

**AFTER RECORDING RETURN TO:**  
Department of Natural Resources  
Asset Management & Protection Division  
Michele Melrose  
PO Box 47014  
Olympia, WA 98504-7014



200510070083  
Skagit County Auditor

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**CHICAGO TITLE IC30936**

**STATUTORY WARRANTY DEED**  
Skagit County

Grantor: TRILLIUM CORPORATION  
Grantee: BENNETT LUMBER PRODUCTS, INC.  
Abbreviated  
Legal Description: Ptn Secs 1, 2, 3, 4, 9 and 10, T35N, R7E, W.M.,  
Skagit County, Washington.  
Legal Description: See Exhibit A  
Tax Parcel Number: P42183  
Additional Tax Numbers: See Exhibit B

#5622  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

OCT 07 2005

Amount Paid \$ 74131.98  
By Skagit Co. Treasurer  
Copy

THE GRANTOR, TRILLIUM CORPORATION, a Washington corporation, for Ten Dollars and other good and valuable consideration, hereby conveys and warrants to Bennett Lumber Products, Inc., an Idaho corporation, the real property situated in Skagit County, State of Washington legally described on Exhibit A attached hereto.

Notwithstanding the identification of a certain Bargain and Sale Deed dated December 14, 1989 between Crown Pacific, LTD, as Grantor, and Trillium Corporation, as Grantee, recorded under AFN 8912140077 in Skagit County (Crown Bargain and Sale Deed) as a exception(s) 6, 14, 15, 25, and 35 in Exhibit D to this deed, Grantor further conveys and warrants to Grantee any and all rights to timber standing or fallen associated with the property legally described in Exhibit B to the Crown Bargain and Sale Deed. Trillium was the recipient of a timber deed dated December 14, 1989 from Crown Pacific, LTD recorded under AFN 891210078 (Crown Timber Deed). Trillium represents and warrants that except for those rights conveyed to IP Forestry, LLC under that certain Timberlands and Stumpage Sale Agreement dated August 1, 2001, it has not conveyed to any other party the timber rights conveyed to Trillium under the Crown Timber Deed and that Trillium has the right to convey such timber rights to Grantee herein. Trillium hereby indemnifies Grantee against any and all claims that may arise relating to the timber rights associated with the property legally described in Exhibit B to the Crown Bargain and Sale Deed. It is anticipated that Grantee shall further convey the Exhibit A property to the State of Washington, Department of Natural Resources. The State of Washington shall be deemed a third party beneficiary of the representation, warranty, conveyance and indemnity contained in this paragraph.



**EXHIBIT A TO STATUTORY WARRANTY DEED  
(Russells Ranch Property Legal Description)**

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 SOUTHWEST 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 SOUTHWEST QUARTER OF THE SOUTHWEST 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 SOUTHWEST 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 POIN 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 QURTER 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 UTILITITES, OVER AND ACROSS A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST 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 SOUTHWEST CORNER OF SAID QUARTER QUARTER; THENCE NORTH 00°03'54" EAST ALONG THE EAST LINE OF SAID QUARTER QUARTER AND THE CENTERLINE OF GALLAGHAR 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 C-1

ROCK, SAND AND GRAVEL RESERVATION

Subject to the Grantee's right to extract rock, sand and gravel as provided herein, Grantor hereby reserves a right to extract all Rock as defined herein located on the parcels conveyed under the deed to which this exhibit is attached. (Reservation Parcels).

**Term.** The term of this reservation shall be seventy-five years.

**Rock Reservation.** This reservation shall include sand, clay, gravel, aggregate, granite, stone, and rock, including decorative rock (hereafter "Rock").

**Transfers.** The rights and obligations of Grantor and Grantee shall run with the land and bind and benefit all subsequent owners of the Rock or fee interest.

**Interference with Surface Estate.** Grantor shall not unreasonably interfere with the Grantee's or subsequent surface owner's use of the Reservation Parcels and shall use only so much of the surface property as may be reasonably necessary to exercise the rights reserved herein. Grantor shall give the surface owner at least 180 days advance written notice of all operations conducted under this reservation (other than those which are irregular, of brief duration, and which will not cause significant damage to the surface estate).

