



200611150087

Skagit County Auditor

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Document Title:

Easement

Reference Number:

Grantor(s):

☐ additional grantor names on page ____

1. Sierra Pacific Holding Company
2. Drummond Timber, LLC

Grantee(s):

☐ additional grantee names on page ____

1. Drummond Timber, LLC
2. Sierra Pacific Holding Company

Abbreviated legal description:

☐ full legal on page(s) ____

20-34-10

Assessor Parcel / Tax ID Number:

☐ additional tax parcel number(s) on page ____

P31074/34020-1-001-0001 SPHC

P 31075 / 341020-1-003-0009 DT, LLC

EXCHANGE OF ROAD EASEMENTS

THIS INDENTURE, made this 1st day of October, 2006,
by and between SIERRA PACIFIC HOLDING COMPANY, a corporation of the
State of California, and Drummond Timber, LLC of the State of
~~California.~~ *WPN*
WASHINGTON

RECITALS :

The parties own real property described on Exhibit "A" and wish to
exchange easements for road purposes over their respective properties.

AGREEMENT:

1. Each party (as "grantor") hereby grants to the other party (as
"grantee") a non-exclusive easement to construct, reconstruct,
maintain and use a private road over and upon the grantor's real
property in the locations shown on the map marked Exhibit "B". The
grant of easement to each grantee shall be appurtenant to the real
property of such grantee described in Exhibit "C". The grants
hereunder are subject to all outstanding liens, encumbrances and
claims of title which may affect said property.

2. Said easement shall be 60 feet in width, being 30 feet on
either side of the road centerline as it is constructed or more as
necessary to accommodate cut and fill slopes and drainage structures.

3. If either party maintains a locked gate across a road
hereunder, the party shall provide the other party a key to the lock
or make such other arrangements for passage through the gate
satisfactory to each other party.



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4. This grant of easement shall be for forest management and timber hauling purposes only. Any other uses shall be prohibited without the written permission of Grantor.

5. Failure by Grantee to construct or reconstruct the road on said easement in conformance with specifications in said Exhibit "D" by date of December 31, 2011, or non-use for a continuous period of 10 years shall be conclusive evidence of abandonment thereof and said easement shall cease and terminate.

6. Grantee agrees to release, defend, indemnify and save harmless Grantor from and against all liability, claims, causes of action, cost and expense for any and all injuries to or deaths of persons whomsoever including employees of either party, and any and all loss, destruction, damage or trespass to property, real or personal whatsoever including the property of either party, caused by or arising out of the exercise of permission granted hereunder, regardless of any negligence, active, passive or otherwise on the part of Grantor or the agents, officers or employees thereof.

7. Grantee shall, at its expense, comply with all applicable laws, regulations, rules and orders, regardless of when they become or became effective, including without limitation those relating to health, safety, noise, environmental protection, waste disposal and water and air quality, and furnish satisfactory evidence of such compliance upon request of Grantor.

Should any discharge, leakage, spillage, emission or pollution of any type occur upon or from the granted premises due to Grantee's use



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and occupancy thereof. Grantee, at its expense, shall be obligated to clean the premises to the satisfaction of Grantor and any governmental body having jurisdiction thereover.

8. Exhibits "A", "B", "C", and "D" are attached and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first herein written.

SIERRA PACIFIC HOLDING COMPANY

By: *[Signature]*
MANAGING MEMBER

By: *[Signature]*
M.D. EMMERSON - CFO - VP

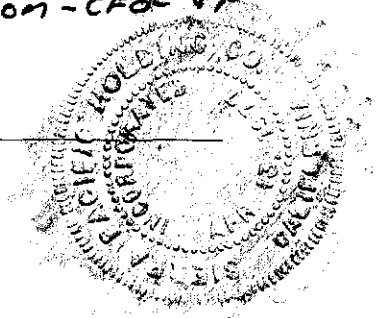
By: _____

Attest: _____

Basement
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

NOV 15 2006

Amount Paid ☒
Skagit County Treasurer
By: *[Signature]* Deputy



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ACKNOWLEDGMENT

State of California
County of San Joaquin

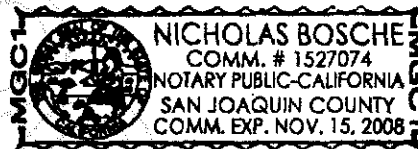
On Oct. 23, 2006 before me, Nicholas Bosche, Notary Public,
(here insert name and title of the officer)

personally appeared Darrell J. Drummond

personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



(Seal)



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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Shasta

ss.

On 10-12-06

Date

, before me, Jack G. Frost, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

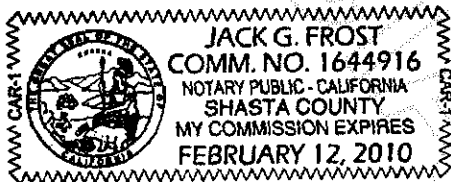
M.O. Emerson

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



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EXHIBIT "A"

Real Property Description

Sierra Pacific Holding Company property: South $\frac{1}{2}$ of Section 17, T34N, R10E and the North $\frac{1}{2}$ of the North $\frac{1}{2}$ of Section 20, T34N, R10E in Skagit County, Washington.

