any actual or alleged injury to or death of any person, or from any actual or alleged loss of or damage to property, caused by any occurrence in or on the Easement or in connection with the use of the Easement by the owner(s) of the Benefited Property or their (its) employees, agents, licensees, contractors or invitees, unless such loss damage, liability or expense is proximately caused by the owner(s) of the Burdened Property, or such owners' employees, agents, licensees, contractors or invitees.



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7. Grantor's Warranty of Title.

The undersigned Grantor represents to the Grantee that the grantor holds fee ownership in the Burdened Property and has the legal capacity to grant this Easement and cause it to be effective according to its terms. The undersigned Grantor warrants to the Grantee the quiet and peaceable use of the Easement Area under the terms of this Easement Agreement and will defend the Grantee's rights under this Easement Agreement against interference from any other party arising through the Grantor.

8. Attorneys' Fees.

If it shall be necessary for either party to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorneys' fees and expenses.

9. Successors.

The rights and obligations of this easement shall run with the land and shall inure to the benefit of and be binding upon the respective successors and assigns of Hower, Leight and I. P.

10. Recording and Costs.

I. P. will record this executed Easement in the records of the Skagit county Auditors Office and will pay all costs of said recording and any real estate excise tax or other costs pertaining to such recording. Hower and Leight will cooperate to execute, as the Grantor, any real estate excise tax affidavit or other documents necessary to facilitate such recording.

11. Assignment Rights.

Grantee, prior to any and all future assignments, shall provide in writing to Hower the names of all proposed assignees. Hower shall have the right to approve or reject any assignee. Hower's approval shall not be unreasonably withheld. The right to approve or reject shall be personal to Howers only and their immediate family members, but not to any of their successors in interest to their property.



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IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

GRANTOR:

Larry G. Hower
Larry G. Hower

I. Lynne Hower
I. Lynne Hower

Cliff Leight
Cliff Leight

Easement Agreement
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 16 2004

Amount Paid \$ 0
Skagit Co. Treasurer
By man Deputy

GRANTEE:

I. P. Forestry L.L.C., a
Washington Limited Liability Corporation

By Sue Ann

Its Manager



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STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

On this 16 day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gordon Iversen, to me known to be the Manager of I. P. Forestry, and acknowledged the foregoing instrument to be the free and voluntary act and deed of said limited liability corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the foregoing instrument on behalf of such limited liability corporation.

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



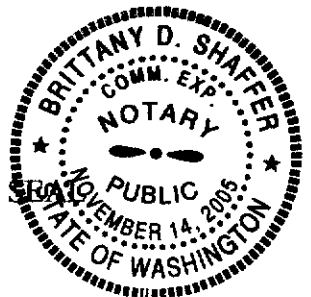
Joann Kaeding
(Print Name) Joann Kaeding
Notary Public in and for the State of Washington

My commission expires: 12-5-04

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

On this 13 day of March, 2004, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Larry G. Hower and I. Lynne Hower, known to me to be the individuals named in and who executed the foregoing document, and acknowledged to me that they signed the same as a free and voluntary act and deed for the uses and purposes therein mentioned.

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



Brittany D. Shaffer
(Print Name) Brittany Shaffer
Notary Public in and for the State of Washington

My commission expires: Nov 14 2005



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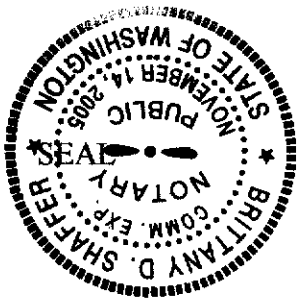
STATE OF WASHINGTON)

) ss

COUNTY OF SKAGIT)

On this 13 day of March, 2004, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Cliff Leight, known to me to be the individual named in and who executed the foregoing document, and acknowledged to me that he signed the same as a free and voluntary act and deed for the uses and purposes therein mentioned.