**Grantee's Right to Rock.** Notwithstanding this reservation, Grantee shall have a right to extract Rock for its own use in the following amounts for the construction or maintenance of roads located on the Reservation Parcels or other lands owned by Grantee. This Rock Reservation is part of an exchange by which Grantor conveyed land in both Skagit and Snohomish Counties to Grantee with a similar Rock Reservation. Grantee shall have a right to extract 60,000 cubic yards of Rock from the parcels conveyed under the exchange in both Skagit and Snohomish Counties identified on Exhibit C-2 to this reservation each year. The 60,000 cubic yards can come from one or both of the parcels identified on Exhibit C-2 with the only limitation that the Grantee shall not extract more than 60,000 cubic yards each year from both parcels identified on Exhibit C-2. Failure to extract the authorized amount in one year shall not carry over and allow the Grantee to exceed the limitation on each years extraction amount. Grantee shall give Grantor 180 days advance written notice of Grantee's intent to extract Rock, which notice shall identify the locations of the operations and the amount of Rock to be extracted. Grantee shall notify Grantor in writing of the actual amount extracted during a year. The Production Royalty as described hereafter shall not apply to the extraction of Rock by Grantee as authorized herein for its use in constructing roads.

**Permittees.** Grantor and Grantee may permit its respective employees, agents, contractors, licensees, lessees, Purchasers of Rock, individually referred to as "Permittee" and collectively referred to as "Permittees", to exercise the rights reserved and conveyed by and to each herein. Acts of the Grantor's Permittees operating under this reservation shall be deemed an act of the Grantor. Restrictions or requirements placed on the Grantor herein shall apply equally to the Permittees.

**Roads.** Grantor also reserves the right to construct new roads and use/reconstruct existing roads over the Reservation Parcels as provided herein.

New Road Construction and Reconstruction. Grantor shall have a right to construct and reconstruct road(s) to be no more than forty (40) feet in width. All such roads shall be to forest practice standards.



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Grantor shall coordinate the location of all such roads with the owner of the surface estate prior to construction to minimize interference with the surface estate. The surface estate owner shall be entitled to the stumpage value of any merchantable timber that is removed as part of the road construction/reconstruction. Any dispute relating to timber value shall be resolved by arbitration as hereafter provided. The surface owner and its Permittees shall have right to use roads constructed by Grantor subject to the restrictions set forth hereafter.

**Road Maintenance.** Grantor and Grantee shall share maintenance responsibility for roads as provided hereafter. Maintenance is defined as work normally necessary to preserve and keep the Roads in their present condition or as hereafter improved. At a minimum, the roads will be maintained to meet forest practice standards set forth in WAC 222-24-050 as now written or hereafter amended. When a road is being used solely by one party, that party shall be solely responsible for maintaining that portion of the road so used to the standards existing at the time sole use is commenced until joint use begins.

During periods when either party and/or other parties with an easement or license jointly use the Road(s), or any portion thereof, the cost of maintenance and resurfacing shall be allocated among such users on the basis of their respective use including that of their Permittees. During periods of joint maintenance, the users shall meet at times to be set by mutual agreement and establish necessary maintenance provisions. Such provisions shall include, but not be limited to the following:

1. The appointment of a maintainer, which may be one of the parties or any third party, to perform or contract the maintenance.
2. The extent of resurfacing necessary to keep the Road safe and to reduce environmental impacts.
3. A method of payment by which each party using the Road or a portion thereof shall pay its pro rata share of the cost of maintenance and resurfacing.

**Road Repairs.** Each party shall repair, or cause to be repaired at its sole cost, that damage to roads arising out of that entity's use that is in excess of that which it would cause through normal and prudent usage. Should damage be caused by an unauthorized user, the cost of repair shall be treated as ordinary maintenance and handled as set forth above.

**Road Improvements.** Grantor will not make road improvements to the Reservation Parcels without prior written consent of the surface estate owner, which shall not be unreasonably withheld. Unless the parties agree in writing to share the cost of improvements, improvements shall be at the sole expense of the improver.

**Production Royalty.** Grantor hereby conveys to Grantee a perpetual, undivided six percent (6%) of one hundred percent non-participating interest in any and all revenues and/or gross proceeds received from the commercial development or extraction of Rock to be calculated and paid in accordance with the provisions described below (hereinafter, the "Production Royalty"). The rights granted herein shall burden and run with the Reservation Parcels.

