

RETURN DOCUMENT TO:

Trillium Corporation
1329 N State Street, Suite 201
Bellingham, WA 98225
Attn: Valorie Handerson



200912010053

Skagit County Auditor

12/1/2009 Page 1 of 10 11:11AM

DOCUMENT TITLE: EASEMENT AGREEMENT

RELATED DOCUMENT: None

GRANTOR: LISA, INC., a Washington corporation

GRANTEE: TRILLIUM CORPORATION, a Washington corporation

ABBREVIATED LEGAL: PTNS OF S 26, 27, 34, 35 T36N R4E, and S3 T35N R4E
(Additional Legal Located on Page 8-9 of Document.)

ASSESSOR'S TAX PARCEL NO.: P35704 (350403-0-006-0006), P50087 (360426-3-003-0104), P50155 (360427-4-002-0003), P125644 (360427-4-003-0100); P125645 (360427-4-003-0200), P125646 (360427-4-003-0300), P125647 (360427-4-003-0400); P125648 (360427-4-003-0500), P125649 (360427-4-003-0600), P125618 (360434-1-001-0100); P125619 (360434-1-001-0200), P125620 (360434-1-001-0300), P125621 (360434-1-001-0400); P125622 (360434-1-001-0500), P125623 (360434-1-001-0600), P125624 (360434-1-001-0700); P125625 (360434-1-001-0800), P125626 (360434-1-001-0900), P125627 (360434-1-001-1000); P125628 (360434-1-001-1100), P125629 (360434-1-001-1200), P125630 (360434-1-001-1300); P125631 (360434-1-001-1400), P125632 (360434-1-001-1500), P125633 (360434-1-001-1600); P125634 (360434-1-001-1700), P125635 (360434-1-001-1800), P125636 (360434-1-001-1900); P125637 (360434-1-001-2000), P125638 (360434-1-001-2100), P125639 (360434-1-001-2200); P125640 (360435-2-004-0100), P125641 (360435-2-004-0200), P125642 (360435-2-004-0300); P125643 (360435-2-004-0400)

CHICAGO TITLE CO.

62000940

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Easement") is made between LISA, INC., a Washington corporation, herein called "GRANTOR" and TRILLIUM CORPORATION, a Washington Corporation, herein called "GRANTEE" dated as of November __, 2009 "Effective Date."

Conveyances. Grantor hereby grants and conveys to Grantee and its successors and assigns, a permanent, non-exclusive easement over roads existing on approximately 728.60 acres of real property lying north of the Grip Road in Skagit County, legally described as set forth in Exhibit A (the "Property"), said easement to be sixty feet (60) in width running thirty feet (30) on each side of center line of all existing roads located on the Property as approximately shown on Exhibit B together with so much of the surface Property as may be reasonably necessary to extract sand, clay, gravel, aggregate, granite, stone, and rock, including decorative rock ("Rock")

from the Property (the "Easement Area"). REGARDLESS OF THE FOREGOING, prior to November 12, 2012 neither Grantor nor Grantee shall undertake to log the Property, extract minerals or Rock from the Property, lease the Property, permit or grant liens against the Property or the Rock, grant easements or road use permits over the Property, or change or consent to a change in any Urban Growth Boundaries or other entitlement issues that might adversely impact the future development potential of the Property. Capitalized terms herein will have the meaning given them in the Contribution Agreement between the parties of even date herewith.

Purpose. The easement is conveyed to provide ingress and egress to and from the Rock and to permit Grantee to extract the Rock located on, in or under the Property. Authorized use shall include the right to travel, maintain and repair existing roads, and construct new roads deemed necessary for access to or removal of the Rock.

Reservations. Grantor reserves all rights incident to fee ownership of the Easement Area and the right of use of the Easement Area for any purpose including but not limited to the right at all times to cross and re-cross the Easement Area at any place, and the right to use, maintain, patrol, reconstruct or repair the Easement Area so long as it does not unreasonably interfere with the rights granted herein.

