

WHEN RECORDED RETURN TO:

Department of Natural Resources  
Asset Management & Protection Division  
Michele Melrose  
PO Box 47014  
Olympia, WA 98504-7014



200510070082  
Skagit County Auditor

10/7/2005 Page 1 of 8 9:48AM

# Chicago Title Insurance Company

701 5th Avenue - Suite 1700 - Seattle, Washington 98104

IC30936

## DOCUMENT TITLE(S)

Partial Assignment of Contract – Timberlands and Stumpage Sale Agreement

## REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

Additional numbers on page \_\_\_\_\_ of document

*unrecorded contract*

## GRANTOR(S):

Trillium Corporation

Additional names on page \_\_\_\_\_ of document

## GRANTEE(S):

State of Washington, acting through the Department of Natural Resources

Additional names on page \_\_\_\_\_ of document

## ABBREVIATED LEGAL DESCRIPTION

Portion Secs 1, 2, 3, 4, 9 and 10, T35N, R7E, W.M., Skagit County,

Complete legal description on page 5-6 of document

## ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): See attached

P42183

Additional tax parcel numbers on page 7 of document

(Check if applicable and sign below) I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

\_\_\_\_\_  
Signature

This cover sheet is for the County Recorder's indexing purposes only. The Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

PARTIAL ASSIGNMENT OF CONTRACT  
TIMBERLANDS AND STUMPAGE SALE AGREEMENT

This Agreement is between Trillium Corporation, a Washington corporation ("Trillium" or "Assignor") and the State of Washington, acting through the Department of Natural Resources ("Assignee").

Concurrent with this assignment, Assignor will transfer certain real property to Bennett Lumber Products Inc. which in turn will transfer the property to the Assignee pursuant to the terms of an exchange agreement between the Assignee and Bennett Lumber Products Inc dated June 25, 2005, known as the Russells Ranch property (the "Russells Property") and legally described in Exhibit A to this Agreement, which is encumbered by a certain timber deed dated September 25, 2001, from Trillium Corporation to IP Forestry recorder under AFN 200110050144 in Skagit County and subject to the terms of a certain contract called the TIMBERLANDS AND STUMPAGE SALE AGREEMENT between Trillium Corporation, as Seller, and C & G Timber, Inc., as Buyer (the "Contract"). C & G Timber, Inc. assigned its interest in the Contract to IP Forestry LLC on September 20, 2001.

Assignor wishes to assign its rights under the Contract in part to the extent such rights affect the Russells Property transferred to the Assignee, and Assignee is willing to assume Assignor's continuing obligations under the Contract to the extent such Contract obligations run with the Russells Property arising after the date of this assignment.

ASSIGNOR REPRESENTATIONS

Assignor makes the following representations and warranties regarding the Contract, which are deemed material to and relied upon by Assignee in accepting this assignment:

- A. The Contract is unmodified except as stated herein and is in full force and effect. A true and correct copy of the Contract, including modifications, is attached hereto as Exhibit B. Exhibit B represents the entire agreement between Trillium and IP Forestry LLC with respect to the timber rights and obligations affecting the Russells Property.
- August 1, 2001 Contract
  - September 20, 2001 First Amendment to Contract
  - October 4, 2001 Second Amendment to Contract
  - August 26, 2005 Third Amendment to Contract
- B. The term of the harvest rights under the Contract for timber on the Russells Property expires September 20, 2006, and IP Forestry LLC has no outstanding options to renew or extend the Contract with respect to the timber rights on the Russells Property and no options, rights of first refusal or rights of first offer to purchase the Russells Property.
- C. Neither Trillium nor IP Forestry LLC is in default under the Contract. Further, no event has occurred and no condition exists, which with the giving of notice or the lapse of time (or both), would constitute a default by Trillium or IP Forestry LLC under the Contract.