**No duty to Extract.** Nothing contained herein shall constitute an affirmative covenant or obligation of Grantor to operate or produce revenue from the extraction of Rock from the Reservation Parcels that would be subject to the Production Royalty. Grantor shall not be personally liable for the payment and discharge of payments due under this Production Royalty provision after Grantor has transferred its reservation interest in the Reservation Parcels.

**Transfer of Royalty.** Grantee may freely transfer, sell, assign or otherwise dispose of its entire interest in



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the Production Royalty (but not less than its entire interest); provided, however, that Grantor shall have no obligation to transmit the Production Royalty to any party other than the Grantee until the Grantee, its successors and assigns shall have provided Grantor with written notice of a transfer, sale or assignment of the Production Royalty, together with a copy of the applicable instruments of sale or conveyance.

**Commencement.** Upon commencement of commercial production from the Reservation Parcels by Grantor, Grantee shall be entitled to a Production Royalty for each short ton (2,000 pounds, hereafter "Unit") of Rock removed or extracted from the Reservation Parcels, including material sold or transferred to subsidiary or affiliated companies, without contributing to any of the costs associated with the commercial operation or participating in the operation in any way.

**Affiliates.** For material transferred to a subsidiary or affiliate, the Production Royalty shall be six (6) percent of the External Price per Unit. The External Price shall be based on the average of the actual dollar value paid per Unit by customers other than companies directly or indirectly owned, operated, or controlled by Grantor or its parent, subsidiary or affiliated companies (External Price). The External Price shall be calculated monthly based on all sales for the month in which the material was removed. The Production Royalty shall apply to Units put to use in an authorized concrete or asphalt batch plant by a subsidiary or affiliated company. At least once annually, Grantee shall have the right to hire a mutually agreed upon third party accounting firm, at Grantee's sole cost, to audit Grantor's records and verify the Units sold and the External Price.

**Payment.** Grantor shall pay, or require the Permittee to pay, to Grantee, its successor's or assigns the Production Royalty on or before forty-five (45) days after the end of each calendar quarter. Production Royalty payments shall be accompanied by a statement showing in reasonable detail the computation and derivation of such payments. All such payments and records shall be sent to Grantee at the address provided in that section entitled Notice.

**Damage to Surface Estate.** As a condition of operating under this reservation, Grantor shall pay to the surface owner reasonable compensation for all actual damage caused by the operations to (1) improvements owned by the surface owner, and (2) growing crops and timber (whether merchantable or pre-merchantable), such payments to be made in advance of destruction of improvements or removal of the crops or timber. In addition, if the Grantor conducts operations requiring substantial use of the surface for more than one year other than for what is permitted under the Surface Mining Permit, Grantor shall pay the surface owner a damage payment equal to the bare land fair market value of the portion of the Reservation Parcels so used for the period of use beyond one year, such payment to be made annually in arrears beginning at the end of the second year. Such payments shall be prorated where less than a full year is involved. Disputes relating to the amount of compensation due shall be resolved according to the Dispute Resolution process set forth below. Grantor right to operate shall not be post-poned pending resolution of any dispute relating to compensation hereunder.

**Dispute Resolution.** In the event of a dispute relating to payment of compensation for crops/timber or damage to the surface estate, Grantor and Grantee shall attempt to resolve the matter through negotiation. If the parties can not agree within sixty days, either party may demand in writing that the matter be submitted to a panel of arbitrators consisting of appraisers qualified to render an opinion of value on crops/timber, improvements and/or land as applicable. Each party shall hire and appoint one appraiser and be solely responsible for the cost of that appraiser. The two appraisers shall then select and appoint a third appraiser, whose cost shall be equally shared by both parties. If within forty-five (45) days of beginning the arbitration process, either party fails to appoint an appraiser or the two appointed appraisers fail within forty-five days to agree on the choice of the third appraiser, either party may file an action in Superior Court to have the necessary qualified person appointed. The cost of such action shall be equally shared by the parties. The three appraisers shall proceed to diligently determine the value of payment due and complete their assignment within sixty days following designation of the third appraiser. The panel



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shall deliver a written report of its determination to the parties. If the panel can not come to agreement, the amount shall be the average of the two closest appraised values. The parties shall be bound by this determination.

