



201411260078

Skagit County Auditor
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After Recording Return to:
Sierra Pacific Industries
14353 McFarland Road
Mount Vernon, WA 98273
Attention: Hamilton District

Document Title(s) (or transactions contained therein):	GUARDIAN NORTHWEST TITLE CO. <i>107490 -1</i>
1. Easement Agreement	
2.	
3.	
Reference Number(s) of Documents assigned or released: (or page ___ of document(s))	
- N/A -	
Grantor(s) (Last name first, then first name and initials):	
1. Sierra Pacific Industries	
2.	
3.	
4. <input type="checkbox"/> Additional names on page ___ of document.	
Grantee(s) (Last name first, then first name and initials):	
1. Goodyear Nelson Lumber Company	
2.	
3.	
4. <input type="checkbox"/> Additional names on page ___ of document.	
Legal Description (abbreviated: i.e., lot, block, plat or section, township, range)	
<i>PTN SE-NE 4-35-8</i>	
<input type="checkbox"/> Additional legal on page ___ of document.	
Assessor's Property Tax Parcel/Account Number	<i>P43375 P43385</i>
<i>no monetary consideration</i>	

EASEMENT AGREEMENT

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

SIERRA PACIFIC INDUSTRIES, A CALIFORNIA CORPORATION ("Grantor"),

hereby OUI CLAIMS to Goodyear Nelson Lumber Company ("Grantee")

an easement as more particularly described in **Exhibit A** attached hereto (the "Easement"), on, over and across Grantor's real property located in the County of Skagit, State of Washington, such property being more particularly described in **Exhibit B** attached hereto (the "Grantor Property"), for the benefit of Grantee's real property located in the County of Skagit, State of Washington, such property being more particularly described in **Exhibit C** attached hereto (the "Grantee Property"). Such easement shall be subject to the following terms and conditions:

1. Grantor's Reservation of Rights. Grantor reserves the right to cross and recross the Easement and to use the road thereon, or to be constructed thereon (the "Road"), in any manner that will not unreasonably interfere with rights granted to Grantee hereunder. Grantor reserves the right to relocate or modify the Easement and/or the Road, provided that such relocation or modification does not unreasonably interfere with the general intent or Grantee's use of such Easement or Road.

2. Covenants Run with the Lands. The covenants set forth in this Agreement shall be deemed to be covenants running with and binding upon the land pursuant to applicable law, and each covenant to do or refrain from doing some act with respect to the real property described herein or any portion thereof shall benefit and be enforceable by, in the case of Grantee, and be binding upon, in the case of Grantor, all successive owners of the real property affected hereby and every part thereof and all persons or entities having any interest therein derived from or through any owner of the Grantor Property.

3. Authorized Use. Grantee shall neither use nor permit any use of the Easement or the Road for any purpose other than Forest Management and Timber Hauling. The Easement granted under this Agreement is subject to all existing easements, leases, liens, conditions, restrictions, encumbrances and claims of title that affect the Easement, the Road or the Grantor Property. Grantee accepts the Easement and the Road (including, without limitation, all Grantor-owned improvements) in their present condition and without any representation or warranty by Grantor as to the condition of such Easement or Road. Grantor shall not be responsible for or liable to Grantee for any defect or change of conditions in the Easement, the Road or the Grantor Property or any damage occurring thereto.

4. Compliance with Laws. Grantee expressly understands and agrees that Grantee is responsible for abiding by and complying with all federal, state, county and local laws, rules, regulations and ordinances applicable to its use of the Easement and the Road, including, but not limited to, those relating to substances, chemicals, wastes, sewage or other materials that are regulated, controlled or prohibited or relating to pollution or protection of the environment, of natural resources or of public health and safety. No smoking shall be permitted on the Grantor Property at any time.