Compliance With Laws. For all activities conducted pursuant to this Agreement, each party shall, at its own expense, comply with all applicable laws.

Permittees. Grantee may permit its respective employees, agents, contractors, licensees, lessees, purchasers of Rock and their agents, herein referred to as "permittees," to exercise the rights granted to Grantee pursuant to this Easement. Acts or omissions of the permittees operating under this Easement shall be deemed acts or omissions of Grantee. Restrictions or requirements placed on the Grantee herein shall apply equally to the permittees.

Interference with Surface Estate; Intent to Begin Extracting Rock. Grantee shall not unreasonably interfere with Grantor's use of the Property and shall use only so much of the surface property as may be reasonably necessary to exercise the easement rights granted herein. Grantee shall give the Grantor at least 180 days advance written notice of Grantee's intent to begin any operations to extract Rock from the Property.

New Road Construction and Reconstruction. Grantee shall have a right to construct and reconstruct roads to be no more than forty (40) feet in width for the purpose of extracting Rock from the Property. All such roads shall be to forest practice standards set forth in Chapter 222-24 WAC as now written or hereafter amended. Grantee shall coordinate the location of all such roads with Grantor prior to construction to minimize interference with the surface estate. Any improvements to the Easement Area shall become the property of the Grantee unless otherwise agreed in writing. Grantor shall be entitled to the stumpage value of any merchantable timber that is removed as part of the road construction/reconstruction.



Maintenance. 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 applicable forest practices standards described above.

When a road is being used solely by Grantor or Grantee, 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. During periods when either party and/or other parties with an easement or license jointly use the roads, 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; and
- (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 Construction Plans. Thirty (30) days prior to any construction or reconstruction of roads by Grantee on the Property, Grantee will submit a written plan of construction to the Grantor outlining the construction or activity for approval, which shall not be unreasonably withheld. All construction and reconstruction shall comply with applicable state and local laws. In the event of an emergency that requires immediate action to protect person or property, Grantee may take reasonable corrective action without prior notice to the Grantor but in such case will notify Grantor within 24 hours of commencing such corrective action.

Waste. Grantee shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release, or dispose of any hazardous substance, or other pollutants in or on the Property or Easement Area except in accordance with all applicable laws. The term hazardous substance means any substance or material as those terms are now or are hereafter defined or regulated under any federal, state, or local law including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA 42 USC 9601 et seq.), or the Washington Model Toxic Control Act (MTCA RCW 70.105D.010.). Grantee shall immediately notify the Grantor if the Grantee becomes aware of any release or threatened release of hazardous substance on the Property, the Easement Areas or adjoining property. If a release of hazardous substance occurs in, on, under, or above Property arising out of any action of the easement holder, its contractors, subcontractors, invitees, agents, employees, licensees, or permittees, the Grantee shall, at its sole expense, promptly take all actions necessary



or advisable to clean up, contain, and remove the hazardous substance in accordance with applicable laws.

Survey Markers. Grantor and/or Grantee shall not destroy any land survey corner monuments and reference points (including but not limited to corner markers, witness objects, or line markers) without prior written approval from either party, which shall not be unreasonably withheld. Monuments or reference points that must necessarily be disturbed or destroyed during road construction or maintenance activities must be adequately referenced and replaced, at the disturbing or destroying parties expense, under the direction of a State of Washington Professional Land Surveyor, in accordance with all applicable laws of the State of Washington in force at the time of construction.

Insurance. Before using any of said rights granted herein and at its own expense, Grantee shall obtain and keep in force during the term of this agreement and require its contractors, sub-contractors, or other permittees to obtain while operating on the Easement Area, the following liability insurance policies, insuring Grantor against liability arising out of its operations, including use of vehicles.