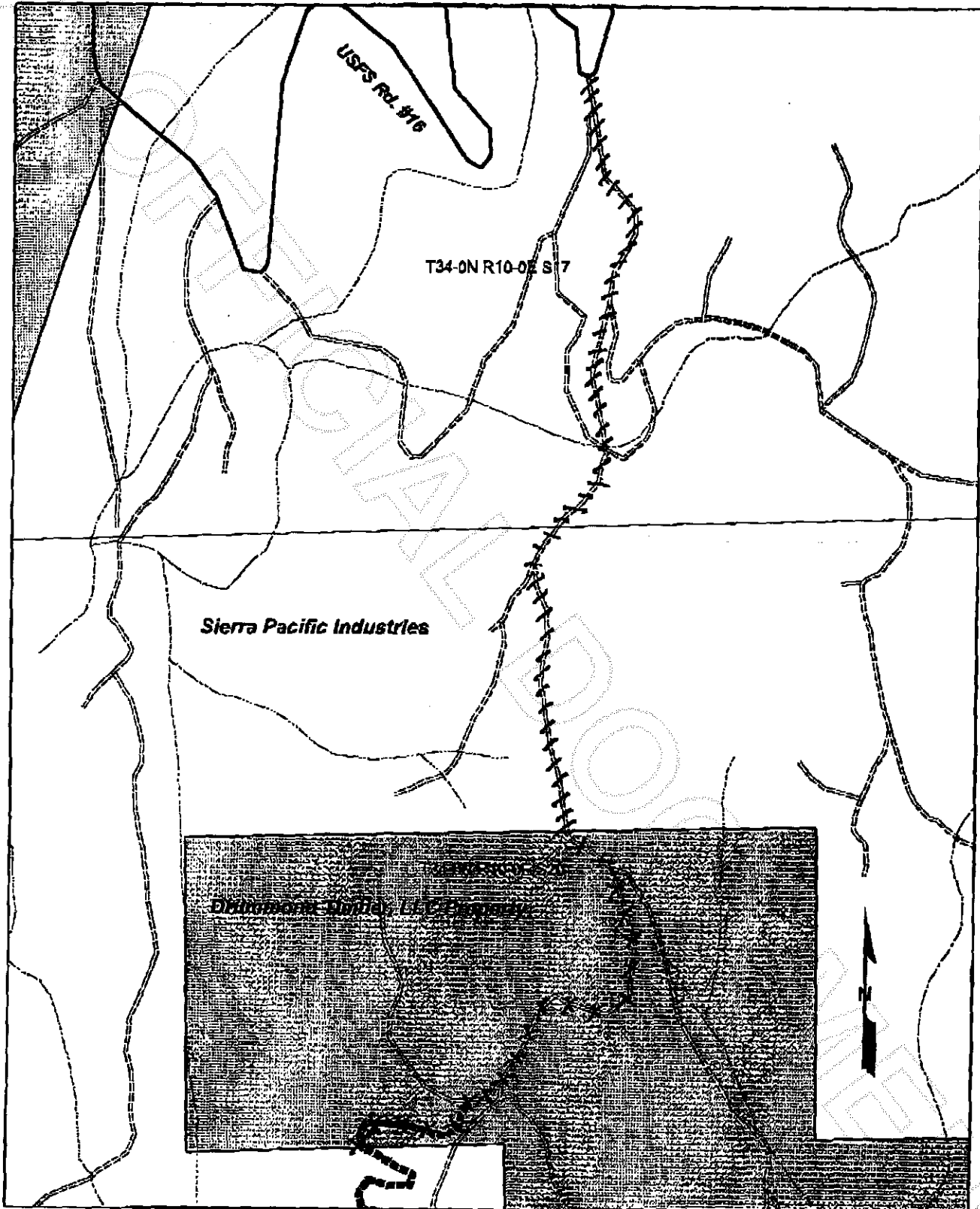
Drummond Timber, LLC property: Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20, T34N, R10E in Skagit County, Washington.







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EXHIBIT "B" **Sierra Pacific Industries/Drummond Timber, LLC** **Reciprocal Easements**



Legend

-  Existing Road
-  New Road Construction
-  Sierra Pacific Ind. ("Grantor")
-  Drummond Timber, LLC ("Grantor")



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EXHIBIT "C"

Appurtenant Real Property Description

Sierra Pacific Holding Company property: Southeast $\frac{1}{4}$ of Section 20, T34N, R10E in Skagit County, Washington.

Drummond Timber, LLC property: Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and the Southeast $\frac{1}{4}$ of Section 20, T34N, R10E in Skagit County, Washington.



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EXHIBIT "D"

Road Construction and Maintenance Specifications

1. Construction and reconstruction of roads on said easements and installation of appurtenant road structures by Grantee shall comply with all applicable valid statutes, ordinances, and governmental regulations and rulings, including but not limited to, the Washington Practice Act (RCW 76.09), Forest Practice Rules (WAC 222), Environmental Quality Act of 1970 and amendments thereto.

2. Grantor and Grantee shall maintain the roads constructed or reconstructed on said easements to the extent of use they make thereof. Said maintenance shall be on the basis of standards recognized by the forest industry of Washington, and required by applicable state laws and regulations, and in a manner of conformance with normal practice designed to protect the roads for future as well as current use.



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