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SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

NOV 26 2014

Amount Paid \$
Skagit Co. Treasurer

By *ham* Deputy

5. Indemnity.

(a) To the fullest extent permitted by law and subject to the following conditions, Grantee shall defend, indemnify and hold harmless the "Grantor Indemnitees" (as defined herein below) from and against claims, liabilities, damages, losses and expenses, direct and indirect, or consequential, including, but not limited to, costs and attorneys' fees incurred on such claims and in proving the right to indemnification, whether occurring in connection with Grantee's completed or ongoing operations, arising out of or resulting from the acts or omissions or other conduct of the Grantee, its independent contractors, subcontractors, or material suppliers of any tier, and their and the Grantee's agents, representatives, and anyone directly or indirectly employed by them or anyone for whose acts they may be liable ("Indemnitor"). Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person under this Agreement.

(b) Grantee will fully defend and indemnify the Grantor Indemnitees for the sole negligence of the Indemnitor.

(c) To the extent of the Indemnitor's negligence, Grantee will indemnify the Grantor Indemnitees for the concurrent negligence of the Indemnitor. Grantee agrees to being added by the Grantor Indemnitees or any consultant or other third party as a party to any arbitration or litigation with third parties in which the Grantor Indemnitees allege indemnification or contribution from Grantee, or any of its subcontractors of any tier, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable. Grantee agrees that all of its subcontractors of any tier will, in their subcontracts, similarly stipulate; in the event any does not, the Grantee shall be liable in place of such subcontractor(s) of any tier. To the extent any portion of this section is stricken by a court or arbitrator for any reason, all remaining provisions shall retain their vitality and effect.

(d) "Grantor Indemnitees" shall mean Grantor and its successors, assigns, officers, directors, employees, agents, representatives, subsidiaries and/or affiliates.

(e) This indemnity provision is not intended to and shall not in any way limit the extent of any insurance coverage available to any of the Grantor Indemnitees under any insurance policy purchased and maintained by the Grantor or the Grantee.

(f) In claims against any person or entity indemnified under this Section 5 by an employee of Grantee, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Grantee or its independent contractors, subcontractors, or material suppliers of any tier under workers' compensation acts, disability benefit acts or other employee benefit acts. After mutual negotiation of the parties, Grantee waives immunity as to the Grantor Indemnitees only under Title 51 RCW, "Industrial Insurance." THIS PROVISION HAS BEEN MUTUALLY NEGOTIATED BETWEEN THE GRANTOR AND THE GRANTEE, AND THE GRANTEE HEREBY WAIVES THIS IMMUNITY. Initials by Grantee Initials by Grantor



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6. Mediation; Arbitration.

(a) The parties covenant to attempt in good faith to resolve all disputes or controversies that arise out of or relate to this Agreement. If the parties cannot in good faith resolve any such dispute or controversy, such dispute or controversy shall be submitted to mediation in accordance with the rules of the American Arbitration Association. In the event the parties are unable to finally resolve any dispute or controversy through such mediation within a commercially reasonable period of time, the parties shall submit any such dispute or controversy to arbitration in accordance with Sections 6(b) or 6(c) below, as applicable.

(b) In the event the parties are unable to resolve any dispute or controversy through mediation in accordance with Section 6(a) above, and the amount in controversy is \$100,000 or less, such dispute or controversy shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. With respect only to any such dispute or controversy that is in an amount of \$100,000 or less, the parties to this Agreement (i) expressly waive their rights to utilize federal or state courts to resolve any such dispute or controversy and (ii) agree that the decision of the arbitrator shall be final and binding on all parties and may be entered as a judgment in court of competent jurisdiction.

(c) In the event the parties are unable to resolve any dispute or controversy through mediation in accordance with Section 6(a) above, and the amount in controversy is more than \$100,000, such dispute or controversy may (i) if agreed by the parties, be submitted to binding or non-binding arbitration, as the parties may agree, in accordance with the rules of the American Arbitration Association or (ii) be submitted to any federal or state courts having jurisdiction to resolve any such dispute or controversy.