**Indemnity.** Grantor releases and shall indemnify and defend (with counsel acceptable to Grantee) Grantee, its employees, officers, and agents from and against any and all claims arising out of the use, occupation or control of the Reservation Parcels by Grantor, its agents, employees, and Permittees. A "claim" as used in this subsection means any claim of any nature whatsoever for penalties, financial loss, damages (including but not limited to bodily injury, sickness, disease or death, or injury to or destruction of property, land and other natural resources including the loss of use thereof), costs or expenses (including but not limited to attorney's fees), whether or not resulting in a suit or action or reduced to judgment. This release and the obligation to indemnify shall not be eliminated or reduced by the concurrent negligence of Grantee, its officials, employees, or agents, except as provided in this subsection. To the extent that RCW 4.24.115 applies, Grantor shall not be required to indemnify Grantee from Grantee's sole or concurrent negligence. Grantor waives its immunity under Title 51 to the extent it is required to indemnify the Grantee herein.

**Insurance Requirements.** Grantor shall, prior to engaging in or allowing others to engage in the extraction of Rock, at its sole cost, buy and maintain insurance or require the Permittee to acquire and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance shall be a material breach of a term of this reservation.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the department's risk manager. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

Grantee shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications:

1. Insurers subject to Chapter 48.18 RCW (admitted and regulated by the Insurance Commissioner): The insurer shall give Grantee 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, Grantee shall be given 10 days advance notice of cancellation.
2. Insurers subject to Chapter 48.15 RCW (surplus lines): Grantee shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, Grantee shall be given 10 days advance notice of cancellation.

Before starting work, Grantor shall furnish Grantee with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements specified in this reservation and, if requested, copies of policies to Grantee.

Grantor shall include all subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Grantor's liability or responsibility.

Grantee, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella, and property insurance policies.



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All insurance provided in compliance with this reservation shall be primary as to any other insurance or self-insurance programs afforded to or maintained by Grantee.

Grantor waives all rights against Grantee for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this reservation. Grantor covenants that no insurer shall hold any right of subrogation against the Grantee, except in the case (and only in the case) that such waiver of subrogation invalidates coverage under such policy. Where required by the policy, Grantor shall obtain an endorsement to evidence this waiver of subrogation by the insurance company against the Grantee and the Grantee's officials, employees, and agents.

If Grantor is self-insured, evidence of its status as a self-insured entity shall be provided to Grantee. If requested by Grantee, Grantor must describe its financial condition and the self-insured funding mechanism.

By requiring insurance herein, Grantee does not represent that coverage and limits will be adequate to protect Grantor, and such coverage and limits shall not limit grantor's liability under the indemnities and reimbursements granted to Grantee in this reservation.

The limits of insurance, which may be increased by Grantee, as deemed necessary, shall not be less than as follows:

Commercial General Liability (CGL) Insurance. Grantor shall maintain general liability (CGL) insurance covering claims for bodily injury, personal injury, or property damage arising on the property and/or out of Grantor's operations and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

*CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insured (cross liability) condition.*

Employer's Liability ("Stop Gap") Insurance. Grantor shall buy employers liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Workers' Compensation Coverage. Grantor shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Grantor and employees of any Permittee or subcontractor or sub-subcontractor. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the performance of this reservation. Except as prohibited by law, Grantor waives all rights of subrogation against Grantee for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Grantor, its Permittee, subcontractor or sub-subcontractor fails to comply with all State of Washington workers' compensation statutes and regulations and Grantee incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Grantor shall indemnify Grantee.



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Indemnity shall include all fines, payment of benefits to Grantor or Permittee, subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

**Business Auto Policy (BAP).** Grantor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of "Any Auto." Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Grantor waives all rights against Grantee for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

**Financial Assurance.** Prior to the commencing operations, Grantor is required to provide to Grantee one or more surety bond(s) or letters of credit (Surety) acceptable to Grantee in an amount sufficient to assure reclamation of the affected parcel. The amount of the Surety will be based on the costs of full execution of reclamation, and may be adjusted once every five (5) years to ensure adequate funding is available to complete the activities. The Surety will be deposited with Grantee to remain in effect until the appropriate phase of reclamation is complete and all associated costs have been paid in full, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and materialmen. Performance security provided by Grantor in full compliance with RCW 78.44.087 shall be deemed sufficient to satisfy the requirements of this paragraph.