- (a) Commercial General Liability (CGL) insurance with a limit of not less than \$1,000,000 per each occurrence or Personal Liability insurance, as applicable, under a personal liability policy, commercial liability insurance policy, or package property and liability insurance policy. If such CGL insurance contains aggregate limits, the general aggregate limits shall be at least twice the "each occurrence" limit, and the products-completed operations aggregate limit shall be at least twice the "each occurrence" limit.
- (b) Employer's liability ("Stop Gap") insurance, and if necessary, commercial umbrella liability insurance with limits not less than \$500,000 each accident for bodily injury by accident or \$500,000 each employee for bodily injury by disease.
- (c) Business Auto Policy (BAP) insurance, and if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 per accident, with such insurance covering liability arising out of "Any Auto".

Grantee shall furnish upon request by Grantor certificates of insurance and endorsements for any or all permittees.

If Grantee is self-insured, evidence of its status as a self-insured entity shall be provided to Grantor.

Indemnity by the Grantee. Grantee shall defend, indemnify and hold harmless the Grantor from all claims that arise out of the negligence of the Grantee or its permittees in their use of the Easement Area or the exercise of any rights granted hereunder. A "claim" as used in this section means any financial loss, claim, suit, action, damage, or expense, including but not limited to



attorneys' fees, attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property, including the Property. Notwithstanding the foregoing, Grantee's obligation to defend, indemnify, and hold harmless the Grantor from any judgment, decree or arbitration award shall extend only to the percentage of negligence of Grantee and its permittees in contribution to such claim. This indemnification shall survive the expiration or termination of this Easement.

Notice. Unless otherwise specified herein, any notices required or permitted under this Agreement may be delivered personally, sent by facsimile machine or mailed certified, return receipt requested, to the following addresses or to such other place as the parties hereafter direct. Notice will be deemed given upon receipt or when receipt is refused.

To Grantor:

Lisa, Inc.
c/o Concrete Nor-West
PO Box 280
Mount Vernon, WA 98273
Tel: 360-757-3121
Fax: 360-757-3052

To Grantee:

Trillium Corporation
1329 North State Street, Suite 201
Bellingham, WA 98225
Attn: Randy Bartelt
Tel: 360-676-9400
Fax: 360-733-1202

Prior Right. The rights granted by this Easement are subject to all matters of public record.

Modifications. This Easement may be modified only by a written agreement executed by both Grantor and Grantee.

Severability. If any provision of this Easement is held to be invalid or unenforceable, it shall not affect the validity of any other provision herein, and to this end the provisions of this Easement are declared to be severable.

Waiver. Neither Grantor or Grantee's waiver of the breach of any covenant under this Easement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

Successors and Assigns. This Easement shall run with the Property and be binding upon and shall inure to the benefit of the parties, their successors and assigns.

Exhibits. All exhibits referenced in this Easement are incorporated as part of the Agreement.

Headings. The headings in this Easement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Easement nor the meaning of any of its provisions.



IN WITNESS WHEREOF, the parties hereto have executed this Easement as of the date and year first above written.

LISA, INC.
a Washington corporation

TRILLIUM CORPORATION,
a Washington corporation

By [Signature]
Name BRAD BARTON
Title AGENT

By [Signature]
Name CHRIS BENNER
Title Vice President - Real Estate

Easement
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

DEC 01 2009

Amount Paid \$ 0
Skagit Co. Treasurer
By [Signature] Deputy



200912010053

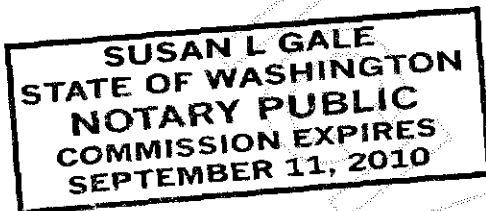
Skagit County Auditor

STATE OF WASHINGTON)
 Whatcom)
COUNTY OF SKAGIT)

SS.

I, the undersigned, a Notary Public, do hereby certify that on this 23rd day of November, 2009, Brad Barton, known to me to be the Agent of Lisa, Inc., executed the foregoing instrument as the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, personally appeared before me, and on oath stated that he is authorized to execute said instrument.

GIVEN under my hand and official seal this 23rd day of November, 2009.