(d) If arbitration or court action is necessary to resolve any alleged dispute, breach, default or misrepresentation in connection with this Agreement, the "Prevailing Party" (as defined below) shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which the party may be entitled. Any such attorneys' fees and costs incurred by the Prevailing Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such obligation to pay attorneys' fees and costs is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment. If the dispute or controversy is resolved through arbitration, the "Prevailing Party" shall be the party determined to be the prevailing party by an arbitrator or arbitration panel.

(e) Notwithstanding the foregoing, nothing contained in this Section 6 shall prevent either party hereto from seeking and obtaining injunctive relief against the other party's activities in breach of this Agreement.

7. Entire Agreement. This Agreement, together with any and all attachments and Exhibits, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. Any changes to this Agreement made by the parties shall be invalid unless executed in a writing signed by all parties.

8. No Third Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto and their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.



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9. Additional Terms. The additional terms and conditions set forth on **Exhibit D** attached hereto are hereby incorporated in this Agreement as if fully set forth herein.

DATE: _____

SIERRA PACIFIC INDUSTRIES,
A CALIFORNIA CORPORATION

By: _____

Title: _____

M. D. Emmerton

CEO

Goodyear Nelson Lumber Company

By: _____

Title: _____

Paul Kruger

Resource Manager



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STATE OF Washington }

County of Skagit }

SS:

I certify that I know or have satisfactory evidence Paul Kriegel

_____ the person who appeared before
me, and said person acknowledged that he signed this instrument, on oath stated He is
authorized to execute the instrument and is Resource Manager

_____ of Goodyear Nelson Hardwood Lumber Company, Inc., *
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

A Washington Corp.

Dated: October 20, 2014

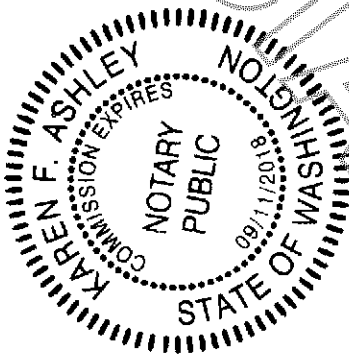
Karen Ashley

Karen Ashley

Notary Public in and for the State of Washington

Residing at Sedro-Woolley

My appointment expires: 9/11/2018



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ACKNOWLEDGMENT

State of California

County of Shasta

On November 5, 2014 before me, Susan E. Witherspoon, Notary Public
(insert name and title of the officer)

personally appeared M. D. Emmerson
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Susan E. Witherspoon

(Seal)



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EXHIBIT A

Description of Easement

Sierra Pacific Industries property:

Existing roadway 60 feet in width, 30 feet on each side of centerline, commonly referred to as logging road "831W", wholly within the South $\frac{1}{2}$ Southeast $\frac{1}{4}$ Northeast $\frac{1}{4}$ of Section 4, T35N, R8E, W.M in Skagit County, Washington.



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EXHIBIT B

Description of Grantor Property

Sierra Pacific Industries property: South $\frac{1}{2}$ Southeast $\frac{1}{4}$ Northeast $\frac{1}{4}$ of Section 4, T35N, R8E, W.M in Skagit County, Washington.



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EXHIBIT C

Description of Grantee Property

Goodyear Nelson Lumber Company property: P43375 & P43385

PARCEL "A":

The South 40 rods of Government Lot 1 of Section 4, Township 35 North, Range 8 East, W.M., Except that portion thereof, if any, lying within the North 40 rods of said Government Lot 1.

PARCEL "B":

Government Lot 2 of Section 4, Township 35 North, Range 8 East, W.M., EXCEPT the North 20 rods thereof; ALSO EXCEPT that portion thereof, if any, lying within the North ¼ of said Government Lot 2.

PARCEL "C":

The North ½ of the South ½ of the Northeast ¼ of Section 4, Township 35 North, Range 8 East, W.M., EXCEPT that portion thereof lying within the County road right-of-way known as the Burpee Hill Road.