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



Brittany D Shaffer

(Print Name) Brittany D Shaffer
Notary Public in and for the State of Washington

My commission expires: Nov 14 2005



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EXHIBIT A1

"THE BURDENED PROPERTY"

Tax Parcel # 360322-2-006-0009

The Northwest Quarter of the Northwest Quarter of Section 22, Township 36 North, Range 3 East, W. M., lying Northeasterly of the County road, except the west 10 acres of the Northwest Quarter of the Northwest Quarter of said Section 22, lying North and Easterly of the right-of-way of the County Road, as same as was established and constructed on July 14, 1938 and except that portion conveyed to Larry G. Hower Etux by deed recorded August 14, 1978, under Auditor's File No. 885459. Also together with County road right-of-way running through property, described as follows: located in the Northwest Quarter of Section 22, Township 36 North, Range 3 East, W.M., that portion of unopened County right-of-way known as wood road #24400 being 60 feet in width lying Westerly of the center line of said Section 22 and continuing in a Northwesterly direction with the West line of said Section 22, per final order of vacation under resolution #R20020285, recorded under AF# 200208080139. Also except the West 140 feet of the following parcel: The Northwest Quarter of the Northwest Quarter of Section 22, Township 36 North, Range 3 East, W.M., lying Northeasterly of the County road, except the West 10 acres of the Northwest Quarter of the Northwest Quarter of said Section 22, lying North and Easterly of the right-of-way of the County road, as same as was established and constructed on July 14, 1938 and except that portion conveyed to Larry G. Hower Etux by deed recorded August 14, 1978, under auditor's file No. 885459. Also together with County road right-of-way running through property described as follows: located in the Northwest Quarter of the Section 22, township 36 North, Range 3 East, W.M., that portion of unopened County right-of-way known as Wood road #24400 being 60 feet in width lying westerly of the centerline of said section 22 and continuing in a Northwesterly direction with the West line of said Section 22, per final order of vacation under resolution #R20020285, recorded under AF#200208080139.

Tax Parcel # 360322-2-006-0108

That portion located in the Northwest Quarter of the Northwest quarter of the following described property: That portion of the Northwest Quarter of the Northwest Quarter and that portion of the Southwest quarter of the Northwest Quarter all in Section 22, Township 36 North, Range 3 East, W.M., being described as follows: Commencing at the Southwest corner of said Northwest Quarter of Section 22; thence North 0 degrees 36' 52" East along the Northerly extension of the West line of the Southwest Quarter of said Section 22, a distance of 1680.00 feet to the True Point of Beginning; thence south 0 degrees 38' 52" West along said extension, 655.00 feet; thence North 79 degrees 35' 00" East 750.00 feet; thence South 10 degrees 25' 00" East 600.00 feet; thence East 475 feet, more or less, to the East line of said Southwest Quarter of the Northwest Quarter; thence North along said East line and the East line of said Northwest Quarter of the Northwest Quarter to a point that is North 79 degrees 35' 00" East from the True Point of Beginning; Thence South 79 degrees 35' 00" West to the True Point of Beginning. Except that portion thereof lying westerly of the County road known as the Blanchard road or Legg road.



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EXHIBIT A2

“THE BURDENED PROPERTY”

Tax Parcel # 360322-2-007-0008

The West 10 acres of the Northwest Quarter of the Northwest quarter of Section 22, Township 36 North, Range 3 East, W.M., lying Northerly and Easterly of the right-of-way of the County road, as same was established and constructed on July 14, 1938. Also together with the West 140 feet of the following parcel: The Northwest Quarter of the Northwest Quarter of Section 22, Township 36 North, Range 3 East, W.M., lying Northeasterly of the County road, except the West 10 acres of the Northwest Quarter of the Northwest Quarter of said Section 22, lying North and Easterly of the right-of-way of the County road, as same as was established and constructed on July 14, 1938 and except that portion conveyed to Larry G. Hower Etux by deed recorded August 14, 1978, under Auditor's File # 885459. Also together with County road right-of-way running through property described as follows: Located in the Northwest Quarter of the Section 22, township 36 North, Range 3 East, W.M., that portion of unopened County right-of-way known as Wood road # 24400 being 60 feet in width lying Westerly of the centerline of said Section 22 and continuing in a Northwesterly direction with the West line of said Section 22, per final order of vacation under resolution #R20020285, recorded under AF#200208080139.



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EXHIBIT B

“THE BENEFITTED PROPERTY”

Tax Parcel # 360315-3-003-0009 and 360315-3-004-0008

The South Half of the Southwest Quarter of Section 15, Township 36 North, Range 3 East, W.M.

Situate in Skagit County, Washington.