**Conformance With Laws.** *Grantor shall cause all operations carried out under this reservation to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction. In no event shall Grantor undertake or suffer any activity to be conducted that constitutes a nuisance or that is a threat to the health or welfare of the general public.*

**Governing Law.** This reservation shall be construed, interpreted and enforced pursuant to the laws of the State of Washington. Venue shall be in the county in which the real property is located. The terms of this reservation shall be given their ordinary meaning and shall not be presumed construed in favor of or against either party hereto.

**No Partnership.** Notwithstanding the Production Royalty provision, Grantee is not a partner nor a joint venturer with the Grantor in connection with the activities conducted and business carried on under this reservation, and Grantee shall have no obligation with respect to the Grantor's debts or other liabilities.

**Termination.** If Grantor fails to cure a material breach of this reservation within sixty (60) days (except as provided hereafter) of notice of default (Cure Period), Grantee may seek an order terminating the reservation and forfeiture of any remaining Rock on the Reservation Parcels in addition to any and all other remedies available at law or equity. If a breach is not reasonably capable of being cured within the Cure Period for reasons other than lack of or failure to expend funds, Grantor shall commence to cure the default within the Cure Period and diligently pursue such action necessary to complete the cure.

**Notices and Submittals.** Any notice or submittal given under this reservation shall be deemed received when delivered by hand or five (5) days after deposit in the United States mail with first-class postage affixed, addressed as noted. Changes of address may be given in accordance with this section. Any notice or submittal given under this Agreement shall be:



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To Grantee: DEPARTMENT OF NATURAL RESOURCES  
Asset Management  
PO Box 47014  
Olympia, WA 98504-7014

To Grantor: Trillium Corporation  
4350 Cordata Parkway  
Bellingham, WA 98226  
Attn: Randy Bartelt



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**EXHIBIT C-2 TO STATUTORY WARRANTY DEED  
PARCEL SUBJECT TO ROCK RESERVATION  
(Russells Ranch)**

**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 LNE OF SAID QUARTER QUARTER A DISTANCE OF 952.00 FEET TO THE TRUE POIN 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 QURTER 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 UTILITITES, 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 GALLAGHAR ROAD A DISTANCE OF 166.17 FEET;

CONTINUED.....



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**EXHIBIT 'C-2' 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 C-2



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**EXHIBIT D TO STATUTORY WARRANTY DEED  
EXCEPTIONS**

1. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: FEBRUARY 10, 1939  
AUDITOR'S NO.: 309963, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 1
  
2. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED;  
FROM: RUFUS H. ROYS AND KATE L. ROYS, HIS WIFE  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO.: 53744, RECORDS OF SKAGIT COUNTY, WASHINGTON  
AFFECTS: PARCEL 1
  
3. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED;  
FROM: ERNEST N. SALLING AND LOTTIE A. SALLING  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO.: 53746, RECORDS OF SKAGIT COUNTY, WASHINGTON  
AFFECTS: PARCEL 1
  
4. PIPELINE AND WATER RIGHTS EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: SEPTEMBER 10, 1973  
AUDITOR'S NO.: 790570, RECORDS OF SKAGIT COUNTY, WASHINGTON
  
5. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO.: 8907070037, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: SCOTT PAPER COMPANY  
AFFECTS: PARCEL 1
  
6. MINERAL AND/OR ROAD RESERVATIONS AS CONTAINED IN DEED;  
FROM: CROWN PACIFIC, LTD.  
RECORDED: DECEMBER 14, 1989  
AUDITOR'S NO.: 8912140077, RECORDS OF SKAGIT COUNTY, WASHINGTON  
AFFECTS: PARCEL 1  
(THE TIMBER RESERVATION HAS EXPIRED)

CONTINUED.....



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EXHIBIT D CONTINUED

7. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO.: 288260, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 2
8. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED;  
FROM: THREE RIVERS TIMBER COMPANY  
RECORDED: JULY 7, 1989  
AUDITOR'S NO.: 8907070041, RECORDS OF SKAGIT COUNTY, WASHINGTON  
AFFECTS: PARCEL 2
9. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: RUFUS H. ROYS AND KATE L. ROYS, HIS WIFE  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53744 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 2
10. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: ERNEST N. SALLING AND LOTTIE A. SALLING,  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53746 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 2
11. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
AUDITOR'S NO: 781761, 8504260011, 8701020008 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE OF WASHINGTON  
AFFECTS: PARCEL 2
12. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070037 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SCOTT PAPER COMPANY  
AFFECTS: PARCEL 2

continued.....