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EXHIBIT D

Additional Terms

1. Signs; Gate. A sign reading "RIGHT TO PASS BY PERMISSION, AND SUBJECT TO CONTROL OF OWNER: SECTION 4.24.210, REVISED CODE OF WASHINGTON SIERRA PACIFIC INDUSTRIES" may be erected and maintained by Grantor along the Easement and the Road at each point of entry upon the Grantor Property. Grantor shall have the right to erect and maintain locked gates across the Road at any point and, if such a gate or gates are erected or already exist, Grantor shall provide Grantee with a key to any such gate or shall make other arrangements reasonably satisfactory to Grantee for passage through such gate or gates.

2. Damage or Destruction. If Grantee causes the destruction of any of Grantor's land, crops, grass, trees, livestock, improvements or other property on the Grantor Property, Grantee agrees to promptly repair or pay the full replacement value of such damaged property (regardless of amortization) to Grantor, at Grantor's reasonable discretion.

3. Grantee's Insurance.

(a) At all times during which this Agreement is in effect, Grantee shall procure and maintain, at its own expense, all of the following coverage and in the amounts described below:

(i) Commercial General Liability (CGL) insurance with minimum limits of \$1,000,000 each occurrence; \$1,000,000 General Aggregate. CGL insurance shall be written on ISO occurrence form CG 00 01 or equivalent and shall cover liability arising from 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 assumed in a business contract). Such CGL insurance shall name and include Grantor and all subsidiaries and affiliates of Grantor, and their officers, directors, agents and employees, as Additional Insureds using ISO additional insured endorsement CG 20 10 11 85 or its equivalent; OR any combination of homeowner personal liability and/or personal umbrella liability insurance coverage with aggregate minimum limits of \$1,000,000 each occurrence which includes substantially similar liability coverage types as required for the CGL described in this subparagraph; and

(ii) Commercial Automobile Liability (CAL) insurance with minimum limits of \$1,000,000 per accident. CAL insurance shall include coverage for any owned, non-owned, leased or hired vehicle written on an insurance industry standard form (CA 00 01) or equivalent; OR any combination of personal automobile and personal umbrella liability insurance coverage with aggregate minimum limits of \$1,000,000 per accident and which includes substantially similar liability coverage types as required for the CAL described in this subparagraph.

(b) All policies and coverage procured by Grantee as required herein (collectively, "Policies") shall include a separation of insureds clause. The Policies shall not include a deductible in excess of \$10,000.00 per loss without Grantor's written approval. The Policies shall be endorsed to include (i) a waiver of subrogation and (ii) a provision that specifies the Policies are primary and that any insurance or self-insurance maintained by Grantor shall not contribute with it and (iii) that the waiver of subrogation shall not affect the Grantor's right, or any additional insured's right, to recover under such insurance policy.

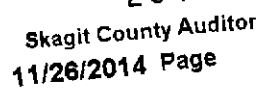


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(d) If Grantee's CAL or other automobile liability coverage required by Section 3(a)(ii) above covers scheduled automobiles only, in no event shall Grantee operate, on any property owned by Grantor or any subsidiary or affiliate of Grantor, any automobile that is not specifically listed on the schedule of insured automobiles issued by Grantee's insurer as required in this Section 3.

(e) Notwithstanding any other provision of this Agreement, and separate and apart from any obligation of Grantee to indemnify, if Grantee's insurance carrier fails or refuses to defend or indemnify pursuant to an additional insured endorsement because of a failure to obtain an additional insured endorsement, policy deductible, self-insured retention or unauthorized coverage deletion, Grantee shall stand in the place of its insurer and defend and indemnify to the same extent that an insurer issuing the coverage as required herein would under Washington law.

Sierra Pacific Industries
PO Box 496014
Redding, CA 96049
ATTN: Insurance Administrator



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EXHIBIT E

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 Forest 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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