Tax Parcel # 360322-2-002-0003

A strip of land 25 feet wide for roadway the Centerline of said strip described as follows:

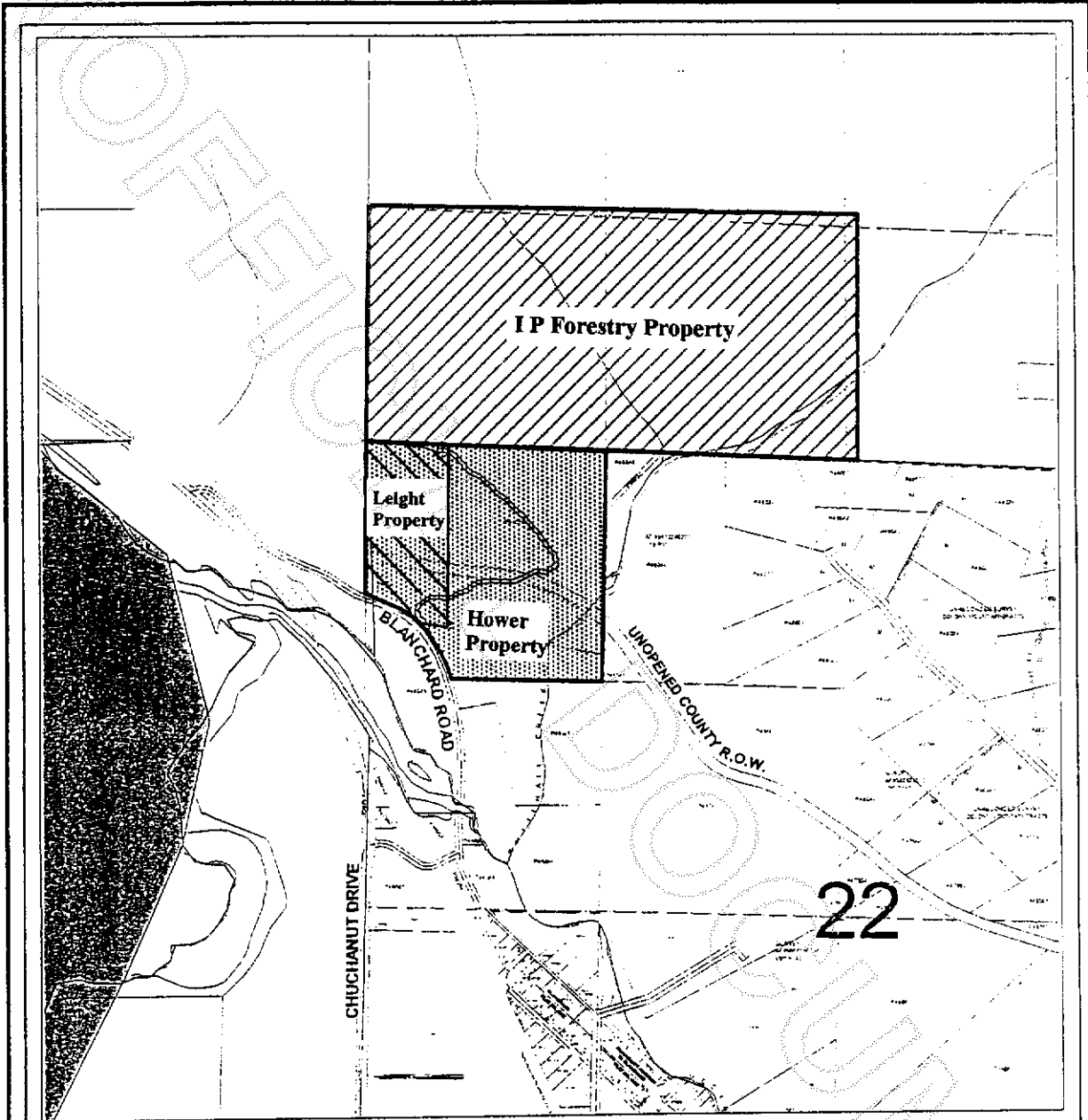
Beginning at a point 328 feet South of the Northwest corner of the Northeast Quarter of the Northwest Quarter, Section 22, Township 36 North, Range 3 East, W.M., thence Northeasterly to a point on the North line of said Northeast Quarter of the Northwest Quarter, 303 feet East of the Northwest corner thereof.

Situate in the County of Skagit, State of Washington.