NOW THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns to Assignee Assignor's rights under the Contract in part, including but not limited to Seller's rights under sections 6.6, 6.7 and 9.3 of the Contract, to the extent such rights affect the Russells Property transferred to the Assignee. Assignor agrees to indemnify Assignee against and hold Assignee harmless from any and all liabilities, costs, losses, damages, claims or expenses, including, without limitation, reasonable attorney's fees, arising out of the obligations relating to the Russells Property under the Contract prior to the effective date of this assignment.
2. Assumption. Assignee hereby assumes Assignor's obligations relating to the Russells Property that run with the land arising under the Contract after the effective date of this assignment. Assignee agrees to indemnify Assignor against and hold Assignor harmless from



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any and all liabilities, costs, losses, damages, claims or expenses, including, without limitation, reasonable attorney's fees, arising out of the obligations assumed herein.

3. Effective Date. The effective date of this assignment shall be the date on which the last signature of the parties is executed below.

4. Counterparts. This assignment may be signed in counterparts.

ASSIGNOR:

ASSIGNEE:

TRILLIUM CORPORATION,  
a Washington corporation

STATE OF WASHINGTON,  
DEPARTMENT OF NATURAL RESOURCES

By David R. Syre  
Name: DAVID R SYRE  
Title: PRESIDENT

By [Signature]  
Name: Kit Metten  
Title: AMP DIVISION MANAGER

Date Signed: 9/12/05

Date Signed: 9/23/05

acknowledgements

CONSENT

IP Forestry, LLC, Inc. hereby consents to the above assignment.

IP FORESTRY, LLC,  
a Washington limited liability company

By Gordon Iverson  
Name: Gordon Iverson  
Title: Manager

Date Signed: 8/26/05

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

OCT 07 2005

Amount Paid \$  
Skagit Co. Treasurer:  
By [Signature] Deputy

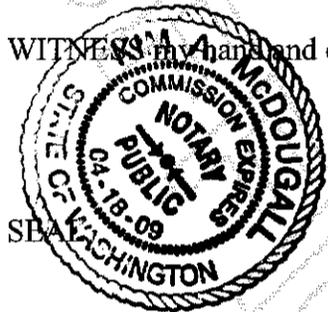


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STATE OF WASHINGTON }  
 }  
COUNTY OF WHATCOM } ss.

On this 12<sup>th</sup> day of September, 2005, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David r. Syre to me known to be the President of Trillium Corporation, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned.

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



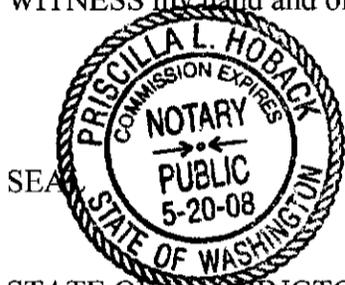
Kim A. McDougall  
KIM A. MCDUGALL  
Notary Public in and for the State of Washington

My commission expires: 4.18.09

STATE OF WASHINGTON }  
 }  
COUNTY OF Thurston } ss.

On this 23<sup>rd</sup> day of September, 2005, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kit Metten to me known to be the AMP Division Manager of the State of Washington Department of Natural Resources, who executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned.

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



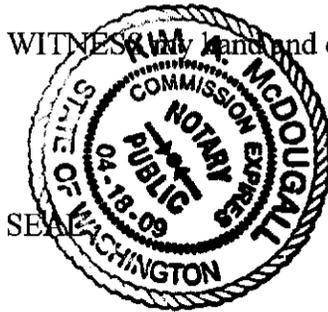
Priscilla L. Hoback  
Priscilla L. Hoback  
Notary Public in and for the State of Washington

My commission expires: 5/20/2008

STATE OF WASHINGTON }  
 }  
COUNTY OF WHATCOM } ss.

On this 26<sup>th</sup> day of August, 2005, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gordon Iverson to me known to be the Manager of IP Forestry, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned.