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EXHIBIT D CONTINUED

13. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: THREE RIVERS TIMBER COMPANY  
AFFECTS: PARCEL 2
14. ROAD RESERVATIONS AS CONTAINED IN DEED  
FROM: CROWN PACIFIC, LTD.  
RECORDED: DECEMBER 14, 1989  
AUDITOR'S NO: 8912140077 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 2  
(THE TIMBER RESERVATION HAS EXPIRED)
15. MINERAL AND/OR ROAD RESERVATIONS AS CONTAINED IN DEED  
FROM: CROWN PACIFIC, LTD.  
RECORDED: DECEMBER 14, 1989  
AUDITOR'S NO: 8912140077 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 2  
(THE TIMBER RESERVATION HAS EXPIRED)
16. NONEXCLUSIVE RIGHT AND LICENSE TO USE ACCESS ROAD AND THE  
TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 31, 2000  
AUDITOR'S NO: 200007310104 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SHAMROCK LANDS, INC.  
AFFECTS: PARCEL 2
17. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED  
BY INSTRUMENT(S);  
RECORDED: JUNE 30, 1929  
AUDITOR'S NO(S): 185344, RECORDS OF SKAGIT COUNTY,  
WASHINGTON  
IN FAVOR OF: PUGET SOUND POWER & LIGHT COMPANY  
FOR: ELECTRIC TRANSMISSION AND/OR  
DISTRIBUTION LINE, TOGETHER WITH  
NECESSARY APPURTENANCES  
AFFECTS: THE SOUTHEAST QUARTER OF THE  
SOUTHEAST QUARTER OF SECTION 2,  
TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE  
WILLAMETTE MERIDIAN

continued.....



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EXHIBIT D CONTINUED

18. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED BY INSTRUMENT(S);  
RECORDED: OCTOBER 17, 1938  
AUDITOR'S NO(S).: 306700, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
FOR: CONSTRUCTION AND MAINTENANCE OF A ROAD  
AFFECTS: THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN
19. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED BY INSTRUMENT(S);  
RECORDED: APRIL 4, 1978  
AUDITOR'S NO(S).: 876721, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: HOMER BOSSART AND ROSEMARIE BOSSART, HUSBAND AND WIFE  
FOR: WATERLINE  
AFFECTS: THE EAST 20 FEET OF THE SOUTH 352 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN
20. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED BY INSTRUMENT(S);  
RECORDED: APRIL 4, 1978  
AUDITOR'S NO(S).: 876721, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: RALPH B. DEXTER  
FOR: INGRESS, EGRESS AND UTILITIES  
AFFECTS: THE EAST 20 FEET OF THE SOUTH 352 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN

CONTINUED.....



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EXHIBIT D CONTINUED

22. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED BY INSTRUMENT(S);  
RECORDED: FEBRUARY 27, 2004  
AUDITOR'S NO(S).: 200402270072, RECORDS OF SKAGIT COUNTY, WASHINGTON  
IN FAVOR OF: JAMES W. JOHNSON AND MARY E. JOHNSON, HUSBAND AND WIFE  
FOR: EASEMENT AGREEMENT
23. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO: 288259 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 3
24. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO: 288260 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 3
25. MINERAL AND/OR ROAD RESERVATIONS AS CONTAINED IN DEED FROM:  
FROM: CROWN PACIFIC, LTD.  
RECORDED: DECEMBER 14, 1989  
AUDITOR'S NO: 8912140077 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 3  
(THE TIMBER RESERVATION HAS EXPIRED)
26. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED FROM:  
FROM: THREE RIVERS TIMBER COMPANY  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 3

continued.....