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Legend

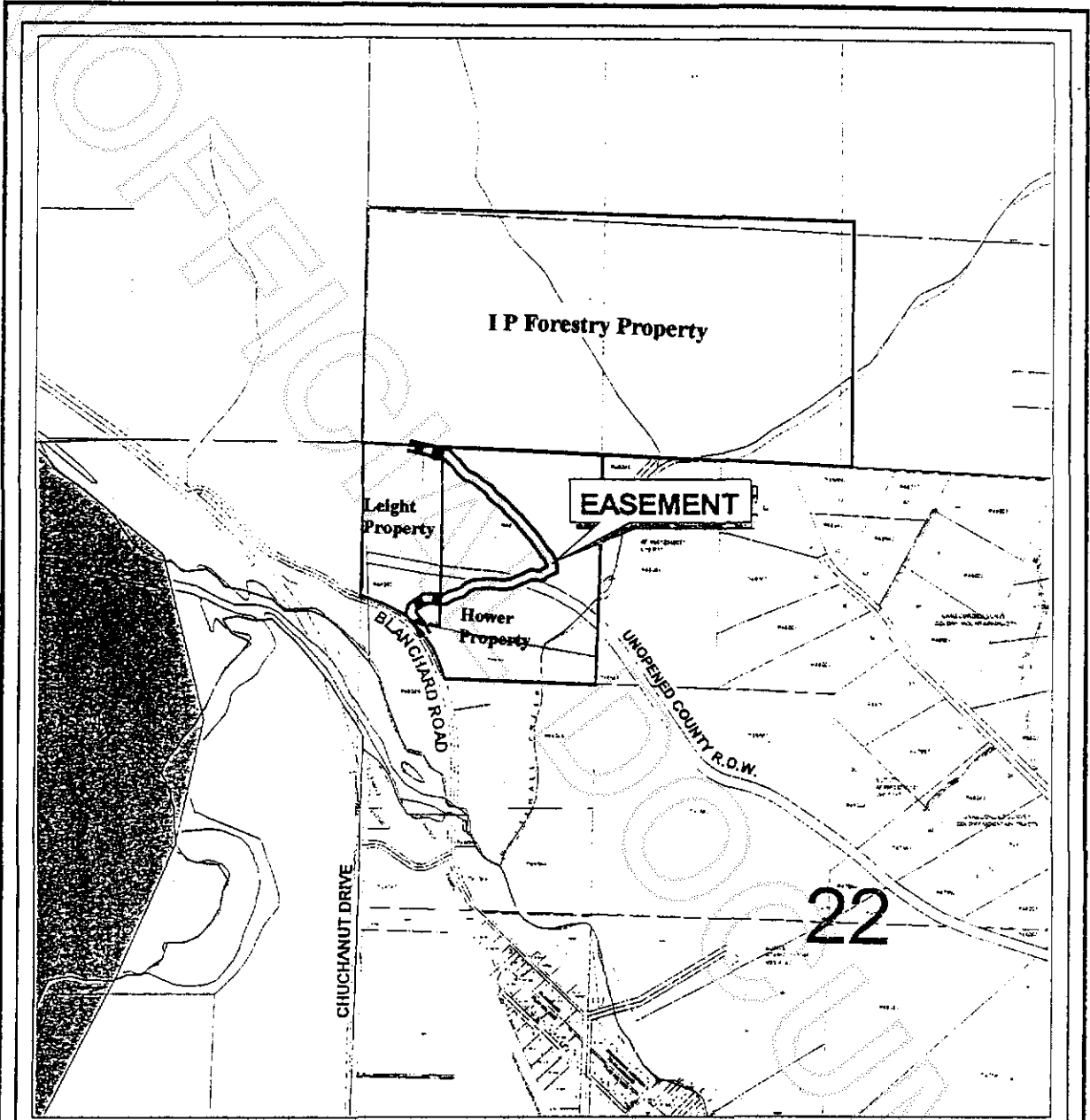
- Hower Property
- Leight property
- I P Forestry Property



EXHIBIT C
MAP OF PROPERTY
 SECTION 22 / 5 TOWNSHIP 36 RANGE 03



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Legend



Easement: Hower to IP Forestry



Easement: Leight to IP Forestry



EXHIBIT D
MAP OF EASEMENT AREA
 SECTION 22 / 5 TOWNSHIP 36 RANGE 03



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