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



Kim A. McDougall  
KIM A. MCDUGALL  
Notary Public in and for the State of Washington

My commission expires: 4.18.09



EXHIBIT A  
LEGAL DESCRIPTION  
OF  
RUSSELLS RANCH PROPERTY

PARCEL 1 (350701) (OLD 54)

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; GOVERNMENT LOTS 3 AND 4, SECTION 1, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT COUNTY ROAD;  
ALSO EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY FOR ROAD BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 2

THE NORTH HALF; THE NORTH HALF OF THE SOUTHWEST QUARTER; AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026, RECORDS OF SKAGIT COUNTY, WASHINGTON;  
TOGETHER WITH A TRACT OF LAND LYING WITHIN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2 TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHEAST CORNER OF SAID QUARTER QUARTER;  
THENCE NORTH 00°03'54" EAST ALONG THE EAST LINE OF SAID QUARTER QUARTER A DISTANCE OF 952.00 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH 89°56'06" WEST A DISTANCE OF 435.60 FEET;  
THENCE SOUTH 00°03'54" WEST A DISTANCE OF 218.87 FEET;  
THENCE NORTH 89°56'06" WEST A DISTANCE OF 446.83 FEET;  
THENCE NORTH 00°03'54" EAST TO THE NORTH LINE OF SAID QUARTER QUARTER;  
THENCE EASTERLY ALONG SAID NORTH LINE TO THE NORTHEAST CORNER OF SAID QUARTER QUARTER;  
THENCE SOUTH 00°03'54" WEST ALONG THE EAST LINE OF SAID QUARTER QUARTER TO THE POINT OF BEGINNING;  
TOGETHER WITH A 60 FOOT EASEMENT FOR INGRESS, EGRESS AND UTILITIES, OVER AND ACROSS A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, THE CENTERLINE OF SAID 60 FOOT EASEMENT BEING DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHEAST CORNER OF SAID QUARTER QUARTER;  
THENCE NORTH 00°03'54" EAST ALONG THE EAST LINE OF SAID QUARTER QUARTER AND THE CENTERLINE OF GALLAGHER ROAD A DISTANCE OF 166.17 FEET;

CONTINUED.....



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**EXHIBIT 'A' CONTINUED:**

THENCE NORTH 70°27'49" WEST A DISTANCE OF 31.82 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF GALLAGHER ROAD AND THE TRUE POINT OF BEGINNING OF THIS EASEMENT CENTERLINE DESCRIPTION;  
THENCE NORTH 70°27'49" WEST A DISTANCE OF 462.02 FEET;  
THENCE NORTH 00°03'54" EAST A DISTANCE OF 402.35 FEET TO THE TERMINUS OF THIS EASEMENT CENTERLINE DESCRIPTION.  
SITUATED IN SKAGIT COUNTY, WASHINGTON

**PARCEL 3 (350703) (OLD 54)**

THE NORTH HALF; THE SOUTH HALF OF THE SOUTHWEST QUARTER; NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTH HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 3, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THOSE PORTIONS CONVEYED TO SKAGIT COUNTY BY DEEDS RECORDED JULY 9, 1970 AND SEPTEMBER 20, 1971, UNDER AUDITOR'S FILE NOS. 741026 AND 758244 RECORDS OF SKAGIT COUNTY, WASHINGTON, RESPECTIVELY;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

**PARCEL 4 (350704) (OLD 54)**

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

**PARCEL 5 (350709) (OLD 54)**

THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN.  
SITUATED IN SKAGIT COUNTY, WASHINGTON

**PARCEL 6 (350710) (OLD 54)**

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

SITUATED IN SKAGIT COUNTY, WASHINGTON

- END OF EXHIBIT "A" -



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**EXHIBIT B TO STATUTORY WARRANTY DEED  
(Russells Ranch Tax Parcel Numbers)**

**PARCEL 1**

P42183  
P42184  
P42186  
P42188

**PARCEL 2**

P42207  
P42206  
P42205  
P42204  
P42209  
P42208  
P42210  
P42214  
P121468

**PARCEL 3**

P42224  
P42223  
P42222  
P42221  
P42226  
P121684  
P121685  
P42225  
P121686  
P121687  
P42230

**PARCEL 4**

P42236  
P42254

**PARCEL 5**

P42334

**PARCEL 6**

P42365



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EXHIBIT B  
COPIES OF CONTRACT  
AND  
ALL AMENDMENTS

INTENTIONALLY NOT RECORDED



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