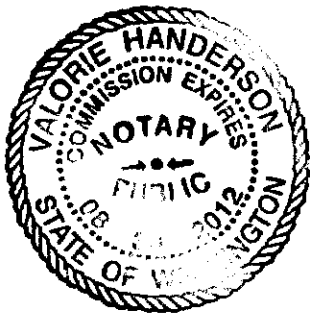
Susan Gale
Notary Public in and for the State of
Washington, residing at: Bellingham
My commission expires: 9/11/10

STATE OF WASHINGTON)
))
COUNTY OF WHATCOM)

SS.

I, the undersigned, a Notary Public, do hereby certify that on this 18th day of November, 2009, Chris Banner, known to me to be the Vice-President - Real Estate of Trillium Corporation, executed the foregoing instrument as the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, personally appeared before me, and on oath stated that he is authorized to execute said instrument.

GIVEN under my hand and official seal this 18th day of November, 2009.



Valorie Handerson
Notary Public in and for the State of
Washington, residing at: Sumas
My commission expires: 8/30/12



EXHIBIT "A"
Legal Descriptions

P35704 (350403-0-006-0006) (new legal)

The West Half of the Northwest Quarter of the Northeast Quarter of Section 3, Township 35 North, Range 4 East of the Willamette Meridian;

TOGETHER WITH that portion of the Southwest Quarter of the Northeast Quarter of Section 3, Township 35 North, Range 4 East, W.M., lying northerly of Gripp Road.

Situate in Skagit County, Washington.

P50087 (360426-3-003-0104)

The Southwest Quarter of Section 26, Township 36 North, Range 4 East of the Willamette Meridian;

EXCEPT that portion lying Northeasterly of the Samish River as it existed October 20, 1977.

Situate in Skagit County, Washington.

P50155 (360427-4-002-0003)
P125644 (360427-4-003-0100)
P125645 (360427-4-003-0200)
P125646 (360427-4-003-0300)
P125647 (360427-4-003-0400)
P125648 (360427-4-003-0500)
P125649 (360427-4-003-0600)

The Southeast Quarter of Section 27, Township 36 North, Range 4 East of the Willamette Meridian.

EXCEPT that portion lying Northwesterly of the centerline of the Samish River.

Situate in Skagit County, Washington.

P125618 (360434-1-001-0100)
P125619 (360434-1-001-0200)
P125620 (360434-1-001-0300)
P125621 (360434-1-001-0400)
P125622 (360434-1-001-0500)
P125623 (360434-1-001-0600)
P125624 (360434-1-001-0700)
P125625 (360434-1-001-0800)



200912010053

Skagit County Auditor

P125626 (360434-1-001-0900)
P125627 (360434-1-001-1000)
P125628 (360434-1-001-1100)
P125629 (360434-1-001-1200)
P125630 (360434-1-001-1300)
P125631 (360434-1-001-1400)
P125632 (360434-1-001-1500)
P125633 (360434-1-001-1600)
P125634 (360434-1-001-1700)
P125635 (360434-1-001-1800)
P125636 (360434-1-001-1900)
P125637 (360434-1-001-2000)
P125638 (360434-1-001-2100)
P125639 (360434-1-001-2200)

The Northeast Quarter; the East Half of the Northwest Quarter; the East Half of the Southwest Quarter; the North Half of the Southeast Quarter and the Southwest Quarter of the Southeast Quarter of Section 34, Township 36 North, Range 4 East of the Willamette Meridian.

Situate in Skagit County, Washington.

P125640 (360435-2-004-0100)
P125641 (360435-2-004-0200)
P125642 (360435-2-004-0300)
P125643 (360435-2-004-0400)

The West Half of the Northwest Quarter of Section 35, Township 36 North, Range 4 East of the Willamette Meridian.

Situate in Skagit County, Washington.

AND EXCEPT all sand, clay, gravel, aggregate, granite, stone, and rock, including decorative rock located on, in or under the property, which is expressly reserved by Seller.



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Skagit County Auditor