EXHIBIT D CONTINUED

27. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: RUFUS H. ROYS AND KATE L. ROYS, HIS WIFE  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53744 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 3
28. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: ERNEST N. SALLING AND LOTTIE A. SALLING,  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53746 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 3
29. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
AUDITOR'S NO: 781761, 8504260011, 8701020008 RECORDS OF  
SKAGIT COUNTY  
IN FAVOR OF: STATE OF WASHINGTON  
AFFECTS: PARCEL 3
30. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070037 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SCOTT PAPER COMPANY  
AFFECTS: PARCEL 3
31. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: THREE RIVERS TIMBER COMPANY  
AFFECTS: PARCEL 3
32. NONEXCLUSIVE RIGHT AND LICENSE TO USE ACCESS ROAD AND THE  
TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 31, 2000  
AUDITOR'S NO: 200007310104 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SHAMROCK LANDS, INC.  
AFFECTS: PARCEL 3

continued.....



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EXHIBIT D CONTINUED

33. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO: 288259 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 4
34. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO: 288260 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 4
35. MINERAL AND/OR ROAD RESERVATIONS AS CONTAINED IN DEED  
FROM: CROWN PACIFIC, LTD.  
RECORDED: DECEMBER 14, 1989  
AUDITOR'S NO: 8912140077 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 4  
(THE TIMBER RESERVATION HAS EXPIRED)
36. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: THREE RIVERS TIMBER COMPANY  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 4
37. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: RUFUS H. ROYS AND KATE L. ROYS, HIS WIFE  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53744 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 4
38. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: ERNEST N. SALLING AND LOTTIE A. SALLING,  
RECORDED: OCTOBER 4, 1905  
AUDITOR'S NO: 53746 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 4

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EXHIBIT D CONTINUED

39. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
AUDITOR'S NO: 781761, 8504260011, 8701020008 RECORDS OF  
SKAGIT COUNTY  
IN FAVOR OF: STATE OF WASHINGTON  
AFFECTS: PARCEL 4
40. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070037 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SCOTT PAPER COMPANY  
AFFECTS: PARCEL 4
41. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: THREE RIVERS TIMBER COMPANY  
AFFECTS: PARCEL 4
42. ELECTRIC TRANSMISSION LINE EASEMENT AND THE TERMS AND  
CONDITIONS THEREOF;  
RECORDED: SEPTEMBER 2, 1925  
AUDITOR'S NO: 187035 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: PUGET SOUND POWER AND LIGHT COMPANY  
AFFECTS: PARCEL 5
43. ELECTRIC TRANSMISSION LINE EASEMENT AND THE TERMS AND  
CONDITIONS THEREOF;  
AUDITOR'S NO: 188884 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: PUGET SOUND POWER AND LIGHT COMPANY  
AFFECTS: PARCEL 5
44. LOGGING ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: AUGUST 23, 1918  
AUDITOR'S NOS.: 127185 AND 127187 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 5
45. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: THREE RIVERS TIMBER COMPANY  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 5

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EXHIBIT D CONTINUED

46. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: W.M. LINDSEY AND EMMA S. LINDSEY,  
RECORDED: JUNE 16, 1904  
AUDITOR'S NO: 48613 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 5
47. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: W.M. LINDSEY AND EMMA S. LINDSEY, HIS WIFE  
RECORDED: JUNE 2, 1906  
AUDITOR'S NO: 57466 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 5
48. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED  
FROM: MARTIN N. BRADY, AS EXECUTOR  
RECORDED: MARCH 9, 1937  
AUDITOR'S NO: 287466 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 5
49. PIPELINE EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: AUGUST 1, 1965  
AUDITOR'S NO: 670273 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: BECHTEL CORPORATION  
AFFECTS: PARCEL 5
50. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: THREE RIVERS TIMBER COMPANY  
AFFECTS: PARCEL 5
51. NONEXCLUSIVE RIGHT AND LICENSE TO USE ACCESS ROAD AND THE  
TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 31, 2000  
AUDITOR'S NO: 200007310104 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SHAMROCK LANDS, INC.

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EXHIBIT D CONTINUED

52. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED BY INSTRUMENT  
RECORDED: MAY 3, 2001  
AUDITOR'S FILE NO.: 200105030061, RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STEPHEN L. MCMINN  
FOR: INGRESS AND EGRESS  
AFFECTS: PARCEL 5
53. EASEMENT FOR CHANNEL FOR GRANDY CREEK AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: SEPTEMBER 20, 1971  
AUDITOR'S NO: 758244 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SKAGIT COUNTY  
AFFECTS: PARCEL 6
54. ELECTRIC TRANSMISSION LINE EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: FEBRUARY 10, 1926  
AUDITOR'S NO: 191426 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: PUGET SOUND POWER AND LIGHT COMPANY  
AFFECTS: PARCEL 6
55. FOREST PROTECTION ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: MARCH 30, 1937  
AUDITOR'S NO: 288260 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE DIVISION OF FORESTRY  
AFFECTS: PARCEL 6
56. MINERAL EXCEPTIONS AND RESERVATIONS AS CONTAINED IN DEED FROM:  
THREE RIVERS TIMBER COMPANY  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
AFFECTS: PARCEL 6
57. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
AUDITOR'S NO: 781761, 8504260011, 8701020008 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STATE OF WASHINGTON  
AFFECTS: PARCEL 6

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EXHIBIT D CONTINUED

58. ROAD EASEMENT AND THE TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 7, 1989  
AUDITOR'S NO: 8907070041 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: THREE RIVERS TIMBER COMPANY  
AFFECTS: PARCEL 6
59. NONEXCLUSIVE RIGHT AND LICENSE TO USE ACCESS ROAD AND THE  
TERMS AND CONDITIONS THEREOF;  
RECORDED: JULY 31, 2000  
AUDITOR'S NO: 200007310104 RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: SHAMROCK LANDS, INC.  
AFFECTS: PARCEL 6
60. EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF, GRANTED  
BY INSTRUMENT  
RECORDED: MAY 3, 2001  
AUDITOR'S FILE NO.: 200105030061, RECORDS OF SKAGIT COUNTY  
IN FAVOR OF: STEPHEN L. MCMINN  
FOR: INGRESS AND EGRESS  
AFFECTS: PARCEL 6
62. ANY PROHIBITION OR LIMITATION ON THE USE, OCCUPANCY, OR  
IMPROVEMENT OF THE LAND RESULTING FROM THE RIGHTS OF THE PUBLIC  
OR RIPARIAN OWNERS TO USE ANY WATERS WHICH MAY COVER THE LAND  
OR TO USE ANY PORTION OF THE LAND WHICH IS NOW OR MAY FORMERLY  
HAVE BEEN COVERED BY WATER.
63. Right of use, control, or regulation by the United States of America in the exercise of  
power over navigation.
64. ANY QUESTION THAT MAY ARISE DUE TO SHIFTING OR CHANGE IN THE  
COURSE OF THE SWEDE CREEK, THOMAS CREEK, GRANDY CREEK, ALDER  
CREEK, PALMER LAKE, SILVER CREEK AND SAMISH RIVER OR DUE TO SAID  
SWEDE CREEK, THOMAS CREEK, GRANDY CREEK, ALDER CREEK, PALMER  
LAKE, SILVER CREEK AND SAMISH RIVER HAVING SHIFTED OR CHANGED  
ITS COURSE.

CONTINUED.....



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EXHIBIT D CONTINUED

65. Right of the State of Washington in and to that portion of the property described herein, if any, lying in the bed or former bed of the Swede Creek, Thomas Creek, Grandy Creek, Alder Creek, Palmer Lake, Silver Creek and Samish River, if navigable.
66. Rights to the standing timber and all lying down timber as conveyed by Timber Deed;  
RECORDED: OCTOBER 5, 2001  
AUDITOR'S FILE NO.: 200110050144, RECORDS OF SKAGIT COUNTY,  
WASHINGTON  
GRANTEE: I.P. FORESTRY, LLC  
AFFECTS: PARCELS 1, 2, 3, 4, 5 AND 6
67. Easement, including the terms and conditions thereof; entered into;  
BY: STEPHEN L. MCMINN  
AND BETWEEN: TRILLIUM CORPORATION  
RECORDED: MAY 3, 2001  
AUDITOR'S NO.: 200105030061, RECORDS OF SKAGIT COUNTY,  
WASHINGTON  
PROVIDING: ROAD MAINTENANCE
68. AGREEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF;  
ENTERED INTO;  
BY: SHAMROCK LANDS  
AND BETWEEN: TRILLIUM  
RECORDED: JULY 13, 2000  
AUDITOR'S NO.: 200007310104, RECORDS OF SKAGIT COUNTY,  
WASHINGTON  
PROVIDING: ROAD USAGE

END OF EXHIBIT D



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